

ITEM # 18  
DATE: June 10, 2008

**COUNCIL ACTION FORM**

**SUBJECT: EXERCISE OF OPTION TO ACQUIRE EASEMENTS ON PROPOSED ROUTE OF 161-KV TRANSMISSION LINE**

**BACKGROUND:**

In order to improve electric service reliability for our customers, there is the need for an additional transmission line to connect to the regional electric transmission grid. Following years of system impact studies, a route study, and substation and transmission line design work, the City determined that the best route for an additional transmission line extends from Ames to Ankeny. This project has been underway since 2004.

On February 27, 2008, the City filed its most recent brief with the Iowa Utilities Board. A ruling on the City's franchise application (which is pending before the Iowa Utilities Board) is now anticipated to be issued in early July. The City has obtained options to acquire easements for the location of transmission lines along the proposed route. One of the options to acquire an easement will expire on June 16; the cost of acquiring this easement is \$31,500. This property is in Polk County at the southern end of the transmission line, directly across the street from the NE Ankeny Substation.

The next payment for an exercise of easement after this will come due July 23. Staff is anticipating that the City will receive a decision from the Iowa Utilities Board prior to that time.

**ALTERNATIVES:**

1. The City Council can authorize staff to exercise the options to acquire the easement due to expire on June 16 in the amount of \$31,500.
2. The City Council can allow the easement option to expire and direct staff to begin the process of securing a new easement option in this location.

**MANAGER'S RECOMMENDED ACTION:**

These easements will be needed in order to be able to run a transmission line from the Ames Plant to the south. If the Iowa Utilities Board would require the City to redesign any part of the route further to the south, these easements may no longer be of use to the City.

To let this option expire may mean that the easement would need to be repurchased later at a higher cost. The City will not know about the use of this easement until after the Utilities Board makes its ruling. Staff feels that the risk of purchasing several unusable

easements outweighs the possible cost for having to renegotiate these easements at a later date, should the route be approved as proposed.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, authorizing staff to exercise the Option to acquire the easement due June 16 in the total amount of \$31,500.

CAF APPROVAL

SS [Signature] BK [Signature] SL \_\_\_\_\_

JK \_\_\_\_\_ JP [Signature] DV \_\_\_\_\_

To be sent to \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_