

MEMORANDUM

TO: Park Advisory Commission

FROM: Colin Smith, Parks & Recreation Services Manager

DATE: June 18, 2013

SUBJECT: Resolution to recommend approval of a contract with Krull Construction to build a Skatepark in Veterans Memorial Park (\$1,031,592.60), appropriate funds, amend project budget, and approve operating agreement

Attached for your review and action is a resolution to recommend approval of a \$1,031,592.60 contract with Krull Construction for construction of an in-ground concrete skatepark in Veterans Memorial Park, appropriate funds, amend the project budget, and approve an operating agreement between the City and the Friends of the Ann Arbor Skatepark (“FOAAS”)

The 2011 – 2015 Parks and Recreation Open Space Plan highlights a skatepark facility as a new amenity that is needed and desired in the park system. The desire for this amenity has a long history with significant community effort, interest, and support demonstrated. Starting in 2005, the Ann Arbor Skatepark Action Committee (now FOAAS) began its mission of building a free skatepark facility in Ann Arbor. In 2008, City Council passed a resolution designating a location in Veterans Memorial Park for the future skatepark. City staff, FOAAS, and the Ann Arbor Community Foundation then developed a Memorandum of Intent that laid out how the parties would work towards developing a skatepark.

An extensive public process took place over the course of more than five years to designate a location, develop a design and fund raise for the project, including three public hearings at PAC, several public meetings, and multiple presentations at City Council.

The selection of a design for the skatepark in 2011 was a collaborative effort between the FOAAS, staff from the Washtenaw County Parks and Recreation Commission, a member of the Park Advisory Commission, and City staff. The cost of the previously approved design contract (\$89,560.00) was fully funded by donations the FOAAS fundraised.

Once built, the Skatepark will be a world class facility and destination that will attract community skaters and visitors to Ann Arbor. Combined with recent renovations to the ball fields the Skatepark will enhance Veterans Memorial Park.

The following three bids were received in response to ITB 4285:

Krull Construction	\$1,191,738.00*
Bernco, Inc.	\$1,251,104.00
Gerace Construction	\$1,275,273.00

*Lowest Responsible Bid

The bids received were higher than anticipated - original construction costs were expected to be approximately \$900,000.00. Staff negotiated with the low bidder to decrease the total contract amount through material and equipment alternates. Adjustments included replacing decorative ground cover with grass, plant plugs with seed, replacing rebar with structural fibers, and eliminating some decorative boulders. Additionally soil spoils will be left on site, and regraded and seeded, which saves on hauling costs. These adjustments resulted in a total contract amount of \$1,041,592.60. Krull Construction, a local company, also generously donated \$10,000.00 toward the project by reducing the total contract amount to \$1,031,592.60

On October 15, 2012 City Council, per resolution R-12-481, established an initial project budget of \$800,000.00 in order to accept and appropriate grant funds from the MDNR and Washtenaw County Parks and Recreation Commission. The \$800,000.00 consisted of \$400,000.00 from the Washtenaw County Parks and Recreation Commission, \$300,000.00 from the Michigan Natural Resources Trust and \$100,000.00 (reflecting the \$89,560.00 design contract and additional monies raised) in funds raised by the FOAAS. As indicated above, bids received were higher than anticipated. The FOAAS continue to pursue grants and donations for construction and will do so up until the July 15 City Council meeting. Any additional donations or grants received will decrease the amount of uncommitted funds requested below from the Parks Maintenance and Capital Improvements Millage. Since October 15, staff has identified other sources of funding to increase the project budget to meet the construction contract amount. These include:

- \$80,000.00 from the Approved Stormwater Capital Budget for rain gardens. This portion of the project will be repaid as a loan to the State Revolving Fund (SRF). It is anticipated that the City will receive 50% loan forgiveness on this portion of the project due to the water quality improvements in the stormwater system.
- \$32,356.00 from the approved FY2014 Parks Memorial and Contributions Fund, Feldman Trust, for landscaping plantings.
- \$30,356.00 from the approved FY2014 Parks Maintenance and Capital Improvements Millage trail for the asphalt walk construction necessary for trail connectivity and barrier free access.
- \$22,977.00 from the approved FY2014 Parks & Recreation Services General Fund operating budget – these funds are the uncommitted Parks fairness funds resulting from budget amendments to the overall FY2014 General Fund budget.
- \$155,463.60 from uncommitted funds available in the Parks Maintenance and Capital Improvements Millage fund balance.

- Additionally, up to \$103,159.26 from uncommitted funds available in the Parks Maintenance and Capital Improvements Millage fund balance to cover a 10% construction contingency. Any portion of the contingency funds that are unexpended at the close of this project will be returned to the Parks Maintenance and Capital Improvements Millage fund balance.

The original Memorandum of Intent between the City and the FOAAS stated that capital construction costs were the sole responsibility of the FOAAS. However, the City retains the right to contribute to these costs at its discretion. Considering the significant community efforts put forth by the FOAAS and established project partnerships with the Washtenaw County Parks & Recreation Commission, Michigan Department of Natural Resources, and Washtenaw County Water Resources Commissioner's Office it is the recommendation of city staff and the Park Advisory Commission that the project budget be amended to include the funding sources identified above to set a total project budget of \$1,224,311.86, consisting of:

- Construction contract - \$1,031,592.60
- Construction contingency - \$103,159.26
- Design contract - \$89,560.00

An agreement between the City and the FOAAS outlines responsibilities for the management and operation of the Ann Arbor Skatepark. Maintenance responsibilities, event planning, fund raising, and funding are all outlined in the agreement. The agreement formalizes the partnership between the City and the FOAAS and sets the foundation for future years of community enjoyment and stewardship.

If approved, construction will begin this summer with the goal of all concrete work to be completed by the end of the construction season. Landscaping and other finishing would occur in the spring of 2014.

RESOLUTION TO RECOMMEND APPROVAL OF A CONTRACT WITH KRULL
CONSTRUCTION TO BUILD A SKATE PARK IN VETERANS
MEMORIAL PARK (\$1,031,592.60), APPROPRIATE FUNDS,
AMEND PROJECT BUDGET, AND APPROVE OPERATING
AGREEMENT

Whereas, A world class Skate Park at Veterans' Memorial Park has been a community goal for nearly ten years and is highlighted in the 2011 – 2015 PROS plan;

Whereas, An operating agreement between the City and the FOAAS outlines responsibilities for future maintenance and stewardship of the Skate Park;

Whereas, The Washtenaw County Parks & Recreation Commission (WCPRC) has pledged \$400,000.00 to the construction of the Skate Park;

Whereas, A grant was received through the Department of Natural Resources Trust Fund (DNR) in the amount of \$300,000.00 to partially fund the project;

Whereas, Funding in the amount of \$80,000.00 is available in the approved Stormwater capital budget for the raingarden components of the project;

Whereas, A State Revolving Fund loan will be utilized to fund the raingarden installation and will reimburse the City's Stormwater Fund;

Whereas, the SRF debt payment, less 50% loan forgiveness, is included in the approved FY 14 Stormwater Operations and Maintenance Budget and proposed future budgets;

Whereas, Funding in the amount of \$32,356.00 is available in the FY14 budgeted Park Memorials and Contributions Fund for the purpose of landscaping;

Whereas, Funding in the amount of \$30,356.00 is available in the FY14 budgeted Parks Maintenance and Capital Improvements Millage for pathway construction;

Whereas, Unobligated funding in the amount of \$22,977.00 is available in the budgeted Parks & Recreation Services General Fund as a result of the Park Fairness Resolution;

Whereas, Uncommitted funds in the amount of \$258,622.86 are available in the Parks Maintenance and Capital Improvements Millage fund balance;

Whereas, Competitive bids were received by Purchasing on May 15, 2013;

Whereas, Krull Construction submitted the lowest responsive bid;

Whereas, Krull Construction received Human Rights approval on May 22, 2013;

Whereas, MDNR will reimburse construction costs after City submitting construction invoices and WCPRC will reimburse construction costs once the project is complete;

Whereas, Funds in the amount of \$258,622.86 will need to be appropriated from Parks Maintenance and Capital Improvements Millage Fund Balance to be available at the time of award of the construction contract; and

RESOLVED, That the Park Advisory Commission recommends approval of a contract with Krull Construction for the construction of a Skate Park at Veterans Memorial Park in the amount of \$1,031,592.60 and a construction contingency of \$103,159.26 (10%) to cover potential contract change orders for a total contract amount of \$1,134,751.86 to be expendable for the life of the project without regard to fiscal year;

RESOLVED, That PAC recommends the project budget previously established in the Parks Maintenance and Capital Improvements Millage for the purpose of accepting and appropriating grants and donations be increased from \$800,000.00 to \$1,224,311.86 as follows:

Sources of funds:

- \$80,000.00 from the approved Stormwater Capital Budget.
- \$32,356.00 from the approved FY2014 Parks Memorial and Contributions Fund.
- \$30,356.00 from the approved FY2014 Parks Maintenance and Capital Improvements Millage.
- \$22,977.00 from the approved FY2014 Parks & Recreation Services General Fund operating budget.
- \$258,622.86 from uncommitted funds available appropriated from the Parks Maintenance and Capital Improvements Millage fund balance.

Use of funds:

- Construction contract value and 10% contingency, for a total increase of \$424,311.86