



CITY COUNCIL REPORT

November 5, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Asst. City Manager/Economic Development Services
Steven J. Vandette, City Engineer

SUBJECT: Inter-Modal Transit Facility Project Scope - Concept and Preliminary Engineering Design Services to Construction

Background

- The City of Troy has contracted with the Michigan Department of Transportation (MDOT) for the planning and design of a new rail passenger inter-modal transit facility along the existing Amtrak route between the borders of Troy and Birmingham.
- On November 10, 2006, statements of qualifications (SOQ) were received to provide conceptual and preliminary engineering /design services for an inter-modal transit facility in accordance with the Scope of Services developed by city staff.
- Troy and Birmingham city staffs participated in the review of consultant qualifications, consultant interviews and the selection of a consultant for this project.
- On April 16, 2007 a contract for Concept and Preliminary Engineering Design Services was awarded to Wendel Duchscherer of Amherst, New York by Troy City council.
- On June 30, 2007 a contract was executed with Wendel Duchscherer for design services based on their Project Approach (see attached copy) in substantial compliance with the scope of services determined by the City of Troy.
- City staff and representatives from the City of Birmingham have been working with Wendel Duchscherer to develop a series of design plans for the Transit Center.
- The most recent option, presented to Troy City Council on October 6, 2008 addresses a number of site improvement and safety issues, and provides a plan that minimizes future operating costs.
- A tunnel connecting Birmingham with Troy is a key element for the project to succeed, as the Amtrak line runs on the west track and an at-grade crossing or overhead bridge crossing, for various reasons, are not available options.

- The Transit Center building can be built as a distinct phase of the project and would be placed at the south end of the east ramp in Troy. Analysis by Wendel Duchscherer suggests that the initial building envelop will likely total 3,000 to 3,500 square feet.
- Estimates for the Transit Center have been developed by the consultant for each of the proposed designs. As of this writing, the estimate for the Transit Center is \$6 million. The estimate is driven in large part by the need for the tunnel.

Consultant Deliverables Received to Date

- Traffic Impact Study
- Environmental Site Assessment Report
- Major Considerations and design Criteria
- Alternate Conceptual Plans and Cost Estimates

Inter-Modal Transit Facility Project Objectives

The facility is intended to improve the attractiveness, reliability, safety and economic efficiency of rail passenger service and will provide passenger facilities that are designed to encourage increased rail travel and expanded Inter-modal transit coordination and integration with other transit/para-transit modes.

City staff will incorporate all planning documents and generate the project to meet at least three objectives for the future. The objectives are as follows:

Objective 1 - Construct the proposed transit center to serve rail customers, and as a transfer point for bus and taxi users and other private and personal modes of transit. Construction of the center will provide a connection point for commuters to and from various areas in the general vicinity of Troy. Should uncertainty of fossil fuel supplies and pricing continue, more and more commuters will look at travel options other than the passenger car.

Objective 2 - Ties to the Big Beaver Corridor development. One of the goals of the Big Beaver Corridor Study is to make the corridor more urbane with high density mixed use developments and to make the corridor more pedestrian friendly. The proposed Transit Center could be a logical tie to access and egress from the transit center for office worker commuters to offices or other service functions along the Big Beaver Corridor. Using a form of mass transit could also reduce the amount of vehicular traffic which would meet one of the primary goals of the Big Beaver Study. Capital construction of wide pedestrian walkways that could also be used as transit-ways would be eligible for federal funding. Other positive aspects of the project would be the reduction of vehicular traffic on Big Beaver that would result in lower fuel consumption and greatly reduced carbon dioxide emissions into the atmosphere.

The proposed transit center could also be a tie to the Troy Airport by fulfilling the needs of business commuters with ties to rail, taxi, or shuttle services.

Objective 3 – Encourage economic growth and development. A study completed by the University of Michigan for the Urban Land Institute entitled the Troy/Birmingham Transit Center Strategic & Implementation Plan identifies the market potential for future development, transportation options and complimentary land uses near the proposed Transit Center. The study indicates that there is 715,353 square feet (both walkable and drivable) of local retail demand over the next five years. The study goes on to state that “While the for sale housing market is struggling, there is sufficient demand for as many as 300 attached residential rental units within the Transit Center District in the next five years.” There are over 4,400 properties within a one mile radius of the proposed Transit Center.

The study indicates a proposed development area located along Maple Road immediately east of the rail line. By locating the proposed transit center into this area, there are possibilities of producing a dynamic mix of uses and enhancing the area’s potential walkable character. The proposed transit center could also act as a catalyst for upgrading the Maple Corridor.

As previously indicated, two significant portions of the population do not want to own or care for property and want to live in higher density mixed use areas. The two age groups want to be able to walk or use mass transit to get to their destinations. By changing the physical face of the area to higher density, and in some cases upscale apartments or condominiums and building the developments as transit oriented would make the area, including the Big Beaver and Maple corridors more interesting to the development community.

The City’s Master Plan utilizes the findings of the “Troy Futures Report” that states that Troy should be looking at a “Villaging” concept, or the establishment of activity nodes with a connected sense of place, centered on a range of different concepts or themes. These areas would be compact, walkable, and would provide a mix of uses to contribute to an atmosphere of vitality and diversity. The proposed Master Plan indicates that “The Villaging concept can be achieved by following the principles of Transit Oriented Development or TOD. The TOD principles are centered on the basic idea that mixed-use, walkable, compact development surrounding transit stations contributes to the health of the community and helps support the transit itself.”

Financing and Phasing Options:

Total capital cost of the Transit Center as proposed is estimated around \$6 million dollars. The capital project can be viewed as two distinct elements: the tunnel and the building. The tunnel and the building can be built simultaneously, or separately. Certain site improvements likely could be undertaken in a third phase, if needed. That said, there are economies of scale that staff will want to consider when developing a phasing stage.

The estimated cost for the tunnel, and associated ramps/stairway, is \$1.8 million. The consultant estimates that the construction work would take approximately 150 days, weather permitting.

Wendel Duchscherer estimates that the building and canopy work should total \$2.0 million. The work for this phase would take approximately 160 days, after designs are completed and bids received.

The balance of the budget is for site improvements, including roadway improvements, additional utility work, and the platform improvements. It is anticipated that the site improvements will accommodate multiple forms of public (SMART, Amtrak) and private (sedan, taxi) transit, as well as anticipated need for park and ride users, car rental agency, and non-motorized transit (pedestrian, bicycle) needs. The work should take approximately 260 days to complete.

Not included in the estimate are the land costs on the west side of the tracks. The City of Birmingham has been in on-going discussions with DTE and other land owners in this regard. It appears that the parties are working toward a solution. Wendel Duchscherer, in developing the cost estimates, indicates that costs for storm water and environmental clean up are yet determined on the west side of the tracks.

To date, the City of Troy has set aside \$1.3 million in capital reserves for the project. The City of Birmingham has committed \$300,000 toward project costs. For the project to move forward, the cities of Troy and Birmingham will need to secure about \$5 million from other sources.

As stated in the October 2nd report, city staff and our partners have been meeting with key State and Federal officials in order to secure grants and other forms of funding for the Transit Center. The City of Birmingham is conducting final interviews for an outside "project manager" on November 10th. It is likely that a cost sharing agreement will come before City Council in the near future, for your review and consideration.

That is not to say that we are solely focusing efforts on securing public funds. Some of the private sector providers expressed an early interest in acting as possible partners in the project. City staff is currently exploring those possibilities, both from a capital and operating perspective.

Much of what happens depends on the timing of funds for the project. It is highly likely that the project will need to be built in phases. In light of the election results, the financial picture on Wall Street, and the sunset of SAFETY-LU, it is likely that the project will phase as follows:

- **BUILDING:** The building could be constructed utilizing available reserve funds from Troy and committed funds from Birmingham, as city staff and the project manager seek other funding for future phases.
- **TUNNEL:** The second phase of the project could be the construction of the tunnel. Grants for the construction phase, and possibly the shuttle service until such time as the tunnel is constructed, will be explored with the Federal Highway Administration, the State of Michigan, and our public and private partners.

Phasing the project, using reserve funds, would allow the City to meet the terms of the consent agreement between the City and Grand Sakwa. The center would initially focus on bus riders and taxi patrons, and a shuttle system could be employed to take rail riders to and from the Birmingham side of the tracks. Operational funds for shuttle system will need to be secured.