



2. PROJECT BUDGET

The Allegan County Road Commission (ACRC) is requesting \$7.2M from the BUILD Program for the **Protecting Lake Michigan's Shoreline Communities: Reconnecting Lakeshore Drive Project**. This investment will address a long history of severe coastal erosion and washouts along Lake Michigan in rural Saugatuck Township; Lakeshore Drive today is a rapidly deteriorating road that poses immense danger to residents who rely on it for access to their community and beyond. This Project will construct a new inland road connecting 126th Avenue and 130th Avenue alongside a separated, non-motorized shared-use path, enhancing safety, restoring reliable access, and preserving the region's status as a popular tourism destination. The project will construct:

- A new local roadway with 11-foot-wide travel ways and 6-foot paved shoulders on both sides.
- A 10-foot wide, separated shared-use path for pedestrian and cyclist safety.
- Construct three strategic connector branches to homesites, ensuring uninterrupted access.
- A greenspace buffer with mature trees between the non-motorized path and the new road.

ACRC estimates the eligible costs of this project will be approximately \$9.0M. This estimate was generated at the alignment, material, and component level, corresponding to the conceptual level of design as detailed in the following sections.

2.1 Overview

As shown in **Table 2.1**, this project will be supported by BUILD and Non-Federal Funds. It will not include any other federal funds.

TABLE 2.1 | PROJECT BUDGET BY SOURCE OF FUNDS

| Funding Source | Funding Amount | Cost Share |
|---------------------------|--------------------|----------------|
| BUILD Funds | \$7,200,000 | 80.00% |
| Other Federal Funds | \$0 | 0.00% |
| Non-Federal Funds | \$1,800,000 | 20.00% |
| Total Project Cost | \$9,000,000 | 100.00% |

The Project is located entirely within Allegan County, Michigan. The limits fall within the boundaries of 2020 Census Tracts 26005030801 and 26005030802, **both of which face nationally significant transportation barriers**. The immediate project area rank high nationally (88th percentile) for Transportation Insecurity. This designation indicates the extreme disparities in transportation access and high rates of traffic fatalities (74th percentile nationally). The region is home to a large senior population (65+), with both census tracts exceeding the 90th percentile nationally (90th and 96th respectively). Lakeshore Drive is the only access route for emergency service vehicles to reach 189 parcels of residential property, and the 1988 washout led to increased response times for ambulance, fire, and police services.

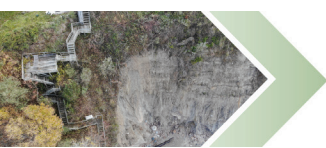




TABLE 2.2 | PROJECT COSTS BY 2020 CENSUS TRACT

| 2020 Census Tract(s) | Project Costs per Census Tract |
|----------------------------|--------------------------------|
| Census Tract 26005030801 | \$6,165,000 |
| Census Tract 26005030802 | \$2,835,000 |
| Total Project Cost: | \$9,000,000 |

TABLE 2.3 | PROJECT COSTS BY URBAN/RURAL DESIGNATION

| Urban and Rural | Project Costs |
|---|--------------------|
| Urban (2020 Census-designated urban area with population >200,000) | \$0 |
| Rural (Located outside of a 2020 Census-designated urban area with population >200,000) | \$9,000,000 |
| Total Project Cost: | \$9,000,000 |

2.2 Sources, Uses, and Availability of Funds

This Project will be included in Michigan's State Transportation Improvement Program (STIP) and ACRC Transportation Improvement Program (TIP), which are expected to be finalized in Spring 2025. The non-federal funding will be provided by the Michigan Infrastructure Office Technical Assistance Center (MIO-TAC) (\$450,000 towards ROW acquisition, \$200,000 towards final design costs, and \$350,000 towards any needed contingency) and Saugatuck Township (\$250,000 towards ROW acquisition). The only condition to be satisfied to utilize this funding is that ACRC must secure the federal funding requested in this application. ACRC will execute agreements with MIO-TAC and Saugatuck Township detailing the terms of the cost-sharing structure for this project. ACRC will make up the remainder, including any cost overruns. **Table 2.4** details the cost sharing proposed for this Project.

TABLE 2.4 | PROJECT BUDGET BY COST TYPE

| Cost Type | Federal (80%) | ACRC (6%) | MIO-TAC (11%) | Saugatuck Township (3%) | Total (100%) |
|--------------|--------------------|------------------|--------------------|-------------------------|--------------------|
| Right-of-way | \$0 | \$0 | \$450,000 | \$250,000 | \$700,000 |
| Design | \$0 | \$0 | \$200,000 | \$0 | \$200,000 |
| Construction | \$7,200,000 | \$0 | \$0 | \$0 | \$7,200,000 |
| Contingency | \$0 | \$550,000 | \$350,000 | \$0 | \$900,000 |
| Total | \$7,200,000 | \$550,000 | \$1,000,000 | \$250,000 | \$9,000,000 |

ACRC has also developed a detailed estimate of construction item costs (**Table 2.5**).

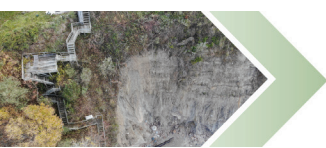


TABLE 2.5 | DETAILED CONSTRUCTION ITEMS COSTS

| Item Description | Quantity | Units | Unit Price | Total |
|--|----------|-------|--------------|-----------------------|
| REMOVALS AND EARTHWORKS | | | | |
| Mobilization, Max | 1 | LSUM | \$700,000.00 | \$700,000.00 |
| Clearing | 33.5 | Acre | \$10,000.00 | \$335,000.00 |
| Culv, Rem | 3 | Ea | Variable | \$3,450.00 |
| Embankment, CIP | 35500 | Cyd | \$15.00 | \$532,500.00 |
| Excavation, Earth | 10500 | Cyd | \$11.00 | \$115,500.00 |
| Machine Grading | 170 | Sta | \$1,000.00 | \$170,000.00 |
| Non Haz Contaminated Material Handling and Disposal, LM | 11000 | Cyd | \$15.00 | \$165,000.00 |
| Subgrade Undercutting, Type II | 10000 | Cyd | \$30.00 | \$300,000.00 |
| Stream Mitigation | 300 | Ft | \$250.00 | \$75,000.00 |
| Topsoil Stripping | 30000 | Cyd | \$11.00 | \$330,000.00 |
| Project Cleanup | 1 | LSUM | \$10,000.00 | \$10,000.00 |
| STORMWATER AND EROSION CONTROL | | | | |
| Storm Water BMP | 1 | LSUM | \$100,000.00 | \$100,000.00 |
| Erosion Control | 20200 | Ft | Variable | \$66,000.00 |
| DRAINAGE FEATURES | | | | |
| Culv, Conc | 1355 | Ft | Variable | \$453,600.00 |
| Underdrain, 6 inch | Variable | Ft | Variable | \$47,930.00 |
| PAVING AND SHOULDERS | | | | |
| HMA Surface, Rem | 600 | Syd | \$6.00 | \$3,600.00 |
| HMA Paving | 16730 | Ton | Variable | \$1,506,900.00 |
| Subbase, CIP | 28250 | Cyd | \$15.00 | \$423,750.00 |
| Aggregate Base, 6 inch, Modified | 86350 | Syd | \$15.00 | \$1,295,250.00 |
| Shld, CI II, CIP | 730 | Cyd | \$32.00 | \$23,360.00 |
| INCIDENTAL CONSTRUCTION COSTS | | | | |
| Curb and Gutter, Conc, Det F4 | 100 | Ft | \$25.00 | \$2,500.00 |
| Guardrail | Variable | Ft | \$3,535.00 | \$18,375.00 |
| Fence, Chain Link, 42 inch | 410 | Ft | \$30.00 | \$12,300.00 |
| Post, Steel, 3 pound | 200 | Ft | \$8.00 | \$1,600.00 |
| Sign, Type III B | 250 | Sft | \$18.00 | \$4,500.00 |
| Pavt Mrkg | 64060 | Ft | Variable | \$11,688.75 |
| Traffic Control | 1 | LSUM | \$50,000.00 | \$50,000.00 |
| ADDITIONAL INCIDENTAL CONSTRUCTION: Riprap, Slope Restoration, Monument Box | | | | \$435,050.00 |
| TOTAL CONSTRUCTION COST | | | | \$7,192,853.75 |



2.3 Contingency Amount and Plan

The budget for this project includes approximately **\$900,000 in contingencies** (roughly 10 percent of construction costs) which ACRC has determined to be sufficient to cover unanticipated cost increases based on current design. Projects of similar size and scope have succeeded with proportionate contingency funds which are most often used for change orders, incentives, disincentives, force account work, and other miscellaneous expenses. In the unlikely event that the project budget evolves to exceed planned expenditures and contingency amounts, ACRC has developed a **Plan to Address Potential Cost Overruns**, as described in the next section.

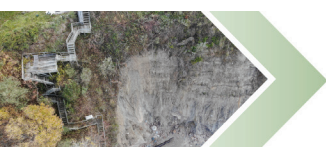
Plan to Address Potential Cost Overruns

The funding requested is expected to cover the entirety of this project. In the unlikely event that the budget for this project is determined to exceed \$9.0M at any point, ACRC will deploy reliable measures to mitigate cost overruns as listed below:

- ACRC will ensure cost control by regularly reviewing project progress and expenses to identify potential areas for cost savings. **ACRC will operate conservatively at every stage and adopt suitable value engineering measures** to reduce costs without compromising quality or safety, such as revising design elements and re-evaluating construction materials and methods.
- **ACRC consistently maintains a healthy fund balance that can serve as a contingency reserve to cover potential cost overruns.** If necessary, ACRC will seek additional funding to cover any significant overrun.
- In the unlikely event that a major cost overrun that could not be resolved through the above measures, ACRC will prioritize investments by following [Michigan DOT's proven investment prioritization strategy from its 2022 TAMP](#) and analyze the risk, life cycle costs, traffic, public input, maintenance cost, and context, to reprioritize other investments and ensure this project remains funded. Additionally, [ACRC maintains its own TAMP](#), which will directly inform any necessary project reprioritization.

2.4 Level of Design and Cost Estimates

This project has completed preliminary plans, specifications, and estimates (PS&E) and preliminary environmental review. Upon confirmation of BUILD funding, a comprehensive environmental analysis will be conducted to ensure NEPA compliance. Project cost estimates were prepared to support these subsequent project phases. Cost estimates have been refined as recently as December 2023. ACRC is confident that this most recent estimate accounts for both itemized and anticipated expenditures, including but not limited to design completion, ROW acquisition, material cost escalation, and potential scope creep.





2.5 Cost Share

This Project is located in a rural area (outside of a 2020 Census-designated urban area with population greater than 200,000), and as such a cost share is not required by statute. However, ACRC has committed to providing \$550,000 (6 percent of total project costs), MIO-TAC has committed to providing \$1,000,000 (11 percent of total project costs), and Saugatuck Township has committed to providing \$250,000 (3 percent of total project costs). **These financial commitments demonstrate ACRC, MIO-TAC, and the Township’s dedication to the Project and the urgency of its construction.**

2.6 Financial Completeness Assessment

This section includes all required information to demonstrate that ACRC has presented a complete funding package based on reasonable cost estimates. ACRC has budgeted \$800,000 for the project in 2025 to complete the environmental assessment.

TABLE 2.6 | FINANCIAL COMPLETENESS ASSESSMENT SUMMARY

| Item | Evidence |
|---|---|
| All Funding Sources for the Project Budget Identified | <ul style="list-style-type: none"> • Table 2.1 summarizes the allocation of all funding sources intended to support the project, which includes state and local funds from ACRC, MIO-TAC, and Saugatuck Township. • Additional funding details are also provided in the Sources, Uses, and Availability of Funds section. |
| All Funding is Available and Committed | <ul style="list-style-type: none"> • The project will be included and funded in the STIP and TIP. • ACRC has included letters from financially participating entities as appendices to this application to demonstrate proof of funding commitments. MIO-TAC and Saugatuck Township have committed \$1,000,000 and \$250,000 towards the project, respectively. |
| Contingency Amount Included in Project Budget | <ul style="list-style-type: none"> • The project budget of \$9.0M includes \$900,000 in contingency funds, derived from concept-level estimates. • ACRC regularly completes this type of work and has determined from similar experiences that this amount is sufficient to hold in contingency reserve. |
| Describes a Plan to Address Potential Cost Overruns | <ul style="list-style-type: none"> • This application includes a plan to address potential cost overruns, shown in Contingency Amount and Plan section. |
| Cost Estimates are No More Than a Year Old | <ul style="list-style-type: none"> • Cost estimates were produced in December 2023. |

