

OFFICE OF THE CITY MANAGER



Dear Neighbors,

I hope this letter finds you well and as we embark on a new year, I wanted to provide an overview of several significant projects that are currently in the preliminary planning stages:

Kent Street Reconstruction – Downtown Area

This Project is anticipated to include road reconstruction, water main replacement, sanitary/storm sewer improvements and sidewalk/streetscape improvements – a complete transformation of our historic downtown. The total anticipated cost is approximately \$2 million with primary funding sources including \$375,000 in MDOT Small Urban Funds, DDA Funds, and City Income Tax. Preliminary design and planning will begin this year with construction anticipated to begin in 2023. The scope of the project will be determined through this planning phase. There will be further planning and informational workshops for residents and business owners who will be impacted by this Project.

Divine Highway Bridge Replacement

The City was recently notified that it was awarded funding (95% of the \$3.4 million of the estimated construction) through MDOT's Local Bridge Program for the replacement of the Divine Highway Bridge. Construction is anticipated to take place in 2024-25. Recognizing the hardship that a detour will cause; the City has been proactive in acquiring properties that may facilitate design alternatives. At minimum, the goal is to have one lane open intermittently throughout construction and to coordinate accordingly with emergency services.

Note: Over the past few years, there has been unprecedented economic (re)development with millions in private investment and new businesses such as Sparrow Healthcare Systems, McDonald's, Taco Bell, Olivera's, Muffler Man, The Brook Retirement Communities, and ConfluxCity Brewery to name a few. These developments have transformed our community, especially in the East Grand River Corridor area. Pivoting to the heart of the community and with the completion of the Toan Park Project, the City will continue its focus on restoring and revitalizing its historic downtown district with the Kent Street and Divine Highway Projects. The City recognizes the significant burden and disruption this will cause to our residents and business owners, therefore, we will make every effort to mitigate this inconvenience.

Wastewater Treatment Plant & Collection System Improvements Project

The Wastewater Treatment Plant (WWTP) was built in the 1950's and has undergone two significant improvements projects since its original construction – one in 1971 and one in 2012. The City's wastewater treatment and collection system is one of its most significant assets and its reliable operation is of great importance to the local community.



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The City has been proactive in identifying needed improvements within its wastewater treatment and collection systems. In 2018, the City received a Stormwater, Asset Management, and Wastewater (SAW) grant in the amount of \$764,849 from the Michigan Department of Environment, Great Lakes, and Energy (EGLE) to assess the City's wastewater infrastructure and identify needed capital improvements projects. A copy of the resulting Asset Management Plan (AMP) is available on the City's website for review. To further evaluate needed improvements, alternatives, and planning budgets, a Project Plan was prepared and presented at a Public Hearing in May of 2021. This document is also available on the City's website.

Results of this detailed analysis demonstrated that there are high priority improvements that need to be addressed for the system to continue providing reliable service to the community while protecting public health and the environment. Moreover, the 2019 ice jam and resulting flooding demonstrated that further mitigation measures are necessary. To address the needed improvements, the City pursued subsidized loan and grant funding through EGLE's Clean Water State Revolving Fund (CWSRF). The City will be required to bond out for this Project with significant rate increases over the next two years. To alleviate some of these costs, the City qualified for \$1.5 million in principal forgiveness of the approximately \$10 million total project cost. The Project is currently under design and includes collection system lining and repairs to target high priority inflow & infiltration sources, lift station improvements, and many upgrades at the WWTP. The WWTP upgrades will address treatment capacity and performance for a 20-year planning period. Construction is anticipated to begin in Spring of 2023.

Fiber and Broadband Project

In 2018, the City began exploring the feasibility of offering broadband internet services to our residents through its electric utility. By having underground utilities and available conduit, the City is uniquely positioned to potentially provide superior broadband services with the same reliability that our electric customers have come to expect. While offering broadband internet service is highly desired among our residents, this prospect primarily lays the foundation for "smart city" concepts and infrastructure improvements related to our existing utility services for the future. The benefits go well beyond residential and commercial internet service. The City recognizes the heightened demand for reliable broadband services with the impact of the pandemic and this remains a priority for City Council. However, it is important to understand the complexities and variables involved with making a sound recommendation to City Council. In light of the significant capital investment using taxpayer dollars and the risks involved, it is critical that we conduct proper and thorough due diligence. The City has been working closely with our consultants, exploring different financial models and business structures. It is further worth noting that the City and our community partners at HomeWorks Tri-County have been in discussions about areas of collaboration since the onset of this project. Our team hopes to have completed our due diligence and provide this information to Council in the near future. Should the City determine that it is prudent to move forward, there is a scenario where construction could feasibly begin in 2023.

Sincerely,

S. Tutt Gorman
Portland City Manager