

ITEM# 25a&b
DATE: 10-25-16

COUNCIL ACTION FORM

**SUBJECT: SOUTH DUFF ACCESS AND SAFETY IMPROVEMENTS PROJECT
(PLANS AND SPECIFICATIONS, IOWA DOT GRANTS)**

BACKGROUND:

On July 12, 2016, City Council approved the professional service agreement with CGA (the City's engineering consultant) for \$87,873 to complete final plans for the safety and access improvements along S. Duff Avenue from S. 5th Street to Squaw Creek Bridge. Also, the project involves the reconfiguring of Walmart's west parking lot area along their S. Duff Avenue frontage to allow for cross access for the east side businesses. The design phase was funded equally by agreement between three parties; Walmart, Hunziker, and the City.

Since that time, CGA has worked with City, Iowa DOT District 1, and Walmart staff to generate plans and specifications that meet the technical requirements of the respective parties. It is important to note that work on the street right-of-way (US HW 69) is under the jurisdiction of the Iowa DOT, whereas work on Walmart's property will follow City zoning requirements to the maximum extent possible while still achieving the goals of the project.

The plans have incorporated feedback from local businesses for design and location of the wayfinding signage along the cross access routes. **It should be noted that staff was able to address some of the issues that the businesses raised. However, there is still concern related to the long-term effect this project may have on their businesses. This is unlikely to be answered solely through the design, but rather through the ongoing traffic management of corridor.** It is common to experience adjustments in traffic after a project is complete that reconfigures traffic routes. Therefore, people will need time to become accustomed to the new improvement. Signage is intended to shorten the length of this transition and minimize impacts to the businesses.

As part of the plans and specifications, CGA has generated an engineer's estimate of \$887,263 for construction, and an estimated amount of \$40,000 for construction administration. The overall funding for the project includes Iowa DOT Grants for the construction phase only, which are Traffic Safety Improvement Program (TSIP) for \$450,000, and Urban-State Traffic Engineering Program (U-STEP) for \$400,000, totaling \$850,000 in grants. It is anticipated that these grant funds will be applied equally to the City, Walmart, and Hunziker with the remaining local match being split three-ways.

Therefore, after the grants funds, approximately \$77,263 is needed in local funds, which will be split three ways (\$25,754.33 each for the City, Walmart, and Hunziker) similar to the design phase. A second development agreement for the construction phase will be brought for City Council approval at the time when bids are reported, which is anticipated to occur at the November 22nd meeting. Walmart has stated that they are unwilling to contribute, a combined total for design and construction, more than \$85,000 to the project. That amount represents what Walmart feels is their obligation per requirements listed in the 2007 Iowa DOT access permit. Therefore, a summary table of the project funding has been provided below:

Revenues		Expenses	
U-STEP	\$400,000	Design	\$87,873
TSIP	\$450,000	Construction (est.)	\$887,263
City of Ames	\$85,000	Construction Admin (est.)	\$40,000
Walmart	\$85,000	Total	\$1,015,136
Hunziker	\$85,000		
Total	\$1,105,000	Remaining Funds	\$89,864 (8.9%)

The engineer for this project has recommended that this project allows for a contingency of 5% given the straightforward nature of the design. As shown in the table, the current funding exceeds this recommendation.

Future Steps

After approval of plans and specifications, the following items will need to be finalized at the November 22, 2016, meeting. Staff will work to secure the cross-access easement agreement on Walmart's property. The cross-access easement on U-Haul's property has been secured as of August 9, 2016. As part of the contract rezoning, U-Haul is required to construct a driveway within the easement area connecting from Walmart's property, south, to the last property north of Squaw Creek within two (2) years of the date of approval of the contract (September 13, 2016, Ordinance No. 4274).

Staff will also work with Hunziker and Walmart's attorneys' to secure a second development agreement by November 22, 2016, for the construction phase of the project, as mentioned above. On November 16, 2016, staff will receive bids from potential contractors, which will give the City actual costs that can be reflected in the development agreement.

If City Council awards the contract on November 22, 2016, the project will proceed as soon as weather permitting in Spring 2017. The anticipated completion date will be before August 1, 2017.

ALTERNATIVES:

1. a) Approve the Iowa DOT grants for Traffic Safety Improvement Program funds in the amount of \$450,000, and for Urban-State Traffic Engineering Program funds in the amount of \$400,000.

b) Approve plans and specifications for the 2016/17 US 69 Improvements Program (S. Duff Avenue Safety and Access Project), and establish November 16, 2016, as the date of letting, and November 22, 2016, as the date for the report of bids.

2. Direct Staff to make modifications to the project.

MANAGER'S RECOMMENDED ACTION:

By approving the plans and specifications, the City will be able to move forward with the project to determine actual costs. This step will also secure the needed grant funding that has been awarded to the project through the Iowa DOT. Staff will continue to work through any remaining issues with the stakeholders in advance of the November City Council meeting.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.