



Legislation Text

File #: 14-1365, **Version:** 1

Resolution to Amend the Project Amount and Repayment Terms of the West Park Fairgrounds Drain Improvement Project (\$2,433,904.00)

On September 20, 2010, via #R-10-341, City Council approved the filing of a petition to the Washtenaw County Water Resources Commissioner (WCWRC) for the structural stormwater improvements to the section of underground corrugated metal pipe stormwater pipe in the Allen Creek Drainage District known as the West Park Fairgrounds Drain.

Allen Creek is an established Chapter 20 County Drain; therefore, the construction work to repair the pipe and other stormwater control measures falls under the jurisdiction of the Washtenaw County Water Resources Commissioner. As an established drain, the costs of the project are assessed to the governmental entities with the drainage district area. The total cost of this project was originally estimated (in 2009) at \$2,000,000.00 with the City's apportionment of 96.1% of the district; therefore, the City's share was projected to not exceed \$1,922,000.00. Subsequently, construction bids were acquired and the project costs have now been increased to \$2,532,678.28. The City's new estimated apportionment based on construction bids of this project total \$2,433,904.00. We are seeking Council's approval to amend the repayment amount and term of the project.

Because the debt issue exceeds \$1,000,000.00, the City share of the responsibility for payment of the debt exceeds 10% of the total debt issue, and the issue is being sold publicly, the Securities and Exchange Commission requires that the City adopt a continuing disclosure resolution. Although the debt is not issued by the City, the City must provide continuing disclosure to the Municipal Securities Rulemaking Board for this debt issue in a manner similar to the continuing disclosure required for debt issued by the City.

Budget/Fiscal Impact:

As originally proposed, the Water Resources Commissioner would assess the City \$1,922,000.00 over a maximum of 15 years for the project. With the increased construction costs, the City now will be assessed an amount not to exceed \$2,433,904.00 over a twenty year period with annual installments not to exceed \$177,000.00. The first payment is included in the approved FY 2015 Stormwater Fund operations and maintenance budget and subsequent payments will be included in the annual stormwater budget submittals. This resolution authorizes the amended annual payment to the County for this project from the Stormwater Fund (Fund 0069) pending annual budget approval by Council.

Prepared by: Jennifer Lawson, Water Quality Manager

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The West Park Fairgrounds Drain is part of the Allen Creek Drainage District;

Whereas, City and County staff had identified the need for structural improvements to the West Park Fairgrounds Drain;

Whereas, On September 20, 2010 City Council approved the petition to the Water Resources Commissioner for Washtenaw County to clean out, relocate, widen deepen, straighten, extend, tile, interconnect, or otherwise improve a portion of the county drain located along Dexter Road near Veteran's Park, known as the Allen Creek Drain pursuant to Section 482 of Chapter 20 of the Drain Code of 1956 (MCL 280.482);

Whereas, The project cost estimates have increased due to project modifications and construction bids and the repayment amount and schedule to the Washtenaw County Water Resources Commissioner must be amended;

Whereas, Funding for the annual debt payment has been included in the FY 2015 approved stormwater operations and maintenance fund and will be included in annual budget submissions; and

Whereas, The bonds will be sold publicly in a competitive sale and the City responsibility for repayment of the bonds exceeds 10% of the total debt issue, requiring that the City commit to continuing disclosure in a manner similar to the disclosure required for debt obligations sold as City of Ann Arbor debt issues;

RESOLVED, That the total assessment be amended to an amount not to exceed \$2,433,904.00, which will be paid in twenty annual installments not to exceed \$177,000.00 from the Stormwater Fund (Fund 0069) operating budget beginning in FY 2015, and pending subsequent annual budget approvals by City Council; and

RESOLVED, That the City Treasurer be authorized to execute the attached Continuing Disclosure Certificate.