

Staff Memorandum

Council Work Session – 02/12/2020

Project Background: The [Ephesus-Fordham Small Area Plan](#)¹ (2011) includes a number of transportation improvements, including Phase 1 – the Ephesus Church/Fordham Boulevard Intersection Improvements and Phase 2 – the Extension of Elliott Road from Fordham Boulevard to Ephesus Church Road. Elliott Road Extension is intended to better distribute vehicle trips and enhance mobility in the Blue Hill District by carrying 7,800 vehicles per day in 2030 and relieving congestion at the Ephesus Church-Fordham intersection. BR Chapel Hill, LLC, the developers of the Park Apartments, will oversee the roadway construction since it will be built at the same time as their development. They are also providing the majority of the right-of-way necessary to construct the road.

Town Council authorized staff to proceed with design of the Elliott Road Extension on [May 23, 2016](#)², received an update on the 25% plans on [January 23, 2017](#)³, and authorized staff to proceed with final design and construction on [April 25, 2018](#)⁴. Since then staff have worked with engineering consultant Kimley-Horn to advance the plans to 90% and incorporate the design elements that Council requested – stormwater treatment and mitigation, raised bike lanes, sidewalks, and traffic calming. BR Chapel Hill, LLC, received their Form District Permit in September 2019, and Town staff is finalizing a reimbursement agreement with them for the roadway construction.

Financing: Elliott Road Extension needs additional funds to be constructed.

In 2016 the original projected budget for the Ephesus Fordham intersection improvements was **\$8.8 million**:

- **\$4.7 million** borrowed in 2016
 - \$3.8 for Phase I
 - \$900,000 for Phase II
- **\$2.6 million** in future borrowing for Phase II
- **\$1.6 million** in NCDOT reimbursement

Since then road costs have increased and changes occurred throughout the project that have caused the available budget to change.

Road costs: The original estimate for the project at the 25% design phase was \$4.23 million. This only included construction costs. The total project cost is higher now, due to:

- Increased construction costs (right turn lane on Fordham, culvert, etc.)
- Construction management, inspection, contingency
- Right-of-way & easement acquisition
- Permitting, streetlights

Project budget: The original funding allocated to Phase II was \$5 million; we now have \$3.4 million available for the project. This is due in part to:

- **\$580,000** went to DHIC
- **\$500,000** went to Hamilton Road Fire Station

¹ <http://www.townofchapelhill.org/home/showdocument?id=11695>

² http://chapelhill.granicus.com/player/clip/2781?view_id=21&meta_id=130410

³ http://chapelhill.granicus.com/player/clip/2988?view_id=21&meta_id=149630

⁴ http://chapelhill.granicus.com/player/clip/3484?view_id=7&meta_id=190784

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BR Chapel Hill, LLC is responsible for paying for design and construction costs associated with the modifications they requested in April 2018 and the water and sewer design and construction, currently estimated at (\$163,000 plus water/sewer). The additional funding needed accounts for this contribution from BR Chapel Hill LLC.

Staff will present options for filling the funding gap at the Council meeting.

Next Steps: Council will discuss funding options for the project and provide guidance. Staff will continue working with Kimley-Horn to bring the plans to 100% and with BR Chapel Hill, LLC to construct the project. Construction is expected to begin in spring 2020, once plans are final and the reimbursement agreement is fully executed.