

Town of Blowing Rock

Request for Council Action

FROM: Mayor & Staff
SUBJECT: Sunset Streetscape Project
TO: Mayor and Council
DATE: December 5, 2018
REQUESTED BY:

Public Hearing Yes No Not required NA
Properly Advertised Yes No Not required NA

BACKGROUND: Please reference earlier background information regarding the possibility to include utility only conduit as part of the Sunset Streetscape construction bid project (Exhibit #__). Generally, McGill Engineers estimate design and specifications documents to cost \$50,000. Conduit only for “future” underground power, phone and cable installation cost is estimated at \$1.5 million and could vary (plus/minus) upon actual bid receipt. McGill Engineer Doug Chapman, P.E. is scheduled to present before Council, respond to questions and seek direction as to pursuing this project as part of the bid project process or not.

ATTACHMENTS: Exhibit #__ emails.

STAFF RECOMMENDATION:

On Dec 1, 2018, at 5:39 PM, Charlie Sellers <csellers@tohr.us> wrote:

Ladies and Gentlemen,

Over the course of a few weeks the utility issue on Sunset has been brought to my attention by many citizens. We are now down to the wire considering that the work will begin on sunset the first quarter of 2019. If our town is going to consider putting the utilities underground during the construction process in 2019 then the council needs to address this during our December 5, 2018 meeting or we will lose the window of opportunity. This being said, you will need to consider funding the \$50,000 for the engineering drawings of which these monies would have to come out of the General Fund and then you would have to figure out how we pay for the duct bank at \$1.5 million. Below is an e mail from Doug with McGill going into more detail.

Regards
Charlie Sellers

From: Doug Chapman <Doug.Chapman@Mcgillengineers.Com>

Sent: Saturday, December 1, 2018 4:14 PM

To: Charlie Sellers

Cc: Ed Evans

Subject: Sunset Streetscape Utilities

I understand that a number of citizens are still discussing transitioning the dry utilities along Sunset to underground. As we discussed, I wanted to update previous information on this issue that was shared back in the summer.

Our 2015 study of utilities (power, phone and cable) on Main and Sunset concluded that the entire costs for installing underground utilities on Sunset is estimated at \$6.5 million. Back in the summer we discussed only installing the conduits and vaults required within the street/curb/sidewalk area to be prepared for future transition of the utilities without disturbing the road. That conduit/vault cost is estimated at \$1.5 million, including \$50,000 for engineering fees for design and preparation of construction documents for competitive bidding with the streetscape project.

Our current schedule for the streetscape project (with water and sewer replacement) is to complete bid documents and advertise for bids by the week before Christmas to receive bids on January 17, to have them in hand before the Council's retreat. The bids could be awarded at the February council meeting and be ready for construction start around March 1.

Should the council choose to have the conduit/vault work added to the streetscape bid documents, the extra time for design would move the bid/award/construction schedule out 1 month. Beyond the extra time, the Town would incur the \$50,000 design costs. These designs would have value if the conduits were not installed now, but pursued at a later date.

Please let me know if you need further information or the Council would like us to discuss this issue further at the special December 5 meeting.

Thanks.

Douglas Chapman, PE

Hickory Office Manager

<image001.jpg>

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DRAFT ONLY: 12/4/2018

FUND: 20 CAPITAL PROJECT: Sunset Dr. Underground Utilities Conduit

NUMBER	FUNDING ACCOUNT OPTIONS	CURRENT BUDGET	Funding Option #1: Reallocation of Funds	*Funding Option #2: Installment Financing	*Funding Option #3: Combination-Installment Financing + Fund Balance Allocation	Remaining Funding After Re-allocations
001 a	Transportation GO Bond Authority- Issue IV (re-allocations from: Ditchlines)	\$ 300,000	\$ 200,000			\$ 100,000
001 b	Transportation GO Bond Authority- Issue IV (re-allocations from: Road Failure Repairs)	\$ 300,000	\$ 200,000			\$ 100,000
001 c	Transportation GO Bond Authority- Issue IV (re-allocations from: Future Sidewalks)	\$ 433,733	\$ 300,000			\$ 133,733
	Transportation GO Bond Authority- Issue IV (re-allocations from: Culvert Replacements)	\$ 300,000	\$ 200,000			\$ 100,000
001 d	Transportation GO Bond Authority- Issue IV (re-allocations from: Road Resurfacing)	\$ 1,022,227	\$ 650,000			\$ 372,227
002	Installment Loan Funding			\$ 1,550,000	\$ 550,000	
003 a	Fund Balance Allocation from General Fund Balance				\$ 500,000	
003 b	Allocation from Water/Sewer Fund Retained Earnings				\$ 500,000	
Revenue Total.....		\$ 2,355,960	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000	\$ 805,960

* See Am Schedule for Annual Budget Impact.

NUMBER	NEW EXPENDITURES	CURRENT BUDGET	Funding Needed	ACTUAL TO Oct. 2018	PERCENT TO DATE
001	Conduit Design Engineering	\$ -	\$ 50,000	\$ -	0.00%
002	Conduit Construction	\$ -	\$ 1,500,000	\$ -	0.00%
Expenditure Total.....		\$ -	\$ 1,550,000	\$ -	0.00%
Rev/Expend Differ.....		\$ -			

***Note: This document does not reflect a Budget Amendment. This document is intended for funding option illustration purposes only.

Summary of Options
Option #1: Generally involves reallocating funds from projects planned for the fourth and final bond issuance. Also expresses the issuance of these funds earlier than planned.
Option #2: Involves issuing debt for the entire project.
Option #3: Involves a combination of issuing debt and allocating fund balance and retained earnings from the General Fund and Water/Sewer fund respectively.
***If Council chooses to continue with one of the above options, staff is happy to discuss the financial impact of the option chosen.