

Staff Report

**PUBLIC WORKS MAJOR PROJECT UPDATES**

July 10, 2018

**BACKGROUND:**

**The Public Works Department is engaged in three major projects which will significantly impact the citizens of Ames. Unfortunately, these projects have not been progressing as quickly as first anticipated. Therefore, this report will update the City Council and the community of the most recent status of these projects.**

**EAST INDUSTRIAL AREA UTILITY EXTENSION:**

The East Industrial Area Utility Extension Project is being designed to provide water and sanitary sewer to developable lots in the proposed Prairie View Industrial Center located east of I-35 along East Lincoln Way. City staff has been working with Stanley Consultants, Inc. to design and prepare plans for water main extension, new gravity and force sanitary sewer main, and a sanitary sewer lift station along the East Lincoln Way corridor. These utility improvements are an Iowa Economic Development Authority requirement for certification of this area as a Super Park. Staff has also been working closely with Alliant Energy to coordinate easements and future utilities. The plans for this project are 95% complete. Land and easement acquisition work has been ongoing for the last several months. Some recent project developments include the following:

- The sanitary sewer lift station site was increased to approximately 1.7 acres in size to accommodate the future installation of an elevated water tank. The extra land will be acquired as part of this project with funding from the Water and Pollution Control portion of the budget.
- The potential lift station site was moved to the SW corner of the intersection of East Lincoln Way and 580th Street due to Alliant Energy currently holding a land option on any land sales over the NW corner property. The SW corner is currently the best option because the NE corner contains an existing 10" gas main and the SE corner contains a residential property. A land appraisal will be ordered for this potential site and once reviewed, the land owner will be approached with property acquisition offer.
- In coordinating the City's infrastructure project, it was discovered that Alliant Energy has existing gas easements along the north side of East Lincoln Way. It has been coordinated with Alliant Energy that there is potential for some of these easements to be converted into Public Utility Easements so to be also used for the gravity sanitary sewer associated with this project. Coordinating with Alliant Energy, it has been determined that the City's land services consultant will

approach each land owner to obtain a Public Utility Easement, which in some locations will be in the same area as the existing Gas Easement (which will then be abandoned).

- Recent discussions with the AEDC staff have indicated that they are recruiting companies that are larger users of water/sewer than originally planned. Therefore, the size of the pipes might have to be increased if the City Council supports this industrial recruitment strategy by the AEDC.

**Even without this resizing, the latest cost estimate for this project is approximately \$500,000 over the budgeted amount of \$5,000,000. Staff is continuing to evaluate cost savings options as part of the plan review process.**

Pending land and easement acquisitions (and any direction for re-design), this project is expected to be let for bid in late summer with construction to begin in fall 2018. The project would then be completed in the spring and summer of 2019.

**One issue on which the Council should give direction involves whether or not to establish an assessment district along this corridor so that any new industries locating there would have to pay a hook up fee to receive water or sanitary sewer service. An argument for establishing the district is to recoup the cost of the construction for the infrastructure improvements so that the benefitting users pay for the improvements instead of the entire customer base of each utility. Even if the district is established, the Council can, on a case by case basis, waive this fee as part of an incentive package to an incoming industry to the area.**

**Located within the boundary of the East Industrial Area are several existing residential properties. When considering the assessment district, Council should also give direction whether these residential properties are charged a hook up fee at the same assessment rate as new industries or whether these residents are allowed to connect at the standard rate of \$20 per lineal foot of property frontage for each water and sanitary sewer service (per Municipal Code Appendix F).**

**However, an argument against such action is that the City Council made a decision in the past to pay for the utility extensions as part of its commitment to economic development. Water and Sewer rates were increased to cover these costs without reflecting the receipt of any revenues from hookup fees in the funds.**

#### **FLOOD MITIGATION – RIVER FLOODING (SQUAW CREEK NEAR S DUFF AVENUE):**

City Council provided direction for staff on the preferred hydraulic alternative to use in developing the Flood Mitigation – River Flooding project. This direction impacts the Grand Avenue Extension project as well.

**This alternative was for Full Build (Channel Shaping), which means channel shaping with a reconnection to the floodplain. It would mean a flood reduction of estimated 0.5 - 2.0 feet at various locations in the S. Duff Avenue area. The original construction cost was estimated to be \$4.6 million.**

During 2017, Public Works Engineering staff worked with the various other departments of City, the design consultant (WHKS & Co.), Story County Emergency Management, and Iowa Department of Homeland Security and Emergency Management staff persons to pull together eligible, documentable evidence of flood damage in the project area. This documentation was then used in preparing and submitting a grant application to FEMA in fall 2017.

The Public Works Engineering staff was notified on March 23, 2018 that the City was not successful in receiving nationally competitive FEMA grant funds for the Flood Mitigation - River Flooding project. In talking with Iowa Department of Homeland Security and Emergency Management staff, they suggest evaluating the project further for project phasing options and offered to aid City staff in pursuing other grant funding for the project, if interested. Concurrently, they also asked FEMA for feedback about our submitted grant application to aid in considering whether re-application in fall 2018 is an option.

Since that time, feedback has been received from FEMA. Iowa Department of Homeland Security and Emergency Management staff feels optimistic we can supplement and re-package the grant application to respond to their comments as part of the next round of nationally competitive FEMA grant applications. Though this round of funding has not yet been opened for applications, it would be anticipated to occur in fall 2018. Staff is continuing to work with WHKS & Co. and Iowa Department of Homeland Security and Emergency Management staff to submit a grant application. If funding is available, and we are successful, money would be first available no earlier than 2020.

Design consultant WHKS & Co has prepared land impact/project exhibits to use during conversations with affected property owners. These meetings with adjacent property owners commenced on July 5, 2017 once environmental clearance was received and are continuing to be held.

Land acquisition appraisals have been ordered for several of the permanent easement and full acquisition properties. Upon review of some of the appraisals, some existing easements were not taken into consideration, so it is being requested that the documents be revised to reflect existing easements (which also impacts the values shown). All appraisals and land acquisitions will need to follow the federal process to remain eligible for the FEMA grants. Once final appraisals are received, they need to be independently reviewed as part of the federal process, after which copies can be provided to the land owners.

As the design of this project continues to develop, the cost estimates are being updated. This design will develop further as the next FEMA grant application is developed for a

fall 2018 submission. Considering the budget, some smaller valued acquisitions (easements) may be able to be purchased, however, the larger areas need to be considered as part of the federally-funded project costs to have the necessary local matching funds. It is anticipated that additional local funding will be needed to achieve this project.

	Fiscal Year			
<b>Flood Mitigation - River Flooding</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2018-2020</b>	
<b>Expenditures</b>				<b>Total Expenditures</b>
Design Contract	\$138,000			\$138,000
Design Amendment (Anticipated)			\$125,000	\$125,000
Land Acquisition (Est)			\$1,800,000	\$1,800,000
Construction (Est)			\$4,276,000	\$4,276,000
Engineering/Constr Admin			\$592,200	\$592,200
				<b>\$6,931,200</b>
<b>Funding Shown in CIP</b>				<b>Total CIP Funding</b>
GO Bonds	\$644,000	\$500,000		\$1,144,000
FEMA Hazard Mitigation Grants	\$434,000	\$1,000,000		\$1,434,000
<b>Anticipated Funding Needed</b>				<b>Total Anticipated Funding Needed</b>
Local Match (25%) Plus Design Eng (Not Grant Eligible)			\$1,930,050	\$1,930,050
Anticipated FEMA Grant Funding (75%)			\$5,001,150	\$5,001,150
				<b>\$6,931,200</b>
<b>Anticipated Local Funding Shortfall</b>				<b>\$786,050</b>

### **GRAND AVENUE EXTENSION:**

The design of the projects has been progressing since early 2017 when the design was kicked off and the "Finding of No Significant Impact" was received from the Federal Highway Administration May 2017. Right-of-way acquisitions with numerous property owners and permitting through the Iowa Department of Natural Resources (DNR) and US Army Corps of Engineers (USACE) is underway. A public meeting was held in late 2017 to inform the public of progress and gather feedback.

The project was broken into three sections to allow for potential flexibility in timing of construction and funding. The sections are: S 5th St extension and the portion of S Grand Ave from Squaw Creek Drive (the existing dead end) to S 5th St., S Grand Ave South of S 5th Street (this portion includes two bridges to accommodate Squaw Creek under the roadway), and reconstruction and widening additional turn lanes at S Duff Ave and S 16th St intersection.

### ***S 5th St and S Grand Ave (Squaw Creek Drive to S 5th St)***

*Design Progress* – The design of this phase of the project is approximately 90% complete. The plans have been reviewed by the Iowa DOT and City Staff at both the “preliminary” and “check” plan stages. Currently the work remaining to complete is the design related to an extension of trail along S 5th St to S Duff Ave (next to Aldi), a potential bus drop off near the Boys and Girls Club, and modifying the storm sewer design along S Grand Ave to accommodate a widening of the roadway to four lanes should it be warranted in the future (the intent is to not have to reconstruct the storm sewer at the time a future widening would take place). The current plan for bidding the project is to receive bids in late 2018, likely November or December and begin construction as soon as possible after that time.

*Right-of-way Acquisition* – The Right-of-way acquisition involving multiple parcels is underway. Both permanent right-of-way and temporary easements are necessary. Several property owners have verbally agreed to accept offers based on appraisals and negotiations conducted. Owners of three parcels within this section have indicated they are not in agreement with the appraisals and offers and an agreement has not been able to be reached. The parcels are below.

- A. *428 Stonehaven Dr.* - This parcel is owned by Stone Court Apartments Cooperative Housing Association. The southern portion of this parcel is needed as S 5th must cross the parcel. Additionally, the portion south of S 5th St leading to Squaw Creek is planned to be acquired as the roadway severs the parcel by cutting through the middle. The portions to be acquired lie within the existing floodplain and/or floodway for Squaw Creek. The property owner has voiced their concern of the roadway impacting future development potential south of their existing buildings. In the latest negotiations the property owner requested approximately three times the appraised value for compensation plus various other conditions.
- B. *450 S Grand Ave* – This parcel is owned by Kent and Joan Cooper. This parcel is directly adjacent to 428 Stonehaven Court and the proposed impact are similar. The property lies within the floodplain and/or floodway as well. The property has also disagreed with the appraised value and has expressed concern about the future development potential for this parcel. The property owner has also requested the remainder be rezoned from Agricultural Zoning to High Density Residential as part of the acquisition of the area needed for S 5th St construction.
- C. *505 S Duff Ave* – This parcel is owned by Nancy Bundy and is the property where the Aldi supermarket is located. The project needs a temporary easement to reconstruct the driveways to accommodate a trail vs. the sidewalk in this location today. The property owner has requested to be reimbursed \$22,710 for a sidewalk they had to replace along S Duff Ave as part of the previous

development for the parcel. Other temporary easements on the project are valued in the hundreds of dollars.

### ***S Grand Ave (south of S 5th St)***

The design of this project is approximately 75% complete. It had yet to be reviewed at the “check” plan stage. The remaining design of this portion is contingent on the results from the soil borings, which are currently underway. The project is currently planned for bidding at the same time as the S 5th St project, though funding needs to be considered. This project is the most expensive section of the project due to the two bridges.

*Right-of-way Acquisition* – The Right-of-way acquisition is underway, both permanent right-of-way and temporary easement are required. Iowa State University and the Janice Walter Trust have verbally agreed to acquisition. The remaining parcel acquisition is owned by Scott Randall and is located in the southern portion of Coldwater Golf Links. The roadway project is not anticipated to permanently impact the existing golf course holes, except for two areas. The first area is the third tee box on Hole 8. This tee box is too near to Worle Creek to allow for the relocation of the creek bank where Worle Creek is impacted by South Grand Ave. An alternate location for the tee box directly west of the existing location has been identified. The other area of the golf course to be impacted is the existing cart path between the front 9 holes and back 9 holes. S Grand Ave will directly cross this path. An underpass under the roadway has been included in the design plans to accommodate the golf carts and the associated paths will be reconstructed as required.

Several meetings with Mr. Randall and Coldwater Golf Links staff have been held. Mr. Randall has made it clear he does not want the roadway in its planned location and does not intend to voluntarily sell the right-of-way necessary to the City. Mr. Randall would also not grant permission for the required soil borings to be taken on his property. The City was able to recently gain access to the property to take soil borings after notifying Mr. Randall of the intent to get the soil borings as required by Iowa Code 314.9.

### ***S Duff Ave and S 16th St (reconstruction and widening)***

The design of this portion of the project is approximately 30% complete. This section is significantly smaller than the other two projects on S Grand Ave. Recently a raised median was added to the design both east and west of S Duff Ave on S 16th St after discussion with the Iowa DOT on the safety of the intersection and the Traffic Safety Improvement Program funding the City of Ames was awarded by the Iowa DOT. The raised median makes the roadway wider than previously planned. The impacts of this are being finalized and discussions with some of the affected property owners have occurred. Discussions with the remaining property owners are expected to occur over the next couple of months to finalize the impacts. A public information meeting for the affected businesses will likely take place later this summer. Construction is planned to take place in spring 2019.

*Right-of-way acquisition* – The largest right-of-way need for this project is on the SW corner of S Duff Ave and S 16th St. This parcel is owned by Tomco LLC. Discussions have been had with representatives for Tomco LLC on the design and the appraisal is currently being revised based on those discussions. Once the appraisal is finished additional discussion with Tomco LLC will begin followed by discussions with the other property owners.

***Engineer Cost Estimate and Funding Summary:***

As the designs of these three projects continue to develop, the cost estimates are being updated. The current CIP reflects a significant amount of the funding for this project from State/Federal grants. **However, it should be emphasized that as shown on the last page of this report, a funding deficiency of \$2,345,000 remains at this time.** In the meantime, grant applications are continuing to be submitted for consideration. Ultimately, getting project plans out for bid during a good bid environment will be critical.

