



## MEMORANDUM

TO: Mayor and City Council  
FROM: Howard S. Lazarus, City Administrator  
DATE: February 14, 2020  
SUBJECT: Response to FY20 Budget Amendment No. 2

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This memorandum is provided in response to approved Council Resolution [R-19-238](#) – Budget Amendment No. 2, titled “Amendment to Accelerate the Nixon Corridor Improvement Projects in the CIP and to Include \$2,020,000.00 for the Phase 1 Improvements (Huron Parkway to Bluett - Project ID TR-SC-20-14) in the FY21 Capital Budget”. This amendment contained the following Resolved clauses:

RESOLVED, That it is City Council’s expectation that Phase 1 of the Nixon Corridor Improvement Project (Plymouth to Bluett) will be included in the FY21 Capital Budget; and

RESOLVED, That City Council directs the City Administrator to present to Council a report on the status of the project including the final design for Phase 1, updated cost estimates, and a recommendation on the specific funding source by February 29, 2020 and the start of the FY21 budget process; and

RESOLVED, That City Council requests that city staff and the Planning Commission consider accelerating Phase 2 (Bluett to Dhu Varren) and Phase 3 (DhuVarren to M14) of the Nixon Corridor Improvement Project in the review and adoption of the FY21-FY26 Capital Improvements Plan (CIP).

The below memorandum is presented to City Council in response to the second of the above clauses.

### Project Status

The design for the reconstruction of the Nixon Road corridor has its basis in the Nixon Road Corridor Study, which was completed in 2017. This process included substantial traffic analysis and several public engagement opportunities to establish a concept design for the corridor.

As previously directed by City Council, staff began to undertake the detailed engineering design for the entire corridor. This design effort included various stakeholder meetings and two public engagement opportunities; and the design has taken into account the feedback heard from those efforts. As of this writing, the design for the corridor is substantially complete.

With the understanding that the reconstruction of the corridor is a very large project, the project was broken up into three phases to better accommodate the costs of the project:

- Phase 1: Huron Parkway to Bluett
- Phase 2: Bluett to Dhu Varren/Green
- Phase 3: Dhu Varren/Green to M-14

Attached to this memo are the final design renderings for these three phases. These renderings are provided only as a visual aid to how the corridor will look following the proposed reconstruction. The renderings are supported by full engineering plans and specifications to be used for bidding purposes.

Cost Estimates & Funding Sources

Along with the engineering design, an Engineer’s Estimate of Probable Costs was completed. The below table summarizes the total project costs for the three project phases, broken down by funding source.

<b>Funding Source</b>	<b>Phase I</b>	<b>Phase II</b>	<b>Phase III</b>
Street, Bridge, & Sidewalk Millage	\$2,491,582	\$3,956,590	\$1,800,233
General Fund (Streetlight Work)	\$386,718	\$465,812	\$337,612
Stormwater Fund	\$1,260,433	\$1,145,054	\$1,340,824
Water Supply System Fund	\$2,128,821	\$0	\$0
<b>Total Cost per Phase</b>	<b>\$6,267,555</b>	<b>\$5,567,457</b>	<b>\$3,478,669</b>

For a project of this size, the City will often seek to use Surface Transportation Program (STP) funding, which is Federal aid money that the City uses for road projects on an annual basis. Utilizing this funding would offset a portion of the cost to the City’s Street, Bridge, and Sidewalk Millage. There is also a possibility that a small portion of the work would be specially assessed (such as for the installation of first time curb & gutter at some locations); however, this would represent a very small fraction of the project funding.

Project Programming

When the FY2020-2025 Capital Improvements Plan (CIP) was developed in 2019, the three phases of this project were incorporated into the plan using planning level cost estimates. Phase 1 of the project was programmed in FY2025, with the expectation that Phases 2 and 3 would follow, although the latter phases were outside of the horizon of that planning window.

Updated costs developed through the engineering design process will be incorporated into the FY2022-2027 CIP, to be developed in the Fall of 2020, and the projects will be reprioritized following the normal process. As part of this process, funding for all phases of the project from all the funding sources identified above will need to be considered from the standpoint of the timing of the project.

Recommendations

To incorporate all of the main goals identified in the Corridor Study, it is necessary that Nixon Road be completely reconstructed within the project limits. This scope includes necessary watermain and stormwater improvements, and any change in the timing of this project from where it is currently scheduled in the CIP would also have to be able to accommodate the shifting of Water and Stormwater funds.

Achieving the goals of the City’s Pavement Asset Management Plan requires that the City spend less of its resources on higher-priced road reconstruction projects, and more on lighter duty resurfacing and

pavement preservation projects in the near term (2021 through 2024, specifically). Therefore, scheduling reconstruction projects, such as the Nixon Road Corridor project, for beyond 2024 is consistent with the City's strategy to improve the overall road conditions throughout the City.

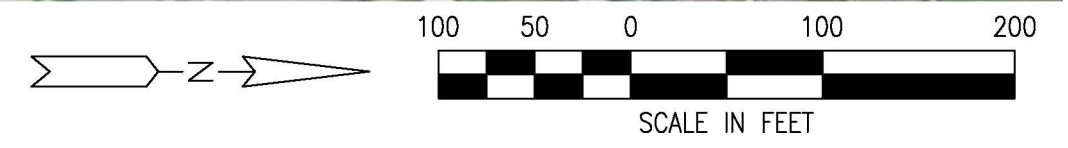
As indicated in the Funding section of this report, the City would ideally seek Federal road (STP) funds to offset the cost of this project. Allocation of such funds is done through a regional collaborative process managed by the Washtenaw Area Transportation Study (WATS). These Federal Aid funds are currently programmed through 2023.

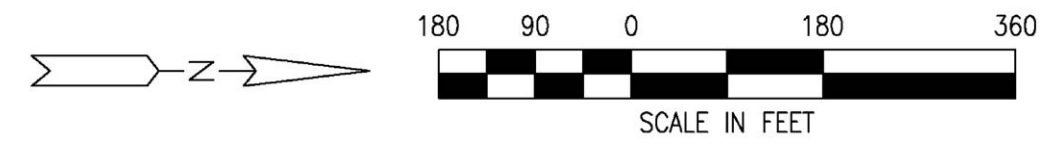
Based on the reasoning above, staff recommends at this time that Phase 1 of the Nixon Road Corridor Reconstruction Project remain scheduled for 2025 as indicated in the current CIP, and is therefore not included in the FY21 Budget. While this timing could change through the development of FY2022-2027 CIP and the revision of the Pavement Asset Management Plan, current information supports maintaining the present schedule for this project.

As always, please do not hesitate to contact me if I can be of further assistance.

Attachments: Final design renderings

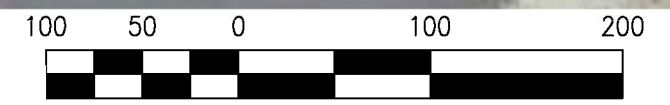
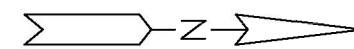
cc: J Fournier  
S Higgins  
C Hupy  
N Hutchinson  
M Praschan







NIXON ROAD



SCALE IN FEET

ANN ARBOR, MICHIGAN  
NIXON ROAD  
PHASE 3 - RENDERING - FEBRUARY 2020

