

COUNCIL ACTION FORM

**SUBJECT: GRAND AVENUE EXTENSION AGREEMENT WITH
IOWA DEPARTMENT OF TRANSPORTATION**

BACKGROUND:

The Ames Area Metropolitan Planning Organization's (AAMPO) Long Range Transportation Plan (LRTP) identifies the need to extend Grand Avenue from Lincoln Way to South 16th Street. The first two phases of this extension were previously completed to Squaw Creek Drive. This next phase includes construction of South Grand Avenue north of South 16th Street to connect access to The Grove and Coldwater Golf Links.

In working with our congressional delegation during the fall of 2005, the Mayor and Council were able to secure initial funding through the new federal transportation bill for the Grand Avenue Extension. The first phase was awarded up to \$4,000,000 in Federal High Priority Project funds for eligible engineering and construction costs. However, the federal government only appropriated 85% for special earmark transportation projects. Therefore, the City is only expected to receive \$3,400,000. All but \$510,292.21 of this funding was used to construct Grand Avenue south to Squaw Creek Drive. The remaining funds, as outlined in this agreement, are now available for use as 80% of construction costs of South Grand Avenue north from South 16th Street.

In conjunction with this current project, the City Council approved a development agreement with Scott E. Randall and Randall Corporation on October 26, 2010. Outlined below are key points from that agreement:

- An additional arterial street lane would be constructed on South 16th Street by Randall Corporation. It was agreed that the City would not issue any occupancy permits for the site upon which The Grove is being built until construction of the fourth lane is completed to the satisfaction of City's Engineer.
 - *Status:* Plans for this street lane have been reviewed and approved by Public Works, and the developer has entered into a construction contract with Con-Struct to complete this construction. The developer's representative has stated that Con-Struct will complete the additional lane on South 16th Street prior to the occupancy of The Grove, as required by our developer agreement.
- The City assumed responsibility for construction of an extension of Grand Avenue upon platting of Grand Aspen Subdivision, 4th Addition. The City was obligated to initiate construction no later than May 1, 2011, as long as the developer had obtained a building permit, zoning permit, or any other permit of the City with respect to any excavation, or construction on the Site by March 1,

2011. Otherwise, the City was not obligated to proceed with construction of Grand Avenue until such later time as the City Council initiated construction.

- *Status:* On February 2, 2011, Public Works staff was notified by IDOT that the scope of the project to extend South Grand Avenue north from South 16th Street was consistent with the description of the Federal Earmark that was received in 2006. Therefore, IDOT stated that use of the Federal Earmark funds for 80 percent of the construction of this project was viable. Public Works staff discussed this with a representative for Randall Corporation, who agreed that it was in the best interest to use the Federal Earmark funds even though that meant getting on an IDOT schedule for a July bid letting. Design of the roadway is near completion with plans having been submitted to IDOT for their final review. A construction completion of November 15th is anticipated.
 - Site Plan documents for the adjacent site development (The Grove) were conditionally approved March 28, 2011. A building permit was authorized on April 6, 2011 for the apartments and clubhouse as part of this site.
 - The design plans for South Grand Avenue were coordinated with the Site Plan documents for The Grove by means of regular communication between the City's and The Grove's design consultants.
- The City agreed to be responsible for the construction of a sidewalk within the right-of-way on the east side of and adjacent to Grand Avenue. The sidewalk will be built in conjunction with the construction of Grand Avenue.
 - *Status:* This sidewalk design and construction has been included as part of the South Grand Avenue plans.
 - The Developer granted the City a perpetual negative easement to limit access to South 16th Street, except for one thirty foot intersecting driveway.
 - The Developer consented that no further access would be granted to South 16th Street from the Site or from Outlot B, Aspen Ridge Subdivision.
 - *Status:* Taking into consideration the construction schedule and phasing of South Grand Avenue, during Site Plan review for The Grove it was agreed upon to allow a temporary entrance for the site to South 16th Street. Access during the construction of South Grand Avenue for construction and tenants of The Grove will use this access until the time when South Grand Avenue is open to traffic. At that point, signage will be placed that indicates this access to South 16th Street may only be used by construction equipment/personnel, and tenants will be required to use South Grand Avenue. Once construction is complete at The Grove, the developer is required to replace the curb/gutter on South 16th Street to eliminate the temporary entrance.
 - Access to Grand Avenue. The Developer granted the City a perpetual negative easement with respect to the easterly and westerly sides of the street right-of-way along Grand Avenue through this area.

- *Status:* Access to The Grove as well as to Coldwater Golf Links has been coordinated on the South Grand Avenue construction plans.

ALTERNATIVES:

1. Approve the agreement with the IDOT for improvement provisions required for construction of the Grand Avenue extension.
2. Reject the agreement. This would result in the project being delayed at least one calendar year and the City of Ames covering the entire project with General Obligation Bonds.

MANAGER'S RECOMMENDED ACTION:

City Council has made it a priority to extend Grand Avenue, and site plan approval has been given to a large new apartment complex that will be served by this extension. By approving this agreement with the IDOT, the City will continue to move forward with completion of the Grand Avenue Extension Project. This would lead to a planned project letting of July 2011 and an anticipated November 15, 2011 completion.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the agreement with the IDOT for improvement provisions required for construction of the Grand Avenue extension.