

## Staff Memorandum

Council Regular Meeting– 07/29/2020

### Authorize the Town Manager to Finalize Arrangements for Construction of the Elliott Road Extension Project

#### Staff:

Lance Norris, Director  
Bergen Watterson, Transportation Planning Manager  
Chris Roberts, Manager of Engineering & Infrastructure

#### Department:

Public Works  
Planning  
Public Works

**Project Background:** The [Ephesus-Fordham Small Area Plan](#)<sup>1</sup> (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 will better distribute vehicle trips and enhance mobility in the Blue Hill District by carrying a projected 7,800 vehicles per day in 2030 and relieving congestion at the Ephesus Church-Fordham intersection.

Town Council authorized staff to proceed with design of the Elliott Road Extension on [May 23, 2016](#)<sup>2</sup>, received an update on the 25% plans on [January 23, 2017](#)<sup>3</sup>, and authorized staff to proceed with final design and construction on [April 25, 2018](#)<sup>4</sup>. Staff have worked with engineering consultant Kimley-Horn to advance the plans to 100% and incorporate the design elements that Council requested: stormwater treatment and mitigation, raised bike lanes, sidewalks, and traffic calming.

**Financing:** Due to increases in road construction costs and decreases in the budget available for the project, there is a funding gap of \$3.44 million.

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

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

A combination of road costs increasing since 2016 and dedicated funding being used to cover other capital project needs has resulted in a smaller budget available for Elliott Road Extension construction.

**Road costs:** The total cost to construct the road is now estimated to be \$6,883,511. The original estimate for the project at the 25% design phase was \$4.23 million, which only included construction costs. The total project cost is higher now, due to:

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

<sup>2</sup> [http://chapelhill.granicus.com/player/clip/2781?view\\_id=21&meta\\_id=130410](http://chapelhill.granicus.com/player/clip/2781?view_id=21&meta_id=130410)

<sup>3</sup> [http://chapelhill.granicus.com/player/clip/2988?view\\_id=21&meta\\_id=149630](http://chapelhill.granicus.com/player/clip/2988?view_id=21&meta_id=149630)

<sup>4</sup> [http://chapelhill.granicus.com/player/clip/3484?view\\_id=7&meta\\_id=190784](http://chapelhill.granicus.com/player/clip/3484?view_id=7&meta_id=190784)

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- Increased construction costs (right turn lane on Fordham, culvert, inflation, etc.)
- Right-of-way & easement acquisition
- Permitting, streetlights, waterline relocation
- Construction administration and testing fees

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/Greenfield Commons
- **\$500,000** went to Hamilton Road Fire Station

The Park at Chapel Hill JV, LLC, the developer of the Park Apartments, is responsible for paying for design and construction costs associated with the modifications they requested in April 2018, the water and sewer design and construction, and necessary widening on Ephesus Church Road, currently estimated at \$725,913. This estimated cost is not included in the total construction costs noted above.

Funding: The Town expects to use installment financing to provide the remaining funds to construct the road.

**Next Steps**: If Council approves the reimbursement resolution and authorizes the Town Manager to execute a contract with Conti Enterprises, Inc., staff will coordinate with The Park at Chapel Hill JV, LLC and prepare to begin construction on the road.