

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

LOAN ORDER – BRIDGE REPAIR BONDS

To borrow \$3,600,000 to pay additional costs of bridge repairs and all costs incidental and related thereto.

IT IS ORDERED BY THE CITY COUNCIL OF THE CITY OF LOWELL BY A TWO-THIRDS VOTE as follows:

Ordered: That the sum of \$3,600,000 is appropriated to pay costs of making additional bridge repairs and all costs incidental and related thereto, and that to meet this appropriation the Treasurer, with the approval of the City Manager, is authorized to borrow \$3,600,000 and to issue bonds or notes therefor under G.L. c.44, §7(1) or any other enabling authority; that the City Manager is authorized to contract for and expend any federal or state aid available for the projects; that the amount appropriated and authorized to be borrowed by this order shall be reduced to the amount of the City's remaining share of the projects taking into account the amounts previously appropriated for such projects and any grants or aid received by the City on account of such projects; that the City Manager is authorized to take any action necessary to carry out the projects; and that the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify any or all of the bonds under G.L. c.44A and to provide such information and execute such documents as such board may require for these purposes. Any premium received by the City upon the sale of any bonds or notes approved by this order, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of project costs approved by this order in accordance with G.L. c.44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

ORDER RECOMMENDED AND INTRODUCED BY:



Kevin J. Murphy, City Manager



Diane Nichols Tradd
Assistant City Manager/DPD Director

Kevin E. Coughlin
Deputy Director

MEMORANDUM

To: Conor Baldwin, Chief Financial Officer

From: Diane Tradd, Assistant City Manager/DPD Director

Subject: City funds for Lowell Canal bridges (TIGER) project

As you are aware, in 2015 the City of Lowell received a TIGER grant in the amount of \$13,389,750 for the replacement and/or rehabilitation of five local canal bridges currently in various states of disrepair or deterioration. The project scope includes complete replacement of two bridges: Pawtucket Street over the Pawtucket Canal and Pawtucket Street over the Northern Canal. The remaining three bridges to be rehabilitated and preserved include: Central Street over the Lower Pawtucket Canal, Merrimack Street over the Western Canal, and Merrimack Street over the Merrimack Canal. The total construction budget for project is \$20,861,849; the funding gap will be made up with a \$3,971,647 contribution from the Massachusetts Department of Transportation (MassDOT) and approximately \$3.6 million in City funds. The City's share of construction funding may be reduced by state and/or local sources as they become available.

DPD continues to actively pursue additional grant funding for the project, however; in order to have the City's share of the project funds in place by the start of construction, DPD is requesting that the Council authorize borrowing the funds as soon as is feasible.

Thank you for your consideration.

Cc: Kevin Murphy, City Manager
Heather Varney, Deputy Chief Financial Officer
Claire V. Ricker, Chief Design Planner



Kevin J. Murphy
City Manager

January 3, 2018

Mayor William J. Samaras
And
Members of the Lowell City Council

Dear Mayor Samaras and Members of the Lowell City Council,

Enclosed is a vote to authorize a loan order in the amount of \$3.6 million to supplement existing capital funds to finance the total cost for the TIGER bridge replacement project. In the city's comprehensive five-year capital plan, unanimously adopted by the City Council on May 31, 2006, approximately \$3.5 million had been programmed in the plan for improvement to bridges throughout the city. In June of 2017, the City Council voted to re-purpose those funds to be dedicated to the increase to the budget estimate for construction of the bridge project. This loan order substantiates that vote and appropriates the funding to be allocated to the construction contract once it is awarded.

In order to close what had been an approximately \$11 million deficit related to the project costs last summer, the Department of Planning and Development worked closely with my finance team to identify all available avenues to reduce costs and identify available grant opportunities. The Commonwealth has agreed to finance, in part, a portion of the remaining deficit and I commit to pursuing any and all existing grant opportunities to further reduce the remaining \$3.6 million share.

Enclosed with this letter is a memorandum from Assistant City Manager/ DPD Director Dianne Tradd which further details the funding need.

Sincerely,

Kevin J. Murphy
City Manager

CC: Conor Baldwin, Chief Financial Officer
Diane Tradd, Assistant City Manager/ DPD Director