ITEM # <u>26</u> DATE: <u>08-24-21</u>

COUNCIL ACTION FORM

SUBJECT: FLOOD MITIGATION - RIVER FLOODING (LAND ACQUISITION)

BACKGROUND:

On February 11, 2020, City Council approved the FEMA grant funding agreement for the stream bank restoration project providing flood mitigation in the (loway) Creek channel. A central component includes conveyance improvements within the channel approximately 2,000 feet either side of the South Duff Avenue bridge. The cost share amounts for this grant are as follows:

Funding Source	Funding Amount	% of Cost
Federal:	\$ 3,747,450	75%
Local:	1,249,150	25%
Total:	\$ 4,996,600	100%

Final design has been submitted with permit applications to the Army Corps of Engineers and Iowa DNR. A permit has been received from Army Corps of Engineers and the Iowa DNR permit is expected in the coming weeks.

In April 2021, appraisals were completed on all the properties. City staff and CGA has made good faith efforts to negotiate with the property owners and have reached reasonable offers for some of the needed land, which avoids the need to use eminent domain. The property value negotiated for each parcel are as follows:

Parcel 1: FHS Ames 2, L.P. - \$139,150 (full parcel acquisition)

Parcel 2: EM Hunziker, L.L.C. - \$7,150 (partial acquisition)

Parcel 4: Hyland Heights Apartments, L.L.C. - \$17,650 (partial acquisition)

Parcel 8: MKTM, L.L.C. – \$564,150 (full parcel acquisition)

Parcel 9: AMERCO Real Estate Company - \$48,270 (permanent easement)

Parcel 11: MKTM, L.L.C. - \$13,850 (permanent easement)

CGA and City staff are continuing to negotiate and make final offers (before scheduled eminent domain hearings) with the following parcel landowners and tenants:

Parcel 3: Kenneth and Marjory Howe Trust - partial acquisition and tenant compensation

Parcel 5: RL Enterprises LLC - partial acquisition has been agreed upon and signed by landowner, however still awaiting signed approval from tenant compensation (Red Lobster)

Parcel 6: Thomas R. Burke - full parcel acquisition

Parcel 7: Jay Brown and Lori B. Suvalsky – full parcel acquisition

Parcel 10: B and D Land LC - partial acquisition

The project is moving toward a fall 2021 bid letting. The felled trees currently stockpiled along loway Creek in this project area are being incorporated into the final design of the overall Flood Mitigation – River Flooding project. The contractor will have options to haul out the trees or incorporate them (mulch/grind) into the erosion control/final stabilization of the project. Re-planting details have been incorporated including a row of native trees and plants that are recommended to benefit threatened and endangered pollinators, some of which have been recently identified and photographed in Ames.

ALTERNATIVES:

- 1. Approve Purchase Agreements for the following parcels and amounts for Flood Mitigation River Flooding project:
 - a) Parcel 1 FHS Ames 2, L.P. \$139,150
 - b) Parcel 2 EM Hunziker, L.L.C. \$7,150
 - c) Parcel 4 Hyland Heights Apartments, L.L.C. \$17,650
 - d) Parcel 8 MKTM, L.L.C. \$564,150
 - e) Parcel 9 AMERCO Real Estate Company \$48,270
 - f) Parcel 11 MKTM, L.L.C. \$13,850
- 2. Direct staff to renegotiate, thereby rejecting specific purchase agreements.

CITY MANAGER'S RECOMMENDED ACTION:

Approval of these agreements is very critical to moving the project toward a fall bid letting. Delay or rejection of these purchase agreements could require redesign and delay the construction.

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



