

AGREEMENT BETWEEN THE CITY OF ANN ARBOR AND THE DOWNTOWN  
DEVELOPMENT AUTHORITY OF THE CITY OF ANN ARBOR REGARDING  
RESPONSIBILITIES AND COST ALLOCATION FOR  
THE DOWNTOWN AREA CIRCULATION STUDY

This Agreement (“Agreement”) is made and entered into this \_\_\_\_\_ date of \_\_\_\_\_, 2023, by and between the City of Ann Arbor, a Michigan municipal corporation with its principal offices at 301 E. Huron Street, Ann Arbor, Michigan 48104 (“City”), and the Downtown Development Authority of the City of Ann Arbor, a public corporation organized and existing pursuant to the authority of Act 197, Public Acts of Michigan, 1975, MCL 125.1651 *et seq.* with its principal offices at 150 South Fifth Avenue, Suite 301, Ann Arbor, Michigan 48104 (“DDA”), for the purpose of fixing the rights and obligations of the parties relative to the Downtown Area Circulation Study (the “Study”). Relevant details and the scope of the Study are set forth in Exhibit A.

Whereas, the City and the DDA have expressed interest in working cooperatively on the Downtown Area Circulation Study;

Whereas, the City and the DDA have agreed that the City should award a contract to SmithGroup Companies, Inc. hereinafter referred to as “Consultant,” to perform design work for the Study;

Whereas, the City will be responsible for funding a portion of the Study as established in Exhibit B; and

Whereas, the City and the DDA have reached an understanding with each other regarding their respective responsibilities for the payment of the costs for the Study, and desire to enter into this Agreement to memorialize that understanding.

Therefore, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, the City and the DDA agree:

1. The City and the DDA shall undertake and complete the Study in accordance with the terms of this Agreement. Exhibit A to this describes generally the scope of the Study and incorporates by reference the Consultant’s design proposal. Exhibit B to this Agreement lists the study tasks and allocation of costs between the City and the DDA. As set forth in Exhibit B, the estimated total dollar amount for the work the Consultant will perform, plus contingency Consultant is \$635,437, of which the estimated total dollar amount of the City’s share of the Study is \$190,631 plus \$19,063 contingency.

2. The DDA will enter into a contract with the Consultant for the Study. The DDA will administer the contract and related work necessary for the completion of the Study. In its contract with the Consultant, the DDA must require that the Consultant indemnify the City for any claims or lawsuits by third parties arising from the Consultant’s work, and must require the Consultant to cover the City as additionally insured on its general liability policy. In the contract between them, the DDA and the Consultant also must recognize the City as a third-party beneficiary of the contract.

3. The City is responsible for funding its identified share of each work item of the Study as defined in Exhibit B.
4. For payment of the Study costs, the DDA will contract directly with the Consultant, and finance the complete cost of the study, including the City's share of the costs. The City will reimburse the DDA for the City's share of amounts paid by the City according to the allocation of costs for each cost category in Exhibit B.
5. As the DDA pays for services and incurs costs on the Study, the DDA will invoice the City at a frequency no more than monthly. The City shall reimburse the DDA for the City's share of incurred costs within 30 days of receipt of an invoice from the DDA.
6. Notwithstanding the City's funding of a share of the Study, the parties agree that responsibility for management of the Study, including all aspects of the contract with the Consultant, rests with the DDA.
7. The parties understand and agree that the dollar amounts in Exhibit B are estimates of Study costs and that the actual costs may differ. However, the percentages for cost allocation between the City and the DDA for each work item identified in Exhibit B are agreed to between the parties and cannot be changed except by Amendment to this Agreement. The City's obligation to fund its share of the Study includes the obligation to fund change orders authorized in writing prior to the work being performed for any work item of the Study that the City is funding in whole or in part. All change orders that relate to a work item whose cost is covered in whole or in part by the City must be approved by the City prior to the work being done. The City's approval shall not be unreasonably withheld, and the City shall respond promptly to requests for approval. The parties agree that any change order that affects one or more work items of the Study will be paid by the City and the DDA in proportion to the percentages identified in Exhibit B for the work item(s), including both increases and decreases in Study costs.
8. In the event a claim is brought against the DDA and/or the City by the Consultant and/or its consulting team arising out of work on the Study, costs incurred by the DDA in defending or resolving such claims shall be considered Study costs and will be funded in the same manner and proportion as the work to which the claim pertains. Any change order that results from a claim shall be funded as provided in Paragraph 7.
9. Each of the persons signing this Agreement represents and warrants that he or she has authority to sign this Agreement on behalf of the DDA or the City of Ann Arbor, respectively.

CITY OF ANN ARBOR, a Michigan  
municipal corporation

ANN ARBOR DOWNTOWN  
DEVELOPMENT AUTHORITY, a public  
corporation

By: \_\_\_\_\_  
Christopher Taylor, Mayor

By: \_\_\_\_\_  
Maura Thomson, Interim DDA Executive  
Director

By: \_\_\_\_\_  
Jacqueline Beaudry, City Clerk

By: \_\_\_\_\_  
DDA Secretary

Approved as to substance:

\_\_\_\_\_  
Milton Dohoney Jr., City Administrator

\_\_\_\_\_  
Brian Steglitz, Interim Public Services Area Administrator

Approved as to form:

\_\_\_\_\_  
Kevin S. McDonald, Interim City Attorney

**EXHIBIT A**  
**Scope of the Downtown Area Circulation Study**

Attached as Exhibit A is the Scope of Services for the Downtown Area Circulation Study, which includes a multi-modal operational model, an active transportation system prioritization plan, transit plan alignment and transit priority streets, a Fifth & Division two-way restoration feasibility study, and shared streets & pedestrian mall feasibility studies.

## EXHIBIT B Estimated Costs and Cost Allocations

Attached as Exhibit B are the cost summary and funding responsibilities for the Project.

### Ann Arbor Downtown Area Circulation Study

TASKS	ESTIMATE D HOURS	LABOR FEE	EXPENSES
TASK 1 – Project Coordination & Engagement	494	\$77,023	\$1,500
TASK 2 – Multi-Modal Operational Model	564	\$87,806	\$40,000
TASK 3 – Active Transportation System Plan & Project Design	944	\$131,416	\$500
TASK 4 – Transit Plan Alignment & Transit Priority Streets	400	\$62,291	\$0
TASK 5 – Fifth & Division Two-Way Restoration Feasibility Stuc	756	\$117,988	\$500
TASK 6 – Event Street Feasibility Studies	390	\$58,089	\$500
<b>SUB-TOTAL</b>	<b>3,548</b>	<b>\$534,613</b>	<b>\$43,000</b>
<b>PROJECT TOTAL</b>		<b>\$577,613</b>	
Contingency	10%		\$57,761
<b>Project Total with contingency</b>		<b>\$635,374</b>	

### DDA-City Cost Share Agreement Splits

DDA %	DDA Share	City %	City Share
67%	\$52,610	33%	\$25,913
67%	\$85,630	33%	\$42,176
67%	\$88,384	33%	\$43,532
67%	\$41,735	33%	\$20,556
67%	\$79,387	33%	\$39,101
67%	\$39,255	33%	\$19,334
<b>\$387,001</b>		<b>\$190,612</b>	
\$38,700		\$19,061	
<b>\$425,701</b>		<b>\$209,674</b>	