

<u>Submitted By</u>	<u>Agenda Item # and Questions</u>	<u>Answers/Considerations</u>
Business Items		
Multiple	<p>15. Affordable Housing Development Support Request</p> <p>Please provide additional clarifications</p>	<p>The Developer initially applied for Housing Trust Fund (HTF) support for the Sycamore Station project in 2019, as part of the April 2019 HTF Request for Proposal process. Staff presented funding recommendations to Council at the July 8, 2019, Business Meeting. Sycamore Station was not recommended by staff for funding, along with five other projects that were also not recommended. Council did not discuss the projects that were not recommended for funding at the July 8, 2019 meeting, but on July 19, 2019 H&NS staff sent Council a memo that documented the rationale supporting staff's recommendations. The primary reasons that the Sycamore Station was not recommended for funding were 1) the site score was one of the lowest scores for the applications reviewed during that RFP cycle, and 2) the developer did not seek opportunities to leverage other funding resources such as CHOIF or reduced interest rate funding options.</p> <p>As of early May 2023, the Sycamore Station development was over 99% complete with construction, with over 50% of the units occupied.</p>

In regard to the request for Council action reflected on tonight's agenda, the table below is intended to provide additional context regarding the Sycamore Station project in comparison to the five LIHTC projects that were awarded HTF [or HOME) funds by Council on April 24, 2023.

Project Name	Type	Total # of Affordable Units	# Units for 30% AMI Households	Percent of Total Units For 30% AMI Households	Cost Per Unit
Union at Tryon	4%	200	50	25%	\$19,000
The Vue	4%	108	22	20%	\$32,000
Evoke Living at Ballantyne	4%	60	12	20%	\$51,667
Long Creek Senior Apartments	9%	57	15	26%	\$39,474
Marvin Road Apartments	9%	70	18	26%	\$49,700
<i>Average for five projects above</i>		99	23.4	24%	\$32,495
Sycamore Station	4%	168	34	20%	\$50,000, if spread across the 34 units for 30% AMI* \$10,119 if spread across all 168 units

*Staff believes the cost-per-unit for the \$1,700,000 funding request for the Sycamore Station project should be reflected as \$50,000, as the value proposition for the city investment hinges solely on the 30% AMI units. While all 168 Sycamore units will be affordable, if the city awards funding to the project it will only influence whether any units will be devoted to 30% AMI households. The "but for" aspect of this project relates only to whether 34 units are leased to 30% AMU households [if the city funds the project] or to 60% AMI households [if the city does not fund the project].

Submitted By	Agenda Item # and Questions	Answers/Considerations
CM Mayfield	<p>19. Goose Creek Sanitary Sewer Extension Reimbursable Agreement</p> <p>Please provide the language for developer reimbursement agreement.</p>	<p><i>Please see attached.</i></p>
Consent Items		
CM Mayfield	<p>34. Traffic Signal Installation and Maintenance</p> <p>Show how this project was broken up to create minority participation</p>	<p>This contract is not for a single project and is set up to support a wide range of signal-related work. CDOT develops the list of contract items based on the type of work anticipated.</p> <p>After reviewing the items in the contract, CBI sets a subcontracting goal that is reflective of opportunities for participation. This work is specialized and there are few contractors qualified to do the work, as reflected by the fact that only one bid was received.</p> <p>Whiting Construction Co. exceeded the established goal of 2.00% and committed 2.10% (\$50,835) to M. H. Graves Construction Co. to perform incidental concrete work.</p>
CM Mayfield	<p>36. Central Business District Sanitary Sewer Construction Change Order</p> <p>Per the below the 2020 approval was for a guaranteed maximum, and was to be completed NOW. I need more detailed information regarding this change order request, exactly what is this paying for? Is any of these funds for compensation of staff? Also what fees have the company been fined for the delay in completion time?</p> <p>On February 10, 2020, City Council approved a guaranteed maximum price with Sanders Utility Construction Co., Inc. for Design-Build construction services of the Little Sugar Creek Tributary to Central Business District Sanitary Sewer project, which included installation of the 48-inch sanitary sewer, portions of which are still under construction. The project is anticipated to be complete fourth quarter 2022. The new total value of the contract, including this change order, is estimated to be \$43,761,664.69.</p>	<p>To help clarify additional costs, there was no fault of our contractor, pipe was damaged by a different contractor on a different project and needs to be repaired right away. The city will be seeking reimbursement for this extra cost from the contractor that damaged the pipe.</p> <ul style="list-style-type: none"> • The damaged pipe was installed in early 2022 as a part of an overall project that is still under construction, Central Business District Sanitary Sewer, which will provide additional sanitary sewer capacity for the area • This segment of the pipe was activated earlier this year and now has sanitary sewer flowing through it • The pipe was damaged by a contractor working on an adjacent project, not related to ours • This change order will allow the contractor who is currently working for CLWTater on the remainder of the Central Business District Sanitary Sewer project make the repair, given they recently installed it and are still in the vicinity of the repair • CLTWater will seek recovery of all costs associated with the repair, however the pipe needs to be repaired as soon as possible because it is actively carrying sanitary sewer

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CM Mayfield	<p>47. Airport Roadway Relocation Construction Change Order</p> <p>Per the below with this 5th change has increased this bid to \$990,136.20. What was the bids of the original bidders in 2022, show them.</p> <p>On August 22, 2022, City Council approved a contract in the amount of \$39,422,735 with Crowder Construction Company for the North End-Around Taxiway Old Dowd Road construction project. Change Orders 1-4 increased the total contract expenditures to \$39,880,371.20. The new total value of the contract is \$40,412,871.20.</p>	<p>Original bids from August 2022:</p> <table border="1"> <thead> <tr> <th data-bbox="846 155 1117 184">Company</th> <th data-bbox="1252 155 1370 184">Based Bid</th> </tr> </thead> <tbody> <tr> <td data-bbox="846 191 1117 220">Crowder Construction Company</td> <td data-bbox="1252 222 1430 252">39,422,734.48</td> </tr> <tr> <td data-bbox="846 264 1182 294">Thalle Construction Co., Inc.</td> <td data-bbox="1252 264 1430 294">40,900,000.00</td> </tr> <tr> <td data-bbox="846 306 1094 336">Blythe Development</td> <td data-bbox="1252 306 1430 336">43,520,335.00</td> </tr> <tr> <td data-bbox="846 348 1170 378">Kiewit Infrastructure South</td> <td data-bbox="1252 348 1430 378">49,228,842.99</td> </tr> </tbody> </table> <p><u><i>Details of the change orders on this contract include:</i></u> The contract to relocate a portion of Old Dowd Road has executed four change orders that covered the following changes:</p> <p>Change Order #1: \$30,000 for additional traffic control devices after a revised construction sequence was proposed by the contractor to expedite construction of the road.</p> <p>Change Order #2: \$0 change order to modify an Intermediate Contract Date.</p> <p>Change Order #3: \$10,000 to modify a security gate and some fencing requested by CLT Security after the project was bid.</p> <p>Change Order #4: \$417,636.20 for a change of 2 types of water valves to ensure compliance with new Buy America/Buy American procurement rules in order to maintain federal grant eligibility for the project.</p> <p>The change orders in this contract have all been initiated to assist us in completing the project on time and on budget. None of the changes could have been anticipated during the design process as they were either identified by the contractor in their specific approach to the work, or changes that were made to procurement rules.</p> <p>Change order #5 covers the cost of railroad flagging services that was already contracted with Norfolk Southern Railroad, who informed us that they were no longer going to provide those services. We have initiated a deductive change order with Norfolk Southern to remove those services from their agreement with the Airport and now will have the contractor provide those services through the construction contract.</p>	Company	Based Bid	Crowder Construction Company	39,422,734.48	Thalle Construction Co., Inc.	40,900,000.00	Blythe Development	43,520,335.00	Kiewit Infrastructure South	49,228,842.99
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**SEWER CONSTRUCTION CONTRACT
CONSTRUCTION BY PUBLIC BIDS
5-YEAR REIMBURSABLE
LETTER OF CREDIT**

STATE OF NORTH CAROLINA

EFFECTIVE: May 19th , 2023

MECKLENBURG COUNTY

Classic Neighborhood Development, LLC
APPLICANT

THIS CONTRACT, made and entered into this the (will fill in) day of May , 2023, by and between Classic Neighborhood Development, LLC , whose address is (will input developer's address) hereinafter referred to as the "APPLICANT" and the "CITY OF CHARLOTTE", a municipal corporation of said County and State, hereinafter referred to as the "CITY".

WITNESSETH

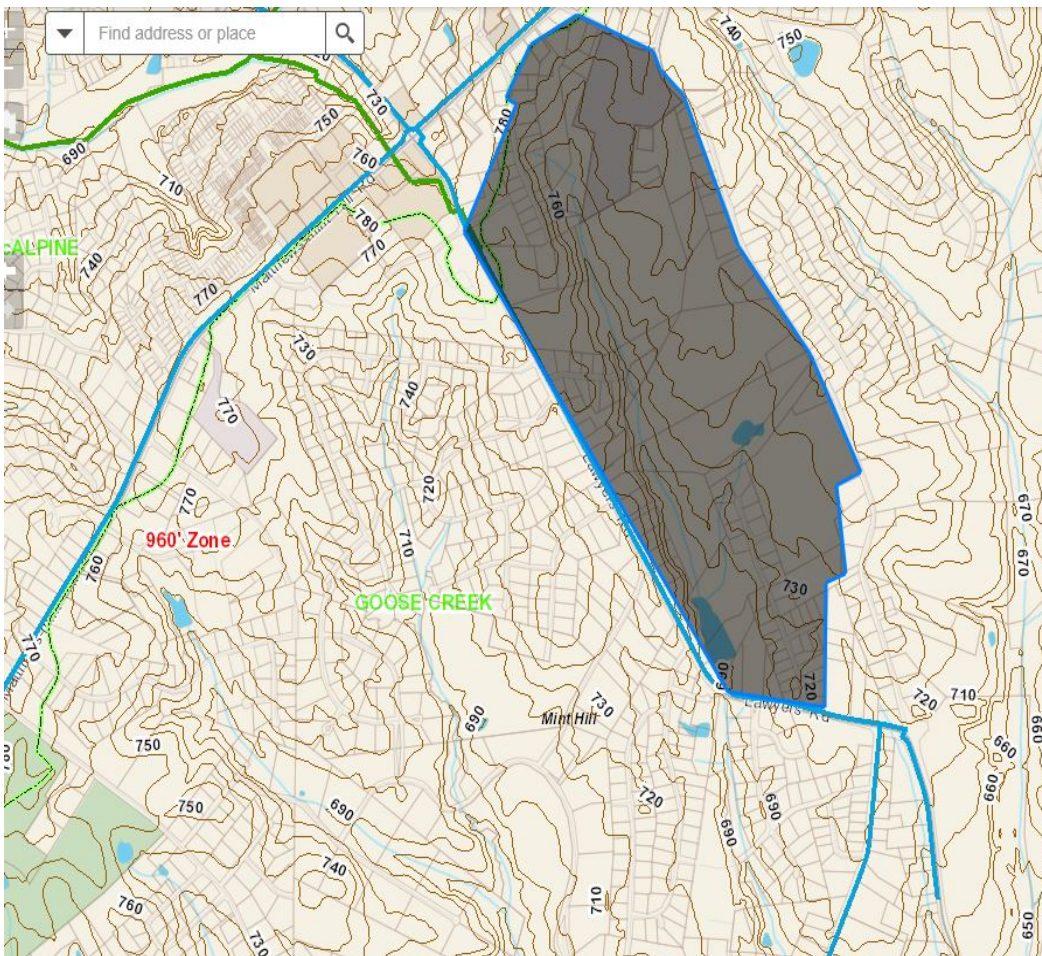
WHEREAS, the APPLICANT does by this Contract request that the City prepare said plans and specifications and when completed, advertise and receive public bids to determine the construction cost as covered by the said plans and specifications, said sanitary sewer facilities and location being more particularly described on Page 2. Therefore, it is hereby understood that it is the intent of the City to provide certain "basic sewer facilities", as outlined in the Water And Sewer Extension Policy adopted May 26, 1992, utilizing bond funds, current revenue and other available funds without direct customer participation in the financing, when these funds are available. Furthermore, the Applicant desiring not to wait until funds become available so that the City can immediately provide the "basic sewer facility" described herein, agrees to finance the total cost of the said sewer facility and the City agrees to reimburse the eligible project cost, all in accordance with the existing policy as has been adopted by the City of Charlotte.

Description of Project:

This sanitary sewer main project is described as Charlotte Water Capital Improvement Project , Goose Creek Sanitary Sewer Extension to Cresthill. This project will provide for an extension of the existing sanitary sewer in the area to address a lack of existing infrastructure needed to meet increasing demands.

This project consists of the design and construction of a gravity sewer connecting to the Stevens Creek Lift Station. This project will consist of approximately 5,400 linear feet of 8-inch gravity sanitary sewer from approximately San Marco Dr to Cresthill Dr. This sewer is tributary to the existing Stevens Creek Lift Station & Force Main.

This project will serve the drainage basin bound by Lawyers Rd to the West and South, and Hwy 218 to the North as outlined in the map attached below.



NOW THEREFORE, in consideration of the promises contained herein, the parties hereby agree as follows:

- 1. The Applicant has deposited with the City an amount of \$240,000.00, which represents ten percent (10%) of the total estimated project cost of \$2,400,00.00, including the estimated cost of right-of-way.**
- 2. In consideration of the above deposit, the City agrees to prepare the project for receiving public bids. An additional deposit will be required if the preparation cost exceeds the original 10 % deposit.**
- 3. Applicant has elected the alternative financing plan set forth in Section VI of the Charlotte-Mecklenburg Utility Department Water And Sewer Extension Policy. In conformity with this election, Applicant shall provide a letter of credit conforming to the requirements of Section VI in an amount equal to the total gross amount of the apparent low bid for the construction contract, less the amount of the original 10% deposit above. (The letter of credit may, however, be required to be amended as provided in Paragraph 4 below).**

The letter of credit must be established in favor of the City within fifteen (15) days after construction bids are received by the City and must in any event be established before the construction contract will be awarded. In the event Applicant fails to establish the letter of credit in favor of the City within the time required, then Applicant shall forfeit any deposits or other funds advanced by Applicant up to that point and shall be liable to the City for actual costs incurred to that point in excess of any deposits or other funds advanced by Applicant.

Notwithstanding Applicant's election to furnish a letter of credit, Applicant acknowledges and agrees that it remains primarily liable for the construction costs incurred by the City. Applicant's liability for such costs shall be discharged only to the extent of funds actually received by the City under the letter of credit or by cash payment or deposit from the Applicant to the City, and Applicant shall remain liable to the City for actual construction costs to the extent the City is unable, for whatever reason, to secure honor of any draft or drafts under the letter of credit. In the event any draft presented by the City under the letter of credit is dishonored for any reason, the City shall have the option to require Applicant to make a cash deposit with the City sufficient to pay the balance of any construction costs to be incurred under the construction contract. Such deposit shall be made within thirty (30) days after written demand is given by the City.

If, due to construction delays, disputes, or any other cause, a final accounting under the construction contract is not made at least forty-five (45) days before the original or any extended expiration date of the letter of credit, Applicant shall have two options, which must be exercised and in place not later than thirty (30) days prior to the expiration date of the letter of credit: (a) obtain an extension of expiration date of the letter of credit for a period acceptable to the City, or (b) make a cash deposit with the City equal to the remaining amount which the City would be entitled to draw under the outstanding letter of credit.

If the Applicant has not implemented one of these options at least thirty (30) days before the expiration date of the letter of credit, then the City will draw the full remaining amount available under the letter of credit on or before the expiration date of the letter of credit and will thereafter hold such funds until needed by the City.

In the event the City's drawings under the letter of credit exceed the total amount the City is ultimately required to pay for the construction of the extension, then the City will refund to Applicant any surplus at such time as a final accounting of the City's actual costs under the construction contract is made.

4. To the extent permitted by law, the City may reject: any bid (s) and consider any remaining bids (s) for contract award; or may reject every bid and cause additional bids to be solicited for consideration and contract award. When the letter of credit has been effectively established in favor of the City, as provided in Paragraph 3, the City shall award the construction contract to the lowest, responsible bidder as required by applicable law. If any bidder refuses to execute a contract to perform the work hereinabove described or if any bidder is allowed to withdraw its bid, the City may proceed to consider any other bid (s) and to award the construction contract as permitted by applicable law. However, no contract award in an amount higher than the apparent low bid shall be made to any bidder under any circumstances unless the Applicant causes the letter of credit to be amended in a manner satisfactory to the City or, in lieu of such amendment, posts an additional cash deposit. Under such circumstances, the maximum amount of the letter of credit, including the draw schedule shall be amended to, or an additional deposit made which is equal to an amount sufficient to permit the City to honor fully all financial obligations under the construction contract to be awarded. If any additional deposit is required to be made and/or if any amended letter of credit is required to be established in favor of the City, such actions shall be completed and effective prior to award of the construction contract within ten (10) days after demand by the City to the Applicant. In the event Applicant fails to make any required, additional deposit or establish any amended letter of credit within the time required, then Applicant shall forfeit any deposits or other funds advanced by Applicant up to that point and shall be liable to the City for actual costs incurred to that point in excess of any deposits or other funds advanced by Applicant.
5. When the aforesaid sanitary sewer facilities have been installed, the actual project cost shall be computed by the City and the total amount of any deposits made by the Applicant plus any funds received by the City from drawings under the letter of credit shall be adjusted to the final cost by either a refund from the City to the Applicant, or an additional payment to the City by the Applicant. The Applicant agrees to make said additional payment within thirty (30) days after the notice of final accounting is mailed or otherwise provided to the Applicant. If the Applicant fails to make said additional payment within the time required, the City may find the Applicant to be in default without notice to the Applicant and, thereafter, refuse to accept any additional payment from the Applicant. The City can extend the 30 day requirement for the additional funds if the Applicant demonstrates to the satisfaction of the City that they are using due diligence in securing the funds and such extension shall not be more than an additional 30 days.

If the Applicant is found by the City to be in default under the provisions of this Paragraph, the City will not be obligated to reimburse the Applicant in any amount and every provision of this contract will become automatically null and void which provides for reimbursement to the Applicant by the City (including but not limited to Paragraph 8). Every remaining provision of this Contract will remain in full force and effect.

6. The City shall own all facilities installed under this contract and shall collect all fees for service rendered and all lateral connections made from said facilities, at the usual rates charged for such service, and all such collection shall be retained by the City, except as specified under paragraph 8 below, as compensation for the maintenance and operation of said system.
7. The City shall be responsible for the operation and maintenance of the sanitary sewer system installed under this extension contract.
8. The City agrees to reimburse the Applicant for said sewer facilities as follows:

- A. The estimated reimbursable cost of this contract is \$2,023,200.00, subject to change based on the final adjusted eligible project cost.

The drainage area serviced by the outfall is 350 acres.

The estimated acreage fee for this drainage area is \$376,800.00 (15.7%), subject to change based on the final adjusted eligible project cost.

- B. Eligible project costs are defined as the total project costs less the acreage costs on the property of the Applicant and its assigns to be served by the project.

The applicant will be reimbursed all of the eligible project costs. The amount reimbursed will not include any interest, carrying charges, financing costs, or other funds other than the actual face value amounts of calculated eligible project costs. The Applicant will receive 20% of the eligible project costs in each of five annual payments. The reimbursement period shall begin on the date of the City's acceptance of the sewer facilities for operation and maintenance. An annual payment will be made on each of the first, four anniversaries of the date the City accepts the facilities for operation and maintenance. The final payment will be made 30 days prior to the fifth anniversary of said acceptance date.

The City will act in good faith to take the steps within its control that are necessary to determine the final adjusted eligible project cost, including without limitation the final accounting, within a reasonable time after the project is complete; provided that, the City will have no financial or other liability to Applicant for any failure to do so.

- C. In no case will the total refund exceed the total eligible project costs as defined in Paragraph 8(B) above.
- D. This Contract shall not be construed to obligate the City, expressly or by implication, to exercise its power to levy taxes either to make payments falling due under this Contract, or to pay any judgment entered against the City as a result of the City's breach of this Contract. This contract is subject to Article 8 of Chapter 159 of the North Carolina General Statutes and shall not take effect until and unless approved by the Local Government Commission in accordance with said Article.

RECORD OF LETTER OF CREDIT

Letter of Credit in favor of City established by _____

(NAME OF BANK)

on _____ for maximum face amount of \$ _____, expiring on _____.

(DATE)

Amended Letter of Credit in favor of City established on _____ for maximum face

(DATE)

amount of \$ _____ expiring on _____.

(DATE)

ACTUAL COST OF CAPITAL FACILITIES PER ACRE

Reimbursable Cost of Sewer Facilities = _____ = \$ _____ (per acre)
Applicable Acreage

 Certified By

Date: _____

Applicant's share of previous contract payable to C-MUD: _____ Acres

CONTRACT #	JOB #	APPLICANT/CONTRACT	PRICE/ACRE	COST
			TOTAL	

9. Any notice to the Applicant pursuant to this Contract shall be deemed complete when sent by mail. Notice to the Applicant shall be deemed complete upon deposit of the notice enclosed in a post-paid envelope in a post office or official depository under the exclusive care and custody of the United States Postal Service addressed as follows:

Attn: _____

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed, the day and year first above written.

ATTEST:

APPLICANT

Witness **Signed** _____
Applicant

Print _____
President/Vice President/Manager/General Partner
(Strike through all non-applicable titles)

ATTEST:

CITY OF CHARLOTTE, NORTH CAROLINA

Utilities Project Manager _____
Angela Lee, Director
Charlotte Water