



# City Council Report

**Date:** May 15, 2023  
**To:** City Council  
**Through:** Marc Heirshberg, Deputy City Manager  
**From:** Beth Huning, City Engineer  
Marc Ahlstrom, Assistant City Engineer  
**Subject:** Gas Line Installation – North Ironwood Drive and East Germann Road Intersection.  
City Project No. CP1159INST

## Purpose and Recommendation

The purpose of this report is to request Council approval of a resolution authorizing the City of Mesa to enter into an intergovernmental agreement (IGA) with the Town of Queen Creek for the installation of a City gas line. (Refer to Exhibit "A" for project location).

Staff recommends that Council approve the IGA and the Resolution authorizing the City Manager to enter into this IGA on behalf of the City. The estimated cost to the City is \$652,643 which includes contract administration and construction of the City gas distribution main.

## Background

The City has planned for the expansion of the Magma gas system to accommodate growth in the northeast portion of Pinal County and Queen Creek. Part of that growth includes a large industrial customer with significant gas requirements. The gas system master plan includes a new 12-inch and 8-inch gas line along Germann Road and Ironwood Drive to serve a new industrial customer and other future customers in the area. Design is nearing completion with construction anticipated in summer 2023.

The Town is currently constructing roadway improvements at the intersection of Germann Road and Ironwood Drive and has agreed to manage and construct the gas line through the intersection as part of their construction project.

## Discussion

The purpose of the Intergovernmental Agreement is to identify and define the roles and responsibilities of the Town and the City with respect to the new gas line.

The Town will be the lead agency for the construction project and provide construction management, contract administration, engineering inspection and construction of the gas line including all associated fees and costs. The City will provide plan review, gas materials, and gas inspections as well as reimburse the Town for the actual costs of the

gas line and contract administration. The City will own, operate, and maintain the gas distribution main after acceptance of the construction.

The inclusion of the gas line construction with the Town's roadway project construction serves the best interests of both agencies by reducing overall costs and disruption to the surrounding communities.

The gas line installation will have some impact on traffic through the North Ironwood Drive and East Germann Road intersection during construction. 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 because the construction of the gas line would need to be delayed until after the construction of the roadway improvements by the Town, and would therefore incur additional costs and disruption to the public.

### **Fiscal Impact**

The total anticipated fiscal impact of this IGA is \$652,643 which will be reimbursed to the Town.

This project is funded by Gas Taxable Obligations.

### **Coordinated With**

The Energy Resources Department concurs with this recommendation. The City has also coordinated this agreement with the Town of Queen Creek.