

MEMORANDUM

TO: Claire Powell, City Manager

FROM: David Salmon, P.E., City Engineer

VIA: Jim Proce, ICMA-CM, Assistant City Manager

DATE: February 17, 2025

SUBJECT: **Approval of Amendment #1 to an Interlocal Cooperation Agreement with Denton County Texas Related to Funding of Design, Right of Way and Construction for Corporate Drive, From Waters Ridge Drive to East of the Elm Fork Trinity River Bridge, Segments 1 Through 3; and Authorization for the Mayor to Execute the Agreement.**

BACKGROUND

The Corporate Drive project, segments 1-3 includes design, right of way and construction of a 4-lane divided thoroughfare from Waters Ridge Drive to the east side of the Trinity River Bridge. The original cost estimate for these segments in 2010 was \$14,585,345. In December 2010 the City of Lewisville entered into an interlocal funding agreement with Denton County to provide participation at 10% of the cost of the project totaling \$1,458,534. The balance of the project was funded with Regional Toll Revenue (RTR) funds and City bond funds. The subject amendment amends the 2010 agreement for Segments 1-3 adding \$6,000,000 specifically for use on Segments 2 and 3 to the original County funding for a total of \$7,458,534. Corporate Drive Segment 1 from Waters Ridge to Railroad Street was constructed in 2012 and is complete. Design for Segments 2 and 3 started in 2014 and was completed in late 2023. The project construction was bid and awarded to Sundt Construction in December 2023 and construction began in February 2024. All required right-of-way acquisitions have been completed as well. The Construction contract is for a total of \$43,039,500. Corporate Drive, Segments 2 and 3 construction is expected to be completed in late 2026. City staff recognized prior to Denton County's Trip-22 bond election that additional funding was required for construction of Corporate Drive Segment 2 and 3 and worked with Denton County to include Corporate Drive funding in the bond program. Denton County included an additional \$6,000,000 in the Trip-22 bond program for Corporate Drive Segments 2 and 3. Denton County has sold the Corporate Drive bonds and has provided the subject interlocal funding agreement amendment to include the additional Trip-22 funding. The original agreement along with the proposed amendment defines Denton County and City of Lewisville responsibilities regarding design, construction and funding of the Corporate Drive, Segments 1-3 project.

ANNALYSIS

The purpose of the subject Interlocal Agreement amendment is to add additional Denton County funding to the Corporate Drive Segments 1-3 project. The proposed additional funds, \$6,000,000 added to the original Denton County funding, totals \$7,458,534. The subject agreement obligates Denton County to reimburse the City up to \$6,000,000 for satisfactory completion of Corporate

Drive Segments 2 and 3. The money will be applied specifically to Segment 2. Once the agreement is approved by both parties, Corporate Drive Segments 2 and 3 construction will be fully funded with a combination of RTR funding, Denton County bond funds, and City of Lewisville GO bond funds and general fund cash in capital projects G1122 and G1123.

CITY STAFF'S RECOMMENDATION

That the City Council approve the agreement amendment and authorize the Mayor to execute the agreement as set forth in the caption above.