



## Legislation Text

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**File #:** 10-1144, **Version:** 2

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Resolution to Authorize a Contract with TSP Environmental to Design and Construct a By-Pass Channel in the Argo Dam Headrace (\$1,168,170.00) and Appropriate Funds **(8 Votes Required)**  
Attached for your consideration is a resolution to authorize a contract with TSP Environmental to design and construct a by-pass channel in the Argo Dam headrace and appropriate funds to approve a project budget of \$1,168,170.00.

City staff presented to Council on May 3, 2010 the details of the Consent Agreement between the City of Ann Arbor and the Michigan Department of Natural Resources and Environment (MDNRE) regarding Argo Dam and deficiencies with the headrace embankment. The Consent Agreement states that the City agrees to select and execute either a repair of existing toe drains or reconstruct the headrace and embankment. The consent agreement also stipulates shutting off flow to the headrace by October 15, 2010 and keeping the headrace without any flow until the deficiencies are addressed. As a result, the City prepared a RFP for the reconstruction of the Argo headrace and embankment, and issued an invitation to bid on the repair of the toe drains at the Argo headrace. This recommendation is in the context of compliance with the Consent Agreement and does not preclude future community conversations regarding the disposition of the Argo Dam.

Two proposals were received in response to the RFP to reconstruct Argo headrace and embankment, and three bids were received for repair of the toe drains. Staff reviewed the bids for the toe drain repairs and a selection committee comprised of staff and a PAC representative reviewed the proposals and bids for the reconstruction of the headrace. The Environmental Commission was invited to participate in the selection process, but declined.

The three bids to repair the toe drains ranged from \$707,300.00 to \$829,150.00. As you may recall, bids to repair toe drains were received in 2005 and they were in the range of \$300,000.00. Current bids include the following additional elements that were not in the 2005 bids:

- Extensive required vegetation management per the Consent Agreement.

- Adding rip-rap along the entire length of the drain collecting toe drains' discharge instead of just at the end of each toe drain. Rip-rap along the entire length of the drain will reduce its future maintenance costs.

- Construction site management to protect the purple turtlehead habitat.

Of the two proposals to reconstruct the headrace and embankment only one met the requirements set forth in the scope of the RFP for a base proposal in the amount of \$988,170.00.

Optional white water features beyond the scope of the RFP can be added for \$180,000.00, and would provide an additional recreational amenity and positive economic impact.

On October 1, 2010 the selection committee interviewed the team led by TSP Environmental on their proposal to reconstruct the headrace. The proposed work plan would remove the canoe portage,

improve the path accessibility and resolve the headrace embankment deficiencies identified in the Consent Agreement with the MDNRE.

The City has three options in regard to the Consent Agreement:

1. Do nothing. This would result in the closure of the headrace and dramatically change Livery operations on the Huron River causing a significant reduction in revenue and decreased public benefit. The current level of Argo Pond would remain unchanged. Reopening the headrace would only occur upon completion of a repair or reconstruction program approved by the MDNRE.
2. Repair the toe drains. This would address the Consent Agreement. After repairs, the headrace would reopen for river passage. No improvements would be gained for canoers or kayakers. No improvements to the condition of the trail on the embankment would result. Continued maintenance and monitoring of the repaired toe drains and headrace embankment would be necessary. Current activities on Argo Pond would be unaffected.
3. Reconstruct the headrace and embankment. This would address the Consent Agreement. After reconstruction, ADA accessibility would be improved for canoers and kayakers due to the removal of the existing portage, along with enhancing the overall boating experience. The trail would become ADA accessible. The Canoe Livery operations are expected to see an increase in revenue. Decreased maintenance and monitoring of toe drains would occur. Current activities on Argo Pond would be unaffected.

Funding is available for the project through a variety of sources as follows:

Parks Rehabilitation and Development Millage - \$683,000.00. Originally, funds in the amount of \$1,385,860.00 had been transferred from Parks to assist in the removal of trees affected by Emerald Ash Borer (EAB). In July, 2010 the project was completed and \$683,000.00 was returned to the Parks Rehabilitation and Development Millage Fund. Consequently, these funds are unallocated and their designation to this project does not result in the cancellation of any existing or scheduled parks project.

Parks Rehabilitation and Development Millage - \$195,000.00. An existing budgeted River Parks project that calls for the improvements of river parks.

Water Fund - \$300,000.00. Funds budgeted for the repair of the toe drains.

Additional funding may become available from the Washtenaw County Parks and Recreation Commission to assist with the Border-to Border trail portion of the project. This could amount to an additional \$50,000.00.

Excluding potential funding assistance from the County, \$1,178,000.00 is available for the project (only \$1,168,170.00 is required).

The Selection Committee unanimously recommends the selection of Option 3, reconstructing the headrace and embankment, for a total project cost not to exceed \$988,170.00. TSP has received Human Rights and Living Wage approval on November 9, 2010. Funding is available and the cost differential between Option 2 and 3 is minor when the improvements of Option 3 are considered. Accessibility is vastly improved, both for boaters and trail users. Currently, many people are unable to make the river trip from Argo to Gallup Canoe Livery because of the portage at the end of the headrace. The embankment trail is one of the last unpaved portions of the Border-to-Border trail in Ann Arbor and is heavily used. Aesthetically, the park will be much improved and flowing water through the headrace will be preferable to the stagnant conditions that can currently exist at times.

Livery staff estimates that an increase of \$25,000.00 - \$30,000.00 net revenue per season will result from the improvements.

On October 19, 2010 City staff and the team of TSP Environmental presented to the Park Advisory Commission (PAC). PAC amended the Selection Committee recommendation to include the optional whitewater drop features by a vote of 7-1. PAC then recommended TSP Environmental to design and construct a by-pass channel including whitewater drop features for a not to exceed cost of \$1,168,170.00 by a vote of 7-1.

If, in the future, the community were to decide to remove Argo Dam, this recommendation could remain a viable amenity and important recreational improvement. A by-pass would be essential for novice boaters if the dam was removed and white water conditions were created. If the dam was removed and the embankment was to remain as an integral link in the Border-to-Border trail, then the trail improvements are also vital.

Other funding options are possible if City Council wishes. Funding Option 1, outlined above, was shared with City Council at its November 8, 2010, work session. It is consistent with the Selection Committee Recommendation shared with the Parks Advisory Commission (PAC). PAC made its recommendation based on these potential funding sources.

The other funding options (Funding Options 2 through 4), in order of preference are set out below.

Funding Option 2 would use funding from Parks Capital Funds and Parks Forestry Funds as follows:

Parks Rehabilitation and Development Millage fund balance - \$683,000.00 (this is the same as in Funding Option 1)  
Parks Capital Existing River Parks Project - \$195,000.00 (this is the same as in Funding Option 1)  
Parks Additional Capital Funds from Savings on Existing Projects - \$135,000.00  
Parks Forestry Funding - \$155,170.00  
Total Available Funding, excluding potential funding assistance from the County - \$1,168,170.00

Funding Option 2 would have the project funded entirely from Parks funding, relieving the Water Fund of any obligation. The \$290,170.00 that would replace the \$300,000.00 from the Water Fund would come partially from project savings on existing projects (\$135,000.00) and partially from Parks Forestry funds (\$155,170.00).

A major savings will be realized in the cost of developing the PROS plan this year. When the PROS Plan was last updated the cost was a \$125,000.00 that included consultant fees and a \$25,000.00 market research phone survey. As a result \$125,000.00 was budgeted for the PROS plan update this time. Staff has elected to perform the work in-house for the following reasons:

- Dissatisfaction with the consultant's product last time.
- Technological advances that allowed staff to perform a web-based survey that returned more valuable data for virtually no cost.

Staff anticipates the PROS plan to be completed for a cost of \$25,000.00 this year, resulting in

savings of \$100,000.00.

Additional savings of \$35,000.00 are available from recently completed projects such as Bridge Repairs, Bandemer Park, and Cobblestone Farm Improvements.

A review of the Parks Forestry portion of the Parks Maintenance and Capital Improvements Millage fund balance indicates that \$155,170.00 is available for this project without any adverse effect on Park Forestry operations. A portion of the Argo Reconstruction project cost deals with the extensive vegetation management as required by the MDNRE and calls for tree removal and stump removal. Parks Forestry routinely funds activities such as tree and stump removal, so this is an appropriate use of Parks Forestry Funds.

Funding Option 3 would use funding entirely from Parks Capital Funds as follows:

- Parks Rehabilitation and Development Millage fund balance - \$683,000 (this is the same as in Funding Option 1)
- Parks Capital Existing River Parks Project - \$195,000.00 (this is the same as in Funding Option 1)
- Parks Additional Capital Funds from Savings on Existing Projects - \$135,000.00 (this is the same as in Funding Option 2)
- Parks Capital Existing Recreation Facility Updates - \$155,170.00
- Total Available Funding, excluding potential funding assistance from the County - \$1,168,170.00

Funding Option 3 also would have the project funded entirely from Parks funding, relieving the Water Fund of any obligation. The \$290,170.00 that would replace the \$300,000.00 from the Water Fund would come partially from project savings on existing projects (\$135,000.00) and partially from capital projects for existing Recreational Facility Improvements (\$155,170.00).

The \$135,000.00 in savings from existing projects is described above in Funding Option 2.

Funding in the amount of \$485,000.00 is identified for existing Recreation Facility Updates. Identified projects for FY2011 include renovating locker rooms at Veterans Memorial Sports Complex and upgrading Gallup Canoe Livery. Neither of these projects is critical from an immediate operational need and deferring one of these projects to FY2012 would have a minimal impact. Staff would recommend deferring renovating locker rooms at Veterans Memorial Sports Complex to FY2012. Upgrading Gallup Canoe Livery will in part accommodate the higher participation levels that the Livery Operation expects to see as a result of the portage removal included in the proposed Headrace Reconstruction. In FY2012 an additional \$250,000.00 from the Parks Millage Capital Fund will be put forth in the proposed budget for the existing Recreation Facility Update projects, so funding will become available again, and the project at Veterans Memorial Sports Complex could be completed then.

Funding Option 4 would use funding from Parks Capital Funds and from General Fund Reserves

- Parks Rehabilitation and Development Millage fund balance - \$683,000 (this is the same as in Funding Option 1)
- Parks Capital Existing River Parks Project - \$195,000.00 (this is the same as in Funding

Option 1)

Parks Additional Capital Funds from Savings on Existing Projects - \$135,000.00 (this is the same as in Funding Option 2)

General Fund Reserves - \$155,170.00

Total Available Funding, excluding potential funding assistance from the County - \$1,168,170.00

Funding Option 4 differs from Options 2 and 3 in that General Fund Reserves in the amount of \$155,170.00 are used instead of funding from Forestry or from existing Recreational Facility Updates as proposed in Options 2 and 3 above. In this option the General Fund Reserves would provide \$155,170.00 to the project. City Council will be asked in future budget years to reimburse this amount to General Fund Reserves over a period of 5 years from additional revenues generated by the Canoe Liveries for the Parks & Recreation Services General Fund as a result of the embankment reconstruction and white water amenities.

Prepared by: Colin Smith, Parks & Recreation Services Manager and Molly Wade, Water Treatment Services Manager

Reviewed by: Sue F. McCormick, Public Services Area Administrator and Sumedh Bahl, Community Services Area Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The City and the MDNRE entered into a Consent Agreement regarding Argo Dam in May, 2010;

Whereas, The Consent Agreement states the City shall identify and execute either toe drain repairs or reconstruction of the headrace to address headrace embankment deficiencies identified by the MDNRE;

Whereas, Staff issued bids for toe drain repairs and an RFP for the reconstruction of the headrace embankment;

Whereas, Staff and the Selection Committee evaluated submitted bids and proposals;

Whereas, Staff and the Selection Committee selected TSP Environmental to design and construct a by-pass channel in the Argo Dam headrace;

Whereas, TSP Environmental proposed to design and construct a by-pass channel in the Argo Dam Headrace that addresses the Consent Agreement stipulations at a cost of \$988,170.00;

Whereas, TSP Environmental has also proposed to design and construct an optional whitewater drop feature at a cost not to exceed \$180,000.00;

Whereas, On October 19, 2010 Park Advisory Commission recommended TSP Environmental for designing and constructing a by-pass channel including whitewater drop features for a not to exceed cost of \$1,168,170.00;

Whereas, TSP Environmental received HR approval on November 9, 2010 and complies with living wage; and

**RESOLVED**, That City Council authorizes a contract with TSP Environmental to design and construct

a by-pass channel in the Argo Dam Headrace that addresses the Consent Agreement stipulations in the amount of \$988,170.00;

RESOLVED, That City Council authorizes the optional whitewater features proposed by TSP Environmental for an amount not to exceed \$180,000.00;

RESOLVED, That City Council authorizes the appropriation of \$683,000.00 from the unobligated fund balance in the Parks Rehabilitation and Development Millage to the project budget;

RESOLVED, That City Council approves a total project budget not to exceed \$1,168,170.00 to design and construct a by-pass channel without regard to fiscal year as follows:

Rehabilitation and Development Millage fund balance - \$683,000  
Parks Capital Existing River Parks Project - \$195,000.00  
Water Fund - up to \$300,000.00  
Total - \$1,178,000.00

RESOLVED, That the City Administrator is authorized to take all necessary administrative actions to implement this resolution; and

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the contract after approval as to substance by the City Administrator and approval as to form by the City Attorney.

**As Amended by Ann Arbor City Council on November 15, 2010**