



**Date:** July 10, 2018

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Terry Bellamy, Director of Transportation  
**Subject:** Grant Agreement for Design and Right of Way Acquisition on Durham Belt Line Trail (TIP #EB-5904)

### **Executive Summary**

The City of Durham has received additional federal funds through the State's Transportation Improvement Program to purchase the right-of-way for the Durham Belt Line project. The State has also agreed to allow the use of third party donations to be counted towards the non-federal match. A Supplemental Municipal Agreement is needed to make these changes.

### **Recommendation**

It is recommended that the City Council adopt the Durham Belt Line Trail Grant Project Ordinance superseding Grant Project Ordinance, Resolution #10057, accepting a total of \$8,400,000.00 federal funds through the North Carolina Department of Transportation for the purpose of right of way acquisition and design of the Durham Belt Line Trail; authorize the City Manager to execute the grant agreement with the North Carolina Department of Transportation for supplemental funds of \$2,120,000.00; and adopt an ordinance amending the General Capital Improvement Project Ordinance, Fiscal Year 2018-19, as amended, the same being Ordinance #15327, for the purpose of appropriating the additional \$2,120,000.00 federal funds.

### **Background**

For many years there has been interest in converting the rail corridor between downtown Durham and neighborhoods to the north and east into a bicycle and pedestrian connection. The Durham Belt Line Trail is recommended by both the adopted Downtown Durham Master Plan and the Durham Trails and Greenway Master Plan. This project will improve pedestrian and bicycle access to and from bus stops, Durham Station, the Durham Amtrak station, housing, retail and other businesses.

In 2015, the City was awarded a TIGER Discretionary Grant by the U.S. Department of Transportation (USDOT) to prepare a master plan for the Durham Belt Line Trail. Since February 2017, the City, along with Stewart Engineering, has been in the process of developing a master plan for the former rail corridor. This master plan is being presented as a separate agenda item. The website for the Durham Belt Line Master Plan is <https://durhambeltline.com/>.

The City previously attempted to acquire the rail corridor, but was unable to negotiate terms of acquisition with the railroad. In 2014, the Conservation Fund began working on acquiring the property from Norfolk Southern to preserve the corridor for future trail development. In 2017 they officially closed on the sale, and now own the land.

Federal funding for the project is Transportation Alternatives Program (TAP) funds, and the project is in the draft Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHC MPO) Transportation Improvement Program (TIP) and the adopted State Transportation Improvement Program (STIP). The TAP funds were awarded through the competitive Prioritization process administered by NCDOT and the DCHC MPO. In 2017, the City Council authorized a Municipal Agreement with NCDOT to provide \$6,280,000 of federal TAP funds for the project. TAP funds require a minimum 20 percent non-federal match.

**Issues and Analysis**

Funding for the project was originally awarded through the State’s competitive Prioritization process in 2017. The funding request was based on a 2016 planning-level estimate for a basic greenway trail and the sale price from the railroad to the Conservation Fund for the right-of-way. It also incorporated the City’s 2017 CIP funding and the private fundraising goal. The total funding awarded in the TIP was:

	<b>Federal TAP</b>	<b>City</b>	<b>Other (Private)</b>	<b>Total</b>
<b>Design</b>	\$600,000	\$150,000	\$0	\$750,000
<b>Right-of-Way</b>	\$5,680,000	\$1,420,000	\$0	\$7,100,000
<b>Construction</b>	\$120,000	\$930,000	\$2,700,000	\$3,750,000
<b>Total</b>	\$6,400,000	\$2,500,000	\$2,700,000	\$11,600,000

The original agreement executed in 2017 only covered the design and right-of-way phases and thus provided \$6,280,000 federal TAP funds. Construction funds were expected to be added through a Supplemental Agreement once more refined cost estimates were available.

Since 2017, new information has resulted in changes to these figures. The Conservation Fund has an updated appraisal for the property that values it at \$12,096,400. However, they are willing to sell it to the City at the cost that they acquired it from the railroad plus their accrued carrying costs, approximately \$7.8 million. The Federal Highway Administration and NCDOT have confirmed that the difference between the appraised value and the sale price (\$4,296,400) can be used as a non-federal match to TAP funds. In addition, the Master Plan has provided a more refined cost estimate for construction of the trail. More details on the costs will be presented in the separate agenda item for the Durham Belt Line Master Plan. In 2018, the City increased its CIP funding for the project to \$4,892,232. After discussions with NCDOT, they have agreed to increase the amount of federal TAP funds awarded to the project to \$8,400,000. As a result of these changes, the current funding available is:

	<b>Federal TAP</b>	<b>City</b>	<b>Other (Private/ Value of the Right of Way Donation)</b>	<b>Total</b>
<b>Design</b>	\$600,000	\$150,000	\$0	\$750,000
<b>Right-of-Way</b>	\$7,800,000	\$0	\$4,296,400	\$12,096,400
<b>Construction</b>	\$0	\$4,742,232	\$0	\$4,742,232
<b>Total</b>	\$8,400,000	\$4,892,232	\$4,296,400	\$17,588,632

There is still a gap between the construction costs in the Durham Belt Line Master Plan and the currently available funding. Private fundraising is ongoing, the City is applying for a federal BUILD grant, and additional federal funding through the MPO may need to be requested in the future. However, the additional federal TAP and City funding as well as the use of the value of the right of way donation

towards the non-federal match help move the project forward into the right of way acquisition and design phases.

Upon execution of the Supplemental Municipal Agreement, General Services can acquire the property from the Conservation Fund. The City will then request reimbursement from NCDOT of up to \$7,800,000 federal TAP funds. The design phase can then also commence to produce detailed design specifications and more specific construction costs.

**Alternatives**

The City could choose not to accept the additional federal funding for the Durham Belt Line. If the City wanted to continue to move forward with the project, other funding sources would need to be identified.

**Financial Impact**

The Supplemental Agreement adds \$2,120,000 of federal TAP funds for the project through a CIP ordinance amendment. No additional City funds are requested at this time.

**Equal Business Opportunity Summary**

The municipal agreements with NCDOT require that their procedures be followed for these projects. The Department of Equal Opportunity/Equity Assurance did not review this item for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

**Attachments**

Supplemental Municipal Agreement  
CIP Ordinance Amendment  
Grant Ordinance