

## **CITY COUNCIL MEMORANDUM**

### **AGENDA ITEM**

**AUTHORIZE A MEMORANDUM OF UNDERSTANDING AND AGREEMENT WITH THE KILLEEN ECONOMIC DEVELOPMENT CORPORATION FOR THE DOWNTOWN IMPROVEMENTS, PHASE II PROJECT**

### **ORIGINATING DEPARTMENT**

**PUBLIC WORKS/TRANSPORTATION**

### **BACKGROUND INFORMATION**

On May 29, 2012, the City Council passed a resolution authorizing the award of a construction contract bid for the Downtown Streetscaping and Andy K. Wells Trail Extension project (CCM/R 12-015R). This first phase of Downtown Improvements was substantially completed in early 2014.

On January 2, 2014, the Killeen Economic Development Corporation (KEDC), approved a Performance Agreement with Solix, Inc. to lease a building at 402 East Avenue D, which will serve as a customer care center and will include call center operations. As part of that agreement, the KEDC will pay the City of Killeen for a portion of the Downtown Improvements, Phase II project to extend Avenue D two blocks east to 10<sup>th</sup> Street and improve drainage on 10<sup>th</sup> Street (the "Project").

### **DISCUSSION/CONCLUSION**

The attached Memorandum of Understanding and Agreement proposes a that the City accept the amount of \$300,000 as the contributing portion from the KEDC for the project, which includes streetscaping improvements on Avenue D and drainage improvements along 10<sup>th</sup> Street.

The Project budget estimates a total project cost of \$1,624,877, with \$1,404,367 being the estimated construction project costs. The City will provide funding for this expenditure and the KEDC will advance \$300,000 towards the total Project costs.

As indicated by a separate resolution and budget amendment ordinance being proposed, the proposed engineering contract submitted by Walker Partners, L.L.C., in the amount of \$220,510, provides engineering services including surveying, design, permitting, and bidding administration for the Project, which is the first step in moving forward with this Project.

### **FISCAL IMPACT**

The City's General Fund will be increased by the amount of \$300,000, which the KEDC will pay to the City of Killeen.

## **RECOMMENDATION**

Staff recommends that the City Council authorize the City Manager to enter into a Memorandum of Understanding and Agreement with the Killeen Economic Development Corporation for the amount of \$300,000, and that the City Manager be expressly authorized to execute any and all change orders within the amounts set by state and local law.