



TOWN OF

Town of Payson
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Payson, Arizona, 85541-4306

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MEMORANDUM

DATE: May 12, 2009
TO: Mayor Kenny Evans
Town Council Members
FROM: LaRon Garrett 
Public Works Director
SUBJECT: Main Street Enhancement Grant

The Main Street Enhancement Grant was discussed at the May 7th Council meeting. At that meeting this item was tabled pending some additional research and information. Following is the additional information that was requested.

Breakdown of Costs

<u>Item</u>	<u>Federal Funds</u>	<u>Local Funds</u>	<u>Total Funds</u>
Preliminary Design Concept, Public Meetings, Project Assessment Report	\$0.00	\$54,200.00	\$54,200.00
Estimated Final Design Costs to prepare Construction Documents and be ready to proceed with construction.	\$0.00	\$65,000.00	\$65,000.00
Estimated Construction Costs that are grant eligible for reimbursement	\$300,993.29	\$18,193.66	\$319,186.95
Estimated Construction Costs that are not grant eligible, excluding utilities	\$0.00	\$50,283.68	\$50,283.68
Estimated Utility Costs	\$0.00	\$10,000.00	\$10,000.00
Unknown Costs	<u>\$0.00</u>	<u>\$0 - \$50,000.00</u>	<u>\$0 - \$50,000.00</u>

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Total Cost	\$300,993.29	\$197,677.34 - to \$247,677.34	\$496,670.63 - to \$548,670.63
Less Funds already Expended	<u>\$0.00</u>	<u>\$54,200.00</u>	<u>\$54,200.00</u>
Remaining funds to be paid out	\$300,993.29	\$143,477.34 - to \$193,477.34	\$442,470.63 - to \$492,470.63

The center column is the amount the Town will need to come up with to continue on with the project.

Mr. Chuck Proudfoot, Bethany Beck, Grants Coordinator, and I met on Monday, the 11th to discuss the funding for this project. After explaining to Mr. Proudfoot how this grant was structured and what the original application was based on, he agreed with the projected costs. We then discussed ways in which the grant could be modified in order to reduce the Town's contribution and still enhance Main Street.

The results of our discussion is as follows:

- If the Town withdraws the grant request now and then reapplies, the new application could be directed to more items that are grant eligible plus the design fees could be included in the grant application. This would reduce the Town's overall cost and the withdrawal would be looked upon favorably by the committee that reviews the grants. This will improve the Town's chances of getting a new grant in the future.
- The revised grant application could be structured in such a way to still utilize much of the information that has been recently created and compiled by ADYE and Associates and reduce future costs.
- By including only grant eligible items in the re-submittal, a longer portion of Main Street could be affected by the improvements. Those items that are not grant eligible (items pertaining to any street or parking modifications) could be left "as is" until another source of funding could be obtained to make the desired modifications.

Based on these results, Staff recommends that Council approve a modified Option No. 3 as follows:

"I move to submit a formal request to ADOT to withdraw our current application and direct staff to resubmit for a modified Transportation Enhancement Grant in the 2010 grant cycle focusing on those items that are grant eligible."

COUNCIL DECISION REQUEST

SUBJECT: Main Street Enhancement Grant

MEETING DATE: May 7, 2009

PAYSON GOAL: NEW: EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: LaRon Garrett/ Ray Erlandsen

AMOUNT BUDGETED: 0

SUBMITTAL TO AGENDA

EXPENDITURE REQUIRED: \$200,000.00 ±

APPROVED BY TOWN MANAGER

CONT. FUNDING REQUIRED: 0



EXHIBITS: (A) Main Street Enhancement Grant Timeline, (B) Email from Bill Leister, CAAG

POSSIBLE ACTION:

I move to:

- (1) Submit a formal request to ADOT to temporarily delay the project for further evaluation and financial analysis.
OR
- (2) Submit a formal request to ADOT for permission to change the scope of the project to better reflect the current fiscal situation.
OR
- (3) Submit a formal request to ADOT to withdraw our application and resubmit in the future when fiscal abilities allow.
OR
- (4) Proceed with the project as originally planned.

SUMMARY OF THE BASIS FOR POSSIBLE ACTION:

In 2004, the Town of Payson was awarded a Transportation Enhancement Grant by the Arizona Department of Transportation (ADOT) in the amount of \$315,815 to improve a portion of West Main Street. The Grant consists of three phases. Phase I includes the application, award of the Grant, public meetings, the initial Scoping Letter, and the Final Project assessment. Phase II moves into the Project Design and approval of the Construction Documents. Phase III is the actual construction and completion of the project. Attached is a timeline depicting the above described sequence of events. We have completed Phase I and are ready to begin Phase II.

When the project began, the intent was to fund the project with matching funds to the ADOT Grant through the budget process. At this point the Town has expended \$54,211.61 to complete Phase I. To complete Phases II and III, approximately \$200,000.00 ± will be required from the Town. In light of the current fiscal situation, committing these funds to this project may not be feasible. When contacting representatives of ADOT and CAAG, they offered three options, as listed one (1) through three (3) above.

If Option (1) is chosen, the Town would need to submit a timeline with a specific plan to restart the project in the future. As no one can predict how revenues will be forthcoming, this option does not seem logical. Changing the scope of the project as Option (2) suggests would entail additional costs for planning, design and public meetings. It would also need to be approved by ADOT and, if the change is 10% different from the original scope, it would need to go before the ADOT Transportation Enhancement Review Committee (TERC) again. Option (3), to rescind our application and re-apply at a future date, is supported by both ADOT and CAAG representatives. They both agree that canceling the project now rather than delaying it and thus

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COUNCIL DECISION REQUEST

encumbering ADOT funds would allow ADOT to divert the funds to other communities who are ready to proceed immediately with their projects. This action would be looked upon favorably by the TERC in the future when the Town re-applied. Because the Town has completed Phase I, re-submittal in the future would be viewed by ADOT in a different light than other applications that had not yet begun. Option (4) does not seem to be reasonable at this time due to fiscal disparities.

Staff recommends selecting Option (3).

PROS: Option (3) is supported by both ADOT and CAAG representatives.

CONS:

PUBLIC INPUT (if any):

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):

FUNDING:

Account Number: 417-5-6428-01-8785	Title: Main STREET ENHANCEMENT	Amount: \$ 0
Account Number:	Title:	Amount: \$
Account Number:	Title:	Amount: \$
Account Number:	Title:	Amount: \$

FY09/10

Amount: \$ 0

Amount: \$

Amount: \$

Amount: \$

Total Cost: \$

BA
CFO: Hope La Cruz

Date: 4/28/09

COUNCIL DECISION REQUEST

EXHIBIT "A"

MAIN STREET ENHANCEMENT GRANT

TIMELINE

PHASE I	June	2001	Original application submitted
	July	2003	Application resubmitted
	February	2004	ADOT awarded grant
	February	2005	Public input meeting
	June	2006	Arizona Main Street Study (RBF)
	November	2006	Initial Scoping Letter
	Oct/Nov	2007	Additional public input meetings
	January	2008	Historic Resource Study
	August	2008	Project Assessment submitted to ADOT
	January	2009	ADOT Final Approval – Project Assessment
PHASE II	TBD	Project Design & Construction Documents	
PHASE III	TBD	Construction & Project Completion	

COUNCIL DECISION REQUEST

EXHIBIT "B"

----- Original Message -----

Subject: Main Street TE

From: "Bill Leister" <BLeister@caagcentral.org>

Date: Tue, March 31, 2009 5:12 pm

To: <bbeck@ci.payson.az.us>

Hi Bethany,

Sorry to take so long getting back to you. This Stimulus money is taking all my time lately.

As I explained to you on the phone, it would be better for the Town to cancel the project now rather than wait. The TERC would look more favorably on Payson if you cancelled now and reapplied when finances improve. It would actually be a selling point for me to use at the TERC some time in the future if you turned the money loose now and reapplied at a later date.

This program has very limited funding and the TERC would probably cancel the project in a few months anyway if some progress is not made. It's better to cancel it yourself and come back with a new application in a few years rather than sitting on the money.

Bill