

BOARD OF ALDERMEN

ITEM NO. D(1)

AGENDA ITEM ABSTRACT MEETING DATE: September 2, 2003

TITLE: A Public Hearing on the Adoption of the Bond Order for Sidewalks and Greenways

DEPARTMENT: Management Services	PUBLIC HEARING: YES ___ NO <u>x</u>
ATTACHMENTS: <ul style="list-style-type: none">A. Bond Order for AdoptionB. Resolution Regarding Publication of Bond Order and Details for Bond ReferendumB-2 Notice of Adoption of Bond OrderB-3 Notice of Bond ReferendumC. Resolution Directing Staff to Prepare Informational Brochure and Strategy for Disseminating Information on Bond ReferendumD. Map – Existing, Committed, and Proposed Sidewalks and GreenwaysE. Sidewalk Priority Matrix	FOR INFORMATION CONTACT: Bing Roenigk, Assistant Town Manager 918-7300 Roy Williford, Planning Director, 918-7325 Dale McKeel, Transportation Planner, 918-7329

PURPOSE: The Board of Aldermen, on August 19, 2003, adopted a resolution setting a public hearing for September 2, 2003 on the advisability of issuing bonds for sidewalks and greenways. The purpose of this item is to conduct the required public hearing and to decide whether to go forward with the steps necessary to finance sidewalks and greenways with bond financing. If the Board desires to go forward with a bond referendum, the following actions are required:

1. Adopting the Bond Order at a specified maximum amount. The maximum amount is currently set at \$4,600,000 and may be revised.
2. Approving a resolution that sets the referendum date for November 4th, establishes the ballot question to be voted upon by town residents, and authorizes the Town Clerk to conduct certain additional actions to complete the process of authorizing the bonds and the bond referendum.

In addition, the Board is requested to approve a resolution directing staff to prepare a brochure providing information on the proposed bond referendum and to prepare a strategy for disseminating this information to the community. Staff will be directed to present a draft brochure and strategy to the Board on September 16th for approval.

INFORMATION

The Board of Aldermen, on June 17, 2003, asked town staff to proceed with the steps needed to pursue a bond referendum for the construction of sidewalks and greenways at the same time as the November election. Tonight's public hearing represents one of several legal and administrative steps toward pursuing this bond referendum.

As stated above, the Board is requested to approve three resolutions, should it desire to pursue the bond referendum for sidewalks and greenways. The first resolution to be approved, following the public hearing, is adoption of the Bond Order. At this time, the Board in considering the final adoption of the Bond Order is requested to confirm the maximum amount of the bond issue it is willing to place on the November 4th referendum ballot. A copy of the proposed Bond Order is included as Attachment A.

The second resolution (Attachment B) includes numerous actions as specified below:

1. Authorizes and directs the Town Clerk to publish a notice of the Adoption of the Bond Order (Attachment B-2);
2. Subjects the Bond Order to a bond referendum to be held on November 4th;
3. Authorizes and directs the Town Clerk to transmit a certified copy of the resolution to the Orange County Board of Elections within three days after this meeting;
4. Authorizes and directs the Town Clerk to publish a "Notice of the Bond Referendum" (Attachment B-3), and
5. Establishes the form of the ballot question.

The third resolution directs staff to prepare an informational brochure and to propose a strategy for dissemination of this information to town residents. As Bond Counsel has previously advised, the Town is limited to presenting objective information about the purpose, scope, and effect (fiscal and otherwise) of the bond issue. The Town may not engage in advocacy as to which way voters should vote on the referendum.

The actions under consideration tonight are a culmination of several public discussions regarding the proposed bond referendum. The following information summarizes the materials previously presented to the Board regarding the sidewalk and greenway needs that could be addressed by the proposed bond issue.

Description of Sidewalks and Greenways Under Consideration for the Bond Referendum:

Attachment E is a map showing existing, committed, and proposed sidewalk locations in Carrboro. "Committed" locations are those where a sidewalk is anticipated to be built as part of an approved development project or where funding has been secured by the Town (enhancement projects, etc.). "Proposed" locations are those where a sidewalk has been identified on the Town's Sidewalk Master Plan, but a source of funding has not been identified.

Note that the map does not include sidewalk locations where extensive street improvements would be necessary in order to build a sidewalk, such as along South Greensboro Street. An exception to this is locations where a road construction project is included in the state's Transportation Improvement Program, such as Smith Level Road and Old Fayetteville Road, and sidewalks would be built as part of the state project and the Town would pay 30 percent of the sidewalk cost.

Town staff has prepared cost estimates and local match requirements for building each of the proposed sidewalks. These estimates are based on typical costs per linear foot of other sidewalk construction projects in Carrboro but are not engineer's project-specific estimates and may not fully capture the total cost of building any particular sidewalk segment.

Attachment F is a priority list for proposed sidewalks, as adopted by the Board of Aldermen on August 26. The ranking of sidewalk locations on this list is based on a matrix of objective criteria developed by the Transportation Advisory Board. The sidewalk priority list is preliminary and subject to change. There will be many other factors that will be considered before definitive decisions are made about when and where to build sidewalks. Other factors to be considered include public comments, reports from public safety officials, engineering costs, construction costs, and topography.

The proposed bond referendum also includes \$291,400 for greenway trails on Morgan Creek (between Smith Level Road and University Lake) and Bolin Creek (between Estes Drive and Homestead Road). The development of these trails is proposed by the 1994 Carrboro Recreation and Parks Master Plan, the

1999 Northern Study Area Plan, and is supported by Carrboro Vision 2020. Through the Durham-Chapel Hill-Carrboro MPO project funding process, the Town has tentatively secured a total of \$1,457,500 for these projects over the next several years using STP-DA (Surface Transportation Direct Attributable) funds. The use of STP-DA funds would require a 20 percent local match, \$291,400, from the Town. Please note that a discussion of greenway policies is scheduled for the September 23 Board of Aldermen meeting.

The estimated cost to the Town to build the proposed sidewalks is \$4,495,099. The Town's share of the estimated cost to build greenway trails is \$291,400. The combined total of sidewalks and greenway trails is \$4.79 million, which exceeds the bond referendum amount of \$4.6 million set by the Board on June 17.

FISCAL IMPACT: The estimated annual debt service payment per one million dollars borrowed would be between \$107,750 and \$124,000, depending on the loan amortization period (15 to 20 years), and assuming an annual interest rate of six percent. Therefore, the total annual debt service payment on a bond issue of \$4,600,000 would range from approximately \$495,650 to \$570,400. Each penny on the tax rate generates approximately \$109,223 in revenue.

The actual tax increase needed to support the bond amortization payments would depend upon the extent to which the debt service payments could be covered by normal increases in general fund revenues. However, in the worst case scenario, i.e. assuming that all of the debt service payments for these two bond issues had to be covered by a tax increase, the amount of that increase would be approximately 4.5 to 5.2 cents for the sidewalks and greenways bond.

In addition, other operating costs may occur with the issuance of bonded debt including, but not limited to bond counsel fees (\$10,000 minimum) and incidental costs associated with placing the bond question on the election ballot (\$1,500) and the cost of disseminating information of the bond referendum, which is not anticipated to be significant.

ADMINISTRATION'S RECOMMENDATION

The Town Manager recommends that the Board conduct the Public Hearing and adopt three resolutions: (1) a resolution adopting the bond order at whatever maximum amount, up to \$4,600,000, the Board chooses; and (2) the resolution setting the referendum date, the ballot question, and directing the Town Clerk to take appropriate action; and (3) the resolution directing staff to prepare a draft informational brochure and to recommend a strategy to disseminate this information to town residents.