



Date: November 5, 2018

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Terry Bellamy, Transportation Director
Subject: EB-5514 NC 751/University Drive Bicycle and Pedestrian Project Supplemental Municipal Agreement

Executive Summary

A Supplemental Municipal Agreement for EB-5514, construction of sidewalks and bicycle lanes on NC 751/University Drive, is needed to add more federal funding to a project being constructed by the City of Durham. The first Municipal Agreement was executed in 2015 and provides up to \$820,000 federal funds and \$205,000 state funds for the project. The adopted CIP includes \$561,063 local funds for the project. Based on the current expenses and actual bids, the total project budget is \$2,237,466. The project could utilize up to \$905,611 additional federal and state funding, and the approved local funding is likely adequate. Staff worked to increase the federal and state funding share on the project, and for this to occur a Supplemental Municipal Agreement with the North Carolina Department of Transportation (NCDOT) is necessary.

Recommendation

The Administration recommends that the City Council adopt the Federal Highway Administration Funding from the NC Department of Transportation for the Purpose of Constructing the NC 751/University Drive Bicycle and Pedestrian Project Grant Project Ordinance Superseeding Grant Project Resolution #9918 and Authorize the Execution of the Grant Agreement with NCDOT.

Background

The project includes the construction of sidewalks from Old Chapel Hill Road and Cornwallis Road and the construction of bicycle lanes from Hope Valley Road to Cornwallis Road. The need for sidewalks and bicycle lanes on this portion of University Drive was identified in both the 2006 DurhamWalks! Pedestrian Plan and the 2006 Durham Comprehensive Bicycle Transportation Plan. In the DurhamWalks! Plan, the University Drive project was ranked number 6 in priority out of more than 200 ranked corridors. The Public Works Department has prepared construction drawings for the project in-house.

While there is some existing sidewalk along this section of University Drive, the project will add additional sidewalk to close gaps, increase connectivity to bus stops, schools, businesses, and neighborhoods, and bring the sidewalk up to current accessibility standards. The project will also construct curb ramps on both sides of University Drive, construct and upgrade storm water infrastructure, add bicycle lanes between Hope Valley Road and Cornwallis Road, and construct and replace curb and gutter.

Since this is a federally funded project, federal guidelines will be followed. The bidding process is similar to the City's bid process.

Issues and Analysis

The previously budgeted construction cost for the NC 751/University Drive project was \$1,586,064. Due to higher than expected right-of-way and utility relocation costs, the complexity of delivering a federally funded project, and the increasing cost of construction, the actual project costs are estimated to be \$2,237,466. The existing \$561,063 of local funding was approved in 2015 to cover expenses that were not expected to be eligible for reimbursement for this project, including construction administration and inspections, testing, and right-of-way acquisition. However, we have learned that construction administration and inspections and testing, as well as NCDOT's review fees, are eligible for reimbursement. As a result, the funding gap can be fully funded with additional federal and state funding and should not require additional local funds.

Funding for the project is from Surface Transportation Program Enhancement Bicycle (STPEB) funds awarded by NCDOT's competitive TIP process. The existing \$820,000 STPEB federal funds brought with it \$205,000 state matching funds (80% federal, 20% state). City staff inquired with the DCHC MPO and NCDOT about the availability of additional federal funding to fill the funding shortfall for the project. Fortunately, NCDOT staff identified Surface Transportation Block Grant – Any Area (STBG) funding that could be programmed to the project and also can continue to match these funds with state funding. As a result, the additional \$724,489 of STBG funds will also be matched with 20%, or \$181,122, of state funding.

The City has already spent \$306,856 of local funding on the project for non-reimbursable expenses including right-of-way acquisition, Duke Energy utility relocation costs, and environmental documentation. Any excess local funding will be removed at project close-out. Approval of the Supplemental Agreement will allow the City to be reimbursed by NCDOT for up to \$1,930,611 of expenses with federal and state funds.

Alternatives

The City Council could choose to not approve the Supplemental Municipal Agreement. Additional local funding would need to be identified for the project to proceed.

Financial Impact

Approval of the Supplemental Municipal Agreement provides additional federal and state reimbursement funding to the project. The City must program the total cost of the project up front and seek reimbursement of the eligible expenses minus the local match.

Equal Business Opportunity Summary

This is a federally funded project and was not reviewed by the Department of Equal Opportunity/Equity Assurance for compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

Attachments

Supplemental Municipal Agreement
Grant Project Ordinance