



## Legislation Text

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File #: 21-0902, Version: 1

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Resolution to Accept and Appropriate the Amended Second Phase of the Hazard Mitigation Assistance Grant Agreement from FEMA for the Construction of the Opening in the Railroad Berm (\$355,922.00) and Appropriate and Amend the Stormwater Local Project Share Budget (\$2,065,015.00) and Major Street Fund Local Project Share Budget (\$905,000.00) to Accommodate Escalated Project Costs **(8 Votes Required)**

Attached for your review and action is a resolution to amend the grant agreement between the City of Ann Arbor and the Federal Emergency Management Agency (FEMA). This amendment addresses increased construction costs based on actual project bid prices administered by the Michigan Department of Transportation (MDOT). The FEMA agreement established and maintains the existing funding levels, which covers 75% of the increased flood mitigation portion of the project, requiring the City to fund 25% of the costs.

On August 15, 2016 the City of Ann Arbor passed a resolution (R-16-331) to accept a phased FEMA Hazard Mitigation Assistance Grant (Project # HMGP P4195.16) agreement for the first phase of a two-phase project to create openings in the railroad berm. Phase one consisted of the engineering design, development of construction plans, and preparation of the Phase Two hazard mitigation grant application. The Phase Two Grant Agreement was subsequently approved on February 19, 2019 (R-19-067) and covered construction costs based on original project estimates. On July 15, 2019, prior to final receipt of construction bids, #R-19-334 was approved authorizing the construction contract with the Michigan Department of Transportation, which included Federal funding from the Transportation Alternative Program (TAP). This amendment accounts for the increased final bid pricing.

In addition to the flood mitigation portion of the project, a pedestrian improvement that was recommended in the Non-Motorized Transportation Plan and is part of the Treeline-Allen Creek Urban Trail Master Plan approved by City Council on December 18, 2017, was constructed. A under-rail pedestrian passage that allows pedestrian access through the berm was built north of Depot Street between 4th Avenue and N. Main Street in conjunction with the City's flood mitigation efforts. This portion of the project was funded by the Alternative Transportation Fund.

In addition to increased final bid prices; during construction, the project encountered increased internal and external construction costs, including an increased level of dewatering. This resulted in increasing local share project costs. Although, we are in the process of requesting an additional grant amendment to cover the increased dewatering costs, in the interim we are required to make payments to MDOT for payment to the contractor. If we subsequently receive an amendment for these increased costs, we will be able to reimburse the increased local share project costs to the Stormwater and Major Street Funds.

### Budget/Fiscal Impact:

Matching funds for the amended Second Phase FEMA Hazard Mitigation Grant and additional construction costs associated with construction including dewatering are available in the current

unobligated Stormwater Fund Balance.

The non-motorized/pedestrian tunnel portion of the project was originally funded by the Alternative Transportation Fund Capital Budget; however, the fund cannot absorb the increased construction costs. Therefore, the Major Street Fund will contribute the additional necessary funding (\$905,000.00) to further the City's Non-Motorized Plan and create safe pedestrian passage.

Increased Project Construction Costs	\$ 3,325,937
Stormwater Fund - City Share	\$ (2,065,015)
Federal Share - FEMA Grant	\$ (355,922)
Non-Motorized/Pedestrian Tunnel Share	\$ (905,000)

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Jerry Hancock, Stormwater and Floodplain Programs Coordinator

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Tom Crawford, City Administrator

**..Body**

Whereas, The railroad berm near the mouth of Allen Creek is perpendicular to the flow of flood water and causes the floodplain depth to be as deep as 10 feet (upstream of the influence of this berm, flood depths are more typically in the 3 to 5 foot range);

Whereas, Opening the railroad berm has reduced flood depth as recommended in the City of Ann Arbor 2007 Flood Mitigation Plan (project #51);

Whereas, The City of Ann Arbor 2017 and 2012 Hazard Mitigation Plans reference the 2007 Flood Mitigation Plan and reiterates this same recommendation;

Whereas, The FEMA approved City of Ann Arbor 2017 Hazard Mitigation Plan makes the City eligible for Hazard Mitigation Grants;

Whereas, The shared-use non-motorized path through the railroad berm is recommended in the Non-Motorized Transportation Plan and the Treeline- Allen Creek Urban Trail Master Plan;

Whereas, On August 15, 2016 the City of Ann Arbor passed a resolution (R-16-331) to accept a phased FEMA Hazard Mitigation Assistance Grant (Project # HMGP P4195.16) agreement for the design (Phase 1) of a project to create openings in the railroad berm;

Whereas, On February 19, 2019 the City of Ann Arbor passed a resolution (R-19-067) to accept Phase II of the FEMA Hazard Mitigation Assistance Grant;

Whereas, On July 15, 2019 prior to final construction bids, City Council passed R-19-334 authorizing a construction contract with the Michigan Department of Transportation, stipulating a cost share agreement;

Whereas, Final Construction bids were higher than previously estimated in the original Phase II Grant Agreement;

Whereas, The project incurred additional dewatering costs of \$1,494,288.19 during construction;

Whereas, The projected fund balances of the Major Street and Stormwater Funds are in excess of fund balance requirements per City policy; and

Whereas, increased local share project costs have increased for Stormwater (\$1,946,375.00) and The Major Street Fund (\$905,000.00);

RESOLVED, That the City accept and appropriate the Federal Emergency Management Agency Phase II grant amendment of \$355,922.00 and appropriate the City's matching funds of \$118,640.00 and an additional \$1,946,375.00 for increased construction costs from the Unobligated Stormwater Fund Balance; thereby increasing the revenue and expenditure existing project budgets in Major Grant Program Fund (00MG) and the Stormwater Fund (0069);

RESOLVED, That the Pedestrian Improvement increased construction cost share of the project of \$905,000.00 be appropriated from the Major Street Fund Balance; thereby, increasing the revenue and expenditure existing project budget in the Alternative Transportation Fund (0061); and

RESOLVED, That City Council authorize the Mayor, City Clark, and City Administrator to execute all documents necessary to complete the Grant requirements, after approval as to form by the City Attorney.