



## Legislation Text

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**File #:** 17-0393, **Version:** 1

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Resolution to Approve an Agreement with the Downtown Development Authority for the Construction of the South University Streetscape Improvements Project (\$310,687.36)  
Attached for your review and approval is a resolution to authorize an agreement with the Ann Arbor Downtown Development Authority ("DDA") to participate in construction costs for the abandonment of water main during the DDA's South University Streetscape Improvements Project.

The DDA is improving the streetscape along South University Avenue between East University Avenue and Washtenaw Avenue. There is a redundant water main beneath the proposed work area. The removal of this water main is included in the City's Capital Improvements Plan. The City wishes to remove this water main as part of the DDA's project.

The DDA conducted a formal bid process and awarded a construction contract to the lowest responsible bidder, Fonson Company, Inc. ("Contractor"). Construction for this project is scheduled to begin in May 2017.

Construction cost responsibilities for different portions of the work are agreed in principal with the DDA, and these percentages will be used as a basis to determine the respective amounts that each party will pay towards the construction cost of the project. The DDA will have the contractual relationship with the Contractor, and the City will reimburse the DDA for its portion of the fees. The attached document outlines the terms of the agreement between the City and the DDA to complete the work described above.

### **Financial Impact**

Funding for this work is available in the approved Water Supply System Capital Budget as part of CIP Project UT-WS-18-07.

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Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City's Capital Improvement Plan includes a project to abandon the existing redundant water main along South University Avenue between East University Avenue and Washtenaw Avenue (UT-WS-18-07);

Whereas, The City and the DDA agree it would be beneficial in collaborating on the construction of the water main improvements and their streetscape improvements;

Whereas, The DDA issued bid documents incorporating the water main abandonment work and received six bids on January 13, 2017;

Whereas, Following the bid process, the DDA selected Fonson Company, Inc. as the lowest responsible bidder for the project;

Whereas, The City and DDA have drafted the attached cost-sharing agreement for the construction phase of the project; and

Whereas, The DDA will pay all construction costs and will invoice the City for its share of the costs as detailed in the attached Agreement;

RESOLVED, That City Council approve the attached Agreement with the Ann Arbor Downtown Development Authority for responsibilities and cost allocations for the construction of the South University Streetscape Improvements Project;

RESOLVED, That the City make the following declaration for the purpose of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expects to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds;

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; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution and to approve amendments to the agreement within the project budget.