

COUNCIL ACTION FORM

SUBJECT: GRAND AVENUE EXTENSION (SOUTH GRAND AVENUE--SOUTH 5TH STREET TO SQUAW CREEK DRIVE) AND (SOUTH 5TH STREET--SOUTH GRAND AVENUE TO 600 FEET WEST OF SOUTH DUFF AVENUE)

BACKGROUND:

This agreement is for Federal funding through Surface Transportation Block Grant Program (STBG, f.k.a. STP) as part of the Grand Avenue Extension project. The funding would include S. Grand Avenue (from S. 5th Street to Squaw Creek Drive) and S. 5th Street (from S. Grand Ave to 600 feet west of S. Duff Ave).

As part of the agreement, the portion of project costs reimbursed by STBG funds shall be limited to a maximum of either 80 percent of eligible costs or the amount stipulated in the Ames Area Metropolitan Planning Organization (AAMPO) current Transportation Improvement Program (TIP) and approved in the current Statewide Transportation Improvement Program (STIP), whichever is less. The City shall pay all project costs not reimbursed with STBG funds. This agreement has been reviewed and approved by the City of Ames Legal Department.

The Grand Avenue Extension continues to be included in the Capital Improvements Plan (CIP) with funding identified since 2013/14 and continuing through 2018/19. Funding shown in the CIP for 2017/18 and 2018/19 includes \$7,700,000 in G.O. Bonds, \$4,300,000 in MPO/STP Funds, and \$3,450,000 in Federal/State Grant Funds. In general, construction is anticipated to commence in 2018.

ALTERNATIVES:

1. Approve the Iowa DOT Agreement for \$4,300,000 funding for the South Grand Avenue Extension.
2. Reject the Agreement.

CITY MANAGER'S RECOMMENDED ACTION:

Approval of this agreement with the Iowa DOT must happen before moving forward with initial construction stages of this project in the 2018 construction season. Delay or rejection of this agreement could delay this street reconstruction project by at least one year and could require additional funding.

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