



## Road Millage Update and Renewal Request

February 14, 2023

The Honorable Mayor Fournier and  
Members of the City Commission:

Provided herein is an update on the road millage improvements to local roads, and also recommendations for major road improvements in the coming years.

### Local Road Improvements

The engineering division has now completed eight years of local road improvements throughout the city under the 10-year local road improvement program (2015-2024 road millage). In the map, work performed in 2022 is depicted (Attachment 1); an additional map of all the local street improvements since 2015 (Attachment 2) is provided.

The local road improvement program has the following component programs to improve pavements:

1. Joint and crack sealing of new and existing asphalt streets, extending service life of pavements;
2. Concrete repairs to existing concrete streets in fair condition, extending the service life;
3. Minor to major asphalt resurfacing of asphalt and composite streets in poor to fair condition, extending service life;
4. Concrete reconstruction of streets at the end of their service life;
5. Conducting the above four protocols on streets receiving programmed water main and sewer improvements at the time of utility construction.

In addition, the commission approved a 50-percent cost-sharing measure using millage funds for paving of unimproved roads. The policy was intended to incentivize residents on unimproved roads to have the roads paved under special assessment. Since the millage began, 1.11 miles of unimproved roads have been paved (0.88 miles by special assessment, 0.23 by the community development block grant (CDBG) program), and staff expects to pave 0.26 additional miles in 2023. Once this paving is done, there will be 3.06 miles of unimproved roads remaining in the Royal Oak. June 30, 2023 is the last date signed petitions would be accepted using the reduced rates.

Before the road millage program began in 2015, the average pavement surface evaluation and rating (PASER) of the city's local roads was 4.63. The city's current goal is to increase the average PASER rating to 5.0. The city rates the roadways each fall, and the average PASER for local roads as of fall 2022 is 5.18 (Attachment 3). Staff hopes to continue increasing the average rating over the next two years through the budgeted local road improvements.

Engineering continues to work with the finance department to evaluate the local road budget and ensure the scheduled millage projects are on track for funding in future years. There have been significant price increases in the project bids for 2023 work, likely due to the high volume of work in southeast Michigan, inflation increases in material costs, the limited availability of workers, and the costs associated with the increased quality as a result of the responsible contractor ordinance. These increases will impact the amount of work that can be done throughout the city over the course of the next two years, and staff is adjusting project scopes as needed to stay within budget without additional revenue.

### Major Road Improvements

While the city has made great strides in maintaining and improving local roads through the 2015-2024 road millage, a stronger focus is needed for improving the city's major road network. One of the city commission's goals is to renew the road millage to include major roads, local roads, and sidewalks. As part of this goal, the commission has requested development of a major road improvement plan, including funding recommendations.

Our current plan for major roads is based on the following types of funding:

#### Act 51 funding (guaranteed):

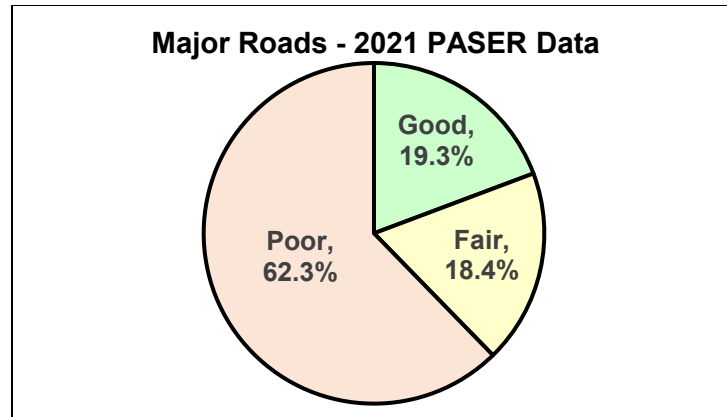
Act 51 funding is distributed to all communities in Michigan and is funded through vehicle registration fees and fuel taxes. Royal Oak currently receives approximately \$5.5 million per year in Act 51 funding for major roads, of which approximately half is used for snowplowing, pothole patching, traffic control and traffic signal maintenance. The remainder of the funding, roughly \$2.5 million, is used for capital improvements on roads. Royal Oak does not use property tax revenue or any other general revenue for major road improvements. It is possible that the city's Act 51 distributions may increase over the years depending on state and federal infrastructure budgets, but this is highly uncertain.

#### Transportation Improvement Program funding (competitive):

The transportation improvement program (TIP) is used to provide federal funding of road infrastructure improvement projects. Royal Oak is part of the Oakland County Federal Aid Committee (OCFAC), which administers the TIP program for communities in our region.

In 2018, OCFAC changed the initial allotment for grant distribution, setting aside nearly 70-percent of available TIP funds to the Road Commission for Oakland County (RCOC), leaving little for local municipalities. Royal Oak continues to aggressively pursue these grants, and has been able to win funding for roughly one to 1.5 miles of road work each year for 2023 through 2027. That said, many of our major roads have lower traffic volumes which would never score high enough to win the competitive federal grant funding. Using the city's major road fund is likely the only way to improve these types of roads (Catalpa, Normandy, Fourth Street, Lincoln, etc.).

Based on Act 51 revenues and typical maintenance expenditures each year, the city can rely on approximately \$2.5 million to be available per year for major road projects using only the city's Act 51 funding. While this may seem like a large amount, it typically can only cover one to two miles of major road work per year. Based on the latest PASER data for major roads (2021) not improved under the current millage (51 miles), there are currently 32 miles of road in poor condition, or approximately 62-percent of the network.



*Data for major roads not improved under current road millage - 51 miles*

Improving one to two miles of major roads per year will not prevent a downward trend in major road conditions. Staff therefore recommends that the commission consider additional funding for major roads.

The current 2.5-mill road millage is scheduled to expire in 2024, and staff recommends a November 2023 ballot proposal to renew the road millage for another 10-year program (2025-2034) with the primary focus on major roads. The millage as approved by voters in 2014 allowed for maintaining, repairing, and reconstructing roads and rights-of-way, and did not specifically require a focus on local or major roads. Most residents use the city's major roads each day, and so these improvements can greatly impact the majority of residents and property owners while also keeping Royal Oak a desirable place to visit.

The principal goal of the renewal millage would be to concentrate on major roads, but staff also plans to continue maintenance and upgrades on local roads and to perform sidewalk ramp upgrades throughout the city to ensure Americans with Disabilities Act (ADA)-compliant ramps. Once the current six-year sidewalk program is completed in 2026, staff would also plan to use the millage funds to continue cyclical sidewalk maintenance repairs throughout the city for the remaining years of the millage.

With Headlee rollbacks, the December 2022 millage rate was 2.3026 mills. Renewing the road millage at the full 2.5-mill is expected to provide approximately \$7 million in funding each year, for a total road budget of approximately \$9.5 million per year. Engineering has developed a preliminary schedule of major road improvements and also included local road work and sidewalk repair budgets for a total of approximately \$9.5 million per year (Attachment 4). The preliminary schedule for major road improvements is mapped at the following link:

[www.romi.gov/RoadMillageRenewal](http://www.romi.gov/RoadMillageRenewal)

The major road projects are primarily asphalt resurfacing improvements, and staff would seek to incorporate green infrastructure where feasible. The schedule was outlined based partly on geography, attempting to keep roadwork spaced apart to avoid significant congestion in one area. Roads that have been recently improved are also shown on the linked map, and these roads would continue to be joint sealed to extend their pavement life.

Similar to the current road millage program, Engineering will provide a yearly update of work performed, work planned and budget status. If the state or federal government provides more infrastructure funding or if the city receives additional funding from grants, the city commission would have the authority to lower the millage rate to maintain the planned budget.

Engineering is currently staffed appropriately for the ongoing millage road projects and would plan to maintain this level of staffing if the millage is renewed.

The following resolution is recommended for approval:

**Be it resolved**, the city commission hereby directs staff to prepare draft ballot language to renew the 10-year road millage for the years 2025 through 2034 and to restore the full millage rate of 2.5-mill.

Respectfully submitted,  
Holly J. Donoghue, P.E.  
City Engineer

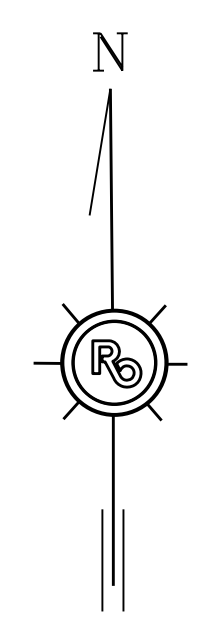
Approved,

A handwritten signature in dark ink, appearing to read "P. J. Brake", is positioned above the printed name of the City Manager.

Paul J. Brake, ICMA-CM, CEcD  
City Manager

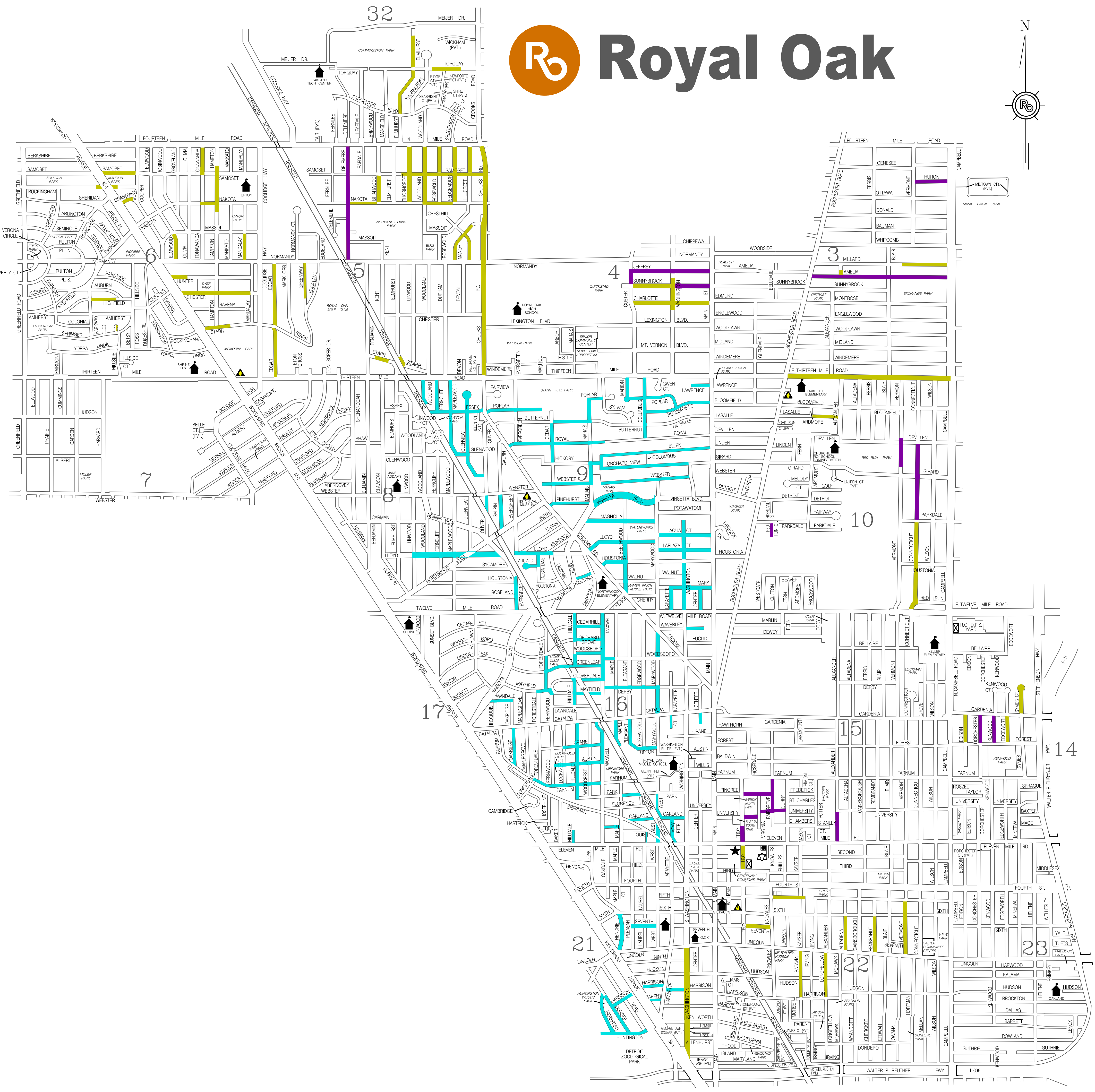
4 Attachments





# CITY OF ROYAL OAK COMMUNITY DEVELOPMENT ENGINEERING DIVISION 2022 MILLAGE PROJECTS

- 2022 CONCRETE STREET REPAIR IMPROVEMENTS
- 2022 ASPHALT RESURFACING IMPROVEMENTS
- 2022 JOINT SEALING IMPROVEMENTS

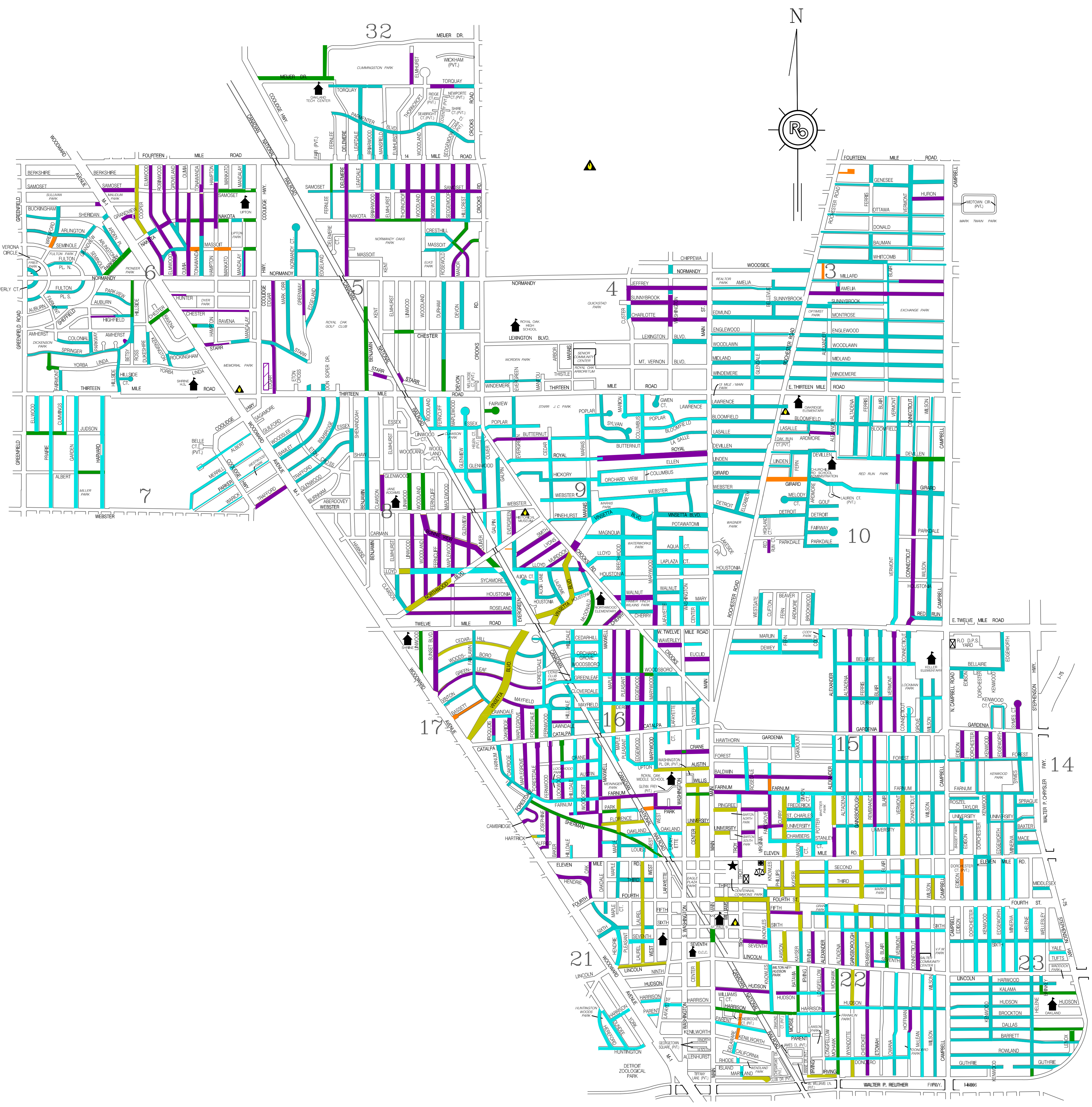


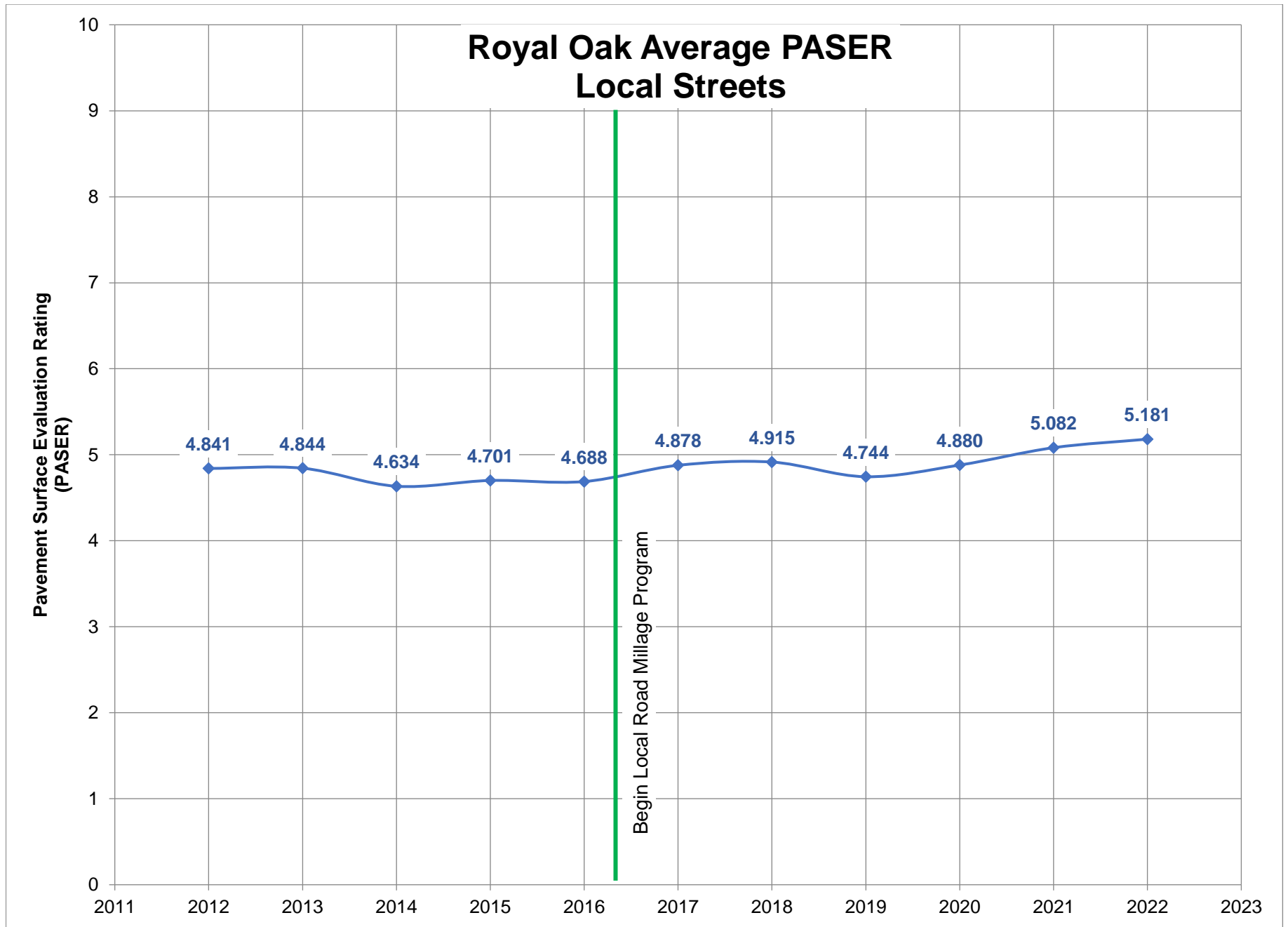


# CITY OF ROYAL OAK COMMUNITY DEVELOPMENT ENGINEERING DIVISION

## COMPLETED MILLAGE IMPROVEMENTS 2015-2022

- CONCRETE STREET REPAIR IMPROVEMENTS
- ASPHALT RESURFACING IMPROVEMENTS
- JOINT SEALING IMPROVEMENTS
- ROAD RECONSTRUCTION IMPROVEMENTS
- SPECIAL ASSESSMENT PAVING IMPROVEMENTS







# Attachment 4

## City of Royal Oak - Major Road Improvements Preliminary Schedule (pending millage renewal)

	Tentative Schedule	Street	From	To	Cost Estimate (with 20% engineering)	Total Annual Cost Estimate
<b>Currently planned projects using Act 51 Monies</b>	2023	Rochester Rd	Catalpa Dr	E 12 Mile Rd	\$ 1,684,427	
	2023	Rochester Rd*	E 12 Mile Rd	E 13 Mile Rd	\$ 2,876,958	
	2023	Normandy Rd	Coolidge Rd	Crooks Rd	\$ 2,165,004	
	2023	Vinsetta Blvd	Woodward	12 Mile Rd	\$ 1,115,435	
	2023	W Lincoln	S Lafayette	S Main	\$ 329,527	
	2023	E Lincoln	S Main	Knowles	\$ 427,867	\$ 8,599,217
	2024	Northwood Blvd.	Woodward	Crooks Rd	\$ 2,552,833	
	2024	Crooks Rd*	N Main	W Webster Rd	\$ 1,513,496	
	2024	Crooks Rd	W Webster Rd	W 13 Mile Rd	\$ 1,196,400	\$ 5,262,729
<b>Proposed projects using Act 51 Monies + Road Millage funds (if approved)</b>	2025	E 13 Mile Rd*	Campbell Rd	Rochester Rd	\$ 1,124,612	
	2025	W 13 Mile Rd	Crooks Rd	Woodward Ave	\$ 3,193,636	
	2025	N Main	E 13 Mile Rd	City/Twp Line	\$ 1,018,889	
	2025	Coolidge Rd	W 14 Mile Rd	City/Twp Line	\$ 1,723,569	
	2025	W 6th St	S Washington	S Center	\$ 114,752	
	2025	Williams	E 7th St	E 3rd St	\$ 578,387	
	2025	Sidewalk ramp improvements			\$ 1,000,000	
	2025	Local Road work	Reconstruct, resurface, patching, sealing		\$ 746,155	\$ 9,500,000
	2026	Rochester Rd*	E 13 Mile Rd	E 14 Mile Rd	\$ 1,800,000	
	2026	Catalpa Dr	Woodward Ave	N Main St	\$ 2,045,495	
	2026	Gardenia	Campbell	N Stephenson	\$ 663,608	
	2026	E 3rd St	S Main	Knowles	\$ 1,044,033	
	2026	E 5th St	Williams	S Troy	\$ 210,007	
	2026	S Center	W 5th St - W of RR	W 4th St - W of RR	\$ 40,952	
	2026	S Center	W 5th St - E of RR	W 4th St - E of RR	\$ 115,004	
	2026	Normandy Rd	Crooks Rd	Quickstad Park	\$ 117,497	
	2026	Campbell Rd	12 Mile Rd	13 Mile Rd	\$ 497,185	
	2026	Sidewalk ramp improvements			\$ 1,000,000	
	2026	Local Road work	Reconstruct, resurface, patching, sealing		\$ 1,966,221	\$ 9,500,000
	2027	E 11 Mile Rd*	Main St	Campbell Rd	\$ 3,700,189	
	2027	E 11 Mile Rd*	Campbell Rd	S Stephenson	\$ 1,902,572	
	2027	S Lafayette	W Lincoln	W 6th St	\$ 344,855	
	2027	S Lafayette	W 6th St	W 4th St	\$ 352,891	
	2027	S Center	W 6th St	W 5th St	\$ 69,452	
	2027	W 5th St	S Washington	S Center	\$ 77,672	
	2027	E 6th St	Williams	S Troy	\$ 222,487	
	2027	Sidewalk and sidewalk ramp maintenance			\$ 1,000,000	
	2027	Local Road work	Reconstruct, resurface, patching, sealing		\$ 1,829,882	\$ 9,500,000
	2028	N Main	Catalpa Dr	E 12 Mile Rd	\$ 1,021,809	
	2028	N Main	E 12 Mile Rd	E 13 Mile Rd	\$ 2,262,291	
	2028	W 11 Mile Rd	Woodward	Main St.	\$ 4,288,822	
	2028	Campbell Rd	E 13 Mile Rd	E 14 Mile Rd	\$ 164,577	
	2028	Sidewalk and sidewalk ramp maintenance			\$ 1,000,000	
	2028	Local Road work	Reconstruct, resurface, patching, sealing		\$ 1,784,310	\$ 10,521,809
	2029	E 4th St	Knowles	S Campbell Rd	\$ 4,845,958	
	2029	E 4th St	S Campbell Rd	S Stephenson	\$ 2,926,851	
	2029	Sidewalk and sidewalk ramp maintenance			\$ 1,000,000	
	2029	Local Road work	Reconstruct, resurface, patching, sealing		\$ 727,191	\$ 9,500,000
	2030	W 13 Mile Rd	Greenfield Rd	Woodward Ave	\$ 2,865,696	
	2030	Vinsetta Blvd	12 Mile Rd	Crooks Rd	\$ 1,184,531	
	2030	Normandy Rd	Woodward Ave	Coolidge Rd	\$ 1,782,861	
	2030	Normandy Rd	Quickstad Park	N Main	\$ 1,397,896	
	2030	E 5th St	S Troy	Knowles	\$ 351,170	
	2030	S Center	W 7th St	W 6th St	\$ 147,424	
	2030	Sidewalk and sidewalk ramp maintenance			\$ 1,000,000	
	2030	Local Road work	Reconstruct, resurface, patching, sealing		\$ 770,423	\$ 9,500,000

Note - cost estimates assume 12% inflation for 2023 + 3% inflation per year afterward.

Local Road improvements not shown; to be determined annually.

\*Local Agency Project partially funded by MDOT; estimated city cost only is shown



# Attachment 4

## City of Royal Oak - Major Road Improvements Preliminary Schedule (pending millage renewal)

	Tentative Schedule	Street	From	To	Cost Estimate (with 20% engineering)	Total Annual Cost Estimate
Proposed projects using Act 51 Monies + Road Millage funds (if approved) - continued	2031	Coolidge Hwy	Woodward Ave	W 13 Mile Rd	\$ 385,137	
	2031	W Webster Rd	Woodward Ave	Crooks Rd	\$ 2,113,398	
	2031	E 13 Mile Rd	Rochester Rd	east of N Main St	\$ 1,981,803	
	2031	Webster Rd	Greenfield Rd	Coolidge Hwy	\$ 1,662,699	
	2031	E Lincoln	York & Hendrie	Woodward	\$ 135,988	
	2031	S Troy	E Lincoln	E 3rd St	\$ 811,332	
	2031	S Center	W 4th St	W 2nd St	\$ 299,682	
	2031	W 4th St	S West	S Lafayette	\$ 262,932	
	2031	W 4th St	S Washington	S Center	\$ 69,501	
	2031	W 6th St	S Center	CN Railroad	\$ 50,653	
	2031	W 7th St	S Lafayette	S Washington	\$ 173,142	
	2031	W 7th St	S Washington	S Center	\$ 70,679	
	2031	Sidewalk and sidewalk ramp maintenance			\$ 1,000,000	
	2031	Local Road work	Reconstruct, resurface, patching, sealing		\$ 483,054	\$ 9,500,000
	2032	W 13 Mile Rd	N Main	Crooks Rd	\$ 2,723,814	
	2032	S Washington	W Lincoln	W 11 Mile Rd	\$ 1,764,851	
	2032	Coolidge Hwy	Webster Rd	Woodward Ave	\$ 1,789,613	
	2032	E Lincoln	S Campbell Rd	S Stephenson	\$ 1,123,292	
	2032	E 7th St	Williams	S Troy	\$ 247,763	
	2032	W 3rd St	Center	S Main	\$ 181,212	
	2032	Sidewalk and sidewalk ramp maintenance			\$ 1,000,000	
	2032	Local Road work	Reconstruct, resurface, patching, sealing		\$ 669,454	\$ 9,500,000
	2033	W 4th St	Woodward Ave	S West	\$ 1,514,164	
	2033	W 5th St	S Center	S Main	\$ 197,260	
	2033	W 5th St	S West	S Lafayette	\$ 28,119	
	2033	W 6th St	S West	S Lafayette	\$ 73,793	
	2033	E 6th St	S Troy	Knowles	\$ 39,410	
	2033	N Washington	W 11 Mile Rd	Catalpa Dr	\$ 1,326,250	
	2033	N Washington	Catalpa Dr	12 Mile Road	\$ 720,060	
	2033	N Campbell Rd	11 Mile	Gardenia	\$ 1,598,301	
	2033	N Campbell Rd	Gardenia	12 Mile Road	\$ 1,490,485	
	2033	Sidewalk and sidewalk ramp maintenance			\$ 1,000,000	
	2033	Local Road work	Reconstruct, resurface, patching, sealing		\$ 1,512,158	\$ 9,500,000
	2034	S Washington	S M 1/E I 696 RAMP	W Lincoln	\$ 2,199,246	
	2034	Coolidge Hwy	W 13 Mile Rd	W 14 Mile Rd	\$ 6,792,052	
	2034	Sidewalk and sidewalk ramp maintenance			\$ 508,702	\$ 9,500,000

Note - cost estimates assume 12% inflation for 2023 + 3% inflation per year afterward.

Local Road improvements not shown; to be determined annually.

\*Local Agency Project partially funded by MDOT; estimated city cost only is shown