

BOARD OF ALDERMEN

ITEM NO. D(2)

AGENDA ITEM ABSTRACT

MEETING DATE: September 18th, 2012

SUBJECT: REVIEW AND DISCUSSION OF THE HISTORIC ROGERS ROAD NEIGHBORHOOD TASK FORCE INTERIM REPORT

DEPARTMENT: TOWN MANAGER	PUBLIC HEARING: NO
ATTACHMENTS: A-Hybrid Cost Allocation Formula B-Orange County Sales Tax Impact Analysis C- Responses to Board Member Questions and Requests for Additional Information D- Historic Rogers Road Neighborhood Task Force Interim Report E- Report of the Rogers-Eubanks Survey Well and Septic System Assessment F- Hogan-Rogers House Preservation Project Report	FOR INFORMATION CONTACT: David Andrews (918-7315) Trish McGuire (918-7327)

PURPOSE

The purpose of this agenda item is to provide for Board review and discussion of the Historic Rogers Road Neighborhood Task Force Interim Report (HRRNTF).

INFORMATION

On February 21, 2012 the HRRNTF was formed to address the provision of sewer service and creation of a community center for the Rogers Road community. The HRRNTF is composed of members appointed by the Towns of Chapel Hill (2) and Carrboro (2); two members appointed from Orange County; and two members appointed from the Rogers Eubanks Neighborhood Association (RENA).

The charge for the HRRNTF is to investigate and make recommendations to the Board of County Commissioners, the Chapel Hill Town Council and the Carrboro Board of Aldermen for neighborhood improvements including funding sources and the financial impact to the County & Towns, for the following:

1. Sewer Service to the Historic Rogers Road Neighborhood as defined by the previously approved public water connections in the area.
2. A Neighborhood Community Center.

The Task force was also directed to:

- a. Submit an Interim Report back to the County and the Towns by the end of August, 2012 and;
- b. Submit a Final Report to the Assembly of Governments on December 6, 2012.

Historic Rogers Road Neighborhood Sewer Service

The first charge of the HRRNTF was to investigate the possibility of providing sewer service to the Historic Rogers Road Neighborhood as defined by the previously approved public water

connections in the area. On May 16, 2012 OWASA staff provided a concept plan, layout, and cost estimate for providing sewer service to the area that was delineated by HRRNTF at the April 30, 2012 meeting. The concept plan is thought to be the most efficient way to serve the defined Rogers Road Neighborhood and does not consider adjoining neighborhoods.

The total construction and installation cost for the Historic Rogers Road Neighborhood sewer concept is approximately \$5.8 million. It would serve 86 additional parcels. The concept costs include construction, engineering design, administrative and contingency. This concept plan does not include the costs of any property acquisitions or easement acquisitions. The availability hookup charge for each of the parcels is based on an assumed average house size of 2,500 square feet. When a customer connects to the OWASA water and sewer system, there is a one-time fee that is estimated to be \$4,300 for the concept plan.

Cost estimate Summary:

Engineering , Design and Permitting	\$376,350
Construction Cost	\$3,763,506
Construction Administration	\$188,175
Construction Inspection	\$188,175
<u>20% Contingency</u>	<u>\$903,241</u>
Sub Total	\$5,419,447
<u>Service Availability Fees</u>	<u>\$368,768</u>
Total	\$5,788,215

The concept plan does not include the cost to actually connect individual homes to the sewer system. Those costs will vary on the configuration of the lot and the distance from the house to the main sewer line. Those costs are typically the costs of the homeowner and are estimated to be about \$20/foot. The connections to an individual house would be provided by a private plumbing contractor.

The next step to move the concept plan forward would be to begin the preliminary engineering and design work. OWASA has estimated the preliminary engineering costs would be \$376,350.

The HRRNTF has explored several grant opportunities to fund the sewer improvement for the Historic Rogers Road Neighborhood. After reviewing all of the grant opportunities the HRRNTF identified only two possible grants to fund sewer infrastructure, a Community Development Block Grant (CDBG) or a Clean Water Trust Fund Grant (CWTFG).

Orange County is able to access CDBG funds through a competitive, need-based process run by the State of North Carolina. To qualify to compete for CDBG funds, a letter of interest needs to be submitted by early February 2013. That letter, along with a list of committed local government funding sources to complete the project, are necessary before submitting the CDBG application. The amount of local government matching funds required varies from county to county, based on the local government's perceived ability to pay. A completed preliminary engineering and design will be necessary to complete a Community Development Block Grant application.

CWTFG funds have a requirement that at least 70% of the residents in any designated area must be low or moderate income. The residents living in the Historic Rogers Road Neighborhood that need public sewer service will not likely meet the income requirements to qualify for this grant.

The HRRNTF has discussed the proposed \$5.8 million dollar sewer concept plan, but has not yet recommended moving forward with this concept plan, pending an agreement on a cost sharing plan for sewer improvements.

Historic Rogers Road Neighborhood Community Center

The second assignment of the HRRNTF is to investigate the possibility of providing a neighborhood community center to the Historic Rogers Road Neighborhood. The St. Paul A.M.E. Church has purchased the Hogan-Rogers House and property surrounding it in order to build a new church complex on the site. Plans call for removal and/or demolition of this historic house as early as 2013. The SUP for the St. Paul A.M.E. Church project was approved by the Chapel Hill Town Council on June 26, 2012. The Church will go through the bidding process to select a site work contractor. The site work would start the latter part of the year depending on the weather. The phasing for building and construction for the buildings will not start until the beginning of 2013.

On June 27, 2012 the HRRNTF approved the following recommendations:

1. The Task Force recommends that the Hogan-Rogers House be saved to be used for a community center in the Historic Rogers Road Neighborhood.
2. That the County be asked to increase the amount of funding that has already been budgeted to relocate the Hogan-Rogers House from \$120,000 to \$202,743. This amount would fund removing the back porch, grading, excavation of the new site, footings, foundation, and basement slab.

On September 6, 2012, the Orange County Commissioners passed a resolution of intent to:

- Move forward with a new “green” community center;
- Ask the County Manager to find \$380,000 more to move into the fund already established with \$120,000;
- Work with RENA and Habitat for Humanity on the design and implementation of this community center;
- Ask the towns to contribute computers, supplies, permitting costs, connection costs and the first 12 months of utilities towards this project;
- Ask the towns to expedite the permitting process; and
- Be able to start immediately to bring this project back to the BOCC October meeting to finalize going forward.

Cost Sharing

The Task Force is investigating and evaluating five different cost sharing options for the Rogers Road Neighborhood as outlined below (*See Pages 15-17 from the HRRNTF Interim Report*):

1. The first option is based on the Municipal Solid Waste (tonnage) delivered to the Landfill by each municipality during Fiscal 2010/11.
2. The second option is based on the original Landfill Agreement between the Towns and the County dated November 30, 1972.
3. The third possible solution is based on County and Town populations. This is the method the Board of County Commissioners has selected to distribute Sales Tax revenues between the County and the Towns.
4. The fourth option is based on County and Towns Ad Valorem Property Taxes Levied by each municipality for Fiscal 2011/12. This is an alternative method the Board of County Commissioners could consider to distribute Sales Tax revenues between the County and the Towns.

5. The fifth possible solution is based on County and Town populations. This option is not weighted and uses only the rural population of Orange County compared to the Towns.

On August 22, 2012 the HRRNTF approved the following recommendation:

The Task Force recommends that the County and Town Managers collectively discuss and formulate a fair and equitable cost sharing recommendation for the Task Force to consider. Options 2 & 4 are no longer being considered by the Task Force, therefore the recommendation should be based on options 1, 3, and /or 5. The cost sharing recommendation will be reviewed by the Task Force and could be applied to funding Sewer Infrastructure and a Community Center.

FISCAL AND STAFF IMPACT

The HRRNTF recommendation for installing sewer infrastructure for 86 defined parcels in the Rogers Road Neighborhood totals \$ 5,788,215.

The cost of building a new Community Center, as resolved by the Orange County Board of County Commissioners, is approximately \$500,000, which will be borne by the County. The Town is being asked to contribute computers, supplies, permitting costs, connection costs and the first 12 months of utilities towards the project, which is an undetermined cost at this point.

The total fiscal impact will depend on the possibility of grant opportunities, method of cost sharing and identification of funding sources for the remediation efforts.

RECOMMENDATION

Staff recommends that the Board of Aldermen accept the Rogers Road Task Force interim report and provide direction on how to proceed.