

BOARD OF ALDERMEN

ITEM NO. B(3)

AGENDA ITEM ABSTRACT MEETING DATE: February 10, 2009

TITLE: Information on Options for Continuing the Bond-Funded Sidewalk and Greenways Program

DEPARTMENT: Management Services/Public Works/Planning	PUBLIC HEARING: YES ___ NO <u>x</u>
ATTACHMENTS: A. Timelines – Greenways and Sidewalk Bond Projects	FOR INFORMATION CONTACT: L. Bingham Roenigk, Management Services George Seiz, Public Works Adena Messenger, Planning

PURPOSE:

The Board, at its November 11, 2008 work session, requested that staff provide information on options for continuing the sidewalk and greenways bond program at various dollar levels following the winter break.

INFORMATION:

Currently, the Town is in the middle of a sidewalk and greenway construction program financed with \$2.59 million dollars in short term bond anticipation notes (BAN) that will expire in May 2009. When BANs expire, the Board is given an opportunity to determine if it wants to continue to issue more funds and if so, how much. This decision is based on numerous factors – timing, progress of construction, economic conditions, and interest in pursuing additional projects.

Numerous projects are underway and are at different phases of development and construction. James Street is under construction. One group of sidewalks (Shelton, Bim, and Ashe) is underway with design and right-of-way and is expected to be bid before the end of the fiscal year. A second group of sidewalks (Estes, Pine, Elm, and Davie) is scheduled for final design work beginning in early spring with construction bids let over summer break. Greenway planning for Bolin Creek and Morgan Creek areas has just begun and is expected to continue through November 2009 with design and right-of-way planning beginning in winter 2010.

Two bond-funded projects that have been identified as high priority by the Board, Rogers Road and the multi-use path from Wilson Park to Estes Drive are scheduled in conjunction with planned Surface Transportation Program – Direct Allocation (STP-DA) grant revenue that may be available in FY2009-2010 with construction occurring in FY10-11.

Regardless of options chosen, the Town will still need to reissue BANS in May 2009 to allow time for the greenways planning that is underway to be completed (November 2009). Upon renewal of the BANS in May 2009, the next round of BANS would expire in February 2010. Staff proposes continuing with the construction of the first group of sidewalks (Shelton, Bim, and Ashe) and reevaluating the BANs for the February 2010 renewal. Staff will report to the Board in before the fiscal year end on the outcome of the bid awards from the first group of sidewalks to get board authorization for construction contracts. Awarding construction for these sidewalks in addition to completed projects and current projects

underway will likely result in the need to have a slightly higher BAN level when the Town renews BANs in February 2010. However, in preparation for the February 2010 BAN renewal, staff will review project work and offer future project work on sidewalks and greenway construction options for the Board to consider.

FISCAL AND STAFF IMPACT:

Staff recommends planning, design and construction of recommended projects move forward given the following considerations:

- By continuing with the BAN in May at the same level, borrowing costs will be approximately the same in FY09-10 as in the current year (provided interest rates do not skyrocket).
- Town can benefit from low current construction prices and at same time, provide jobs.
- By maintaining the BAN at the same level or increasing it, we maintain ability to issue up to \$4.6 million dollars. If the Board decides to reduce BAN amount, the amount we will be authorized to issue in the future will decrease by the amount the renewed May 2009 BAN is reduced.
- Greenway planning is underway.

Staff advises to consider the long-term impact of reducing the bond amount or ultimate amount issued.

Considerations include:

- Higher interest rates on smaller amounts borrowed
- Will not be able to leverage STP-DA funds for greenways, Rogers Road, and Wilson Park multi-use path unless have other significant sources of local funding
- Curtails current sidewalk projects – only complete construction of James Street and construction of first group of sidewalks in FY09-10.
- Reduced debt service payments – both principal and interest – occur if the Board decides to limit the authorization to \$2.59 million

STAFF RECOMMENDATION: Given the timing of ongoing projects, particularly the greenways planning, staff recommends that the BANs be reissued in May 2009 at the same level. Staff also recommends moving forward with construction plans for the first group of sidewalks (Shelton, Bim, and Ashe) and reevaluating the remaining projects in early fall 2009 when more information is known about the projects in terms of construction costs and about general economic conditions.