

ITEM#: 19
DATE: 09-28-21

COUNCIL ACTION FORM

**SUBJECT: PRAIRIE VIEW INDUSTRIAL UTILITY EXTENSION PROJECT
EDA AMENDMENT TO FINANCIAL AWARD**

BACKGROUND:

The Prairie View Industrial 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 Teller Ave (formerly 580th), force sewer main will be installed from Teller Ave to west of Freel Drive, and a sewer lift station will be constructed. Most of this new area has been certified by the Iowa Economic Development Authority as the Prairie View Industrial Center.

City staff, in partnership with Ames Chamber of Commerce & Economic Development staff, applied for a federal economic development grant toward this project. **The grant has been awarded in the amount of \$1,500,000 from EDA** (Economic Development Administration).

Stanley Consultants prepared plans and specifications with an estimated base bid cost of \$5,344,695. This was the project cost used in the original EDA Financial Assistance Award, which then was used to calculate the EDA's matching grant rate of 28%. The low bid for the project came in at \$6,168,792 and was awarded to Keller Excavating. **The grant amount will remain unchanged at \$1,500,000, however EDA has requested an amendment to the Financial Assistance Award revising the matching rate to 24.32% to reflect the low bid amount of \$6,168,792.**

ALTERNATIVES:

1. Approve the EDA Amendment to the Financial Assistance Award.
2. Reject the EDA Amendment to the Financial Assistance Award.

CITY MANAGER'S RECOMMENDED ACTION:

The EDA funding for this project is essential and would be at risk if the amendment is not accepted. There is no impact to the grant amount contributed to the project by approving this amendment.

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