



Legislation Details (With Text)

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Title: Resolution to Approve a Cost Allocation Agreement with the Regents of the University of Michigan for the High-Level Trunkline Sewer Capacity Improvements Project

Sponsors:

Indexes:

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Attachments: 1. High-Level Trunkline Sewer Capacity Project City-UM Cost Sharing Agreement City 9-11-25.pdf

Date	Ver.	Action By	Action	Result
10/6/2025	2	City Council		
10/6/2025	2	City Council		
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Resolution to Approve a Cost Allocation Agreement with the Regents of the University of Michigan for the High-Level Trunkline Sewer Capacity Improvements Project

Attached for your review and consideration for approval, please find a resolution to authorize a cost sharing agreement between the City of Ann Arbor (“City”) and the Regents of the University of Michigan (“University”) for the High-Level Trunkline Sewer Capacity Improvements Project, which will be installed along West Washington Street and North First Street to Miller Avenue. The agreement identifies each party’s responsibilities and cost allocation for the project.

The University is proceeding with development of its Central Campus Student Housing Complex (the “Student Housing Complex”) which consists of two phases. Phase I involves the construction of an approximately 2,300-bed student residence facility and a dining facility located on the former Elbel Field property bounded by Hill Street, South Division Street, East Hoover Street, and the Ann Arbor Railroad tracks, in the City of Ann Arbor which is planned to be completed in summer 2026. Phase II involves the construction of an approximately 2,500-bed student residence facility and a dining facility and other ancillary uses located on property directly north of Phase I bounded by Hill Street, South Fifth Ave, East Madison Street, and South Division Street, in the City of Ann Arbor. Details of Phase II are still under development by the University.

As part of its planning and preparation for the project, the University retained OHM Advisors to perform a sanitary sewer analysis for the proposed Student Housing Complex. The analysis determined capacity improvements to the City’s sanitary sewer system are required in order to accommodate peak sanitary flows from the Student Housing Complex during wet weather events. The City is using this opportunity to not only improve wet weather capacity to accommodate the University’s project, but also to improve resiliency and wet weather system capacity for existing and future city customers. The recommended project to achieve this goal is the High-Level Trunkline

Sewer Capacity Improvements Project, which consists of two parts.

Part A involves the construction of approximately 1,520 feet of 36-inch sanitary relief sewer installed from Washington Street between S. First Street and Third Street to the intersection of N. First Street and Miller Avenue to accommodate projected new flows from the University's Student Housing Complex. Due to depths exceeding 30 feet, the proposed sanitary sewer is planned to be installed using a microtunneling trenchless construction methodology. The conceptual planning level estimated project cost of Part A is \$20.51 million.

Part B involves the lining and rehabilitation of approximately 4,000 feet of existing 36-inch sanitary sewer pipe from the intersection of N. First Street and Miller Avenue to Depot Street. This rehabilitation work will also improve the sewer's hydraulic capacity and extend the life of system assets. The conceptual planning level estimated project cost of Part B is \$5.04 million.

In summary, these proposed improvements will benefit the City's overall sanitary sewer system by providing resiliency and additional wet weather capacity beyond the demands of the Student Housing Complex project.

The High-Level Trunkline Sewer Capacity Improvements Project, including both Parts A and B, will be completed as a City project. The University will fund approximately 90% of Part A. The City will fund various improvements of the sewers surrounding the project, which equate to approximately 10% of Part A. The City will fund 100% of Part B. Exhibit 2 to the cost sharing agreement provides a detailed breakdown of the total project costs associated with the features of work and the allocation of those costs. The unit prices and quantities in Exhibit 2 will be updated throughout the project as the design and construction progresses.

The City will issue an RFP for the project, enter into a contract with the selected contractor, and manage the construction of the project including inspection, administration, engineering, material testing, and other construction related contracts.

The construction of the project is scheduled as follows:

- Part A - Microtunneling 36" Sewer: November 2025 - August 2026
- Part B - Sewer Lining downstream of First and Miller: 2027

Budget/Fiscal Impact: The estimated total cost of the project is \$23,060,000.00. Funding for the project is included in the approved capital budget of the Sewage Disposal Fund. The University will contribute funds for the project in accordance with the attached cost sharing agreement. Cost estimates (for Part A and Part B) presented below are approximate based on plans that are X% complete.

Fund	Total Project Cost
Sewage Disposal Fund	\$ 6,850,000
<u>University of Michigan</u>	<u>\$ 16,210,000</u>
Total	\$ 23,060,000

Prepared by: Nicholas S. Hutchinson, P.E., City Engineer

Reviewed by: Jordan Roberts, Public Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The City of Ann Arbor ("City") and the Regents of the University of Michigan ("University")

have partnered on the design and construction of the High-Level Trunkline Sewer Capacity Improvements Project;

Whereas, The University will contribute funding for the project for their allocated portions of Part A of the project;

Whereas, Funding for the project is available from the Sewage Disposal Fund, to be partially reimbursed by the University of Michigan in accordance with the attached cost sharing agreement;

Whereas, The City will manage the project construction and administer the construction contract and all other construction related contracts;

Whereas, The City and University of Michigan have drafted the attached Agreement to outline their respective responsibilities for the project, including their allocations of costs; and

Whereas, The City will pay the consultants and the contractor and will invoice the University of Michigan for its share of the project costs in accordance with the cost sharing agreement;

RESOLVED, That City Council approves the Cost Allocation Agreement with the Regents of the University of Michigan for responsibilities and cost allocations for the High-Level Trunkline Sewer Capacity Improvements Project, subject to a subsequent amendment or supplement clarifying the University's agreement to cooperate with the City to identify and implement reasonable mutually agreeable wet-weather mitigation measures and to treat any wet-weather problems and claims and related costs as project costs to be paid according to the cost allocation in the agreement (90/10);

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said Agreement after approval as to form by the City Attorney and approval as to substance by the City Administrator;

RESOLVED, That the City Administrator be authorized to approve amendments to the Agreement; and

RESOLVED, That the City Administrator be authorized to take all other necessary administrative actions to implement this resolution, including approval of needed Traffic Control Orders, night work authorizations, and other similar administrative approvals to allow the work of the project to proceed without delay.

As Amended and Approved by Ann Arbor City Council on October 6, 2025.