August 13, 2020

TO: Mayor Julie Moore Wolfe & City Council Members

FROM: Scot Wrighton, City Manager

RE: Agreement with the Howard G. Buffett Foundation for Phase 2 Johns Hill Neighborhood Revitalization Project

Earlier this year the City Council approved an agreement with the Howard G. Buffett Foundation for land acquisition, demolition, land clearing and related expenses in an area bounded by Cantrell, Jasper, Wood Street, and Martin Luther King Jr. Drive. This project is proceeding, and late last month the city conducted two open houses to discuss the project with residents of the Johns Hill Neighborhood, and conduct a survey.

In anticipation of Phase 2, the August 17 City Council agenda includes a contract to replace lead and galvanized individual water service lines so that this underground work will be completed prior to commencement of Phase 2 infrastructure work in the Johns Hill Neighborhood. The Howard G. Buffett Foundation has committed an additional $8 million toward the infrastructure phase—which will commence immediately following completion by the city of water service line replacements (funded by the city). The city and the Foundation have reached agreement on all substantive elements of a separate agreement for how the Phase 2 infrastructure work will be completed, but the final version of the agreement was not complete on August 13, when the council packet was distributed. I anticipate that staff will send a copy of the Agreement for Phase 2 to the City Council tomorrow (Friday, August 14).

The Agreement envisions that the Foundation, and not the city, will release and approve construction contracts for street replacement, curb and gutter reconstruction, sidewalk upgrades, alley paving, and will select their own contractor to perform the work. Most of the funds allocated by the Foundation for this generous project will not flow through the city; the Foundation will pay the contractor(s) directly. However, the Agreement anticipates that the city may be involved in directly contracting for street lighting, broadband and camera installations. In other words, private foundation funds will be distributed directly to contractors working for the Foundation, but the improvements will be on city property. Because the work will be taking place on city property, the work will be subject to State Prevailing Wage requirements, and the city will supply a resident inspector to make sure that all work is performed in accordance with normal city of Decatur infrastructure specifications.