



## Legislation Text

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**File #:** 16-364, **Version:** 1

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### **TITLE:**

Approval of Interlocal Agreement with Orange County and the Town of Chapel Hill for Sharing Costs Related to Sewer Service and Community Development in the Rogers Road Neighborhood

**PURPOSE:** The purpose of this agenda item is to provide the Board of Aldermen an opportunity to authorize the Town Manager to execute an interlocal agreement between the Towns of Chapel Hill, Carrboro, and Orange County. The interlocal agreement establishes a responsibility for the Towns to share costs related to constructing the sewer main project in the Rogers Road neighborhood and to reimburse Orange County a portion of prior expenses used to construct the Community Center and carry out community planning activities.

**DEPARTMENT:** Planning

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**INFORMATION:** In 2013, the Board of Aldermen authorized the allocation of Town funds to cover a 14 percent share, estimated to total \$900,000, in sewer and community center construction in the Rogers Road neighborhood, per the cost breakdown included in the original solid waste agreement and renewed through the work of the Historic Rogers Road Task Force. Since then, outreach and community planning activities were identified as beneficial to the implementation of the sewer project and have added costs to the project. Carrboro's 14-percent share of the current project estimate for work completed to date and the pending sewer construction, is \$1,020,445.

The sewer system is now designed, easement acquisition has been underway, permit applications are pending and OWASA is prepared to begin a prequalification process for prospective bidders. The parties are poised to move into the construction phase of the project; a date of June 2018 still appears possible for the start of the 12-month construction period.

Staff and attorneys with the Towns and Orange County have developed an interlocal agreement that establishes terms and termination, includes a breakdown of all project costs, and specifies responsibilities for the Towns and the County. The Town of Chapel Hill Town Council approved the agreement on Monday, December 5<sup>th</sup>. The Orange County Board of County Commissioners is scheduled to consider approval of the agreement this same night, Tuesday, December 13<sup>th</sup>. A copy of the agreement is attached (*Attachment B*).

Orange County has budgeted for the total project cost in its Capital Investment Plan.

**FISCAL & STAFF IMPACT:** The Town's share of the current project costs is \$1,020,445. The interlocal agreement allows payment over 20 years, with financing. An annual payment of \$51,023 is specified in the agreement. Additional expenses to cover sewer availability fees and plumbing connections to make sewer available to properties in Carrboro are estimated to total approximately \$148,000.

**RECOMMENDATION:** Staff recommends that the Board of Aldermen authorize the Town Manager to sign relevant agreements on its behalf. A resolution conveying this authority has been drafted for the Board's consideration (*Attachment A*).