

**CITY OF WIXOM
LOCAL DEVELOPMENT FINANCE AUTHORITY
49045 PONTIAC TRAIL
TUESDAY, MAY 6, 2014**

**APPROVED
06/24/14**

This meeting of the Wixom Local Development Finance Authority came to order at 7:30 a.m. with the following individuals in attendance:

MEMBERS: Chairperson Eddie Osman, Vice Chairperson Joseph Baker, Joseph Bell, James Cutright, Raymond Cousineau, Dr. Jacqueline Shadko, Joshua Springer, County Commissioner Philip Weipert and Stuart Yankee

ABSENT: Mayor Kevin Hinkley, Teri Les (excused) and Dennis Olsen (excused)

OTHERS: Jon Booth (City Engineer), Anthony Nowicki (City Manager) and Deanna Murphy (Recording Secretary)

Determination of a Quorum:

A quorum of the Local Development Finance Authority was present for this meeting.

Approval of Agenda:

MOTION and second by Boardmembers Cutright and Cousineau to approve the May 6, 2014 LDFA Meeting Agenda.

VOTE:

MOTION CARRIED

Public Comments:

None.

Approval of March 4, 2014 Meeting Minutes:

MOTION by Boardmember Cousineau and second by Vice Chairman Baker to approve the March 4, 2014 Meeting Minutes.

VOTE:

MOTION CARRIED

Hearings:

None.

Old Business:

None.

New Business:

A. LDFA Engineering Services Proposal (Jon Booth, City Engineer – Hubbell, Roth & Clark, Inc.)

Mr. Nowicki introduced Mr. Booth, City Engineer, from Hubbell, Roth & Clark, Inc. (HRC). Similar to CIB's proposal to update the LDFA Development Plan, the Board was asked to consider Jon Booth as a professional consultant to help identify projects, cost them out and provide additional support (as needed). Mr. Booth has been the City's Engineer since 1994 and has always done a very good job. This proposal is less than the \$3,000 limit threshold and Mr. Nowicki would recommend the Board make a Motion to approve Mr. Booth/HRC's proposal as LDFA's engineer with a maximum amount of \$2,950.

Mr. Booth explained that HRC, a municipal consulting firm, will be celebrating its 100 year anniversary in 2015. Jon has been working with the City of Wixom since 1994. Wixom has been proactive in their road program and has been very fortunate to have residential support through millages for local and major road programs. Also, LDFA funding has helped past major road projects, such as Beck Road, West Road and Wixom Road By-Pass, which has helped Wixom be proactive and fortunate today whereas a lot of other communities are facing serious road problems today.

HRC's role is to provide information, background, design calculations, cost estimates, plans & bid specifications. HRC will handle everything from a design of a project through construction and project close-out. HRC created a Road Master Plan for the City, which categorizes and rates all of the City's roads in terms of maintenance needs and what projects should be tackled based on available City funds.

Mr. Nowicki explained that once the LDFA identifies some projects, HRC will cost them out to be included in the LDFA plan.

MOTION and second by Boardmembers Cousineau and Baker to hire Hubbell, Roth & Clark, Inc./Jon Booth to assist Wixom's LDFA with planning roadway improvements within the LDFA boundaries for a fee of \$2,950 as outlined in the proposal letter dated March 11, 2014.

VOTE:

MOTION CARRIED

B. Discussion of Possible Projects (Jon Booth)

Mr. Nowicki explained that Mr. Booth helped identify some road projects within the LDFA boundaries by using the Wixom Road Maintenance Master Plan Update (2011) as well as assessing current conditions of some of the industrial streets. Also, Mr. Nowicki recommended the following projects for consideration:

- 1) Rehabilitation of Beck Road (between West Road north to LDFA boundaries)
- 2) Wixom Road/I-96 Landscaping & Enhancement Project (clean-up gateway into the City)
- 3) Beck Road right-of-way (ROW) Acquisition between West Road and Twelve Mile Road (use any remaining funds to put together (ROW) acquisition plans and securing/acquiring ROW in hopes of a future grant to widen Beck Road. This action will move Wixom up on the priority listing for federal dollars.

Boardmember Weipert suggested that if the LDFA selects Wixom Road/I-96 Interchange as a project, the City could set-up a maintenance agreement with companies in this corridor (Menards, General RV, etc.) to help maintain it. Mr. Nowicki agreed that would be a good idea and added that it would be the City's goal to collaborate with the corridor companies to tie-in their landscaping with the interchange's design.

Mr. Booth explained that he included a letter dated April 30, 2014, titled "Project Summary & Conceptual Project Cost Estimate" (New Business "B"). In summary, Beck Road was reconstructed in 1998 and in 1997 West Road was reconstructed from Wixom to Beck. These two concrete industrial roads have deteriorated at different rates. West Road is in good shape with a few cracks and other areas in need of repair, which can be expected over 20 years. Beck Road is simply in horrible condition. Engineers and the paving industry are baffled and could not identify causes for the rapid deterioration. It is an industry problem. Repair options include rehabilitation techniques, such as white topping (mill surface, replace with asphalt and treat the joints). Beck Road will be a significant undertaking. Preliminary estimated repair costs to Beck Road are \$1.5 - \$1.7 million. Once the LDFA Board decides on a couple of projects, HRC will provide better numbers.

Mr. Nowicki asked Mr. Booth to ensure improvements of the CSX railroad crossing be included when updating the Beck Road scope of service. When CSX raised the tracks, they simply laid asphalt wedging.

Mr. Booth further referenced a couple of boards, which included other potential road projects for consideration based off of recent PASER (Pavement Surface Evaluation and Rating) system. The PASER scale is a 1-10 rating system for road pavement condition. The higher the number; the better (i.e., 10 = brand new and 1 = gravel dilapidated road). The other boards highlight what ROW exists on Beck Road from I-96 to Pontiac Trail. The master plan (ultimate long-term goal) includes 120' ROW

along Beck Road to accommodate a five-lane section (northbound, southbound and center turn lanes). Mr. Booth further discussed a TIGER (Transportation Investment Generating Economic Recovery) federal grant, which requires a minimum project cost of \$10 million. In order to apply for a TIGER grant, all ROW needs to be secured.

Q: In terms of the TIGER grant and its \$10 million minimum project cost requirement, would the City have to provide the ROW as well as the \$10 million? The City does not have \$10 million in its road budget. Mr. Nowicki explained that the \$10 million would come from the grant; however, TIGER grants are very expensive and currently, the City is not politically in the right place to secure any. There are other funding opportunities through the Oakland County Transportation Funding Committee where they receive applications from communities on certain roadways improvements, which is totally non-political and merely based on a point system. Wixom was fortunate enough to receive federal money to complete the Wixom Road Bypass. Unfortunately, the bulk of the money is going to communities east of Wixom in Oakland County because they have greater traffic problems compared to Wixom. Boardmember Weipert added that with federal funding, the City would be on-the-hook for 20% (80/20). If the TIGER grant is approved for a \$10 million project, the City would be fiscally responsible for \$2 million.

Q: How is the ROW going to be impacted by the power lines? Mr. Nowicki explained that there would be a significant amount of utility relocation required on the project, which would have to be paid for out of the project since utility companies do not move their facilities for free.

Q: If Beck Road is widened to 5 lanes, would implementation of underground utilities be considered for an additional cost? Mr. Nowicki explained the City buried the utilities on the north side of Pontiac Trail in front of the Village Center Area at a price of \$1.3 million. It is very expensive.

Mr. Nowicki mentioned that after the City's residential ten-year road millage passed in 2008, the City is currently or has tackled the following projects: 2014 - Hidden Creek Subdivision, 2013 - Indian Wells/Indian Springs Subdivisions, 2012 - Northridge Estates Subdivision, 2010 - Wexford Mews and Wexford Woods Subdivisions, Sibley Court (residential) and Oak Creek (industrial), 2008 - Liberty Drive (industrial) and Helfer Boulevard (residential) and in 2015 - West Maple Road. Unfortunately, the declining property values have impacted the millage and created challenges. For example, one mill in 2008, the City generated about \$866,000; today, the City generates just above \$600,000 for the same mill.

Mr. Nowicki explained that when new businesses visit Wixom, the roads are often considered as a selling feature. Wixom has been very fortunate because approx. 10 - 12 years ago, City staff and Jon Booth took a real hard look at the City roads and developed a comprehensive master road program. HRC was able to help the City find ways to save money (approx. \$50,000 per project) by using a geo-tech grid base laid underneath the pavement versus 100% stone edge and base, which has proven to be very effective.

Mr. Nowicki further explained that the only way the City will be able to fund Beck Road from Twelve Mile Road to West Road is through the federal process, which is why it is imperative to secure the ROW now to put the City in position to accelerate qualifying for the federal funds.

Q: Should the LDFA also be considering infrastructure projects as well, such as storm sewer, sanitary sewer or water main before tackling a paving project. What is the point of putting in a new road if you would have to rip up part of the roadway to install sanitary sewer later on? Mr. Nowicki said it is the City's practice to televise the sanitary sewers and inspect the storm sewers prior to any road project. In fact, the contract in Hidden Creek is currently conducting some localized sewer lining as opposed to digging up and replacing sewers, which is more cost effective. The City always inspects all of the

infrastructures (especially underground) before any road project; however, the Beck Road project south of West Road would require the installation of storm sewers because none currently exists.

Q: Best case scenario, what would be the estimated construction season for federal funding? Mr. Nowicki explained that federal funding is up to the municipal fiscal year 2017-18. Wixom may not have a chance to see any federal dollars until 2022-23 unless the City can prevail in certain areas and generate additional funds through alternate means.

Boardmember Cutright referenced HRC’s list of other Potential Projects within LDFA District, which is essentially a DPW’s wish list. Mr. Nowicki explained that this list is provided as consideration as well. He further explained that there would not be enough money to consider this entire list as well as tackle the Beck Road and Wixom/I-96 projects. Mr. Booth added that none of these roads (with the exception of Oak Courts) are included in the City’s Road Maintenance Master Plan (dated July 2011), which runs through 2026. If the LDFA does not choose any streets from this list, they will not be considered until after 2026. Unfortunately, the needs of this list exceed the available resources.

MOTION and second by Boardmembers Baker and Cutright to pursue project scope and cost estimates for the following projects for LDFA consideration:

- 1) Beck Road Rehabilitation (West Road north to LDFA limits) - HRC
- 2) Wixom Road / I-96 Interchange Landscaping & Enhancements - CIB Planning
- 3) Anthony Drive and Frank Street Rehabilitation (complete reconstruction and repair) - HRC
- 4) Beck Road ROW Acquisition (Twelve Mile Road to West Road) - HRC

VOTE:

MOTION CARRIED

Information:

- A. Proposed Final LDFA Budget and Achievement Goals
- B. *Detroit News* article: Michigan’s potholes are scaring off investors
- C. *Bridge Magazine* articles:
 - 1. Want to boost the economy? Fix the roads, business group say
 - 2. Why are Germany’s roads better? Or are they?

Public Comments:

None.

Executive Director’s Comments:

Mr. Nowicki summarized the FY 2014-15 *proposed* and balanced Budget. Differing from years’ past, \$650,000 will be allocated to the budget stabilization fund (aka City’s bank account) because in a few years, the 3.5 mills drops off which will result in an overall deficit. Also, all retirement costs will receive full annual payments (post-retirement healthcare), which was also sacrificed in years’ past to balance the budget. At the end of the fiscal year ending June 30, 2015, there will be \$4.1 million in the budget stabilization fund, which is significant! Since November 2012, Mr. Nowicki has been able to reduce the City’s annual operating expenditure by \$550,000 through reorganization of departments and outsourcing without sacrificing any existing service. Also, City Council will vote on another initiative to modify current and retired employees’ healthcare programs, which will save the City approx. \$115,000 annually without any decreases in the level of benefits for the employees.

In terms of new developments, Menards’ development plans have been submitted for review and General RV’s construction is underway. Between these two developments as well as Culvers and Auto Zone, new taxes will be approx. \$300,000.

Chairman Osman mentioned that he received a call from a realtor, who was very complimentary about Wixom’s Construction & Development Services. A client of his, who is interested in opening up a

restaurant in Wixom, visited the Building Department to obtain information and was so impressed with the City staff. He's been in business for +20 years and has never experienced such a positive response from any other community. They showed an interest, treated him professionally and provided very useful information and direction.

Mr. Nowicki explained that the City is changing the mindset in the entire organization, which did not take long to implement. Most staff was itching to implement the changes and now afforded the opportunity to do so. Staff is now able to refocus on the core missions.

Board Members' Comments:

Q: What is the status of the City's electronic sign ordinance? Mr. Nowicki replied that a revised ordinance was presented to the Planning Commission, and after everyone thought it was final, additional changes were requested. It is a tricky subject because you are dealing with First Amendment rights and how to regulate it. Wixom does not want to end up aesthetically looking like Las Vegas up and down Wixom Road with neon lights. Others are worried about safety issue with changeable message boards.

Adjournment:

This meeting of the Wixom Local Development Finance Authority was motioned and adjourned at 8:24 a.m.

Deanna S. Murphy
Recording Secretary