



COUNCIL REPORT

July 16, 2013

TO: Honorable Mayor and City Council

FROM: Brian Kischnick, City Manager
Lori Bluhm, City Attorney
Mark Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer/Project Manager

SUBJECT: Transit Center Status Report – July 2013

This memo provides a brief update on the status of construction and acquisition of the Transit Center Property.

Construction

Construction is continuing while the City works through the process of resolving the status of the land. The City will file an application for leave to appeal with the Michigan Supreme Court, and will also pursue other necessary legal options in order to guarantee continued ownership of the property. It's certain that resolution of the land issue will take much longer than the few months remaining in the transit center construction schedule. Suspending construction during this time would add considerable cost to the project and these costs may not qualify for federal reimbursement.

Meanwhile, construction is moving along on schedule and within budget. Most of the structural and exterior work on the building, bridge and elevator tower is complete with the exception of glass. The platform on the Birmingham side is complete. Site work is coming next, including the reconstruction of Doyle Drive and construction of bus slips adjacent to the station. This work started July 10th and is expected to take approximately three (3) weeks. Interior work including elevators, wall and ceiling surfaces, bathroom fixtures, doors and hardware is scheduled for August. Final finish work is scheduled for early September.

Opening the Transit Center

Construction is expected to be completed in August and we anticipate that the station will be opened for use in September.

Status of the Lawsuit

The Michigan Court of Appeals denied the City's motion for reconsideration and also denied Grand Sakwa's motion for immediate effect, maintaining the status quo. The City will file an application for leave to appeal to the Michigan Supreme Court by July 26th. It is unknown when the Michigan Supreme Court will issue its decision, but it is not anticipated that this case will be finalized prior to the anticipated September 2013 opening date.

Backup Plan

Although City Administration is hesitant to provide details of the City's legal strategies in an open forum, the City has identified other available legal options as well, and has initiated the appraisal process, which would be a necessary component of securing permission to use federal funds if additional legal measures are required.

Reimbursements for Construction

FRA temporarily suspended reimbursement as a precautionary measure just after the Court of Appeals opinion was released. City Administration is working with MDOT, and we are optimistic that FRA will reverse its position in the near future. In the meantime, the construction work has continued in compliance with the federal funding contractual requirements and since the transit center property will continue to be owned by the City of Troy, FRA would have no basis to deny reimbursement to the City.