

Memo

To: City Council
From: Bryan Myrkle, Community Development Director
Date: August 4, 2016
Re: Downtown Sidewalk Snow Removal Special Assessment

The City of Charlotte Downtown Development Authority has been contracting with a private vendor for downtown sidewalk snow removal for the past 12 years – a service paid for via Special Assessment.

The vendor was originally chosen by a public bidding process. However, since that time, we have negotiated extensions of the contract, provided that we can keep the cost at the established level, or lower.

The vendor, Eric Rogers, LLC has agreed to another four-year extension of the contract at the established rate of \$10,800 per year. This rate has been in place for the past four years, and is reduction from the first two assessments, which were \$14,018 and \$12,280 per year, respectively.

Extending the service at the same rate with the same provider will allow us to continue the assessment at a rate of \$2 per linear foot of property frontage, annually. For example, if a downtown storefront is 30 feet wide, it would have an annual assessment of \$60.

While the service is contracted for by the DDA and the revenue and expense booked in the DDA portion of the City's budget, Special Assessments are the authority of the City Council and must be handled at the Council level. **Because the entire Special Assessment process entails the passage of 5 separate City Council resolutions, we are placing them on the Expedited portion of the agenda, so that the issue does not require 10 separate votes.** The first two resolutions can be handled concurrently, and both appear on this Monday evening's agenda.

The City Council requires a report on this proposed Special Assessment that details the plans, cost estimate, description of the special assessment district and such other pertinent information as will permit the Council to decide the cost, extent and necessity of the public improvement and what portion of the cost should be paid by the City at large.

That information is contained in the following report:

The assessment for downtown sidewalk snow removal was originally instituted to help solve a number of different problems.

First was the inconsistency of snow removal when left to each individual property owner to manage themselves. Despite there being an ordinance in place requiring snow removal, in many cases it was not done in a timely fashion, and in others it was not done at all. This resulted in a checkerboard of clean and unkempt sidewalk. It also meant that, even if a business owner did a great job keeping their own portion of walk clean, it was meaningless if the property owners on either side of them did not.

A second problem was that enforcement of the snow removal ordinance was extremely unpopular. The cost of having the city clean the walk when the property owner failed to do it was very high, and this enforcement could happen several times each year if the property owner wasn't diligent.

Another problem was that private sidewalk snow removal downtown was getting harder to procure, as the number of vendors available and willing to do it had been reduced.

The Special Assessment addressed all of these issues. Because participation is mandatory, the entire length of sidewalk is cleared. Also, because of this special arrangement, the contractor can clear the walks two or three times in a single day if it is especially snowy. The walks are also salted to reduce or prevent ice build-up.

The problems associated with enforcement are also addressed, as the service ensures that all assessed businesses are in compliance with the ordinance. Furthermore, the cost of the service for an entire year is cheaper than a single enforcement action used to be.

A significant additional benefit is that ***the service provided by the DDA is also significantly cheaper than individual business owners were able to procure from private vendors on their own.*** Because we are

purchasing the service in volume and covering a contiguous area, there is a significant discount. The proposed rate is far below what any of the individual store owners would be able to contract for individually. When the assessment was first introduced, it was common for store owners to tell us they were now paying for a year of service what they used to pay for a month; and it is even cheaper now than it was then.

The DDA Board has reviewed the service earlier this year, and recommended that the sidewalk snow removal assessment remain at the established \$2.00 per linear foot. The (approx. \$3,400) overage the DDA collects can be accumulated over time to pay for additional snow removal above-and-beyond that covered in the vendor contract when there is an especially serious snow event. A portion of it would also be used for hand shoveling a limited area within Timepiece Park, so that it remains useable throughout the year.

The service has been provided on a series of long-term vendor agreements, at first three, and then four years. A longer contract benefits both the property owners in the DDA district, and also the vendor. Property owners can be assured that the rate they pay will be consistent year over year, which would not be the case if the contract were bid or re-negotiated for shorter terms. For this assessment, the vendor has requested that the City consider extending the agreement for 5 years, rather than 4. They indicated that this allows them to plan and manage their long-term equipment needs better. For purposes of comparison, they are currently operating on a 10 year agreement with Charlotte Public Schools.

The proposed special assessment district itself is unchanged from before. It includes portions of Harris Street, Lawrence Avenue, Lovett Street, Seminary Street, Bostwick Street, Cochran Avenue, and Washington Street – slightly more than 7,400 total linear feet. For more specific detail, please refer to the attached map, which highlights the special assessment district in red.

The proposal would provide sidewalk snow and ice removal for the specified areas each winter season (November 15 to April 15) for the next five years.

A public hearing before the Council will need to be held in order to receive public comment on this proposal.