

AGENDA REPORT

TO: Mayor & City Commissioners
FROM: Ken Hibl, City Manager
DATE: May 13, 2016
RE: ICE Grant Application Approval

For the Agenda of May 16, 2016

Background. The Michigan Economic Development Authority (MEDC) has authorized \$8M in funding for an Infrastructure Capacity Enhancement (ICE) grant program. The application window for this grant opportunity is relatively short (submittal deadline is May 27; grant notice date was in April). We reviewed the criteria for the grant program and determined that it is extremely competitive, e.g., minimum grant application amount is \$500K; extra points awarded to development-ready certified communities (we are not); extra points awarded to Main Street Communities (we are not); extra points awarded to communities who have a state agency-issued deficiency notice for failing infrastructure (we do not). However, if we are successful in our application, we have an opportunity make a significant improvement to one of our identified infrastructure deficiencies/shortcomings at a great saving. And our assessment is that there are likely very few communities that will score well with the stipulated application criteria, which should improve our probability of success. Consequently, we met with Gourdie-Fraser this week (extra points are awarded if we have engineer-stamped design completed as part of the application) to determine whether they can provide us design prints in time to meet the application deadline; they have committed to do so. Gourdie-Fraser's proposal to complete this task for us is attached; as the proposal is within my fiscal approval authority, I will approve the work proposal contingent upon Commission approval to submit the grant application.

The project we propose to use for our application is an upgrade of approximately three blocks of existing 4" water main on Ann Arbor Trail and concurrent reconstruction (to include construction of curbing) of the roadway – thereby improving water flow and fire protection to this area of the City and concurrently completing one of our highest-priority street rehabilitation projects.

Issues & Questions Specified. Should the City Commission provide approval to submit an ICE grant application?

Alternatives.

1. Approve the submittal of the grant application.
2. Do not approve the submittal of the grant application.
3. Set aside decision regarding this matter to a later date.

Financial Impact. Gourdie-Fraser has not had sufficient time to provide an estimate of probable costs for our proposed project – they will attempt to do so by Monday. But we provided them guidance that the project should be as close to the \$500K minimum threshold as possible with an absolute top limit of \$600K for two reasons. The first reason being that MEDC typically attempts to make the greatest impact possible with the grant funds available – and the

best way for them to do that is to provide as many individual grants as possible, thereby spreading the grant resources to multiple communities vs. only one or two/five or six. So the lower the grant amount while still meeting their minimum threshold of \$500K should make our application more palatable/competitive than a higher amount application. The second reason is due to the local match requirement. Ten (10%) per cent is the minimum local match requirement; however, we believe we will be more competitive if we offer a twenty (20%) per cent local match. We propose a contribution of \$50K from the Water Fund and \$50K from the Major Street Fund if the project cost is \$500K (prorated respectively if the project costs are slightly more than \$500K).

Recommendation. I recommend that the City Commission approve the submittal of the grant application by adoption of Resolution 2016-0521(*copy att'd*).

Attachments.

1. Gourdie-Fraser Proposal.
2. Resolution 2016-052.



Engineering
Surveying
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Traverse City, Michigan 49684
231.946.5874 
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Mr. Ken Hibel
City Manager, City of Clare
202 W. Fifth Street
Clare, Michigan 48617

May 13, 2016

Re: Plans and specifications for water main and road replacement on Ann Arbor Trail
Proposal 16-230

Hello Ken:

We thank you for the opportunity to provide the following suggested work scope and associated fee for our services relating the ICE Grant. Once you have had a chance to review this, should you have any questions whatsoever, please do not hesitate to call us.

Project Location

Ann Arbor Trail, City of Clare

Scope of Services

The scope of this project includes the preparation of plans and specifications which will be submitted as part of the ICE Grant Application. We will utilize existing information and aerial photography to create water main and road reconstruction plans along with the City's existing standard specifications for water main and road construction.

We will prepare an opinion of probable construction cost of this project which will be used in the ICE grant submittal.

Fee

GFA will perform these services on a lump sum basis not to exceed \$2,590.00

Contract Terms and Conditions

The Terms and Conditions of the Basis Service Agreement for Professional Services shall apply.

Sincerely,
GFA

Craig Goodrich
Engineering Office Manager

RESOLUTION 2016-052

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE SUBMITTAL OF AN ICE GRANT APPLICATION.

WHEREAS, on behalf of the Michigan Strategic Fund, the Michigan Economic Development Corporation (MEDC) is accepting Part I Applications for new projects under the State of Michigan's Community Development Block Grant (CDBG) Infrastructure Capacity Enhancement (ICE) program; and

WHEREAS, said CDBG ICE program is designed to assist Units of General Local Government (UGLGs) in making necessary improvements to their existing public infrastructure systems; and

WHEREAS, eligible projects must be located in a community listed on the CDBG Low and Moderate Income Community Customer list and the project must benefit the entire community; and

WHEREAS, the City of Clare meets the basic eligibility criteria for submittal of an ICE Grant Part I Application; and

WHEREAS, the City has a need to upgrade its current water delivery system in the west sector of the City from 4-inch water main lines to 6-inch water main lines to improve delivery capacity and concurrently enhance public safety by improving fire-fighting capability in said sector;

WHEREAS, said water main line needing enhancement is located within the right-of-way of Ann Arbor Trail, a designated Major Street within the City of Clare; and

WHEREAS, enhancement of said water main line would concurrently require the reconstruction of Ann Arbor Trail in the immediate area of the water main line enhancement; and

WHEREAS, enhancement of said water main lines and reconstruction of Ann Arbor Trail are both designated priority projects within the City's approved Capital Improvement Schedule; and

WHEREAS, unfortunately the City's Water Fund and Major Street Fund do not have now nor projected to have in the near future the monies to fund said priority projects without assistance from another source(s); and

WHEREAS, the Clare City Commission deems the submittal of a CDBG ICE program Part I Application a phenomenal opportunity to make necessary improvements to its existing infrastructure.

NOW THEREFORE BE IT RESOLVED THAT the Mayor and City Commission of the City of Clare, hereby approves the submittal of an ICE Grant Part I Application for the purpose of making necessary improvements to their existing public infrastructure systems – namely to upgrade its current water delivery system in the west sector of the City from 4-inch water main lines to 6-inch water main lines to improve delivery capacity and concurrently enhance public safety by improving fire-fighting capability and concurrently reconstruct a portion of Ann Arbor Trail in the sector within which water system delivery will occur.

BE IT FURTHER RESOLVED THAT the Clare City Commission hereby provides its assurance that local match funds are available to support said Part I Application and provides its assurance that said funds will be committed to said project upon notice that said Part I Application has been accepted and approved for possible grant award by MEDC.

BE IT FURTHER RESOLVED THAT the Clare City Commission hereby designates Ken Hibl, its City Manager, or in his absence Steven Kingsbury, its Treasurer & Finance Director, as its authorized designee(s) to execute any and all documents associated with the submittal of said Part I Application.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 16th day of May 2016.

Diane Lyon, City Clerk