

Item Title: Approval of Construction Contract for the Preserve of Long Branch Subdivision Road Improvements.

Specific Action Requested:
That the Board of Commissioners:

- 1. Awards a construction contract to Lanier Construction Company, Inc. of Snow Hill, North Carolina in the amount of \$569,062.50 for the Preserve of Long Branch Road Improvements;**
- 2. Authorizes the County Manager to execute this contract subject to terms and conditions acceptable to the County Attorney.**
- 3. Appropriates \$220,155 in special assessments for the Preserve of Long Branch Subdivision Project.**

Item Summary:

Purpose: State statute requires the Board of Commissioners to approve all publicly bid construction projects more than \$500,000.

Background: On November 21, 2022, the Wake County Board of Commissioners adopted a revised Water, Sewer, and Road Financial Policy. This policy was adopted to help guide the County in determining when to consider public financing of critical community infrastructure projects (e.g. water, sewer, and roads). Staff has been working closely with representatives from the Preserve at Long Branch Farms subdivision regarding the roads within their community. The original subdivision developer failed to properly complete the roads and turn them over to the NC Department of Transportation (NCDOT) for maintenance. This contract seeks to correct deficiencies required for acceptance into the NCDOT maintained highway system.

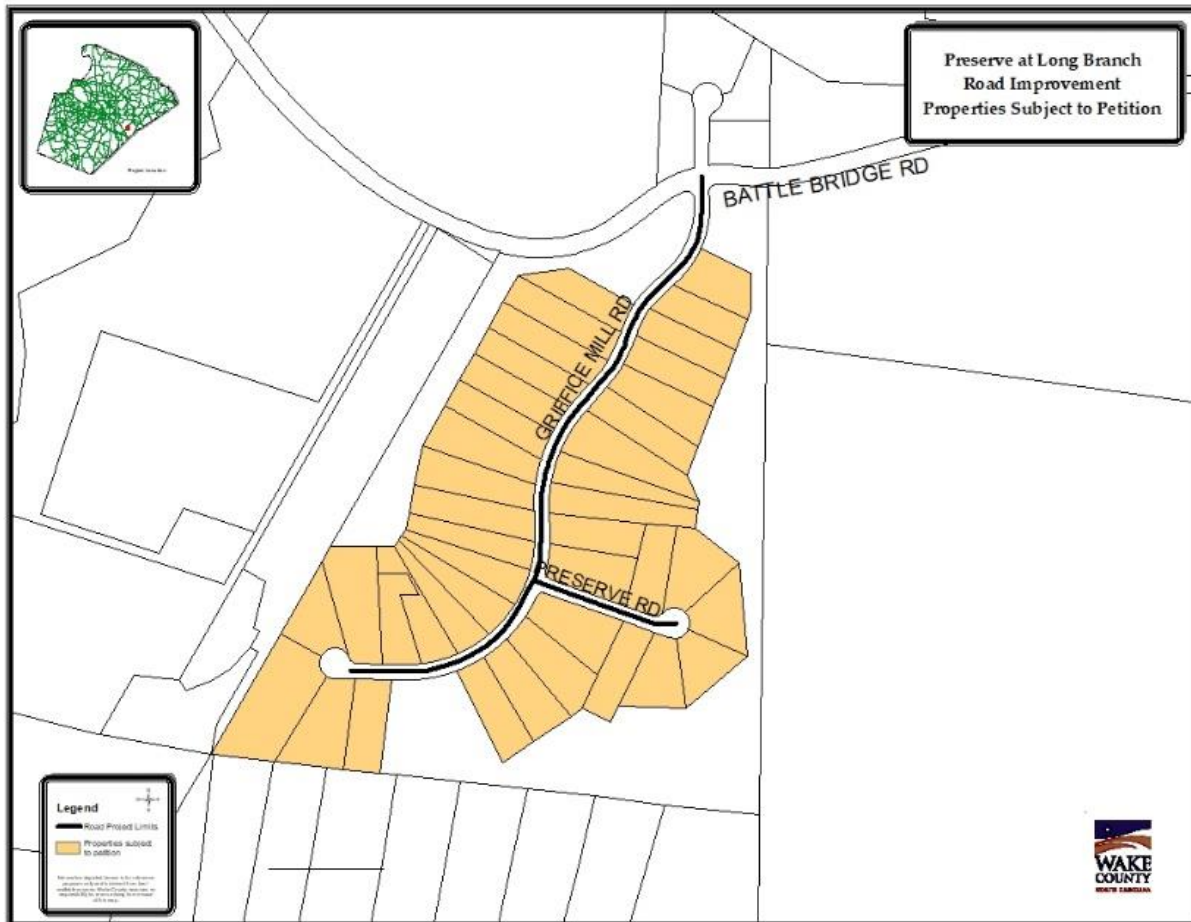
Strategic Plan: This project does not address a specific goal from the strategic plan but does support the stability of community infrastructure projects in accordance with the referenced policy.

Fiscal Impact: This action will increase the budget for the Water, Sewer & Road Improvements division of the County Capital Improvement Fund by \$220,155 for a total project budget of \$740,807.

Additional Information:

The Preserve at Long Branch Farms subdivision was built in the mid 2000's in the Southeast part of the county. The roads were designed and built to be public roads, but the developer failed to properly complete construction of the roads and turn them over to the NC Department of Transportation (NCDOT) for maintenance. Roads in this situation are termed "orphan roads". The roads are in deteriorating condition and are beginning to

present a public safety hazard; if left unrepaired, they will continue to deteriorate and the cost to bring them up to NCDOT standards will escalate.



On June 6, 2022, pursuant to State Statute, the Board of Commissioners approved the Final Assessment Resolution for this project, authorizing County staff to begin the project. On June 29, 2022 Wake County entered in to a contract with an Engineering Firm to develop a set of construction documents for the required road repairs. Three pavement rehabilitation techniques were identified for the repairs. The Full Depth Reclamation (FDR) technique was selected as the best option for the road.

On April 12, 2023, Wake County Bid the project. No bids were received, so in accordance with State statutes, the project was rebid on April 26, 2023, and again no bids were received. Staff then postponed the project to 2024 and bid the project for a third time on March 5, 2024. Once again, no bids were received. The project was rebid again on March 19, 2024, however, only one bid was received, which significantly exceeded the amount set in the legal petition signed by residents, requesting financial assistance. Thus, the project was again postponed. On May 22, 2024, Wake County Staff met with the property owners to discuss options to move forward. Property owners agreed to redesign the project to perform the minimum required work for NCDOT to accept the road into the highway maintenance system. Based on engineering and geotechnical costs incurred to date, plus updated construction bids and contingency, a new budget was established at \$740,807. This new amount is an increase of \$220,155 over the currently budgeted

revenues of \$520,652. The new budget is consistent with the projections staff discussed with the homeowners on May 22, 2024, and a Project Cost Summary is attached.

The Preserve of Long Branch Farms Subdivision consist of 41 lots developed. 75.6% of the property owners signed and submitted a petition requesting the improvements, exceeding the minimum prerequisite of 75% homeowner representation, as required by NC General Statute 153A-205.

The special assessment would be based on the number of lots served at an equal rate per lot as provided in Article 9 of Chapter 153A of the NC General Statutes.

Wake County holds \$29,348 in funds forfeited by the developer that will be used to offset the total cost of the project. The remaining project cost will be assessed 100% against the lots and parcels abutting the improvements.

Number of Lots: 41

Estimated Total Project Cost: \$740,807

Funds Forfeited By developer: \$29,348

Estimated Assessment per lot: $(\$740,807 - \$29,348) / 41 = \$17,352$ per lot

Payment Terms: Homeowners can pay within 30 days of public notice of the assessment roll to avoid interest charges. Otherwise, the special assessment may be paid in annual installments for a period up to 5 years at an interest rate of 3.0%. In addition, the revised policy adopted by the Board, includes a financial hardship clause, in which the Tax Administrator may arrange for an alternate payment schedule for property owners who demonstrate a financial hardship.

On February 25, 2025, bid proposals were received from three (3) general contractors in accordance with NC General Statutes. A Bid Tab is attached for reference. Staff recommends that the Commissioners award a contract to the lowest responsible, responsive bidder, Lanier Construction Co. of Snow Hill, NC in the amount of \$569,062.50.

It is anticipated that a Notice to Proceed for construction will be issued in April 2025 and construction will be completed in Fall 2025. When construction is complete, the County will calculate the final total project cost and prepare the preliminary assessment roll to assess the property owners in this subdivision. The Board will then hold a public hearing to accept comments on the preliminary assessment roll and to confirm the assessments, and then turn the assessment roll over to Tax Administration for collection. The special assessment is anticipated to begin in early 2026.

Attachments:

1. Bid Tabulation
2. Project Cost Summary
3. Final Assessment Resolution
4. Budget Memo
5. Orphan Roads presentation from 11/25/24 BOC Growth & Economic Strength Committee