

ITEM #:	<u>21</u>
DATE:	<u>03-10-26</u>
DEPT:	<u>PW</u>

## COUNCIL ACTION FORM

**SUBJECT: FREEL DRIVE PAVING PROJECT**

### BACKGROUND:

The Freel Drive Paving project involves paving the remaining gravel-surfaced portion of Freel Drive to SE 5th Street. The current gravel street is unable to withstand the increase in traffic and the weight of the trucks required to operate the Resource Recovery and Recycling Campus (R3C). Planning and Zoning requirements also trigger the improvements to the street in conjunction with the construction of the R3C.

The paving will take place concurrently with the construction of the Resource Recovery and Recycling Campus. Construction for this project will be staged between the entrances of the R3C to allow the R3C site construction to occur without interruption.

Freel Drive is currently 23 to 24 feet wide with shallow ditches, whereas the proposed section will be a 31-foot section with curb and gutter. The existing ditches are planned to be filled and a storm intake system installed. Due to the very small elevation change along the length of Freel Drive, the ability to make water drain quickly is very limited. As a result, a percolation system is planned to be constructed using the intakes to allow water to enter the soil. A tile system will also be constructed to provide a system overflow.

The base bid will include paving Freel Drive from the end of the current paved section, 765 feet south of Lincoln Way, to SE 5th Street. **An alternate will also be included with the base bid to replace the existing paved section from Lincoln Way, 750' to the south, with a new 31' section of PCC pavement. This existing pavement is in the early stages of pavement distress. If funding is available, replacement of the existing pavement will be considered with the project. The sidewalk along the east side of Freel Drive from Lincoln Way to SE 5th Street will also be included with the alternate bid, except for the portion of the sidewalk adjacent to the R3C property which is included in the R3C construction base bid.**

### PUBLIC OUTREACH:

Owners and residents along Freel Drive were mailed letters informing them of the R3C project as well as the Freel Drive paving project. Those impacted by the paving project were then reached out to directly to inform them of the planned changes to the street width and the possibility of a sidewalk along the east side of Freel. Feedback was also received to help develop the staging of the project for businesses that need to maintain access.

The feedback indicated that there was no opposition to the paving project, but property owners did not want to have to pay for any portion of the improvements.

A summary of revenues and projected expenses is shown below:

Description	Revenue	Expenses
Freel Drive Paving (G.O. Bonds)	\$ 975,000	
Unobligated G.O. Bonds	225,000	
Water Utility Funds	40,000	
Construction Base Bid Estimate		\$1,150,000
Engineering/Administration		90,000
<b>TOTAL</b>	<b>\$1,240,000</b>	<b>\$1,240,000</b>

Alternate 1 is estimated to cost \$550,000. Additional Unobligated GO bonds could be considered for if favorable bids for this Alternate are received.

### CONSIDERATION OF SPECIAL ASSESSMENT:

Because the existing portion of Freel Drive is unpaved and as such does not meet the current design standards, *Iowa Code* Chapter 384 allows for a city to assess certain costs of the public improvement to abutting private property owners. In order to determine the value that can be assessed, it is typical to follow an establish formula known as the "Flint Formula" for calculating the benefits gained by each abutting property. The Flint Formula considers the frontage of a lot and how many feet abut the public improvement. Additionally, factors such as lot depth can be used to identify the special benefit gained by the abutting property. **The maximum assessment is capped at 25% of the assessed value of each lot that abuts the public improvement.**

There are 19 lots that abut the unpaved portion of Freel Drive. Of those 19 lots there are seven distinct owners, of which one is the City of Ames. **Staff has preliminarily estimated that if the City Council desires to pursue a special assessment of the paving costs, roughly \$268,000 of the project costs could be assessed property owners other than the City of Ames. Assessments could range between \$16,000 to \$30,000 per lot, depending on the lot size.**

If City Council wishes to pursue the special assessment approach, there is a very detailed process in *Iowa Code* Chapter 384 that lays out steps necessary to begin the assessment process. The first step in this process is to direct staff to formally produce an assessment schedule for the project, with each lot and proposed assessment indicated. Following preparation of the assessment schedule, a resolution of necessity and public hearing is held before approving plans and specifications and setting a bid date. **Should this be the decision of Council it is important that Alternative 3 is chosen so as to follow the proper steps detailed in the *Iowa Code*.**

### ALTERNATIVES:

1. Approve plans and specifications for the Freel Drive Paving project and establish April 8, 2026, as the date of letting and April 14, 2026, as the date of Public Hearing for report of bids.
2. Direct staff to make changes to this project.

3. Direct staff to pursue a special assessment approach and prepare an assessment schedule for City Council consideration.

**CITY MANAGER'S RECOMMENDED ACTION:**

Approval of the plans and specifications will keep this project on the April 8, 2026, letting schedule to allow for construction in 2026. This project will provide an improved street surface to the new Resource Recovery and Recycling Campus.

**Funding for the improvements along Freel Drive are included in the City's budget. Although the abutting property owners will benefit from the paving of the road, a special assessment is not currently recommended since the need to upgrade the road is primarily the result of the operational impact of the new R3C facility on Freel Drive. Additionally, the requirement to improve the portion of the road fronting the R3C (most of the necessary improvements) is a condition of the R3C site plan approval. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.**

**ATTACHMENT(S):**

[Freel Dr Location Map with Alternate.pdf](#)