



## COUNCIL REPORT

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Date: January 23, 2013

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic and Community Development  
Cindy Stewart, Community Affairs Director  
Steve Vandette, City Engineer  
Glenn Lapin, Economic Development Specialist

Subject: Troy Multi-Modal Transit Center Status Report

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In addition to the memo from Steve Vandette updating City Council on transit center construction activities, this memo provides further information on key issues.

### Land Status

As the result of a settlement of a lawsuit, Grand Sakwa was permitted to develop approximately 75 acres into an intense mixed use development at the corner of Coolidge and Maple, on the site of the former Ford New Holland plant. As part of the settlement, the City was deeded a 2.7 acre parcel at the rear of the commercial development, which was adjacent to the railroad tracks. This site was intended to be used for the anticipated future transportation center. The City has been the owner of this 2.7 acre parcel since June 21, 2001, when Grand Sakwa deeded it over to the City. The condition in the deed, as well as the consent judgment, required the transportation center to be "funded" on or before June 2, 2010.

On July 9, 2010, Grand Sakwa filed a Motion in the Oakland County Circuit Court, asking the Court to require the City to deed the property back to Grand Sakwa, on the basis that the transit center was allegedly not funded prior to 6/2/2010. In response to the motion, the City argued that the transit center was funded timely. The City identified numerous funding sources which included a federal appropriation in the amount of \$1.3 million that was designated by Congress on December 16, 2009 and an \$8.5 million grant from the federal government which was announced on January 22, 2010 as part of the Recovery Act of 2009. Grand Sakwa's motion was ultimately rejected by the Oakland County Circuit Court on 6/2/2011. Grand Sakwa's Motion for reconsideration was also denied by the Oakland County Circuit Court on 9/22/2011.

Grand Sakwa then filed an appeal with the Michigan Court of Appeals, which was dismissed on 10/11/2011 since there is no automatic right to appeal a post judgment action. Grand Sakwa then filed an unsuccessful motion for reconsideration, which was denied on 12/8/2011. Grand Sakwa also simultaneously filed a delayed application for leave to appeal on 11/22/2011. The application for leave to appeal was granted on 7/27/2012, allowing the parties an opportunity to have this case decided by the Michigan Court of Appeals. The briefs were all submitted by December 2012, and it is expected that oral argument will occur in approximately six months and the opinion issued a few months thereafter.



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Because of the very narrow timeframes inherent in federal funding, the City could not wait until the conclusion of the litigation to commence the project. However, there is also a provision in the Consent Judgment that allows the City to purchase the parcel at a price set by an independent fee appraiser, and therefore the risk is minimal.

### Operation & Maintenance Budget

The annual operation and maintenance cost for the Transit Center is estimated at \$36,000.

The City Engineer's cost estimate (attached) is based on the final project design drawings, which allowed the maintenance needs to be clearly and accurately identified. Quantities such as the square footage of glass needing cleaning, square footage of heated space versus unheated space and square footage of surfaces needing snow removal, grass cutting or tree maintenance are among the items that were measured. Many of the quantities seem low for a \$6.2 million dollar project, but they are low for a reason. The project was designed not only to be functional and within budget, but low in cost to operate and maintain as well.

For example, there are no high maintenance flower or shrub beds, only existing trees and a small number of new trees, which require minimal maintenance. Only 1,600 square feet of the station building is heated and air conditioned. The building vestibule, elevator/stair towers and bridge are ventilated, but not heated or cooled. The south side of the station building, which is the largest green space on the site, is planted with wild grasses to give it a natural appearance, but not require mowing. Station window cleaning is done twice a year, but the bridge and elevator towers are cleaned every three years. These design features and maintenance strategies combine to create a Transit Center that is functional, efficient and relatively low cost to operate and maintain.

The Lease Agreement being finalized with Amtrak provides that Amtrak pays their proportionate share of operation and maintenance costs. Upon opening the facility scheduled for July 2013, Amtrak is expected to be the only user, therefore; Amtrak's proportionate share would be 100% of these costs. As other users of the station building emerge, Amtrak's share of costs would go down as part of the operation and maintenance costs would be paid by others.

We expect the Lease Agreement will be ready for Council approval in February.

Conversations with Smart Bus are now taking place to coordinate Smart's use of the facility.

### Construction

Construction of the Transit Center is on schedule and on budget; there are no expenditures to date from the construction contingency. Approximately 14% of the \$6.2 million project funding has been expended; all in accordance with the federal Davis–Bacon Act of 1931. This law establishes the requirement for paying the local prevailing wages on public works projects. It applies to “contractors and subcontractors performing work on federally funded projects in excess of \$2,000 for construction”, which of course is applicable to the Transit Center project.



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More details can be found in the accompanying Transit Center construction update memo.

### Business Opportunities

As construction proceeds, City Management continues to work closely with the Troy Chamber of Commerce on identifying business opportunities to support the operations and maintenance of the Troy Transit Center. John Tagle is the Chamber's representative now that Michele Hodges has left her position at the Chamber. John is also a Troy Planning Commissioner.

To assist City Management and the Troy Chamber in securing business support for the Troy Transit Center, Marketing Associates has been providing assistance. Marketing Associates has significant expertise in marketing campaigns, identifying business support opportunities and selling naming rights and sponsorships. The company has worked with the City in developing a communications strategy, including the City of Troy's newly launched website. Marketing Associates is helping to identify marketable business and sponsorship opportunities, communicate demographic information to support a business case for Transit Center sponsorship opportunities, and produce an offering proposal to businesses. Consulting fees need to be negotiated, but it is anticipated that fees would be paid from sponsorship revenue generated.

Selling naming rights for the Troy Transit Center is a potential component of generating sponsorship revenue. On a national basis, there are a few examples of where naming rights have been sold for transit centers. The attached article describes a recent facility in Pennsylvania named after a major corporation as a part of an overall sponsorship package. Additional guidance from City Council will be needed on this issue.

The ability to sell sponsorships depends upon the Transit Center's visibility and traffic. Although the Troy Transit Center will not generate traffic the way an airport does or the way Amtrak stations do in hub cities like Chicago or New York City, modest local traffic will be generated. For the 2012 calendar year, 20,233 passengers boarded or deboarded the train at the existing Amtrak platform in Birmingham, and this occurred without any passenger facilities associated with the Birmingham platform. Based on the Troy Intermodal Rail Passenger Facility Environmental Assessment of July 2011, it is projected that annual boardings and deboardings would increase to 51,485 by 2027.

Smart bus activity for the four routes that are expected to use the Troy Transit Center is estimated at 18,200 passengers per year. When the train and bus passenger activity is combined, along with regular shopping center traffic from the adjacent Midtown Square, the opportunities for locally based business sponsorships become more attractive.

City Management will continue to work with our Troy Chamber of Commerce partners on business opportunity issues. City Council will be kept apprised of our progress.



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Reviewed and Approved  
Lori Grigg Bluhm, City Attorney

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Date

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# Historic train station to be named for PNC

By Joe Napsha

**Published:** Wednesday, December 19, 2012, 12:01 a.m.

*Updated: Wednesday, December 19, 2012*

The century-old Train Station at Greensburg, which serves as an Amtrak stop and houses a restaurant and professional offices, will become the PNC Station at Greensburg by the end of the year, the Westmoreland Cultural Trust said on Tuesday.

"We're pretty excited about it," said Michael Langer, president of the Trust, a Greensburg-based nonprofit with a mission to stimulate cultural and economic development.

PNC Financial Services Group Inc. of Pittsburgh, parent firm of PNC bank, was awarded the naming rights for a minimum of 10 years as a component of the PNC Foundation's \$300,000 grant to the trust to promote learning among children and a greater appreciation of the arts, the trust said. That grant, which was announced in September, will be used to enhance the trust's arts education for more than 1,000 preschoolers in the region, bringing theater performances to children and exposing them to other cultures through International Christmas.

"PNC wanted to have a greater presence in Westmoreland County" and saw the naming of the train station as a way to achieve that, Langer said.

PNC Station signs will be installed after discussions with PNC, Langer said. The location of the signs has not been determined.

PNC, which is one of the nation's largest banks, provided the money in support of economic development in Westmoreland County and as part of Grow Up Great, the bank's \$350 million multi-year bilingual initiative to help prepare preschoolers for success in school and life.

The possibility of giving PNC the naming rights to the Train Station was discussed earlier this year as part of the PNC Foundation's considerations for providing the Trust with the grant for children's programs, Langer said. The PNC Foundation is the philanthropic arm of PNC.

"We are honored to have this beautiful building named in recognition of our support of its (the Trust) commitment to preserve the community's cultural gems," James Balouris, Southwestern Pennsylvania market manager for PNC, said in a statement.

The Train Station may not be the Westmoreland Cultural Trust's only property to be renamed. The Trust "possibly" may sell the naming rights to the Palace Theatre, also in downtown Greensburg, Langer said. He declined to comment further.

Joe Napsha is a staff writer for Trib Total Media. He can be reached at 724-836-5252 or [jnapsha@tribweb.com](mailto:jnapsha@tribweb.com).

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## About The Tribune-Review

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January 16, 2013

TROY MULTI MODAL TRANSIT FACILITY  
ANNUAL OPERATION AND MAINTENANCE COST ESTIMATE

	Item	Quantity	Unit	Unit Price	Total Cost
1	Building Maintenance and Custodial (based on city billing history)	2,900	SF	\$3.07	\$8,903
2	Custodial supplies (based on city billing history)	2,900	SF	\$0.20	\$580
3	Mowing (one acre or less) (based on city billing history)	21	EA	\$28.00	\$588
4	Snow and Ice Removal - Parking Lot and Doyle Drive (based on city billing history) 45,000 SF x \$3.20 per 1,000 SF = \$144 per removal)	30	EA	\$144.00	\$4,320
5	Snow and Ice Removal - Sidewalks (based on city billing history) (9,550 SF x \$.01 per SF = \$96 per removal x 30/year (No heated Sidewalks)	30	EA	\$96.00	\$2,880
6	Electricity, calibrated to 2,900 sf (based on city billing history)	12	Month	\$500.00	\$6,000
7	Gas Utility, calibrated to 1,600 sf of heated area (based on city billing history,	12	Month	\$150.00	\$1,800
8	Elevator Maintenance (based on average annual cost for City's elevators)	2	EA	\$1,875.00	\$3,750
9	Water & Sewer (based on city billing rates)	4	Quarter	\$75.00	\$300
10	Window Cleaning, 3yr cycle in CN ROW, 2/yr for Bldg. (based on billing history and market analysis)	1	EA	\$1,916.00	\$1,916
11	Parking Lot Lights (based on energy cost per fixture, 10 yr cost cycle)	12	Fixture	\$200.00	\$2,400
12	Mulch Trees in Parking Lot (based on DPW costs)	23	EA	\$10.00	\$230
13	CN Flagman for glass cleaning in CN ROW, 3 yr cycle (based on actual CN cost)	1	EA	\$333.00	\$333
14	Pro-rata Share of Doyle Maintenance w/Grand Sakwa (based on DPW costs)	4	Quarter	\$500.00	\$2,000
				<b>Total Estimated O&amp;M Costs</b>	<b>\$36,000</b>

Prepared by: Troy Engineering Department