

BOARD OF ALDERMEN

ITEM NO. E(3)

AGENDA ITEM ABSTRACT

MEETING DATE: June 4, 2002

TITLE: A Request to Authorize Two Resolutions to: Proceed with Proposal to Finance Property Purchase with Installment Debt; and to Set a Public Hearing on the Financing of Property for a Future Public Works Facility

DEPARTMENT: Town Manager	PUBLIC HEARING: YES __X__ NO __
ATTACHMENTS: A: Resolution Setting a Public Hearing on the Financing of Property for a Future Public Works Facility B: Financing Agreements Timetable C. Location Map of Cate Property D. Parcel Map of Cate Property	FOR INFORMATION CONTACT: Robert Morgan, Town Manager Mike Brough, Town Attorney L. Bingham Roenigk, Assistant Town Manager

PURPOSE:

The Town's Capital Improvement Plan identifies the need for a new Public Works facility to meet the Town's current and future service delivery needs. The Town has been apprised of an opportunity to purchase land for a future public works facility. This purchase will require the Town to pursue debt financing and thus will require a number of steps to obtain financing. The initial step is a resolution authorizing town staff to proceed with request for proposals to finance the property purchase and to set a public hearing to receive public comment on financing the property as required by law.

INFORMATION

The Board of Aldermen has identified the purchase of land for a future public works facility as a critical priority within the capital improvements plan. The Town has been trying to locate a parcel of land for several years to accommodate a Public Works Facility to meet the future needs of the Town. The Town needs approximately seventeen acres in order allow forty percent of the land to remain unused as a buffer to adjacent uses. The parcel recommended for purchase is approximately 23 acres located at 7917 Old NC Highway 86 and is owned by Rod Cate, Jr. This property is located on the northwest corner of Old NC Highway 86 and Britton Drive.

The current Carrboro Public Works facility has insufficient land and facilities to meet current and future needs. About forty percent of the site is located in a flood plain where materials and equipment are stored. Prior to considering the purchase of Mr. Cate's property, Town Administration considered other options. One option that was considered was maintaining the current site and operating some portion of the public works operations at another new location. The current site is not sufficient to build an adequate facility nor is there additional land adjacent to the existing site. Thus additional acreage would have to be purchased elsewhere. Locating the additional acreage raises the same siting issues as the single site. However, operating two facilities will result in operational inefficiencies that can have a significant budgetary impact. Co-locating with Chapel Hill is not feasible. The Town of Chapel Hill has only been able to purchase half the necessary land for its combined Transit Facility and its Public Works Facility and thus has neither available space nor acreage for Carrboro's needs. In addition, The Town of Carrboro requested Orange County to sell the Town twelve acres of the district park land for a public works facility but has not received a response from the County Commissioners. The Town has also considered other parcels and has been unable to obtain options on the properties.

The Town has set aside funds over the last two years to purchase land for the public works facility, a northern fire substation, and a downtown parking lot. Sufficient funds have been saved to cover the debt service payments for next year. It is essential that the Town proceed with the purchase of this land due to the limited amount of reasonably priced land and the lack of other options. In addition, interest rates are near historical lows. The Town will be in a financial position within the next four to five years to begin construction of the facility.

Staff has negotiated an option to purchase the property and it must be executed by June 28th. It then becomes a contract, subject to the contingency of an environmental audit and approval of financing by the Local Government Commission. Executing the contract will require the Town to pursue installment financing. Given that the purchase of the property exceeds \$500,000, the Town must follow a specific timetable outlined by the Local Government Commission, including a public hearing to finance the property (Attachment A – resolution & Attachment B - timeline).

The first step required by the Board is to adopt a resolution giving approval to staff to proceed with the debt financing, appointing an authorized representative, and directing staff to request financing proposals from banks. The Board, by adopting Attachment A, is authorizing staff to proceed with the financing, appointing the Town Manager as authorized representative, and directing the Management Services Department to seek financing proposals from banks.

The second resolution states that the Board will hold a public hearing on June 25 to consider the financing as required by state law (NC Statutes 160A-20(g)) (also written into the LGC procedures). The Board is requested to set a public hearing for June 25, 2002. The board will receive public comment and recommendations regarding the financing of the purchase of a twenty-three acre parcel of land off of Old Highway 86 for a future public works site. A notice of the public hearing must be published once at least 10 days before the date fixed for the hearing.

ADMINISTRATION'S RECOMMENDATION:

The board is requested to adopt a resolution that authorizes the Town Manager to proceed with request for proposals to finance the purchase of the property, and sets a public hearing for June 25, 2002 to receive public comment on financing the property.