



Date: August 16, 2013

To: Thomas J. Bonfield, City Manager
Through: Bo Ferguson, Deputy City Manager
From: Marvin G. Williams, Director of Public Works

Subject: City Code 70-108 Revision Regarding Reimbursement of Costs for Infrastructure

Executive Summary

The current City of Durham Code of Ordinances does not address the full scope of infrastructure projects permitted by the City of Durham Charter (Section 84.2 attached) regarding reimbursement for various types of infrastructure. The proposed code revision will allow the City Council and City Manager (up to the Manager's authorized contracting authority) to approve reimbursements for the cost of improvements to street, sidewalks, water system components, sewer collection and disposal systems, or storm drainage systems, or any parts thereof ("infrastructure") to the extent that the infrastructure is constructed to a greater length, width, capacity or quality.

Recommendation

The Public Works Department recommends that the City Council adopt the proposed changes to the Durham City Code Chapter 70, Article III, Division 2, Section 70-108 of the Durham City Code, as attached.

Background

The City Charter § 84.2 provides opportunities for reimbursement by the City of Durham to a project that repairs and/or constructs additional or larger than necessary infrastructure to improve the City's infrastructure (streets, sidewalks, water system, sewer system, storm drainage systems, or any parts thereof). The city code however, does not take advantage of the full range of reimbursements permitted by City Charter. City Code § 70-108 allows for reimbursement of water and sanitary sewer construction, but does not include other types of City infrastructure such as streets, sidewalks, and/or stormwater systems. The current city code as written prevents the City of Durham from taking full advantage of potential cost and/or time saving opportunities by participating in private development or redevelopment projects. Through these cost savings the City will be able to repair or upgrade more of its infrastructure, which is consistent with the City's long term strategic goals.

Issues and Analysis

Amending Durham City Code § 70-108 will allow the City to take full advantage of the cost and time saving opportunities available through participation in private development and redevelopment projects. The proposed code revision will allow the City Council and the City Manager (up to the Manager's delegated contracting authority) to enter into reimbursement contracts to improve a greater range of infrastructure. Additionally, applying the City Manager's contracting authority to these types of agreements will fast track the approval of reimbursement contracts for the repair or upgrading of the City's infrastructure in a timely manner to facilitate economic development goals.

Alternatives

1. Council may elect to not modify the existing Chapter 70, Article III, Division 2, Section 70-108 of the Durham City Code.

Financial Impacts

Modifications to the existing Code would allow for additional types of infrastructure reimbursements to private developments. This may require additional budgeting for impacts to different funds but ultimately this will save the City time and investment dollars on infrastructure to satisfy the City's long term infrastructure replacement and maintenance as well as economic development goals.

SDBE Summary

N/A