



**TOWN OF CHAPEL HILL
NORTH CAROLINA**

Meeting Date: 12-08-2008

Time: 7:00 P.M.

EXECUTIVE SUMMARY

AGENDA #9

Title of Agenda Item: Library Expansion Project Scheduling Options and Their Respective Budget Implications

Background: The purpose of this report is to provide the Council with additional Library expansion project information in response to questions raised at their October 15, 2008 business meeting. The report includes a summary of the impact of the economy on the Town budget in Part “A”, and a project specific Part “B” that provides the Council with an opportunity to consider the following three project scheduling options:

1. Complete project design and permitting work but delay project construction until budget implications are addressed and reasonable bond interest rates are available.
2. Complete project design and permitting work and proceed to construction contract negotiations as scheduled for a construction start date in the spring of 2009.
3. Discontinue all additional work on the project.

Fiscal Note: Adoption of recommended option 1 would have no impact on Town debt obligations as the bond necessary to fund pre-construction phases of the project has already been issued. If the work recommended in option 1 is not authorized, some of the costs of terminated consultant contracts could be unencumbered and used for other purposes consistent with the language of the bond issuance.

At such time as the Council chooses to proceed with construction, documentation will be in place to readily enter into contract negotiations. The total project budget is currently estimated to be \$16,515,374, which we believe considering recent construction industry trends, will be sufficient to fund the project as currently proposed for sometime into the future.

Staff Recommendation(s): That the Council adopt the attached Resolution A authorizing the Town Manager to proceed with option 1 as detailed in this report by:

- Directing the Town’s design consultants to proceed with completion of construction plans and specifications, and
- Delaying project construction until reasonable bond rates are available and the Council approves the necessary bond sales.

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