



## Legislation Text

File #: 14-1006, Version: 1

### Resolution to Approve an Agreement with the Michigan Department of Transportation for the Stone School Road Improvements Project (\$3,445,200.00)

Attached for your review and approval, please find a resolution that approves an agreement between the Michigan Department of Transportation (MDOT) and the City of Ann Arbor for the construction phase of the Stone School Road improvements Project. The agreement defines the cost sharing of the construction, as well as each party's rights and responsibilities.

#### Budget/Fiscal Impact

The Engineer's Estimate for the project's construction is \$4,920,820.75. The estimated total cost of the project is \$6,950,000.00. In total, the City will be receiving approximately \$1,475,700.00 in federal funds for this project. The federal funding will be used to fund participating roadway construction expenses such as curb and gutter construction, sidewalk, asphalt pavement, and other similar work items. The City will be funding portions of the roadway construction and related appurtenances, the water main, storm water, and sanitary sewer portions of the project, as well as the necessary design, construction engineering, and material testing costs. Funding for this project is available in the appropriate approved capital budgets. The project is being performed as an Advance Construct project through MDOT. The Advance Construct funding mechanism requires the city to interim finance the federal share of the project's participating construction costs and be reimbursed by MDOT at a later date. For this project, the federal funds will be reimbursed in the State's FY15. We have used this form of project financing successfully on many projects in the past.

The storm water quality management portion of this project will be financed with State Revolving Funds (SRF). Staff is currently working through the loan approval process with the Washtenaw County Water Resources Commissioner's office. The reason for financing a portion of the storm water improvements with SRF is the potential eligibility for up to 50% loan forgiveness. This loan will reimburse a portion of the storm water system funds being allocated to the project. The Water Resources Commissioner will be assessing the City over a maximum of 20 years for this project for repayment of the loan. The first payment is included in the approved Storm Water Fund Operations and Maintenance Budget for FY 15 and subsequent payments will be included in the annual storm water budget submittals. Resolution #R-13-236 authorized the annual payment to the County for this project from the Storm Water System Fund pending annual budget approvals by Council

A breakdown of the project revenues are shown below:

Federal STPU Funds FY14*	\$1,100,000.00
Federal STPU Funds FY15*	375,700.00
Street Resurfacing Millage - Fund 0062	1,653,300.00
Storm Water Fund - Fund 0069	2,035,300.00
Water System Fund - Fund 0042	1,720,700.00

Sewage System Disposal Fund	65,000.00
TOTAL	\$6,950,000.00

\*to be reimbursed by MDOT in FY15

The Stone School Road Reconstruction project consists of the reconstruction of Stone School Road between I-94 and Ellsworth Road. The planned construction consists of reconstructing Stone School Road as a two lane road with on-street bike lanes and concrete curb and gutter. A new, 5 feet wide, concrete sidewalk will be constructed on the west side of the roadway from Pheasant Run Circle to Ellsworth Road and will complete a significant gap in the sidewalk system in this area. The project also includes the replacement of the existing 16" water main in Stone School Road which has experienced several breaks and requires replacement in order to prevent unnecessary damage to the newly constructed pavement; the installation of a short segment of 8" sanitary sewer; storm water improvements including construction of bioswales and "in-line" storm water detention; removal of the existing failed jack-arch culvert under Old Stone School Road along Mallett's Creek will be done in order to improve the hydraulics of the creek and to improve habitat and storm water quality in this portion of the creek; installation of street lights along Stone School Road; and other related work.

Due to the existing width of the roadway, it will not be possible to maintain two-way traffic along Stone School Road during the construction. Consequently, southbound Stone School Road traffic will be detoured during the construction. Due to the configurations of the roadways in the area, two detour routes will be posted. One detour route will utilize S. State Street while the other will utilize Platt Road. Attached, please find a copy of the planned detour routes for the project. All work has been coordinated with AAATA and the AAPS. City staff will be closely monitoring traffic along the detour routes and will be evaluating their performance. Staff will be ready to make adjustments as needed in order to optimize the performance of the detour routes. We expect traffic to adapt to the detour routes and normalize in about two weeks. This is common on these types of projects. Finally, some water main replacement work will be required to be performed at night or on weekends due in order to avoid major disruptions in water service to residents of the area and avoid water distribution system issues. Representatives of the Project Management Services Unit will be on-site during all night time work operations.

Construction is expected to start in mid-August of 2014 with the replacement of the existing 16" water main in Stone School Road and work to clean out and restore the existing drainage ditch between Stone School Road and Mallett's Creek. The construction will conclude this year with the placement of temporary pavement along Stone School road so that the roadway can be re-opened to two-way traffic, and the reconstruction of Stone School Road can begin in Spring 2015 as soon as the frost laws are removed. All work is planned to be completed by the end of October 2015.

Bids for this project will be received by MDOT in their July 2014 letting. Due to the timing of the project and the need to begin the project's construction this year, it is recommended that the City/State Agreement be approved at this time based on the estimated costs of the project.

The resolution also authorizes the City Administrator to approve the needed traffic control orders and night work authorizations in order to allow the work to proceed without delay.

Prepared by: Nicholas S. Hutchinson, P.E., City Engineer

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The Capital Improvements Plan contains project TR-SC-14-02, the Stone School Road Reconstruction between I-94 and Ellsworth Road;

Whereas, The project will reconstruct the existing roadway, perform storm water improvements, replace the existing water main, construct concrete sidewalks, install street lights, and perform other related improvements to the project area;

Whereas, The storm water quality management portion of this project is expected to be financed with State Revolving Funds (SRF.) Staff is working through the application process for a low interest loan (2.5%) which will be secured by the Washtenaw Water Resources Commissioner;

Whereas, The SRF loan will reimburse a portion of the expenditures from the Storm Water System Fund being allocated to the project and the Water Resources Commission will be assessing the City over a maximum of 20 years for this project for repayment of the loan;

Whereas, The first loan payment is included in the approved Storm Water Fund Operations and Maintenance Budget for FY 15 and subsequent payments will be included in the annual storm water budget submittals pursuant to R-13-236 which authorized the annual payment to the County for this project from the Storm Water System Fund pending annual budget approvals by Council;

Whereas, The City of Ann Arbor will receive federal funding to in order to defray certain construction costs; and

Whereas, It is necessary to approve the cost sharing agreement with the Michigan Department of Transportation so that the project can proceed;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute contract 14-5383 with the Michigan Department of Transportation for the Stone School Road Improvements Project, substantially in the form on file with the City Clerk, following approval as to substance by the City Administrator, and approval as to form by the City Attorney;

RESOLVED, The City Administrator be authorized to approve the needed Traffic Control Orders, Night Work Authorizations, and other similar administrative approvals to allow the work of the project to proceed without delay;

RESOLVED, That the City makes the following declaration for the purpose of complying with the reimbursement rules of treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expect to reimburse itself for expenditures for the costs of the project with proceeds of bonds; and

RESOLVED, That Council authorize the City Administrator to take the necessary administrative actions to implement this resolution.