

**ANN ARBOR-SALINE ROAD  
ROAD IMPROVEMENT AGREEMENT**

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014 by and between the City of Ann Arbor (the "City") and the Board of Washtenaw County Road Commissioners (the "Road Commission").

WHEREAS, due to the deteriorated condition of the existing pavement on Ann Arbor-Saline Road, between Oak Valley Drive and Eisenhower Parkway, the City and Road Commission have concluded that Ann Arbor-Saline Road should be rehabilitated; and

WHEREAS, in order to accommodate the heavy commercial traffic and the urban nature of the road segment, the City and Road Commission have determined that the scope of work shall include 0.63 miles of cold milling the existing HMA pavement with concrete overlay, concrete pavement reconstruction, drainage structure repairs, concrete curb and gutter, sidewalk and ramps construction, signal modifications, pavement markings, signing and other associated items in accordance with the plans and proposal developed by Fishbeck, Thompson, Carr & Huber, Inc. (the "Project"); and

WHEREAS, the City has determined that it is desirable to build certain improvements to Ann Arbor-Saline Road under its jurisdiction north of the I-94 freeway as described as Category 3 non-participating items in the Project's plans and proposal (the "City Improvements"); and

WHEREAS, the Road Commission has determined that it is desirable to build certain improvements to Ann Arbor-Saline Road under its jurisdiction south of the I-94 freeway as described as Category 1 participating items in the Project's plans and proposal (the "Road Commission Improvements"); and

WHEREAS, there are shared project costs associated with the Project which shall include the costs of maintenance of traffic, permanent signing, preliminary engineering, project administration, construction engineering, materials testing, construction survey and similar costs, if any (the "Shared Project Costs"); and

WHEREAS, the City Improvements constitute an estimated 52.7 percent of the work associated with the Project and the Road Commission Improvements constitute an estimated 47.3 percent of the work associated with the Project; and

WHEREAS, the Road Commission was awarded a Transportation Economic Development Fund (TEDF) Category F grant for the resurfacing of Ann Arbor-Saline Road based upon a grant application that was supported by the City. The grant award of \$372,960 was based upon the surface area and is to be split at 40 percent (\$149,184) for the City and 60 percent (\$223,776) for the Road Commission; and

WHEREAS, the City intends to use Street Reconstruction Millage and General Fund, Fund Balance monies to pay for any costs associated with the City Improvements not otherwise covered by its share of the TEDF grant; and

WHEREAS, the Road Commission intends to use Surface Transportation Program – Urban (STU) monies to pay for any costs associated with the Road Commission Improvements not otherwise covered by its share of the TEDF grant; and

WHEREAS, due to the different funding sources to be utilized by the Road Commission and the City, the Michigan Department of Transportation (MDOT) required that the costs associated with the City Improvements and the Road Commission Improvements be separated for accurate project management and accounting purposes; and

WHEREAS, because the MDOT would only allow the TEDF grant to be applied to one portion of the Project and applied the TEDF grant monies wholly to the Road Commission Improvements, the Road Commission will provide a credit to the City for its share of TEDF grant and apply this credit toward any costs associated with the City Improvements; and

WHEREAS, the Road Commission has programmed the Project to be constructed in 2014; and

WHEREAS, proper authority is provided to the parties of this Agreement under the provisions of Act 51 of Public Acts of 1951 as amended.

THEREFORE, BE IT AGREED that the Road Commission will design and construct the Project, acquire all necessary right-of-way, easements and grading permits and provide the construction engineering services for a total estimated project cost of \$2,417,000.

BE IT FURTHER AGREED that the Road Commission and the City will split the costs associated with Shared Project Costs based on the percentage of work performed with the City Improvements and the Road Commission Improvements, which equals an estimated 52.7 percent share for the City and an estimated 47.3 percent share for the Road Commission. The City's and Road Commission's actual split of the Shared Project Costs will be calculated and adjusted at the end of the Project based on the actual final costs for the City Improvements and the actual final costs for the Road Commission Improvements.

BE IT FURTHER AGREED that the City shall be responsible for all costs associated with the City Improvements and its apportionment of any Shared Project Costs less an amount equivalent to 40 percent of the TEDF grant monies, and the Road Commission will be responsible for all costs associated with the Road Commission Improvements and its apportionment of any Shared Project Costs less an amount equivalent to 60 percent of the TEDF grant monies.

BE IT FURTHER AGREED that, the City shall remit payment of 40 percent of the estimated City Improvements and Shared Costs for which the City is responsible to the Road Commission upon execution of this Agreement, an additional 40 percent to the Road Commission on or before July 1, 2014 and the balance upon final accounting of the Project, including a final adjustment based on the actual split of the Shared Project Costs.

BE IT FURTHER AGREED that the Road Commission shall provide a proper accounting and credit of the City share of the TEDF grant monies on any and all invoices submitted by the Road Commission.

**SUMMARY OF PROJECT COSTS AND FUNDING**

Estimated Project Cost:

	<u>Road Commission</u>	<u>City</u>	<u>Total</u>
Preliminary Engineering	\$ 63,000.00	\$ 69,600.00	\$ 132,600.00
Construction	883,900.00	984,400.00	1,868,300.00
Shared Construction Costs	67,300.00	74,900.00	142,200.00
<u>Construction Engineering</u>	<u>129,600.00</u>	<u>144,400.00</u>	<u>274,000.00</u>
<b>Total</b>	<b>\$ 1,143,800.00</b>	<b>\$ 1,273,300.00</b>	<b>\$ 2,417,100.00</b>

**Total Estimated Project Costs** **\$ 2,417,100.00**

Estimated Project Funding:

Road Commission	
STP-U Funds	\$ 750,000.00
TEDF Funds	373,000.00
MTF Funds	170,000.00
<u>Credit to City for City Share of TEDF Funds</u>	<u>(149,200.00)</u>
<b>Total</b>	<b>\$ 1,143,800.00</b>

City of Ann Arbor	
Street Reconstruction Millage Funds	\$ 1,094,100.00
General Fund, Fund Balance	30,000.00
<u>Credit from Road Commission for City Share of TEDF Funds</u>	<u>149,200.00</u>
<b>Total</b>	<b>\$ 1,273,300.00</b>

**Total Estimated Project Funding** **\$ 2,417,100.00**

FOR CITY OF ANN ARBOR:

\_\_\_\_\_ Witness  
 John Hieftje, Mayor

\_\_\_\_\_ Witness  
 Jacqueline Beaudry, City Clerk

Approved as to substance:

\_\_\_\_\_  
Steven D. Powers, City Administrator

\_\_\_\_\_  
Craig Hupy, Public Services Administrator

Approved as to form and content:

\_\_\_\_\_  
Stephen K. Postema, City Attorney

FOR WASHTENAW COUNTY ROAD COMMISSION:

\_\_\_\_\_  
Douglas E. Fuller, Chair

\_\_\_\_\_ Witness

\_\_\_\_\_  
Roy D. Townsend, Managing Director

\_\_\_\_\_ Witness