J-09

CITY COUNCIL REPORT

January 15, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian Murphy, Assistant City Manager/Economic Dev. Services
Steve Vandette, City Engineer

SUBJECT: Request for Federal Aid Funding – FY 2012 – Next Phase Projects

Background:

- The Oakland County Federal Aid Funding Committee will hold their annual meeting on February 8, 2008 for the purpose of approving road improvement projects for federal aid funding. Oakland County typically receives federal funds in the range of $20-24 million to distribute to projects within Oakland County in the various funding categories.
- There are not sufficient federal funds available for all projects in Oakland County or even all phases of projects in Troy, so projects are prioritized and funding is programmed over several years.
- The following "Next Phase" projects will be submitted for construction funding consideration in the Economic Development Fund – Category "C" (EDFC) category for FY 2012:

Project Name	Limits	Federal Amount	Local Match	Year	Phase
John R	Long Lake to Square Lake	$ 5,500,000	$ 2,977,000	2012	CON
John R	Square Lake to South Blvd.	$ 5,034,000	$ 1,713,000	2012	CON
Rochester	Barclay to Trinway	$ 9,447,000	$ 2,599,000	2012	CON
Livernois	Long Lake to Square Lake	$ 5,371,000	$ 2,368,000	2012	CON
	TOTAL	**$ 25,352,000**	**$ 9,657,000**		

PHASE
CON – Construction

- Once a project has been approved for preliminary engineering the entire project is then moved into the "Next Phase" category and subsequent phases (right-of-way and construction) are approved for funding based on the year originally ranked and availability of federal funds. The approval by the Funding Committee earmarks the federal funds for four (4) years into the future.
- We do not anticipate funding approval for any Next Phase project in 2012 due to the current backlog of previously approved projects and the reduction this year in Category C funds by the State of Michigan (Category C funds contain a mix of Federal and State funding). We are submitting our projects to maintain our place in the Next Phase category within Oakland County.

Financial Considerations:

- By obligating previous phases of a project, the city has agreed to construct these projects at some time in the future and fund the local share of the project.
- In the event that actual construction of the roadway is not undertaken by the close of the twentieth fiscal year following the fiscal year in which the project contract covering the work is executed, the city would be required to repay all monies distributed for the previous project phases.

Legal Considerations:

- It is the responsibility of the local agency to complete all requirements for a specific phase in order to obligate the federal funds, including executing an agreement with the Michigan Department of Transportation (MDOT) which requires approval by City Council. Until obligation of the federal funds has been approved, no federal funds are available to the project phase and no local match is required.

Policy Considerations:

- Widening and reconstruction of major roads provides a safer road and relieves congestion. (Goal #1 & 5)
- The use of federal funds reduces the overall cost to the city. (Goal #2)
- A road system that provides for good pedestrian and vehicular travel is critical to retaining current residents and businesses while encouraging new residents and businesses to locate in Troy (Goal #3).

Prepared by: Bill Huotari, Deputy City Engineer
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