

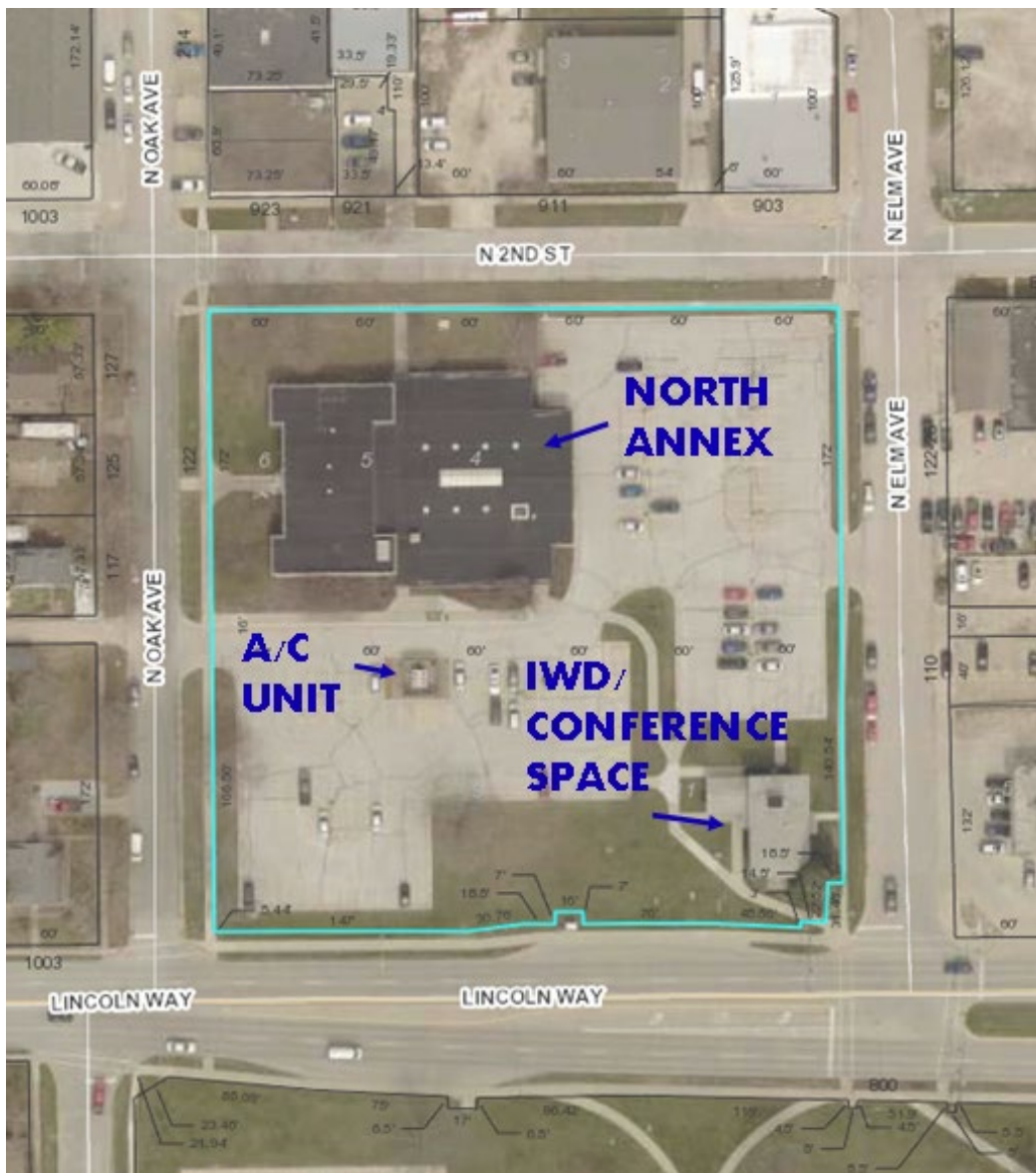
Staff Report

INDOOR AQUATIC CENTER PROPERTY UPDATE

August 24, 2021

BACKGROUND:

On August 5, City staff met with representatives of the Iowa Department of Transportation (DOT) regarding the property at 122 N. Oak Avenue, which is the prospective site for the Indoor Aquatic Facility.



Existing Conditions of 122 N. Oak Avenue

The DOT representatives reiterated their willingness to sell the property to the City. The DOT has an adopted policy regarding the disposal of excess property. The process for disposal of DOT real estate that was not originally acquired for highway purposes differs from the process for disposal of excess DOT right-of-way.

DOT's policy requires concurrence from several internal DOT bureaus that the property may be sold. Additionally, DOT must retain an independent appraiser to determine the fair market value of the property. Once an appraised value has been established, the DOT notifies state agencies, counties, or cities of the opportunity to purchase the property, and accepts offers for a period of 30 days. The offer must equal or exceed the fair market value of the property as determined by the appraisal. Preference is given to the highest timely offer received by the DOT.

A preliminary appraisal on the 122 N. Oak Avenue property was completed last winter by an independent appraiser hired by the DOT. This appraisal valued the property at \$2 million (land and improvements). **Earlier this month, DOT staff retained an appraiser to complete a more current appraisal. This appraisal is expected to be completed in September.**

Assuming the City of Ames was the successful offeror for the property, the process to convey the property to the City involves preparing a State Land Patent, a review of documents by the Iowa DOT General Counsel, a request to the State Land Office to secure the Governor's signature, recording the State Land Patent, and furnishing the City with the recorded State Land Patent.

SITE FEATURES AND CONSTRUCTION TIMELINE:

There are two occupied structures on the site: The building in the southeast corner of the lot houses a computer lab and conference space for the DOT and an office leased to Iowa Workforce Development (IWD). The DOT's lease with Iowa Workforce Development ends in mid-2023.

The larger building is referred to as the "North Annex." DOT is undertaking a renovation project at its main office south of Lincoln Way, which is expected to be completed in June 2024. Therefore, this building is intended to be used by DOT as "flex space" during the renovation project, with move-out completed in Fall 2024. The North Annex is served with a large air conditioning unit located in the parking lot just south of the building.

City staff has discussed the tentative timeline for the Aquatic Facility project with DOT:

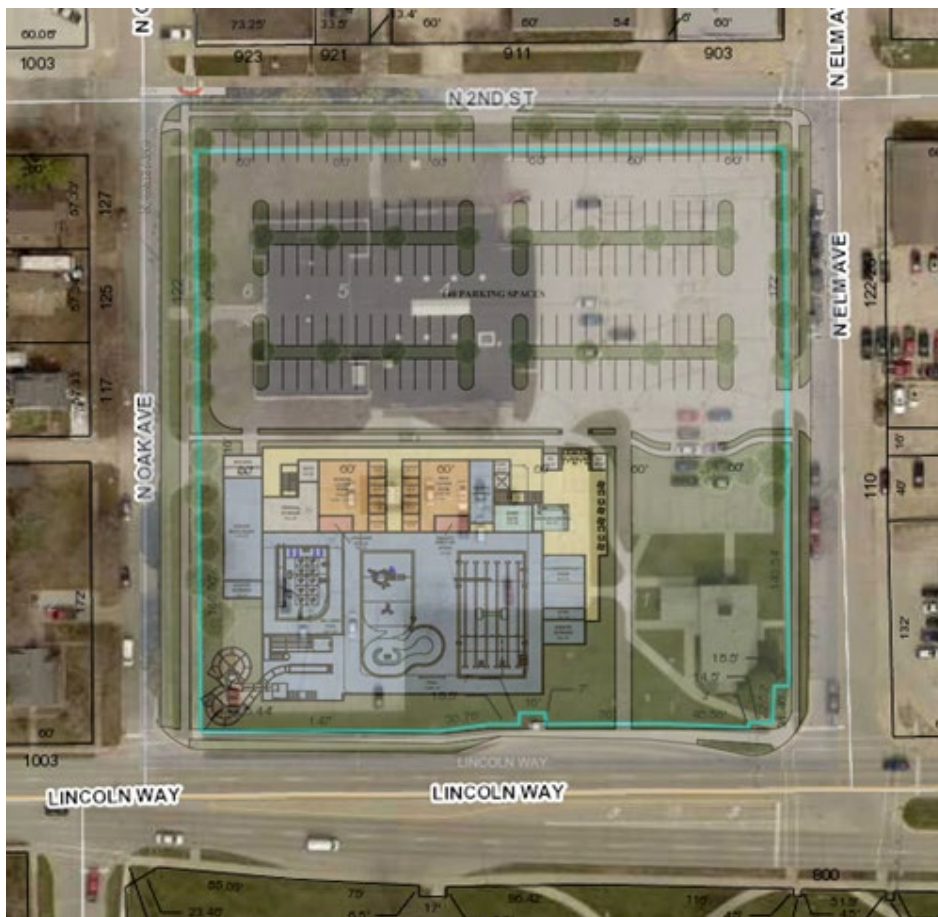
Municipal Pool demolished	March 2022
Design	March – October 2022
Bidding	November 2022 – January 2023
Contract Award	January – February 2023
Construction	March 2023 – June 2024

In the coming weeks, City staff will continue discussing with DOT how construction and possession of the property can work to address DOT's operational needs while making progress on the Indoor Aquatic Facility construction. It is possible that steps such as relocating the A/C unit for the North Annex may be required to facilitate construction in the area south of that building.

Additionally, the construction plans may have to be adjusted to allow the footprint of the new Indoor Aquatic Facility to fit inside the existing parking and landscaping areas on the property, avoiding the need to completely clear the site of structures prior to commencing construction. This staging could provide for the City and DOT to coexist on the site for a period of time. However, issues such as parking availability, space for construction materials laydown, noise, and other compatibility issues would need to be considered.

No direction or feedback is required from the City Council regarding this issue at this time; City staff will continue to investigate what impact these compatibility issues may have on construction costs.

For reference, the image below superimposes the potential Aquatic Center layout presented to City Council in January 2021 over the existing DOT site.



Existing Site with Aquatic Center Conceptual Overlay

NEXT STEPS:

City staff will report back to the City Council once the results of DOT's appraisal are received. Staff will work with the DOT to better understand when the 30-day offer period for the property would ideally take place. Assuming the bond issuance is authorized, and the appraisal is within the expected range, City staff will bring back to the City Council a formal approval of the City's offer for the property.

Staff has consulted with RDG regarding how to approach the environmental evaluation of the site. RDG's recommendation is to proceed with a Phase I environmental assessment. This would consist of researching the current and historical uses of the property, and studying available environmental reports, maps, and regulatory databases for relevant environmental information. **If information of concern is uncovered, a Phase II environmental assessment can be undertaken, which consists of sampling for potential contamination.**

City staff is requesting the Council's approval to proceed with the Phase I assessment and other expenses on August 24. If a more extensive Phase II assessment is necessary, City staff will work with DOT staff to determine what approvals are necessary to conduct the necessary field testing on the site.