

BOARD OF ALDERMEN

ITEM NO.: C(10)

AGENDA ITEM ABSTRACT

MEETING DATE: JUNE 17, 2008

TITLE: APPROVAL OF SECURITY AMOUNT FOR MORRIS GROVE ELEMENTARY SCHOOL

DEPARTMENT: PLANNING DEPARTMENT	PUBLIC HEARING: YES No <input checked="" type="checkbox"/>
ATTACHMENTS: A. RESOLUTION B. LETTER OF REQUEST C. SECTION 15-60 D. BOND ESTIMATE BY SUNGATE	FOR INFORMATION CONTACT: JEFF KLEAVELAND, 918-7332

PURPOSE STATEMENT

Chapel Hill – Carrboro City Schools has submitted a request to bond for uncompleted items for the 30 classroom Morris Grove Elementary school, currently under construction at 215 Eubanks Road (Attachment B). The request, if approved, will allow the Town to receive a bond for an amount in the vicinity of \$1.3 million and thereby allow occupancy of the building

INFORMATION

Chapel Hill – Carrboro City Schools has requested that a bond be accepted by the Town, authorizing occupancy and use of the building and site prior to the project's completion (Attachment B). Section 15-60 of the LUO allows this provided that a sufficient security instrument (letter of credit or performance bond) is received and held by the town (Attachment C).

The purpose of the security instrument is to reserve moneys (costs and contingencies) to complete the project should the developer default on remaining construction. In some situations, Section 15-60 recommends that bond amounts in excess of \$100,000 be referred to the Aldermen for approval.

Attached is a bond estimate of the remaining items to be completed for the school as prepared by the Town engineer for reference (Attachment D).

RECOMMENDATION

Town staff recommends that the Board of Aldermen adopt the attached resolution approving the request to bond submitted by the applicant in accordance with the bond estimate prepared by the Town Engineer.