



Legislation Text

File #: [23-0191], Version: 1

Update on the Municipal Service Center Project and Affirm Next Steps.

Staff:

Chris Blue, Interim Town Manager
Mary Jane Nirdlinger, Deputy Town Manager
Dwight Bassett, Director

Department:

Town Manager's Office
Economic Development and Parking Services

Overview: The purpose of this item is to share information with Council on the status of the Municipal Service Center project and affirm next steps.

We have been working diligently for many years on constructing a new Municipal Service Center to serve as a new home for Police and other departments including Parks and Recreation, Fire Administration, Emergency Operations, Technology Solutions, and flexible meeting spaces. We have also been working toward the adaptive reuse of 828 Martin Luther King Jr. Blvd. as a Brownfield project.

The Town has already conducted extensive environmental study of the site and has enrolled in the state's Brownfield Remediation Program in order to address the known environmental conditions of the site.

On September 22, 2022, the Town Manager shared a recommendation with the Town Council that housing is not considered for the site at this time.

The Town retained Evoke Studio to complete a space needs assessment, which is estimated to take around four months. Then they will design a structure on the 828 site to accommodate the needs of the Town.

We have been in talks discussion with the partners that proposed with Belmont Sayer to secure a project manager for the facility's construction. The project management team would also help secure the Brownfields Agreement with the State.

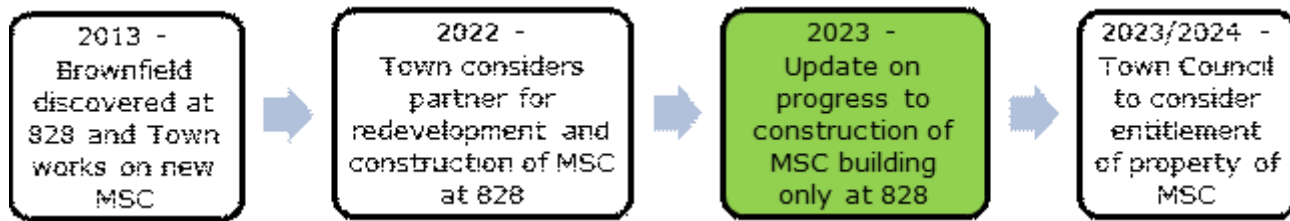
We anticipate beginning entitlement for a Municipal Service Center on the 828 site before the end of 2023.

☆ **Recommendation(s):**

That Council receive a status update on the Municipal Service Center project and affirm next steps as outlined in the update and that Council adopt the reimbursement resolution that will allow the Town to pay for early project expenditures and then later reimburse itself with bond financing proceeds.

Fiscal Impact/Resources: The design and construction of the Municipal Services Center is currently built into the Town's debt financing plan.

Where is this item in its process?



Attachments:

- Reimbursement Resolution
- Draft Staff Presentation
- 828 MLK Update, September 13, 2022

A RESOLUTION REIMBURSING THE TOWN FOR THE MUNICIPAL SERVICES CENTER EXPENDITURES (2023-03-08/R-4)

WHEREAS, the Town of Chapel Hill intends to undertake the Project (as described below), use its own funds to pay initial Project costs, and then reimburse itself from bond financing proceeds for these early expenditures; and

WHEREAS, the Business Management Director has advised Council that it should adopt this resolution to document the Town's plans for reimbursement, in order to comply with certain federal tax rules relating to reimbursement from financing proceeds.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Chapel Hill, North Carolina, as follows:

1. The Project is the Municipal Services Center.
2. The Town intends to advance funds for initial Project costs, including design and engineering services, and then reimburse itself from bond financing proceeds. The financing will take the form of limited obligation bonds.
3. The Town currently expects to borrow up to \$45,000,000 for the Municipal Services Center project. The amount of bonds that actually will be issued is subject to further Council approval.
4. Funds for the early Project expenditures may come from the Town's Debt Service Fund or General Fund.
5. The Town intends for the adoption of this resolution to be a declaration of its official intent to reimburse itself from bond financing proceeds for Project cost expenditures.

This the 8th day of March, 2023.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Chris Blue, Town Manager
Mary Jane Nirdlinger, Deputy Town Manager

RECOMMENDATION: That Council receive a status update on the Municipal Service Center project and affirm next steps as outlined in the update and that Council adopt the reimbursement resolution that will allow the Town to pay for early project expenditures and then later reimburse itself with bond financing proceeds.