



July 31, 2023

To: Mayor Gilbert and Town Council

Cc: Demetria John, Assistant Town Manager; Craig Setzer, PRCR Director; Amanda Grogan, Budget Director; Antwan Morrison, Finance Director

From: Shawn Purvis, Deputy Town Manager

Re: Beaver Creek Greenway Bid Award and Project Funding

The purpose of this memo is to provide Town Council with information about the Beaver Creek Greenway project bidding and potential grant funding available from the Locally Administered Projects Program (LAPP). The memo provides a brief background of the project costs and information about the potential LAPP funding available for Town Council to consider as they review the recommended options and the implications of each option.

Background

The Beaver Creek Greenway project was part of the 2017 Parks Bond referendum. The greenway will connect Kelly Road Park to the Nature Park and provide for future extensions and connections to the west of the Nature Park. The original project budget at the time of the referendum was approximately \$4.02 million. Design alterations, right-of-way acquisition, and increasing costs with the Senior Center and Pleasant Park created delays for the Beaver Creek Greenway project. The Town bid the project in July 2022 with a revised total budget estimate of approximately \$6.56 million. The Town has a funding reimbursement agreement for \$1.05 million from LAPP for the project, with funds from the Recreation Capital Reserve covering the remainder of the project costs. After receiving only two bids in 2022 and being unable to open them, staff consulted with Capital Area Metropolitan Planning Organization (CAMPO) about potential modifications to the project and additional LAPP funding. CAMPO staff recommended the Town rebid the project and apply for additional LAPP funding. The Town opened bids for the project on June 22, 2023, with the apparent low bid of \$6.59 million. The construction bid brought the total projected budget to \$8.67 million, which was \$2.11 million over the most recent estimate.

Discussion

To be considered for additional LAPP funding from CAMPO, the Town needs to demonstrate a full commitment to the project for NCDOT to provide concurrence of the award. The Town is eligible to make a funding request to CAMPO for an additional \$3.44 million, for a total of \$4.49 million. The project is eligible for additional funding because the Town did not receive the full amount eligible or requested for the first LAPP funding agreement in 2020 (\$1.05 million). Town staff has submitted a request to CAMPO, who is prepared to consider it at their next board meeting on August 16, 2023. CAMPO staff has provided a recommendation for the board to award the funding. The Town's commitment to the project with the current budget would be \$7.62 million. If CAMPO awards the full funding requested, the Town's funding obligation would be \$4.18 million.

Recommendation

The Beaver Creek Project was part of the original package of projects supported by the 2017 Parks Bond referendum. Increased costs for the Senior Center and Pleasant Park reduced available bond monies for the greenway, but the project remained a priority. The total project cost is more than double the original estimate but additional LAPP funding is available that, if awarded, would bring the Town's financial commitment close to the original project budget of \$4.02 million. Staff recommends Town Council consider the following options.

- **Delay the project until a future date.** If Council does not wish to proceed at this time, the project can be delayed and rebid in the future. It is unknown what effect a delay would have on the cost of the project although it would likely increase. There may not be additional LAPP funds available in the future.
- **Award the project bid and approve the necessary budget amendment to fully fund the project.** If Council chooses to move forward with the project, Council will need to approve a budget amendment that allocates additional funding (\$2.1 million) from the Recreation Capital Reserve. This allocation will fund the project and indicate a commitment of \$7.62 million from the Town and \$1.05 million from LAPP. The allocation would reduce the Recreation Capital Reserve by approximately half. Fully committing to the project will also allow the Town to receive support for an additional \$3.44 million of LAPP funding. The additional LAPP funding is not guaranteed until awarded by the CAMPO board.