

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. On November 22, 2016, City Council accepted the report of bids and delayed the award of the project to allow staff time to work with Walmart and Hunziker to finalize an equal-share funding agreement and a cross-access easement agreement on Walmart's property.

As a reminder, this project involves the installation of raised median between S. 5th Street and the Squaw Creek Bridge, a new traffic signal approximately 1/8th of a mile south of S. 5th Street, and the 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 should be noted that this project is anticipated to have the following safety and operational benefits:

Benefit	% Change	Effect	Notes:
Safety B/C	-39%	Reduction	Present value of avoided crashes (Benefit) = \$1,500,493; Project Cost = \$1,150,026 (B/C = 1.30:1)
Travel Time	-24%	Reduction	Average Speed (mph) from 15 MPH to 20 MPH; Likelihood of stopping drops from 29% to 23%
Fuel Economy	22%	Increase	Estimated Average Fuel Consumption from 12.4 mpg to 15.1 mpg

CGA, the City's engineering consultant (with input from the City, Iowa Department of Transportation District 1, Walmart, and other local businesses) generated plans and specifications. 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 revised budget 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	\$215,968	Contingency (20%)	\$230,005
Walmart	\$215,968	Administration	\$30,000
Hunziker	\$215,968	Total	\$1,497,904
Total	\$1,497,904		
1/3rd Share		Subtotals	
Design	\$29,291	Design	\$87,873
Construction	\$186,677	Construction	\$1,410,031

Staff met with District 1 at the Iowa DOT to discuss phasing and staging options for the project that have the potential to provide cost savings. However, until a construction contract has been approved, staff cannot confirm these savings at this time. Therefore, if this project is to move forward, the funding for the full cost of the improvement must be identified. The Capital Improvement Plan identifies \$210,000 from Road Use tax. Public Works has confirmed with the Finance department that the City has the required additional funds coming from G.O. Bond savings in past street projects.

COST SHARING (EQUAL-SHARE FUNDING) AGREEMENT:

Staff worked with the City Attorney and representatives from Hunziker and Walmart corporations (the developers) to draft a funding agreement that reflects the increased cost from the bid received on November 16, 2016. The agreement obligates the City, Hunziker, and Walmart to an **equal share of the local match** as shown in the table above. Staff can approve up to 20% in change orders before requiring City Council approval, which follows City of Ames purchasing policies. **If change orders were to exceed the agreed budget amount, as shown above, the City will need to cover the all additional costs.**

ESCROW AGREEMENT:

Walmart insisted on establishing an escrow account and agreement for deposit, management, and withdrawal of the developer funds. This escrow will be through First National Bank in Ames, Iowa. An escrow agreement containing specific terms also needs Council approval.

CROSS-ACCESS EASEMENT AGREEMENT:

Staff, again working with the City Attorney, has drafted a cross-access easement on Walmart and neighboring properties that utilizes their parking lot to connect the proposed traffic signal at S. Duff Avenue to the businesses on the East side of S. Duff Avenue, both north and south of the new signal. The easement area connects directly to the cross-access easement that has already been established on U-Haul'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.

ALTERNATIVES:

1. For the 2016/17 US 69 Improvements Program (S. Duff Avenue Safety and Access Project):
 - a. Approve the cost sharing and escrow agreements with Hunziker and Walmart for the construction phase.
 - b. Approve the cross-access easement agreement.
 - c. Award the project to Con-Struct, Inc., of Ames, Iowa, in the amount of \$1,150,026.
2. Reject the bids and direct staff to cancel or make modifications to the project.

CITY MANAGER'S RECOMMENDED ACTION:

This project, in addition to many of the projects identified in the 2040 Long Range Transportation Plan (LRTP), is intended to address the safety and efficiency of traffic along arterials with the highest congestion and crashes as in the case of Lincoln Way (near Downtown) and S. Duff Avenue. The improvement is expected to work together with other projects such as; the S. Grand Avenue Extension, the S. 5th Street Extension, intersection improvements at S. 5th Street & S. Duff, and S. 16th Street & S. Duff Avenue, as well as, Adaptive Signal Control along S. Duff Avenue (LRTP No.66), and Adaptive Signal Control along Lincoln Way (LRTP No.69). By awarding the project, work will proceed as soon as weather permits in Spring 2017. The anticipated completion date will be before October 15, 2017.

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

The recommendation to move forward with the project is with the assumption that all of the parties are in support of the needed agreements. Therefore, if the cross-access easement and the cost sharing agreements are not signed and the escrow agreement, at least, has verbal support by the parties by the beginning of the March 28th City Council meeting, the staff recommendation will then need to be Alternative No. 2, thereby rejecting the bids and cancelling the project.