



Date: June 12, 2014

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Marvin G. Williams, Director of Public Works
Subject: CIP Ordinance Amendment – Riverside on the Eno Failed Development Reimbursement

Executive Summary

Between 2009 and 2011, Public Works collected the construction and stormwater facility agreement securities (\$103,790) of Riverside on the Eno after the original developer left the subdivision incomplete. The streets were completed in 2012 with the City's resurfacing contract. The stormwater facilities will be completed by a new Developer.

The purpose of this memo is to request the transfer of funds from a City of Durham balance holding account (where the funds currently reside) to a City of Durham Capital Improvement Project. The adoption of the FY 2014-15 General Capital Improvement Project Ordinance will be coming before Council during the same agenda cycle as this item and will allow the City of Durham to reimburse the private developer for the infrastructure improvements. The Budget department has included the appropriation of the additional \$74,985 to the existing Failed Development Infrastructure Project (LE450).

Recommendation

To authorize an increase in the Failed Development General Capital Improvement Project Ordinance and to authorize the transfer of \$74,985 obtained from Riverside on the Eno failed development construction and stormwater facility agreement securities.

Background

Riverside on the Eno is a 24 lot subdivision that had 13 vacant lots when it became a failed development in 2009. Public Works collected \$103,790 in construction and stormwater facility agreement securities to complete the remaining infrastructure in the street (repairs and final layer of asphalt) and stormwater facilities (two dry ponds). Public Works completed the street infrastructure in 2012 as part of the ST 252 Resurfacing Contract. The cost for completing the street infrastructure was \$28,805. The remaining funds (\$74,985) from the securities will be used to reimburse the new Developer, DSM Builders, Inc., for the completion of the stormwater facilities and to replace the stormwater facility agreement security that is required.

Issues/Analysis

To enable the reimbursement of the securities to the City's Stormwater Fund and to reimburse DSM Builders, Inc., a General Capital Improvement Project Ordinance must be adopted.

Alternatives

1. Do not adopt a Capital Project Ordinance to allocate the funds obtained from the Riverside on the Eno Subdivision construction and stormwater facility agreement securities to the City of Durham Failed Development Infrastructure Capital Improvement Project account so they can be reimbursed to DSM Builders, Inc. This would hinder the completion of the two stormwater facilities at the subdivision.

Financial Impact

Funds are existing collected funds from construction and stormwater facility agreement securities issued by a private developer and collected by the City of Durham Public Works Department. Funds are being moved from existing balance sheet accounts and shifted to the General Capital Improvement Project so that the funds may be reimbursed.

The funding of this project would not impact the City financially as the funds were collected from construction and stormwater facility agreement securities issued by the private developer for the project.

Riverside on the Eno

SW Construction Deposits	4300-212402	\$ 31,194.75
SW Construction Deposits	4300-212402	\$ 43,790.00
TOTAL		\$ 74,984.75

SDBE Summary

The SDBE Summary is not applicable to this item.