

ITEM #: 33
DATE: 03-24-26
DEPT: PW

COUNCIL ACTION FORM

**SUBJECT: 2024-26 TRAFFIC SYSTEM CAPACITY IMPROVEMENTS PROGRAM
(13TH & GRAND)**

BACKGROUND:

On August 13, 2024, City Council approved a Professional Services Agreement with WHKS & Co. of Ames, Iowa in an amount not-to-exceed \$326,750 for design services necessary for the project to widen the 13th Street and Grand Avenue intersection. This agreement did not include land acquisition services because the extent of property impacts was not known until completion of the preliminary design.

As the preliminary design advanced, more detailed information about the necessary right-of-way acquisitions was determined and used to scope an amendment to the original agreement. In June 2025, City Council approved Amendment No. 1 to the Professional Services Agreement in the amount of \$107,250 to provide right-of-way and easement acquisition services for 19 parcels impacted by the project. These services are being provided by JCG Land Services, a subconsultant to WHKS.

Amendment No. 2 to the Professional Services Agreement was administratively approved by staff in October 2025, in the amount of \$35,600 to add services for the voluntary full acquisitions of 1303 Grand Avenue and 1302 Harding Avenue. These services are also being provided by JCG Land Services as a subconsultant to WHKS. This amendment did not include relocation assistance services, as more information about each property needed to be obtained before relocation services could be fully scoped.

UNIFORM RELOCATION ASSISTANCE REQUIREMENTS

Because this project is located along Grand Avenue (U.S. Highway 69) and utilizes state grant funding administered through the Iowa Department of Transportation, all property acquisition and relocation activities must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act).

The Uniform Act establishes federal standards to ensure that individuals, families, businesses, and nonprofit organizations displaced by federally assisted transportation projects are treated fairly and consistently. Key requirements include:

- Providing relocation advisory services to displaced persons
- Identifying comparable replacement housing or commercial properties
- Providing moving and relocation expense payments
- Providing replacement housing payments when applicable
- Maintaining detailed documentation and reporting of relocation activities

Failure to comply with the Uniform Act can jeopardize eligibility for state and federal transportation funding. Based on the preliminary review of the affected properties, it is

anticipated that up to four occupants may require relocation assistance services as part of the acquisition of the two properties.

AMENDMENT NO. 3

WHKS has prepared Amendment No. 3 to the Professional Services Agreement to add relocation assistance services associated with the full acquisition of two properties. The amendment includes a not-to-exceed cost of \$74,800 for these services. Relocation services will be provided by Midwest Right of Way, a subconsultant to JCG Land Services and WHKS. Services will include conducting relocation interviews, identifying comparable replacement housing or commercial properties, providing advisory assistance to displaced occupants, processing relocation claims, and coordinating moving activities. Based on the type of properties involved and the potential number of displaced occupants, total relocation payments are currently estimated to range between \$200,000 and \$325,000. All relocation payments must be documented and supported by appropriate justification and receipts prior to reimbursement, and Midwest Right of Way will assist the City in administering these requirements in compliance with the Uniform Act.

The FY 2024/25 CIP included \$750,000 for engineering and right-of-way acquisitions for the project. As the project design has progressed, and acquisition appraisals have been performed, the anticipated costs for full acquisitions, easements, and relocation assistance are expected to exceed the original budget. Below is a table showing anticipated design and acquisition costs:

Item	Costs
Engineering Design Services (Original Professional Services Agreement - 2024)	\$326,750
Acquisition Services for Parcels with Easements (Amendment No. 1)	\$107,250
Acquisition Services for Full Acquisition Parcels (Amendment No. 2)	\$35,600
Relocation Assistance Services (Amendment No. 3 - This Item)	\$74,800
Anticipated Acquisition Offers	\$700,000
Estimated Relocation Costs	\$200,000 - \$325,000
TOTAL	\$1,444,400 - \$1,569,400

2023/24 TRAFFIC SYSTEM CAPACITY IMPROVEMENTS (AIRPORT ROAD IMPROVEMENTS) UPDATE

As part of the 2023/24 Traffic System Capacity Improvements project, staff has been working with adjacent property owners along Airport Road to secure the traffic signal easements necessary to construct a proposed traffic signal at the West Lowe’s Entrance / Sam’s Club Entrance. Initial discussions with both property owners were productive; however, staff has not received a response from Sam’s Club since March 2025, and negotiations regarding easement language with the owner of the Lowe’s property have reached an impasse. Without these easements, the project cannot proceed as currently planned.

The Airport Road project was intended as a proactive improvement to accommodate

anticipated growth along the corridor and improve operations at the intersection with South Duff Avenue. Given that there are no immediate safety concerns at this location and the City has been unable to secure the necessary easements, staff recommends reprogramming this project into a future Capital Improvements Plan (CIP) when additional traffic growth may warrant revisiting the project.

Staff further recommends reallocating the currently available project funding to the 13th Street and Grand Avenue intersection improvement project to help address higher-than-anticipated design and right-of-way acquisition costs. The available funding is summarized in the table below:

Fund Source	Available Balance
Road Use Tax	\$285,100
G.O. Bonds	\$432,587
TOTAL	\$717,687

Reallocating these funds to the 13th and Grand Avenue project would increase the total budget available for design and right-of-way acquisition to \$1,467,687. This additional funding would allow the design and acquisition activities for the project to continue. As property acquisitions are finalized and acquisition and relocation costs become more clearly defined, staff will continue to monitor the project budget and will return to Council with any additional recommendations if adjustments become necessary.

ALTERNATIVES:

1. a. Approve Amendment No. 3 to WHKS & Co. of Ames, IA, in the amount of \$74,800.
b. Reallocate the available Road Use Tax and General Obligation Bonds from the 2023/24 Traffic System Capacity Improvements (Airport Road Improvements) to the 2024/25 Traffic System Capacity Improvements (13th & Grand).
2. Do not approve the amendment and direct staff to make modifications.

CITY MANAGER'S RECOMMENDED ACTION:

The relocation assistance services included in Amendment No. 3 are necessary to comply with the Uniform Act and Iowa DOT procedures applicable to projects receiving state transportation funding. Approval of this amendment will allow the City to proceed with the acquisition of the properties necessary for the 13th Street and Grand Avenue intersection improvements.

In addition, the Airport Road and South Duff Avenue Traffic System Capacity Improvement project has been unable to proceed due to unsuccessful easement negotiations with affected property owners. As a result, reallocating the currently available funding from that project to the 13th Street and Grand Avenue project would allow the right-of-way acquisition and relocation activities to move forward without delay.

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

ATTACHMENT(S):

[13th & Grand Map.pdf](#)

[13th-Grand.Amend3.pdf](#)