



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

October 27, 2009

Mr. John D. Niemela, Director
County Road Association of Michigan
P.O. Box 12067
Lansing, Michigan 48901-2067

Mr. Christopher Hackbarth
Legislative Associate
Michigan Municipal League
208 North Capital Avenue, 1st Floor
Lansing, Michigan 48933

Dear Mr. Niemela and Mr. Hackbarth:

**PROGRAM ENDING PROCEDURES FOR THE LOCAL AGENCY PROJECTS
STATUS UPDATE
American Recovery and Reinvestment Act of 2009**

The Michigan Department of Transportation's (MDOT's) Local Agency Programs (LAP) continues to work diligently with your constituency to review projects and package jobs for bid lettings. The purpose of this letter is to provide a progress update and serve as a reminder for all local agencies of the American Recovery and Reinvestment Act (ARRA) program ending procedures and deadlines.

A total of 255 local projects in the amount of \$105 million have been obligated with ARRA funding. This represents about one half of the local system allotment, and it includes 149 let projects with an estimated cost of more than \$69 million. The projected savings on the program obligated to date is approximately \$9.75 million. This value is the difference between the estimated amount shown on the Statewide Transportation Improvement Program (STIP) and the actual low bid amount. Therefore, additional jobs must be developed in order to fully utilize the ARRA local system allotment.

For the State of Michigan to be eligible for any possible redistribution of funds, all ARRA transportation funding must be obligated by **March 2, 2010**. It is MDOT's intent to have the list of eligible projects finalized well in advance of this date. For this reason, the intermediate end date of **December 30, 2009**, has been established. If the local agency has not provided the Grade Inspection package to LAP by this date, MDOT will no longer keep the project active, but will seek alternative projects to use the funding.

In the event that a planned project does not meet the interim deadline, the procedure for identifying alternate projects will follow these steps:

Mr. John D. Niemela
Mr. Christopher Hackbarth
Page 2
October 27, 2009

- MDOT will first contact the local agency and their associated Rural Task Force (RTF) or Metropolitan Planning Organization (MPO) to determine if they have a project which has developed plans and can be immediately implemented. This step will take one week and a decision must be made by **January 8, 2010**, if a project is available.
- If the RTF or MPO cannot deliver a project, MDOT will contact other local agencies statewide and determine if there is an agency with developed plans for a project which can be immediately implemented. This step will be one week and a decision must be made by **January 15, 2010**, if a project is available.
- If no local agencies' projects are available for immediate implementation, MDOT will identify a trunkline project to use the remainder of the funds.

MDOT acknowledges that the decision dates in this procedure given in the letter of July 15, 2009, were misrepresented with January 2009 dates. The dates provided in this letter are correct. Please note that these decisions must be communicated to the LAP staff within these set timeframes. Any new project must be certified and included on the STIP.

If the State of Michigan was to receive any redistributed ARRA transportation funds, these would again be shared at a 75/25 state to local split. Any new projects would need to be obligated by September 15, 2010. Ending dates similar to the current process would again be established for the use of the redistributed funding.

Thank you for providing this information to your constituency. If you have any questions or need further information, please contact Mr. Rudolph S. Cadena, Local Agency Programs Engineer, at (517) 335-2233.

Sincerely,



Bradley C. Wieferrich, P.E.
Engineer of Design