



December 4, 2025

Darwin McClary
Village Manager
Village of Lake Orion
21 E. Church St.
Lake Orion, MI 48362

RE: Request to Add Streets to Treatment Area "A"
2026 Pavement Improvement Project
NFE Job No. N732-01

Dear Mr. McClary:

As you recently requested, we have estimated potential costs for increasing the overall scope of pavement improvements in the area bounded by M-24 at Flint Street, the northern Village limits, and the lake. A map of that area is attached, with the streets approved as the TEDF Grant scope of work shown in red and the potential additional streets shown in blue. The additional street lengths include:

- Remaining North Shore from Church Street to the end of the western cul-de-sac
- All of Hill Street
- All of Church Street west of M-24
- Remaining Axford Street north of Flint Street
- Remaining Andrews Street, north of Flint Street and south of Lake Street, public portion only
- All of Shadbolt Street west of M-24
- All of Beebe Street

You will recall that the eastern end of Lake Street is due to be reconfigured and improved as part of the future Starboard development and is therefore not included in work to be considered by the Village. Darling Drive east of S. Andrews and the farthest southern portion of S. Andrews are private roads and not included in these estimates.

The estimated cost of the streets shown in red, the TEDF Grant scope of work, is \$547,000. Comparing the PASER condition of those streets to the current ratings of the additional segments, we believe similar or somewhat increased methods of treatment are warranted. Potential low additional costs were based on milling and overlaying with minor drainage improvements. Potential high additional costs include crushing and shaping in areas with recent PASER ratings less than 3. The separate drainage improvements planned for North Shore at the low point have not been included in these estimates.

The preliminary estimate of additional costs for the streets shown in blue ranges between \$637,500 and \$857,000. Thus, if the entire mapped area were to be designed and let for bid, we estimate the total construction cost may range between **\$1,184,500** and **\$1,404,000**. These additional street estimates are based on current PASER ratings and estimated pavement dimensions utilizing satellite imagery, generally limiting pavement rehabilitation to the "traveled way" width within the various rights-of-way, which appears to be 20' in most areas. Where parking pads exist, they were considered to be private and not included within the estimated pavement rehabilitation area. The estimates represent

construction costs only and do not include surveying, geotechnical testing (existing pavement cores for rehabilitation method verification), engineering design, or contract administration services. Final actual construction costs will be determined by the selected contractor during the bidding process.

After meeting with the Grant Coordinator assigned to the Village's TEDF Grant project, we verified that while additional streets can be added to a construction contract, those streets cannot be paid for with any of the TEDF Grant funding. We therefore assigned the total grant amount of \$250,000 to the streets in the TEDF Grant scope of work (red streets on the map). This results in estimated costs of \$297,000 to be split between the Village and residents utilizing a Special Assessment District. When apportioning estimated costs between the Village and residents, we followed the Village policy:

- For Major streets, the Village will cover 50% of the costs
- For Local streets, the Village will cover 25% of the costs
- For Dead End streets, the Village will cover 10% of the costs

Under the original TEDF Grant scope, both Grove Street and Clare Street are dead ends. None of the road segments are designated major streets. We used an estimate of centerline length as the basis for apportioning costs, with 94% of the length being local roads and 6% dead end. This results in an estimated cost apportionment for the original TEDF Grant scope of work as shown below:

Original Scope of Project	\$547,000
Village of Lake Orion Costs	\$71,575
SAD Resident's Costs	\$225,425
TED Grant Costs	\$250,000

The proposed additional streets include a higher proportion of dead end segments, with 66% of the total length being local roads and 34% being dead ends. Again, there are no major street segments within this treatment area. Of the additional streets, those shown in blue on the map, the dead end segments are

- North Shore from Church Street to the western cul-de-sac
- Hill Street
- South Andrews Street from Lake Street to the end of the public right-of-way.

The centerline length percentages result in an estimated cost apportionment as shown below:

	Low Estimate	High Estimate
Construction on Additional Streets	\$637,500	\$857,000
Village of Lake Orion Costs	\$126,875	\$170,550
SAD Resident's Costs	\$510,625	\$686,450
TED Grant Costs	\$0	\$0

In summary, if the Village chooses to proceed with an expanded pavement rehabilitation contract that includes the entire area shown on the attached map, the Village may expect to cover construction costs ranging between \$198,450 and \$242,125 with residents being assessed for construction costs ranging between \$736,050 and \$911,875.

If you have any questions regarding this analysis, please call.

Sincerely,

Nowak & Fraus Engineers



Wendy E. Spence, PE
Sr. Project Manager

Enclosure: Map of Original and Additional Streets

Cc: Wes Sanchez, DPW Director
Sonja Stout, Clerk/Treasurer

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