



AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
November 24, 2014	Action Item #11-B	#14-082 A

TO: Mayor and City Council

FROM: Nolan K. Young, City Manager *nky*

DATE: November 17, 2014

ISSUE: Approval of the use of Enterprise Zone Fees for Award of Construction Contract for Mid-Columbia Fire and Rescue District (MCF&R) Station #2 Remodel

BACKGROUND: We previously sent an Agenda Staff Report to the Council on this issue stating we would be meeting with MCF&R and the County on Friday to develop a plan. We recommend that City Council approve doing the full remodel including all three alternate items as previously identified. To accomplish this, an additional \$72,872 needs to be identified.

The City Council previously agreed to provide \$34,000 per year from the Google Enterprise Zone fees to MCF&R to run a student intern program starting in either fiscal year 2015-16 or 2016-17. We recommend that we use these funds for the first two years to provide \$68,000 to MCF&R for the Station #2 remodel. Since the need for the funds will occur before we receive the Google funds, we further recommend that the City provide \$68,000 from the General Fund Contingency with the understanding that this will be reimbursed from the enterprise zone funds when they are received in a year or two. The remaining amount needed for the project (\$4,872) plus any amount needed for unforeseen change orders will need to be paid by MCF&R from their building reserve funds.

BUDGET IMPLICATIONS: The City will need to amend its budget reducing contingency by \$68,000 and maintain a deficit in the contingency fund until the funds are repaid in the next one or two years, if this recommendation is approved.

COUNCIL ALTERNATIVES:

1. *Staff Recommendation: Approve the use of the initial Enterprise Zone fees intended for the remodel of Station #2 and designate \$68,000 from the City's General Fund Contingency to be paid back from future enterprise zone fees that were to be allocated to Mid-Columbia Fire and Rescue District, contingent on MCF&R providing the remaining funds necessary from their building reserve funds, and contingent on approval by Wasco County and the MCF&R Board.*
2. Approve award of the base bid with funds already allocated from the Enterprise Zone initial fee, contingent on approval by Wasco County and the MCF&R Board.