

**THE CITY OF KENT, OHIO
STREETS, SIDEWALKS & UTILITIES COMMITTEE
WED., MARCH 11, 2009**

This meeting of the Streets, Sidewalks & Utilities Committee of Kent City Council was called to order at 7:00 p.m. on Wed., March 11, 2009 by Michael DeLeone, Chair. Mr. DeLeone explained the only item on their agenda dealt with the Fairchild Avenue Bridge project.

PRESENT: MR. AMRHEIN, MR. DeLEONE, MR. HAWKSLEY, MR. KUCHAR, MR. TURNER, MS. WALLACH, AND MR. WILSON

ALSO PRESENT: D. RULLER, CITY MANAGER; J. SILVER, LAW DIRECTOR; J. BOWLING, CITY ENGINEER; AND L. COPLEY, CLERK OF COUNCIL

ABSENT: G. FERRARA AND H. SHAFFER, COUNCIL
J. FENDER, MAYOR

DAVE RULLER, City Manager, explained they are at the last critical juncture to move the project forward, and are asking for authorization of the construction portion of the contract. He said they have dealt with a lot of issues, such as design, railroad issues, and rights-of-way. Mr. Ruller said there is also a chance to capture some of the stimulus money, adding that they feel ODOT would already have bid the project if it was not a possibility. He introduced **Jim Bowling**, City Engineer, and said Mr. Bowling will briefly review the agreement.

Mr. Bowling said the design is complete, and they own and have access to all properties needed. He said there are some properties that are still moving items from the buildings. He said the actual people, residents, and business owners have already moved. Mr. Bowling said the project is ready at this point, with the exception of two last pieces. He said one is the City signing the agreement, and the other is the potential stimulus money. He said "no matter what" construction starts in May.

Mr. Bowling said the construction agreement is the standard ODOT agreement, and the City has little control over what is in the project. He said the terms that stand out includes the fact that ODOT lets the project, and runs the construction of the project. He said the contractor is required to provide insurance, per the Ohio Revised Code. Mr. Bowling said the City is liable either to maintain the bridge or to have contracts for maintenance. He said the bridge is the County's bridge, adding they already approved the agreement with the County the previous month. He said the County owns and will maintain the bridge. Mr. Bowling said the railroad agreements call for the railroad to maintain the signalized crossings when done.

Mr. Bowling said there was no final number included in their packet, as he has not yet received it from ODOT. He said he spoke to them, and the number would be \$5.55 million. He said ODOT is waiting, since not all funding has been finalized, returning to the idea of the stimulus.

Mr. Bowling said he last made a presentation in May 2008 on the bridge. He said the costs have escalated greatly over the last nine months. He said the construction costs were estimated at \$15.1 million in May 2008, and is currently estimated at \$19.4 million. Mr. Bowling said four things contribute to this increase.

Mr. Bowling said \$2.2 million is from ODOT's estimate of the total project. He said they felt that the price of steel and asphalt had increased so dramatically that the estimate should be increased \$2 million. He said to get the railroads to agree, the costs went up \$2.1 million. He said the amounts shown adds up to \$5.2 million, but they cut costs after the last meeting in an attempt to control the costs.

Mr. Bowling said they actively went in search of additional monies to pay for the project. He said they could not cut back the project nor could they not do the bridge or traffic congestion. He said they could not remove enough to make up the difference. Mr. Bowling said they went to every source that has granted them money, adding they begged and petitioned for money. He said they received an additional ½ million

from AMATS who changed their funding policy and raised their cap to accommodate them. He said they had \$2.25 million in Highway Safety Funds from ODOT. He said they redid the safety study in-house, drove to Columbus, and petitioned them as to why this project deserved more money. He said they got \$2.75 million from ODOT's Highway Safety Program.

Mr. Bowling displayed a picture of Sunday's Beacon Journal front page, which was a picture of Crain Avenue. He said that the article indicated that AMATS would receive \$14 million, with the biggest chunk likely to be used for Kent's Crain Avenue Bridge. He said that is correct at the moment, adding they may receive \$3 million in stimulus funds. Mr. Bowling said it is critical to AMATS that the money is used in the appropriate time frame, or March 2010. He said to do that, AMATS has to jump a lot of hurdles, adding Kent already went through those hurdles in the last four years. Mr. Bowling said AMATS has a subcommittee that recommends the project, and Kent is a member of that subcommittee. He said a meeting was held in early March to discuss which projects would be recommended to move forward, and Crain Avenue, with four or five other projects, was recommended to use a portion of that money. He said it is not a guarantee, adding it is just a recommendation.

Mr. Bowling said on March 18, there is a policy committee meeting of AMATS. He said all communities will vote on how to use the money. He said if they agree with the subcommittee's recommendation, Kent will receive \$3 million to move forward with the project. He said the funding increases for the project are \$6.25 million over the last four or five months. He said it is not a guarantee, adding all communities are looking for a way to access that money. He said it is not the only pot of stimulus monies available for this area, but it is the one they have the most influence with as it is local.

Mr. Bowling said ODOT is waiting to send the final agreement, with the final numbers, contingent upon the \$3 million. He said ODOT asked if they wanted to wait on the project for that resolution, and they agreed. He said if they approve signing the agreement on March 18, ODOT will advertise the construction of the project. Mr. Bowling said the City's total cost will be \$4.4 million, assuming that the costs do not come in higher. He said the County's portion would be \$1.8 million, with \$18.8 million in federal monies.

Mr. Bowling said he is anticipating Kent's local participation, if they receive stimulus monies, to be \$2.55 million. He said they are present to ask for authorization to enter into an agreement with ODOT.

Mr. Kuhar said he was frustrated. He said in the smaller business and private sector, actual costs of steel and other construction costs have come down considerably. He asked if none of those rules apply, since this is an ODOT project, and Mr. Bowling said they asked the same question of ODOT. He said he is not defending ODOT, adding ODOT looks at the prices they have received over the last six months, and base their costs on the last six months or last year. He said the first jump in price came in October 2008, although the price of steel and asphalt had already begun to fall. He said when they redid the estimate two weeks earlier, there was a small decline in the prices. Mr. Bowling said because of the lack of work, the last two ODOT jobs have been 15-25% under the estimate. He said ODOT wants the commitment to the money prior to the bid opening. He said Kent must commit first before ODOT will advertise the project.

Mr. Kuhar said the figures he has seen have been 18% to 20%. He asked if they agree to this project, and they are 20% to 25% less, if they pay less and Mr. Bowling said that was correct. Mr. Bowling said it is important they bid ahead of the stimulus projects for the better price.

Mr. Hawksley said section 5 speaks to change orders, but does not say who is responsible for the additional costs. Mr. Bowling said if the bid is lower, ODOT will keep access to the money for change orders. He said the City has maxed out funding from every source. He said they have funding from three different sources, as well as stimulus money, so any change orders are from the local share. He said unless there is a severe price reduction of 20%, he expected ODOT would "keep their hands on the money." He said they did agree to quarterly installments, instead of a lump sum payment. Mr. Hawksley asked if the City's share included monies already spent by the City, and Mr. Bowling said it is just the construction costs as well as some money they are fronting for the County and will be reimbursed.

Mr. Turner asked if others' participation is linked to what is already being done, and if there was a formula

changing the participation of others. Mr. Bowling said each funding source had its own criteria. He said one is an 80/20 split, while another is 90/10. He said two sources, including the stimulus are 100% paid, with no local match. He said they wanted to maximize the federal participation. He said when they get \$5.55 million from AMATS, they have to pay \$1.25 million as the local match.

Mr. Kuhar asked if they were assessing anyone, and Mr. Bowling said there are no assessments. Mr. Kuhar said in some situations, if something came under the estimated costs, there were no provisions to allow the money to be refunded to the participants. He said he assumed they were covered under that aspect. Mr. Bowling said there are no assessments. He said it depends which monies are used first by ODOT. He said if they use the money from the 100% funding sources first that will maximize what they get back first. He said if they use the 80% funding sources first that will minimize their return. He said it is not up to them to decide.

MOTION TO AUTHORIZE THE AGREEMENT WITH ODOT FOR THE FAIRCHILD AVENUE BRIDGE PROJECT.

Motion made by Mr. Wilson, seconded by Mr. Hawksley, and carried by a voice vote of 6-0-1, with Mr. DeLeone abstaining.

Hearing no further business before this Committee, Chair DeLeone adjourned this meeting at 7:21 p.m.

Linda M. Copley, Clerk of Council

ACTION RECOMMENDED:

- 1) TO AUTHORIZE THE AGREEMENT WITH ODOT FOR THE FAIRCHILD AVENUE BRIDGE PROJECT.**