



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org**

Legislative File No: 2009-0118

TO: Mayor and City Council Members
FROM: Roger H. Rousse, Director of Public Service
DATE: March 3, 2009
SUBJECT: Crooks Road (South Blvd. to Auburn Road) ROW Acquisition
City File No. E92-023

REQUEST:

That the Rochester Hills City Council approves the payment to the Road Commission for Oakland County (RCOC) for ROW Acquisition on Crooks Road, South Blvd to Auburn Road in the amount of \$575,422.42.

REASON FOR PURCHASE:

The RCOC executed a contract with the Michigan Department of Transportation (MDOT) in 2002 for partial funding of the Crooks Road Right of Way Acquisition cost with Federal Program dollars under the Transportation Economic Development Fund (TEDF), Category C Program. Grant funding from TEDF Category C pays for (80%) of the cost of the project.

In addition, a Cost Participation Agreement for ROW between the City of Rochester Hills and RCOC was entered into in 2003. A condition of the agreement states that if the actual ROW related cost exceed the estimated ROW cost, the increased local match will be shared equally between RCOC and Rochester Hills.

At that time, the ROW estimated cost was \$1,585,000.00 for this segment of Crooks Road. The City's local estimated match was (10%) or \$158,500.00. To date, the City's local match of actual ROW related costs are \$686,809.06. Payments in the amount of \$111,386.64 have been previously paid to RCOC. Currently, the state funding has exceeded the authorized amount; therefore the local match shared between the City of Rochester Hills and RCOC has also increased. The attached invoice of the City's share of this current local match is for \$575,422.42.

The invoice from RCOC represents cumulative labor, acquisition, and accounts payable(s) associated with condemnation proceedings through September 2008. Although the City is under contract with RCOC, any additional ROW acquisition expense owing to RCOC will be brought back to City Council for approval.

PROCESS:

Vendor Name and Address:

Road Commission for Oakland County
31001 Lahser Road
Beverly Hills, MI 48025

Method of Purchase:
 Cost Participation Agreement

BUDGET:

This ROW Acquisition item and amount was included as part of the 2008 Budget. Per GASB (Governmental Accounting Standards Board) recommended practices, a governmental unit should recognize a liability in the same period as which it was incurred. Due to these GASB recommended practices, since this liability was actually incurred in FY 2008, the Year-End FY 2008 financial statements recognize this liability amount. This does not mean that the corresponding invoice was actually paid; it simply means that the FY 2008 financial statements reflect the fact that this liability was already recognized as part of the 2008 Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Road Fund	452.973000	MR-ROW Acquisition	\$575,422.42	\$575,422.42	\$0

RECOMMENDATION:

That the Rochester Hills City Council approves the payment to the Road Commission for Oakland County (RCOC) for ROW Acquisition on Crooks Road, South Blvd to Auburn Road in the amount of \$575,422.42.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		