



Pinellas County

Staff Report

File #: 21-1670A, Version: 1

Subject:

Agreement with Team Savage, Inc. d/b/a Cycle Springs Powersports to resolve a dispute regarding an obstructed stormwater pipe in a County drainage easement.

Recommended Action:

Approval of the Agreement with Team Savage, Inc. d/b/a Cycle Springs Powersports to resolve a dispute regarding an obstructed stormwater pipe in a County drainage easement.

- Allows for access to and decommissioning of the stormwater pipe located underneath the existing building.
- Provides for design/construction of a replacement, unobstructed stormwater pipe with sharing of project costs between the parties.
- Provides a new, wider easement for safe maintenance access to the pipe.
- Removes risk of claims.

Strategic Plan:

Foster Continual Economic Growth and Vitality

4.1 Invest in infrastructure to meet current and future needs

Deliver First-Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support

Summary:

This Agreement obligates Cycle Springs to pay the County a portion of the cost of decommissioning a 50-year-old obstructed stormwater pipe and designing and constructing a new stormwater pipe (Project). It also obligates Cycle Springs to grant the County easements in furtherance of the Project. Finally, the Agreement obligates the County to construct the Project. Design has been completed by the County.

Background Information:

In 2018, Cycle Springs constructed a building over a County stormwater pipe lying within a County drainage easement. Cycle Springs alleged that the County overlooked the easement in permitting the building. Rather than litigate the dispute, the County and Cycle Springs have agreed to share cost of the Project. Significantly, if this dispute never occurred, the County would eventually have to replace the pipe at its own expense when the obstructed pipe reached the end of its useful life.

The County has designed the Project and incurred all design costs. Given Cycle Springs cooperation in resolving this matter, the County is seeking reimbursement of twenty-eight percent (28%) for design cost. Conversely, construction and construction engineering inspection (CEI) costs are split evenly at fifty percent (50%).

A breakdown of Project costs includes:

Cycle Springs pays an estimated \$181,779.00 (construction) + \$45,000.00 (design) + \$24,057.00 (CEI) = \$250,836.00 (total).

County pays an estimated \$181,779.00 (construction) + \$117,414.00 (design) + \$24,057.00 (CEI) = \$323,250.00 (total).

Upon completion of the project, the County may invoice Cycle Springs for 50% of any construction costs exceeding the \$363,558.30 construction estimate. If construction costs are less than \$363,558.30, Cycle Springs may receive a refund for 50% of the difference between the actual cost and the construction estimate. Per the agreement, the County is expected to complete this project within 365 days of Cycle Springs' check delivery or recording of easements necessary for project, whichever occurs later.

Fiscal Impact:

Total Project cost for project 004090A - Cycle Springs Pipe Relocation is an estimated \$574,086.00. The County is obligated to pay an estimated \$323,250.00. This estimate includes 72% of actual design costs. Design phase expenditures were \$162,876.93 and design is complete. The remaining cost, comprised of the construction and construction engineering inspection estimates (CEI), are included in the FY22-27 Capital Improvement Plan in the Physical Environment Function, Storm Sewer Rehab Projects Program under budgeted project 004207A - Stormwater Infrastructure Program PIV. The County will receive an estimated \$250,836.00 from Cycle Springs for their portion of the total project cost within 30 days of agreement execution. Cycle Springs' cost obligation includes 50% of the construction and CEI estimates and 28% (\$45,000.00) of the design cost incurred by the County. Cycle Springs' design cost obligation is based on 50% of the original \$90,000.00 design estimate.

Staff Member Responsible:

Kelli Hammer Levy, Director, Public Works

Brendan Mackesey, Assistant County Attorney, County Attorney's Office

Partners:

Team Savage, Inc.

Attachments:

Agreement

Exhibit A (Project Aerial)

Exhibit B (Project Construction Budget Worksheet)

Drainage and Utility Easement No. 1

Drainage and Utility Easement No. 1 - Exhibit A

Drainage Easement No. 2

Drainage Easement No. 2 - Exhibit A

Utility Easement No. 3

Utility Easement No. 3 - Exhibit A

Temporary Ingress Egress Easement No. 4
Temporary Ingress Egress Easement No. 4 - Exhibit A
Temporary Ingress Egress Easement No. 4 - Exhibit B
Project Location Map