

ITEM#: 14
DATE: 06-09-20

COUNCIL ACTION FORM

**SUBJECT: PRAIRIE VIEW INDUSTRIAL CENTER UTILITY EXTENSION PROJECT
(EAST INDUSTRIAL AREA UTILITIES)**

BACKGROUND:

The East Industrial Area Utility Extension Project consists of the extension of water and sanitary sewer to the recently annexed area east of Interstate 35 (I-35). Water main and gravity sewer will be installed between I-35 and Potter Ave (formerly 590th), force sewer will be installed from Teller Ave (formerly 580th) to west of Freel Drive, and a sewer lift station will be constructed. Most of this new area to be served by City utilities east of I-35 has been certified by the Iowa Economic Development Authority as the Prairie View Industrial Center.

Due to very high costs, on April 28, 2020, City Council rejected bids for construction of these improvements. Staff was directed to contract with Stanley Consultants Inc. to create revised plans and specifications for extending utilities along East Lincoln Way at a reduced cost (stopping sanitary sewer at Teller Ave.) with the goal to rebid the project in summer 2020. **The revised plans for re-bid will have a Base Bid of extending sanitary sewer to Teller Avenue (580th) with an “Add Alternate” for consideration to extend sanitary sewer east of Teller Avenue, as originally planned.** The extents for water main installation will still be extended to the eastern edge of the industrial area, which is the same as previously bid plans.

City staff, in partnership with Ames Chamber of Commerce & Economic Development staff, have identified a potential federal economic development grant that could apply toward this project. During a conference call with the Economic Development Administration (EDA) representative, it was identified that installation of resilient infrastructure to facilitate the growth and development of business along the East Lincoln Way and the Prairie View Industrial Center makes this a favorable project for EDA consideration. City and Chamber staff are currently working on the application, including a Preliminary Engineering Report, to be submitted for EDA review and consideration. **The grant application will be in the amount of \$3,500,000 from EDA (Department of Commerce), which is the same grant source recently received for the ISU Research Park Phase IV.**

In order to complete the application and submit it for consideration in June 2020, City Council is being asked to designate Tracy Warner, Municipal Engineer, as the Authorized Representative to sign the grant application. If the grant is awarded, a funding agreement will come back to City Council for authorization. Funds would likely become available after October 2020.

The City Council should note that if federal funds for this project are received, additional requirements for prevailing wages and reporting will apply. Therefore, bids received may be higher due to these requirements. However, it is staff's hope that the federal funds received would more than offset these increased expenses.

ALTERNATIVES:

1. Authorize staff to prepare and submit an application for this grant and designate Tracy Warner, Municipal Engineer, as the applicant's Authorized Representative for the Prairie View Industrial Center Utility Extension project.
2. Reject the EDA grant application and direct staff to pursue plan modifications and re-bidding in summer 2020.

MANAGER'S RECOMMENDED ACTION:

The original bids for extending water and sewer along East Lincoln Way into the Prairie View Industrial Center were \$2.6M over budget. This grant could facilitate the project moving forward without significant additional local funds.

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