COUNCIL REPORT

August 12, 2013

TO: Honorable Mayor and City Council

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

SUBJECT: Transit Center Status Report – August 2013

This memo provides an update on the status of reimbursements, construction, and resolution of Transit Center property issues.

Funding

After participating in three conference calls with Federal Rail Administration (FRA), MDOT and City of Troy, and several months of tireless work by the project team, the process of moving forward with the Transit Center financials is becoming clearer. Last week we were successful in getting the FRA to resume project reimbursements. This was made possible by laying out for FRA and MDOT the funding and plan for resolving the property issue. Within hours of our conference call FRA informed MDOT that they were resuming project reimbursements. MDOT has informed us that they will begin processing them immediately.

Congressman Gary Peters continues to support the Transit Center project and the use of funding he helped secure in 2010; $1.3 million in appropriations administered by the Federal Transit Administration and $300,000 match from MDOT, $1.6 million total. Mr. Peters wrote a letter to MDOT Director, Mr. Kirk Steudle, supporting the repurposing of the funds for land acquisition in Troy (copy attached). This will provide the foundation to successfully resolve the property issue and complete the project. There are many technical details to work through with FTA, MDOT and SMART, however, we work on these every day and we are confident that all details will be satisfactorily addressed.

Status of the Lawsuit

The City has filed its application for leave to appeal to the Michigan Supreme Court. It is unknown when the Michigan Supreme Court will issue its decision.

Property Acquisition Plan

City Administration is hesitant to provide details of the City's legal strategies in an open forum. We have identified and evaluated all legal options. We are moving forward with the appraisal process as this is a necessary component of any settlement and securing federal funds for property acquisition.

Construction

Construction is moving along on schedule and within budget. The project is approximately 75% complete. The building, tower and bridge exteriors are complete including glass and doors. The platform is complete except for installation of the shelter and signage. Doyle Drive is complete and scheduled to open on Monday, August 12th. Sidewalks and concrete flatwork in the plaza are scheduled for completion in approximately two weeks. Work is progressing on interior finishes, mechanical, electrical, elevators, light fixtures and final trim. The start of landscape work is approximately two weeks out. Final finish work and project close out is scheduled for September.

Operation and Maintenance

Staff has been negotiating a Lease Agreement with AMTRAK for more than a year, with most of the focus centered on what portion of the Operation and Maintenance (O&M) costs would be borne by AMTRAK. The Common Area Expense allocation issue remains outstanding. As discussion on that issue with AMTRAK continues, we continue to attempt to determine the status of implementation of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) in Michigan for 2014 and to confirm that MDOT will in fact become responsible for 100% of Amtrak's operation and maintenance expenses beginning in 2014. We have not had resolution on this at this point.

The negotiations stalled and were somewhat complicated by the temporary suspension of reimbursements for construction, for which entering into an agreement of this kind with AMTRAK or anyone would be impossible until reimbursements resumed. Now that reimbursements have re-started, staff will refocus their attention on negotiations with AMTRAK and MDOT to complete the agreement and bring it to Council for approval in the near future.

Business Opportunities

There continues to be opportunities for the business community to participate in the Transit Center. Opportunities to generate additional revenue for the Transit Center include naming rights, sponsorships, and other promotional programs. With a new Troy Chamber President now on board, discussions related to any potential Chamber role in these business opportunities will continue.

In order to effectively pursue Transit Center business opportunities such as naming rights and sponsorships, the City of Troy is prepared to draft and issue Requests for Proposals and any necessary bid documents. However, from a strategic standpoint, City Administration does not recommend issuing any RFPs for business opportunities until there is a satisfactory resolution to the Transit Center continuity of ownership issue.

City Administration will continue to work with the Troy Chamber and our business community partners to identify potential Transit Center revenue sources from business opportunities.

Transit Center Construction Photos
August 2013

Platform

Doyle Drive Concrete

Transit Center Construction Photos
August 2013

Building & East Tower

Doyle Drive Concrete

Transit Center Construction Photos
August 2013

East Tower & Bridge

Gary C. Peters
MEMBER OF CONGRESS
14TH DISTRICT, MICHIGAN

www.peters.house.gov

Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON CAPITAL MARKETS AND GOVERNMENT-SPONSORED ENTERPRISES
SUBCOMMITTEE ON MONETARY POLICY AND TRADE
SENIOR WHIP

August 6, 2013

Mr. Kirk Steudle
Director, Michigan Department of Transportation
State Transportation Building
425 W. Ottawa St.
P.O. Box 30050
Lansing, MI 48909

Re: Troy Transit Center Appropriations

Dear Director Steudle,

I write in support of repurposing the $1.3 million in appropriations for the acquisition of property in Troy in order to move forward with the Troy Transit Center project.

The Troy Transit Center has long been heralded in the Southeast Michigan region as an important step forward in the construction of a greater region-wide public transportation infrastructure. The economic benefits of building a regional transit system in the Greater Detroit region are undeniable. The Troy Transit Center will have a significant impact on economy of Southeast Michigan, both in jobs created and secondary economic development that occurs in areas adjacent to the expanded public transit infrastructure.

I support the repurposing of these funds in order ensure that this important step forward for the Greater Detroit region's public transit infrastructure and economy moves forward. Please direct all correspondence to, CeCe Grant, of my Washington D.C. office at the address listed below.

Sincerely,

Gary C. Peters
Member of Congress

cc: John C. Hertel – SMART General Manager
Peter Rogoff – FTA Administrator
Joseph Szabo – FRA Administrator
Wynne Davis – FRA Regional Manager
Brian Kischnick – Troy City Manager

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