

Memorandum

Date: August 26, 2014
To: Finance Committee
From: Ken Putnam, PE, Transportation Department Director
Re: Street Acceptance Process

The purpose of this memorandum is to update the Finance Committee (and City Council) on a question regarding the street acceptance policy that was asked by a council member at a recent City Council meeting.

The question was asked during discussion of a consent agenda item regarding the consideration of accepting an extension to Old Haw Creek Road as a city-maintained street. During that meeting, which was on May 13, 2014, City Council approved resolution # 14-90 accepting the subject street and it is now part of the City's overall street network.

The staff report included a standard statement that the street would be eligible for Powell Bill Funds; however, Powell Bill Funds typically do **not** cover the entire cost of maintaining a street. Generally, the Powell Bill Funds provide about one fourth of the annual street maintenance costs. Specifically, the council member asked if the City could require the grantor (developer) of a specific street to help pay the future maintenance costs for a period of 10+/- years.

Staff contacted several cities throughout North Carolina, including Charlotte, Durham, Fayetteville, Greensboro, Hickory, High Point, Raleigh, Wilmington, and Winston-Salem, for bench marking purposes. We received responses from all of the contacted cities except for Wilmington and none of them require any type of maintenance payments as a part of the acceptance process. Most of the cities require some type of warranty for either a one-year or two-year time period (the City of Asheville requires a two-year warranty for major failures).

Typically, tax revenue is used to maintain the street infra-structure and the Legal Department believes that we could have legal issues if we required a developer to help pay the maintenance costs for a street that he/she wants accepted by the city. It would setup a double standard and a question as to what happens after the 10-year period is completed.

Based on this information, staff recommends that we not require any payments for maintenance purposes.

Please let me know if additional information is needed.

KJP/