

ITEM# 21
 DATE: 11-22-16

COUNCIL ACTION FORM

SUBJECT: 2016/17 US 69 IMPROVEMENTS PROGRAM (S. DUFF AVENUE SAFETY AND ACCESS PROJECT)

BACKGROUND:

On October 11, 2016, City Council approved plans and specifications for the 2016/17 US 69 Improvements Program (S. Duff Avenue Safety and Access Project) from South 5th Street to the Squaw Creek Bridge. Council also set the letting date for November 16, 2016.

This project involves reconfiguring Walmart’s west parking lot area along with their South Duff Avenue frontage to allow for cross access for the east side businesses. It is intended that the local match for this project be funded equally by agreement between Walmart, Hunziker and the City.

CGA, the City’s engineering consultant, has worked with input from the City, Iowa Department of Transportation District 1, Walmart, and other local businesses 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 highway 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.

On November 16, 2016, bids for the project were received as follows:

Bidder	Bid Amount
<i>Engineer's Estimate</i>	\$907,263
Con-Struct, Inc.	\$1,150,026

A summary of the project funding is shown below:

Revenues		Expenses	
U-STEP	\$400,000	Design	\$87,873
TSIP	\$450,000	Construction	\$1,150,026
City of Ames	\$85,000	Construction Admin (est.)	\$30,000
Walmart	\$85,000	Total	\$1,267,899
Hunziker	\$85,000		
Total	\$1,105,000	Needed Funds	\$162,899

The one bid received puts the project \$162,899 over budget without including any amount for contingency. The lack of competitive bids is likely because the Iowa DOT

requires night work on all projects affecting the traveled lanes of South Duff (US Highway 69), limiting work from 7 PM to 7 AM. **Staff will need to evaluate funding alternatives and discuss them with Hunziker and Walmart before making a recommendation to the City Council.**

Staff has also notified the affected businesses owners to update them on the progress of the project. Based upon the feedback staff has received, the City Council should be aware that many of the adjacent businesses feel strong opposition to the project happening prior to the completion of the South Grand Avenue Extension. Generally, the business owners opposed to the project feel the potential risks do not outweigh the benefits, and that the project may become an unnecessary investment for the City after the Grand Avenue Extension reduces congestion along South Duff. Walmart, Hunziker, and U-Haul continue to be in support of the project moving forward.

NEXT STEPS:

Additional time is needed to complete the cost sharing and cross-access agreements for this project. Therefore, staff plans to bring the following items back to Council for finalization at the December 13, 2016, meeting:

- 1) Staff will work to secure the cross-access easement agreement on Walmart's property. As a reminder, the cross-access easement on U-Haul's property was secured on 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. Standard provisions of the City Code require completion within two years from the date of rezoning contract approval (September 13, 2016). However, U-Haul has submitted a site plan and plans to complete the work in 2017.
- 2) Staff will work with Hunziker and Walmart to secure a development agreement for the construction phase of the project, as mentioned above. The November 16th bid provides an actual contract cost that can be reflected in the agreement.

If City Council awards the contract on December 13, 2016, the project will proceed as soon as weather permits in Spring 2017. The anticipated completion date will be before October 15, 2017.

ALTERNATIVES:

1. Accept the report of bids for the 2016/17 US 69 Improvements Program (S. Duff Avenue Safety and Access Project), and:
 - a. Approve the final plans and specifications for this project.
 - b. Delaying award of the project until December 13, 2016.
2. Reject the bids and direct staff to cancel or make modifications to the project.

CITY MANAGER'S RECOMMENDED ACTION:

By reporting the bids and delaying the award for this project, staff will have needed time to complete the cost sharing and cross-access easement agreements and to determine if all three parties are able to absorb the higher-than-estimated cost. Staff will bring this project back to the City Council at its December 13th meeting.

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