

COUNCIL ACTION FORM

**SUBJECT: EASEMENT ALONG ROUTE OF PROPOSED 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 and a second route study, 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 July 2, 2008, the Iowa Utilities Board (IUB) issued its ruling on the City's initial filing, effectively denying the City's petition for a franchise to construct its 161kV transmission line outside the city limits to NE Ankeny. In its decision on the City's initial filing, the IUB acknowledges the need for the line and does not contest the route specifically, but rather took issue with the provision of evidence that the Iowa Code was the basis for the initial route planning for the portion from Ames to Ankeny. A second, independent route study has been subsequently completed by a different consultant. This route study is explicitly clear on how the Iowa Code was followed throughout the course of the planning and completion of the new route study. This second, independent route study identified a preferred route that shares much of the same alignment as the prior route. This second route study has been presented to the Iowa Utilities Board as a part of the City's second filing of a petition for franchise.

One of the easements on the preferred route crosses the Iowa Department of Transportation (IDOT) maintenance facility property north of Highway 30 in Story County. Because IDOT does not have independent authority to grant easements, an effective easement is obtained through a State Patent, which the Governor's Land Patent Office issues; a State Patent is the equivalent of an easement granted by a private party. Since the State's purchase process for this easement requires the City to submit an irrevocable "Offer to Buy" along with pre-payment for the full amount, staff is requesting Council to approve this purchase in advance of submitting the offer with the payment. The total cost for this easement is \$7,001.

ALTERNATIVES:

1. The City Council CAN authorize staff to acquire this easement and pre-pay the total amount of \$7001.
2. The City Council can direct staff to attempt to re-negotiate this easement at a later time.

MANAGER'S RECOMMENDED ACTION:

This utility easement from the IDOT is along a well-researched route and is needed in order to finally complete a transmission line from the Ames Power Plant, south to the substation near Ankeny. Until a franchise is granted from the State of Iowa Utilities Board, there remains some risk of purchasing an unusable easement. However, staff feels the small risk of purchasing a potentially unusable easement is outweighed by the greater risk and potential cost of having to renegotiate these easements at a later date.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, authorizing staff to acquire the subject easement for a total cost of \$7,001, to be paid in advance to the State of Iowa.