

MEMORANDUM

TO: Public Market Advisory Commission

FROM: Sarah DeWitt, Farmers Market Manager

DATE: October 20, 2016

RE: Resolution to support the use of additional funds from the Market's assigned fund balance of the general fund for the purpose of the Farmers Market Infrastructure Improvement Project & to recommend approval of the new Market structure construction contract by City Council

Attached for your review and action is a resolution to support the use of additional funds from the Market's assigned fund balance of the general fund for the purpose of the Farmers Market Infrastructure Improvement Project & to recommend approval of the new Market structure contract by City Council.

In May 2015 the Public Market Advisory Commission (PMAC) unanimously passed a resolution in support of the use of \$350,000.00 of the assigned Market fund balance to be used for the Market Infrastructure Improvement Project. PMAC considered this use of funds to best serve the market's vendors, customers and staff as the market evolves and continues to provide a critical outlet for local food in the community.

As the bids exceeded the project budget, the low bid contractor agreed to negotiate with the City to lower the bid amount by substituting some materials and quantities. The changes will not alter the operational aspects of the building, and will maintain important aesthetic and functional elements, such as the barrier free ramps, landscaping and stormwater features, and 4th Street prominence.

After negotiations the low bid came in at approximately \$1,100,000.00. Factoring in a standard 10% construction contingency a total project budget of approximately \$1,210,000.00 is required to move the project ahead. As such, additional funding is needed to increase the total project budget from the original estimate of \$875,000.00. Staff are in the process of identifying additional funding from other sources.

The total funds available in the Market's assigned fund balance are \$453,720.00. The use of this entire balance for the purpose of providing needed additional funding for the construction of the new Market structure is critical for the realization of this project.

PMAC support for the use of the full amount of the Market's assigned fund balance and for the approval of the construction contract will allow the project to be presented to City Council in November, in order to for the communicated project timeline to remain feasible.

Prepared by: Sarah DeWitt, Ann Arbor Farmers Market Manager
Reviewed by: Colin Smith, Manager of Parks and Recreation Services

RESOLUTION TO SUPPORT THE USE OF ADDITIONAL FUNDS FROM THE MARKET'S ASSIGNED FUND BALANCE OF THE GENERAL FUND FOR THE PURPOSE OF THE FARMERS MARKET INFRASTRUCTURE IMPROVEMENT PROJECT & TO RECOMMEND APPROVAL OF THE NEW MARKET STRUCTURE CONSTRUCTION CONTRACT BY CITY COUNCIL

Whereas, The design and construction of a new market structure provides much needed, additional capacity for market vendors and the opportunity for shoppers to select from an even-wider range of products while remaining in a covered market space throughout their shopping experience. The project provides a lasting improvement to the 4th Avenue streetscape and a vibrant downtown park experience for area residents and visitors;

Whereas, The project reflects the priorities of this Commission, which has long advocated for the expansion and improvement of market infrastructure for winter purposes.

Whereas, City Staff sought input from market customers and vendors regarding priorities for market improvements and have aligned this project with the input received;

Whereas, The project has been shaped by critical input from Vendor and Community Operations Advisory Committees;

Whereas, substituted materials and quantities for the purposes of lowering the bid amount will not alter the operational aspects of the building and will maintain important aesthetic and functional elements of the project;

Whereas, Designated funds earmarked for the purpose of improvements to the Market in the amount of \$453,720.00 are available in the General Fund and were added to assigned fund balance;

Whereas, the use of the full amount of the Market's assigned fund balance is critical for the realization of the Market project;

RESOLVED, That the Public Market Advisory Commission supports the use of the total funds available in the Market's assigned fund balance in the amount of \$453,720.00 for this project.

RESOLVED, That the Public Market Advisory Commission recommends that City Council approve the use of these funds for the Market Infrastructure Improvement Project.

RESOLVED, That the Public Market Advisory Commission recommends that City Council approve a contract with MJC Companies for the construction of a new Market structure at the Farmers Market.