



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2023-592

Agenda Item# I.12.

Agenda Date: 8/15/2023. **Department:** Water Resources

Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2023 - 592 Resolution Approving a \$30,000,000 Reimbursement Agreement with the North Carolina Department of Transportation for Utility Construction Services Supporting the Greensboro-Randolph Megasite.

Council Priority: Place an 'x' in the box.

- | | |
|--|---|
| <input type="checkbox"/> Safest City | <input type="checkbox"/> Most Skilled Workforce |
| <input checked="" type="checkbox"/> Easiest Place to Do Business | <input type="checkbox"/> Most Connected City |
| <input type="checkbox"/> Youth Sports Capital | <input type="checkbox"/> Hub of Recreation and Entertainment |
| <input type="checkbox"/> Abundance of Attainable Housing | <input checked="" type="checkbox"/> Other/Admin <u>Infrastructure Improvement</u> |

Council District: N/A

Public Hearing: No

Advertising Date/By: N/A

Contact 1 and Phone: Michael Borchers, 336-373-2494

Contact 2 and Phone: Virginia Spillman, 336-373-3260

PURPOSE:

The Water Resources Department is requesting approval of the final installment of funding for a reimbursement agreement with the North Carolina Department of Transportation for utility construction services supporting the Greensboro-Randolph Megasite.

BACKGROUND:

On March 15, 2022 and December 20, 2022, City Council approved on each occasion \$20,000,000 in funding for the North Carolina Department of Transportation (NCDOT) for utility construction services supporting the Megasite. The funds approved thus far and with this final agenda item, will be paid to NCDOT in the form of a State reimbursement agreement. This form of agreement was best suited to meet the aggressive construction schedule for the Megasite considering NCDOT has overall construction management authority for the site including grading, roadway construction, and onsite utility improvements. The city's funding through NCDOT covers utility construction of the on-site water and sewer lines to service the manufacturing and support buildings agreed to in the Master Agreement with Toyota. This final funding installment covers the costs tied to the installation of the public gravity sewer extension serving the Megasite that will flow to the Sandy Creek Lift Station and the public sewer force main from the station to the city's sewer collection system.

Vision Statement: "A Community with Endless Economic Opportunities and Exceptional Quality of Life."

Water Resources is requesting approval of a final funding installment of \$30,000,000 for the reimbursement agreement covering the continuing utility installation work at the Megasite. Supply chain issues, material and fuel price increases, aggressive construction schedule, large quantities of rock excavation, and other on-site construction changes and constraints are contributing factors to the higher total cost the City is responsible for covering through the utility reimbursement agreement. The costs include actual (material) quantities and the final totaled expenses once the utility construction work is complete. In determining the final settlement of expenses, the city of Greensboro's cost may be under the total requested funding level of \$70,000,000.

Greensboro routinely executes utility construction reimbursement agreements with NCDOT for roadway improvements projects where utility relocation and betterment work often overlap. Historically the collaboration has been very successful to the benefit of all stakeholders. For the Greensboro-Randolph Megasite utility services work, NCDOT committed to a 3% Disadvantaged Business Enterprise (DBE) goal. Taking into consideration the work completed to date, NCDOT is exceeding this goal.

BUDGET IMPACT:

Funding in the amount of \$30,000,000 will come from revenue bonds.

ACCOUNT NUMBER:

518-70-7099189.6016

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RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council approve an additional \$30,000,000 in reimbursement funds with the North Carolina Department of Transportation for utility construction services supporting the Greensboro-Randolph Megasite. With Council approval, this will increase the total funding for the agreement to \$70,000,000.