



Memo

City Manager's Office

TO: Mayor and Ames City Council Members

FROM: Steven L. Schainker, City Manager *SS*

DATE: February 6, 2009

SUBJECT: Priority Projects for Reauthorization of the Transportation Bill

As you can imagine things are swirling around Washington, D.C. these days. In addition to the Stimulus Package projects we reviewed with you recently, our Congressional representatives are calling for projects from cities that we would like to include in the reauthorization of the Transportation Bill. This is a significant piece of federal legislation since it provides financing for major road projects for cities throughout the country with an 80% federal match. The deadlines for submitting these projects for earmarking varies by each legislator, but most are due next week.

Normally, we would take these projects to Washington, D.C. during our lobbying trip in March, but it appears we can't wait that long. **In accordance with your desire that the Council review projects in advance of sharing them with our Congressional delegation, we are seeking your input and approval.**

The staff has identified, at least, two projects that are worthy of Congressionally directed appropriations (earmarks) - the Grand Avenue Extension and the North Dakota Avenue Grade Separation projects.

Grand Avenue Extension

There appear to be three options the Council could consider when seeking federal funding for this project.

Option 1: Extension of Grand Avenue from Squaw Creek to S. 16th Street and reconstruction of S. 5th from Grand Avenue to South Duff Ave.

This option as depicted in the CIP is estimated to cost \$12,350,000.

Option 2: Extension of Grand Avenue from Squaw Creek to S. 16th Street, the reconstruction of S. 5th from Grand Avenue to Duff Avenue, and the completion of the widening of S. 16th from University Boulevard to South Duff.

This option is estimated to cost \$14,000,000.

Option 3 Extension of Grand Avenue from Squaw Creek to S. 16th Street, reconstruction of S. 5th from Grand Avenue to Duff Avenue, completion of the widening of S. 16th from University Boulevard to South Duff, and intersection improvements at S. 16th and South Duff Avenue.

This option is estimated to cost of \$17,000,000.

North Dakota Avenue Grade Separation

This is a project that will be necessitated by any residential expansion in the Northwest Growth Priority Area. We began negotiations with representatives from an LLC interested in developing a portion of the priority area. It appears that the membership of the partners is being altered and the size of the proposed development will be reduced somewhat. Consequently, the development team won't be restarted until these issues are resolved.

The estimated cost of this project is \$8,000,000.

Unfortunately, the window to take advantage of federal funding for this project during the next five to six years will close unless it is included in our priority list. The question is whether we should include it in our list given the uncertainty of its future.

Another major issue to consider is the impact of either project on our taxpayers. Projects under this bill will receive up to 80% funding. All of the 20% match, except special assessments to some of the property owners along S. 16th and Grand Avenue, will come from G.O. Bond revenues supported by property tax funding. You will recall the CIP calls for G.O. Bond debt for major projects over the next five years to be:

2009-10	2010-11	2011-12	2012-13	2013-14
\$5,768,000	\$8,910,000	\$6,310,000	\$6,082,000	\$7,298,000

If Option 2 or Option 3 for Grand Avenue Extension and/or the North Dakota Grade Separation projects are pursued, the debt service levy will be impacted unless some previously approved projects are eliminated.

cc: Bob Kindred, Assistant City Manager
John Joiner, Public Works Director