

COUNCIL ACTION FORM

SUBJECT: NORTHERN GROWTH AREA UTILITY EXTENSIONS

BACKGROUND:

Since 2009, the City has been working with developers, land owners and current residents within the northern growth area to plan for the installation of public infrastructure to serve this area. The northern growth area, generally located north of Bloomington Heights Subdivision to 190th Street between George Washington Carver Avenue and Ada Hayden Heritage Park, was identified by City Council for residential development.

To facilitate this growth, City Council directed that the water main and sanitary sewer main extensions to serve the area along Grant Avenue be included in the 2012/13 Capital Improvements Plan (CIP) and Budget. The 2014/15 CIP also includes street paving of Grant Avenue.

The City financed the initial costs to design and install each of these improvements. Utility connection districts were established to recover the utility costs as developments are platted and as existing homesteads connect to these mains. Street construction costs will be shared and recovered through a separate special assessment. The annexation agreements previously signed between the City and the three developers (Rose Prairie, Quarry Estates, and Hunziker) confirmed these financing arrangements.

The costs associated with the water main and sanitary sewer main installation will be recovered over time through the connection district ordinances that were adopted by City Council in May 2014.

On April 22, 2014, City Council awarded this project (utility installation) to J&K Contracting of Ames Iowa, in the amount of \$1,909,379.80.

This action will be for the City Council to approve the balancing change order, a deduction in the amount of \$69,948.48 and approve final acceptance of the project. Savings were realized due to the ability of the contractor to perform the work while disturbing a smaller area than was originally planned. By constricting the construction zone, savings were realized on items including the installation and maintenance of erosion control devices, temporary stabilization, and restoration activities (permanent seeding). The permanent seeding was a major factor, amounting to nearly half of the realized savings amount listed above. Construction was completed in the amount of \$1,839,431.32

The project funding below reflects those sources approved by City Council upon award of contract at the April 22, 2014, City Council meeting.

Project funding for the water improvements are summarized below:

Engineering Services Water Design (Developers)	\$ 24,330.00
2012/2013 General Obligation Bonds (Water Utility Abated)	\$ 703,000.00
Unobligated G.O. Bonds (12/13 CyRide Route Pavement Imp.)	\$ <u>125,000.00</u>
Total Water Improvement Funding	\$ 852,330.00

The total costs associated with water improvements include the following:

Engineering and Construction Administration	\$ 98,600.00
Civil Design Advantage (Engineering Services)	\$ 24,330.00
Water Main Construction	\$ <u>614,658.05</u>
Total Water Improvement Costs	\$ 737,588.05

Project funding for sanitary sewer improvements are summarized below:

Engineering Services Sewer Design (Developers)	\$ 30,500.00
General Obligation Bonds (Sewer Utility Abated)	\$ 698,000.00
Unobligated G.O. Bonds (12/13 CyRide Route Pavement Imp)	\$ 249,828.00
Unobligated G.O. Bonds (12/13 Downtown Pavement Imp)	\$ 285,996.00
Sanitary Sewer Funds (vertical turbine pump replacement)	\$ 115,000.00
Sanitary Sewer Funds (blower replacement project)	\$ <u>205,000.00</u>
Total Sewer Improvement Funding	\$ 1,584,324.00

The total costs associated with sanitary sewer improvements include the following:

Engineering and Construction Administration	\$ 153,220.00
Civil Design Advantage (Engineering Services)	\$ 30,500.00
Sanitary Sewer Main Construction	\$ <u>1,224,773.27</u>
Total Sewer Improvement Costs	\$ 1,408,493.27

The final project costs for both the water and sewer improvements came in below the funding amounts allocated for work, in the respective amounts of \$114,742 and \$175,831. This leaves \$290,573 of G.O. Bonds remaining to be used on other projects.

ALTERNATIVES:

- 1a. Approve Change Order No. 1, a deduction in the amount of \$69,948.48, for the North Growth Area Utilities Extension Project.
- b. Accept the North Growth Area Utilities Extension Project as completed by J&K Contracting of Ames, Iowa, in the amount of \$1,839,431.32

2. Direct Staff to pursue modifications to the project.

MANAGER'S RECOMMENDED ACTION:

This project was completed in accordance with the approved plans and specifications and is within the approved budget.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.