



Legislation Text

File #: 20-0289, **Version:** 1

Resolution to Approve an Agreement with the Downtown Development Authority for the First and Ashley Street Improvement Project. (\$2,334,383.00)

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 First and Ashley Street Improvements (from Kingsley Street to Madison Street on First and Ashley Streets and from Main to First on Kingsley Street).

Over the past several years the City and DDA have worked closely to improve infrastructure project coordination. In spring 2020, the DDA will begin construction on a two-way protected bikeway on First Street. In addition to the bikeway, the project will include restoration of two-way traffic on First and Ashley Streets, road resurfacing identified through the City's pavement condition assessment, watermain upsizing and consolidation, stormwater improvements, crosswalk, streetscape, and sidewalk enhancements.

The project also includes removal of 11 DTE cobra head streetlights and installation of 64 City-owned pedestrian streetlights. This change brings 7 blocks in compliance with current lighting standards, allows for City control to respond to outages, and replaces high-pressure sodium lights with energy saving LED's. City staff has calculated the additional long-term maintenance costs of 53 new streetlights - approximately \$43,013.00 per light over the lifecycle of the lights. These additional annual operating expenses will be reflected in the ongoing General Fund - Street Lighting Operations and Maintenance Budgets.

The project presents an opportunity for the City to consolidate dual watermains, improve the condition of the Allen Creek Watershed, and install IT conduit without incurring the full cost of resurfacing. The cost share agreement reflects this breakdown; the DDA will pay for 100% of the work related to the protected bikeway, crosswalk enhancements, new street lights, stormwater improvements associated with the bikeway (bioswales and plantings), and streetscape, and 73% of the cost of the street resurfacing. The City will pay for 100% of the cost of the watermain consolidation work, 100% of the underground stormwater improvements, 27% of the resurfacing costs, 100% of the IT conduit, and costs associated with upgrading a traffic signal. Combining the work into a single contract will minimize overall cost, city staff time, and disruption to the community. Site preparation and traffic control are split based on overall contract costs by funding source. Similarly, construction oversight and testing are based on a standard percentage of the construction contract by funding source.

The DDA conducted a formal procurement process through the City's Procurement Unit and awarded the contract to Fonson Company, Inc. Construction for this project is scheduled to begin in the spring of 2020. Formal approval by mid-March 2020 is critical to complete the project within two construction seasons and minimize impact.

Construction cost responsibilities for different portions of the work were discussed with the DDA, and these percentages were used as a basis to determine the respective amounts that each party will pay for the construction 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 construction costs. The attached document outlines the terms of the agreement between the City and the DDA to complete the work described above. This same cost-share mechanism has been used on similar City/DDA projects with positive results, including the Fifth & Detroit, South University, and William Street Projects.

Budget/Fiscal Impact: In addition to funding the cost share agreement, the City will have additional expenses for engineering, inspection, and material in the amount of \$130,000.00 for a total project cost of \$2,464,383.00. Funding for the City’s portion of the project costs is available within the approved capital budgets as indicated below:

Street, Bridge, and Sidewalk Millage (pavement resurfacing)	\$ 841,859.00
Stormwater Sewer System Fund (stormwater infrastructure)	\$ 1,221,825.00
Water Supply System Fund (water main consolidation)	\$ 111,650.00
Information Technology Service Fund (conduit installation)	\$ 68,337.00
Major Street Fund (traffic signal and sign work):	\$ 220,712.00

Additional operation and maintenance costs for street lighting will be included in the proposed annual street lighting general fund operation and maintenance budgets.

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

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City and the Downtown Development Authority (“DDA”) agreed it would be beneficial to collaborate on the design and construction of the infrastructure improvements for the First and Ashley Street Improvement Project;

Whereas, The DDA agreed to solicit bids for the construction of the project;

Whereas, Following the procurement process, the DDA is preparing to enter into a contract with Fonson Company, Inc;

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

Whereas, Funding for the City’s share of this project is available in the approved capital budgets for the Street, Bridge, and Sidewalk Millage; Stormwater Sewer System Fund; Water Supply System Fund; Information Technology Service Fund; and Major Street Fund;

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

Whereas, the DDA will reimburse the City for any signs and signals material and staff time associated with their share of the construction.

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 First and Ashley Street Improvement Project;

RESOLVED, That the City Administrator be authorized to approve amendments to the agreement within the project budget to reflect the actual final value of the work;

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 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.