

COUNCIL ACTION FORM

SUBJECT: SUNSET RIDGE SUBDIVISION SUPPLEMENTAL DEVELOPMENT AGREEMENT

BACKGROUND:

Sunset Ridge Subdivision is the residential development located north of Lincoln Way at the west corporate limits. As part of the original developer's agreement approved by City Council in 2005, the Developer was responsible for extension of sanitary sewer mains from the existing main at Clear Creek to the northerly and westerly borders of the site. Further, as part of this agreement, the City was responsible for the cost of extra width and extra thickness of pavement for collector streets (beyond that of local street standards) within the subdivision on Westfield Road and Wilder Avenue.

Subsequently, in 2008 the City completed a Sanitary Sewer System Study which identified the area west of Sunset Ridge Subdivision as a future service area to be served by the sanitary sewer mains running through Sunset Ridge Subdivision. In order to service this future area, the sanitary sewer main within Sunset Ridge Subdivision, 4th Addition is required to be installed at additional depth than is necessary for the service within the subdivision. The additional depth is estimated to cost \$60,000 due to extra excavation, trench safety measures, and dewatering. The Developer is asking for the City to cover this additional cost.

Considering public bidding laws, City staff has identified an equivalent project that could be completed by the City as a response to the Developer's request. This project would include the paving of Wilder Avenue within the 4th Addition of Sunset Ridge Subdivision. This project has an estimated construction cost of \$65,000, which includes the \$15,600 worth of extra width and extra thickness of pavement that is already the responsibility of the City according to the original developer's agreement. Construction administration is estimated in an amount of \$5,500. The net additional cost to the City for the street project is estimated to be \$55,100, which is less than the estimated cost for the sanitary sewer.

Since the initial cause of this expense is future expansion of the City's sanitary sewer system, \$70,500 in funding from the 2008/09 Sanitary Sewer Rehabilitation Program can be transferred to the Street Construction Fund to cover the paving cost of Wilder Avenue.

ALTERNATIVES:

- 1a. Approve the Supplemental Development Agreement for Sunset Ridge Subdivision, 4th Addition.

- 1b. Authorize the Paving of Wilder Avenue project by establishing May 19, 2010, as the date of letting and May 25, 2010, as the date for report of bids.
2. Do not approve this agreement or authorize the related paving project.

MANAGER'S RECOMMENDED ACTION:

It is appropriate for the City to bear the extra depth costs for extending the sanitary sewer beyond Sunset Ridge Subdivision. This need was identified after the original development agreement was approved in 2005, and a street project of approximately equal cost has been identified.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the Supplemental Development Agreement for Sunset Ridge Subdivision, 4th Addition and authorizing the Wilder Avenue Paving Project by establishing May 19, 2010, as the date of letting and May 25, 2010, as the date for report of bids.

**SUPPLEMENTAL AGREEMENT
PERTAINING TO THE SUNSET RIDGE SUBDIVISION**

THIS AGREEMENT is made and entered into this _____ day of _____, 2010, by and between the CITY OF AMES, IOWA (hereinafter called “City”), and Hunziker Land Development Company, LLC (hereinafter called “Developer”), their successors and assigns.

WITNESSETH THAT:

WHEREAS, in June 2005, the parties hereto entered into an Agreement pertaining to the subdivision platting and development Sunset Ridge, filed for record as instrument 2005-00012720 in the office of the County Recorder for Story County, Iowa; and

WHEREAS, pursuant to paragraphs IV.A.9 and IV.C of said Agreement, Developer is responsible for completion of improvements including collector streets and sanitary sewers; and

WHEREAS, pursuant to paragraph IV.A.9, City is responsible for reimbursement to Developer of additional costs associated with the portion of street constructed to extra width and extra thickness beyond that required of a local street; and

WHEREAS, the parties now desire to supplement the terms of said Agreement in order to provide for construction of sanitary sewer improvements described at IV.C at extra depth;

NOW, THEREFORE, in consideration of the premises, it is hereby agreed that paragraph IV.C of the Agreement pertaining to the subdivision platting and development Sunset Ridge is amended to provide:

Sanitary Sewer Improvements. Developer shall, at its sole cost and expense, extend the sanitary sewer at extra depth within the 4th Addition to the specifications of the City, within right-of-way, extending to the most westerly borders of the Site as described more fully in Attachment B and Attachment C.

IT IS FURTHER AGREED that paragraph IV.A.9 of the Agreement pertaining to the subdivision platting and development Sunset Ridge is amended to provide:

City shall construct Wilder Avenue to collector street standards at no cost to Developer, within the 4th Addition, as indicated in Attachment A.

DATED this _____ day of _____, 2010.

**HUNZIKER LAND DEVELOPMENT
COMPANY, DEVELOPER**

By: _____

STATE OF IOWA, STORY COUNTY, ss:

This instrument was acknowledged before me on the _____ day of _____, 2010, by _____, as Manager of Hunziker Land Development Company, LLC.

Notary Public

CITY OF AMES, IOWA

By: _____

Ann H. Campbell, Mayor

STATE OF IOWA, STORY COUNTY, ss:

This instrument was acknowledged before me on the _____ day of _____, 2010, by Ann H. Campbell and Diane R. Voss, Mayor and City Clerk, respectively, of the City of Ames, Iowa.

Notary Public

Attest by: _____
Diane Voss, City Clerk