



City Council Report

Date: February 24, 2020
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Gas Line Extension for Town of Queen Creek Fire Station
City Project No. CP04810222
Project is located in Town of Queen Creek

Purpose and Recommendation

The purpose of this report is to request Council's approval to enter into an Intergovernmental Agreement (IGA) between the Town of Queen Creek (Town) and the City of Mesa (City) for the installation of a city gas line in Queen Creek and Signal Butte Roads. (See Exhibit "A" for project location.)

The Town will pay for the cost of construction of the gas line and construction administration. The City will provide the materials and inspection of the gas line which are estimated to cost \$21,760. The City has completed the design of the project in conjunction with the Town's roadway design plans. The Town paid for the engineering Consultant's fees for the gas line design. The Town will act as the lead agency and will be responsible for the construction of the gas line installation. The City will be responsible for inspection of the gas line during construction and will retain ownership of the gas line during and after completion of the project.

Staff recommends that Council approve the IGA and the Resolution authorizing the City Manager to enter into this IGA on behalf of the City.

Background

Mesa proposes construction of a natural gas line, to be known as the Gas Line Installation for Town of Queen Creek Fire Station ("Gas Line Installation" – see Exhibit "A" for the project location). The gas line will connect to an existing gas line in Queen Creek Road, extend west to Signal Butte Road, and then north to the new Town fire station. The line will also serve future development including the Madera subdivision and a future commercial development on the southeast corner of Queen Creek and Signal Butte Roads. The City is currently in negotiations with the developer of the subdivision to provide natural gas service. The Gas Line Installation will also provide a much-needed secondary feed to the 1,900 home Barney Farms subdivision. The City has entered into agreements with Fulton Homes to provide natural gas to this subdivision.

Queen Creek plans to construct roadway improvements in the vicinity, to be known as Queen Creek and Signal Butte Intersection Improvements ("Roadway Improvements").

The concurrent construction of both the Gas Line Installation and the Roadway Improvements will serve the best interests of the public because doing so will result in significant cost savings and will reduce the overall disruption to the surrounding communities.

Discussion

The purpose of the Intergovernmental Agreement is to identify and define the responsibilities of Queen Creek and Mesa for the design, construction, ownership and cost of the proposed Gas Line Replacement.

The new gas line will allow the City to serve new developments that are planned on the southeast corner of the intersection of Queen Creek and Signal Butte Roads. It will also add reliability to the proposed infrastructure for the new Barney Farms development.

The Gas Line Installation will have some impact on traffic and the general public traveling on Queen Creek Road in the form of traffic delays. The Town's Roadway Improvements will be constructed concurrently and the Gas Line Installation represents just a small portion of the overall construction improvements and traffic impacts.

Alternatives

The City Council could choose not to enter into this IGA. This is not recommended as this would require the City to install the new gas line at a later date and would not allow the City to benefit from the anticipated cost savings by combining two construction projects, as well as the Town's contribution toward construction costs which are estimated to be over \$200,000. Additionally, this would negatively impact the Town's fire station project.

Fiscal Impact

With this agreement, the City will commit to pay for the inspection and materials cost of the gas line replacement, an estimated \$21,760. Funding is available from the 2014 Gas Bond Program.

Coordinated With

The Engineering Department has coordinated this Agreement with the City Attorney's Office, the Energy Resources Department, and the Town of Queen Creek.