

ITEM # 14
DATE November 16, 2007

COUNCIL ACTION FORM

SUBJECT: APPROVAL OF TRANSFER OF OWNERSHIP OF FIVE LIGHT POLES AND FIXTURES TO NORTHCREST, INC.

BACKGROUND:

City of Ames Electric Services currently owns seven (7) light poles with fixtures and underground wiring on property owned by Northcrest, Inc., (Northcrest). Northcrest is currently leasing these poles, fixtures, and underground wire from the City to provide security lighting.

Northcrest is installing its own private lighting system, and is asking to assume ownership of five of the existing light poles and fixtures, and for the City to remove the remaining two.

The poles and fixtures are over 30 years old, and have minimal value. The underground wires are of no value.

Northcrest is asking for the City to remove two poles, and associated wiring and fixtures. The City will reimburse Northcrest for the cost, not to exceed \$250, for the removal of the light pole foundations. The City is also being asked to transfer ownership of the remaining five poles, and associated wiring fixtures to Northcrest at no cost. The City will provide Northcrest with up to 100 feet of #10 gauge copper wire to facilitate the transfer. Northcrest agrees to hold the City harmless from any and all liability for damages, judgments, or fees that may arise out of the use of the transferred lighting equipment. A copy of the agreement is attached.

ALTERNATIVES:

1. The City Council may approve the agreement with Northcrest, Inc., for the removal of two City light poles and associated wiring and fixtures, and the transfer of five poles and associated wiring and fixtures to Northcrest's ownership.
2. The City Council may disapprove of this agreement, and refer it back to staff.

MANAGER'S RECOMMENDED ACTION:

It is the recommendation of the City Manager that the City Council adopt Alternative No. 1, and approve the proposed agreement with Northcrest, Inc., for the removal or transfer of ownership of a number of City-owned light poles and associated wiring and fixtures.

The current fixtures are old and lacking in energy efficiency and aesthetics. By allowing Northcrest to proceed with its own lighting system, both the City and Northcrest will be better served. The revenue loss to the Utility of approximately \$650 annually on the lease, is more than offset by the advantages to the City of not having to continue to maintain these lighting poles and fixtures, as well as plan for future upgrade or replacement. The City will continue to bill for energy usage through Northcrest's meter.

AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, _____, by and between the City of Ames, Iowa, a municipal corporation, hereinafter referred to as the "City" and Northcrest Inc., hereinafter referred to as "Northcrest".

WITNESSETH:

WHEREAS, the City owns seven light poles (20 ft Aluminum (Hapco #77-008)), seven fixtures (70 Watt High Pressure Sodium (American Electric Lighting Contempo Series 245 or equivalent)), and underground wires (2 conductors, 10 gauge copper with 10 gauge ground) located on the Northcrest property, commonly addressed as 1801 20th Street, Ames, Iowa 50010. These light poles, fixtures, and underground wires currently are being leased from the City by Northcrest to provide security lighting to their property. See the attached map, Exhibit A, that shows the location of these poles, fixtures, and underground wires.

WHEREAS, Northcrest is installing its own private system lighting system, and Northcrest has requested to take over ownership of five of the seven poles, fixtures, and underground wires serving these five poles. Northcrest has requested that the remaining two poles and fixtures be removed and that the remaining underground wire be abandoned in place.

WHEREAS, the City does not warrant the fixtures, poles, or wiring. The seven light poles and wire were originally installed in 1966. The light fixtures were replaced in 1976 to their current state. The current value of the poles and fixtures is minimal. The underground wires are non-salvageable.

NOW, THEREFORE, IT IS AGREED:

1. That the City will remove the two light poles (including fixtures & wires) located along the east property line, adjacent to the Union Pacific Railroad Right-of-Way. The City will reimburse Northcrest for the cost, not to exceed \$250.00, to hire a contractor to remove the two concrete light pole foundations.
2. That Northcrest will take over ownership and maintenance responsibilities for five remaining light poles (including fixtures & underground wires) located on the Northcrest property, as described above.
3. That the City will provide Northcrest with up to 100 ft of #10 gauge copper wire (600V) to facilitate the transfer of service of the five remaining lights to Northcrest facilities.
4. That Northcrest does hereby covenant to defend, indemnify and hold harmless the City from any and all liability for damages to persons or their property including judgments, interest on judgments, court costs and attorney fees that may arise out of the use of the five light poles (including fixtures & wires) located on the Northcrest property, as described above.
5. That this Agreement is executed in three copies.

IN WITNESS, WHEREOF, the parties hereto have hereunto set their hands and seals the date first written above.

CITY OF AMES, IOWA

NORTHCREST

By: _____

By: _____

Attest: _____

Attest: _____

APPROVED AS TO FORM
BY *Douglas R. Marek*
DOUGLAS R. MAREK
CITY ATTORNEY