

**Item Title:** Public Hearing and Other Actions to Proceed with Amendment to Crooked Creek Subdivision Road Improvements

**Specific Action Requested:**

**That the Board of Commissioners holds a public hearing to consider the petition from property owners in the Crooked Creek Subdivision and the Preliminary Assessment Resolution adopted on December 2, 2019 and adopts a Final Assessment Resolution for County financing by special assessment to improve the subdivision roads for acceptance into the NC Department of Transportation Maintained Highway System.**

**Item Summary:**

**Purpose:** State Statute requires the Board of Commissioners hold a public hearing to consider the petitions from property owners in the Crooked Creek Subdivision and the Preliminary Assessment Resolution adopted by the Board of Commissioners on December 2, 2019

**Background:** On October 7, 2019, the Wake County Board of Commissioners approved financing by special assessment of 33 residential lots to improve roadways within the Crooked Creek subdivision. Since then, five (5) more property owners have signed, which extends the project by about 450 feet and adds seven (7) more lots to the project. The project cost estimate remains unchanged.

In accordance with County policy and State Statutes, property owners within Crooked Creek subdivision have submitted petitions requesting County financing by special assessment to improve the roads within their subdivision for acceptance into the NC Department of Transportation maintained highway system.

**Board Goal:** This action supports routine County operations

**Fiscal Impact:** If approved, the County would finance the improvements and then be repaid through assessments of property owners. The commissioners appropriated funds to front the estimated costs of the improvements on October 7, 2019.

**Additional Information:**

Wake County staff has been working with residents of the Crooked Creek subdivision to determine the best course of action for their orphan roads. In May 2019, the Crooked Creek residents agreed to move this project forward by requesting the County prepare the petition language. Residents returned petitions in July but cut seven lots out of the project because they had difficulty getting enough property owners to sign. Once the Board of Commissioners approved the smaller project on October 7th, additional property owners came forward.

### **Petition Process**

In accordance with NCGS 153A-205(c), before a county may finance the cost of improvements to a subdivision road, it must receive a petition for the improvements signed by at least seventy-five percent (75%) of the owners of property to be assessed, who must represent at least seventy-five percent (75%) of all the lineal feet of frontage of the lands abutting on the street or portion thereof to be improved.

### **Project Costs**

The estimated costs to repair the Crooked Creek subdivision roads and bring them up to NCDOT standards are in the table below. These amounts are an estimate. Final engineering, design, and construction costs will be developed and bid competitively upon the Board's approval to move ahead with the project. The project development costs that are estimated will be paid by the County from the project budget and reimbursed as the special assessments are paid off by each property owner. The County currently has available revenue reserved for financing water, sewer, and road projects.

<b>Crooked Creek Project Cost Estimate</b>	
Construction/Repairs	\$155,950
Geotechnical Services	\$2,250
Engineering: Design, Construction Admin., Project Close-out	\$37,500
Contingency 10%	\$15,600
<b>Estimated Project Total</b>	<b>\$211,300</b>

### **Special Assessment & Financing Terms**

The summary petitions for the community is included as an attachment to this item. The Crooked Creek property owners approved the petition based on a total estimated cost of \$211,300, which equates to \$5,283 for each of the 40 lots, to be paid back to the County over a period of up to three years. The petition makes clear the project cost is not a guaranteed maximum price.

In accordance with the revised policy, the payback schedule is set in order to make the annual special assessment to be roughly equal to the average annual property tax assessment paid by the homeowner in the subdivision. The special assessments will be used as a revolving fund to support future requests for orphan road repairs or water and sewer projects that comply with the County policy, North Carolina General Statutes, and approved by this Board.

The assessment begins at the end of the project after the roads have been accepted by NCDOT and after a public hearing by the Board confirming the assessment roll. Property owners have multiple ways of paying the assessment. If they pay off the full cost within 30 days of the assessment they would not be subject to a finance charge. They may make annual payments over the established set term with a finance charge. There is also a financial hardship clause in the revised policy adopted by the Board, in which the Revenue Director may arrange for an alternate payment schedule for property owners who demonstrate a financial hardship.

The County may collect assessments in accordance with state law and has the authority to foreclose on any unpaid or delinquent assessments. During the sale of a home, unpaid assessments transfer to the new owner unless paid during closing.

### **Staff Findings**

1. The Crooked Creek petition meets the minimum 75% petition requirement per NCGS153A-205. 31 of the 40 lot owners or 78% have signed the petition. These lot owners represent 75% of lineal road frontage.
2. Alternate solutions to repair the roads are not viable or reasonable.
3. The Amendment to the Preliminary Assessment Resolutions for Crooked Creek subdivision sets the public hearing and consideration of the Amendment to the Final Assessment Resolution for January 6, 2020 Board of Commissioners meeting.

The next step for the Board of Commissioners is to consider approving the Amendment to the Final Assessment Resolution. If the Amendment to the Final Assessment Resolution is adopted, the project will begin immediately under the administrative oversight of Wake County with assistance from NCDOT. The County's Facilities Design and Construction Department will oversee the construction process. When complete, the County will calculate all the project costs and prepare the preliminary assessment roll. The Board will then hold a public hearing to accept comments on the assessment roll, and then turn the roll over to the tax collector for collection. The entire project and process would take approximately 18 months.

### **Attachments:**

1. Presentation
2. Crooked Creek Map
3. Petition Summary
4. Signed Crooked Creek Amendment to the Preliminary Assessment Resolution
5. Crooked Creek Amendment to the Final Assessment Resolution