



**Orange County
Board of Commissioners**

Agenda

Regular Meeting

October 1, 2019
7:00 p.m.
Richard Whitted Meeting Facility
300 West Tryon Street
Hillsborough, NC 27278

Note: Background Material
on all abstracts
available in the
Clerk’s Office

Compliance with the “Americans with Disabilities Act” - Interpreter services and/or special sound equipment are available on request. Call the County Clerk’s Office at (919) 245-2130. If you are disabled and need assistance with reasonable accommodations, contact the ADA Coordinator in the County Manager’s Office at (919) 245-2300 or TDD# 919-644-3045.

1. Additions or Changes to the Agenda

PUBLIC CHARGE

The Board of Commissioners pledges its respect to all present. The Board asks those attending this meeting to conduct themselves in a respectful, courteous manner toward each other, county staff and the commissioners. At any time should a member of the Board or the public fail to observe this charge, the Chair will take steps to restore order and decorum. Should it become impossible to restore order and continue the meeting, the Chair will recess the meeting until such time that a genuine commitment to this public charge is observed. The BOCC asks that all electronic devices such as cell phones, pagers, and computers should please be turned off or set to silent/vibrate. Please be kind to everyone.

Arts Moment – Lyn Fairchild Hawks writes young adult contemporary fiction about gifted, weird, and wise teens. She is the author of *How Wendy Redbird Dancing Survived the Dark Ages of Nought*; *Minerda*, a graphic novella collaboration with illustrator Robin Follet; and the short-story collection, *The Flat and Weightless Tang-Filled Future*. She and her literary agent are currently submitting her latest novel to publishers, a story about an intrepid teen journalist exposing the truth about corruption on her school’s sports teams. In her other life, Lyn is an education geek who designs online learning courses for gifted youth at Duke TIP, and a former AIG resource teacher for AL Stanback and CW Stanford Middle Schools. She lives in Chapel Hill with her husband, Americana musician Greg Hawks. Her stepson, Henry, is a graduate of Cedar Ridge High School and DePaul University. You can learn more about Lyn at lynhawks.com.

2. Public Comments (Limited to One Hour)

(We would appreciate you signing the pad ahead of time so that you are not overlooked.)

- a. Matters not on the Printed Agenda (Limited to One Hour – THREE MINUTE LIMIT PER SPEAKER – Written comments may be submitted to the Clerk to the Board.)

Petitions/Resolutions/Proclamations and other similar requests submitted by the public will not be acted upon by the Board of Commissioners at the time presented. All such requests will be referred for Chair/Vice Chair/Manager review and for recommendations to the full Board at a later date regarding a) consideration of the request at a future regular Board meeting; or b) receipt of the request as information only. Submittal of information to the Board or receipt of information by the Board does not constitute approval, endorsement, or consent.



- b. Matters on the Printed Agenda
(These matters will be considered when the Board addresses that item on the agenda below.)

3. Announcements, Petitions and Comments by Board Members (Three Minute Limit Per Commissioner)

4. Proclamations/ Resolutions/ Special Presentations

5. Public Hearings

- a. NCDOT Public Transportation Division/Public Transportation – 5311 Community Transportation Program Grant Application for FY2021

6. Regular Agenda

- a. Adoption of the Final Financing Resolution Authorizing the Issuance of \$37,000,000 in Installment Purchase Financing for Various Capital Investment Plan Projects Including Refinancing Existing County Debt of \$16,359,886
- b. Approval of Board of Commissioners Meeting Schedule for Calendar Year 2020

7. Reports

8. Consent Agenda

- Removal of Any Items from Consent Agenda
 - Approval of Remaining Consent Agenda
 - Discussion and Approval of the Items Removed from the Consent Agenda
- a. Minutes
 - b. Motor Vehicle Property Tax Releases/Refunds
 - c. Property Tax Releases/Refunds
 - d. Applications for Property Tax Exemption/Exclusion
 - e. Approval of a Design Contract for Construction Materials Testing and Special Inspections Services for the Northern Campus Construction Project
 - f. Performance Agreement Between the Town of Chapel Hill and Visitors Bureau

9. County Manager's Report

10. County Attorney's Report

11. *Appointments

12. Information Items

- September 17, 2019 BOCC Meeting Follow-up Actions List
- Tax Collector's Report – Numerical Analysis
- Tax Collector's Report – Measure of Enforced Collections
- Tax Assessor's Report – Releases/Refunds under \$100
- Memorandum - Petition Regarding Assessment of "Southeast Rural Buffer Triangle"



- Memorandum - Response to Petition Regarding Development of Affordable Housing within Orange County
- Request for Information on the Orange County Electric Vehicle Charging Stations
- Memorandum - Orange County Local Roots Festival 2020 (formerly Orange County LocalFest)

13. Closed Session

14. Adjournment

Note: Access the agenda through the County's web site, www.orangecountync.gov

***Subject to Being Moved to Earlier in the Meeting if Necessary**

Orange County Board of Commissioners' regular meetings and work sessions are available via live streaming video at orangecountync.gov/967/Meeting-Videos and Orange County Gov-TV on channels 1301 or 97.6 (Spectrum Cable).

**ORANGE COUNTY
BOARD OF COMMISSIONERS
ACTION AGENDA ITEM ABSTRACT
Meeting Date: October 1, 2019**

**Action Agenda
Item No. 5-a**

SUBJECT: NCDOT Public Transportation Division/Public Transportation – 5311
Community Transportation Program Grant Application for FY2021

DEPARTMENT: Transportation Services
(OCTS), Public Transportation
Division

ATTACHMENT(S):

1. Community Transportation Program Resolution
2. 2019 Certifications and Assurances Signature Pages (2020 to be received at a later date)
3. Public Hearing Notice
4. Local Share Certification for Funding
5. Anticipated DBE/DWE Vendor Awards

INFORMATION CONTACT:

Theo Letman, Transit Director, 919-245-2007
TeLeishia Holloway Transit Administrator, 919-245-2002

PURPOSE: To:

- Conduct an annual public hearing on the North Carolina Community Transportation Program (CTP) grant application by Orange County Transportation Services (OCTS) for FY2021;
- Approve the grant application which includes adopting a resolution authorizing the applicant to enter into an agreement with the North Carolina Department of Transportation (NCDOT); and
- Authorize the Chair and County Attorney to review and complete the necessary 2020 certifications and assurances when available.

BACKGROUND: Each year, the NCDOT Public Transportation Division accepts requests for operations and administrative needs for county-operated community transportation programs. OCTS is eligible to make application for both operations and administrative funding. NCDOT has allotted \$179,189 for fund detailed breakdown is outlined in the table below:

5311 Grant Application : FY21	
Total	\$ 179,189
Federal	\$ 143,351
State	\$ 8,959
Local	\$ 26,878

FINANCIAL IMPACT: The department proposes to utilize currently available general funds to cover the required local match. Staff plans to address using alternative funds in a future Budget Amendment for consideration by the Board of Commissioners.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goals are applicable to this item.

- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**

The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or ethnic background; age; military service; disability; and familial, residential or economic status.

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**

The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

OCTS provides opportunity for access to jobs and services to many individuals.

The 5311 Grant provides Orange County access to funds to support its rural transportation infrastructure that promotes economic self-sufficiency to a wide range of residents and locations. The funds additionally support a system that enhances the access of residents in the non-urbanized areas to health care, shopping, education, employment, public services, and recreation.

ENVIRONMENTAL IMPACT: The following Orange County Environmental Responsibility Goal impacts are applicable to this item:

- **CLEAN OR AVOIDED TRANSPORTATION**

Implement programs that monitor and improve local and regional air quality by: 1) promoting public transportation options; 2) decreasing dependence on single-occupancy vehicles, and 3) otherwise minimizing the need for travel.

The 5311 Grant provides Orange County access to funds to support its rural transportation infrastructure that promotes the use of clean diesel and alternative fueled vehicles, which results in reduced carbon emissions in high density and at risk populations.

RECOMMENDATION(S): The Manager recommends that the Board:

1. Conduct a public hearing to receive public comments on the proposed grant application;
2. Close the public hearing;
3. Approve the Community Transportation Program Grant application, which includes adopting the resolution, for FY2021 in the total amount of \$179,189 with a local match total of \$26,878 to be provided when necessary;
4. Authorize the Chair to sign the Community Transportation Program Resolution, the Local Share Certification for Funding form, and the Anticipated DBE/DEW Vendor Awards; and
5. Authorize the Chair and County Attorney to review and sign the annual 2020 Certifications and Assurances documents when available.

PUBLIC TRANSPORTATION PROGRAM RESOLUTION

FY 2021 RESOLUTION

Section 5311 (including ADTAP), 5310, 5339, 5307 and applicable State funding, or combination thereof.

Applicant seeking permission to apply for Public Transportation Program funding, enter into agreement with the North Carolina Department of Transportation, provide the necessary assurances and the required local match.

A motion was made by (*Board Member's Name*) _____ and seconded by (*Board Member's Name or N/A, if not required*) _____ for the adoption of the following resolution, and upon being put to a vote was duly adopted.

WHEREAS, Article 2B of Chapter 136 of the North Carolina General Statutes and the Governor of North Carolina have designated the North Carolina Department of Transportation (NCDOT) as the agency responsible for administering federal and state public transportation funds; and

WHEREAS, the North Carolina Department of Transportation will apply for a grant from the US Department of Transportation, Federal Transit Administration and receives funds from the North Carolina General Assembly to provide assistance for rural public transportation projects; and

WHEREAS, the purpose of these transportation funds is to provide grant monies to local agencies for the provision of rural, small urban, and urban public transportation services consistent with the policy requirements of each funding source for planning, community and agency involvement, service design, service alternatives, training and conference participation, reporting and other requirements (drug and alcohol testing policy and program, disadvantaged business enterprise program, and fully allocated costs analysis); and

WHEREAS, the funds applied for may be Administrative, Operating, Planning, or Capital funds and will have different percentages of federal, state, and local funds.

WHEREAS, non-Community Transportation applicants may apply for funding for "purchase-of-service" projects under the Capital budget Section 5310 program.

WHEREAS, (*Legal Name of Applicant*) _____ hereby assures and certifies that it will provide the required local matching funds; that its staff has the technical capacity to implement and manage the project(s), prepare required reports, obtain required training, attend meetings and conferences; and agrees to comply with the federal and state statutes, regulations, executive orders, Section 5333 (b) Warranty, and all administrative requirements related to the applications made to and grants received from the Federal Transit Administration, as well as the provisions of Section 1001 of Title 18, U. S. C.

WHEREAS, the applicant has or will provide all annual certifications and assurances to the State of North Carolina required for the project;

NOW, THEREFORE, be it resolved that the *(Authorized Official's Title)** _____ of *(Name of Applicant's Governing Body)* _____ is hereby authorized to submit grant application (s) for federal and state funding in response to NCDOT's calls for projects, make the necessary assurances and certifications and be empowered to enter into an agreement with the NCDOT to provide rural, small urban, and urban public transportation services.

I *(Certifying Official's Name)** _____ *(Certifying Official's Title)* _____ do hereby certify that the above is a true and correct copy of an excerpt from the minutes of a meeting of the *(Name of Applicant's Governing Board)* _____ duly held on the _____ day of _____, _____.

Signature of Certifying Official

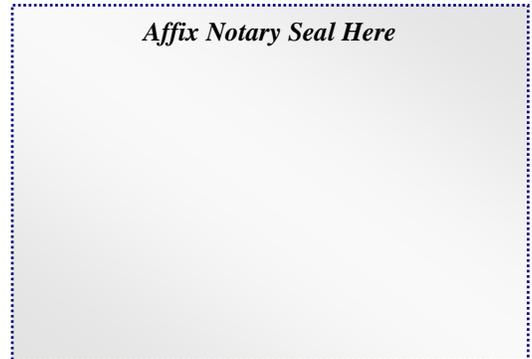
****Note that the authorized official, certifying official, and notary public should be three separate individuals.***

Seal Subscribed and sworn to me
(date) _____

*Notary Public **

Printed Name and Address

My commission expires
(date) _____



FTA FISCAL YEAR 2019 CERTIFICATIONS AND ASSURANCES

FEDERAL FISCAL YEAR 2019 CERTIFICATIONS AND ASSURANCES FOR FTA ASSISTANCE PROGRAMS

(Signature pages alternate to providing Certifications and Assurances in TrAMS.)

Name of Applicant: Orange County - Orange Public Transportation

The Applicant certifies to the applicable provisions of categories 01-18. X

Or,

The Applicant certifies to the applicable provisions of the categories it has selected:

Category	Certification
01 Certifications and Assurances Required of Every Applicant	_____
02 Tax Liability and Felony Convictions	_____
03 Lobbying	_____
04 Private Sector Protections	_____
05 Transit Asset Management Plan	_____
06 Rolling Stock Buy America Reviews and Bus Testing	_____
07 Urbanized Area Formula Grants Program	_____
08 Formula Grants for Rural Areas	_____
09 Fixed Guideway Capital Investment Grants and the Expedited Project Delivery for Capital Investment Grants Pilot Program	_____
10 Grants for Buses and Bus Facilities and Low or No Emission Vehicle Deployment Grant Programs	_____
11 Enhanced Mobility of Seniors and Individuals with Disabilities Programs	_____
12 State of Good Repair Grants	_____
13 Infrastructure Finance Programs	_____
14 Alcohol and Controlled Substances Testing	_____
15 Rail Safety Training and Oversight	_____
16 Demand Responsive Service	_____
17 Interest and Financing Costs	_____
18 Construction Hiring Preferences	_____

FEDERAL FISCAL YEAR 2019 FTA CERTIFICATIONS AND ASSURANCES SIGNATUREPAGE

(Required of all Applicants for federal assistance to be awarded by FTA in FY 2019)

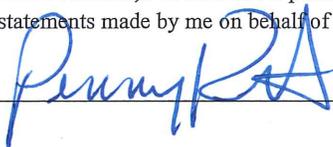
AFFIRMATION OF APPLICANTName of the Applicant: Orange County

BY SIGNING BELOW, on behalf of the Applicant, I declare that it has duly authorized me to make these Certifications and Assurances and bind its compliance. Thus, it agrees to comply with all federal laws, regulations, and requirements, follow applicable federal guidance, and comply with the Certifications and Assurances as indicated on the foregoing page applicable to each application its Authorized Representative makes to the Federal Transit Administration (FTA) in federal fiscal year 2019, irrespective of whether the individual that acted on his or her Applicant's behalf continues to represent it.

FTA intends that the Certifications and Assurances the Applicant selects on the other side of this document should apply to each Award for which it now seeks, or may later seek federal assistance to be awarded during federal fiscal year 2019.

The Applicant affirms the truthfulness and accuracy of the Certifications and Assurances it has selected in the statements submitted with this document and any other submission made to FTA, and acknowledges that the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. § 3801 *et seq.*, and implementing U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR part 31, apply to any certification, assurance or submission made to FTA. The criminal provisions of 18 U.S.C. § 1001 apply to any certification, assurance, or submission made in connection with a federal public transportation program authorized by 49 U.S.C. chapter 53 or any other statute

In signing this document, I declare under penalties of perjury that the foregoing Certifications and Assurances, and any other statements made by me on behalf of the Applicant are true and accurate.

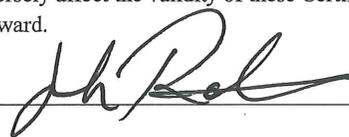
Signature Date: 5/16/2019Name Penny Rich, Chair, Orange County Board of Commissioners

Authorized Representative of Applicant

AFFIRMATION OF APPLICANT'S ATTORNEYFor (Name of Applicant): Orange County

As the undersigned Attorney for the above-named Applicant, I hereby affirm to the Applicant that it has authority under state, local, or tribal government law, as applicable, to make and comply with the Certifications and Assurances as indicated on the foregoing pages. I further affirm that, in my opinion, the Certifications and Assurances have been legally made and constitute legal and binding obligations on it.

I further affirm that, to the best of my knowledge, there is no legislation or litigation pending or imminent that might adversely affect the validity of these Certifications and Assurances, or of the performance of its FTA assisted Award.

Signature Date: 5/16/2019Name John Roberts, County Attorney

Attorney for Applicant

Each Applicant for federal assistance to be awarded by FTA must provide an Affirmation of Applicant's Attorney pertaining to the Applicant's legal capacity. The Applicant may enter its electronic signature in lieu of the Attorney's signature within TrAMS, provided the Applicant has on file and uploaded to TrAMS this hard-copy Affirmation, signed by the attorney and dated this federal fiscal year.

CATEGORY 1. CERTIFICATIONS AND ASSURANCES REQUIRED OF EVERY APPLICANT.

All applicants must make the certifications in this category.

1.1. Standard Assurances.

This certification appears on the Office of Management and Budget's standard form 424B "Assurances—Non-Construction Programs". This certification has been modified in places to include analogous certifications required by U.S. DOT statutes or regulations.

As the duly authorized representative of the applicant, you certify that the applicant:

- (a) Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
- (b) Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
- (c) Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
- (d) Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
- (e) Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728–4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
- (f) Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to:
 - (1) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin, as effectuated by U.S. DOT regulation 49 C.F.R. Part 21;
 - (2) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681–1683, and 1685–1686), which prohibits discrimination on the basis of sex, as effectuated by U.S. DOT regulation 49 C.F.R. Part 25;
 - (3) Section 5332 of the Federal Transit Law (49 U.S.C. § 5332), which prohibits any person being excluded from participating in, denied a benefit of, or discriminated

- against under, a project, program, or activity receiving financial assistance from FTA because of race, color, religion, national origin, sex, disability, or age.
- (4) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps, as effectuated by U.S. DOT regulation 49 C.F.R. Part 27;
 - (5) The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101–6107), which prohibits discrimination on the basis of age;
 - (6) The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
 - (7) The comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91–616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
 - (8) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
 - (9) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental, or financing of housing;
 - (10) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and,
 - (11) the requirements of any other nondiscrimination statute(s) which may apply to the application.
- (g) Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“Uniform Act”) (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases. The requirements of the Uniform Act are effectuated by U.S. DOT regulation 49 C.F.R. Part 24.
 - (h) Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§ 1501–1508 and 7324–7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
 - (i) Will comply, as applicable, with the provisions of the Davis–Bacon Act (40 U.S.C. §§ 276a to 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. § 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327–333), regarding labor standards for federally assisted construction subagreements.
 - (j) Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.

- (k) Will comply with environmental standards which may be prescribed pursuant to the following:
- (1) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514;
 - (2) Notification of violating facilities pursuant to EO 11738;
 - (3) Protection of wetlands pursuant to EO 11990;
 - (4) Evaluation of flood hazards in floodplains in accordance with EO 11988;
 - (5) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.);
 - (6) Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§ 7401 et seq.);
 - (7) Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and
 - (8) Protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
- (l) Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
- (m) Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§ 469a-1 et seq.).
- (n) Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
- (o) Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§ 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
- (p) Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- (q) Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and 2 C.F.R. Part 200, Subpart F, "Audit Requirements", as adopted and implemented by U.S. DOT at 2 C.F.R. Part 1201.
- (r) Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing the program under which it is applying for assistance.

- (s) Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a sub-recipient from:
- (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect;
 - (2) Procuring a commercial sex act during the period of time that the award is in effect; or
 - (3) Using forced labor in the performance of the award or subawards under the award.

1.2. Standard Assurances: Additional Assurances for Construction Projects.

This certification appears on the Office of Management and Budget's standard form 424D "Assurances—Construction Programs" and applies specifically to federally assisted projects for construction. This certification has been modified in places to include analogous certifications required by U.S. DOT statutes or regulations.

As the duly authorized representative of the applicant, you certify that the applicant:

- (a) Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency; will record the Federal awarding agency directives; and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
- (b) Will comply with the requirements of the assistance awarding agency with regard to the drafting, review, and approval of construction plans and specifications.
- (c) Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work confirms with the approved plans and specifications, and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

1.3. Procurement.

The Uniform Administrative Requirements, 2 C.F.R. 200.324, allow a recipient to self-certify that its procurement system complies with Federal requirements, in lieu of submitting to certain pre-procurement reviews.

The applicant certifies that its procurement system complies with:

- (a) U.S. DOT regulations, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 C.F.R. Part 1201, which incorporates by reference U.S. OMB regulatory guidance, "Uniform Administrative Requirements, Cost

Principles, and Audit Requirements for Federal Awards,” 2 C.F.R. Part 200, particularly 2 C.F.R. §§ 200.317–200.326 “Procurement Standards;

- (b) Federal laws, regulations, and requirements applicable to FTA procurements; and
- (c) The latest edition of FTA Circular 4220.1 and other applicable Federal guidance.

1.4. Suspension and Debarment.

Pursuant to Executive Order 12549, as implemented at 2 C.F.R. Parts 180 and 1200, prior to entering into a covered transaction with an applicant, FTA must determine whether the applicant is excluded from participating in covered non-procurement transactions. For this purpose, FTA is authorized to collect a certification from each applicant regarding the applicant’s exclusion status. 2 C.F.R. § 180.300. Additionally, each applicant must disclose any information required by 2 C.F.R. § 180.335 about the applicant and the applicant’s principals prior to entering into an award agreement with FTA. This certification serves both purposes.

The applicant certifies, to the best of its knowledge and belief, that the applicant and each of its principals:

- (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily or involuntarily excluded from covered transactions by any Federal department or agency;
- (b) Has not, within the preceding three years, been convicted of or had a civil judgment rendered against him or her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction; violation of Federal or State antitrust statutes, including those proscribing price fixing between competitors, allocation of customers between competitors, and bid rigging; commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; or commission of any other offense indicating a lack of business integrity or business honesty;
- (c) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any offense described in paragraph (b) of this certification;
- (d) Has not, within the preceding three years, had one or more public transactions (Federal, State, or local) terminated for cause or default.

CATEGORY 2. TAX LIABILITY AND FELONY CONVICTIONS.

Federal appropriations acts since at least 2014 have prohibited FTA from using funds to enter into an agreement with any corporation that has unpaid Federal tax liabilities or recent felony convictions without first considering the corporation for debarment. As prescribed by U.S. DOT Order 4200.6, FTA requires each applicant to certify as to its tax and felony status.

If the applicant is a private corporation, partnership, trust, joint-stock company, sole proprietorship, or other business association, the applicant certifies that:

- (a) It has no unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and
- (b) It has not been convicted of a felony criminal violation under any Federal law within the preceding 24 months.

CATEGORY 3. LOBBYING.

If the applicant will apply for a grant or cooperative agreement exceeding \$100,000, or a loan, line of credit, loan guarantee, or loan insurance exceeding \$150,000, it must make the following certification and, if applicable, make a disclosure regarding the applicant's lobbying activities. This certification is required by 49 C.F.R. § 20.110 and app. A to that part.

This certification does not apply to an applicant that is an Indian Tribe, Indian organization, or an Indian tribal organization exempt from the requirements of 49 C.F.R. Part 20.

3.1. Certification for Contracts, Grants, Loans, and Cooperative Agreements.

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3.2. Statement for Loan Guarantees and Loan Insurance.

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

CATEGORY 4. PRIVATE SECTOR PROTECTIONS.

If the applicant will apply for funds that it will use to acquire or operate public transportation facilities or equipment, the applicant must make the following certification regarding protections for the private sector.

4.1. Charter Service Agreement.

To enforce the provisions of 49 U.S.C. § 5323(d), FTA's charter service regulation requires each applicant seeking assistance from FTA for the purpose of acquiring or operating any public transportation equipment or facilities to make the following Charter Service Agreement. 49 C.F.R. § 604.4.

The applicant agrees that it, and each of its subrecipients, and third party contractors at any level who use FTA-funded vehicles, may provide charter service using equipment or facilities acquired with Federal assistance authorized under the Federal Transit Laws only in compliance with the regulations set out in 49 C.F.R. Part 604, the terms and conditions of which are incorporated herein by reference.

4.2. School Bus Agreement.

To enforce the provisions of 49 U.S.C. § 5323(f), FTA's school bus regulation requires each applicant seeking assistance from FTA for the purpose of acquiring or operating any public transportation equipment or facilities to make the following agreement regarding the provision of school bus services. 49 C.F.R. § 605.15.

- (a) If the applicant is not authorized by the FTA Administrator under 49 C.F.R. § 605.11 to engage in school bus operations, the applicant agrees and certifies as follows:
 - (1) The applicant and any operator of project equipment agrees that it will not engage in school bus operations in competition with private school bus operators.
 - (2) The applicant agrees that it will not engage in any practice which constitutes a means of avoiding the requirements of this agreement, part 605 of the Federal Mass Transit Regulations, or section 164(b) of the Federal-Aid Highway Act of 1973 (49 U.S.C. 1602a(b)).
- (b) If the applicant is authorized or obtains authorization from the FTA Administrator to engage in school bus operations under 49 C.F.R. § 605.11, the applicant agrees as follows:
 - (1) The applicant agrees that neither it nor any operator of project equipment will engage in school bus operations in competition with private school bus operators except as provided herein.
 - (2) The applicant, or any operator of project equipment, agrees to promptly notify the FTA Administrator of any changes in its operations which might jeopardize the continuation of an exemption under § 605.11.
 - (3) The applicant agrees that it will not engage in any practice which constitutes a means of avoiding the requirements of this agreement, part 605 of the Federal Transit Administration regulations or section 164(b) of the Federal-Aid Highway Act of 1973 (49 U.S.C. 1602a(b)).
 - (4) The applicant agrees that the project facilities and equipment shall be used for the provision of mass transportation services within its urban area and that any other use of project facilities and equipment will be incidental to and shall not interfere with the use of such facilities and equipment in mass transportation service to the public.

CATEGORY 5. TRANSIT ASSET MANAGEMENT PLAN.

If the applicant owns, operates, or manages capital assets used to provide public transportation, the following certification is required by 49 U.S.C. § 5326(a).

The applicant certifies that it has, or will develop, a transit asset management plan in compliance with 49 C.F.R. Part 625.

CATEGORY 6. ROLLING STOCK BUY AMERICA REVIEWS AND BUS TESTING.

6.1. Rolling Stock Buy America Reviews.

If the applicant will apply for an award to acquire rolling stock for use in revenue service, it must make this certification. This certification is required by 49 C.F.R. § 663.7.

The applicant certifies that it will conduct or cause to be conducted the pre-award and post-delivery audits prescribed by 49 C.F.R. Part 663 and will maintain on file the certifications required by Subparts B, C, and D of 49 C.F.R. Part 663.

6.2. Bus Testing.

If the applicant will apply for funds for the purchase or lease of any new bus model, or any bus model with a major change in configuration or components, the applicant must make this certification. This certification is required by 49 C.F.R. § 665.7.

The applicant certifies that the bus was tested at the Bus Testing Facility and that the bus received a passing test score as required by 49 C.F.R. Part 665. The applicant has received or will receive the appropriate full Bus Testing Report and any applicable partial testing reports before final acceptance of the first vehicle.

CATEGORY 7. URBANIZED AREA FORMULA GRANTS PROGRAM.

If the applicant will apply for an award under the Urbanized Area Formula Grants Program (49 U.S.C. § 5307), or any other program or award that is subject to the requirements of 49 U.S.C. § 5307, including the Formula Grants for the Enhanced Mobility of Seniors Program (49 U.S.C. § 5310); “flex funds” from infrastructure programs administered by the Federal Highways Administration (see 49 U.S.C. § 5334(i)); projects that will receive an award authorized by the Transportation Infrastructure Finance and Innovation Act (“TIFIA”) (23 U.S.C. §§ 601–609) or State Infrastructure Bank Program (23 U.S.C. § 610) (see 49 U.S.C. § 5323(o)); formula awards or competitive awards to urbanized areas under the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339(a) and (b)); or low or no emission awards to any area under the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339(c)), the applicant must make the following certification. This certification is required by 49 U.S.C. § 5307(c)(1).

The applicant certifies that it:

- (a) Has or will have the legal, financial, and technical capacity to carry out the program of projects (developed pursuant 49 U.S.C. § 5307(b)), including safety and security aspects of the program;
- (b) Has or will have satisfactory continuing control over the use of equipment and facilities;

- (c) Will maintain equipment and facilities in accordance with the applicant's transit asset management plan;
- (d) Will ensure that, during non-peak hours for transportation using or involving a facility or equipment of a project financed under this section, a fare that is not more than 50 percent of the peak hour fare will be charged for any—
 - (1) Senior;
 - (2) Individual who, because of illness, injury, age, congenital malfunction, or any other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), cannot use a public transportation service or a public transportation facility effectively without special facilities, planning, or design; and
 - (3) Individual presenting a Medicare card issued to that individual under title II or XVIII of the Social Security Act (42 U.S.C. §§ 401 et seq., and 1395 et seq.);
- (e) In carrying out a procurement under 49 U.S.C. § 5307, will comply with 49 U.S.C. §§ 5323 (general provisions) and 5325 (contract requirements);
- (f) Has complied with 49 U.S.C. § 5307(b) (program of projects requirements);
- (g) Has available and will provide the required amounts as provided by 49 U.S.C. § 5307(d) (cost sharing);
- (h) Will comply with 49 U.S.C. §§ 5303 (metropolitan transportation planning) and 5304 (statewide and nonmetropolitan transportation planning);
- (i) Has a locally developed process to solicit and consider public comment before raising a fare or carrying out a major reduction of transportation;
- (j) Either—
 - (1) Will expend for each fiscal year for public transportation security projects, including increased lighting in or adjacent to a public transportation system (including bus stops, subway stations, parking lots, and garages), increased camera surveillance of an area in or adjacent to that system, providing an emergency telephone line to contact law enforcement or security personnel in an area in or adjacent to that system, and any other project intended to increase the security and safety of an existing or planned public transportation system, at least 1 percent of the amount the recipient receives for each fiscal year under 49 U.S.C. § 5336; or
 - (2) Has decided that the expenditure for security projects is not necessary;
- (k) In the case of an applicant for an urbanized area with a population of not fewer than 200,000 individuals, as determined by the Bureau of the Census, will submit an annual report listing projects carried out in the preceding fiscal year under 49 U.S.C. § 5307 for associated transit improvements as defined in 49 U.S.C. § 5302; and
- (l) Will comply with 49 U.S.C. § 5329(d) (public transportation agency safety plan).

CATEGORY 8. FORMULA GRANTS FOR RURAL AREAS.

If the applicant will apply for funds made available to it under the Formula Grants for Rural Areas Program (49 U.S.C. § 5311), it must make this certification. Paragraph (a) of this certification helps FTA make the determinations required by 49 U.S.C. § 5310(b)(2)(C). Paragraph (b) of this certification is required by 49 U.S.C. § 5311(f)(2). Paragraph (c) of this certification, which applies to funds apportioned for the Appalachian Development Public Transportation Assistance Program, is necessary to enforce the conditions of 49 U.S.C. § 5311(c)(2)(D).

- (a) The applicant certifies that its State program for public transportation service projects, including agreements with private providers for public transportation service—
 - (1) Provides a fair distribution of amounts in the State, including Indian reservations; and
 - (2) Provides the maximum feasible coordination of public transportation service assisted under 49 U.S.C. § 5311 with transportation service assisted by other Federal sources; and
- (b) If the applicant will in any fiscal year expend less than 15% of the total amount made available to it under 49 U.S.C. § 5311 to carry out a program to develop and support intercity bus transportation, the applicant certifies that it has consulted with affected intercity bus service providers, and the intercity bus service needs of the State are being met adequately.
- (c) If the applicant will use for a highway project amounts that cannot be used for operating expenses authorized under 49 U.S.C. § 5311(c)(2) (Appalachian Development Public Transportation Assistance Program), the applicant certifies that—
 - (1) It has approved the use in writing only after providing appropriate notice and an opportunity for comment and appeal to affected public transportation providers; and
 - (2) It has determined that otherwise eligible local transit needs are being addressed.

CATEGORY 9. FIXED GUIDEWAY CAPITAL INVESTMENT GRANTS AND THE EXPEDITED PROJECT DELIVERY FOR CAPITAL INVESTMENT GRANTS PILOT PROGRAM.

If the applicant will apply for an award under any subsection of the Fixed Guideway Capital Investment Program (49 U.S.C. § 5309), including an award made pursuant to the FAST Act's Expedited Project Delivery for Capital Investment Grants Pilot Program (Pub. L. 114-94, div. A, title III, § 3005(b)), the applicant must make the following certification. This certification is required by 49 U.S.C. § 5309(c)(2) and Pub. L. 114-94, div. A, title III, § 3005(b)(3)(B).

The applicant certifies that it:

- (a) Has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award,
- (b) Has or will have satisfactory continuing control over the use of equipment and facilities acquired or improved under its Award.
- (c) Will maintain equipment and facilities acquired or improved under its Award in accordance with its transit asset management plan; and
- (d) Will comply with 49 U.S.C. §§ 5303 (metropolitan transportation planning) and 5304 (statewide and nonmetropolitan transportation planning).

CATEGORY 10. GRANTS FOR BUSES AND BUS FACILITIES AND LOW OR NO EMISSION VEHICLE DEPLOYMENT GRANT PROGRAMS.

If the applicant is in an urbanized area and will apply for an award under subsection (a) (formula grants) or subsection (b) (competitive grants) of the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the certification in Category 7 for Urbanized Area Formula Grants (49 U.S.C. § 5307). This certification is required by 49 U.S.C. § 5339(a)(3) and (b)(6), respectively.

If the applicant is in a rural area and will apply for an award under subsection (a) (formula grants) or subsection (b) (competitive grants) of the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the certification in Category 8 for Formula Grants for Rural Areas (49 U.S.C. § 5311). This certification is required by 49 U.S.C. § 5339(a)(3) and (b)(6), respectively.

If the applicant, regardless of whether it is in an urbanized or rural area, will apply for an award under subsection (c) (low or no emission vehicle grants) of the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the certification in Category 7 for Urbanized Area Formula Grants (49 U.S.C. § 5307). This certification is required by 49 U.S.C. § 5339(c)(3).

Making this certification will incorporate by reference the applicable certifications in Category 7 or Category 8.

CATEGORY 11. ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES PROGRAMS.

If the applicant will apply for an award under the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C. § 5310), it must make the certification in Category 7 for Urbanized Area Formula Grants (49 U.S.C. § 5307). This certification is required by 49 U.S.C. § 5310(e)(1). Making this certification will incorporate by reference the certification in Category 7, except that FTA has determined that (d), (f), (i), (j), and (k) of Category 7 do not apply to awards made under 49 U.S.C. § 5310 and will not be enforced.

In addition to the certification in Category 7, the applicant must make the following certification that is specific to the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program. This certification is required by 49 U.S.C. § 5310(e)(2).

The applicant certifies that:

- (a) The projects selected by the applicant are included in a locally developed, coordinated public transit-human services transportation plan;
- (b) The plan described in clause (a) was developed and approved through a process that included participation by seniors, individuals with disabilities, representatives of public, private, and nonprofit transportation and human services providers, and other members of the public;
- (c) To the maximum extent feasible, the services funded under 49 U.S.C. § 5310 will be coordinated with transportation services assisted by other Federal departments and agencies, including any transportation activities carried out by a recipient of a grant from the Department of Health and Human Services; and
- (d) If the applicant will allocate funds received under 49 U.S.C. § 5310 to subrecipients, it will do so on a fair and equitable basis.

CATEGORY 12. STATE OF GOOD REPAIR GRANTS.

If the applicant will apply for an award under FTA's State of Good Repair Grants Program (49 U.S.C. § 5337), it must make the following certification. Because FTA generally does not review the transit asset management plans of public transportation providers, this certification is necessary to enforce the provisions of 49 U.S.C. § 5337(a)(4).

The applicant certifies that the projects it will carry out using assistance authorized by the State of Good Repair Grants Program, 49 U.S.C. § 5337, are aligned with the applicant's most recent transit asset management plan and are identified in the investment and prioritization section of such plan, consistent with the requirements of 49 C.F.R. Part 625.

CATEGORY 13. INFRASTRUCTURE FINANCE PROGRAMS.

If the applicant will apply for an award for a project that will include assistance under the Transportation Infrastructure Finance and Innovation Act ("TIFIA") Program (23 U.S.C. §§ 601–609) or the State Infrastructure Banks ("SIB") Program (23 U.S.C. § 610), it must make the certifications in Category 7 for the Urbanized Area Formula Grants Program, Category 9 for the Fixed Guideway Capital Investment Grants program, and Category 12 for the State of Good Repair Grants program. These certifications are required by 49 U.S.C. § 5323(o).

Making this certification will incorporate the certifications in Categories 7, 9, and 12 by reference.

CATEGORY 14. ALCOHOL AND CONTROLLED SUBSTANCES TESTING.

If the applicant will apply for an award under FTA's Urbanized Area Formula Grants Program (49 U.S.C. § 5307), Fixed Guideway Capital Investment Program (49 U.S.C. § 5309), Formula Grants for Rural Areas Program (49 U.S.C. § 5311), or Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339) programs, the applicant must make the following certification. The applicant must make this certification on its own behalf and on behalf of its subrecipients and contractors. This certification is required by 49 C.F.R. § 655.83.

The applicant certifies that it, its subrecipients, and its contractors are compliant with FTA's regulation for the Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations, 49 C.F.R. Part 655.

CATEGORY 15. RAIL SAFETY TRAINING AND OVERSIGHT.

If the applicant is a State with at least one rail fixed guideway system, or is a State Safety Oversight Agency, or operates a rail fixed guideway system, it must make the following certification. The elements of this certification are required by 49 C.F.R. §§ 659.43, 672.31, and 674.39.

The applicant certifies that the rail fixed guideway public transportation system and the State Safety Oversight Agency for the State are:

- (a) Compliant with the requirements of 49 C.F.R. part 659, "Rail Fixed Guideway Systems; State Safety Oversight";
- (b) Compliant with the requirements of 49 C.F.R. part 672, "Public Transportation Safety Certification Training Program"; and
- (c) Compliant with the requirements of 49 C.F.R. part 674, "State Safety Oversight".

CATEGORY 16. DEMAND RESPONSIVE SERVICE.

If the applicant operates demand responsive service and will apply for an award to purchase a non-rail vehicle that is not accessible within the meaning of 49 C.F.R. Part 37, it must make the following certification. This certification is required by 49 C.F.R. § 37.77.

The applicant certifies that the service it provides to individuals with disabilities is equivalent to that provided to other persons. A demand responsive system, when viewed in its entirety, is deemed to provide equivalent service if the service available to individuals with disabilities, including individuals who use wheelchairs, is provided in the most integrated setting appropriate to the needs of the individual and is equivalent to the service provided other individuals with respect to the following service characteristics:

- (a) Response time;

- (b) Fares;
- (c) Geographic area of service;
- (d) Hours and days of service;
- (e) Restrictions or priorities based on trip purpose;
- (f) Availability of information and reservation capability; and
- (g) Any constraints on capacity or service availability.

CATEGORY 17. INTEREST AND FINANCING COSTS.

If the applicant will pay for interest or other financing costs of a project using assistance awarded under the Urbanized Area Formula Grants Program (49 U.S.C. § 5307), the Fixed Guideway Capital Investment Grants Program (49 U.S.C. § 5309), or any program that must comply with the requirements of 49 U.S.C. § 5307, including the Formula Grants for the Enhanced Mobility of Seniors Program (49 U.S.C. § 5310), "flex funds" from infrastructure programs administered by the Federal Highways Administration (see 49 U.S.C. § 5334(i)), or awards to urbanized areas under the Grants for Buses and Bus Facilities Program (49 U.S.C. § 5339), the applicant must make the following certification. This certification is required by 49 U.S.C. §§ 5307(e)(3) and 5309(k)(2)(D).

The applicant certifies that:

- (a) Its application includes the cost of interest earned and payable on bonds issued by the applicant only to the extent proceeds of the bonds were or will be expended in carrying out the project identified in its application; and
- (b) The applicant has shown or will show reasonable diligence in seeking the most favorable financing terms available to the project at the time of borrowing.

CATEGORY 18. CONSTRUCTION HIRING PREFERENCES.

If the applicant will ask FTA to approve the use of geographic, economic, or any other hiring preference not otherwise authorized by law on any contract or construction project to be assisted with an award from FTA, it must make the following certification. This certification is required by the Consolidated Appropriations Act, 2019, Pub. L. 116-6, div. G, title I, § 191.

The applicant certifies the following:

- (a) That except with respect to apprentices or trainees, a pool of readily available but unemployed individuals possessing the knowledge, skill, and ability to perform the work that the contract requires resides in the jurisdiction;
- (b) That the applicant will include appropriate provisions in its bid document ensuring that the contractor does not displace any of its existing employees in order to satisfy such hiring preference; and

- (c) That any increase in the cost of labor, training, or delays resulting from the use of such hiring preference does not delay or displace any transportation project in the applicable Statewide Transportation Improvement Program or Transportation Improvement Program.

PUBLIC HEARING NOTICE

Section 5311 (ADTAP), 5310, 5339, 5307 and applicable State funding, or combination thereof.

This is to inform the public that a public hearing will be held on the proposed Orange County Community Transportation Program Application to be submitted to the North Carolina Department of Transportation no later than October 4, 2019. The public hearing will be held on October 1, 2019 at 7:00 pm before the Orange County Board of County Commissioners at the Richard E. Whitted at 300 W. Tryon St, Hillsborough, NC 27278.

Those interested in attending the public hearing and needing either auxiliary aids and services under the Americans with Disabilities Act (ADA) or a language translator should contact Teleishia Holloway on or before September 26, 2019, at telephone number 919.245.2002 or via email at tholloway@orangecountync.gov.

The Community Transportation Program provides assistance to coordinate existing transportation programs operating in Orange County as well as provides transportation options and services for the communities within this service area. These services are currently provided using rural demand response, and subscription routes. Services are rendered by Orange County Department of Transportation.

The total estimated amount requested for the period July 1, 2020 through June 30, 2021

<u>Project</u>	<u>Total Amount</u>	<u>Local Share</u>
Administrative	\$179,189	\$ 26,878 (15%)
Operating (5311)	\$ N/A	\$ N/A (50%)
Capital (Vehicles & Other)	\$ N/A	\$ N/A (10%)
5310 Operating	\$N/A	\$N/A (50%)
Other	\$ N/A	\$ N/A (%)
<hr/>		
TOTAL PROJECT	\$ 179,189	\$26,878

Total Funding Request

Total Local Share

This application may be inspected at 600 Highway 86 North, Hillsborough, NC 27278 from 8:00 am – 5:00 pm. Written comments should be directed to Teleishia Holloway before September 26, 2019.

End of Notice

————— **Note: AN ORIGINAL COPY** of the published Public Hearing Notice must be attached to a signed Affidavit of Publication. **Both the Public Hearing Notice and the Affidavit of Publication** must be submitted with the CTP grant application. —————

AVISO DE AUDIENCIA PUBLICA

SECCIÓN 5311 (ADTAP), 5310, 5339, 5307 y fondos estatales aplicables, o una combinación de ellos.

Esto es para informar al público que se llevará a cabo una audiencia pública sobre la Solicitud propuesta para el Programa de Transporte Comunitario del Condado de Orange que se presentará al Departamento de Transporte de Carolina del Norte a más tardar el 4 de octubre de 2019. La audiencia pública se llevará a cabo el 1 de octubre de 2019 a las 7:00 pm ante la Junta de Comisionados del Condado de Orange en el Richard E. Whitted at 300 W. Tryon St, Hillsborough, NC 27878.

Las personas interesadas en asistir a la audiencia pública y que necesiten ayuda y servicios auxiliares según la Ley de Estadounidenses con Discapacidades (ADA) o un traductor de idiomas deben comunicarse con Teleishia Holloway el 26 de septiembre de 2019 o antes, al número de teléfono 919.245.2002 o por correo electrónico a tholloway@orangecountync.gov.

El Programa de Transporte Comunitario brinda asistencia para coordinar los programas de transporte existentes que operan en el Condado de Orange, así como opciones y servicios de transporte para las comunidades dentro de esta área de servicio. Estos servicios se proporcionan actualmente mediante respuesta a la demanda rural y rutas de suscripción. Los servicios son prestados por el Departamento de Transporte del Condado de Orange.

El monto total estimado solicitado para el periodo comprendido entre el **(1 de julio de 2020 y el 30 de junio de 2021)**.

<u>Proyecto</u>	<u>Cantidad Total</u>	<u>Compartir Local</u>
Administrativo	\$179,189	\$ 26,878 (15%)
Funcionamiento (5311)	\$ N/A	\$ N/A (50%)
Capital (Vehiculos y otros)	\$ N/A	\$ N/A (10%)
5310 Funcionamiento	\$N/A	\$N/A (50%)
Otro	\$ N/A	\$ N/A (%)
<hr/>	\$ 179,189	\$26,878

TOTAL DEL PROYECTO

Solicitud de financiación total

Total cuota Local

Esta solicitud puede ser inspeccionada en 600 Highway 86 North, Hillsborough, NC 27278 de 8:00 am a 5:00 pm. Los comentarios escritos deben dirigirse a Teleishia Holloway antes del 26 de septiembre de 2019.

Nota: **UNA COPIA ORIGINAL** de la Notificación de audiencia pública publicada debe adjuntarse a una Declaración jurada de publicación firmada. **Tanto el Aviso de audiencia pública como la Declaración jurada de publicación** deben presentarse junto con la solicitud de subvención CTP.

FY 2021 LOCAL SHARE CERTIFICATION FOR FUNDING

Orange County
(Legal Name of Applicant)

Requested Funding Amounts

<u>Project</u>	<u>Total Amount</u>	<u>Local Share</u>
Administrative	\$ <u>179,189</u>	\$ <u>26,878</u> (15%)
5311 Operating (No State Match)	\$ _____	\$ _____ (50%)
5310 Operating (No State Match)	\$ _____	\$ _____ (50%)
5307 Operating	\$ _____	\$ _____ (50%)
5307 Planning	\$ _____	\$ _____ (20%)
Combined Capital	\$ _____	\$ _____ (10%)
Mobility Management	\$ _____	\$ _____ (50%)
5310 Capital Purchase of Service	\$ _____	\$ _____ (10%)
_____	\$ _____	\$ _____ (____%)
_____	\$ _____	\$ _____ (____%)
_____	\$ _____	\$ _____ (____%)

Funding programs covered are 5311, 5310, 5339 Bus and Bus Facilities, 5307 (Small fixed route, regional, and consolidated urban-rural systems)

TOTAL	\$ <u>179,189</u>	\$ <u>26,878</u>
	Total Funding Requests	Total Local Share

The Local Share is available from the following sources:

<u>Source of Funds</u>	<u>Apply to Grant</u>	<u>Amount</u>
<u>General Funds</u>	<u>CTP 5311</u>	\$ <u>26,878</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

FY 2021 Local Share Certificate (page 2)

_____	_____	\$ _____
_____	_____	\$ _____
TOTAL		\$ _____

**** Fare box revenue is not an applicable source for local share funding**

I, the undersigned representing (*Legal Name of Applicant*) **Orange County** do hereby certify to the North Carolina Department of Transportation, that the required local funds for the FY2021 Community Transportation Program and 5307 Governors Apportionment will be available as of **July 1, 2020**, which has a period of performance of July 1, 2020 – June 30, 2021.

Signature of Authorized Official

Penny Rich, Chair, Board of County Commissioners
Type Name and Title of Authorized Official

Date

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION DIVISION

DBE/MBE/WBE/HUB ANTICIPATED VENDOR AWARDS in FY 2021

APPLICANT'S NAME: Orange County PERIOD COVERED
 MAILING ADDRESS: PO Box 8181, Hillsborough, NC 27278 From: July 1, 2020
 VENDOR NUMBER: _____ To: June 30, 2021

We expect to utilize the following list of DBE/MBE/WBE/HUB Vendors in FY 2021:

DBE/MBE/WBE/HUB Vendor/Subcontractor's Name	Mailing Address City, State, Zip	ID# from NCDOT Website	Describe Service/ Item to be Purchased	Anticipated Expenditure (\$)
TOTAL				

- The above list includes the DBE/MBE/WBE/HUB Vendors the applicant expects to utilize in FY 2021.
- The applicant does **NOT** expect to utilize any DBE/MBE/WBE/HUB Vendors in FY 2021.

Signature of Authorized Official

Date

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: October 1, 2019

**Action Agenda
Item No.** 6-a

SUBJECT: Adoption of the Final Financing Resolution Authorizing the Issuance of \$37,000,000 in Installment Purchase Financing for Various Capital Investment Plan Projects Including Refinancing Existing County Debt of \$16,359,886

DEPARTMENT: Finance and Administrative
Services

ATTACHMENT(S):

- Attachment 1. Resolution Approving Financing Terms and Documents for 2019 Installment Financing
- Attachment 2. Deed of Trust
- Attachment 3. Trust Agreement
- Attachment 4. Draft Preliminary Official Statement
- Attachment 5. Bond Purchase Agreement
- Attachment 6. PowerPoint

INFORMATION CONTACT:

Gary Donaldson, (919) 245-2453
Paul Laughton, (919) 245-2152
Robert Jessup, (919) 933-9891

PURPOSE: To adopt the final financing resolution authorizing the issuance of approximately \$37,000,000 in installment financing to finance capital investment projects and equipment which includes refinancing \$16,359,886 of existing County debt. The financing includes amounts to pay transaction costs.

BACKGROUND: At the September 3 and 17, 2019 regular Board meetings, the Board of County Commissioners conducted public hearings and received preliminary information on capital projects and equipment financing and refinancing existing debt obligations. The Board made a preliminary determination to finance these capital projects and equipment, and financing costs by the use of an installment financing, as authorized under Section 160A-20 of the North Carolina General Statutes.

The statutes require that the County adopt a financing resolution supporting the application to the Local Government Commission (LGC) for approval of the financing. County staff has been in contact with the LGC staff, and expects no issues in receiving full LGC approval.

If the Board adopts the final financial resolution authorizing final approval for the financing, staff expects the LGC to approve the financing plan at its October 1, 2019 meeting as well. Under

the current schedule, staff expects to set the final interest rates and other terms of the financing on October 16, 2019 and to close on the financing in November.

FINANCIAL IMPACT: An estimate of maximum debt service applicable to the capital investment projects and equipment financing would require the highest debt service payment of \$1.9 million in FY 2020-21. The savings from Refinancing existing debt is \$599,561 and consistent with the County's 3% threshold policy which measures the savings as a percentage of the Refinancing Bonds. The tax rate equivalent for the estimated highest debt service payment is approximately 1.2 cents. A portion of this debt financing is related to projects where the debt service payments will be paid from Sportsplex User Fees.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goals are applicable to this item:

- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**
The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or ethnic background; age; military service; disability; and familial, residential or economic status.
- **GOAL: CREATE A SAFE COMMUNITY**
The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.
- **GOAL: ENABLE FULL CIVIC PARTICIPATION**
Ensure that Orange County residents are able to engage government through voting and volunteering by eliminating disparities in participation and barriers to participation.

ENVIRONMENTAL IMPACT: The following Orange County Environmental Responsibility Goal impacts are applicable to this item:

- **ENERGY EFFICIENCY AND WASTE REDUCTION**
Initiate policies and programs that: 1) conserve energy; 2) reduce resource consumption; 3) increase the use of recycled and renewable resources; and 4) minimize waste stream impacts on the environment.
- **RESULTANT IMPACT ON NATURAL RESOURCES AND AIR QUALITY**
Assess and where possible mitigate adverse impacts created to the natural resources of the site and adjoining area. Minimize production of greenhouse gases.

RECOMMENDATION(S): The Manager recommends that the Board approve the final financing resolution authorizing the steps to proceed with the financing of the stated capital projects and equipment and refinancing of existing debt obligations.

Resolution providing final approval of terms and documents for Fall 2019 installment financing

WHEREAS -

The Board of Commissioners has previously determined to carry out various public improvements and acquisitions, as identified in the County's capital improvement plan and as described on Exhibit A. In addition, the Board has previously determined to refinance certain County obligations to achieve savings through lower interest rates. Exhibit B describes some of the existing County obligations that are being evaluated for refinancing.

The Board has determined to carry out the financings by using a single installment financing, as authorized under Section 160A-20 of the North Carolina General Statutes. This financing plan also includes the use of limited obligation bonds, which represent interests in the installment payments to be made by the County that can be sold to investors.

The County staff has made available to the Board the draft documents listed on Exhibit C (the "Documents"), and a draft of an official statement designed to provide information about the County and the financing to prospective investors in the bonds. These items relate to the County's carrying out the financing plan.

This resolution provides the County Board's final approval of the financing terms and the substantially final financing documents.

BE IT THEREFORE RESOLVED by the Board of Commissioners of Orange County, North Carolina, as follows:

1. *Determination to Proceed with Financing* -- The Board confirms its decision to carry out the proposed installment financing as described above, to provide financing for new public assets and improvements and to provide for refinancings. As part of this financing, the County will refinance those obligations as shown on Exhibit B as the Finance Officer may determine.

Under the financing plan, the County will receive funds from the sale of the limited obligation bonds to carry out the projects and the refinancings. The County will repay the funds over time, with interest. The County will secure its repayment obligation by granting a mortgage-like interest in some or all of the following facilities: (a) the County's Government Services Annex at 208 S. Cameron St. in Hillsborough, along with the County's Link Center and the District Attorney's office building; (b) the County's Emergency Operations Center on Meadowlands Drive in Hillsborough; (c) the County's Visitors Center on Franklin St. in Chapel Hill; (d) the proposed site of the new Northern County Campus; and (e) the County's Southern Campus in Chapel Hill.

2. *Approval of Documents; Direction to Execute Documents* -- The Board approves the forms of the Documents submitted to this meeting. The Board authorizes the Chair and the County Manager, or either of them, to execute and deliver the Documents when in final form. The Documents in their respective final forms must be in substantially the forms presented, with changes as the Chair or the County Manager may approve. The execution and delivery of any Document by an authorized County officer will be conclusive evidence of that officer's approval of any changes.

The Documents in final form, however, must provide for the principal amount of limited obligation bonds to not exceed \$37,000,000, an annual true interest cost of the financing not to exceed 3.75%, and a financing term not to extend beyond December 31, 2039. Any obligations to be refinanced should be refinanced over approximately the same financing term as the existing obligation. The amount financed under the Documents may include amounts to pay financing expenses and other necessary and incidental costs.

3. *Sale of Bonds; Approval of Official Statement* -- The Board appoints Robert W. Baird & Co. Incorporated, as senior manager, and FTN Financial Capital Markets, as co-manager, to underwrite a public offering of the proposed limited obligation bonds.

The Board approves the draft official statement submitted to this meeting as the form of the preliminary official statement pursuant to which the underwriters will offer the bonds for sale. The preliminary official statement as distributed to prospective investors must be in substantially the form presented, with such

changes as the Finance Officer may approve. The Board directs the Finance Officer, after the sale of the bonds, to complete and otherwise prepare the preliminary official statement as an official statement in final form.

The Board authorizes the use of the preliminary official statement and the final official statement (collectively, the "Official Statement") by the underwriters in connection with the sale of the bonds.

The Board acknowledges that it is the County's responsibility, and ultimately the Board's responsibility, to ensure that the Official Statement in its final form neither contains an untrue statement of a material fact nor omits to state a material fact required to be included therein for the purpose for which such Official Statement is to be used or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4. *Call of Existing Obligations for Prepayment* -- The Board authorizes the Finance Officer to make, on the County's behalf, an irrevocable call for redemption or prepayment of such of the obligations shown on Exhibit B as the Finance Officer deems beneficial to the County. The Finance Officer will make this call for redemption by the execution and delivery of an appropriate certificate in connection with the original delivery of the planned limited obligation bonds.

5. *Officers to Complete Closing* - The Board authorizes the County Manager, the Finance Officer and all other County officers and employees to take all proper steps to complete the financing in accordance with the terms of this resolution.

The Board authorizes the County Manager to hold executed copies of all financing documents authorized by this resolution in escrow on the County's behalf until the conditions for their delivery have been completed to her satisfaction, and then to release the executed documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the previous paragraphs, the Board specifically authorizes the County Manager (a) to approve and enter into, on behalf of the County, any additional agreements appropriate to carry out the financing plan contemplated by this resolution, and (b) to approve changes to any documents

previously signed by County officers or employees, provided that the changes do not substantially alter the intent from that expressed in the form originally signed. The County Manager's authorization of the release of any document for delivery will constitute conclusive evidence of her approval of any changes.

In addition, the County Manager and the Finance Officer are authorized to take all appropriate steps for the efficient and convenient carrying out of the County's ongoing responsibilities with respect to the financing. This authorization includes, without limitation, contracting with third parties for reports and calculations that may be required under the Documents, this resolution or otherwise with respect to the bonds.

6. *Other Financing Participants* – Sanford Holshouser LLP will serve as the County's bond counsel. Davenport & Company LLC will serve as the County's financial adviser. The Bank of New York Mellon Trust Company, N.A., will serve as Trustee under the Supplemental Trust Agreement referenced in Exhibit B.

7. *Miscellaneous Provisions* – The Board authorizes all County officers and employees to take all further action as they may consider desirable to carry out the purposes of this resolution. In particular, the Board directs the Clerk to this Board to apply the County's seal to the final form Documents, and to attest to the application of the seal. The Board ratifies all prior actions of County officers and employees to this end. Upon the unavailability or refusal to act of the County Manager, the Chair or the Finance Officer, any other of those officers may assume any responsibility or carry out any function assigned in this resolution. In addition, the Vice Chair or any Deputy or Assistant Clerk may carry out or exercise any rights or responsibilities assigned in this resolution to the Chair or the Clerk. The Board repeals all other Board proceedings, or parts of proceedings, in conflict with this resolution, to the extent of the conflict. This resolution takes effect immediately.

Exhibit A – list of projects to be financed with estimated amounts

Component	Estimated Cost
Northern Campus Project: site preparation and preliminary costs for new detention center, agriculture-environment center, and parks operations base	\$10,019,850
Southern Campus Project: improvements to the driveway and access road to the Southern Campus, as well as providing additional parking for the Seymour Center	4,675,000
Seymour Center Building Expansion	990,000
River Park Phase II	298,500
Passmore Center Remediation	199,114
Sportsplex Improvements/ Equipment	605,036
Community Loan Fund	224,340
Vehicle Replacements	1,030,550
Whitted Building – Elevator Work	154,000
Emergency Services Building Remediation	731,000
Total	18,927,390

The County will also use additional loan proceeds to pay financing costs.

Exhibit B – refunding candidates

2010 General Obligation Refunding Bonds

2011 General Obligation Refunding Bonds

2012 DENR State water loan

2012 Limited Obligation Bonds

2013 SunTrust installment financing

2016 First Bank installment financing

Exhibit C -- Draft Documents

(a) A draft dated September 10, 2019, of a Second Supplemental Trust Agreement to be dated on or about November 1, 2019, between the County and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), providing for the advance of funds to the County, for the issuance of limited obligation bonds, for the County's obligation to repay the amounts advanced, and for the County's responsibilities for the use and care of the collateral

(b) A draft dated September 10, 2019, of a Deed of Trust Supplement #2 to be dated on or about November 1, 2019, from the County to a deed of trust trustee for the Trustee's benefit, providing for a security interest in property to secure the County's obligations under the limited obligation bonds and the other financing documents.

(c) A draft of a Bond Purchase Agreement to be dated on or about October 16, 2019, providing for the underwriters' obligation to purchase the bonds. The final form of this Agreement will set out the final principal amount, principal payment schedule and interest rates for the bonds, and the other terms and conditions for the underwriters' obligation to purchase the bonds.

s★h draft of September 10

Prepared by and return after recording to:

Robert M. Jessup Jr.
Sanford Holshouser LLP
209 Lloyd St., Suite 350
Carrboro, NC 27510

DEED OF TRUST SUPPLEMENT #2

PINs 9874-15-3612
9864-39-2344, 9864-39-8253, 9864-39-7758
9874-80-2738
9788-15-1996 *[New parcel PINs to come]*

Brief description:

Link Center Building at 200 S. Cameron St., Government Services
Annex at 208 S. Cameron St. and District Attorney's office building at 144 E.
Margaret Lane, all in Hillsborough

Future North Campus Site off Highway 70

Emergency Operations Center on Meadowlands Drive in Hillsborough

Visitors Center on Franklin St. in Chapel Hill

[Will need to add Southern Campus sites as well]

(supplements RB 6486, Page 413, and RB 6613, Page 17)

STATE OF NORTH CAROLINA)	The collateral is or includes fixtures.
)	
ORANGE COUNTY)	This instrument secures future advances.

DEED OF TRUST SUPPLEMENT #2

THIS DEED OF TRUST SUPPLEMENT #2 (this "Supplement") is dated as of November 1, 2019, and is granted by **ORANGE COUNTY, NORTH CAROLINA**, a political subdivision of the State of North Carolina (the "County"), to **Amy K. Johnson**, as trustee (the "Deed of Trust Trustee"), for the benefit of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE** ("BNY-M").

RECITALS:

The County is issuing its [\$50,000,000] Limited Obligation Bonds, Series 2019B (the "2019B Bonds"), under a Second Supplemental Trust Agreement dated as of November 1, 2019 (the "2019B Agreement"), between the County and BNY-M, as trustee. The County is issuing the 2019B Bonds to provide funds, to be used together with other available funds, to acquire, construct, equip and otherwise improve a variety of County facilities and assets, as well as to pay financing costs and other related costs.

The 2019B Agreement supplements a Trust Agreement dated as of June 1, 2018 (the "2018 Agreement"), between the County and BNY-M, as trustee, which the parties previously supplemented by a First Supplemental Trust Agreement dated as of May 1, 2019 (as supplemented, the "Prior Agreement"). Under the Prior Agreement, the County issued its \$7,510,000 Limited Obligation Bonds, Series 2018, and its \$14,135,000 Limited Obligation Bonds, Series 2019A (together, the "Prior Bonds"), and secured its repayment obligation with respect to the Prior Bonds by granting a security interest in property pursuant to the Existing Deed of Trust, as defined below.

The parties have now agreed that additional property will be added to the property that secures the County's obligations under the Prior Bonds, and that all this property (the "Mortgaged Property," as defined below) will also secure the County's repayment obligations under the 2019B Bonds as provided in the 2019B Agreement.

Accordingly, **this Supplement supplements the Deed of Trust and Security Agreement** granted by the County for the benefit of BNY-M dated as of

June 1, 2018 (the “2018 Deed of Trust”) and recorded at RB 6486, Page 413, Orange County Registry, which has been previously supplemented by the Deed of Trust Supplement dated as of May 1, 2019 and recorded at RB 6613, Page 17, Orange County Registry (that supplement together with the 2018 Deed of Trust, the “Existing Deed of Trust). The Existing Deed of Trust, as modified by this Supplement, is referred to as the “Modified Deed of Trust” in this Supplement.

The Mortgaged Property includes the real property and facilities described in Exhibits A-1 and A-2. The County is the record owner of that real property.

The County executes and delivers this Supplement to secure current advances under the 2019B Agreement of [\$50,000,000] as well as (1) outstanding advances under the Prior Agreement with respect to the Prior Bonds of approximately \$20,850,000, and (2) potential future advances up to a total maximum principal amount of \$200,000,000, all as described and pursuant to the Existing Deed of Trust. The time during which such future advances may be made is 30 years from June 1, 2018. The current scheduled date for final repayment of amounts secured under the Modified Deed of Trust is October 1, 2039.

NOW, THEREFORE,

(1) in consideration of the execution and delivery of the 2019B Bonds and the 2019B Agreement and other good and valuable consideration, the receipt and sufficiency of which the County acknowledges,

(2) to secure the County’s performance of all its covenants under this Supplement, the Existing Deed of Trust, the Prior Agreement, the 2019B Agreement, the Prior Bonds and the 2019B Bonds (together, the “Loan Documents”), and

(3) to charge the Mortgaged Property with that payment and performance,

the County sells, grants and conveys to the Deed of Trust Trustee, her successors and assigns forever, in trust, with power of sale, the following (collectively, the “Mortgaged Property”):

(a) the Mortgaged Property as that term is defined in the Existing Deed of Trust, which includes the real property and all related improvements and fixtures show on Exhibit A-1;

(b) the property described in Exhibit A-2 and any real property later acquired by the County in exchange for, or in consideration of the exchange of, or with the proceeds from any disposition of, all or any part of any property described in this paragraph, and in all cases together with all easements, rights, rights-of-way and appurtenances belonging to any of that property (collectively, the "2019B Sites"); and

(c) all buildings and other improvements and fixtures (including any "Fixtures," as defined in Section 1-4 of the 2018 Deed of Trust) now or later attached to or used in or on those improvements or the 2019B Sites, including (i) all renewals, replacements, and additions, (ii) all articles in substitution, (iii) all building materials for construction, improvement, modification or repair of improvements upon their delivery to the 2019B Sites, and (iv) all proceeds of all the foregoing in whatever form resulting from the loss or disposition of the foregoing, including all proceeds of and unearned premiums for any insurance policies covering the 2019B Sites and the improvements, proceeds of title insurance and payments related to the exercise of condemnation or eminent domain authority, and all judgments or settlements in lieu of any of the foregoing;

TO HAVE AND TO HOLD the Mortgaged Property with all privileges and appurtenances belonging thereunto, to the Deed of Trust Trustee, her successors and assigns forever, upon the trusts, terms and conditions and for the purposes set out below, in fee simple in trust;

SUBJECT, HOWEVER, to the encumbrances described in Exhibit B;

BUT THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST: if the County pays its "Obligations," as defined in Section 1-1 below, in full and in accordance with the Loan Documents, and the County complies with all the terms, covenants and conditions of the Loan Documents, this conveyance will be null and void and will be canceled of record at the County's request and cost, and title will revert as provided by law;

BUT IF, HOWEVER, THERE OCCURS AN EVENT OF DEFAULT UNDER THE LOAN DOCUMENTS, then BNY-M will have the remedies provided for in the Modified Deed of Trust, including directing the Deed of Trust Trustee to sell the Mortgaged Property under power of sale.

The County covenants with the Deed of Trust Trustee and BNY-M that the County is seized of and has the right to convey the Mortgaged Property in fee simple, that the Mortgaged Property is free and clear of all liens and encumbrances other than Permitted Encumbrances, as defined in the Prior Agreement and the 2019B Agreement, that title to the Mortgaged Property is marketable, and that the County will forever warrant and defend title to the Mortgaged Property (subject to the Permitted Encumbrances) against the claims of all persons.

THE COUNTY COVENANTS AND AGREES with the Deed of Trust Trustee and BNY-M (and their respective heirs, successors and assigns), in consideration of the foregoing, as follows:

1. Security Provided

1-1 Security for Payment and Performance. The Modified Deed of Trust secures the County's payment, as and when the same become due and payable, of all amounts payable by the County under the Loan Documents (the "Obligations") and the County's timely compliance with all terms, covenants and conditions of (a) the Loan Documents and (b) any Additional Bonds, as defined in and as may be executed and delivered pursuant to the Prior Agreement.

1-2 Present and Future Advances. This Deed of Trust is executed to secure all the County's present and future obligations to the Trustee related to the Mortgaged Property as described in and pursuant to the Existing Deed of Trust. The total amount, including present and future obligations, that may be secured by the Modified Deed of Trust at any one time is \$200,000,000. The period within which future obligations may be incurred is 30 years from June 1, 2018.

1-3 Existing Deed of Trust Otherwise Confirmed. Except as provided by this Supplement, the County ratifies, approves and confirms the terms of the Existing Deed of Trust.

1-4 County's Obligation Limited. Notwithstanding any other provision of the Loan Documents, the parties intend that this transaction will comply with North Carolina General Statutes Section 160A-20. No deficiency judgment may be entered against the County in violation of Section 160A-20.

No provision of this Supplement should be construed or interpreted as creating a pledge of the County's faith and credit within the meaning of any constitutional debt limitation. No provision of this Supplement should be construed or interpreted as an illegal delegation of governmental powers, nor as an improper donation or lending of the County's credit within the meaning of the North Carolina constitution. The County's taxing power is not and may not be pledged, directly or indirectly contingently, to secure any moneys due under this Supplement.

Nothing in this Section is intended to impair or prohibit foreclosure under the Modified Deed of Trust if the Obligations are not paid when due or otherwise upon the occurrence of an Event of Default under the Loan Documents.

No provision of this Supplement restricts the County's future issuance of any of its bonds or other obligations payable from any class or source of the County's moneys (except to the extent the Loan Documents restrict the incurrence of additional obligations secured by the Mortgaged Property).

To the extent of any conflict between this Section and any other provision of this Supplement, this Section takes priority.

2. Miscellaneous

2-1 Notices.

(a) Any communication provided for in this Supplement must be in writing (not to include facsimile transmission or electronic mail).

(b) Any communication under this Supplement will be deemed given on the delivery date shown on a United States Postal Service certified mail receipt, or a delivery receipt (or similar evidence) from a national commercial package delivery service, if addressed as follows:

(i) if to the County, to Orange County Manager, Re: Notice under 2019B LOBs Deed of Trust, Post Office Box 8181, Hillsborough, NC 27278

(ii) if to the Deed of Trust Trustee, to Deed of Trust Trustee, c/o The Bank of New York Mellon Trust Company, N.A., Re: Notice for 2019B

Financing for Orange County, 10161 Centurion Parkway North,
Jacksonville, FL 32256

(iii) if to BNY-M, to The Bank of New York Mellon Trust Company,
N.A., Re: Notice for 2019B Financing for Orange County, 10161 Centurion
Parkway North, Jacksonville, FL 32256

(c) Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others. The County must send copies of any notices it sends to the Deed of Trust Trustee also to BNY-M.

2-2 Definitions. All capitalized terms used in this Supplement and not otherwise defined have the meanings ascribed to them otherwise in the Loan Documents.

2-3 Governing Law; Forum. The County, BNY-M and the Deed of Trust Trustee intend that North Carolina law will govern this Supplement and all matters of its interpretation. To the extent permitted by law, the County, BNY-M and the Deed of Trust Trustee agree that any action brought with respect to this Supplement must be brought in the North Carolina General Court of Justice in Orange County, North Carolina.

2-4 Limitation of Liability of Officers and Agents. No officer, agent or employee of the County, BNY-M or the Deed of Trust Trustee will be subject to any personal liability or accountability by reason of the execution of this Supplement or any other documents related to the transactions contemplated by this Supplement. Those officers or agents are deemed to execute documents in their official capacities only, and not in their individual capacities. This Section does not relieve any officer, agent or employee from the performance of any official duty provided by law.

2-5 Covenants Run with the Land. All covenants contained in the Modified Deed of Trust Supplement run with the real estate encumbered by the Modified Deed of Trust.

2-6 Further Instruments. Upon the request of BNY-M or the Deed of Trust Trustee, the County will execute, acknowledge and deliver any further instruments reasonably necessary or desired by BNY-M or the Deed of Trust Trustee to carry out more effectively the purposes of this Supplement or any other document related to

the transactions contemplated by this Supplement, and to subject to the liens and security interests of this Supplement all or any part of the Mortgaged Property intended to be given or conveyed, whether now given or conveyed or acquired and conveyed subsequent to the date of this Supplement.

2-7 Entire Agreement; Amendments. This Supplement, together with the other Loan Documents, constitutes the County's entire agreement with the Trustee and the Deed of Trust Trustee with respect to its general subject matter. This Supplement may not be changed except in accordance with the other Loan Documents. The consent of the Deed of Trust Trustee is not required for any changes.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the County has caused this instrument to be signed, sealed and delivered by duly authorized officers, as of the day and year first above written.

(SEAL)

ATTEST:

**ORANGE COUNTY,
NORTH CAROLINA**

Donna S. Baker
Clerk, Board of Commissioners

By: _____
Bonnie B. Hammersley
County Manager

* * * * *

**STATE OF NORTH CAROLINA;
ORANGE COUNTY**

I, a Notary Public of such County and State, certify that Bonnie B. Hammersley and Donna S. Baker personally came before me this day and acknowledged that they are the County Manager and the Clerk of the Board of Commissioners, respectively, of Orange County, North Carolina, and that by authority duly given and as the act of such County, the foregoing instrument was signed in the County's name by such County Manager, sealed with its corporate seal and attested by such Clerk.

WITNESS my hand and official stamp or seal, this _____ day of _____, 2019.

[SEAL]

Notary Public

My commission expires: _____

[Deed of Trust Supplement dated as of November 1, 2019
for the benefit of The Bank of New York Mellon Trust Company, N.A., as Trustee]

EXHIBIT A-1 – Pledged Sites Description (Existing Sites)

TRACT 1 [Government Service Annex, Link Center and District Attorneys' Office]:

BEING that certain property containing 9.202 acres, more or less, adjacent to South Cameron Street as shown on a plat entitled "Recombination Survey Properties of Orange County" as prepared by Riley Surveying, P.A. dated June 5, 2007 and recorded June 7, 2007 in Plat Book 102, Page 36, Orange County Register of Deeds.

PIN Number: 9874-15-3612

TRACT 2 [North Campus Site]:

PARCEL 1

BEING all of Lot 1 containing 10.40 acres, more or less, as shown on plat entitled "Leroy Hall Estate Partition" and recorded in Plat Book 94, Page 68, Orange County Registry.

and being the same property as:

Lot 1 as shown on plat entitled "Boundary & Physical Survey prepared for The County of Orange properties of Mary Copeland and Wayne & Betsy Tilley" by Riley Surveying, P.A., dated January 22, 2018 and recorded in Plat Book 118, Page 105, Orange County Registry.

Address: 524 W. Hill Avenue N., Hillsborough, NC 27278

PIN: 9864-39-2344

PARCEL 2

BEING all of Lot 2 containing 8.90 acres, more or less, as shown on plat entitled "Leroy Hall Estate Partition" and recorded in Plat Book 94, Page 68, Orange County Registry.

and being the same property as:

Lot 2 as shown on plat entitled "Boundary & Physical Survey prepared for The County of Orange properties of Mary Copeland and Wayne & Betsy Tilley" by Riley Surveying, P.A., dated January 22, 2018 and recorded in Plat Book 118, Page 105, Orange County Registry.

Address: 520 Orange Heights LP, Hillsborough, NC 27278
 PIN: 9864-39-8253

LESS AND EXCEPT:

Beginning at an existing iron pipe located in the southern Right-of-Way of US 70 (commonly known as Cornelius Street), a 100' public Right-of-Way, said existing iron pipe having NC Grid Values: N(Y) 850,011.75 E(X) 1,963,800.94 (NAD' 83(2011)) and being the northernmost common corner between Orange County (PIN: 9864-39-7758) and William and Donna Holloway (PIN: 9864-49-0515) as shown in Plat Book 118, Page 105 of the Orange County Registry; thence S 10°39'03" E 417.73' to an existing iron pipe; thence S 81°45'57" W 42.04' to an iron pipe set; thence S 04°49'41" E 266.09' to a set iron pipe in the common line of Orange County (PIN: 9864-39-8253) and William and Donna Holloway (PIN: 9864-49-0515), the TRUE POINT OF BEGINNING; thence, with said common line, S 89°27'33" E 317.14' to an existing iron stake at the common corner of Orange County (PIN: 9864-39-8253), William and Donna Holloway (PIN: 9864-49-0515), and Lisa Hall (PIN: 9864-69-4322); thence, with Halls' western line, S 02°36'37" E 419.74' to an existing iron stake in the northern Right-of-Way of Orange Heights Loop, a 30' public Right-of-Way; thence, with said Right-of-Way, N 89°35'47" W 200.52' to an existing iron stake at Frances Hendricks' northeast corner (PIN: 9864-38-8872); thence, with Hendricks' northern line, N 89°55'08" W 100.18' to a set iron pipe at Orange County's southeast corner (PIN: 9864-39-8253); thence, a new line through the Orange County property, N 04°49'40" W 422.24' to the point or place of beginning having an area of 2.976 acres, more or less.

PARCEL 3

BEING all of Lot 4A containing 2.00 acres, more or less, as shown on plat entitled "Leroy Hall Estate Partition" and recorded in Plat Book 94, Page 68, Orange County Registry.

and being the same property as:

Lot 4A as shown on plat entitled "Boundary & Physical Survey prepared for The County of Orange properties of Mary Copeland and Wayne & Betsy Tilley" by Riley Surveying, P.A., dated January 22, 2018 and recorded in Plat Book 118, Page 105, Orange County Registry.

Address: 1020 US 70 West, Hillsborough, NC 27278
 PIN: 9864-39-7758

LESS AND EXCEPT:

Beginning at an existing iron pipe located in the southern Right-of-Way of US 70 (commonly known as Cornelius Street), a 100' public Right-of-Way, said existing iron pipe having NC Grid Values: N(Y) 850,011.75 E(X) 1,963,800.94 (NAD' 83(2011)) and being the northernmost common corner between Orange County (PIN: 9864-39-7758) and William and Donna Holloway (PIN: 9864-49-0515) as shown in Plat Book 118, Page 105 of the Orange County Registry; thence, S 10°39'03" E 330.73' to a set iron pipe in the common line of Orange County and William and Donna Holloway, the TRUE POINT OF BEGINNING; thence, with said line, S 10°39'03" E 87.00' to an existing iron pipe; thence, with said line S 81°45'57" W 42.04' to a set iron pipe; thence, a new line through the Orange County property, N 15°35'05" E 95.02' to the point and place of beginning, having an area of 0.042 acres, more or less.

TRACT 3 [E-911 Center in the Meadowlands -- Approximately 22,000-square foot building located on Meadowlands Drive, Hillsborough]

BEGINNING at a point located in the eastern margin of the 60 foot wide right-of-way of Meadowlands Drive, said beginning point being further located South 12° 12' 30" West 360.84 feet from a nail located at the intersection of the center line of Meadowlands Drive with the center line of the 60 foot wide right-of-way of N.C. Highway 70; and running thence from said beginning point South 73° 36' 46" East 407.39 feet to a point; thence South 04° 48' 02" West 329.70 feet to a point; thence North 67° 16' 01" West 494.62 feet to a point located in the aforesaid easterly margin of the right-of-way of Meadowlands Drive; thence with said easterly margin of the right-of-way of Meadowlands Drive in two calls as follow: (1) with the arc of a circular curve to the left having a radius of 525.05 feet (and a chord course and distance of North 23° 54' 22" East 134.12 feet), an arc distance of 134.49 feet to a point; thence (2) North 16° 34' 02" East 135.34 feet to the point or place of BEGINNING; containing 3.00 acres and being Lot A as shown on a survey entitled "Subdivision of Property Surveyed for Meadowlands Associates" by Alois Callemyn Land Surveyors dated February 26, 1996 and recorded in Plat Book 75, Page 146, in the Orange County Registry.

PIN Number: 9874-80-2738

TRACT 4 [Visitor's Center Building, Franklin Street -- Approximately 7,400-square foot building located at 501 W. Franklin St., Chapel Hill]

BEING all of that 13,953 square foot, more or less, parcel labeled as PIN Number: 9788-15-1996 as shown on survey entitled "Physical Survey prepared for the County of Orange" dated as of July 8, 1996 and last revised on July 17, 1996 completed by Jose L. Torres, Registered Land Surveyor, L-3771 and recorded in Plat Book 76, Page 103, Orange County Registry.

PIN Number: 9788-15-1996

EXHIBIT A-2 - Pledged Sites Description (Added Tracts)

[Start numbering with Tract 5]

[Descriptions to come]

EXHIBIT B -- Existing Encumbrances

As to all Tracts: the Deed of Trust and Security Agreement granted by the County for the benefit of BNY-M dated as of June 1, 2018, and recorded at RB 6486, Page 413, Orange County Registry, as supplemented by the Deed of Trust Supplement dated as of May 1, 2019 and recorded at RB 6613, Page 17, Orange County Registry (that supplement together with the 2018 Deed of Trust, is referred to as the “Existing Deed of Trust” in this instrument.)

As to Tract 1:

1. Subject to Matters shown on plats recorded in Plat Book 102, Page 34; Plat Book 102, Page 36; Plat Book 59, Page 179; and Plat Book 110, Page 91.
2. Conservation Easement to Orange County recorded in Book 4296, page 308.
3. Title to that portion of the Land lying below the mean high water mark of Eno River.
4. Riparian rights incident to the Land.
5. Easement to the Town of Hillsborough recorded in Book 1030, Page 546.
6. Easement(s) to Duke Power Company recorded in Book 1146, Page 153.
7. Right of Way Agreement between Orange County and Duke Energy Carolinas, LLC recorded in Book 5905, Page 73.

As to Tract 2:

1. Subject to matters shown on plat recorded in Plat Book 118, Page 105.
2. Subject to matters shown on plat recorded in Plat Book 94, Page 68 including a 30-foot joint driveway easement and septic easement located on the Land.
3. Rights of others for ingress and egress purposes in and to the use of easements located on the Land.
4. Commissioners’ Second Revised Final Report recorded in Book 3446, Page 26 and Order of Confirmation recorded in Book 3446, Page 29.
5. Title to that portion of the Land within the right-of-way of US Hwy 70 and West Hill Ave.
6. Easement(s) to Duke Power Company recorded in Book 114, Page 95.

As to Tract 3:

1. Restrictions appearing of record in Book 654, Page 517 and amended in Book 1081 at Page 425, but this policy insures that a violation thereof will not cause a forfeiture or reversion of Title.
2. Subject to matters shown on plat recorded in Plat Book 75, Page 146.
3. Easement(s) to Town of Hillsborough recorded in Book 804, Page 444.
4. Easement(s) to Duke Power Company recorded I Book 676, Page 500.

5. Easement(s) to Public Service Company of North Carolina recorded in Book 1083, Page 235.
6. Title to that portion of the Land within the right-of-way of Meadowland Drive.
7. Termination Agreement recorded in Book 4126, Page 346.
8. Town of Hillsborough Conditional Use Permit #2007-04 recorded in Book 4416, Page 496.

As to Tract 4:

1. Subject to matters shown on plats recorded in Plat Book 76, Page 103; Plat Book 16, Page 27; and Plat Book 49, Page 72.
2. Party Wall Agreement recorded in Book 194, Page 47.
3. Sewer Easement to Marjorie Patricia Perl recorded in Book 316, Page 636.
4. Encroachment Agreement between Orville B. Campbell and Chapel Hill Publishing Company, Inc. recorded in Book 705, page 72.

[Exceptions for new tracts to come]

s★h draft of September 10

Second Supplemental Trust Agreement

by and between

Orange County, North Carolina

and

**The Bank of New York Mellon Trust
Company, N.A., as Trustee**

Relating to the issuance of

**[\$50,000,000]
Limited Obligation Bonds
Series 2019B**

THIS SECOND SUPPLEMENTAL TRUST AGREEMENT is dated as of November 1, 2019 (this "Supplemental Agreement"), is between **ORANGE COUNTY, NORTH CAROLINA**, a political subdivision of the State of North Carolina (the "County"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association having an office in Jacksonville, Florida, as trustee (the "Trustee"), and relates to the issuance of [\$50,000,000] Limited Obligation Bonds, Series 2019B (the "2019B Bonds").

RECITALS

The County and the Trustee executed and delivered a Trust Agreement dated as of June 1, 2018 (the "2018 Agreement"). The 2018 Agreement provides for the issuance of a 2018 series of limited obligation bonds (the "2018 Bonds"), and allows for the issuance of additional series of limited obligation bonds. The 2018 Agreement provides that the parties will enter into a supplemental agreement for each issue of limited obligation bonds.

The County and the Trustee are now entering into this Supplemental Agreement to supplement the 2018 Agreement and provide for the issuance of the 2019B Bonds as additional bonds under the Trust Agreement. The 2019B Bonds are issued and secured on a parity with the 2018 Bonds.

The County is issuing the 2019B Bonds to provide funds to be used, together with other available funds, on a project (the "2019B Project") to acquire, construct, equip and otherwise improve a variety of County facilities and assets, including those described in Exhibit A, to refinance certain existing County financing obligations, and to pay financing costs and other related costs.

Each of the 2019B Bonds represents an "installment contract" within the meaning of Section 160A-20 of the North Carolina General Statutes, between the County and the owner of that Bond. The Trustee serves under this Supplemental Agreement for and on behalf of the bondholders.

Unless the context clearly requires otherwise, capitalized terms used in this Supplemental Agreement and not otherwise defined have the meanings set forth in Exhibit B or in the "Prior Agreement," as defined in Exhibit B.

NOW, THEREFORE, in consideration of the covenants contained in this Supplemental Agreement, the parties agree as follows:

ARTICLE I

THE 2019B Bonds

Section 1.01. Provision for 2019B Bonds; Advance. (a) The County will issue, and the Trustee will authenticate and deliver, 2019B Bonds in an aggregate principal amount of [\$50,000,000].

(b) The County acknowledges that the amount paid to it from the issuance and sale of the 2019B Bonds is equal to the face amount of the 2019B Bonds (i) reduced by the amount of a discount for the underwriting of the 2019B Bonds and (ii) increased by the net original issue premium in the offering of the 2019B Bonds. This total amount is \$_____. The County will use the amount paid as provided in this Supplemental Agreement to pay 2019B Project Costs, including Refinancing Costs.

Section 1.02. Bonds Constitute Installment Contracts. Each of the 2019B Bonds, together with the County's corresponding obligations under the Trust Agreement and the Deed of Trust, constitutes a separate "installment contract" within the meaning of Section 160A-20 between the County and the owner of that Bond. The County's payment obligations, and its other obligations under this Agreement and with respect to the Bonds, are secured by the lien on the Mortgaged Property created under the Deed of Trust and by the other security provided for in the Trust Agreement.

Section 1.03. Agreement Supplements 2018 Agreement; 2019B Bonds Are Additional Bonds. (a) This Supplemental Agreement is a "supplemental agreement" for the issuance of Additional Bonds as provided in the 2018 Agreement, and the 2019B Bonds are "Additional Bonds" as defined in the 2018 Agreement.

(b) Except as modified by this Supplemental Agreement, all terms of the Prior Agreement remain in effect and apply with respect to the 2019B Bonds to the same extent as to all Prior Bonds. The continuing disclosure obligations set out in

Section 4.01 of the First Supplemental Trust Agreement between the County and the Trustee dated as of May 1, 2019 apply to the County with respect to the 2019B Bonds.

Section 1.04. Form and Details; Payments. The 2019B Bonds will be designated "Limited Obligation Bonds, Series 2019B," and will be in substantially the form of Exhibit C, with changes as the Trust Agreement may permit or require. The 2019B Bonds will be numbered R-1 upward for identification. The 2019B Bonds are payable as to interest semiannually on each Payment Date at the following rates (calculated based on a 360-day year consisting of twelve 30-day months), and are payable as to principal on October 1 in the following years and amounts:

Maturity Date (October 1)	Principal Amount (\$)	Annual Interest Rate (%)
2020		
2021		
[to come]		

Exhibit D shows a schedule of payments due on the 2019B Bonds with respect to each Payment Date. Upon any redemption of the 2019B Bonds, the County will recalculate the schedule of payments to reflect the redemption, and will then deliver a substitute Exhibit D to the Trustee reflecting the recalculated payment schedule.

Section 1.05. Redemption Dates and Prices. The 2019B Bonds are subject to redemption as described in Section 2.01.

Section 1.06. Delivery of 2019B Bonds. The Trustee will authenticate and deliver the 2019B Bonds when it has received the following items:

- a) Certified copies of County Board resolutions (i) approving the terms and conditions under which the 2019B Bonds are to be executed and

delivered and (ii) authorizing the execution, delivery and issuance of the 2019B Bonds, this Supplemental Agreement, and Deed of Trust Supplement #2 (as described in Exhibit B)

b) Evidence satisfactory to the Trustee that the LGC has approved the issuance of the 2019B Bonds

c) An executed copy of this Supplemental Agreement

d) An executed copy of Deed of Trust Supplement #2, which extends the benefit of the security provided to the Trustee under the Prior Deed of Trust to secure the County's performance of its obligations under this Supplemental Agreement and 2019B Bonds, as contemplated by Section 1.06(iv) of the 2018 Agreement

e) An Opinion of Bond Counsel to the effect that the execution and delivery of the 2019B Bonds as Additional Bonds is permitted under the terms of the Prior Agreement and has been duly authorized

f) A County Certificate directing the Trustee as to the application of the proceeds from the sale of the 2019B Bonds

g) Evidence of the issuance or proposed issuance of one or more lender's title insurance policies (or an appropriate endorsement to an existing policy) in favor of the Trustee, in an aggregate face amount of insurance equal to the total amount of Outstanding Bonds plus the principal amount of the 2019B Bonds, and including the instrument referenced in (d) above as an insured instrument

Section 1.07. Limited Obligation. The 2019B Bonds are limited obligations of the County, as provided and described in Section 4.05 of the 2018 Agreement.

ARTICLE II

REDEMPTION

Section 2.01. Redemption Dates and Prices. The 2019B Bonds maturing on or after October 1, 2030, are subject to redemption at the County's option, in whole or in part on any date on or after October 1, 2029, upon payment of the principal amount to be redeemed plus interest accrued to the redemption date, without premium.

Section 2.02. Selection of 2019B Bonds for Redemption.

(a) If less than all the 2019B Bonds are to be redeemed, they will be redeemed among maturities in any manner the County chooses.

(b) If less than all of the 2019B Bonds of any maturity are to be redeemed, the Trustee must select the 2019B Bonds to be redeemed by lot; provided, however, that so long as a book-entry system with DTC is used for determining beneficial ownership of 2019B Bonds, if less than all of the 2019B Bonds within a maturity are to be redeemed, the parties agree that DTC may determine which of the 2019B Bonds within the maturity are to be redeemed in accordance with DTC's then-current rules and procedures.

(c) In any case, (i) the portion of any 2019B Bond to be redeemed must be in the principal amount of \$5,000 or some integral multiple thereof, and (ii) in selecting 2019B Bonds for redemption, each 2019B Bond will be considered as representing that number of 2019B Bonds which is obtained by dividing the principal amount of that 2019B Bond by \$5,000. If a portion of a 2019B Bond is called for redemption, the County will prepare, and the Trustee will deliver a new 2019B Bond of the same series in principal amount equal to the unpaid portion to the registered owner upon the surrender of the 2019B Bond.

Section 2.03. Redemption Notices. (a) The Trustee, at the County's direction, upon being satisfactorily indemnified with respect to expenses, and with at least two Business Days' notice, will send notice of redemption no less than 30 nor more than 60 days prior to the redemption date, as follows:

(i) For any 2019B Bonds being called for redemption for which DTC or its nominee is the registered owner, to DTC, in whatever manner may be provided for under DTC's standard operating rules as then in effect (and if the Trustee is unable to determine those rules, by registered or certified mail, return receipt requested);

(ii) For any 2019B Bonds for which no book-entry-only system of registration is in effect, to each of the registered owners of those 2019B Bonds at their addresses as shown on the Trustee's registration books, by registered or certified mail; and

(iii) In any case, both (A) to the MSRB for posting on the EMMA System and (B) to the LGC.

The County, however, acknowledges and agrees that the Trustee is not acting as the disclosure or dissemination agent for purposes of Rule 15c2-12 in connection with any notice to be posted with the MSRB via the EMMA System. Notwithstanding anything in this Supplemental Agreement to the contrary, the only remedy for the Trustee's failure to post any notice (not limited to redemption notices) with the EMMA system will be an action by the holders of the 2019B Bonds, as applicable, for specific performance or similar remedy to compel performance.

Failure to give any notice specified in (i) or (ii), as applicable, or any defect in that notice, will not affect the validity of any proceedings for the redemption of any 2019B Bonds with respect to which no failure has occurred. Failure to give any notice specified in (iii), or any defect in that notice, will not affect the validity of any proceedings for the redemption of any 2019B Bonds with respect to which the notice specified in (i) or (ii) is correctly given. Any notice mailed as provided in this Supplemental Agreement will conclusively be presumed to have been given regardless of whether received by any Owner.

(b) Any redemption notice may state that the redemption to be effected is conditioned upon --

- (i) the Trustee's receipt on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the 2019B Bonds to be prepaid; or
- (ii) any other condition not unacceptable to the Trustee.

If a notice contains a condition and the Trustee either (i) does not receive moneys sufficient to pay the principal of and interest on the 2019B Bonds on or prior to the redemption date, or (ii) the stated condition is not fulfilled,

in either case on or prior to the redemption date,

then redemption will not be made, and the Trustee must, within a reasonable time, give notice the same way the redemption notice was given that the moneys were not so received (or condition was not fulfilled) and the redemption was not made.

(c) Each redemption notice must specify (i) the complete designation of the 2019B Bonds to be redeemed, (ii) the CUSIP numbers of the 2019B Bonds to be redeemed, (iii) the dated dates, maturity dates and interest rates of the 2019B Bonds to be redeemed, (iv) the date fixed for redemption, (v) any conditions to the redemption, as contemplated by subsection (b) above, (vi) the principal amount of 2019B Bonds or portions thereof to be redeemed, (vii) the applicable redemption price, (viii) the address of the place or places of payment, (ix) the Trustee's name and telephone number, and the name of a contact person, (x) that interest accrued to the date fixed for redemption will be paid as specified in the notice, and (xi) that on and after the established redemption date interest on 2019B Bonds which have been redeemed will cease to accrue. The Trustee must also include in any redemption notice any additional information provided by the County for use in the notice.

Section 2.04. 2019B Bonds Payable on Redemption Date; Interest Ceases To Accrue. If on or before the date fixed for redemption funds are deposited with the Trustee to pay the principal of and interest accrued to the redemption date on 2019B Bonds called for redemption, the 2019B Bonds (or portions of 2019B Bonds) called for redemption cease to accrue interest from and after the redemption date. Thereafter, those 2019B Bonds (a) are no longer entitled to the benefits provided by the Trust Agreement and (b) are not deemed to be Outstanding under the Trust Agreement.

ARTICLE III

DEPOSIT AND USE OF 2019 PROCEEDS; OTHER FUNDS

Section 3.01. Disbursement of Proceeds. The Trustee will apply proceeds from the sale of the 2019B Bonds as provided in the certificate described in Section 1.06(f).

Section 3.02. Creation and Use of 2019B Proceeds Fund. The Trustee will establish a special fund designated as the “Orange County 2019B Proceeds Fund.” The Trustee will keep this Fund separate and apart from all other funds and moneys held by it, and will hold and administer this Fund as provided in this Supplemental Agreement. Moneys in the 2019B Proceeds Fund will be expended only as described in Sections 3.03 and 3.04. The Trustee is not required to disburse any moneys from the 2019B Proceeds Fund during the continuation of any Event of Default.

Section 3.03. Deposits to 2019B Proceeds Fund; Payment of Project Costs. (a) The Trustee will deposit into the 2019B Proceeds Fund the amount specified in the certificate referenced in Section 1.06(f) and all other amounts paid to it for deposit in the 2019B Proceeds Fund.

(b) The Trustee will disburse moneys in the 2019B Proceeds Fund from time to time, either to pay 2019B Project Costs (including Refinancing Costs) directly or to reimburse the County for previous expenditures on any of those costs, upon receipt by the Trustee of a requisition substantially in the form of Exhibit E. The Trustee will accept requisitions that the County submits by electronic mail or by facsimile transmission. The Trustee may rely conclusively on requisitions as authorization for payments, and the Trustee has no duty or responsibility to verify any matters in the requisitions.

(c) Unless otherwise directed by the County, the Trustee will disburse moneys from the 2019B Proceeds Fund that are due to the County by wire transfer to any bank account in the United States as the County may designate to the Trustee from time to time.

Section 3.04. Transfer of Unexpended Proceeds. Upon the first to occur of (a) December 15, 2022, or (b) receipt of a County Certificate stating that there are no more 2019B Project Costs to be paid from the 2019B Proceeds Fund,

the Trustee will withdraw all remaining moneys in the 2019B Proceeds Fund and deposit those moneys in the Payment Fund. The Trustee will then apply those moneys to Bond payments as directed by a County Representative. In the absence of any direction from the County, the Trustee will deposit those moneys in the Interest Account and use them to pay interest on the 2019B Bonds as the same becomes due.

Section 3.05. Use of Funds and Accounts from 2018 Agreement. The Trustee is to maintain and administer the Bond Payment Fund (and its principal and interest accounts) and the Net Proceeds Fund established under the 2018 Agreement to the same effect and purpose as provided in the 2018 Agreement with respect to the 2019B Bonds as to the 2018 Bonds and all Bonds generally.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Notices.

(a) Any communication provided for in this Supplemental Agreement or the 2019B Bonds must be in writing (not to include facsimile transmission or electronic mail, except as provided in Section 3.03).

(b) Any communication sent under this Agreement must also be sent to the County and the Trustee, along with any other parties to which the communication may be addressed. Any party sending a communication under this Supplemental Agreement that relates to amendments or defaults must also send a copy to the LGC.

(c) Any communication under this Supplemental Agreement will be deemed given on the delivery date shown on a United States Postal Service certified mail receipt, or a delivery receipt (or similar evidence) from a national commercial package delivery service, if addressed as follows:

(i) if to the County, to Orange County Manager, Re: Notice under 2019B LOBs Trust Agreement, Post Office Box 8181, Hillsborough, NC 27278

(ii) if to the Trustee, to The Bank of New York Mellon Trust Company, N.A., Re: Notice for 2019B Financing for Orange County, 10161 Centurion Parkway North, Jacksonville, FL 32256

(iv) If to the LGC, to the North Carolina Local Government Commission, Attn: Secretary of the Commission, Re: Notice for 2019B Orange County LOBs Financing, Bonds, Longleaf Building, 3200 Atlantic Ave., Raleigh, NC 27604

(d) Any addressee (including the LGC) may designate additional or different addresses for communications by notice given under this Section to each of the others.

(e) Whenever this Supplemental Agreement requires the giving of a notice, the person entitled to receive the notice may waive the notice, in writing. The giving or receipt of the notice will then not be a condition to the validity of any action taken in reliance upon the waiver.

Section 4.02. Definition of "Restricted Yield." With respect to the 2019B Bonds, a "Restricted Yield" means a "yield," within the meaning of Treas. Regs. Secs. 1.103-13(c), -13(d), 1.148-9T(a), or any successor or other provision that may be applicable, not in excess of a "yield" equal to _____.

Section 4.03. Consent to Jurisdiction. The Trustee consents to jurisdiction in the State of North Carolina for any lawsuit arising from this Supplemental Agreement, or from any of the related transactions contemplated by this Supplemental Agreement.

Section 4.04. Binding Effect; Limitation of Rights. This Supplemental Agreement is binding upon, inures to the benefit of and is enforceable by the parties and their respective successors and assigns. Nothing expressed or implied in this Supplemental Agreement or the 2019B Bonds gives any person other than the Trustee, the County and the Owners any right, remedy or claim under or with respect to this Supplemental Agreement.

Section 4.05. Severability. If any provision of this Supplemental Agreement is determined to be unenforceable, that does not affect any other provision of this Supplemental Agreement.

Section 4.06. Counterparts. This Supplemental Agreement may be signed in several counterparts, including separate counterparts. Each will be an original, but all of them together constitute the same instrument.

Section 4.07. Definitions; Rules of Interpretation. Unless the context clearly requires otherwise, capitalized terms used as defined terms in this Supplemental Agreement and not otherwise defined have the meanings set forth in Exhibit B, and if not defined there will have the meanings set forth in the Prior Agreement. This Supplemental Agreement will be interpreted in accordance with the rules of interpretation set forth in the 2018 Agreement.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the parties have caused this Second Supplemental Trust Agreement to be executed in their corporate names by their duly authorized officers, all as of November 1, 2019.

(SEAL)

ATTEST:

**ORANGE COUNTY,
NORTH CAROLINA**

Donna S. Baker
Clerk, Board of Commissioners

By: _____
Bonnie B. Hammersley
County Manager

**The Bank of New York
Mellon Trust Company, N.A.,
as Trustee**

By: _____
Terence Rawlins, Vice President

[Second Supplemental Trust Agreement dated as of November 1, 2019]

Exhibit A – list of projects to be financed with estimated amounts

Component	Estimated Cost
Northern Campus Project: site preparation and preliminary costs for new detention center, agriculture-environment center, and parks operations base	\$10,600,000
Southern Campus Project: improvements to the driveway and access road to the Southern Campus, as well as providing additional parking for the Seymour Center	4,675,000
Seymour Center Building Expansion	990,000
River Park Phase II	298,500
Link Center Remediation	6,500,000
Passmore Center Remediation	199,114
Sportsplex Improvements/ Equipment	605,036
Community Loan Fund	224,340
Vehicle Replacements	998,550
Whitted Building – Elevator Work	154,000
Emergency Services Building Remediation	731,000
Total	25,975,540

The County also expects to use financing proceeds to pay Financing Costs and Refinancing Costs.

The amounts stated above are estimates only. The County may use any portion of the 2019B Bond proceeds for any of the 2019B Project Costs, subject to the County’s obligation to undertake and complete those components of the project related to the “Mortgaged Property,” as defined in the Deed of Trust, and the limitation on the use of funds only for 2019B Project Costs.

Components of the 2019B Project related to the Mortgaged Property include the following:

- The Northern Campus improvements described in the table above
- The Southern Campus and Seymour Center improvements described in the table above
- The Link Center and Emergency Services Building remediations referenced in the table above

EXHIBIT B – Definitions; Rules of Construction

For all purposes of this Supplemental Agreement, unless the context requires otherwise, the following terms have the following meanings.

“2019B Bonds” means the County’s Limited Obligation Bonds, Series 2019B, originally issued in the aggregate principal amount of [\$50,000,000] pursuant to the Prior Agreement and this Supplemental Agreement.

“2019B Proceeds Fund” means the Orange County 2019B Proceeds Fund established pursuant to Section 3.02.

“2019B Project” has the meaning assigned in the preambles to this Supplemental Agreement.

“2019B Project Costs” means “Project Costs,” as defined in the 2018 Agreement, related to the 2019B Project.

“Deed of Trust” means the Prior Deed of Trust as modified by the “Deed of Trust Supplement #2” dated as of November 1, 2019, also granted by the County for the Trustee’s benefit.

“Payment Date” with respect to the 2019B Bonds means each April 1 and October 1, beginning October 1, 2020.

“Prior Agreement” means the Trust Agreement dated as of June 1, 2018, between the County and The Bank of New York Mellon Trust Company, N.A., as trustee, as supplemented by the First Supplemental Trust Agreement between the parties dated as of May 1, 2019.

“Prior Bonds” means the County’s Limited Obligation Bonds, Series 2018, originally issued in the aggregate principal amount of \$7,510,000, and its Limited Obligation Bonds, Series 2019A, originally issued in the aggregate principal amount of \$14,135,000, each issued pursuant to the Prior Agreement.

“Prior Deed of Trust” means the Deed of Trust and Security Agreement dated as of June 1, 2018, from the County to a Deed of Trust Trustee for the County’s benefit, as supplemented by the Deed of Trust Supplement dated as of May 1, 2019.

“Refinancing Costs” means the costs of principal, interest, prepayment premium or penalty and any similar costs required to pay in full all the County’s obligations with respect to the following County borrowings: [2010 General Obligation Refunding Bonds; 2011 General Obligation Refunding Bonds; 2012 DENR State water loan; 2012 Limited Obligation Bonds; 2013 SunTrust installment financing; 2016 First Bank installment financing] *[will use formal, complete names once we have a final selection]*

“Supplemental Agreement” means this Second Supplemental Trust Agreement, as it may be properly amended or supplemented from time to time.

“Trust Agreement” means the Prior Agreement as modified and supplemented by this Supplemental Agreement, as it may be further amended or supplemented from time to time.

All other capitalized terms used in this Second Supplemental Trust Agreement and not otherwise defined have the meanings ascribed thereto in the 2018 Agreement.

bear interest from the date to which interest has been paid). Principal and interest are payable in lawful money of the United States of America.

This Bond is one of an issue of [\$50,000,000] Limited Obligation Bonds, Series 2019B (the "Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity. The Bonds are issued under, and are equally and ratably secured by, a Trust Agreement dated as of June 1, 2018, between the County and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as supplemented by agreements between the County and that Trustee and dated (1) as of May 1, 2019, and (2) as of November 1, 2019 (as supplemented, the "Trust Agreement").

This Bond constitutes an installment contract within the meaning of Section 160A-20 of the North Carolina General Statutes, as the same may be in effect from time to time ("Section 160A-20"), between the County and the owner (from time to time) of this Bond. The Bonds are payable solely from funds appropriated on an annual basis by the County's governing Board of Commissioners, and other funds available for the purpose of payment pursuant to the Trust Agreement, such as certain net insurance and condemnation awards and the proceeds of remedial action, which revenues and other moneys have been pledged as described in the Trust Agreement to secure payment of the Bonds. Neither the County's faith and credit nor its taxing power is pledged to the payment of any amounts due under the Bonds. As provided for under Section 160A-20, no deficiency judgment may be rendered against the County in any action for breach of a contractual obligation under the Bonds or the Trust Agreement.

To further secure its obligations under the Trust Agreement, the County has granted, for the benefit of the Trustee on behalf of the owners of the Bonds, a security interest in certain public facilities and the related real property, and certain other property, pursuant to the Trust Agreement and a Deed of Trust and Security Agreement dated as of June 1, 2018, as supplemented by supplements dated (1) as of May 1, 2019, and (2) as of November 1, 2019 (as supplemented, the "Deed of Trust").

The security provided to owners of the Bonds under the Deed of Trust and otherwise is on parity with the security provided to owners of prior bonds issued under the Trust Agreement. Additional Bonds secured by a parity interest in the

property securing the Bonds may be issued under the terms and conditions set forth in the Trust Agreement.

Reference is made to the Trust Agreement and the Deed of Trust referenced above for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the County and the Trustee, the rights of the Owners of the Bonds and the terms upon which the Bonds are executed, delivered and secured, to all of which provisions the owner of this Bond, by the acceptance of this Bond, agrees.

The Bonds are issued by means of a book-entry system, with one certificate for each maturity immobilized at The Depository Trust Company, New York, New York ("DTC"), and not available for distribution to the public. Transfer of beneficial ownership interests in the Bonds in the principal amount of \$5,000 or any integral multiple thereof will be effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Principal and interest on the Bonds are payable to DTC or its nominee as registered owner of the Bonds. Neither the Trustee nor the County is responsible or liable for the transfer of ownership or payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the County so elects, the County and the Trustee will discontinue the book-entry system with DTC. If the County does not identify another qualified securities depository to replace DTC, the County will prepare and execute, and the Trustee will authenticate and deliver in exchange, replacement Bonds in the form of fully-registered Bonds.

Prior to any transfer of any Bonds outside of the book-entry only system as contemplated above (including, but not limited to, the initial transfer outside the book-entry only system), the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under the United States Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

The Bonds may not be redeemed prior to maturity except as provided in this Bond and in the Trust Agreement.

The Bonds maturing on or after October 1, 2030, are subject to redemption at the County's option in whole or in part on any date on or after October 1, 2029, upon payment of the principal amount to be prepaid plus interest accrued to the redemption date, without premium. If less than all the Bonds are to be redeemed pursuant to this provision, they will be redeemed among maturities in any manner the County chooses.

If less than all the Bonds of any maturity are called for redemption, the Trustee will select the Bonds to be redeemed by lot; provided, however, that so long as a book-entry system with DTC is used for recording beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC and its participants will determine which of the Bonds within any such maturity are to be redeemed.

In any case, (1) the portion of any Bond to be prepaid will be in the principal amount of \$5,000 or some integral multiple thereof, and (2) in selecting Bonds for redemption, each Bond will be considered as representing that number of Bonds which is obtained by dividing the principal amount of that Bond by \$5,000. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unpaid portion will be issued to the registered owner upon the surrender of the Bond.

The Trustee will send notice of redemption to DTC or its nominee as the Owner of the Bonds as provided in the Trust Agreement. The Trustee will send the notice not more than 60 days nor less than 30 days prior to the date fixed for redemption. Neither the Trustee nor the County is responsible for sending notices of redemption to anyone other than DTC or its nominee, so long as all the Bonds to be redeemed are held in a book-entry-only form with DTC.

If on or before the date fixed for redemption funds have been deposited with the Trustee to pay the principal and interest accrued to the redemption date with respect to the Bonds called for redemption, the Bonds or portions thereof thus called for redemption will cease to accrue interest from and after the redemption

date, will no longer be entitled to the benefits provided by the Trust Agreement, and will not be deemed to be Outstanding under the Trust Agreement.

The Owner of this Bond has no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement. Changes to or supplements of the Trust Agreement may be made to the extent and in the circumstances permitted by the Trust Agreement.

Ownership of this Bond will be registered on the Bond Register (as defined in the Trust Agreement) kept for that purpose by the Trustee, which will act as Bond registrar for the Bonds. This Bond may be exchanged, and its transfer may be effected, only by the Owner hereof in person or by attorney duly authorized in writing at the designated office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender and cancellation of this Bond. Upon exchange or registration of such transfer a new registered Bond or Bonds of the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued in exchange therefor.

The County and the Trustee may deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal of and interest due on this Bond and for all other purposes, and neither the County nor the Trustee will be affected by any notice to the contrary, except that interest payments will be made to the persons shown as Owners on the Trustee's registration books on the **Record Date**, which is the end of the calendar day on the 15th day of the month (whether or not a business day) preceding each Payment Date.

All acts, conditions and things required by the Constitution and laws of the State of North Carolina to happen, exist or be performed precedent to and in the execution and delivery of this Bond have happened, exist and have been performed.

This Bond and the issue of which it is a part are issued with the intent that North Carolina law will govern this Bond and all matters of its interpretation.

This Bond will not be entitled to any benefit under the Trust Agreement or be valid or obligatory for any purpose until the Trustee has executed the Certificate of Authentication appearing on this Bond.

IN WITNESS WHEREOF, the County has caused this instrument to be signed, sealed and delivered by duly authorized officers, as of the day and year first above written.

(SEAL)
ATTEST:

ORANGE COUNTY
NORTH CAROLINA

Donna S. Baker
Clerk, Board of Commissioners

By: _____
Bonnie B. Hammersley
County Manager

[Orange County, North Carolina
[\$50,000,000] Limited Obligation Bonds, Series 2019B]

This Bond has been approved under the provisions of Section 160A-20 and Article 8, Chapter 159 of the General Statutes of North Carolina.

Greg C. Gaskins
Secretary, North Carolina
Local Government Commission

By _____
[Greg C. Gaskins or
Designated Assistant]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds referred to in the Second Supplemental Trust Agreement dated as of November 1, 2019, between Orange County, North Carolina, and The Bank of New York Mellon Trust Company, N.A., as trustee.

Date of Authentication: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Authorized Officer

**[Orange County, North Carolina
[\$50,000,000] Limited Obligation Bonds, Series 2019B]**

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or type transferee's name and address, including zip code)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE:

[Empty rectangular box for identifying number]

the within bond and all rights thereunder, hereby irrevocably constituting and appointing _____, Attorney, to transfer said certificate on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(Signature of Owner)

NOTICE: Signature(s) must be guaranteed by a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program

NOTICE: The signature above must correspond with the name the Owner as it appears on the front of this certificate in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT D – Schedule of Payments on 2019B Bonds

Principal is payable in the amounts and on the dates as shown below, subject to redemption of the 2019B Bonds as provided in this Supplemental Agreement. Interest is payable on the dates shown below.

The 2019B Bonds will bear interest from the Closing Date until paid. Interest is calculated at the rates shown in Section 1.04. The schedule below shows the expected interest payment amounts.

The County's obligation with respect to the 2019B Bonds on each Payment Date is the amount shown below as the "total payment" for that date, subject to adjustment as provided in Section 3.05(c) of the 2018 Agreement.

25th day of the month preceding --	Principal	Interest	Total Payment
10/1/2020			
4/1/2021	-		
10/1/2021			

Exhibit E – Form of Requisition

[Date] _____

The Bank of New York Mellon Trust Company, N.A., as Trustee
 Attention: Corporate Trust
 Regarding: Requisition under 2019B Supplemental
 Trust Agreement for Orange County, North Carolina

RE: Request by Orange County, North Carolina (the "County"), for disbursement of funds from a Bond Proceeds Fund created under a Second Supplemental Trust Agreement dated as of November 1, 2019 (the "2019B Agreement"), with Orange County, North Carolina (the "County")

To the Trustee:

Pursuant to the terms and conditions of the 2019B Agreement, the County authorizes and requests the disbursement of funds from the "Orange County 2019B Proceeds Fund" established under that 2019B Agreement for the costs described below.

Capitalized terms used in this requisition and not otherwise defined have the meanings ascribed in the 2019B Agreement.

This is requisition number 2019 - ____ from the 2019B Proceeds Fund.

Total Amount for Disbursement	
Payee	
Payee's address	

Orange County makes this requisition pursuant to the following representations:

1. The County has appropriated in its current fiscal year funds sufficient to pay the Bond Payments and estimated Additional Payments due in the current fiscal year.
2. The purpose of this disbursement is for payment of 2019B Project Costs as provided for in the Trust Agreement.
3. The requested disbursement has not been subject to any previous requisition.
4. No notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable herein to any of the persons, firms or corporations named herein has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition.
5. This requisition contains no items representing payment on account of any percentage entitled to be retained on the date of this requisition.
6. No Event of Default is continuing, and no event or condition is existing which, with notice or lapse of time or both, would become an Event of Default.
7. The County has insurance in place that complies with the insurance requirements of the Trust Agreement.
8. No portion of the amounts set forth in this requisition represents amounts paid or payable as North Carolina state sales taxes.

ORANGE COUNTY, NORTH CAROLINA

By: **[Exhibit Form Only - Do Not Sign]**

Title: _____
County Representative

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2019**NEW ISSUE BOOK-ENTRY ONLY**

Ratings: Moody's: []

S&P: []

Fitch: []

In the opinion of Bond Counsel, under existing law and subject to conditions described under "TAX TREATMENT" herein, interest on the 2019B Bonds paid by the County (1) is not includable in the recipient's gross income for federal income tax purposes, (2) is not an item of tax preference for purposes of the federal alternative minimum income tax, and (3) is exempt from current State of North Carolina income taxes. See "TAX TREATMENT" herein for additional information regarding other federal, State and local tax consequences arising from ownership or receipt of interest on the 2019B Bonds.



\$[_____]*
ORANGE COUNTY, NORTH CAROLINA
LIMITED OBLIGATION BONDS, SERIES 2019B

Dated: Date of Delivery**Due:** October 1, as shown on the inside front cover

This Official Statement has been prepared by Orange County, North Carolina (the "County") to provide information on the Orange County, North Carolina, Limited Obligation Bonds, Series 2019B (the "2019B Bonds"). Selected information is presented on this cover page for the convenience of the user. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Security:

The payment by the County of the principal of and interest on the 2019B Bonds is limited to funds appropriated for that purpose by the Board of Commissioners for the County in its sole discretion, except to the extent payable from Bond proceeds, investment earnings, Net Proceeds related to casualty or condemnation proceeds, or amounts derived from the enforcement of remedies on default.

As security for the 2019B Bonds, the Prior Bonds and all other Bonds issued under the Trust Agreement (as such terms are defined herein), the County has executed and delivered a deed of trust, as amended, and will execute and deliver a second supplement to such deed of trust granting, among other things, a lien of record on the Mortgaged Property subject to Permitted Encumbrances (as such terms are defined herein).

THE OBLIGATION TO MAKE PAYMENTS WITH RESPECT TO THE 2019B BONDS IS NOT A GENERAL OBLIGATION OF THE COUNTY, AND THE TAXING POWER OF THE COUNTY IS NOT PLEDGED DIRECTLY OR INDIRECTLY TO SECURE ANY MONIES DUE TO THE OWNERS OF THE 2019B BONDS. See the caption "SECURITY AND SOURCES OF PAYMENT OF 2019B BONDS" herein.

Redemption:

The 2019B Bonds are subject to redemption as described herein.

Purpose:

Proceeds of the 2019B Bonds will be used to (1) finance the acquisition, construction, equipping and improvement of certain County facilities as further described herein, and (2) pay certain costs incurred in connection with the issuance of the 2019B Bonds.

Interest Payment Dates:

April 1 and October 1 of each year, commencing October 1, 2020.

Denomination:

\$5,000 or integral multiples thereof.

Delivery:

On or about November 5, 2019.

Bond Counsel:

Sanford Holshouser LLP

County Attorney:

John L. Roberts, Esq.

Financial Advisor:

Davenport & Company LLC

Underwriters' Counsel:

McGuireWoods LLP

Trustee:

The Bank of New York Mellon Trust Company, N.A.

Baird**FTN Financial Capital Markets**

The date of this Official Statement is October __, 2019.

*Preliminary, subject to change.

MATURITY SCHEDULE FOR 2019B BONDS*

\$[_____] Serial 2019B Bonds

Due October 1	Principal Amount	Interest Rate	Yield	CUSIP**
2020	\$			
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				

[\$ _____ % Term 2019B Bonds due October 1, 20__, Yield ____%, CUSIP _____**]

* Preliminary, subject to change.

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright © 2019 CUSIP Global Services. All rights reserved. CUSIP data herein is provided by S&P Capital IQ, a division of McGraw-Hill Financial, Inc. The CUSIP data herein is provided solely for the convenience of reference only. Neither the County nor the Underwriters are responsible for selection or use of these CUSIP numbers, and no representation is made as to their correctness on the 2019B Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2019B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2019B Bonds.

IN CONNECTION WITH THIS OFFERING, ROBERT W. BAIRD & CO. INCORPORATED AND FTN FINANCIAL CAPITAL MARKETS (THE "UNDERWRITERS") MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2019B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the 2019B Bonds by any person in any jurisdiction in which it is not lawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County and other sources that are deemed to be reliable.

NEITHER THE 2019B BONDS NOR THE TRUST AGREEMENT (AS SUCH TERMS ARE DEFINED HEREIN) HAVE BEEN REGISTERED OR QUALIFIED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED AND SECTION 304(a)(4) OF THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE 2019B BONDS OR THE TRUST AGREEMENT IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAW OF THE STATES IN WHICH THE 2019B BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE OF THE 2019B BONDS SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE DATE HEREOF.

References to web site addresses presented herein (including the appendices hereto) are for informational purposes only and may be in the form of hyperlinks solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not intended to be active hyperlinks or incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

The information set forth herein has been obtained from sources which are believed to be reliable and is in a form deemed final by the County for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information contained herein is subject to change after the date of this Official Statement, and this Official Statement speaks only as of its date.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

ORANGE COUNTY, NORTH CAROLINA

BOARD OF COMMISSIONERS

Penny Rich, Chair
Renee Price, Vice-Chair
Jamezetta Bedford
Mark Dorosin
Sally Greene
Mark Marcoplos
Earl McKee

COUNTY STAFF

Bonnie B. Hammersley County Manager
Travis Myren..... Deputy County Manager
Gary Donaldson Chief Financial Officer
Paul Laughton Deputy Director, Finance and Administrative Services
John L. Roberts, Esq. County Attorney

BOND COUNSEL

Sanford Holshouser LLP

FINANCIAL ADVISOR

Davenport & Company LLC

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\$[_____]*
Orange County, North Carolina
Limited Obligation Bonds, Series 2019B

INTRODUCTION

The purpose of this Official Statement, which includes the Appendices hereto, is to provide certain information in connection with the Orange County, North Carolina Limited Obligation Bonds, Series 2019B in the aggregate principal amount of \$[_____]* (the “2019B Bonds”).

The 2019B Bonds will be issued pursuant to a Trust Agreement dated as of June 1, 2018 (the “2018 Trust Agreement”), as previously supplemented and as supplemented by a Second Supplemental Trust Agreement dated as of November 1, 2019 (the “Second Supplemental Trust Agreement”), each between Orange County, North Carolina (the “County”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

The County has previously issued its \$7,510,000 Limited Obligation Bonds, Series 2018 (the “2018 Bonds”), of which \$[6,715,000] in principal amount is currently Outstanding, pursuant to the Trust Agreement and its \$14,135,000 Limited Obligation Bonds, Series 2019A (the “2019A Bonds” and, together with the 2018 Bonds, the “Prior Bonds”), all of which remain Outstanding, pursuant to the Trust Agreement and the First Supplemental Trust Agreement dated as of May 1, 2019 (the “First Supplemental Trust Agreement” and, together with the 2018 Trust Agreement and the Second Supplemental Trust Agreement, the “Trust Agreement”), each between the County and the Trustee.

Capitalized terms used in this Official Statement, unless otherwise defined herein, have the meanings set out in Appendix C hereto under the caption “**DEFINITIONS.**”

This Introduction provides only certain limited information with respect to the contents of this Official Statement and is expressly qualified by the Official Statement as a whole. Prospective investors should review the full Official Statement and each of the documents summarized or described herein. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

THE COUNTY

The County is a political subdivision of the State of North Carolina (the “State”). See Appendix A, “**THE COUNTY,**” hereto for certain information regarding the County. The County’s most recent audited financial statements are contained in Appendix B hereto.

PURPOSE

The 2019B Bonds are being issued in order to (1) finance the acquisition, construction, equipping and improvement of certain County facilities as further described herein and (2) finance certain costs incurred in connection with the execution and delivery of the 2019B Bonds. See “**THE PLAN OF FINANCE**” and “**ESTIMATED SOURCES AND USES OF FUNDS**” herein.

SECURITY

The payment by the County of the principal of and interest on the 2019B Bonds is limited to funds appropriated for that purpose by the Board of Commissioners for the County in its sole discretion,

* Preliminary, subject to change.

except to the extent payable from Bond proceeds, investment earnings, Net Proceeds related to casualty or condemnation proceeds, or amounts derived from the enforcement of remedies on default.

As security for the 2019B Bonds, the Prior Bonds and any additional bonds issued under the Trust Agreement on a parity therewith (the “Additional Bonds” and, together with the 2019B Bonds and the Prior Bonds, the “Bonds”), the County has executed and delivered to a deed of trust trustee (the “Deed of Trust Trustee”), for the benefit of the Trustee, a Deed of Trust dated as of June 1, 2018 (the “2018 Deed of Trust”), and a Deed of Trust Supplement dated as of May 1, 2019 (the “First Deed of Trust Supplement”), supplementing the 2018 Deed of Trust (as so supplemented, the “Existing Deed of Trust”), granting a lien of record on the site of the County’s Government Services Annex located in Hillsborough, North Carolina (the “Government Services Annex”), the County’s Meadowlands Emergency Operations Center located in Hillsborough, North Carolina (the “Emergency Operations Center”), the County’s Visitors Center in Chapel Hill, North Carolina (the “Visitors Center”) and land owned by the County in Hillsborough, North Carolina, which will be the site of the County’s Northern Campus (the “Northern Campus”), the County’s Link Center (the “Link Center”), the County District Attorney’s office building (the “District Attorney’s Building”), and the real estate improvements thereon and appurtenances thereto (collectively, the “Existing Mortgaged Property”), all as more particularly described in the Existing Deed of Trust, subject only to Permitted Encumbrances (as defined in **Appendix C** hereto). As security for the Bonds and in connection with the issuance of the 2019B Bonds, the County will execute and deliver to the Deed of Trust Trustee, for the benefit of the Trustee, a Deed of Trust Supplement #2 dated as of November 1, 2019 (the “Second Deed of Trust Supplement”), supplementing the Existing Deed of Trust (as so supplemented, the “Modified Deed of Trust”), granting a lien of record on the site of the County’s Southern Campus, located in Chapel Hill, North Carolina (the “Southern Campus”), and the real estate improvements thereon and appurtenances thereto (the “2019B Mortgaged Property” and, together with the Existing Mortgaged Property, the “Mortgaged Property”), subject only to Permitted Encumbrances.

The Modified Deed of Trust authorizes future obligations evidenced by Additional Bonds as described below, to be secured by the Modified Deed of Trust, provided that the total amount of present and future obligations secured by the Modified Deed of Trust at any one time does not exceed \$200,000,000 and such future obligations are incurred not later than 30 years from the date of the 2018 Deed of Trust.

In addition, the County will grant to the Trustee a lien on and security interest in all moneys held by the Trustee in the funds and accounts created under the Trust Agreement.

If a default occurs under the Trust Agreement, the Trustee is authorized to direct the Deed of Trust Trustee to foreclose on the Mortgaged Property and apply the proceeds received as a result of any such foreclosure to the payment of the amounts due to the owners of the 2019B Bonds and the Prior Bonds, subject to the rights of the owners of any other Bonds. No assurance can be given that any such proceeds will be sufficient to pay the principal of and the interest on the Bonds. In addition, no deficiency judgment can be rendered against the County if the proceeds from any such foreclosure sale (together with other funds that may be held by the Trustee under the Trust Agreement) are insufficient to pay the Bonds in full. The 2019B Bonds do not constitute a pledge of the County’s faith and credit within the meaning of any constitutional provision. See the caption “**SECURITY AND SOURCES OF PAYMENT OF 2019B BONDS**” herein.

THE 2019B BONDS

The 2019B Bonds will be dated as of their date of delivery. Interest is payable on April 1 and October 1 of each year, beginning October 1, 2020, at the rates set forth on the inside front cover page of

this Official Statement. Principal is payable, subject to redemption as described herein, on October 1 in the years and in the amounts set forth on the inside front cover page of this Official Statement.

ADDITIONAL BONDS

Under the conditions described in the Trust Agreement, without the approval or consent of the Owners of the then-outstanding Bonds and without notice to such Owners, Additional Bonds may be delivered and secured on parity with the 2019B Bonds and the Prior Bonds to provide funds (a) to expand or improve the Pledged Facilities, (b) to construct further improvements to the Pledged Sites, (c) to refund any Outstanding Bonds, (d) to pay financing costs or establish reserves in connection with the issuance of Additional Bonds, (e) for any other purpose that may be allowed by law from time to time, including the acquisition and construction of additional public facilities, whether or not those facilities are related to the Pledged Facilities or the Pledged Sites, or (f) for any combination of such purposes.

BOOK-ENTRY ONLY

The 2019B Bonds will be delivered in book-entry form only without physical delivery of certificates to beneficial owners of the 2019B Bonds. Payments to beneficial owners of the 2019B Bonds will be made by The Depository Trust Company (“DTC”), New York, New York, and its participants. See Appendix E, “**BOOK-ENTRY ONLY SYSTEM**” hereto. So long as Cede & Co. is the registered owner of the 2019B Bonds, references herein to registered owner or Owners of the 2019B Bonds means Cede & Co. and not the beneficial owners of the 2019B Bonds.

TAX STATUS

In the opinion of Bond Counsel, under existing law and subject to conditions described under “**TAX TREATMENT**” herein, interest on the 2019B Bonds paid by the County (1) is not includable in the recipient’s gross income for federal income tax purposes, (2) is not an item of tax preference for purposes of the federal alternative minimum income tax, and (3) is exempt from current State of North Carolina income taxes. See “**TAX TREATMENT**.”

PROFESSIONALS

Robert W. Baird & Co. Incorporated and FTN Financial Capital Markets (the “Underwriters”) are underwriting the 2019B Bonds. The Bank of New York Mellon Trust Company, N.A. is serving as Trustee with respect to the 2019B Bonds. Davenport & Company LLC is serving as financial advisor. Sanford Holshouser LLP is serving as Bond Counsel. John L. Roberts, Esq. is the County Attorney. McGuireWoods LLP is serving as counsel to the Underwriters.

ADDITIONAL INFORMATION

Summaries of the Trust Agreement and the Modified Deed of Trust, including a list of definitions of certain terms, are included as Appendix C. All quotations from and summaries and explanations of the Trust Agreement and the Modified Deed of Trust contained in this Official Statement, including in Appendix C, do not purport to be complete. Reference is made to such documents for full and complete statements of their respective provisions.

Additional information and copies in reasonable quantity of the principal financing documents may be obtained from the County at 200 South Cameron Street, Hillsborough, North Carolina 27278, Attention: Chief Financial Officer. Copies of such documents can also be obtained during the offering period from Robert W. Baird & Co. Incorporated at 380 Knollwood Street, Suite 440, Winston-Salem,

North Carolina 27103 or FTN Financial Capital Markets at 845 Crossover Lane, Memphis, Tennessee 38117. After the offering period, copies of such documents may be obtained from the Trustee at 10161 Centurion Parkway, Jacksonville, Florida 32256.

THE 2019B BONDS

AUTHORIZATION

The County is issuing the 2019B Bonds pursuant to the provisions of Section 20 of Chapter 160A of the North Carolina General Statutes and Article 8 of Chapter 159 of the North Carolina General Statutes, each as amended (collectively, the “Act”), and a resolution of the Board of Commissioners of the County adopted on October 1, 2019. Each 2019B Bond will be deemed an “installment contract” under the Act.

In addition, the County’s issuance of the 2019B Bonds received the unanimous approval of the North Carolina Local Government Commission (the “LGC”) on October 1, 2019. The LGC is a division of the State Treasurer’s office charged with general oversight of local government finance in the State of North Carolina (the “State”). LGC approval is required for substantially all bond issues and other local government financing arrangements in the State. Before approving an installment financing (which includes the financing arrangement for the 2019B Bonds), the LGC must determine, among other things, that (1) the proposed financing is necessary and expedient, (2) the financing, under the circumstances, is preferable to a general obligation or revenue bond issue for the same purpose, and (3) the sums to fall due under the proposed financing are not excessive for the local government.

GENERAL

Payment Terms. The 2019B Bonds will be dated their date of delivery. Interest on the 2019B Bonds is payable on each April 1 and October 1 (the “Payment Dates”), beginning October 1, 2020, at the rates set forth on the inside front cover page of this Official Statement (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest payments will be made to the person shown as the owner of the 2019B Bond as of the applicable Record Date. “Record Date” means the end of the calendar day on the 15th day of the month (whether or not a Business Day) preceding a Payment Date. Principal on the 2019B Bonds is payable on October 1 in the years and amounts set forth on the inside front cover page of this Official Statement. Payments will be effected through DTC. See Appendix E, “**BOOK-ENTRY ONLY SYSTEM**” hereto.

Registration and Exchange. So long as DTC or its nominee is the registered owner of the 2019B Bonds, transfers and exchanges of beneficial ownership interests in the 2019B Bonds will be available only through DTC Participants and DTC Indirect Participants. See Appendix E, “**BOOK-ENTRY ONLY SYSTEM**” hereto. The Trust Agreement describes provisions for transfer and exchange applicable if a book-entry system is no longer in effect. These provisions generally provide that the transfer of the 2019B Bonds is registrable by the Owners thereof, and the 2019B Bonds may be exchanged for an equal aggregate, unredeemed principal amount of 2019B Bonds of the authorized denomination and of the same maturity and interest rate, only upon presentation and surrender of the 2019B Bonds to the Trustee at the principal corporate trust office of the Trustee together with an executed instrument of transfer in a form approved by the Trustee in connection with any transfer. The Trustee may require the person requesting any transfer or exchange to reimburse it for any shipping and tax or other governmental charge payable in connection therewith.

REDEMPTION PROVISIONS

Optional Redemption. The 2019B Bonds maturing on or after October 1, 20__ are subject to redemption at the County's option, in whole or in part on any date on or after October 1, 20__, upon payment of the principal amount to be redeemed plus interest accrued to the redemption date, without premium.

Mandatory Sinking Fund Redemption. [To be added if needed]

Selection. If less than all of the 2019B Bonds are to be optionally redeemed as described above, the County in its discretion may elect which maturities of 2019B Bonds are to be redeemed. If less than all the 2019B Bonds of any maturity are to be redeemed, the Trustee shall select the 2019B Bonds to be redeemed by lot; provided, however, that so long as a book-entry system with DTC is used for determining beneficial ownership of 2019B Bonds, if less than all the 2019B Bonds within a maturity are to be redeemed, the parties agree that DTC may determine which of the 2019B Bonds within the maturity are to be redeemed in accordance with DTC's then-current rules and procedures.

In any case, (1) the portion of any 2019B Bond to be redeemed must be in the principal amount of \$5,000 or some multiple thereof, and (2) in selecting 2019B Bonds for redemption, each 2019B Bond will be considered as representing that number of 2019B Bonds which is obtained by dividing the principal amount of that 2019B Bond by \$5,000. If a portion of a 2019B Bond is called for redemption, a new 2019B Bond of the same maturity in principal amount equal to the unpaid portion will be delivered to the registered owner upon the surrender of the 2019B Bond.

Effect of Call for Redemption. If on or before the date fixed for redemption funds are deposited with the Trustee to pay the principal and interest accrued to the redemption date with respect to the 2019B Bonds called for redemption, the 2019B Bonds or portions of the 2019B Bonds called for redemption cease to accrue interest from and after the redemption date, and thereafter those 2019B Bonds (1) are no longer entitled to the benefits provided by the Trust Agreement and (2) are not deemed to be Outstanding under the Trust Agreement.

Notice of Redemption. The Trustee, at the County's direction, upon being satisfactorily indemnified with respect to expenses and with at least two Business Days' notice, will send notice of redemption no less than 30 nor more than 60 days prior to the redemption date, as follows: (1) with respect to any 2019B Bonds being called for redemption for which DTC or its nominee is the registered owner, to DTC, in whatever manner may be provided for under DTC's standard operating rules as then in effect (and if the Trustee is unable to determine those rules, by registered or certified mail, return receipt requested); (2) with respect to any 2019B Bonds for which no book-entry only system of registration is in effect, to each of the registered owners of those 2019B Bonds at their addresses as shown on the Trustee's registration books, by registered or certified mail; and (3) in any case, both (A) to the Municipal Securities Rulemaking Board for posting on its "EMMA" continuing disclosure system, or any successor system, and (B) to the LGC.

Failure to give any notice specified in (1) or (2), as applicable, or any defect in that notice, will not affect the validity of any proceedings for the redemption of any 2019B Bonds with respect to which no failure has occurred. Failure to give any notice specified in (3), or any defect in that notice, will not affect the validity of any proceedings for the redemption of any 2019B Bonds with respect to which the notice specified in (1) or (2) is correctly given. Any notice mailed as provided in the Trust Agreement will conclusively be presumed to have been given regardless of whether received by any Owner.

Notwithstanding anything in the Trust Agreement to the contrary, the only remedy for the Trustee's failure to post any notice with the EMMA system will be an action by the holders of the 2019B Bonds, as applicable, in mandamus for specific performance or similar remedy to compel performance.

Any redemption notice, except a redemption notice in respect of a sinking fund payment date, may state that the redemption to be effected is conditioned upon (1) the Trustee's receipt on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the 2019B Bonds to be redeemed; or (2) any other condition not unacceptable to the Trustee. If a notice contains a condition and the Trustee either (i) does not receive moneys sufficient to pay the principal of and premium, if any, and interest on the 2019B Bonds on or prior to the redemption date, or (ii) the stated condition is not fulfilled, in either case on or prior to the redemption date, then redemption will not be made and the Trustee must, within a reasonable time, give notice in a manner in which the redemption notice was given that the moneys were not so received (or condition was not fulfilled) and the redemption was not made.

SECURITY AND SOURCES OF PAYMENT OF 2019B BONDS

GENERAL

The 2019B Bonds are payable from payments to be made by the County pursuant to the Trust Agreement and from certain other moneys, including certain Net Proceeds, if any, and certain amounts realized from any sale or lease of the Mortgaged Property, which payments and other moneys have been pledged to such payment as provided in the Trust Agreement.

PAYMENT OF BONDS; LIMITED OBLIGATION; BUDGET AND APPROPRIATIONS

The County shall cause to be paid, when due, the principal of (whether at maturity, by acceleration, or otherwise) and the premium, if any, and interest on the Bonds at the places, on the dates and in the manner described in the Trust Agreement. The County is obligated to pay Additional Payments in amounts sufficient to pay the fees and expenses of the Trustee, taxes or other expenses required to be paid pursuant to the Trust Agreement. Additional Payments are to be paid by the County directly to the person or entity to which such Additional Payments are owed.

In the Trust Agreement, the County agrees to include in the initial proposal for each of the County's annual budgets for review and consideration by the Board of Commissioners for the County, in any Fiscal Year, items for all Bond Payments and the reasonably estimated Additional Payments coming due in such Fiscal Year. Notwithstanding that the initial proposed budget includes an appropriation for Bond Payments and Additional Payments, the Board of Commissioners may determine not to include such an appropriation in the final County budget for such Fiscal Year; further, the Board of Commissioners may amend an adopted budget to reduce or delete an approved appropriation. An Event of Nonappropriation constitutes an Event of Default under the Trust Agreement, which entitles the Trustee to exercise its remedies under the Trust Agreement, including its rights to foreclose on the Mortgaged Property under the Modified Deed of Trust.

IN CONNECTION WITH THE BOND PAYMENTS AND THE ADDITIONAL PAYMENTS, THE APPROPRIATION OF FUNDS THEREFOR IS WITHIN THE SOLE DISCRETION OF THE BOARD OF COMMISSIONERS OF THE COUNTY.

TRUST AGREEMENT

Under the Trust Agreement, the County has granted to the Trustee for the benefit of the Owners of the Bonds a lien on and security interest in all moneys and securities from time to time held by the Trustee under the Trust Agreement.

DEED OF TRUST

General. In connection with the execution and delivery of the 2018 Bonds and the 2019A Bonds, the County executed and delivered the Existing Deed of Trust, to provide security for its obligations under the Trust Agreement by granting a lien of record on the Government Services Annex, the Emergency Operations Center, the Visitors Center, the Link Center, the District Attorney's Building and the Northern Campus. In connection with the execution and delivery of the 2019B Bonds, the County will execute and deliver the Second Deed of Trust Supplement, granting a lien of record on the Southern Campus. The Modified Deed of Trust secures the Prior Bonds, the 2019B Bonds and any Additional Bonds issued under the Trust Agreement.

ONLY THE SITES ON WHICH (1) THE GOVERNMENT SERVICES ANNEX, (2) THE EMERGENCY OPERATIONS CENTER, (3) THE VISITORS CENTER, (4) THE LINK CENTER (5) THE DISTRICT ATTORNEY'S BUILDING, (6) THE NORTHERN CAMPUS, AND (7) THE SOUTHERN CAMPUS ARE LOCATED WILL BE INCLUDED IN THE DEFINITION OF "MORTGAGED PROPERTY" AND, CONSEQUENTLY, SUCH REAL PROPERTY AND ANY IMPROVEMENTS THEREON WILL BE SUBJECT TO THE LIEN CREATED BY THE MODIFIED DEED OF TRUST. See "**THE PLAN OF FINANCE**" herein.

The Modified Deed of Trust authorizes future obligations evidenced by Additional Bonds executed and delivered under the Trust Agreement to be secured by the Modified Deed of Trust, provided that the total amount of present and future obligations secured thereby at any one time does not exceed \$200,000,000 and such future obligations are incurred not later than 30 years from June 1, 2018.

The Modified Deed of Trust will be recorded in the office of the Register of Deeds of Orange County, North Carolina, and the liens created thereby will be insured by a title insurance policy.

Release of Security. The Trustee is required, upon the County's direction and at any time, to execute and deliver all documents necessary to effect the release of all or a portion of the Mortgaged Property from the lien of the Modified Deed of Trust upon the County's compliance with the following requirements:

(a) The County must file with the Trustee a certificate executed by a County Representative, (i) stating that (A) no Event of Default is continuing, (B) that the grant or release will not materially impair the intended use of the property remaining subject to the Modified Deed of Trust and (C) the release complies with the requirements of the Modified Deed of Trust, (ii) providing a copy of the proposed instrument of grant or release, including a complete legal description of the property to be released, (iii) providing a written application signed by a County Representative requesting such instrument be executed and delivered, and (iv) providing evidence of compliance with (b) or (c) below, and.

(b) In the case of a proposed release of all the Mortgaged Property, the County must pay to the Trustee (or other fiduciary) an amount (i) which is sufficient to provide for the payment in full of all Outstanding Bonds in accordance with the Trust Agreement and (ii) which is required to be used for such payment.

(c) In connection with the release of a portion (but less than all) of the Mortgaged Property, the County must provide evidence to the Trustee that the appraised, tax or insured value of that portion of the Mortgaged Property that is proposed to remain subject to the lien of the Modified Deed of Trust is not less than 50% of the aggregate principal component of the Bonds Outstanding at the time the release is effected.

(d) Notwithstanding the requirements described in (c) above, the County need not make any showing as to the value of the remaining Mortgaged Property and is not required to represent that there is no Event of Default continuing in connection with the release of (i) any building that lies on the same parcel of property as the Government Services Annex, along with (ii) ingress, egress and parking facilities reasonably appropriate for the use of that building. The Trustee is required to grant the release described in this paragraph even during the continuation of an Event of Default, but may not otherwise release property under (c) above during the continuation of an Event of Default.

In addition to the provisions for release described above, the County may from time to time grant easements, licenses, rights-of-way and other similar rights with respect to any part of the Mortgaged Property, and the County may release such interests, with or without consideration, and the County may dispose of any undesirable or unnecessary Fixture, so long as such grant or disposition does not materially impair the intended use of the Mortgaged Property.

See “**THE DEED OF TRUST—No Transfers; Releases; Grants of Easements**” in Appendix C hereto.

ENFORCEABILITY

The enforceability of the parties’ obligations under the Trust Agreement and the Modified Deed of Trust are subject to bankruptcy, insolvency, reorganization and other laws related to or affecting the enforcement of creditors’ rights generally and, to the extent that certain remedies under such instruments require or may require enforcement by a court, to such principles of equity as the court having jurisdiction may impose.

NOTWITHSTANDING ANYTHING THEREIN TO THE CONTRARY, THE DELIVERY OF THE 2019B BONDS SHALL NOT BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. IN ADDITION, NEITHER THE 2019B BONDS NOR THE TRUST AGREEMENT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATES THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE BOARD OF COMMISSIONERS FOR ANY FISCAL YEAR IN WHICH THE 2019B BONDS ARE OUTSTANDING. IF THE COUNTY FAILS TO MAKE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS, THE TRUSTEE MAY DECLARE THE ENTIRE UNPAID PRINCIPAL OF THE BONDS TO BE IMMEDIATELY DUE AND PAYABLE AND DIRECT THE DEED OF TRUST TRUSTEE TO INSTITUTE FORECLOSURE PROCEEDINGS UNDER THE MODIFIED DEED OF TRUST AND PROCEED IN ACCORDANCE WITH LAW TO ATTEMPT TO DISPOSE OF THE MORTGAGED PROPERTY AND APPLY THE PROCEEDS OF SUCH DISPOSITION TOWARD ANY BALANCE, OWING BY THE COUNTY ON THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUCH PROCEEDS WILL BE SUFFICIENT TO PAY ALL PRINCIPAL OF AND INTEREST ON THE BONDS. IN ADDITION, SECTION 160A-20(f) OF THE NORTH CAROLINA GENERAL STATUTES PROVIDES THAT NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY FOR BREACH OF ANY CONTRACTUAL OBLIGATION AUTHORIZED UNDER SECTION 160A-20 AND THAT THE TAXING POWER OF THE COUNTY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY TO SECURE ANY MONEYS DUE FROM THE COUNTY. See “**THE TRUST AGREEMENT—Defaults and Remedies under the Trust Agreement - Acceleration**” and “**– Other Remedies**” and “**THE DEED OF TRUST—Defaults and Remedies; Foreclosure**” in Appendix C hereto and the caption “**CERTAIN RISKS OF 2019B BOND OWNERS**” herein.

ADDITIONAL BONDS

Under the conditions described in the Trust Agreement, without the approval or consent of the Owners of the then Outstanding 2019B Bonds, Additional Bonds may be delivered and secured on parity with the 2019B Bonds and the Prior Bonds to provide funds (a) to expand or improve the Pledged Facilities, (b) to construct further improvements to the Pledged Sites, (c) to refund any Outstanding Bonds, (d) to pay financing costs or establish reserves in connection with the issuance of Additional Bonds, (e) for any other purpose that may be allowed by law from time to time, including the acquisition and construction of additional public facilities, whether or not those facilities are related to the Pledged Facilities or the Pledged Sites, or (f) for any combination of such purposes. See “**THE TRUST AGREEMENT—Additional Bonds**” in Appendix C hereto.

USE OF NET PROCEEDS

The County must elect to use Net Proceeds and other funds available therefor, subject to provisions of the Trust Agreement, to repair and restore the Mortgaged Property or to redeem or defease the Bonds in whole (but not in part) pursuant to the optional redemption provisions described above or the defeasance provisions of the Trust Agreement, as appropriate. The County has no option to redeem the 2019B Bonds from Net Proceeds other than in accordance with the optional redemption provisions described above (which provide for no optional redemption prior to October 1, 20__).

AVAILABLE SOURCES FOR PAYMENT

GENERAL

The County may pay its obligations under the Trust Agreement from any source of funds, including revenues generated by the projects financed under the Trust Agreement and other facilities in the County, available to it in each year and appropriated therefor until maturity of the 2019B Bonds.

GENERAL FUND REVENUES

The County’s unaudited general fund revenues for the fiscal year ended June 30, 2019 were approximately \$[] million and for the fiscal year ending June 30, 2020 are budgeted to be \$[] million. General fund revenues are derived from various sources, including property taxes (which account for approximately 70% of the general fund revenues), sales taxes, fees and charges, as well as intergovernmental revenues. For the fiscal year ended June 30, 2019, the County imposed a property tax of \$0.8504 per \$100 of assessed value, all of which was appropriated to the General Fund by the County’s Board of Commissioners. For the fiscal year ending June 30, 2020, the County will impose a property tax of \$0.8654 per \$100 of assessed value. A rate of \$0.8504 per \$100 of assessed value in the fiscal year ended June 30, 2019 generated approximately \$[] million. A rate of \$0.8654 per \$100 of assessed value in the fiscal year ending June 30, 2020 is estimated to generate approximately \$[] million. The General Statutes of North Carolina permit counties to impose property taxes of up to \$1.50 per \$100 of assessed value for certain purposes without the requirement of a voter referendum. See Appendix B hereto for a description of the uses of the County’s general fund revenues for the fiscal year ended June 30, 2018.

THE PLAN OF FINANCE

The 2019B Bonds are being issued to provide funds to (1) finance the acquisition, construction, equipping and improvement of certain County facilities as further described below and (2) finance certain costs incurred in connection with the execution and delivery of the 2019B Bonds.

THE PROJECTS

Proceeds of the 2019B Bonds will be used to finance a variety of County projects. The County has adopted a practice of completing an annual financing to finance a broad range of acquisitions and improvements, so as to reduce its frequency of transactions and to handle projects that do not lend themselves conveniently to separate financings. The projects included in the current financing can be summarized, and the current estimates of the costs thereof, as follows:

<u>Category</u>	<u>Estimated Cost</u>
Northern Campus Project: site preparation for new detention center, agriculture-environment center, and parks and recreation administration building	\$6,880,837
Southern Campus Project: improvements to the driveway and access road to the Southern Campus, as well as providing additional parking	4,675,000
Seymour Center Expansion	990,000
River Park Phase II	160,000
Link Center Remediation	6,500,000
Passmore Center Remediation	199,114
Sportsplex Improvements/ Equipment	605,036
Community Loan Fund	224,340
Vehicle Replacements	998,550
Whitted Building – Elevator Work	154,000
Emergency Services Building Remediation	<u>324,000</u>
Total	\$21,710,877

THE MORTGAGED PROPERTY

The 2019B Bonds, the Prior Bonds and any Additional Bonds will be secured by the Mortgaged Property. The Mortgaged Property includes the County’s Government Services Annex, the Emergency Operations Center, the Visitors Center, the Link Center, the District Attorney’s Building, the County’s Southern Campus (all as described below), and the associated real estate, and the planned site for the County’s proposed new Northern Campus (as further described below). The “Mortgaged Property” is defined in the Modified Deed of Trust to include these facilities and real estate, and any additional improvements to the facilities and real estate, but generally does not include any equipment or furnishings associated with the property.

Government Services Annex. The Government Services Annex is a one-story building consisting of approximately 12,000 square feet on an approximately 9.32-acre site located at 208 South Cameron Street in Hillsborough, North Carolina. The Government Services Annex currently houses the County’s Board of Elections and related functions. The County has owned this property since it was built in 1968. The County estimates the insured value of this building (not including the equipment associated with the building, which is generally not part of the Mortgaged Property) to be approximately \$1.6 million. The Government Services Annex lies on the same platted lot as other County buildings and the Modified Deed of Trust allows the County to release either or both of those other buildings (along with the associated real estate, ingress and egress, and related parking) at any time at the County’s option, even during the continuation of an Event of Default.

Meadowlands Emergency Operations Center. The Emergency Operations Center is a two-story building consisting of approximately 22,000 square feet on an approximately three-acre site located in the Meadowlands Office Park in Hillsborough, North Carolina. This facility serves as the headquarters for the County's Emergency Management Services, including Public Safety Answering Point and all other E-911 operations. The County used a portion of the proceeds of the 2019A Bonds to finance certain repairs to the Emergency Operations Center necessary to address water intrusion. The County has owned this property since 2005. The County estimates the insured value of this building (not including the equipment associated with the building, which is generally not part of the Mortgaged Property) at approximately \$4.6 million.

Visitors Center. The Visitors Center is a two-story building consisting of approximately 7,400 square feet on an approximately 0.32-acre site located at 501 West Franklin Street in downtown Chapel Hill, North Carolina. The County has owned this property since 1997. The County estimates the insured value of this building (not including the equipment associated with the building, which is generally not part of the Mortgaged Property) at approximately \$1.6 million. The real estate on which the building sits has a tax value, according to County tax records, of approximately \$1.7 million for a total value of approximately \$3.3 million.

Link Center. The Link Center is located at 200 South Cameron Street in Hillsborough, North Carolina. The County used a portion of the proceeds of the 2019A Bonds to finance improvements to the Link Center. The County will use a portion of the proceeds of the 2019B Bonds to finance [repairs to the Link Center to remediate water intrusion]. The County estimates the value of this building (not including equipment, which is generally not part of the Mortgaged Property) at approximately \$4.7 million.

District Attorney's Building. The District Attorney's Building is located at 144 East Margaret Lane in Hillsborough, North Carolina. The County used a portion of the proceeds of the 2019A Bonds to finance certain repairs to the District Attorney's Building to remediate water intrusion. The County estimates the value of this building (not including equipment, which is generally not part of the Mortgaged Property) at approximately \$1.3 million.

Southern Campus. The County's Southern Campus is located at 2551 Homestead Road in Chapel Hill, North Carolina. The Southern Campus is the site of the County's Seymour Senior Center and the Southern Human Services Center. The County intends to construct and equip an expansion to the Seymour Senior Center with the proceeds of the 2019B Bonds, which expansion will include [redacted]. The County also intends to construct and equip additional parking spaces and improvements to the driveway and access road to the Southern Campus with the proceeds of the 2019B Bonds. The County estimates the value of the buildings located on the Southern Campus (not including equipment, which is generally not part of the Mortgaged Property) at approximately \$[redacted]. The real estate on which the Southern Campus sits has a tax value, according to County tax records, of approximately \$[redacted] million for a total value of approximately \$[redacted] million.

Northern Campus Site. The County acquired approximately 21 acres of land off U.S. Highway 70 in the northern section of the County in April 2018 to be the site of a new "Northern Campus" for the County. There are no structures currently on this property. Over the next several years, the County plans to build several buildings on this site, including a new [144]-bed detention center, an agricultural and environmental center, and a parks and recreation administration building. The County will finance site preparation related to such planned buildings with the proceeds of the 2019B Bonds. Such buildings will become part of the collateral for the Bonds, but the County may borrow to finance those buildings such that the new debt will also be secured by such buildings and the remainder of the Mortgaged Property. The County paid approximately \$394,500 for this property, and after providing for the rezoning of the property from an agricultural-residential classification to an institutional classification (to allow for the

construction of the detention center and other buildings), the County estimates the current value of this property to be approximately \$1.2 million. The County commissioned an independent environmental evaluation of the Northern Campus before completing the acquisition, and this evaluation called for no additional environmental action to be undertaken by the County prior to construction.

NO OTHER FACILITY OR IMPROVEMENT FINANCED WITH THE 2019B BONDS WILL BE INCLUDED AS PART OF THE MORTGAGED PROPERTY.

The Trust Agreement and Modified Deed of Trust generally allow the County to direct the release of any portion of the Mortgaged Property, in the County’s discretion, so long as the taxable, appraised or insured value of the property remaining subject to the lien of the Modified Deed of Trust following such release is at least equal to 50% of the principal amount of the Outstanding Bonds. See “**THE DEED OF TRUST—No Transfers; Releases; Grants of Easements**” in Appendix C hereto.

ESTIMATED SOURCES AND USES OF FUNDS

The County estimates the sources and uses of funds for the plan of finance to be as follows:

SOURCES:

Par Amount of the 2019B Bonds	
[Net] Original Issue Premium/Discount	
TOTAL SOURCES OF FUNDS	_____

USES:

Deposit to Project Fund	
Costs of Issuance ¹	
TOTAL USES OF FUNDS	_____

¹ Includes legal fees, underwriters’ compensation, financial advisor fees, rating agency fees, fees and expenses of the Trustee and miscellaneous fees and expenses.

TOTAL ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each Fiscal Year of the County, the debt service required to be paid by the County under the Trust Agreement with respect to the 2019B Bonds and the Prior Bonds.

<u>Fiscal Year</u> <u>(Ended June 30)</u>	<u>2019B</u> <u>Bonds Total</u> <u>Principal</u> <u>and Interest</u>	<u>Prior</u> <u>Bonds Total</u> <u>Principal</u> <u>and Interest</u> ¹	<u>Total</u>
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			

2035
 2036
 2037
 2038
 2039
 TOTAL¹

¹ Includes debt service on the 2018 Bonds and the 2019A Bonds.

Note: Totals may not foot due to rounding.

CERTAIN RISKS OF 2019B BOND OWNERS

INSUFFICIENCY OF PAYMENTS

If the County fails to pay any payments on the Bonds as the same become due or if another event of default occurs under the Trust Agreement, the Trustee may accelerate the principal with respect to the Bonds, direct the Deed of Trust Trustee to foreclose on the Mortgaged Property under the Modified Deed of Trust, take possession of the Mortgaged Property and attempt to dispose of the Mortgaged Property. See “**THE DEED OF TRUST**” in Appendix C hereto. Zoning restrictions and other land use factors relating to the Mortgaged Property may limit the use of the Mortgaged Property and may affect the proceeds obtained on any disposition by the Deed of Trust Trustee. THERE CAN BE NO ASSURANCE THAT THE MONEYS AVAILABLE IN THE FUNDS AND ACCOUNTS HELD BY THE TRUSTEE AND THE PROCEEDS OF ANY SUCH DISPOSITION OF THE MORTGAGED PROPERTY WILL BE SUFFICIENT TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST WITH RESPECT TO THE BONDS. SECTION 160A-20(f) OF THE GENERAL STATUTES OF NORTH CAROLINA PROVIDES THAT NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY FOR ANY AMOUNTS THAT MAY BE OWED BY THE COUNTY UNDER THE TRUST AGREEMENT, AND THE TAXING POWER OF THE COUNTY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS OWING BY THE COUNTY UNDER THE TRUST AGREEMENT. THE REMEDIES AFFORDED TO THE TRUSTEE AND THE OWNERS OF THE BONDS ON A DEFAULT BY THE COUNTY UNDER THE TRUST AGREEMENT ARE LIMITED TO THOSE OF A SECURED PARTY UNDER THE LAWS OF THE STATE OF NORTH CAROLINA, INCLUDING FORECLOSING ON THE MODIFIED DEED OF TRUST.

RISK OF NONAPPROPRIATION

The appropriation of moneys to make payments pursuant to the Trust Agreement is within the sole discretion of the Board of Commissioners of the County. If the Board of Commissioners fails to appropriate such moneys, the only sources of payment for the Bonds will be the moneys, if any, available in certain funds and accounts held by the Trustee under the Trust Agreement and the proceeds of any attempted foreclosure on the County’s interest in the Mortgaged Property under the Modified Deed of Trust.

VALUE OF COLLATERAL

The County’s estimated value of the Mortgaged Property (as further described under the caption above “**THE PLAN OF FINANCE – The Mortgaged Property**”) is at least \$[] million, which is approximately []%* of the aggregate principal amount of the 2019B Bonds and the outstanding 2019A Bonds and 2018 Bonds. This value is based in part on the County’s own estimates, and the County has not commissioned or obtained any appraisals for the purpose of this valuation. The amount of proceeds received through foreclosure of the County’s interest in the Mortgaged Property may be affected by a number of factors, including (1) the costs and expenses in enforcing the lien and security, (2) the

* Preliminary, subject to change.

condition of the Mortgaged Property, (3) the occurrence of any damage, destruction, loss or theft of the Mortgaged Property which is not repaired or replaced and for which there are not received from insurance policies or appropriated moneys from any risk management program, (4) problems relating to the paucity of alternative uses of the facilities arising from their design, zoning restrictions, use restrictions, easements and encumbrances on the Mortgaged Property and (5) environmental problems and risks with respect to the Mortgaged Property.

The Trust Agreement permits the issuance of Additional Bonds without regard to the value of the Mortgaged Property, and the Modified Deed of Trust allows for up to \$200 million in principal amount of Bonds to be secured thereby. To the extent that Additional Bonds are issued and no additional property is subject to the Modified Deed of Trust, the value of the collateral as a percentage of the outstanding principal amount of Bonds should be expected to decrease, which decrease may be material.

NO REPRESENTATION IS MADE AS TO THE VALUE OF, OR THE AMOUNT OF PROCEEDS THAT MAY BE REALIZED FROM, THE COUNTY'S INTEREST IN THE MORTGAGED PROPERTY IN THE EVENT OF A FORECLOSURE.

UNINSURED CASUALTY

If all or any part of the Mortgaged Property is damaged or destroyed by any casualty or taken by any governmental authority, the County is obligated under the Trust Agreement to apply any Net Proceeds from insurance or condemnation (1) to repair, restore or rebuild the Mortgaged Property or (2) to provide for the redemption or defeasance of all, but not less than all, of the Bonds. If the County applies any Net Proceeds to repair, restore or rebuild the Mortgaged Property and such Net Proceeds are not sufficient to repair, restore or rebuild the Mortgaged Property to its condition prior to such damage, destruction or taking, then the value of the Mortgaged Property would be reduced. The Trust Agreement requires that certain insurance be maintained with respect to the Mortgaged Property. Such insurance may not, however, cover all perils to which the Mortgaged Property is subject.

OUTSTANDING GENERAL OBLIGATION DEBT OF THE COUNTY

The County has issued general obligation bonds and may issue general obligation bonds and notes in the future. The County will pledge its faith and credit and taxing power to the payment of its general obligation bonds and notes to be issued. See Appendix A, "**THE COUNTY—DEBT INFORMATION**" attached hereto. FUNDS WHICH MAY OTHERWISE BE AVAILABLE TO PAY BOND PAYMENTS OR ADDITIONAL PAYMENTS OR TO MAKE OTHER PAYMENTS TO BE MADE BY THE COUNTY UNDER THE TRUST AGREEMENT MAY BE SUBJECT TO SUCH FAITH AND CREDIT PLEDGE BY THE COUNTY AND THEREFORE MAY BE REQUIRED TO BE APPLIED TO THE PAYMENT OF ITS GENERAL OBLIGATION INDEBTEDNESS.

ENVIRONMENTAL RISKS

A Phase I environmental site assessment was performed on the site of the Northern Campus in 2018, which revealed no recognized environmental conditions. [Is there a Phase I for the Southern Campus?] The sites of the Government Services Annex, the Emergency Operations Center and the Visitors Center have been owned by the County since 1968, 2005 and 1997, respectively. The sites of the Link Center and the District Attorney's office have been owned by the County since 1967 and 1992, respectively. [The site of the Southern Campus has been owned by the County since ____]. The County is not aware of any material environmental contamination on such sites.

Undiscovered or future environmental contamination could have a material adverse effect on the value of the Mortgaged Property; however, the County is required under the Trust Agreement to undertake whatever environmental remediation may be required by law.

ADDITIONAL BONDS

The County may execute and deliver Additional Bonds under the Trust Agreement that are secured by the Mortgaged Property, thereby diluting the relative value of the collateral with respect to the 2019B Bonds, the 2019A Bonds and the 2018 Bonds. In addition, remedies under the Trust Agreement and the Modified Deed of Trust are controlled by the Majority Owners. Upon issuance of the 2019B Bonds, the Owners of the 2019B Bonds will be Majority Owners, but may not continue to be the Majority Owners if Additional Bonds are issued or if a portion of the 2019B Bonds are redeemed or discharged prior to maturity.

BANKRUPTCY

Under current North Carolina law, a local governmental unit such as the County may not file for bankruptcy protection without (1) the consent of the LGC and (2) the satisfaction of the requirements of § 109(c) of the United States Bankruptcy Code. If the County were to initiate bankruptcy proceedings with the consent of the LGC and satisfy the requirements of 11 U.S.C. § 109(c), the bankruptcy proceedings could have material and adverse effects on holders of the 2019B Bonds, including (a) delay in enforcement of their remedies, (b) subordination of their claims to claims of those supplying goods and services to the County after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a plan of reorganization reducing or delaying payment of the 2019B Bonds. The effect of the other provisions of the United States Bankruptcy Code on the rights and remedies of the holders of the 2019B Bonds cannot be predicted and may be affected significantly by judicial interpretation, general principles of equity (regardless of whether considered in a proceeding in equity or at law) and considerations of public policy.

THE COUNTY

GENERAL

The County is located in the north-central portion of the State. The Town of Chapel Hill is the largest municipality in the County and is the home of The University of North Carolina at Chapel Hill. See Appendix A for a description of the County.

FINANCIAL INFORMATION

The financial statements of the County have been audited by certified public accountants for the fiscal year ended June 30, 2018. Excerpts from the financial statements of the County for the fiscal year ended June 30, 2018 are available in Appendix B hereto. Copies of the complete financial statements containing the unqualified report of the independent certified public accountants are available in the office of Gary Donaldson, Chief Financial Officer, 200 South Cameron St., Hillsborough, North Carolina 27278.

LEGAL MATTERS

LITIGATION

[County to confirm] To the best of the knowledge of the County, no litigation is now pending or threatened against or affecting the County which seeks to restrain or enjoin the authorization, execution or delivery of the 2019B Bonds, the Trust Agreement or the Modified Deed of Trust, or which contests the County's creation, organization or corporate existence, or the title of any of the present officers thereof to their respective offices or the authority or proceedings for the County's authorization, execution and delivery of the 2019B Bonds, the Trust Agreement or the Modified Deed of Trust, or the County's authority to carry out its obligations thereunder or which would have a material adverse impact on the County's condition, financial or otherwise.

OPINIONS OF COUNSEL

Legal matters related to the execution, sale and delivery of the 2019B Bonds are subject to the approval of Sanford Holshouser LLP. Certain legal matters will be passed upon for the County by its counsel, John L. Roberts, Esq., and for the Underwriters by their counsel, McGuireWoods LLP. The opinion of Sanford Holshouser LLP, as Bond Counsel, substantially in the form set forth in Appendix D hereto, will be delivered at the time of the delivery of the 2019B Bonds.

Bond Counsel's approving legal opinion expresses Bond Counsel's professional judgment as to the legal issues explicitly addressed in the opinion. By rendering a legal opinion, an opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Additionally, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction, and a bond opinion is not a statement (either expressly or by implication) concerning the marketability, value or likelihood of payment of the bonds.

Bond Counsel has not been engaged to investigate the County's operations or condition or the County's ability to provide for payments on the 2019B Bonds. Bond Counsel will express no opinion (1) as to the County's financial condition or its ability to provide for payments on the 2019B Bonds, or (2) as to the accuracy, completeness or fairness of any information that may have been relied on by anyone in making a decision to purchase 2019B Bonds, including this Official Statement. In this transaction, Bond Counsel serves only as bond counsel to the County.

TAX TREATMENT

OPINION OF BOND COUNSEL

In the opinion of Sanford Holshouser LLP, Carrboro, North Carolina, Bond Counsel for the County ("Bond Counsel"), under existing law, interest on the 2019B Bonds paid by the County (1) will not be included in gross income for federal income tax purposes, (2) will not be a specific item of tax preference for purposes of the federal alternative minimum income tax, and (3) will be exempt from existing State of North Carolina income taxes.

The proposed form of Bond Counsel's opinion is attached as Appendix D.

Bond Counsel's opinion does not address the tax-exempt status of payments on the 2019B Bonds derived from parties other than the County (for example, payments derived from proceeds of a foreclosure

on the Mortgaged Property), even if those payments are denominated as interest with respect to the 2019B Bonds.

Bond Counsel will give its opinion in reliance upon certifications by County representatives and others as to certain facts relevant to the opinion. The County has covenanted to comply with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), regarding, among other matters, the use, expenditure and investment of the proceeds derived from the sale of the 2019B Bonds and the timely payment to the United States of any arbitrage profit with respect to the 2019B Bonds. The County’s failure to comply with its covenants could cause interest on the 2019B Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2019B Bonds.

DISCOUNT BONDS

The initial public offering prices of the 2019B Bonds maturing on October 1, 20__ through October 1, 20__, inclusive (collectively, the “Discount Bonds”), are less than the amounts payable at maturity. An amount not less than the difference between the initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, wholesalers or other intermediaries) of the Discount Bonds and the amounts payable at maturity constitutes original issue discount. Under existing federal income tax law and regulations, the original issue discount on a Discount Bond is interest not includable in the gross income of an owner who purchases such Discount Bond in the original offering at the initial public offering price thereof and holds it to maturity, and such owner will not realize taxable gain upon payment of such Discount Bond at maturity. Owners who purchase Discount Bonds at a price other than the initial offering price or who do not purchase Discount Bonds in the initial public offering should consult their tax advisors with respect to the consequences of the ownership of such Discount Bonds. An owner who purchases a Discount Bond in the initial offering at the initial offering price and holds such Discount Bond to maturity is deemed under existing federal tax laws and regulations to accrue original issue discount on a constant yield basis under Section 1288 of the Code from the date of original issue. An owner’s adjusted basis in a Discount Bond is increased by accrued original issue discount for purposes of determining gain or loss on sale, exchange or other disposition of such Discount Bond. Accrued original issue discount may be taken into account as an increase in the amount of tax-exempt interest received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond, including in the calculation of adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed by the Code on corporations, even though there will not be a corresponding cash payment.

Bond Counsel’s opinion will not address issues relating to the treatment of original issue discounts on Discount Bonds. **Owners and prospective purchasers of Discount Bonds should consult their own tax advisors regarding the calculation of accrued original issue discount for federal income tax purposes and any North Carolina or other state and local tax consequences in connection with the ownership or disposition of Discount Bonds.**

PREMIUM BONDS

The initial public offering prices of the 2019B Bonds maturing on October 1, 20__ through October 1, 20__, inclusive (collectively, the “Premium Bonds”), are greater than the amounts payable at maturity. The difference between (a) the initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, wholesalers or other intermediaries) at which a substantial amount of each maturity of the Premium Bonds is sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium. In general, an owner of a Premium Bond must amortize the bond premium over

the remaining term of the Premium Bond based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period and subtract such bond premium from the owner's basis in such Premium Bond. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost.

Bond Counsel's opinion will not specifically address any issues relating to the treatment of premium paid on, or attributable to, Premium Bonds. **Owners and prospective purchasers of Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes and any North Carolina or other state and local tax consequences in connection with receipt of bond premium or otherwise with respect to the ownership and disposition of Premium Bonds.**

OTHER TAX CONSEQUENCES

Ownership or transfer of, or the accrual or receipt of interest on, the 2019B Bonds may result in collateral federal, State of North Carolina, and other state or local tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers who may be eligible for the federal earned income tax credit, and taxpayers subject to franchise, estate, inheritance, gift or capital gains taxes. Owners and prospective purchasers of the 2019B Bonds should consult their tax advisors as to any such possible tax consequences. Except to the extent covered in its legal opinion, Bond Counsel expresses no opinion regarding any such collateral tax consequences.

Interest on the 2019B Bonds may or may not be subject to state or local taxation in jurisdictions other than North Carolina. Owners and prospective purchasers of the 2019B Bonds should consult their own tax advisors as to the status of interest on the 2019B Bonds under the tax laws of any such jurisdiction other than North Carolina. Bond Counsel will express no opinion as to any such matters.

No assurance can be given that future legislation, including amendments to the Code or interpretations thereof, if enacted into law, or certain litigation or judicial decisions, if upheld, will not contain provisions or produce results which could, directly or indirectly, reduce the benefit of the excludability of interest on the 2019B Bonds from gross income for federal income tax purposes.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2019B Bonds.

Interest paid on tax-exempt obligations, such as the 2019B Bonds, will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of interest with respect to the 2019B Bonds from gross income for federal income tax purposes, such reporting requirement causes the payment of interest with

respect to the 2019B Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the Service.

CONTINUING DISCLOSURE OBLIGATION

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (“Rule 15c2-12”), the County has undertaken in the Trust Agreement to provide, or cause to be provided through the Trustee, to the Municipal Securities Rulemaking Board (the “MSRB”):

(1) by not later than seven months after the end of each fiscal year, beginning with the fiscal year ended June 30, 2019, the audited financial statements of the County for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the County for such fiscal year to be replaced subsequently by audited financial statements of the County to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each fiscal year, beginning with the fiscal year ended June 30, 2019, the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the captions “**THE COUNTY—DEBT INFORMATION**” and “**—TAX INFORMATION**” in Appendix A relating to the 2019B Bonds (excluding any information on overlapping or underlying debt) to the extent such items are not included in the audited financial statements referred to in (1) above;

(3) in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the 2019B Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2019B Bonds, or other material events affecting the tax status of the 2019B Bonds;
- (g) modifications to rights of holders of the 2019B Bonds, if material;

- (h) calls for redemption of 2019B Bonds (other than calls pursuant to sinking fund redemption), if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the 2019B Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar proceedings related to the County or any other person or entity that may at any time become legally obligated to make payments on the 2019B Bonds (collectively, the “Obligated Persons”);
- (m) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County or any Obligated Person, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties; and

(4) in a timely manner, notice of a failure of the County to provide required annual financial information described in (1) or (2) above on or before the date specified.

For purposes of the foregoing, “financial obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

For the purposes of the event identified in subparagraph (l) above, the event is considered to occur when any of the following occurs: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

The County shall provide the document referred to above to the MSRB in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The County may discharge its undertaking described above by transmitting the documents referred to above to any entity and by any method authorized by the U.S. Securities and Exchange Commission.

At present, Section 159-34 of the General Statutes of North Carolina requires that the County's financial statements be prepared in accordance with generally accepted accounting principles and that they be audited in accordance with generally accepted auditing standards.

The County has acknowledged in the Trust Agreement that its undertaking pursuant to Rule 15c2-12 is intended to be for the benefit of the registered owners of the 2019B Bonds and is enforceable by the Trustee or by any registered owner of the 2019B Bonds. THE RIGHT TO ENFORCE THE PROVISIONS OF THE COUNTY'S RULE 15C2-12 UNDERTAKINGS IS LIMITED TO A RIGHT TO OBTAIN SPECIFIC PERFORMANCE OF THE COUNTY'S OBLIGATIONS AND A FAILURE BY THE COUNTY TO COMPLY WITH ITS RULE 15C2-12 UNDERTAKINGS WILL NOT BE AN EVENT OF DEFAULT UNDER THE TRUST AGREEMENT AND WILL NOT RESULT IN ACCELERATION OF THE INSTALLMENT PAYMENTS.

The County may modify from time to time, consistent with Rule 15c2-12, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the County; (2) the information to be provided, as modified, would have complied with the requirements of the Rule 15c2-12 as of the date of this Official Statement, after taking into account any amendments or interpretations of the Rule 15c2-12, as well as any changes in circumstances; and (3) any such modification does not materially impair the interest of the Owners or the beneficial owners, as determined by the Trustee or nationally recognized bond counsel or by the approving vote of the Owners of a majority in principal amount of the 2019B Bonds. Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The County's Rule 15c2-12 undertakings will terminate on payment, or provision having been made for payment in a manner consistent with the Rule 15c2-12, in full of the principal and interest with respect to the 2019B Bonds.

THE COUNTY'S CONTINUING DISCLOSURE COMPLIANCE

[To be reviewed/confirmed][During the past five years, the County has not failed to comply in all material respects with the terms of its prior undertakings under Rule 15c2-12, except as described in the following paragraphs.

The County had certain disclosure information that was due to be posted by January 31, 2017, with respect to the fiscal year ended June 30, 2016. At that deadline, however, the County's CAFR (including its audit) for the fiscal year ended June 30, 2016, was not yet available. Prior to the deadline, the County posted certain unaudited financial statements as called for by the terms of its continuing disclosure undertakings. In this posting, however, by oversight, the County did not post its adopted budget or the supplemental financial information as required by its continuing disclosure undertakings. The County posted such required supplemental financial information in March 2017 and its adopted budget in October 2017. Additionally, for some years, while the County timely posted its annual

disclosures on EMMA, such annual disclosures were not always properly linked to each of the County's CUSIP numbers.

In April 2019, the County determined that it had in some circumstances inadvertently failed to post on the EMMA system information regarding its approved County budget for the 2018-19 fiscal year, as required by some of the County's continuing disclosure obligations, although the County's CAFR included some budget information. Upon becoming aware of this issue, the County promptly moved to properly link the required budget information to all relevant CUSIP numbers.

The County has filed notices of failure to file the items described above as required by Rule 15c2-12, which describe the occasions of non-compliance and corrected compliance.

The County is not aware of any other occasions in which it was in material noncompliance with any of its continuing disclosure undertakings. The County has not knowingly failed to comply with its prior continuing disclosure undertakings. The County believes that at this point, it has filed all the financial information that its previous commitments require, and that all required financial information is posted with regard to all relevant CUSIP numbers.]

UNDERWRITING

The Underwriters have agreed under the terms of a Bond Purchase Agreement (the "Purchase Agreement") to purchase all of the 2019B Bonds, if any of the 2019B Bonds are to be purchased, at a purchase price equal to 100% of the principal amount of the 2019B Bonds, plus/less [net] original issue premium/discount of \$_____, less an Underwriters' discount of \$_____. The Underwriters' obligation to purchase the 2019B Bonds is subject to certain terms and conditions set forth in the Purchase Agreement.

FTN Financial Capital Markets is a division of First Tennessee Bank National Association and FTB Advisors, Inc. is a wholly-owned subsidiary of First Tennessee Bank National Association. FTN Financial Capital Markets has entered into a distribution agreement with FTB Advisors, Inc. for the distribution of the Bonds at the original issue prices. Such arrangement generally provides that FTN Financial Capital Markets will share a portion of its underwriting compensation or selling concession with FTB Advisors, Inc.

On April 1, 2019, Baird Financial Corporation, the parent company of Robert W. Baird & Co. Incorporated ("Baird"), acquired HL Financial Services, LLC, its subsidiaries, affiliates and assigns (collectively "Hilliard Lyons"). As a result of such common control, Baird and Hilliard Lyons are now affiliated. It is expected that Hilliard Lyons will merge with and into Baird later in 2019.

The Underwriters may offer and sell the 2019B Bonds to certain dealers (including dealers depositing the 2019B Bonds into investment trusts) and others at prices lower than the initial public offering prices stated on the inside front cover page hereof. The public offering prices may be changed from time to time by the Underwriters.

RATINGS

Moody's, S&P and Fitch have assigned ratings of "[__]," "[__]" and "[__]," respectively, to the 2019B Bonds. These ratings reflect only the view of such rating agencies, and an explanation of the significance of such ratings may be obtained from such rating agencies. Certain information and materials not included in this Official Statement were furnished to such rating agencies. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be

revised downward or withdrawn entirely if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2019B Bonds.

MISCELLANEOUS

All quotations from and summaries and explanations of the Trust Agreement and the Modified Deed of Trust contained herein or in Appendix C hereto do not purport to be complete, and reference is made to such documents for full and complete statements of their respective provisions. The Appendices attached hereto are a part of this Official Statement. Copies in reasonable quantity of the Trust Agreement and the Modified Deed of Trust may be obtained during the offering period from Robert W. Baird & Co. Incorporated at 380 Knollwood Street, Suite 440, Winston-Salem, North Carolina 27103 or FTN Financial Capital Markets at 845 Crossover Lane, Memphis, Tennessee 38117.

The information contained in this Official Statement has been compiled or prepared from information obtained from the County and other sources deemed to be reliable and, although not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

APPENDIX A
THE COUNTY

APPENDIX B

**MANAGEMENT'S DISCUSSION AND ANALYSIS AND
THE BASIC FINANCIAL STATEMENTS OF
ORANGE COUNTY, NORTH CAROLINA**

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Management's Discussion and Analysis

The Management's Discussion and Analysis of the financial activities of the County, lifted from the Comprehensive Annual Financial Report for the County for the fiscal year ended June 30, 2018, is included in this Appendix. Management's Discussion and Analysis provides an objective and easily readable short and long-term analysis of the County's financial activities based on currently known facts, decisions or conditions. Management's Discussion and Analysis is not a required part of the Basic Financial Statements but is supplementary information required by the Governmental Accounting Standards Board. The independent auditors of the County have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, they did not audit this information and did not express an opinion on it.

Financial Information

The financial statements of the County have been audited by certified public accountants for the fiscal year ended June 30, 2018. Copies of these financial statements containing the unqualified report of the independent certified public accountant are available in the office of the Chief Financial Officer at 200 South Cameron St., Hillsborough, North Carolina 27278.

The following financial statements are the Basic Financial Statements of the County, the notes thereto and certain required supplementary information, lifted from the Comprehensive Annual Financial Report of the County for the fiscal year ended June 30, 2018.

APPENDIX C
SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

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APPENDIX E
BOOK-ENTRY ONLY SYSTEM

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

Beneficial ownership interests in the 2019B Bonds will be available only in a book-entry system. The actual purchasers of the 2019B Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in such 2019B Bonds purchased. So long as The Depository Trust Company (“DTC”), New York, New York, or its nominee is the registered owner of the 2019B Bonds, references in this Official Statement to the Owners of the 2019B Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners of the 2019B Bonds. The Trust Agreement contains provisions applicable to periods when DTC or its nominee is not the registered owner.

The following description of DTC, its procedures and record keeping with respect to beneficial ownership interests in the 2019B Bonds, payment of interest and other payments with respect to the 2019B Bonds to DTC Participants or to beneficial owners, confirmation and transfer of beneficial ownership interests in the 2019B Bonds and/or other transactions by and between DTC, DTC Participants and beneficial owners is based on information furnished by DTC.

DTC will act as securities depository for the 2019B Bonds. The 2019B Bonds will be registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate in the aggregate principal amount of each maturity of the 2019B Bonds will be deposited with DTC or its designee. So long as Cede & Co. is the registered owner of the 2019B Bonds, as DTC’s Partnership nominee, reference herein to the Owners or registered owners of the 2019B Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the 2019B Bonds.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation as well as by the New York Stock Exchange, Inc., the American Stock Exchange, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants” and collectively with the Direct Participants, the “Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2019B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for 2019B Bonds on DTC’s records. The ownership interest of

each actual purchaser of the 2019B Bonds (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2019B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners of such 2019B Bonds. Beneficial Owners will not receive certificates representing their ownership interests in 2019B Bonds, except in the event that use of the book-entry system for such 2019B Bonds is discontinued.

To facilitate subsequent transfers, all 2019B Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such name as may be requested by an authorized representative of DTC. The deposit of 2019B Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the identities of the actual Beneficial Owners of the 2019B Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2019B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2019B Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to such 2019B Bonds, such as redemptions, defaults and proposed amendments to the security documents. For example, Beneficial Owners of the 2019B Bonds may wish to ascertain that the nominee holding such 2019B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2019B Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in the 2019B Bonds of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2019B Bonds unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting and voting rights to those Direct Participants to whose accounts such 2019B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Because DTC is treated as the owner of the 2019B Bonds for substantially all purposes under the Trust Agreement, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of Beneficial Owners is unknown to the County, to DTC or to the Trustee, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. **Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the 2019B Bonds that may be transmitted by or through DTC.**

Principal, premium, if any, and interest payments on the 2019B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC (nor its nominee), the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Trustee's responsibility, disbursement of such payments to Direct Participants is DTC's responsibility, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants. The County cannot and does not give assurance that Direct and Indirect Participants will promptly transfer payments to Beneficial Owners.

DTC may discontinue providing its services as securities depository with respect to the 2019B Bonds at any time by giving reasonable notice to the County and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates representing interests in 2019B Bonds are required to be printed and delivered. The County may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to DTC.

The County and the Trustee have no responsibility or obligation to DTC, the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any Participant, or the maintenance of any records; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the 2019B Bonds, or the sending of any amount due to any beneficial owner in respect to the 2019B Bonds or the sending of transaction statements; (3) the delivery or timeliness of delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the Trust Agreement to be given to Owners; (4) the selection of the Beneficial Owners to receive payments upon any partial redemption of the 2019B Bonds; or (5) any consent given or other action taken by DTC or its nominee as the registered owner of the 2019B Bonds, including any action taken pursuant to an omnibus proxy.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

\$[_____]
ORANGE COUNTY, NORTH CAROLINA
LIMITED OBLIGATION BONDS, SERIES 2019B

BOND PURCHASE AGREEMENT

October [__], 2019

Orange County, North Carolina
 Hillsborough, North Carolina

Ladies and Gentlemen:

The undersigned, Robert W. Baird & Co. Incorporated (“Baird”) on its own behalf and as representative of FTN Financial Capital Markets (together, the “Underwriters”), offers to enter into the following purchase agreement (this “Bond Purchase Agreement”) with Orange County, North Carolina (the “County”), which, upon the County’s acceptance of this offer, will be binding upon the County and the Underwriters. This offer is made subject to the County’s acceptance of this Bond Purchase Agreement, which acceptance shall be evidenced by the execution and delivery (manually or by facsimile transmission) of this Bond Purchase Agreement by a duly authorized officer of the County on or before 12:00 P.M., Eastern Time, on the date hereof. Upon such acceptance, execution and delivery, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the County and the Underwriters. Except as expressly otherwise defined herein, capitalized terms used herein shall have the same meanings as set forth in the Preliminary Official Statement (as defined below).

(1) Purchase and Sale. (a) Upon the terms and conditions and based on the representations, warranties and covenants hereinafter set forth, the Underwriters hereby agree to purchase from the County, and the County hereby agrees to sell to the Underwriters, all (but not less than all) of the \$[_____] aggregate principal amount of the County’s Limited Obligation Bonds, Series 2019B (the “Bonds”), dated the date of payment for and the delivery of the Bonds (such payment and delivery being herein sometimes called the “Closing”). The purchase price for the Bonds shall be \$[_____] (representing the principal amount of the Bonds, plus/less [net] original issue premium/discount of \$[_____], and less underwriters’ discount of \$[_____]) (the “Purchase Price”). The Underwriters shall pay the Purchase Price for the Bonds on the day of the Closing by wiring \$[_____], at the County’s direction, to the Trustee (as defined below).

(b) The Bonds shall be issued and secured under and pursuant to a Trust Agreement dated as of June 1, 2018 (the “2018 Trust Agreement”), and a Second Supplemental Trust Agreement dated as of November 1, 2019 (the “Second Supplemental Trust Agreement” and, collectively with the 2018 Trust Agreement, as previously supplemented, the “Trust Agreement”), each between the County and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The County is authorized pursuant to Section 20 of Chapter 160A of the General Statutes of North Carolina (the “Act”), to issue the Bonds for the purpose of providing funds to the County to (i) acquire, construct, equip and otherwise improve a variety of County facilities and assets, and (ii) pay certain costs incurred in connection with the sale and issuance of the Bonds. The County’s issuance of the Bonds has been authorized by a resolution adopted by the Board of Commissioners of the County on October [__], 2019 (the “Approving Resolution”). As security for performance of the County’s obligations under the Trust Agreement, the County will execute and deliver to a deed of trust trustee (the “Deed of Trust Trustee”),

for the benefit of the Trustee, a Deed of Trust Supplement #2 dated as of November 1, 2019 (the “Second Deed of Trust Supplement”), supplementing the Existing Deed of Trust (as so supplemented, the “Modified Deed of Trust”), granting a first lien of record on the Mortgaged Property, subject to Permitted Encumbrances.

(c) The Bonds shall be dated the date of the Closing, shall mature on the dates and in the amounts, shall bear interest at the rates and shall have the terms stated in Exhibit A attached hereto.

(2) Sale of All the Bonds; Offering. It shall be a condition to the County’s obligation to sell and deliver the Bonds to the Underwriters, and to the obligation of the Underwriters to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds is sold and delivered by the County, and accepted and paid for by the Underwriters at the Closing. The Underwriters intend to make a bona fide public offering of all the Bonds at a price or prices not in excess of the initial public offering price or prices set forth in Exhibit A. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts or mutual funds) at prices lower than such public offering prices. The Underwriters reserve the right to make such changes in such prices as the Underwriters shall deem necessary in connection with the offering of the Bonds.

(3) Establishment of Issue Price.

(a) Baird, on behalf of the Underwriters, agrees to assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of Baird, the County, and Sanford Holshouser LLP (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) [Except as otherwise set forth in Exhibit B attached hereto,] [t]he County will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, Baird shall report to the County the price or prices at which the Underwriters have sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, Baird agrees to promptly report to the County the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as hereinafter defined) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) [Baird confirms that the Underwriters have offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit B attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the County and Baird, on behalf of the Underwriters, agrees that the restrictions set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriters shall promptly advise the County when the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.]

(d) Baird confirms that any selling group agreement and any retail distribution agreement (to which Baird is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by Baird that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Baird. The County acknowledges that, in making the representation set forth in this subsection, Baird will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that the Underwriters shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to either of the Underwriters shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- i. “public” means any person other than an underwriter or a related party,
- ii. “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- iii. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the

value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- iv. “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

(4) Official Statement. The County hereby ratifies and approves the Preliminary Official Statement dated October [], 2019 (the “Preliminary Official Statement”), and consents to its distribution and use by the Underwriters prior to the date hereof in connection with the public offering and sale of the Bonds. The County confirms that the Preliminary Official Statement was “deemed final” by the County as of its date for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”). Upon acceptance of this offer, the County shall prepare a final Official Statement and shall, within the earlier of seven (7) business days following the date hereof or two business days prior to the Closing Date (as hereinafter defined), deliver to the Underwriters printed copies of such final Official Statement (such final Official Statement, together with any amendment or supplement thereto, being the “Official Statement”) in sufficient quantity as may reasonably be required by the Underwriters in order to comply with the Rule and any applicable rules of the Municipal Securities Rulemaking Board (the “MSRB”). The County hereby authorizes and approves the Official Statement and consents to the use and distribution of the Official Statement by the Underwriters in connection with the public offering and sale of the Bonds. At the time of or prior to the Closing, the Underwriters will file, or cause to be filed, the Official Statement with the MSRB. In addition, the County hereby approves and authorizes the Underwriters to coordinate the printing of the Official Statement and consents to the electronic distribution of the Official Statement.

(5) Representations of the County. The County hereby represents, warrants and covenants that:

(a) The County is a political subdivision duly organized and validly existing under the Constitution and laws of the State of North Carolina (the “State”), and is authorized pursuant to the laws of the State, including the Act, and the Approving Resolution to issue the Bonds.

(b) The County has full legal right, power and authority to (i) adopt the Approving Resolution, (ii) execute, deliver and perform its obligations under this Bond Purchase Agreement, the Trust Agreement, the Bonds, and the Modified Deed of Trust; (iii) issue and deliver the Bonds to the Underwriters as provided in this Bond Purchase Agreement; (iv) approve and authorize the distribution of the Preliminary Official Statement and the Official Statement; and (v) carry out and consummate all other transactions contemplated by this Bond Purchase Agreement, the Approving Resolution, the Trust Agreement, the Bonds, the Modified Deed of Trust and the Official Statement.

(c) The Approving Resolution has been duly adopted by the County, and the County has duly authorized all necessary action to be taken by the County for: (i) the offering, issuance, sale, and delivery of the Bonds upon the terms set forth herein and in the Official Statement, (ii) the execution and delivery by the County of the Bonds, this Bond Purchase Agreement, the Trust Agreement, the Modified Deed of Trust, and the performance of its obligations under the Bonds, this Bond Purchase Agreement, the Trust Agreement, the Modified Deed of Trust and any and all such other agreements and documents as may be required to be executed, delivered, and received by the County in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement (the Bonds, this Bond Purchase Agreement, the Trust Agreement, the Modified Deed of Trust and such other agreements

and documents being collectively referred to herein as the “County Documents”), and (iii) the authorization of the use and distribution of the Official Statement.

(d) The Approving Resolution was duly adopted at a meeting of the Board of Commissioners of the County called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(e) This Bond Purchase Agreement, the Trust Agreement, the Modified Deed of Trust and any other instrument or agreement to which the County is a party in connection with the consummation of the transactions contemplated by the foregoing documents, when executed and delivered by the parties thereto, and assuming such documents are enforceable against the parties thereto other than the County, will constitute legal, valid and binding obligations of the County (subject, as to the enforcement of remedies, to the valid exercise of judicial discretion, the sovereign police powers of the State and constitutional powers of the United States of America and to any valid applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity).

(f) When delivered to and paid for by the Underwriters at the Closing, in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed and delivered by the County and will constitute legal, valid and binding special obligations of the County, enforceable in accordance with their terms (subject, as to the enforcement of remedies, to the valid exercise of judicial discretion, the sovereign police powers of the State and constitutional powers of the United States of America and to any valid applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity) and will be entitled to the benefits of, and secured as provided in, the Trust Agreement.

(g) The County has complied, and will at the Closing be in compliance, in all material respects, with the Approving Resolution, the Trust Agreement and the Act and all other agreements relating to projects undertaken by the County or with respect to which the County has assumed responsibility.

(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the County, threatened against or affecting the County (or, to the knowledge of the County, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the County from functioning or contesting or questioning the existence of the County or the titles of the present officers of the County to their offices or (ii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the existence or powers of the County or the validity or enforceability of the Bonds, the Approving Resolution, the Trust Agreement, this Bond Purchase Agreement, the Modified Deed of Trust or any agreement or instrument to which the County is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby including, without limitation, the County Documents and the Official Statement; or (B) materially adversely affect (1) the transactions contemplated by the County Documents or the Official Statement, or (2) the exemption of the interest on the Bonds from federal or State income taxation.

(i) The County’s adoption of the Approving Resolution, its execution and delivery of the County Documents and the Bonds, and compliance with the provisions thereof and hereof, do not and will not conflict with or constitute, on the County’s part, a violation of, breach of or default under any material statute, existing law, administrative regulation, filing, decree or order, state or federal, or any

provision of the Constitution or laws of the State, or any rule or regulation of the County, or any material indenture, mortgage, lease, deed of trust, note, resolution, or other agreement or instrument to which the County, or its properties, are subject or by which the County, or its properties, are or may be bound or, to the knowledge of the County, any order, rule or regulation of any regulatory body or court having jurisdiction over the County or its activities or properties.

(j) The County is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default in any material respect under any document or instrument under and subject to which any indebtedness for borrowed money has been incurred which default would affect materially and adversely the transactions contemplated by any of the County Documents. No event has occurred or is continuing under the provisions of any such document or instrument that, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder, which event of default would affect adversely the transactions contemplated by any of the County Documents.

(k) The County is not in material breach of or in default under the Approving Resolution, any applicable law or administrative regulation of the State or the United States, or any applicable judgment or decree, or any loan agreement, note, resolution or other agreement or instrument to which the County is a party or is otherwise subject, which breach or default would in any way materially adversely affect the authorization or issuance of the Bonds and the transactions contemplated hereby, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default.

(l) On and as of the Closing, all authorizations, consents, and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency, or other instrumentality or court required to be obtained, given, or taken on behalf of the County in connection with the execution, delivery and performance by the County of the County Documents, and any other agreement or instrument to which the County is a party and which has been or will be executed in connection with the consummation of the transactions contemplated by the foregoing documents, will have been obtained, given, or taken and will be in full force and effect.

(m) Any certificate signed by an authorized officer of the County delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters as to the truth of the statements made therein.

(n) The County has and will cooperate with the Underwriters and their counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriters may request; provided, however, that the County will not be required to execute a general or special consent to service of process or qualify to do business in connection with any qualification or determination in any jurisdiction.

(o) The audited financial statements of the County for the period ended June 30, 2018, present fairly the County's financial condition as of such date and the results of its operations for the respective periods set forth therein and have been prepared in accordance with generally accepted accounting principles consistently applied. There has been no material change in the financial affairs of the County since June 30, 2018, except as disclosed specifically in the Official Statement.

(p) If between the date of this Bond Purchase Agreement and the date 25 days after the "end of the underwriting period" for the Bonds, as defined in the Rule, any event occurs which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the

circumstances under which they were made, not misleading, the County shall promptly provide written notice to the Underwriters thereof, and if, in the opinion of the County or the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County shall at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters. For purposes of this Bond Purchase Agreement, the “end of the underwriting period” shall be deemed to be the Closing Date (as hereinafter defined), unless the Underwriters shall have notified the County to the contrary on or before the Closing Date.

(q) If the Official Statement is supplemented or amended pursuant to subsection (p) of this Section, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the Closing Date, the County shall take all steps necessary to ensure that the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(r) The information in the Preliminary Official Statement (excluding therefrom the information under the captions “INTRODUCTION – Book-Entry Only” and “UNDERWRITING” and in Appendix E, as to which no representations or warranties are made), including its attachments and appendices, at the time of acceptance hereof is correct in all material respects, and such Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and the information in the Official Statement (excluding therefrom the information under the captions “INTRODUCTION – Book-Entry Only” and “UNDERWRITING” and in Appendix E, as to which no representations or warranties are made) as of its date and as of the Closing Date, will be true and correct and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(s) Between the date hereof and the Closing, the County shall not, without the prior written consent of the Underwriters, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the County or except for such borrowings as may be described in or contemplated by the Official Statement.

(t) Except as described in the Official Statement, during the last five years, the County has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

The execution and delivery of this Bond Purchase Agreement by the County shall constitute a representation by the County to the Underwriters that the representations, warranties and covenants contained in this Section 5 are true as of the date hereof; provided that no officer of the County shall be individually liable for the breach of any representation, warranty or covenant made by the County in this Section 5.

(6) Closing. At 10:00 a.m., Eastern Time, on November [___], 2019, or at such other time or date as the County and the Underwriters shall mutually agree upon (the “Closing Date”), the County shall (a) deliver or cause to be delivered, through the custody of The Depository Trust Company, New York, New York (“DTC”), or at such place as the County and Underwriters shall mutually agree upon, for the account of the Underwriters, the Bonds duly executed by the County in fully registered form, bearing proper CUSIP numbers, and registered in the name of Cede & Co., as nominee of DTC, which will act as

securities depository for the Bonds; and (b) deliver or cause to be delivered, to the Underwriters at Winston-Salem, North Carolina, or at such other place as the County and Underwriters may mutually agree upon, the documents described in Section 7(d) hereof. Concurrently with the delivery of the Bonds and the documents mentioned in Section 7(d) hereof at the Closing, subject to the conditions contained herein, the Underwriters will accept such delivery and will pay the purchase price of the Bonds in the amount set forth in Section 1 hereof by wire transfer in immediately available funds to the Trustee for the account of the County. The Closing shall take place at the offices of the County. The Bonds shall be available for inspection by the Underwriters at least two business days prior to Closing.

(7) Closing Conditions/Right to Cancel. The Underwriters enter into this Bond Purchase Agreement in reliance upon the County's representations and agreements herein and the performance by the County of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Bond Purchase Agreement are and shall be subject to the following additional conditions:

(a) At the time of the Closing, the Approving Resolution, the Trust Agreement, and the Modified Deed of Trust shall be in full force and effect and none of the Approving Resolution, the Trust Agreement, the Modified Deed of Trust or the Official Statement shall have been amended, modified or supplemented, except as may have been approved in writing by the Underwriters, and the County shall have duly adopted, and there shall be in full force and effect, such other resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) The Bonds, as set forth in Section 6, shall be delivered to the Trustee to be held by the Trustee under DTC's FAST program.

(c) The Underwriters shall have the right to cancel its obligation to purchase the Bonds at the time of Closing if any of the documents, certificates or opinions to be delivered to the Underwriters hereunder is not delivered at the time of Closing or if, between the date hereof and the time of Closing, one or more of the following occurs:

(i) Legislation (whether or not yet introduced in Congress of the United States ("Congress")) shall be enacted or be actively considered for enactment by the Congress or recommended to the Congress by the President of the United States or favorably reported for passage to either House of Congress by any committee of such House, or a conference committee of both Houses, to which such legislation had been referred for consideration, or a decision by a federal court of the United States or the United States Tax Court shall be rendered, or an order, ruling, regulation or official statement by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other governmental agency shall be made or proposed, or a release or official statement made by the President of the United States or by the Treasury Department of the United States or the Internal Revenue Service, with respect to federal taxation upon revenues or other income of the general character to be derived by the County or upon interest received on obligations of the general character of the Bonds which in the Underwriters' judgment, materially adversely affects the market for the Bonds; or

(ii) Legislation shall hereafter be enacted or actively considered for enactment or introduction, with an effective date on or prior to the Closing, or a decision by a court of the United States shall be rendered or a stop order, ruling, regulation or proposed regulation by or on behalf of the Securities and Exchange Commission or other agency having jurisdiction shall be made, to the effect that the issuance, sale and delivery of the Bonds, or any other obligations of any similar public body of the general character of the County is in violation of the Securities Act of 1933, as amended, of the Securities Exchange Act of 1934, as amended,

or of the Trust Indenture Act of 1939, as amended or with the purpose or effect of otherwise prohibiting the issuance, sale or delivery of the Bonds, as contemplated hereby, or of obligations of the general character of the Bonds; or

(iii) There shall have occurred any outbreak or escalation of hostilities or other national or international calamity or crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as, in the Underwriters' judgment, would materially adversely affect the market for, or market price of, the Bonds; or

(iv) There shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction; or

(v) A general banking moratorium shall have been declared by federal, State or New York authorities having jurisdiction, and be in force, or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Underwriters, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Official Statement; or

(vi) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading in any material respect and requires an amendment of or supplement to the Official Statement and the effect of which, in the judgment of the Underwriters, would materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriters of the Bonds; or

(vii) any of Fitch Ratings Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") or S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") shall have taken any action to lower, suspend or withdraw their respective ratings on the Bonds and such action, in the opinion of the Underwriters, would adversely affect the market price or marketability of the Bonds.

(d) At the Closing, the Underwriters shall receive the following documents:

(i) Duly executed or certified copies of each of the Trust Agreement and Deed of Trust;

(ii) The approving opinion of Bond Counsel in the form set forth in Appendix D of the Official Statement together with a supplemental opinion in form and substance satisfactory to the Underwriters, and a reliance letter addressed to the Underwriters, each of which shall be dated the Closing Date;

(iii) The opinion of John L. Roberts, Esq., County Attorney, dated the Closing Date and addressed to the Underwriters and Bond Counsel in form and substance satisfactory to the Underwriters;

(iv) An opinion of McGuireWoods LLP, as counsel to the Underwriters, dated the Closing Date and addressed to the Underwriters in form and substance satisfactory to the Underwriters;

(v) A certificate, dated the Closing Date, of the duly authorized representative(s) or officer(s) of the County and in form and substance satisfactory to the Underwriters, to the effect that (A) the representations and agreements of the County herein are true and correct in all material respects as of the date of Closing; (B) there are not pending or, to such officials' knowledge, threatened legal proceedings that will materially adversely affect the transactions contemplated hereby or by the Trust Agreement, or the validity or enforceability of the Bonds, or the security therefor; (C) the financial information relating to the County provided to the Underwriters presents fairly the financial position of the County as of the date indicated therein and the results of its operations for the period specified therein and the financial statements from which such information was derived have been prepared in accordance with applicable law with respect to the period involved; (D) since June 30, 2018, there has not been any material adverse change in the financial condition of the County taken as a whole or no increase in the County's indebtedness for borrowed money, other than as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriters; (E) there are not pending or, to such officials' knowledge, threatened legal proceedings that will materially adversely affect the transactions contemplated hereby or by the Trust Agreement, or the validity or enforceability of the Bonds, or the security therefor; (F) the information contained in the Official Statement as of the Closing Date is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (G) the County has complied with all agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing, other than those specified hereunder that have been waived by the Underwriters;

(vi) A photocopy of the Official Statement;

(vii) One counterpart original of a transcript of all proceedings taken by the County relating to the authorization and issuance of the Bonds;

(viii) Specimen Bonds;

(ix) A certificate, dated the date of the Closing, of the duly authorized representative(s) or officer(s) of the County, with a copy of the Approving Resolution attached, to the effect that the Approving Resolution has been duly adopted and remains in full force and effect;

(x) A certificate, dated on or before the closing date, evidencing the property insurance required by the Trust Agreement;

(xi) A pro forma title insurance policy or other evidence of title insurance satisfactory to the Underwriters issued by Investors Title Insurance Company, relating to the Deed of Trust and naming the Trustee as a beneficiary;

(xii) Federal tax form 8038-G prepared with respect to the Bonds and ready for filing;

(xiii) A tax certificate of the County in form and content reasonably satisfactory to the Underwriters;

(xiv) Evidence that Moody's, S&P and Fitch have issued ratings for the Bonds of not less than "[__]," "[__]" and "[__]", respectively; and

(xv) Such additional legal opinions, certificates, proceedings, instruments and other documents, as the Underwriters or legal counsel to the Underwriters may reasonably request to evidence compliance by the County with legal requirements relating to the issuance of the Bonds, the truth and accuracy, as of the date of Closing, of all representations contained herein and the due performance or satisfaction by the County at or prior to the date of Closing of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Bond Purchase Agreement and the Trust Agreement.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Bond Purchase Agreement or if the obligations of the Underwriters shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the County nor the Underwriters shall have any further obligations hereunder, except that Sections 9 and 10 and the representations and warranties of the County contained herein (as of the date made) will continue in full force and effect.

(8) Survival. All representations, warranties and agreements of the County set forth in or made pursuant to this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriters and shall survive the delivery of and payment for the Bonds.

(9) Payment of Expenses. The County shall pay, out of the proceeds of the Bonds or from its own funds, any expenses incident to the performance of the obligations of the County or the Underwriters hereunder, including but not limited to: (i) the cost of the preparation, reproduction, printing, distribution, and mailing, of the Official Statement; (ii) the fees and disbursements of Bond Counsel and counsel for the County; (iii) the fees and disbursements of any experts retained by the County or the Underwriters; (iv) fees charged by the rating agencies for the rating of the Bonds; and (v) the cost of qualifying the Bonds under the laws of such jurisdictions as the Underwriters may designate, including filing fees and fees and disbursements of counsel for the Underwriters in connection with such qualification and the preparation of Blue Sky Memoranda.

If the Bonds are not delivered to the Underwriters pursuant to this Bond Purchase Agreement, the County shall pay all expenses incident to the performance of the County's and the Underwriters' obligations hereunder as provided in this Section.

The Underwriters shall pay (i) any fees of the MSRB in connection with the issuance of the Bonds, (ii) the cost of obtaining CUSIP number(s) assigned for the Bonds, and (iii) the fees and disbursements of counsel for the Underwriters.

(10) Indemnification. To the extent permitted by law, the County agrees to indemnify and hold harmless the Underwriters, the directors, officers, employees and agents of each Underwriter and each person who controls any Underwriter within the meaning of either the Securities Act of 1933, as amended (the "Securities Act") or the Securities Exchange Act of 1934, as amended (the "Exchange Act") against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise

out of or are based upon any untrue statement or alleged untrue statement of a material fact (except statements pertaining to the Underwriters) contained in the Preliminary Official Statement, the Official Statement (or in any supplement or amendment thereto), or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except omissions or alleged omissions pertaining to the Underwriters). This indemnity agreement will be in addition to any liability which the County may otherwise have.

Each Underwriter severally and not jointly agrees to indemnify and hold harmless the County, and its officials, directors, officers, and employees, and each person who controls the County within the meaning of either the Securities Act or the Exchange Act, to the same extent as the foregoing indemnity from the County to each Underwriter, but only with reference to written information furnished by the Underwriters to the County or information provided by the Underwriters specifically for inclusion in the Preliminary Official Statement or the Official Statement (or in any amendment or supplement thereto).

Promptly after receipt by an indemnified party of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought provided, however, that such counsel shall be satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

In the event that the indemnity provided herein is unavailable or insufficient to hold harmless an indemnified party for any reason the County and the Underwriters agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) to which the County and one or more of the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the County on the one hand and by the Underwriters on the other from the offering. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the County and the

Underwriters shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the County on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, as well as any other relevant equitable considerations. In no case shall any Underwriter (except as may be provided in any agreement among the Underwriters relating to the offering) be responsible for any amount in excess of the purchase discount or fee applicable to the Bonds purchased by such Underwriter hereunder. Benefits received by the County shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total purchase discounts and commissions in each case set forth on the cover of the Official Statement. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the County on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, information and opportunity to correct or prevent such untrue statement or omission. The County and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Each person who controls an Underwriter within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of an Underwriter shall have the same rights to contribution as the Underwriter, and each person who controls the County within the meaning of either the Securities Act or the Exchange Act and each official, director, officer and employee of the County shall have the same rights to contribution as the County, subject in each case to the applicable terms and conditions of this paragraph.

(11) Notices. Any notice or other communication to be given to the County under this Bond Purchase Agreement must be given in writing (not to include facsimile transmission or electronic mail) to the applicable address shown below, and any notice under this Bond Purchase Agreement to the Underwriters may be given by delivering the same in writing to Baird as follows:

Orange County, North Carolina
200 South Cameron Street
Hillsborough, North Carolina 27278
(Attention: County Manager)

Robert W. Baird & Co. Incorporated
380 Knollwood Street, Suite 440
Winston-Salem, North Carolina 27103
(Attention: Ryan Maher, Managing Director)

(12) Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

(13) Effectiveness. This Bond Purchase Agreement shall become effective upon the acceptance hereof by the County.

(14) Arm's-Length Transaction. The County acknowledges and agrees that the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the County and the Underwriters, acting solely as principals and not as municipal advisors, financial advisors or agents of the County. The Underwriters have not assumed a financial advisory responsibility in favor of the County with respect to the offering of the Bonds or the process leading

thereto (whether or not the Underwriters, or any affiliate of the Underwriters, has advised or is currently advising the County on other matters) or any other obligation to the County except the obligations expressly set forth in this Bond Purchase Agreement, it being the County's understanding that a financial advisory relationship shall not be deemed to exist when, in the course of acting as an underwriter, a broker, dealer or municipal securities dealer, a person renders advice to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities. The Underwriters have provided to the County prior disclosures regarding their role as underwriters, their compensation, any potential or actual material conflicts of interest, and material financial characteristics and material financial risks associated with the transaction to the extent required by MSRB rules. The Underwriters hereby notify the County that the Underwriters are not acting as Municipal Advisors (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), the Underwriters are not agents of the County, and the Underwriters do not have a fiduciary duty to the County in connection with the matters contemplated by this Bond Purchase Agreement. The County has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

(15) Miscellaneous. (a) If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

(b) This Bond Purchase Agreement may be signed in any number of counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

(c) This Bond Purchase Agreement is made solely for the benefit of and is binding on the County and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. It is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by both of the parties hereto.

(d) Under this Bond Purchase Agreement, the Underwriters are acting as principals and not as agents or fiduciaries, and the Underwriters' engagement is as independent contractors and not in any other capacity. The County agrees that it is solely responsible for making its own judgments in connection with the offering of the Bonds regardless of whether the Underwriters have or are currently advising the County on related or other matters.

(e) On April 1, 2019, Baird Financial Corporation, the parent company of Baird, acquired HL Financial Services, LLC, its subsidiaries, affiliates and assigns (collectively, "Hilliard Lyons"). As a result of such common control, Baird and Hilliard Lyons are now affiliated. It is expected that Hilliard Lyons will merge with and into Baird later in 2019.

[Remainder of Page Intentionally Left Blank]

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED, on its
own behalf and on behalf of FTN Financial Capital
Markets

By: _____
Ryan Maher, Managing Director

Approved, accepted and agreed to:

ORANGE COUNTY, NORTH CAROLINA

By: _____
Bonnie B. Hammersley, County Manager

EXHIBIT A**Terms of the Bonds**Principal Amounts, Interest Rates and Prices

<u>Maturity Date</u> <u>(October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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* Yield to October 1, 20[] call date at par.

Redemption Provisions

EXHIBIT B

\$_[_____]

**Orange County, North Carolina
Limited Obligation Bonds, Series 2019B**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Robert W. Baird & Co. Incorporated (“Baird”), on behalf of itself and FTN Financial Capital Markets (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. **[Sale of the Bonds.** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][**Sale of the General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]

2. **[Initial Offering Price of the Hold-the-Offering-Price Maturities.**

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Baird has not offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. Each of the other members of the Underwriting Group [and each selling group member] has represented that it would not offer or sell any Maturity of the Hold the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. **Defined Terms.**

(a) **[General Rule Maturities** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

(b) **[Hold-the-Offering-Price Maturities** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

(c) **[Holding Period** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (October [__], 2019), or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

- (d) *Issuer* means Orange County, North Carolina.
- (e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
- (f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October [___], 2019.
- (h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Baird’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by other members of the Underwriting Group.

ROBERT W. BAIRD & CO. INCORPORATED, on its own behalf and as representative of FTN Financial Capital Markets

By: _____
Ryan Maher, Managing Director

Dated: November __, 2019

Schedule A

**Sale Prices of the [Bonds][General Rule Maturities and
Initial Offering Prices of the Hold-the-Offering Price Maturities]**

[Schedule B
Pricing Wire or Equivalent Communication
(Attached)]



FY 2019-20 Fall Financing

**Series 2019B New Money and Refunding
Limited Obligation Bonds**

Gary Donaldson, Chief Financial Officer

October 1, 2019

Board and LGC Authorizations

- Board Approval for FY 2018-19 Installment Purchase Financing as authorized under Section 160A-20 of North Carolina General Statutes

- Fall Financing Issuances comprised of:

- \$18.9 Million New Money Bonds for CIP
- \$16.4 Million in Refunding Bonds

Total \$35.3 Million (*Refunding component Subject to market conditions on pricing date*)

Revised List of Financed Projects

Component	Estimated Cost
Northern Campus Project: site preparation and preliminary costs for new detention center, agriculture-environment center, and parks operations base	\$10,019,850
Southern Campus Project: improvements to the driveway and access road to the Southern Campus, as well as providing additional parking for the Seymour Center	4,675,000
Seymour Center Building Expansion	990,000
River Park Phase II	298,500
Link Center Remediation To Be Re-bid	6,500,000
Passmore Center Remediation	199,114
Sportsplex Improvements/ Equipment	605,036
Community Loan Fund	224,340
Vehicle Replacements	1,030,550
Whitted Building – Elevator Work	154,000
Emergency Services Building Remediation	731,000
Total	\$18,927,390

Note: Vehicle Replacement includes Public Safety, Animal Control and Emergency Services vehicles.

Refinancing Savings Summary

SAVINGS

Orange County, North Carolina
Limited Obligation Bonds, Series 2019B

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings
06/30/2020	1,529,691.28	1,529,691.28			
06/30/2021	4,735,812.26		4,735,812.26	4,621,293.05	114,519.21
06/30/2022	3,297,389.98		3,297,389.98	3,181,250.00	116,139.98
06/30/2023	1,483,127.20		1,483,127.20	1,429,125.00	54,002.20
06/30/2024	1,109,923.92		1,109,923.92	1,071,125.00	38,798.92
06/30/2025	1,093,622.34		1,093,622.34	1,050,375.00	43,247.34
06/30/2026	1,076,192.96		1,076,192.96	1,028,625.00	47,567.96
06/30/2027	1,059,657.08		1,059,657.08	1,015,625.00	44,032.08
06/30/2028	1,041,993.40		1,041,993.40	996,250.00	45,743.40
06/30/2029	519,223.22		519,223.22	488,125.00	31,098.22
06/30/2030	507,103.04		507,103.04	481,500.00	25,603.04
06/30/2031	494,982.86		494,982.86	464,375.00	30,607.86
06/30/2032	91,862.68		91,862.68	86,250.00	5,612.68
06/30/2033	89,713.02		89,713.02	87,125.00	2,588.02
	18,130,295.24	1,529,691.28	16,600,603.96	16,001,043.05	599,560.91

Note: Actual savings subject to market on October 16 Bond Pricing

Key Debt Model Metrics

Debt Ratios	10-Year Payback	Debt to Assessed Value	DS to GF Revenues
2019	71.60%	1.37%	13.44%
2020	63.84%	1.77%	13.53%
2021	65.41%	1.80%	14.59%
2022	65.97%	1.80%	17.94%
2023	66.72%	1.70%	17.18%
2024	68.11%	1.58%	16.23%
2025	69.57%	1.41%	14.80%

Financing Team and Pricing Schedule

Financing Schedule

Sep-19							Oct-19						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7			1	2	3	4	5
8	9	10	11	12	13	14	6	7	8	9	10	11	12
15	16	17	18	19	20	21	13	14	15	16	17	18	19
22	23	24	25	26	27	28	20	21	22	23	24	25	26
29	30						27	28	29	30	31		

Nov-19

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

- September 19th Rating Agency Calls

- By October 3rd Receive Ratings

- October 16th Sell Bonds

- November 5th Closing

Financing Participants

- Issuer: Orange County, NC
Local Government Commission

- Financial Advisor: Davenport & Company LLC

- Bond Counsel: Sanford Holshouser LLP

- Senior Managing Underwriter: RW Baird & Co.

- Co-Managing Underwriter: FTN Financial Capital Markets

- Underwriter's Counsel: McGuireWoods LLP

- Trustee: Bank of New York Mellon

Questions/Comments

**ORANGE COUNTY
BOARD OF COMMISSIONERS
ACTION AGENDA ITEM ABSTRACT
Meeting Date: October 1, 2019**

**Action Agenda
Item No. 6-b**

SUBJECT: Approval of Board of Commissioners Meeting Schedule for Calendar Year 2020

DEPARTMENT: Board of Commissioners

ATTACHMENT(S):

Original Draft List of Meetings - Text
Original Option #1 Draft 2020 Meeting
Calendar
Alternate Option #2 Draft 2020 Meeting
Calendar
BOCC 2020 Meeting Calendar
Considerations

INFORMATION CONTACT:

Board of County Commissioners
Donna Baker, (919) 245-2130
David Hunt, (919) 245-2130

PURPOSE: To select between two draft meeting schedules, or a variation there of, for the Board of County Commissioners meetings for calendar year 2020.

BACKGROUND: In accordance with 143.318.12 of the North Carolina General Statutes, a schedule of regular meetings shall be filed with the Clerk to the Board of County Commissioners. The schedule must show the date, time and place of each meeting. All meetings will begin at 7:00 p.m. unless otherwise noted.

Discussion and selection of the 2020 calendar will provide the opportunity for the Board to review the meeting schedule for the entire year as well as the proposed budget public hearing schedule and other related issues.

In regard to the budget process, it should be noted that after the Manager presents the Recommended Budget on May 5th, all proposed amendments from Board members and staff will be compiled, posted and updated on a continual basis on the County's website. This effort will inform the public on the proposed amendments and provide interested individuals and organizations sufficient time to prepare for making comments at the public hearings and/or share any comments with the Board via electronic or other means.

Two calendar options are offered for consideration. The first calendar (Option #1) was presented at the BOCC work session on September 10, 2019. Based on Board member comments during the work session, an alternate calendar (Option #2) is also presented.

Original Option #1

During the budget process this past spring, Board members requested that the budget amendment process be addressed, specifically to allow for public comments on any amendments proposed after the Manager presented the Recommended Budget. Staff has

addressed this opportunity in the proposed meeting calendar for 2020 by scheduling the two public hearings differently than in the past.

The first budget public hearing is proposed to occur on May 12, 2020 at the Whitted Center in Hillsborough - after the Manager's Recommended Budget presentation on May 5th. The second budget public hearing is proposed to occur at the Southern Human Services Center in Chapel Hill three weeks later on June 4, 2020. As proposed, convening the second public hearing on June 4th would occur after the Board has conducted three budget work sessions and Board members have had the opportunity to propose potential amendments to the Recommended Budget. The June 4th second public hearing would provide the opportunity for public comment on any proposed amendments and any other parts of the budget. The Board's fourth and final budget work session is proposed for June 9, 2019 when the Board would make decisions on proposed amendments and the entire budget, and also adopt its Resolution of Intent to Adopt the Budget. The Board would officially approve the budget at the proposed June 16, 2020 Regular Meeting.

Option #2

For Option #2, the proposed April 23, 2020 Work Session has been moved to March 31.

Budget Work Sessions in May and June are also shifted forward to reduce the number of May meetings and thereby extend the budget work sessions and last regular meeting to later in June. The second/last budget public hearing is proposed to occur on June 9, 2020, after the Board has conducted three budget work sessions and Board members have had the opportunity to propose potential amendments to the Recommended Budget. It should be noted that shifting the third budget work session to June 4th and the second public hearing to June 9th would provide only three business days between meetings for the public to prepare comments on any proposed amendments. The Board's fourth and final budget work session would occur on June 16, 2019 when the Board would make decisions on proposed amendments and the entire budget, and also adopt its Resolution of Intent to Adopt the Budget. The Board would officially approve the budget at the proposed June 23, 2020 Regular Meeting.

FINANCIAL IMPACT: There is no financial impact associated with discussion of the draft 2020 BOCC meeting calendar.

SOCIAL JUSTICE IMPACT: There is no Orange County Social Justice Goal impact associated with this item.

ENVIRONMENTAL IMPACT: There is no Orange County Environmental Responsibility Goal impact associated with this item.

RECOMMENDATION(S): The Manager recommends that the Board discuss the draft schedule of meetings for calendar year 2020 and the proposed budget public hearing schedule and consider approval of a meeting schedule for the Board of County Commissioners for calendar year 2020.

DRAFT
ORANGE COUNTY BOARD OF COMMISSIONERS
MEETING CALENDAR FOR YEAR 2020

NOTE: All meetings will begin at 7:00 pm unless otherwise indicated

January 21	BOCC Regular Meeting	Whitted Building – Hillsborough
January 24	BOCC Retreat <i>(note: meeting to be from 9:00am-4:00pm)</i>	TBD
January 28	Assembly of Governments (AOG)	Whitted Building – Hillsborough
February 4	BOCC Regular Meeting	Whitted Building – Hillsborough
February 11	BOCC Work Session	Southern Human Services Center – Chapel Hill
February 18	BOCC Regular Meeting	Southern Human Services Center – Chapel Hill
March 1-4	NACO Legislative Conference	Washington, D.C.
March 10	BOCC Regular Meeting	Whitted Building – Hillsborough
March 17	BOCC Work Session	Southern Human Services Center
March 24	BOCC Regular Meeting	Southern Human Services Center – Chapel Hill
April 7	BOCC Regular Meeting	Whitted Building – Hillsborough
April 14	BOCC Budget Work Session	Southern Human Services Center – Chapel Hill
April 20	Legislative Breakfast Meeting (8:30am)	Solid Waste Admin Offices- Chapel Hill
April 21	BOCC Regular Meeting	Southern Human Services Center – Chapel Hill
April 23	BOCC Work Session	Southern Human Services Center – Chapel Hill
April 28	BOCC Joint Meeting with School Boards	Whitted Building – Hillsborough
May 5	BOCC Regular Meeting	Whitted Building – Hillsborough
May 12	Manager's Evaluation Closed Session <i>(meeting to start at 5:30pm w/dinner)</i>	Whitted Building – Hillsborough
May 12	BOCC Budget Public Hearing - 7:00 pm	Whitted Building – Hillsborough
May 14	Clerk's Evaluation Closed Session <i>(meeting to start at 5:30pm w/dinner)</i>	Southern Human Services Center – Chapel Hill
May 14	BOCC Budget Work Session - 7:00 pm	Southern Human Services Center – Chapel Hill
May 19	BOCC Regular Meeting	Southern Human Services Center – Chapel Hill

May 21	Attorney's Evaluation Closed Session (meeting to start at 5:30pm)	Whitted Building – Hillsborough
May 21	BOCC Budget Work Session 7:00 pm	Whitted Building – Hillsborough
May 28	BOCC Budget Work Session	Southern Human Services Center – Chapel Hill
June 2	BOCC Regular meeting	Whitted Building – Hillsborough
June 4	BOCC Budget Public Hearing	Southern Human Services Center – Chapel Hill
June 9	BOCC Budget Work Session	Whitted Building – Hillsborough
June 16	BOCC Regular Meeting	Southern Human Services Center – Chapel Hill
July 17-20	NACo Conference	Orlando, FL
August 13-15	NCACC Conference	Cabarrus County, NC
September 1	BOCC Regular Meeting	Whitted Building – Hillsborough
September 10	BOCC Work Session	Southern Human Services Center – Chapel Hill
September 15	BOCC Regular Meeting	Southern Human Services Center – Chapel Hill
September 24	Joint Meeting with School Boards	Whitted Building – Hillsborough
October 8	Joint Meeting with Fire Departments/Work Session	Whitted Building – Hillsborough
October 6	BOCC Regular Meeting	Whitted Building – Hillsborough
October 20	BOCC Regular Meeting	Southern Human Services Center – Chapel Hill
November 5	BOCC Regular Meeting	Whitted Building – Hillsborough
November 12	BOCC Work Session	Southern Human Services Center – Chapel Hill
November 17	BOCC Regular Meeting	Southern Human Services Center – Chapel Hill
December 7	BOCC Regular Meeting (Organizational Meeting)	Whitted Building – Hillsborough
December 15	BOCC Regular Meeting	Southern Human Services Center – Chapel Hill

Southern Human Services Center, 2501 Homestead Rd., Chapel Hill
Whitted Building, 300 West Tryon Street, Hillsborough, N.C.

OPTION #1

January						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	W21	22	23	24	25
26	27	W28	29	30		

24th 9:00 am - 4:00 pm Retrt @TBD
28th 7:00 pm AOG

February						
S	M	T	W	T	F	S
						1
2	3	W4	5	6	7	8
9	10	S11	12	13	14	15
16	17	S18	19	20	21	22
23	24	25	26	27	28	29

5-7 Managers Winter Conf. - Winston Salem
11th 7:00 pm Work Session

March						
S	M	T	W	T	F	S
1	2	Elct3	4	5	6	7
8	9	W10	11	12	13	14
15	16	S17	18	19	20	21
22	23	S24	25	26	27	28
29	30	31				

1-4 NACo Legislative Conf. Wash. D.C.
17th 7:00 pm Work Session

April						
S	M	T	W	T	F	S
			1	2	3	4
5	6	W7	8	9	10	11
12	13	S14	15	16	17	18
19	20	S21	22	S23	24	25
26	27	W28	29	30		

14th 7:00 pm Budget Work Session-CIP
20th 8:30 am Legislative Breakfast @ SW
23rd 7:00 pm Work Session
28th 7:00 pm Schools

May						
S	M	T	W	T	F	S
						1
2	3	4	W5	6	7	8
9	10	11	W12	13	S14	15
16	17	18	S19	20	W21	22
23	24	25	26	27	S28	29
30	31					

12th 5:30 pm Mgr Eval 7:00 pm Budget PH
14th 5:30 pm Clerk Eval 7:00 pm Budget WS
21st 5:30 pm Att Eval 7:00 pm Budget WS
28th 7:00 pm Budget Work Session

June						
S	M	T	W	T	F	S
		1	W2	3	S4	5
6	7	8	W9	10	11	12
13	14	15	S16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

4th 7:00 pm Budget Public Hearing
9th 7:00 pm Budget Work Session
19-20th Manager's Summer Seminar

July						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

17 - 20 NACo Conf - Orlando, FL

August						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

13 - 15 NCACC Conf. Cabarrus Co.

September						
S	M	T	W	T	F	S
		1	W1	2	3	4
5	6	7	8	9	S10	11
12	13	14	S15	16	17	18
19	20	21	22	23	W24	25
26	27	28	29	30		

10th 7:00 pm Work Session
24th 7:00 pm Schools

October						
S	M	T	W	T	F	S
				1	2	3
4	5	W6	7	W8	9	10
11	12	13	14	15	16	17
18	19	S20	21	22	23	24
25	26	27	28	29	30	31

8th 7:00 pm Fire Depts / Work Session

November						
S	M	T	W	T	F	S
1	2	Elct3	4	W5	6	7
8	9	10	11	S12	13	14
15	16	S17	18	19	20	21
22	23	24	25	26	27	28
29	30					

12th 7:00 pm Work Session

December						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	W7	8	9	10	11
12	13	14	S15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Holidays	11
Regular BOCC Meetings	19
Work Sessions	6
Budget Work Sessions	5
Budget Public Hearings	2
Assembly of Governments	1
School Boards	2
Staff Eval Closed Sessions	3
Legislative Breakfast	1
Retreat	1
Fire Departments Work Session	1

W Whitted Building
S Southern Human Serv Ctr

37 Meeting days
4 Two meetings same day
41 Total Meetings

Total Meetings 41

BOCC 2020 Meeting Calendar

OPTION #2

January						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	W21	22	23	24	25
26	27	W28	29	30		

24th 9:00 am - 4:00 pm Retrt @TBD
28th 7:00 pm AOG

February						
S	M	T	W	T	F	S
						1
2	3	W4	5	6	7	8
9	10	S11	12	13	14	15
16	17	S18	19	20	21	22
23	24	25	26	27	28	29

5-7 Managers Winter Conf. - Winston Salem
11th 7:00 pm Work Session

March						
S	M	T	W	T	F	S
1	2	Elct3	4	5	6	7
8	9	W10	11	12	13	14
15	16	S17	18	19	20	21
22	23	S24	25	26	27	28
29	30	S31				

1-4 NACo Legislative Conf. Wash. D.C.
17th 7:00 pm Work Session
31st 7:00 pm Work Session

April						
S	M	T	W	T	F	S
			1	2	3	4
5	6	W7	8	9	10	11
12	13	S14	15	16	17	18
19	20	S21	22	23	24	25
26	27	W28	29	30		

14th 7:00 pm Budget Work Session-CIP
20th 8:30 am Legislative Breakfast @ SW
28th 7:00 pm Schools

May						
S	M	T	W	T	F	S
						1
2	3	4	W5	6	7	8
9	10	11	W12	13	S14	15
16	17	18	S19	20	21	22
23	24	25	26	27	W28	29
30	31					

12th 5:30 pm Mgr Eval 7:00 pm Budget PH
14th 5:30 pm Clerk Eval 7:00 pm Budget WS
28th 5:30 pm Att Eval 7:00 pm Budget WS

June						
S	M	T	W	T	F	S
		1	W2	3	S4	5
6	7	8	S9	10	11	12
13	14	15	W16	17	18	19
20	21	22	S23	24	25	26
27	28	29	30			

4th 7:00 pm Budget Work Session
9th 7:00 pm Budget Public Hearing
16th 7:00 pm Budget Work Session
19-20th Manager's Summer Seminar

July						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

17 - 20 NACo Conf - Orlando, FL

August						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

13 - 15 NCACC Conf. Cabarrus Co.

September						
S	M	T	W	T	F	S
		W1	2	3	4	5
6	7	8	9	S10	11	12
13	14	S15	16	17	18	19
20	21	22	23	W24	25	26
27	28	29	30			

10th 7:00 pm Work Session

24th 7:00 pm Schools

October						
S	M	T	W	T	F	S
				1	2	3
4	5	W6	7	W8	9	10
11	12	13	14	15	16	17
18	19	S20	21	22	23	24
25	26	27	28	29	30	31

8th 7:00 pm Fire Depts / Work Session

November						
S	M	T	W	T	F	S
1	2	Elct3	4	W5	6	7
8	9	10	11	S12	13	14
15	16	S17	18	19	20	21
22	23	24	25	26	27	28
29	30					

12th 7:00 pm Work Session

December						
S	M	T	W	T	F	S
		1	2	3	4	5
6	W7	8	9	10	11	12
13	14	S15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Holidays	11
Regular BOCC Meetings	19
Work Sessions	6
Budget Work Sessions	5
Budget Public Hearings	2
Assembly of Governments	1
School Boards	2
Staff Eval Closed Sessions	3
Legislative Breakfast	1
Retreat	1
Fire Departments Work Session	1

W Whitted Building
S Southern Human Serv Ctr

37 Meeting days
4 Two meetings same day
41 Total Meetings

Total Meetings 41

BOCC 2020 Meeting Calendar Considerations

A draft 2020 BOCC meeting calendar (Option #1) was presented at the BOCC work session on September 10, 2019.

Based on Board member comments during the work session, a modified calendar (Option #2) has been discussed with the Budget Office (Paul Laughton), Manager's Office (Greg Wilder) and the Clerk's Office (Donna Baker, David Hunt).

The following modifications are detailed in Option #2 -

- The proposed Regular Work Session on April 23 is moved to March 31.
- Proposed Budget Work Sessions in May and June are shifted forward to reduce the May meetings and extend the budget work sessions and the subsequent last regular Board meeting to later in June.

Considerations

- April, May and June are the busiest BOCC meeting months of the year because of the budget process.
- February and March have fewer meetings than in past years, especially with joint meetings with the towns being pursued in a different format.
- Part of the scheduling challenge is to have two meetings during some weeks and thereby allow some weeks with no meetings.
- The modified calendar (Option #2) has at least one meeting per week for 16 weeks in a row. The original calendar (Option #1) has at least one meeting a week for 11 weeks in a row.
- The BOCC, per its Rules of Procedure, conducts regular meetings typically on the first and third Tuesdays of the month. Option #1 follows this parameter in June 2020. Option #2 depicts the regular meetings in June 2020 occurring on the first and fourth Tuesdays.
- The last day of school before the summer break is scheduled to be June 11 for Orange County Schools and June 12 for Chapel Hill Carrboro City Schools.
- Option #1 proposes the last regular Board meeting for June occur on June 16, 2020. Option #2 proposes the last regular meeting for June 23, 2020.

Families who schedule summer vacations after school ends may, or may not, be more likely to be out of town for a June 23 regular meeting, potentially reducing public engagement.

- High School teams that win at the state level are usually recognized at the last regular meeting in June. Student-athletes and their coaches may, or may not, be less available for the later June 23 regular meeting proposed in Option #2.
- The North Carolina City County Managers Association Summer Conference occurs on June 19th and 20th. In the original draft calendar (Option #1), this would occur after the last BOCC Regular Meeting. In the modified calendar (Option #2), the Manager and staff will still be completing the budget and more than likely be unable to consider attending the conference.
- Option #1 provides a more concise timeframe for the Board and staff to focus efforts on the budget. Option #2 provides a longer timeframe that allows for more discussion and deliberation.
- The Option #1 calendar provides seven days (five business days and the weekend) between the third Budget Work Session (where BOCC members might offer amendments) and the second/last public hearing on June 4, 2020. The Option #2 calendar provides five days (three business days and the weekend) between the third Budget Work Session and the June 9th Public Hearing. It may also be worth noting that the June 9th Public Hearing Agenda would be published the morning immediately after the third Budget Work Session.

BOCC 2020 Meeting Calendar Number of Meeting Days

<u>Month</u>	Original Draft <u>OPTION #1</u>	Modified Draft <u>OPTION #2</u>
March	3	4
April	6	5
May	6	5
June	4	5

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: October 1, 2019

**Action Agenda
Item No. 8-a**

SUBJECT: Minutes

DEPARTMENT: Board of County
Commissioners

ATTACHMENT(S):
Draft Minutes (Under Separate Cover)

INFORMATION CONTACT:
Donna Baker, Clerk to the Board
919-245-2130

PURPOSE: To correct and/or approve the minutes as submitted by the Clerk to the Board as listed below.

BACKGROUND: In accordance with 153A-42 of the General Statutes, the Governing Board has the legal duty to approve all minutes that are entered into the official journal of the Board's proceedings.

September 3, 2019
September 10, 2019
September 10, 2019
September 17, 2019

BOCC Regular Meeting
BOCC Special Meeting
BOCC Work Session
BOCC Regular Meeting

FINANCIAL IMPACT: NONE

SOCIAL JUSTICE IMPACT: NONE

ENVIRONMENTAL IMPACT: NONE

RECOMMENDATION(S): The Manager recommends the Board approve minutes as presented or as amended.

Attachment 1

1
2
3 **DRAFT**4 **MINUTES**
5 **BOARD OF COMMISSIONERS**
6 **REGULAR MEETING**
7 **September 3, 2019**
8 **7:00 p.m.**
910 The Orange County Board of Commissioners met in regular session on Tuesday, September 3,
11 2019 at 7:00 p.m. at the Whitted Human Services Center in Hillsborough, N.C.
1213 **COUNTY COMMISSIONERS PRESENT:** Chair Penny Rich and Commissioners Jamezetta
14 Bedford, Sally Greene, Earl McKee, Mark Marcoplos, and Renee Price15 **COUNTY COMMISSIONERS ABSENT:** Commissioner Dorosin16 **COUNTY ATTORNEYS PRESENT:** John Roberts17 **COUNTY STAFF PRESENT:** County Manager Bonnie Hammersley, Deputy County Manager
18 Travis Myren, and Clerk to the Board Donna Baker (All other staff members will be identified
19 appropriately below.)
2021 Chair Rich called the meeting to order at 7:13 p.m.
2223 **1. Additions or Changes to the Agenda**
24

25 Chair Rich noted the following items at the Commissioners' places:

- 26 - 5-a: Additional Information
-
- 27 - PowerPoint for Item 6-b
-
- 28 - 11-a: Email from Commissioner Greene
-
- 29
-
- 30

31 **PUBLIC CHARGE**32 Chair Rich acknowledged the public charge.
3334 **Arts Moment**35 Katie Murray, Arts Commission Director, introduced David Menconi:
3637 2019 Piedmont Laureate David Menconi is a music critic and arts reporter, formerly at the
38 Raleigh News & Observer, where he was a staff writer for 28 years. He has also written for
39 Rolling Stone, Billboard, Spin, New York Times and salon.com. He has published three books
40 with a fourth, a music history of North Carolina, to be published by University of North Carolina
41 Press in 2020. He is also co-editor of the American Music Series for University of Texas Press
42 and hosts a weekly radio show about the music of North Carolina, "That Old North State Radio
43 Hour" on WCLY/95.7FM. He holds a Master's degree in journalism, and lives in Raleigh.44 David Menconi described the Piedmont Poet Laureate process, and his activities in this
45 role. He highlighted the efforts of Orange County towards promoting the arts.
4647 **2. Public Comments**
4849 **a. Matters not on the Printed Agenda**50 Tod Puckett is from Rougemont, and said he has three considerations on the gun
51 ordinance: on this issue, is it a noise problem or a safety problem? He said if it is a noise

1 problem, that is simply a byproduct of country living; and if it is a safety issue, he asked if there
2 are other ordinances on the books that can be enforced. He said residents are seeing more
3 density in the rural areas, and maybe new developments can add more buffers.

4 Kevin Poole expressed his opposition to any ordinance that imposes on gun rights
5 He said some residents may not be able to afford to join a shooting range. He suggested that, if
6 ordinances are put in place, Orange County create a public shooting range.

7 Riley Ruske said he has a citizen's petition, which is presented under the protection
8 guaranteed by the first amendment to the US Constitution for the right of the people to
9 peaceably assemble and to petition the government for the redress of grievances. He
10 petitioned the Board of County Commissioners (BOCC) to start every meeting with the US
11 pledge of allegiance, asking all in attendance to stand, face the flag, place their right hand over
12 their heart, and have all men remove their hats. He highlighted the positive impacts of
13 instituting this practice.

14 Chair Rich said the petition will be taken through the Agenda Review process, and staff
15 will be in touch.

16 Luis Guarda said he is here to represent the Constitution of the U.S., and to do his duty
17 as a citizen. He said he is a naturalized citizen, and defended the Constitution in the armed
18 services against enemies foreign. He said tonight he is defending the Constitution against
19 enemies domestic, in the form of this ordinance. He said the second amendment must be
20 protected, and this ordinance is an attack on the Bill of Rights.

21 Diane Gentile said she is here about the noise ordinance, and she said she travels alone
22 and what concerns her is the lack of ability to be able to protect herself. She said this ordinance
23 would attack existing traditions, as well as forcing her to go out of County to maintain her firearm
24 skills.

25 Wendy Fontela said she would like to speak about the meetings regarding firearms
26 ordinances, and said she also is presenting a citizen's petition, which is presented under the
27 protection guaranteed by the first amendment to the US Constitution for the right of the people
28 to peaceably assemble and to petition the government for the redress of grievances. She
29 petitioned the BOCC to conduct all meetings regarding firearms ordinances in open session,
30 allowing public comment. She said closed meetings, or meetings that do not allow public
31 participation, are not justifiable. She said the BOCC is committed to transparency, and it must
32 uphold that commitment.

33 Chair Rich said the petition will be taken through the Agenda Review process, and staff
34 will be in touch.

35 Neal Galloway said he has a berm on his property, and he does gun shooting. He said
36 the two main considerations are safety and courtesy. He said safety is addressed by the berm,
37 and courtesy comes down to how long one is shooting, and what one is shooting. He said he
38 has been shooting for 50 years, and never shoots longer than 90 minutes. He said no law tells
39 him to do this, but courtesy does. He said he does not shoot on Sunday. He said he hopes
40 shooters will respect the value of courtesy, as shooting is a worthwhile pastime.

41 John Preyer said he lives in White Cross, and has 50 acres. He said he enjoys
42 recreational shooting on his property, and opposes any restriction on the discharge of firearms.
43 He said if the BOCC feels passionately on this issue, he hopes it will boldly publicize it in order
44 to make its intent public and clear.

45 Lauren Resnick said she and her husband shoot on their property; and she needs to be
46 able to defend herself. She said the BOCC is chipping away their second amendment rights,
47 and she is opposed to any restrictions. She said this ordinance cannot be properly enforced,
48 and would be unrealistic.

49 Chad Resnick said he is against any restrictions on the discharge of firearms on his
50 property. He said he is not against common sense noise ordinances.

1 Norman Kirby said it is unreasonable for the BOCC to say he cannot shoot a gun on his
2 property, and it is unrealistic to say one has to have 90 acres, and a 30-foot berm in order to
3 shoot.

4 Dwayne Mitchell said he and his family shoot on his property, and is the reason the
5 BOCC is receiving so many calls about shooting noise. He said his family has a 40-foot berm
6 built around a 10-acre lot. He said he and his family shoot every Thursday, with the help of an
7 instructor, and trains all members of the family to learn to shoot. He said his family has set up
8 all necessary measures to shoot safely, and the Orange County Sheriff's department comes to
9 the property every Thursday, and has seen how the family shoots, and how the range is set up.
10 He said his family has respected all the rules and regulations of Orange County, and those
11 living near him should have looked into those regulations before moving to the area. He
12 opposes any changes to the ordinance.

13 James Minor said he is a Veteran, and is against any restrictions on shooting. He said
14 he has been shooting since he was 14 years old. He said not everyone can afford to go to a
15 shooting range. He said he and his family shoot every week on their property, and they moved
16 to the country in order to be able to hunt, fish and shoot guns, and as long as it is done in a safe
17 manner, they should be left alone. He said if people do not like the noise, then they should stay
18 in the city.

19 Wayne Mitchell said he is against any changes in the ordinance. He said his family used
20 to shoot on a daily basis, but restricted their shooting to Thursday evenings to respond to the
21 complaints raised by neighbors. He said his family follows all rules and regulations, and the
22 BOCC should not chip away at rights.

23 Regina Merritt is the mother of the men that just spoke against any changes, and she
24 said they have lived in their neighborhood for over 60 years, and her extended family has lived
25 there for over 100 years. She said the people that are complaining never voiced any concerns
26 to her family personally, and it is simply unfair. She said they have been doing this for years,
27 and had no problems. She said there are berms all over their neighborhood, and it is safe for
28 her family to shoot. She invited the BOCC and any neighbors to come see the property to
29 understand how safe it is. She asked the BOCC to respect that her family has lived in this
30 neighborhood far longer than anyone else, and allow the family to be a part of BOCC
31 conversations.

32 Carol Edmonds said she lives in the County, but the neighborhood she is in now is
33 densely populated. She said there is a lot of shooting that goes on in her neighborhood at all
34 hours of the day and night, and she is in favor of any regulation in dense neighborhoods like
35 hers.

36 Gary Clark said the average overpass on the Interstate is 13 feet 10 inches tall, and
37 residents are being asked to build a berm that is 3 times that height. He said this is both
38 expensive and an eyesore. He said James Madison wrote the first 10 amendments in a thought
39 out manner, and the rights of the people are of higher importance than government rights.

40 Stanley Washburn said the Board of County Commissioners should not be involved, and
41 neighbors should work this out themselves. He said the Sheriff cannot always respond as
42 quickly as necessary to rural areas, and thus landowners need to be proficient in self-protection.
43 He said maintaining firearm skills is an important part of that self-protection. He said he is
44 shocked that this conversation has risen to the BOCC. He said he fought to protect the rights of
45 US citizens, and those that choose to live in the Country should be allowed to shoot and use
46 their land as they see fit.

47 Steve Kirby said this is a backdoor approach to infringing on the second amendment,
48 and this is not a gun problem, it is a prosecution problem. He said Durham released a large
49 number of gun offenders back into the population.

1 Jennifer Woods said she lives on 20 acres in northern Orange County. She said she
2 has not heard anything tonight about guns. She said her family is large, and it hunts for food on
3 her land. She said infringing on this in any way would impact her ability to feed her children.
4

5 Dear Orange County Board of County Commissioners,
6 I was present at the meeting last night but did not have the opportunity to speak. Therefore, I
7 am following up in email with my comments as part of the official record.
8

9 I am fundamentally **opposed** to any revision to the "shooting ordinance". First, per
10 Commissioner McKee's comments last night, I agree that there does not seem to be a clear
11 complaint of noise versus safety. We are entering hunting season and how will the Sheriff's
12 department adequately answer every call from citizens who merely hear gun shots? As to
13 complaints of gunfire at night, Coyote hunting is a NC regulated and approved activity as is
14 hunting of other species during defined times (sometimes at night) of the year.
15

16 From the minutes of the meeting in June with the initial petition presented to the board to the
17 one citizen last night who spoke about living in a condensed neighborhood and hearing gun
18 shots, no one, at either meeting, clearly stated that they *witnessed* someone shooting in
19 the condensed area; they merely heard gunfire. With no way to determine where the shots were
20 heard, how can the BOCC amend an ordinance that would be impossible to enforce?
21

22 Orange County has noise ordinances and shooting safety ordinances already on the books.
23 Until a determination and clear delineation is made of what the **actual** issue stems from, it is my
24 opinion that there is no clear path forward to a new ordinance.
25

26 I, also, support my husband's (Kevin Poole), recommendation that Orange County can address
27 these concerns with a County Shooting Range that would be free to the residents of Orange
28 County. This endeavor can certainly be achieved with the funds from the ½ cent tax increase for
29 the rail project that did not materialize. A project, I may add, that does not benefit rural Orange
30 County in any way.
31

32 Finally, many of us wondered what brought on this proposed ordinance that was abandoned 3
33 years ago with pushback from the public. After last evenings meeting and hearing from the
34 Mitchell family, I must ask, does this issue stem from noise or does it stem from the fact it's a
35 black family exercising their second amendment rights? A family that enjoys shooting and is
36 passing that hobby on to the next generation? As we sat in the meeting last night and they were
37 speaking, my husband and I looked up their property on the GIS and looked at the aerial views
38 of their property. Honestly, we've rarely seen such safety measures put in place for recreational
39 shooting on one's own property. Perhaps many of you are unaware, but should look up, the first
40 "gun control" laws were enacted in the late 1800's to prevent black people from owning guns.
41 Last night's meeting allowed us all to hear from the Mitchell's and what appears to be modern
42 day Jim Crow, illustrating that Orange County isn't as progressive as they claim to be.
43

44 Sincerely,
45

46 Melissa W. Poole
47 5620 Kiger Road
48 Rougemont, NC 27572
49

1 Chair Rich said all comments and petitions will be taken under advisement, and the
2 Board will have a work session on September 10 to discuss the issue. She said there is
3 currently no proposed ordinance, and there may not be one at all.

4 Commissioner Greene said the Board must dispel any rumors about a closed meeting.

5 Chair Rich said the Board never had a closed meeting on this issue, and just because
6 something is on social media does not make it fact. She said the BOCC cannot have
7 discussions about ordinances in closed session.

8 John Roberts said that is correct, and North Carolina law limits closed sessions to issues
9 of personnel, economic development, etc. He said there is no lawful way to have a closed
10 session about any ordinance.

11 12 **b. Matters on the Printed Agenda**

13 (These matters will be considered when the Board addresses that item on the agenda
14 below.)

15 16 **3. Announcements, Petitions and Comments by Board Members**

17 Commissioner Bedford said the North Carolina Department of Health and Human
18 Services (NCHHS) announced that Orange County's Medicaid changes will be delayed from
19 November 1 to February 2020, due to the lack of an approved state budget. She said all 100
20 counties will start in February. She said open enrollment will be extended, and the public can
21 meet with consultants to determine a provider. She said until that time, the public can continue
22 seeing their current provider.

23 Commissioner McKee said he realized that there is confusion and concern about the
24 noise ordinance issue, and what is going to happen at the work session on September 10th. He
25 said nothing was on tonight's agenda, and the County Attorney will do a presentation at the
26 upcoming work session. He petitioned that the rule of no public comment at a work session be
27 suspended for the September 10th meeting, so that after the Attorney's presentation and/or
28 before any decision and discussion, the public be able to provide comment. He said this
29 should hopefully squash any suspicions of lack of transparency on the part of the BOCC. He
30 said he would also like to petition that a formal public hearing be held 2 weeks prior to any
31 decisions being made on any firearms regulations.

32 Chair Rich said the County did put a statement on the website about this issue last
33 week.

34 Chair Rich referred to the possibility of public comment at a work session, and asked the
35 County Attorney to weigh in.

36 John Roberts said the lack of comment at work sessions is a Board rule, which the
37 Board can suspend at any time. He said he would not recommend this, as a huge crowd will
38 show up for reasons that are not going to be discussed. He said this is not a decision item at
39 this time, and having a public hearing on it is fine to do, and likely wise to do, before any
40 decisions are made. He said the Board asked him the question of whether the Board can
41 regulate the discharge of firearms in high-density, residential areas, and he will provide a report
42 at the work session. He said he will show a map that is an example, and shows 10 housing
43 units per 10-acre grid parcel. He said there are 100's of grid parcels. He said should the Board
44 pursue this change, the example would only apply near the towns, and in a few donut holes
45 west of Chapel Hill. He said this would not affect northern Orange County at all, and would
46 mostly not affect southwestern Orange County either.

47 John Roberts said having public comment at a work session is preliminary, but a public
48 hearing later, if the Board of County Commissioners decides to go forward, would be good.

49 Bonnie Hammersley echoed John Roberts' comments, and the Board should clearly
50 publicize meetings.

1 Commissioner McKee said he will let his petition stand, and he said to limit public
2 discussion on any high interest topic is foolish, and fans the fire. He said the Board is not hiding
3 anything, but the public should be heard on high interest or controversial issues.

4 Chair Rich said a public hearing would allow this participation.

5 Commissioner McKee agreed, but said he also feels people should be allowed to speak
6 after the County Attorney presents his report at the work session. He said limiting public
7 comment in any way fosters distrust in the County government.

8 Commissioner Greene acknowledged that this is their first meeting back after the
9 summer break. She said much happened of the summer, including a woman with dementia that
10 wandered away from her home. She recognized and commended Kirby Saunders, Emergency
11 Services, and others for helping to find her.

12 Commissioner Price said during the summer she attended the National Association of
13 Counties (NACo) annual conference, and federal support and funding for the Arts is at an all-
14 time high, and encouraged the Arts Commission to keep up its efforts in creating a place making
15 for Orange County. She said she also attended the North Carolina Association of County
16 Commissioners (NCACC) conference, and gave a shout out to youth representative Camille
17 Clark, who interviewed Commissioner Greene. She said this gives youth the opportunity to be
18 involved in local government. She said Camille was recently elected as the president of Orange
19 County 4-H.

20 Commissioner Price said the Board of Elections (BOE) is proposing new precinct
21 boundaries, which are based on common sense; as well as some other issues to pay attention
22 to and provide comments to the BOE.

23 Commissioner Price said the Orange County Community Remembrance Coalition is
24 hosting "Just Another Lynching" on September 9 at the Chapel Hill Library. She said there will
25 be a program on Blacks and World War I at the Passmore Center on September 14.

26 Commissioner Marcoplos said GoTriangle is adding an important new bus stop by
27 Chapel Hill North, which will allow people to transfer to the CRX bus to Raleigh. He said
28 commuter rail is in infancy stages of being studied and negotiated, and he serving as the
29 County representative in discussions with the NC Railroad. He said these negotiations will take
30 time, but are underway. He said Hillsborough Park and Ride is slated for some serious work in
31 2019-2020. He said several bus stops are in the design stages, 4 of which are in Hillsborough.

32 Commissioner Marcoplos said he wanted to petition about the electric vehicle charging
33 stations, and would like to know how the old ones worked and why they are being replaced. He
34 said it is important to understand emerging technology. He said he would also like to know
35 where the locations will be for the new solar charging stations.

36 Commissioner Marcoplos said he is very proud of the rally that happened in Hillsborough
37 on Saturday, with 800-1000 people showing up peacefully. He applauded the organizers.

38 Commissioner Marcoplos referred to the upcoming work session, and said he wants as
39 much public input as possible on all issues, but he wants to work at this work session, and he
40 said to keep this work session as a work session.

41 Chair Rich said she received a letter from the Governor about why he did not pass the
42 budget, which she will share with the Board. She applauded the staff for all of their hard work
43 over the summer, and said the Clerk has provided a draft calendar for the 2020 meeting
44 schedule.

45 Chair Rich said she and the Clerk will be updating the Rules of Procedure, and creating
46 a new Board of County Commissioners handbook.

47 Chair Rich read communication from the BOE Director Rachel Raper, regarding the
48 proposed precinct changes, and said the public is invited to leave public comments on the
49 website.

50 Chair Rich referred to Commissioner McKee's petition about the upcoming work session,
51 and said if the Board is going to make a change the public needs to know.

1 Commissioner Greene said she appreciated the thought, and this is an emotional issue
2 for many. She said she does not want people to feel unheard, but also appreciates
3 Commissioner Marcoplos' comments about work sessions being an opportunity to really work
4 and needing even more work sessions. She suggested an idea that came up in a Board in
5 another jurisdiction, which decided to allow ten minutes at the beginning and end of the work
6 session for public comment.

7 Commissioner Bedford had no comments.

8 Commissioner Price said she is leaning toward the hybrid; and spreading the
9 conversation out over various meetings can stifle real discussion. She said she liked
10 Commissioner Greene's proposal, and she would be inclined to suspend the rules at this time.

11 Commissioner Bedford said the school board does its agendas differently, with most
12 items coming at a work session with public comment before or after a presentation.

13 Commissioner Bedford said the Board should not be in the mode of changing the rules,
14 based on the intensity of a topic; but rather the rule should be made and stuck to. She said she
15 would not want to suspend the rules this time, but would be open to discussing a change for all
16 meetings at a later time.

17 Chair Rich agreed with Commissioner Marcoplos, and said opening discussion before or
18 after a work session allows people to talk about items that are not part of the work session. She
19 said the Board does not have enough time in work sessions, and she would like to keep work
20 sessions as work sessions. She said she is in favor of a public hearing if the Board has an
21 ordinance change. She said this topic got twisted due to an inaccurate post on social media.

22 Commissioner Price said people did speak about noise, and that was put out in the
23 public as a topic for BOCC discussion. She said there were some comments about taking away
24 rights, which were not true.

25 Commissioner Marcoplos said he appreciates the impulse to compromise, but it is
26 confusing to change the rules. He said the public knows when the Board has public comment,
27 and the Board should stick with established procedures.

28 Commissioner Greene said all work sessions are open to the public, and she is willing to
29 limit all public comment at work sessions to the end of the meeting; but if that is not the will of
30 the Board, the public can still come to a work session, pay close attention, and then email the
31 Board of County Commissioners afterwards.

32 Commissioner McKee said the Board cannot regulate social media, and his intent with
33 this petition was to address some concerns as to what was going on. He said most residents
34 got information from other sources, and his sole intent in allowing public comment on
35 September 10th is to make sure that the public gets the right information. He said the
36 Commissioners serve at the will of the public.

37
38 A motion was made by Commissioner McKee, seconded by Commissioner Price to hold
39 public comment at the end on September 10th work session, after the County Attorney's
40 presentation and Board discussion, with a one-hour time limit.

41
42 Commissioner Greene asked if there would be a time limit on public comment.

43 Commissioner McKee said one hour.

44 Chair Rich asked John Roberts if the BOCC will be voting on any decisions at the work
45 session.

46 John Roberts said no vote will be taken, and there will be a presentation of examples of
47 how what something could work, and the BOCC will be asked to give direction to staff to study
48 this further and/or ask Planning staff to come up with actual numbers. He said the BOCC will
49 not pass any ordinances at the work session.

50 Commissioner Price said she does not support an hour of time, as that seems a bit
51 indulgent.

1 Commissioner McKee said he cannot imagine public comment taking more than a few
2 minutes.

3 Commissioner Marcoplos said what if the Board has a two-hour discussion, and reaches
4 no conclusion. He said he wants governance to be understood, and he also wants people to
5 have the opportunity to speak. He does not think the work session is the appropriate time for
6 people to speak.

7 Commissioner McKee said people should be allowed to observe the meeting, and to
8 speak with the Board. He said the public often has good suggestions. He said Orange County
9 is no longer a rural county, and this issue is going to continue to come up. He said it is a
10 delicate line to walk in imposing urban-style regulations without impinging on second
11 amendment rights. He said this issue will only get more divisive as this County continues to
12 grow. He said the Board is obligated to sit and listen as long as it takes for the public to be
13 heard.

14 Commissioner Greene said before the Board takes a vote, she would like to understand
15 if there would be one or two public hearings prior to voting on a possible ordinance change.

16 John Roberts said this type of ordinance does not require a public hearing, and he said it
17 would be at the discretion of the Board.

18 Commissioner Greene asked if there could be two public hearings.

19 John Roberts said yes.

20 Commissioner Greene said she would be open to two public hearings.

21 John Roberts said it is the Board's prerogative, and it can have as many public hearings
22 as it wants.

23 Commissioner Greene said she would like to have two public hearings, and feels an
24 hour is too long for comment after a work session.

25 Chair Rich said she would be open to public hearings, but does not support changing
26 policies without a full discussion.

27 Commissioner Price said she would be open to having questions of clarification and
28 dialogue at the end of the public hearing.

29 Commissioner Greene said this type of discussion could happen at a public hearing.

30 Commissioner Price said public hearings do not allow for back and forth dialogue.

31
32 **VOTE: Ayes, 1 (Commissioner McKee); Nays, 5**

33
34 Chair Rich said Commissioner McKee raised some important points, and thanked him
35 for doing so.

36 37 **4. Proclamations/ Resolutions/ Special Presentations**

38 39 **a. "The Nature of Orange" Photography Contest 2019**

40 The Board recognized the winners and thanked all participants and judges of "The
41 Nature of Orange" 2019 Photography Contest.

42
43 Lynn Hecht, Department of Environment, Agriculture, Parks and Recreation (DEAPR),
44 presented this item:

45
46 **BACKGROUND:** The Orange County Commission for the Environment and Parks and
47 Recreation Council are proud sponsors of this year's "The Nature of Orange" Photography
48 Contest completed in May 2019. This year, the theme was Farms, Parks and Trails in Orange
49 County. The goal of the contest was to inspire exploration, celebration and appreciation of
50 Orange County's diverse landscapes and outdoor experiences. Photographers help document
51 the beauty and diversity of natural resources, and people connecting to the environment.

1 A total of 65 photographs were submitted in May 2019. A panel of judges selected first, second
 2 and third place winners from the Youth and Adult divisions. In addition, judges identified two
 3 additional Honorable Mention awards per age group due to the many high-quality submissions.
 4 This year's judges were photographers Kent Murray, Holden Richards, and David Schaub.
 5 Winners received a congratulatory letter, certificate, and for first through third place, a small
 6 monetary award. During the month of August, the photographs were displayed at Cup a Joe in
 7 Hillsborough. For September, the photos will be on display at the Orange County Public Library.
 8 The photographs will then be displayed at the Orange County Visitors Center in Hillsborough
 9 from October through December. In January 2020, the Orange County/Chapel Hill Visitors
 10 Center in Chapel Hill will host the photos. The winning photographs can also be viewed on the
 11 Orange County DEAPR website under the "breaking news"
 12 section <http://www.orangecountync.gov/deapr/>, on the department's Facebook Page, and will
 13 also be "streaming" on the visual monitors in County buildings.
 14

15 Lynne Hecht made the following PowerPoint presentation:
 16

17 **The Nature of Orange Photography Contest**

- 18 • 8th annual photography contest, 2019
- 19 • Photographers help document the beauty and diversity of our natural resources or show
 20 residents enjoying our parks and environment. Theme this year: Parks and Trails in
 21 Orange County. All photos taken in Orange County.
- 22 • 65 entries (27 Youth and 38 Adults)
- 23 • Volunteer judges evaluated photos based on:
 24 -relevancy
 25 -composition/arrangement
 26 -focus/sharpness
 27 -lighting and creativity
 28

29 **1st Place Adult: "Occaneechi Village Snow"**

30 Bob Johnson
 31

32 **2nd Place Adult: "Snow Covered Eno"**

33 Charles R. Sheppard
 34

35 **3rd Place Adult: "Boat Launch at Dawn"**

36 Joel Elliott
 37

38 **Honorable Mention Adult: "Amtrack Crossing the Eno"**

39 Bob Johnson
 40

41 **Honorable Mention Adult: "Axis Mundi"**

42 Joe Elliott
 43

44 **1st Place Youth: "Just Hanging"**

45 Alexcina Wartski
 46

47 **2nd Place Youth: "Yellow on Yellow"**

48 Maggie Sandbeck
 49

1 **3rd Place Youth: “Sunny”**

2 Haley Wade

3
4 **Honorable Mention Youth: “Left to Rust”**

5 Ryan Kroothoep

6
7 **Honorable Mention Youth, “Crabtree Creek”**

8 Maggie Sandbeck

9
10 **We thank our judges:**

11 Holden Richards, Photographer

12 David Schaub, Photographer

13 Kent Murray, Photographer

14
15 The Board recognized and congratulated the 2019 photography contest winners, and
16 thanked the judges and all those who participated in this community event.

17
18 **b. Appointment of Tax Administrator**

19 The Board considered voting to approve a Resolution appointing Nancy Taylor Freeman
20 as Orange County Tax Administrator effective September 3, 2019 and authorize the Chair to
21 sign.

22 Bonnie Hammersley presented this item:

23
24 **BACKGROUND:**

25 Timothy Dwane Brinson resigned from the position of Orange County Tax Administrator
26 effective June 28, 2019. Mr. Brinson was appointed to serve as the Orange County Tax
27 Assessor and Orange County Tax Collector for a term on four years as per Resolution 2019-
28 023, adopted by the Board of Commissioners on April 2, 2019. The Orange County Tax
29 Administrator serves in the statutory roles of both the Orange County Tax Assessor and the
30 Orange County Tax Collector.

31
32 Sections 105-294 and 105-349 of the North Carolina General Statutes provide that the Board of
33 County Commissioners appoint a County Assessor and Tax Collector. The statutes do not
34 specify a length of term of tax collector but require the county assessor be appointed to a term
35 of not less than two and no more than four years. The statutes also provide that the offices of
36 County Assessor and Tax Collector are offices that may be held concurrently with another
37 appointive or elective office. The Board of County Commissioners shall appoint a qualified
38 person to serve as County Assessor or Tax Collector for the period of the unexpired term upon
39 a vacancy as per North Carolina Law.

40
41 As per the Orange County Code of Ordinances Section 28-5, all appointments and promotions
42 of employees of the County are made solely on the basis of merit and fitness designed to
43 provide an objective method of recruiting persons best qualified. Orange County held a
44 competitive recruitment for the position of Tax Administrator. Three candidates were invited to
45 interview before two panels. One panel consisted of community partners with representation
46 from the Town of Chapel Hill, Orange Water and Sewer Authority and department directors.
47 The other panel included three members of the Board of Commissioners, the County Manager
48 and the Deputy County Manager. Candidates were also given the opportunity to meet staff at
49 the Tax Administration Office. Both panels convened at the end of the interviewing process and
50 Ms. Freeman was the unanimous choice. Staff also endorsed this recommendation.

51 As such, Orange County Manager Bonnie Hammersley has recommended Nancy Taylor

1 Freeman be appointed to serve for the unexpired term of Timothy Dwane Brinson as Orange
 2 County Tax Administrator for the period of September 3, 2019 through April 2, 2023. Ms.
 3 Freeman was appointed the Interim Tax Administrator effective August 3, 2019. Further, Ms.
 4 Freeman was appointed Interim Tax Collector by the Board on June 18, 2019 via Resolution
 5 2019-044.
 6
 7
 8

9 **ORANGE COUNTY BOARD OF COMMISSIONERS**
 10 **A RESOLUTION APPOINTING NANCY TAYLOR FREEMAN TO COMPLETE THE TERM OF**
 11 **TAX ASSESSOR AND TAX COLLECTOR AS THE ORANGE COUNTY TAX**
 12 **ADMINISTRATOR**
 13

14 **WHEREAS**, Timothy Dwane Brinson was appointed by the Orange County Board of County
 15 Commissioners to serve as Tax Administrator from April 2, 2019 through April 2, 2023; and
 16

17 **WHEREAS**, the Orange County Tax Administrator serves in the statutory roles of both the
 18 Orange County Tax Assessor and the Orange County Tax Collector; and
 19

20 **WHEREAS**, Timothy Dwane Brinson resigned from the position of Orange County Tax
 21 Administrator effective June 28, 2019, and had been appointed to serve as the Orange County
 22 Tax Assessor and Orange County Tax Collector for a term of four years as per Resolution 2019-
 23 023, adopted by the Board of Commissioners on April 2, 2019; and
 24

25 **WHEREAS**, as per North Carolina Law, the Board of County Commissioners shall appoint a
 26 qualified person to serve as Orange County Tax Assessor and Orange County Tax Collector for
 27 the period of the unexpired term upon its vacancy; and
 28

29 **WHEREAS**, Orange County Manager Bonnie Hammersley has recommended Nancy Taylor
 30 Freeman be appointed to serve for the unexpired terms of Timothy Dwane Brinson as Orange
 31 County Tax Assessor and Orange County Tax Collector for the period of September 3, 2019
 32 through April 2, 2023;
 33

34 **NOW, THEREFORE, BE IT RESOLVED THAT** the Orange County Board of County
 35 Commissioners, as provided for under Chapter 105-294 and 105-349 of the North Carolina
 36 General Statutes, does hereby appoint Nancy Taylor Freeman as Orange County Tax Assessor
 37 and Orange County Tax Collector to serve the unexpired terms of Timothy Dwane Brinson,
 38 which terms end April 2, 2023 and that such appointments shall be served under the title
 39 Orange County Tax Administrator and that such appointments begin on September 3, 2019.
 40

41 Adopted by the Board of County Commissioners this 3rd day of September 2019.
 42

43 A motion was made by Commissioner Greene, seconded by Commissioner Bedford for
 44 the Board to approve and authorize the Chair to sign the Resolution appointing Nancy Taylor
 45 Freeman as the Orange County Tax Assessor and Orange County Tax Collector, titled Tax
 46 Administrator, effective September 3, 2019 to fill the unexpired term through April 2, 2023.
 47

48 **VOTE: UNANIMOUS**
 49

50 **c. 400 Years Proclamation**

1 The Board considered voting to approve a proclamation declaring August 1, 2019
 2 through July 31, 2020 as a year of remembrance to commemorate the 400th anniversary of
 3 unfree Africans first arriving in English North America and authorize the Chair to sign.
 4

5 Annette Moore, Human Rights and Relations Director, read the following:

6 In 1619, after having been kidnapped from their villages and taken from what is now referred to
 7 as Angola, 350 Africans were forced onto Portuguese slave ships that were bound for the new
 8 world. Approximately half of those Africans died at sea. 50 Africans were stolen by English
 9 pirates off the coast of Mexico, and taken to Point Comfort, a colony that eventually became
 10 Virginia. That ‘some 20 and odd negroes,’ identified by James Rolfe, the widower of
 11 Pocahontas and colony secretary, who were taken to Point Comfort, came on two ships: The
 12 White Lion and The Treasurer. Upon his arrival in Point Comfort, the Captain of The White Lion
 13 sold the Africans for food. This marked, what some believe, to be the beginning of slavery in
 14 the United States. James Horne, President of the Jamestown Rediscovery Foundation said,
 15 ‘1619 gave birth to the great paradox of our nation’s founding: slavery in the midst of freedom.
 16 It marked both the origin of the most important political development in American history: the
 17 rise of democracy; and the emergence of, what would become, one the nation’s greatest
 18 challenges: the corrosive legacy of racial discrimination and inequality that has afflicted our
 19 society since its earliest years.’ For 246 years slavery was legal in America. It did not become
 20 illegal until 150 years ago. Slavery has been part of America much longer than it hasn’t. A
 21 century and a half after slavery was made illegal, we still see the trauma of this infectious
 22 disease. Throughout the 20th century, text books either glossed over slavery, often not treating
 23 it as a part of America’s story, or fed students tales that masked the reality of slavery; some
 24 even telling students that Africans were better off enslaved. What has this practice lead to: lack
 25 of understanding; confusion; tension; and polarization. Tonight we ask you, Commissioners, to
 26 proclaim this 400 year anniversary, and ask you to ask the Human Relations Commission, over
 27 this next year, to plan programs to educate people, and to acknowledge the history of Africans
 28 in America.
 29

30 **BACKGROUND:** In 1619 unfree Africans, “some 20. and odd Negroes,” arrived in the English
 31 settlement that would become Virginia. This marked the beginning of the period in America
 32 where people of Africa were forcibly taken from their homeland, transported to the American
 33 colonies, and committed to lifelong slavery.
 34

35 The Human Relation Commission (HRC) requests that the Board of County Commissioners
 36 recognize the harrowing experience of the Africans who first came to the shores of English
 37 North America and the plight and burden of their descendants with this Proclamation.
 38 Organizations throughout Orange County have had events to commemorate the 400th year
 39 anniversary since January 2019, either as an underlying theme or as the backdrop to events.
 40 Some events include:

- 41 • Inaugural Reception of the Orange County Community Remembrance Coalition [HRC is
- 42 a member]
- 43 • OCCRC Symposium: Confronting the Legacy of Lynching
- 44 • 110th Anniversary of the Founding of the NAACP
- 45 • 400 Years: Sounds of Freedom Music Festival by Free Spirit Freedom
- 46 • 154th Juneteenth Celebration
- 47 • Screening of “The Long Shadow”
- 48 • Symposium: Reconstruction, Redemption and the On-Going Struggle for Freedom
- 49

1 There are more to events planned through to August 2020. The Human Relations Commission
2 will keep you informed as those event dates become available.

3
4 Deborah Stroman read the proclamation:

5
6 **ORANGE COUNTY BOARD OF COMMISSIONERS**
7 **400 Years Proclamation**
8

9 **WHEREAS**, in 1619 unfree Africans, “some 20. and odd Negroes,” arrived in the English
10 settlement that would become Virginia; and

11
12 **WHEREAS**, this historic arrival marked the beginning of the period in America where people of
13 Africa were forcibly taken from their homeland, transported to the American colonies and later
14 the United States, and committed to lifelong slavery and racial discrimination; and

15
16 **WHEREAS**, after the Civil War, the Thirteenth, Fourteenth, and Fifteenth Amendments to the
17 U.S. Constitution were ratified, ending slavery in the U.S. and granting the newly freed slaves
18 freedom, citizenship, the equal protection of law, and the right to vote; but despite these
19 Amendments, Blacks were quickly subjected to Jim Crow, a legally sanctioned institutionalized
20 system of racial segregation and subordination, as well as white resistance and violence; and

21
22 **WHEREAS**, despite efforts such as the Civil Rights Movement in the 1960s, anti-racism
23 advocacy, progressive legislation, and the election of President Barack Obama, Blacks continue
24 to face oppression and inequities across systems and institutions; and

25
26 **WHEREAS**, Orange County is home to Black citizens who are descendants of Africans who
27 were kidnapped and enslaved 400 years ago; and

28
29 **WHEREAS**, Blacks are diverse, respected residents who have worked to transcend the
30 continuing impacts of slavery and racial segregation and contribute to our community’s
31 economic, political, social, and spiritual well-being; and

32
33 **WHEREAS**, Blacks, whose experiences, generational wisdom, and work to triumph over racial
34 oppression, connect us to the past and help us meet the challenges of the future; and

35
36 **WHEREAS**, our community must strive to understand and address the history and legacy of
37 racism, its impacts, and the evolving challenges and needs of all its residents as a result of
38 those impacts, and

39 **WHEREAS**, today, and every day, let us remember the harrowing experience of the Africans
40 who first came to the shores of English North America and the plight and burden of their
41 descendants;

42
43 **NOW, THEREFORE**, we, the Orange County Board of Commissioners, do hereby proclaim
44 August 1, 2019 through July 31, 2020 as a year of remembrance to commemorate the 400th
45 anniversary of unfree Africans first arriving in English North America by working towards racial
46 healing and justice through revisiting the past and learning about efforts to win freedom and
47 equality, and encourage the Orange County Human Relations Commission to, over this
48 anniversary year and beyond, to:

- 49 • plan programs to acknowledge the impact that slavery and laws that enforced racial
50 discrimination and inequity had on the United States; and

- encourage civic, patriotic, historical, educational, artistic, religious, and economic organizations to organize and participate in anniversary activities.

This the 3rd day of September 2019.

PUBLIC COMMENT:

Allison Mahaley, HRC member, thanked the Board of County Commissioners for its service and for considering this proclamation, and said she wanted to speak to the BOCC as a white woman, a southerner and one who has worked in public schools. She said this Resolution, and the work that will come out of it, is greatly needed. She said the BOCC is charged to fully engage in this work because it is made up of elected officials, and most are white. She encouraged the Board to take on this work, as it is personally and systemically transformational.

Anna Richards said she retired to Chapel Hill 6 years ago, and is the President of the Chapel Hill-Carrboro chapter of the National Association of the Advancement of Colored People (NAACP). She said she thought this area was an enlightened one, and she has been shocked and appalled at the lack of information about the true history of this country. She said everyone needs to understand America's history, lest it be repeated. She said this Resolution, and the work that it engages, allows for further dialogue as a government, a community and an organization.

Commissioner Price said Orange County is involved with the HRC and the Department on Aging with the event on September 16th.

A motion was made by Commissioner Price, seconded by Commissioner Greene for the Board to approve the Proclamation and authorize the Chair to sign the Proclamation on behalf of the Board.

VOTE: UNANIMOUS

d. Resolution Condemning the Ku Klux Klan and Other Similar Groups

The Board considered voting to approve a Resolution Condemning the Ku Klux Klan (KKK) and Other Similar Groups and authorizing the Chair to sign.

Chair Rich said this Resolution is in response to the KKK demonstrating in front of the Orange County Courthouse in Hillsborough. She said there had been some rumors that these demonstrators came from Caswell County, and she received a call from Sterling Carter in Caswell County, who said his County does not want to be known as a place that sends people to Orange County to lead a KKK protest. She said both counties decided to write a Resolution together, and to take a public stand condemning the KKK, and other such organizations. She said the Resolution will also be sent to the other counties statewide.

BACKGROUND: The Ku Klux Klan, consisting of numerous independent local groups throughout the United States, is an organization that symbolizes hatred.

Based on recent events in the Orange County community and nationwide, BOCC Chair Penny Rich has proposed that the Orange County Board of Commissioners consider the attached Resolution condemning the Ku Klux Klan and other similar groups. The Caswell County Board of Commissioners will consider a similar Resolution at its September 3, 2019 Board meeting. Orange County as a diverse open community stands in direct opposition to the activities of the Ku Klux Klan and other similar groups.

1 Chair Rich read the Resolution:

2
3 **ORANGE COUNTY BOARD OF COMMISSIONERS**
4 **Resolution Condemning the Ku Klux Klan and Other Similar Groups**

5
6 **WHEREAS**, the Ku Klux Klan, consisting of numerous independent local groups throughout the
7 United States, is an organization that symbolizes hatred; and

8
9 **WHEREAS**, the Ku Klux Klan promotes violence, domestic terrorism and racial terrorism; and

10
11 **WHEREAS**, intimidation, discrimination, oppression, and racism threaten American democracy;
12 and

13
14 **WHEREAS**, white supremacists are exploiting bigotry and have weaponized hate targeting
15 African Americans, Latinos, Native Americans, Asian Americans, LGBTQ communities,
16 immigrants, Jews, Muslims, and other people of color and of other faiths; and

17
18 **WHEREAS**, there is an urgent need to ensure the safety and security of all Orange County
19 residents, and

20
21 **WHEREAS**, Orange County is taking strides to become a more diverse and inclusive open
22 community dedicated to fostering positive human relations, promoting the equal treatment of all
23 individuals, encouraging goodwill, harmony and unity among groups in the County; and
24 protecting residents' personal dignity so as to make available to the County their full productive
25 and creative capacities; and

26
27 **WHEREAS**, Orange County fully embraces the rights guaranteed in the First Amendment to the
28 Bill of Rights, but equally believes those rights do not give the right to any persons or groups to
29 threaten the existence of others;

30
31 **NOW THEREFORE BE IT RESOLVED THAT** we, the Orange County Board of Commissioners,
32 strongly oppose the activities of the Ku Klux Klan, reject white nationalist, white supremacist,
33 neo-Nazis and other hate groups, and urge lawmakers in the State of North Carolina and the
34 Federal Government to denounce threats posed by those groups.

35 This the 3rd day of September 2019.

36
37 **PUBLIC COMMENT:**

38 Anna Richards said she did not know this was on the agenda, and wanted to stay and
39 offer her support. She said 1919 was known as the year of terror in the United States, and
40 there were streams of blood across the country as African Americans were killed in large
41 numbers mostly by the KKK. She said this is a terrorist group, and she is happy to hear the
42 strong denunciation of this group by the Board. She said she attended the vigil on Sunday, and
43 saw a great deal of intimidation occurring. She said she hopes these threats are being taken
44 seriously by law enforcement.

45 Riley Ruske said, as written, this Resolution represents another in a series of County
46 government attacks on the first amendment rights of citizens to speak freely and assemble
47 peaceably. He said it is particularly problematic in its lack of clarity in defining the groups it is
48 attacking. He said the term "other hate groups" is especially dangerous to a free society, and
49 asked if there is a way to define hate or a hate group. He said animosity towards others is a
50 human condition, which no one likes, but it is real. He said the BOCC claims to embrace first

1 amendment rights, but really it only embraces the rights of those with whom it agrees. He said
2 the first amendment specifically exists to prevent government from infringing on the freedom of
3 Americans to speak freely and assemble peaceably.

4 Latarndra Strong said she was the proud lead organizer of the rally this past Saturday,
5 and she said the rally did her heart well. She said she also attended the prayer vigil on Sunday,
6 and said members of the community took pictures of the group and license plates, and put them
7 on social media. She said this was intimidating and instilled real fear. She said the KKK is clear
8 on its intention towards her community. She said she is not a violent person, has never owned
9 a gun or put her hands on anyone, but she has been called a communist and worse. She said
10 people of color were terrified by the KKK showing up, and the BOCC has a responsibility to stop
11 the nonsense about free speech, when there are violent organizations recruiting in this
12 community. She said this is about terrorism, and she asked the Board to pass the proclamation
13 and to do more.

14 Commissioner Marcoplos said when people come into town with guns and threats, there
15 is a clear difference between free speech and terrorist threats. He said the County has to
16 protect people in the community, and it is easy to cite free speech, but the words spoken at the
17 rally went beyond free speech.

18 Commissioner Price said this Proclamation is good, but the BOCC needs to do more.
19 She said Chair Rich spoke with the Commissioner in Caswell County, but she would like there
20 to be a discussion in this County amongst local leaders. She said, of course, people are going
21 to be intimidated, and many people of color were too afraid to even come to the event on
22 Saturday. She said people of other faiths need to be added to the Proclamation, and she would
23 also like to see language that says Orange County is making strides to be a diverse and
24 inclusive community, because there is still a lot of work to be done.

25 Commissioner McKee said he grew up in the 1950s and 1960s knowing where the local
26 KKK house was, and who some of the members were. He said in the 1970s and 1980s the
27 tolerance of this nonsense was driven out or sent underground. He said regardless of where
28 these protestors came from, he is certain there are some white robes hanging in closets in
29 Orange County. He said the problem is that the community's incentive to reject this nonsense
30 seems to be waning, and the KKK seems to be more emboldened. He said anyone who would
31 associate with this type of activity needs to be taken off the street by the Sheriff, but he is not
32 sure if there is a way to do that. He said this is not a reasonable example of free speech.

33 Commissioner Greene thanked all that were involved in the events on Saturday and
34 Sunday. She said it is important to focus on unity. She said it is an aspiration to be unified, and
35 she wants to know how she can be more helpful, as a white ally.

36 Chair Rich said she was out of town all weekend, and she was there in her spirit.

37
38 A motion was made by Commissioner Price, seconded by Commissioner Greene for the
39 Board to approve and authorize the Chair to sign the Resolution.

40
41 **VOTE: UNANIMOUS**

42
43 **5. Public Hearings**

44
45 **a. Zoning Atlas Amendment for 6405 West Ten Road (PIN 9834-25-2573) – Rezone a**
46 **16.45 acre Parcel of Property to General Commercial (GC-4)**

47 The Board held a public hearing and considered action on a property owner-initiated
48 amendment to the Zoning Atlas for a parcel of property within the Cheeks Township.
49 Specifically, the applicant is requesting to rezone a 16.45 acre, split zoned, parcel of property:
50 From: Rural Residential (R-1) (14.57 acres); and Neighborhood Commercial (NC-2) (1.88 acres)
51 To: General Commercial (GC-4) (16.45 acres)

1
2 **BACKGROUND:** This 16.45 acre parcel was originally “split-zoned” Neighborhood Commercial
3 (NC-2) and Rural Residential (R-1) when zoning for Cheeks Township was established in 1984.
4 The property has had a Commercial-Industrial Transition Activity Node (CITAN) land use
5 designation since 1984 as well. Future rezonings to non-residential zoning were anticipated to
6 be consistent with the CITAN land use. As was common practice at that time, staff identified
7 nonresidential zoning district boundaries in a manner that encompassed only the actual land
8 use (e.g., buildings) while excluding other areas, most notably parking, septic fields and/or
9 required land use buffers, which created a split zoning.

10
11 This parcel, further identified utilizing Orange County Parcel Identification Number (PIN) 9834-
12 25- 2573, is 16.45 acres in area and is split zoned with approximately 14.57 acres zoned Rural
13 Residential (R-1) and 1.88 acres zoned Neighborhood Commercial (NC-2). The NC-2 zoned
14 portion of property contains a pole barn and a non-residential structure. Both of these structures
15 are utilized to support contracting, storage, landscaping, and agricultural uses. The R-1 zoned
16 portion of the property contains an older farm-related storage structure previously used to
17 support agricultural uses on the property.

18
19 For more information on current conditions, please refer to the Site Assessment Map contained
20 within Attachment 3.

21
22 In 2016, staff initiated a review of 23 properties throughout the Cheeks Township that were
23 either:

- 24 • Split zoned (i.e. residential and non-residential zoning designations);
- 25 • Zoned non-residential where there was no corresponding non-residential land use; or
- 26 • Contained zoning boundaries did not allow for the logical use of property.

27 Seventeen of these properties were subsequently rezoned to address these conflicts. This
28 property was identified, but not acted upon at the request of the owner to allow for additional
29 review of potential impacts. The owner has since submitted the required zoning atlas
30 amendment application seeking to proceed with a rezoning of the entire 16.45 acre property to
31 General Commercial (GC-4).

32 Development Process, Schedule, and Action: The typical cadence for the review of a General
33 Use Rezoning and Zoning Atlas amendment is:

34
35 • **FIRST ACTION** – Submission of a General Rezoning application with required supporting
36 documents by the property owner.

37 *STAFF COMMENT:* Mr. Doby, the property and business owner, submitted the required
38 materials on July 3, 2019. Staff determined the application to be complete on July 8, 2019.

39
40 • **SECOND ACTION** – The Planning Board receives the application and staff prepares materials
41 and makes a recommendation on the rezoning request.

42 *STAFF COMMENT:* Staff presented this request and the Planning Board made a unanimous
43 recommendation to approve the request at its August 7, 2019 regular meeting.

44
45 • **THIRD ACTION** – The BOCC holds a public hearing on the request, receives the application
46 materials and recommendations, and takes action on the request.

47 *STAFF COMMENT:* Staff will present these materials and facilitate the public hearing at the
48 BOCC’s September 3, 2019 regular meeting.

49
50 **NOTE:** property is not located within a Watershed Protection Overlay district.

1 For more information on the request, please refer to Attachment 1. As previously indicated,
2 maps denoting the subject property are contained within Attachments 2 and 3.

3
4 Other pertinent information concerning the property is as follows:

- 5 • Future Land Use Map (FLUM) Designation: The property is located within an area of the
6 County designated as Commercial-Industrial Transition Activity Node (CITAN). The
7 FLUM can be accessed utilizing the following link:

8 <http://www.orangecountync.gov/DocumentCenter/View/4054/Future-Land-Use-Map-PDF>

- 9 • Comprehensive Plan: Per Appendix F, "*Relationships Between Land Use Categories*
10 *and Zoning Districts Matrix*" of the adopted Orange County Comprehensive Plan, GC-4
11 is an allowable general use zoning category for property located within a CITAN. For
12 more information on the definition of CITAN, and to review the allowed zoning
13 designations permitted within same, the Comprehensive Plan can be accessed utilizing
14 the following link: <http://www.orangecountync.gov/1242/2030-Comprehensive-Plan>.

- 15 • Growth Management System Map Designation: The property is Urban Designated.

16 STAFF COMMENT: The Growth Management System Map is a tool utilized by staff
17 to identify permit review thresholds for residential (i.e., subdivision) projects.

- 18 • Water and Sewer Management, Planning and Boundary Agreement (WASMPBA):
19 Property is located within the Orange County Primary Service Area meaning public
20 utilities (i.e. water and sewer) could be extended to the property. Public utility service
21 would be provided by the City of Mebane, who will likely require voluntary annexation to
22 allow services to be extended to serve a proposed land use. The document can be
23 accessed utilizing the following link:

24 [http://www.orangecountync.gov/DocumentCenter/View/4190/Water-and-Sewer-
25 Management-Planning-and-Boundary-Agreement-PDF](http://www.orangecountync.gov/DocumentCenter/View/4190/Water-and-Sewer-Management-Planning-and-Boundary-Agreement-PDF)

- 26 • Transportation: Per the adopted Efland Buckhorn Mebane Access Management Plan,
27 West Ten Road (west of Buckhorn Road and east of Bowman Road) is recommended to
28 have 2-lanes of traffic with a 2-way left turn lane contained within a minimum of 80 feet
29 of right-of-way. The Plan also calls for the development of either a 5-foot wide paved
30 shoulder or curb/gutter with a bike lane and sidewalk. Development of the revised
31 roadway is intended to be achieved through the State Transportation Improvement
32 Program (STIP). At the time of development site plan submittal for the property, the
33 potential for additional right-of-way and/or road improvements will be determined. The
34 Plan can be accessed utilizing the following link:

35 <http://www.orangecountync.gov/DocumentCenter/View/6967/2019-E-B-M-AMP?bidId>.

36 Public Notifications: In accordance with Section 2.8 of the Unified Development Ordinance
37 (UDO), the following notifications occurred:

38
39 August 7, 2019 Planning Board Meeting: Notices of the date, time, location, and purpose of the
40 meeting were sent via first class mail to all property owners within 1,000 feet of the subject
41 parcel on July 11, 2019. A sign advertising the date, time, location, and purpose of the meeting
42 was posted on the property on July 11, 2019.

43
44 September 3, 2019 BOCC Public Hearing: Notices of the date, time, location, and purpose of
45 the public hearing were mailed to the same residents, via first class mail, on
46 August 19, 2019. A sign denoting the date, time, location, and purpose of the public hearing was
47 posted on the property on August 19, 2019.

48

1 Legal ads advertising the date, time, location, and purpose of the BOCC public hearing were run
 2 in the News of Orange and the Durham Herald Sun on August 21, 2019 and again on August
 3 28, 2019.

4
 5 Refer to Attachment 6 regarding certifications.

6 Courtesy Review: This request was submitted to the City of Mebane, which theoretically could
 7 serve the property with utility and urban services and accept a voluntary annexation petition by
 8 the owner, on July 15, 2019 as part of the courtesy review program. The City has issued no
 9 comments regarding the request other than it could theoretically be served by their public utility
 10 services.

11
 12 Planning Director's Recommendation: As required under Section 2.8.5 of the Unified
 13 Development Ordinance (UDO) the Planning Director shall: '*... cause an analysis to be made of*
 14 *the application and, based upon that analysis, prepare a recommendation for consideration*'.
 15 The Director has determined the proposed atlas amendment addresses potential non-
 16 conformities associated with the current split zoning of the property and that the requested GC-4
 17 zoning designation is consistent with the goals and policies of the adopted Comprehensive
 18 Plan, consistent with property's location within the CITAN. As a result, the Director recommends
 19 **approval** of the Statement of Consistency, indicating the amendments are reasonable and in
 20 the public interest, contained in Attachment 7 and the proposed zoning atlas amendment
 21 ordinance contained in Attachment 8.

22
 23 It should be noted further development/redevelopment of the property will require
 24 submittal/approval of a site plan demonstrating compliance with applicable development
 25 standards (i.e. parking, setbacks, impervious surface, stormwater, landscaping/buffering, etc.)
 26 as detailed within the UDO. Approval of this request does not exempt the applicant from
 27 complying with these standards.

28
 29 The Planning Director has found the request consistent with several provisions of the 2030
 30 Comprehensive Plan, notably:

31 • ECONOMIC DEVELOPMENT ELEMENT:

- 32 • Objective ED-1.5: *Identify barriers to development of desirable businesses and*
 33 *local businesses, and mitigate these barriers.*

34 • CHAPTER 5: LAND USE ELEMENT:

- 35 • *Land Use Overreaching Goal: Coordination of the amount, location, pattern and*
 36 *designation of future land uses, with availability of County services and facilities sufficient to*
 37 *meet the needs of Orange County's population and economy consistent with other*
 38 *Comprehensive Plan element goals and objectives.*

- 39 • *Land Use Goal 1 – Fiscally and environmentally responsible, sustainable growth*
 40 *consistent with the provision of adequate services and facilities and a high quality of*
 41 *life.*

- 42 • *Land Use Goal 4: Land development regulations, guidelines, techniques and/or*
 43 *incentives that promote the integrated achievement of all Comprehensive Plan goals.*

44
 45 Based on this analysis, the Director recommends approval of the zoning atlas amendment
 46 application subject to the approval of:

47 4-i. The Statement of Consistency, as contained in Attachment 7, indicating that the proposed
 48 zoning atlas amendment is consistent with the adopted Plan, and the request is reasonable and
 49 in the public interest; and

50 4-ii. The Ordinance amending the Orange County Zoning Atlas as contained in Attachment 8.

Patrick Mallett, Planner II, made the following PowerPoint presentation:

September 3, 2019

BOCC Agenda Item 5a:

Doby Rezoning

Review and Action on Zoning Atlas Amendment/General Use Rezoning Request

Orange County Planning Department

Vicinity Map

Site: Existing Conditions

Site: Existing Zoning

Site Summary

Land Use Element of the Comprehensive Plan

Growth Management System

Site Photos

West Ten Road frontage facing east toward Buckhorn Road intersection

Site Photos

West Ten Road frontage facing west toward Mebane

Site Photos

Existing Non-residential use on NC-2 portion of property

Site Photos

Pole barn and adjacent residential lot (also owned by applicant).

Site Photos

Pole barn and R-1 portion of property in agriculture use.

Summary

- Part of 2016 Staff initiated Rezoning cases.
- Staff recommended rezoning all to GC-4.
- Put on hold while owner considered long-term plans.
- Cheeks Township was originally zoned in 1984.
- Zoning did not capture all the non-residential uses or the entire property.
- On August 7, 2019, the Planning Board unanimously voted to recommend approval of request.

RECOMMENDATIONS:

1. Receive the request;
2. Conduct the public hearing and accept comment;
3. Close the public hearing. (Note that because this is a legislative decision, additional comments at a later date are permitted);
4. Approve the Statement of Consistency (Attachment 7); and
5. Approve the Ordinance amending the Zoning Atlas (Attachment 8) as recommended by the Planning Board and Planning Director

Commissioner Price asked if there was a timeline on the bike ped proposal.

Patrick Mallett said not, of which, he is aware.

A motion was made by Commissioner Bedford, seconded by Commissioner Greene for the Board to open public hearing.

1
2 **VOTE: UNANIMOUS**

3
4 **PUBLIC COMMENT:**

5 Crystal Galdoni she said this re-zoning will directly affect her property, as it touches 3
6 sides of her property. She said she is the granddaughter of the property owner, and she feels it
7 should not be rezoned as commercial as it will cause more harm than good in the community,
8 and to her family. She said her greatest concern is the mini-storage facility. She said she has 4
9 children and has lived on this property on 2010, and she does not want to move. She said she
10 feels this storage facility will increase the crime rate in her neighborhood. She said the
11 developer's son-in-law is a known local drug addict. She said she has been a victim of crime in
12 this neighborhood, and this will only offer more fodder to criminals. She said she is also
13 concerned that a storage facility will affect the resale value of her home.

14 Patrick Mallett said this is a general use case, and he said everything must be
15 considered that may be permitted, as opposed to specifying one use versus another.

16 Charles Huffine, Civil Engineer for the property owner, said the owner initially excluded
17 this parcel. He said the Planning Commission found this to be favorable, and all conditions
18 were completely met. He said this is a general zoning, and not anything conditional. He said it
19 is open to all the permitted uses in the County's permitted use table.

20 Commissioner Price asked if there are other uses to the west of the young woman's
21 home.

22 Patrick Mallett said the current use today includes agriculture in the rear and a
23 landscaping/contracting business.

24 Charles Huffine said to the left of the woman's home is currently NC-2 zoning, which
25 covers the landscape business, there is a residential area, and part of the rezoning provides for
26 a 100-foot buffer from residential use to the commercial use.

27 Patrick Mallett said he reviewed the property and pointed out uses and required buffers.
28

29 A motion was made by Commissioner Bedford, seconded by Commissioner McKee to
30 close the public hearing. (Note that because this is a legislative decision, additional comments
31 at a later date are permitted.)
32

33 **VOTE: UNANIMOUS**

34
35 A motion was made by Commissioner Bedford, seconded by Commissioner McKee to:
36 Approve the Statement of Consistency (Attachment 7)
37

38 **VOTE: Ayes, 4 (Commissioner McKee, Commissioner Bedford, Commissioner Greene,**
39 **Commissioner Marcoplos); Nays, 2 (Chair Rich and Commissioner Price)**

40
41 A motion was made by Commissioner Bedford, seconded by Commissioner McKee to
42 Approve the Ordinance amending the Zoning Atlas (Attachment 8) as recommended by the
43 Planning Board and Planning Director.
44

45 **VOTE: Ayes, 4 (Commissioner McKee, Commissioner Bedford, Commissioner Greene,**
46 **Commissioner Marcoplos); Nays, 2 (Chair Rich and Commissioner Price)**

47
48 **b. Public Hearing on the Financing of Various Capital Investment Plan Projects**

49 The Board conducted a public hearing on the issuance of approximately \$25,600,540 to
50 finance capital investment projects and equipment for the fiscal year; and consider voting to

1 approve a related Resolution supporting the County's application to the Local Government
2 Commission (LGC) for its approval of the financing arrangements.

3 Gary Donaldson, Chief Financial Officer, presented this item:
4

5 **BACKGROUND:** County staff estimates that the total amount to be financed for capital
6 investment projects, vehicles and equipment will be approximately \$25,600,540 including
7 financing costs.
8

9 The Statutes require that the County conduct a public hearing on the proposed financing. A
10 copy of the published notice of this hearing is provided (Attachment 1).
11

12 The notice of public hearing was advertised in *The Herald Sun* on August 18, 2019 and the
13 *News of Orange* on August 21, 2019.
14

15 After conducting the public hearing and receiving public input, the Board will consider the
16 adoption of the Resolution (Attachment 2). The Resolution formally requests the required
17 approval from the North Carolina Local Government Commission (LGC) for the County's
18 financing, and makes certain finding of fact as required under the LGC's guidelines. County staff
19 has been in contact with the LGC staff, and staff expects no issues with receiving LGC
20 approval.
21

22 If the Board adopts the Resolution indicating its intent to continue with the financing plan, the
23 Board will be asked to consider a Resolution giving final approval to the financing plans at its
24 October 1, 2019 meeting. Under the current schedule, County staff expects to set the final
25 interest rates and close by the first week in November.
26

27 **FINANCIAL IMPACT:** There is no financial impact related to this action. However, there will be
28 a financial impact in proceeding with the financing. A preliminary estimate of maximum debt
29 service applicable to the capital investment projects and equipment financing would require the
30 highest debt service payment of \$2.1 million in FY 2021-22. The tax rate equivalent for the
31 estimated highest debt service payment is approximately 1.2 cents.
32

33 Gary Donaldson made the following PowerPoint presentation:
34

35 **FY 2019-20 Fall Financing**
36 **Limited Obligation Bonds**
37 **Gary Donaldson, Chief Financial Officer**
38 **September 3, 2019**
39

40 **Public Hearing Purpose**

- 41 ➤ Board Approval for FY 2018-19 Installment Purchase Financing as authorized under
- 42 Section 160A-20 of North Carolina General Statutes
- 43 ➤ Issuance of approximately \$25,600,540 to finance capital improvement projects, vehicles
- 44 and equipment
- 45 ➤ Approve Resolution supporting Limited Obligation Bond application to the Local
- 46 Government Commission
47

48 **Limited Obligation Bond Terms**

- 49 ➤ Security Pledge- Annual Appropriations and County collateral of Southern Campus,
- 50 Seymour Center and Northern Campus Site added to Master Deed of Trust
- 51 ➤ Maturity Term- 5- 20 Year maturities matches with the useful life of the assets

- 1 ➤ Estimated Interest Rates- 2-3% subject to market conditions
- 2 ➤ Source of Repayment- Property Tax and Sportsplex Fees
- 3 ➤ Subordinate Lien to General Obligation Bonds
- 4 ➤ Current and Projected Ratings- Aa1/AA+/AA+ from Moody's, Standard & Poor's and
- 5 Fitch Ratings
- 6 ➤ LGC Approval required

7

8 **List of Projects to be Financed (chart)**

9

10 **Key Debt Model Metrics (chart)**

11

12 **Financing Calendar**

13

14 **Questions/Comments**

15

16 A motion was made by Commissioner McKee, seconded by Commissioner Price for the

17 Board to open the public hearing.

18

19 **VOTE: UNANIMOUS**

20

21 **PUBLIC COMMENT:**

22 NONE

23

24

25 A motion was made by Commissioner McKee, seconded by Commissioner Price for the

26 Board to close the public hearing.

27

28 **VOTE: UNANIMOUS**

29

30 A motion was made by Commissioner Price, seconded by Commissioner Marcoplos to

31 for the Board to adopt the Resolution supporting the application to the Local Government

32 Commission for approval of the financing.

33

34 **VOTE: UNANIMOUS**

35

36 **6. Regular Agenda**

37

38 **a. Format for the 2019 Orange County Summit**

39 The Board considered voting to approve the framework for the 2019 Orange County

40 Summit and to assign roles for members of the Board of County Commissioners.

41

42 Todd McGee, Community Relations Director, presented this item:

43

44 **BACKGROUND:** The Board of County Commissioners appropriated \$30,000 in the FY 2017-18

45 budget from the Article 46 sales tax to host an Economic Development Summit in 2018. The

46 BOCC chose to partner with WCHL to broadcast the summit on the radio. The summit occurred

47 on October 17, 2018, from 3 – 7 p.m.

48

49 Given the positive feedback generated from the inaugural summit, staff proposes hosting

50 another summit on October 16, 2019. This event would be held at the Whitted Building and

51 would be co-broadcast on the County's cable television channel.

1
2 After last year's summit, staff and representatives from WCHL met several times and also
3 solicited feedback from the BOCC on ways to improve the next summit. Among the proposals
4 offered were to broaden the scope beyond economic development to include other County
5 initiatives and issues, such as affordable housing and transportation.
6

7 **Topics and Panels (3:00 – 7:00 PM)**

8 9 **Hour 1**

- 10 • ***First segment: BOCC's approach to social justice***

11 **Panelists:** Penny Rich, Chair, Orange County Board of Commissioners; Mark Dorosin,
12 Orange County Commissioner; Debby Stroman, Chair, Orange County Human Relations
13 Commission; Ashley Heger, Orange County Food Council Coordinator
14

- 15 • ***Second segment: Affordable Housing***

16 **Panelists:** Emila Sutton, Orange County Housing and Community Development Director;
17 Dolores Bailey, EmPOWERment; Robert Dowling; Corey Root, Partnership to End
18 Homelessness
19

20 **Commissioner:** Sally Greene

21 **Hour 2:**

- 22 • ***First segment: Public Transportation***

23 **Panelists:** Theo Letman, Orange County Public Transportation; Brian Litchfield, Chapel Hill
24 Transit; Damon Seils, Carrboro Alderman and MPO Chair
25

26 **Commissioner:** Renee Price

- 27 • ***Second segment: Tourism/Arts***

28 **Panelists:** Laurie Paolicelli, Chapel Hill/Orange County Visitor's Bureau; Katie Murray,
29 Orange County Arts Commission.
30

31 **Commissioner:** Penny Rich

32 **Hour 3:**

- 33 • ***First segment: Education: K-12***

34 **Panelists:** Joal Broun, Chair, CHCCS Board of Education; Pam Baldwin, CHCCS
35 Superintendent; Will Atherton, Chair, Orange County Schools Board of Education; Dr.
36 Randy Bridges, Interim Superintendent, Orange County Schools.
37

38 **Commissioner:** Jamezetta Bedford

- 39 • ***Second segment: Workforce Development***

40 **Panelists:** Bill Ingram, President, Durham Technical Community College (or designee);
41 Teacher, Orange High School trade skills program; Teacher, CHCCS CTE Program
42

43 **Commissioner:** Mark Marcoplos

44 **Hour 4: Economic Development**

- 45 • ***First segment: Industrial recruitment***

46 **Panelists:** Steve Brantley, Orange County Economic Development Director; Bill Ingram,
47 Durham Tech President; representative from ABB or another successful firm; Paige
48 Zinn, Chair, Economic Development Commission
49

50 **Commissioner:** Earl McKee

1 • **Second segment: Small business services**

2 **Panelists:** Steve Brantley, Orange County Economic Development Director; Amanda
3 Garner, Orange County Economic Development; Representative from each of the
4 grant/loan programs TBD by OCED

5 **Commissioner:** Penny Rich
6
7

8 **FINANCIAL IMPACT:** The FY 2019-20 budget includes an appropriation of \$30,000 from Article
9 46 sales tax proceeds to host this event.
10
11

12 [Missing]
13

14 b. **Acceptance of Guaranteed Maximum Price (GMP) for the Orange County Northern**
15 **Campus**

16 The Board considered voting to accept a Guaranteed Maximum Price (GMP) of
17 \$36,354,082 as presented by Bordeaux Construction for the development of the Orange County
18 Northern Campus.
19

20 **BACKGROUND:** In July 2018, the County retained Bordeaux Construction to serve as its
21 Construction Manager at Risk (CMAR) for the development of the Northern County Campus.
22 The Construction Manager at Risk project delivery method was chosen to improve cost
23 containment and cost certainty compared to other project delivery methods. Cost containment is
24 improved by allowing the Construction Manager to work collaboratively with the project
25 designers to yield the most cost effective design solutions from a construction standpoint. Cost
26 certainty is secured through a contractually binding guaranteed maximum price that is provided
27 to the County prior to start of construction. The CMAR process is also more transparent as the
28 CMAR provides more detailed financial accounting information with the entire project team
29 compared to a general contractor on a design-bid-build project.
30

31 In February 2019, the Board of Commissioners reviewed schematic design cost estimates for
32 the Northern County Campus and authorized a total budget of \$40.2 million. The Campus,
33 located off of Highway 70 in Hillsborough, is intended to include a replacement Detention
34 Center, Environment and Agriculture Center, and Parks Operations Base. Substantial
35 completion is scheduled for March 9, 2021, and final completion is scheduled for May 9, 2021.
36

37 **Campus Elements**
38

39 • **Detention Center**

40 The new Detention Center would consist of one hundred forty-four (144) beds in approximately
41 48,900 square feet. The new facility would replace the existing 40,227 square foot detention
42 facility located in downtown Hillsborough that was originally constructed in 1925 with additions
43 and modifications occurring in the early 1980's and mid-1990's.

44 • **Environment and Agriculture Center (EAC)**

45 The new 17,200 square foot Environment and Agriculture facility would replace the
46 19,087 square foot office building currently located on Revere Road that houses the Department
47 of Environment, Agriculture, Parks and Recreation, Cooperative Extension, Farm Service
48 Agency, and Soil and Water Conservation.
49

49 • **Parks Operations Base**

1 The new 8,500 square foot Parks Operations Base would replace scattered facilities and a base
2 and shop at Millhouse Road Park that is used primarily for office space and equipment storage.

3
4 Bordeaux Construction advertised a request for qualifications in March 2019 and solicited over
5 850 firms for 36 different bid packages. Nineteen (19) of those packages included reduced
6 prequalification thresholds and bonding requirements to encourage the participation of small
7 and minority owned businesses. A local and minority business outreach session was held on
8 April 22, 2019.

9
10 Competitive bids from first tier subcontractors were opened on August 13, 2019 and on August
11 23, 2019. These bids were used to identify the lowest, responsible subcontractor bid for each
12 bid package. The bid packages totaled over \$31.7 million in construction costs and ranged from
13 a \$5.3 million bid for earthwork to a \$14,600 bid for lockers. Over twenty-one percent (21%) of
14 the cost of work is anticipated to be contracted with Minority Owned Businesses (MBEs) that are
15 certified with the State of North Carolina Department of Administration (NC DOA). The
16 statutorily required goal for public works projects is ten percent (10%).

17
18 After the subcontractor bids were finalized, the Construction Manager led a value engineering
19 exercise to identify cost reduction options that would not affect the functionality of the project
20 elements. Those options were reviewed by County staff and the project architects, and a total of
21 over \$466,000 in value engineering options are recommended to reduce the overall cost of the
22 project.

23
24 Bordeaux Construction has presented the County with a total guaranteed maximum price
25 (GMP) of \$36,354,082 to deliver all of the elements of the Northern Orange County Campus
26 after deducting the value engineering options. The components of the GMP are detailed in
27 Attachment 1 and summarized in the following table:

GMP Component	Proposed Cost
Subcontractor Bids (Cost of Work)	\$31,269,947
General Conditions & Allowances	\$1,798,693
Tap Fees & Permits	
Other Misc. Expenses	
Owner's Contingency	\$600,000
<i>Owner Directed Changes</i>	
Construction Manager Contingency	\$625,399
<i>Unknown Construction Costs</i>	
Early Completion Bonus	\$1,628,966
<i>1% of Cost of Work</i>	
Construction Manager Fee	
<i>3.75% of Cost of Work</i>	
Bonds and Insurance	\$431,076
<i>1.2% of Cost of Work</i>	
TOTAL GUARANTEED MAXIMUM PRICE	\$36,354,082

1
2 At the end of the construction project, any unspent owner contingency funds or allowances are
3 retained by the County. If any amount of the Construction Manager contingency is unspent,
4 seventy percent (70%) is retained by the County, and thirty percent (30%) is shared with the
5 construction manager as an incentive to avoid unnecessary construction costs.
6

7 The GMP is one of the required elements to seek approval from the Local Government
8 Commission (LGC) to borrow money for the project. LGC approval is scheduled for October 1,
9 and approximately \$10 million of the total project costs are recommended for financing in the
10 Fall financing package based on cash flow needs.
11

12 Bordeaux Construction has requested a notice to proceed on the initial site work and long lead
13 time materials immediately following acceptance of the GMP in order to avoid winter site
14 conditions and remain on schedule for project delivery. As a result, the proposed GMP is
15 recommended in two parts. The first part (GMP #1) is \$10,019,850 million would be allowed to
16 proceed prior to formal approval by the LGC on October 1. This strategy has precedent and
17 poses minimal risk to the County. The notice to proceed for the balance of the project (GMP #2)
18 totaling \$26,334,232 would occur following formal approval by the LGC as the construction
19 schedule dictates.
20

21 **FINANCIAL IMPACT:** The Board of Commissioners authorized a total project budget of \$40.2
22 million. Given a GMP of \$36.4 million, projected professional fees of approximately \$3.3 million,
23 and a furniture, fixtures, and equipment budget of \$625,000, the project is expected to be on
24 budget assuming that contingency funds and other allowances are not entirely exhausted during
25 construction.
26

27 Travis Myren made the following PowerPoint presentation:
28

29 **Northern County Campus**
30 **Guaranteed Maximum Price**
31 **Board of Orange County Commissioners**
32 **September 3, 2019**
33

34 **Purpose**

- 35 • To accept a Guaranteed Maximum Price (GMP) of \$36,354,082 as presented by
36 Bordeaux Construction for the development of the Orange County Northern Campus.
37

38 **Northern County Campus Schedule (flow chart)**
39

40 **Northern Campus Revised Site Plan**
41

42 **Northern Campus Revised Site Plan**

- 43 • Site plan changes since schematic design
 - 44 – Land Swap
 - 45 • Finalized to Straighten Eastern Property Line
 - 46 – West Hill Connector
 - 47 • Removed from Phase 1 for Cost and Scheduling Purposes
 - 48 – Recombination of Parcels
 - 49 • Remove Splits
- 50

1 **Northern Campus Detention Center**

- 2 • 48,900 square feet
- 3 • PV/Solar Energy
- 4 • Geothermal Heating/Cooling
- 5 • 144 Detention Beds
- 6 • Detention Support Spaces
- 7 • Administrative Offices
- 8 • Staff Training
- 9 • Kitchen
- 10 • Laundry
- 11 • Security Systems
- 12 • Visitation
- 13 • Video
- 14 • In-Person
- 15 • Contact
- 16 • Attorney/Client Consultation
- 17 • Medical/Telemedicine
- 18 • Multipurpose Rooms

19 Magistrate's Office

20

21 **Northern Campus Environment and Agriculture Center**

- 22 • 17,200 square feet
- 23 • Departments
- 24 ○ Environment, Agriculture, Parks & Recreation
- 25 ○ Cooperative Extension
- 26 ○ Farm Service Agency
- 27 ○ Soil and Water Conservation
- 28 ○ Forest Service
- 29 • PV/Solar Energy & Hot Water
- 30 • Large Meeting/Training Space
- 31 • Demonstration Kitchen
- 32 • Plan Laboratory
- 33

34 **Northern Campus Parks Operations Base**

- 35 • 8,500 square feet
- 36 • Administrative Offices
- 37 • Staff Break and Training
- 38 • Parks Shop
- 39 ○ Equipment Maintenance & Repair
- 40 ○ Woodworking
- 41 ○ Fuel & Paint Storage
- 42 ○ Pesticide and Herbicide Storage
- 43 • PV/Solar Energy
- 44 • Yard Space
- 45 ○ Secured Fencing/Lighted
- 46 ○ Large Vehicles & Equipment
- 47 ○ Fertilizer Storage
- 48 ○ Bulk Material Storage
- 49

50 **Northern Campus Bidding and Value Engineering**

51

- 1 • Bidding and Value Engineering
- 2 -850 Firms Solicited
- 3 -36 Bid Packages
- 4 ▪ 19 Bid Packages Customized for Small and Minority Owned Businesses
- 5 -21% of Cost of Work Contracted to Minority Owned Businesses
- 6 ▪ State Requirement is 10%
- 7 -\$466,000 Value Engineering Reductions Identified

8
9 **Northern Campus Guaranteed Maximum Price**

10

Guaranteed Maximum Price Components	
Subcontractor Bids – Cost of Work	\$ 30,154,056
Subcontractor Allowances	\$ 1,115,891
General Conditions	\$ 1,184,693
CM Allowances and Tap Fees	\$ 533,000
Building Permit	\$ 81,000
Owner's Contingency – Owner Directed Changes	\$ 600,000
CMAR Contingency – Unknown Project Costs (2%)	\$ 625,399
Early Completion Bonus – 1% Cost of Work	\$ 342,940
CMAR FEE – 3.75% Cost of Work	\$ 1,286,026
Bonds and Insurance – 1.2% Cost of Work	\$ 431,077
TOTAL GUARANTEED MAXIMUM PRICE	\$ 36,354,082

11
12
13 **Northern Campus Development Budget Comparison**

14

Budget Model #1 with Cost Controls			
Subcontractor Bids	\$ 30,154,056	\$ 30,154,056	
Subcontractor Allowances	\$ 1,115,891	\$ 836,918	25% Reduction

General Conditions	\$ 1,184,693	\$ 1,184,693	
CM Allowances and Tap Fees	\$ 533,000	\$ 399,750	25% Reduction
Building Permit	\$ 81,000	\$ 81,000	
Owner's Contingency #1	\$ 600,000	\$ 300,000	50% Reduction
CMAR Contingency	\$ 625,399	\$ 312,700	50% Reduction
Early Completion Bonus	\$ 342,940	\$ 342,940	
CMAR FEE	\$ 1,286,026	\$ 1,286,026	
Bonds and Insurance	\$ 431,077	\$ 431,077	
GMP TOTAL	\$ 36,354,082	\$ 35,329,159	\$ (1,024,923)
Acquisition & Easements	\$ 419,050	\$ 419,050	
Furniture, Fixtures & Equipment	\$ 625,000	\$ 625,000	
Professional Fees	\$ 3,273,148	\$ 3,273,148	
Owner's Contingency #2	\$ 738,370	\$ 369,185	50% Reduction
ACQUISITION & FEE TOTAL	\$ 5,055,568	\$ 4,686,383	\$ (369,185)
TOTAL PROJECT BUDGET	\$ 41,409,650	\$ 40,015,542	\$ (1,394,108)

1
2
3
4

Northern Campus Development Budget Comparison

Budget Versus Budget Model #1 Cost Controls			
	Budget	Current Cost Estimate With Simulated Cost Controls	Difference

Acquisition	\$399,050	\$419,050	\$20,000
Construction + Energy Efficiency GMP	\$34,730,474	\$35,329,159	\$598,685
Furniture, Fixtures & Equipment	\$625,000	\$625,000	\$-
Owner Contingency	\$1,338,370	\$369,185	\$(969,185)
Professional Fees	\$3,112,712	\$3,273,148	\$160,436
TOTAL REVISED COST ESTIMATE	\$40,205,606	\$40,015,542	\$(190,064)

Northern Campus Guaranteed Maximum Price

- GMP and Notice to Proceed – Two Phases
 - GMP #1 - \$10,019,850
 - Site Work and Long Lead Time Materials
 - Avoid Winter Conditions
 - Notice to Proceed – September 9, 2019
 - Local Government Commission (LGC) Approval
 - Approves Financing for GMP #1
 - October 1, 2019
 - GMP #2 - \$26,334,232
 - Balance of GMP Costs
 - Notice to Proceed After LGC Approval
 - Project Financed as Cash Flow Dictates

Recommended Board Action

1. After comparing the advantages and disadvantages of using the construction management at risk method for this project versus those identified in NC General Statute 143-128(a1)(1) through NC General Statute 143-128(a1)(3), the Board concludes that the construction management at risk method is in the best interest of the project and is the preferred project delivery method for this project.
2. Accept a total Guaranteed Maximum Price (GMP) of \$36,354,082 as presented by Bordeaux Construction (Attachment 1) for the development of the Orange County Northern Campus.
3. Authorize the County Manager to approve change orders for this project up to the authorized, budgeted amount.

Commissioner Greene commended Travis Myren on 21% contracted to minority-owned business.

Blair Bordeaux said these are initial percentages, and will likely go up.

Commissioner Price also thanked them for this percentage.

1 Commissioner Price referred to the revised site plan, and the lack of an entry on West
2 Hill Avenue, and asked if the Sheriff approves.

3 Travis Myren said the Sheriff was consulted, and is in acceptance of the plan.

4 Commissioner Price referred to page 7 of PowerPoint (rendering of the EAC) and asked
5 if "alternate 2 and 3" were related to budget.

6 Travis Myren said these alternates were presented as part of the bidding package, and
7 were not accepted.

8 Commissioner Price said this will go into effect in October, with site preparation in
9 September, and asked if the \$10 million will be paid back.

10 Travis Myren said the County will expend a little money, once the financing is approved,
11 and when the bonds are sold the general fund will be reimbursed for those costs.

12
13 A motion was made by Commissioner Marcoplos, seconded by Commissioner Price for
14 the Board to:

- 15 1. After comparing the advantages and disadvantages of using the construction
16 management at risk method for this project versus those methods identified in North
17 Carolina General Statute 143-128(a1)(1) through North Carolina General Statute 143-
18 128(a1)(3), conclude that construction management at risk services is in the best interest
19 of the project and is the preferred method of proceeding with the project;
- 20 2. Accept a total Guaranteed Maximum Price (GMP) of \$36,354,082 as presented by
21 Bordeaux Construction (Attachment 1) for the development of the Orange County
22 Northern Campus; and
- 23 3. Authorize the County Manager to approve change orders up to the total project budget
24 amount.

25
26 **VOTE: UNANIMOUS**

27
28 **7. Reports**
29 **NONE**

30
31 **8. Consent Agenda**

- 32
- 33 • **Removal of Any Items from Consent Agenda**
- 34
- 35 • **Approval of Remaining Consent Agenda**
- 36

37 A motion was made by Commissioner Price, seconded by Commissioner Bedford to
38 approve the remaining items on the agenda.

39
40 **VOTE: UNANIMOUS**

- 41
- 42 • **Discussion and Approval of the Items Removed from the Consent Agenda**
- 43

44 **a. Minutes**

45 The Board approved the minutes from June 4, 6, 11, 18 and July 23, 2019 as submitted by the
46 Clerk to the Board.

47 **b. Motor Vehicle Property Tax Releases/Refunds**

48 The Board adopted a Resolution, which is incorporated by reference, to release motor vehicle
49 property tax values for fourteen taxpayers with a total of nineteen bills that will result in a
50 reduction of revenue in accordance with NCGS.

1 **c. Property Tax Releases/Refunds**

2 The Board adopted a Resolution, which is incorporated by reference, to release property tax
3 values for forty-nine (49) taxpayers with a total of seventy-five (75) bills that will result in a
4 reduction of revenue in accordance with North Carolina General Statute 105-381.

5 **d. Applications for Property Tax Exemption/Exclusion**

6 The Board considered nine untimely applications for exemption/exclusion from ad valorem
7 taxation for nine bills for the 2019 tax year.

8 **e. Tax Collector's Annual Settlement for Fiscal Year 2018-19**

9 The Board received the Tax Collector's annual settlement on current and delinquent taxes, and
10 consider voting to approve by Resolution the accounting thereof, and upon acceptance of the
11 reports, issue the Order to Collect for Fiscal Year 2019-2020.

12 **f. Fiscal Year 2019-20 Budget Amendment #1**

13 The Board approved budget, grant, and capital project ordinance amendment for fiscal year
14 2019-20 for the Criminal Justice Resource Department; Department of Social Services; Health
15 Department; Animal Services; Planning and Inspections; DEAPR; Department on Aging;
16 Community Relations; Tax Administration; Miscellaneous-Non Departmentals; Community Loan
17 Fund/Historic Rogers Road Neighborhood Infrastructure Capital Project; Sheriff's Office; Phillip
18 Nick Waters Emergency Services Building Remediation Capital Project; and County Manager-
19 Arts Commission.

20 **g. Application for North Carolina Education Lottery Proceeds for Chapel Hill – Carrboro**
21 **City Schools (CHCCS) and Contingent Approval of Budget Amendment #1-A Related**
22 **to CHCCS Capital Project Ordinances**

23 The Board approved an application to the North Carolina Department of Public Instruction
24 (NCDPI) to release proceeds from the NC Education Lottery account related to FY 2019-20 debt
25 service payments for Chapel Hill – Carrboro City Schools (CHCCS) and authorized the Chair to
26 sign, and to approve Budget Amendment #1-A (amended School Capital Project Ordinances),
27 contingent on the NCDPI's approval of the application.

28 **h. Acceptance of Grant for Electric Vehicle Infrastructure and Approval of Budget**
29 **Amendment #1-B**

30 The Board accepted \$147,247 in reimbursement from the North Carolina Clean Energy
31 Technology Center (NCCETC) through its "Clean Fuel Advanced Technology (CFAT)" grant
32 program to purchase a solar electric vehicle charging station, and update twelve (12) of the
33 County's original electric vehicle charging stations, and lease the County's first plug-in electric
34 passenger vehicle; approve Budget Amendment #1-B; and authorize the County Manager to
35 sign the associated funding agreement and any other necessary documentation for the
36 successful completion of this project pending final review by the County Attorney's Office.

37 **i. Approval of FY 2019-20 Forest Service Contract**

38 The Board approved the annual agreement between Orange County and the North Carolina
39 Forest Service, a division of the North Carolina Department of Agriculture and Consumer
40 Services (DACS), for protection, development, reforestation, management and improvement of
41 forestlands in Orange County and authorized the Chair to sign.

42 **j. Finalization of Property Exchange Between the County and Holloways**

43 The Board authorized the County Manager to complete all required documentation and take
44 necessary action to affect a land exchange between the County and the Holloway family related
45 to the development of the County's Northern Campus, subject to final review by the County
46 Attorney; and approved and authorized the Chair to sign the Resolution to Exchange Real
47 Property.

48 **k. Northern Campus Easement Acquisition**

49 The Board authorized the acquisition/dedication of utility easements to facilitate extension of
50 public sewer to the Northern Campus Project.

1 **I. Resolution of Approval – Conservation Easement on Triangle Land Conservancy-**
 2 **McQueen Property**

3 The Board approved a Resolution, which is incorporated by reference, to approve the
 4 acceptance by Orange County of a conservation easement for Triangle Land Conservancy's
 5 McQueen Property and authorized the Chair to sign.

6 **m. Adoption of Policies Related to North Carolina Housing Finance Agency (NCHFA) –**
 7 **2019 Urgent Repair Program (URP19) Grant Award**

8 The Board adopted and authorized the Chair to sign the Assistance and Revised Procurement
 9 and Disbursement Policies for the NCHFA 2019 Urgent Repair Program (URP19) Grant Award
 10 and authorize the County Manager and Housing and Community Development (H&CD)
 11 Department staff to make any required changes as requested by the North Carolina Housing
 12 Finance Agency (NCHFA).

13 **n. Approval of Correction to Language in the Resolution Authorizing the Orange County**
 14 **FY 2017-2018 HOME Program Design**

15 The Board approved a Resolution, which is incorporated by reference, correcting language in
 16 Resolution 2017-037 adopted by the Board on June 6, 2017 that authorized the Orange County
 17 FY 2017-2018 HOME Program Design.

18
 19 **9. County Manager's Report**

20
 21 Bonnie Hammersley introduced the Asset Management Services Director Steve Arndt,
 22 and provided the following updates:

23
 24 **Projected September 10, 2019 Special Meeting Items**

25 Public Hearing and Decision Regarding an Economic Development Recruitment Incentive for
 26 Project Tomorrow

27
 28 **Projected September 10, 2019 Regular Work Session Items**

29 Budget Amendment Process

30 Discussion Regarding the Regulation of the Discharge of Firearms in Areas of the County with a
 31 High Residential Unit Density

32
 33 **10. County Attorney's Report**

34 John Roberts said the Legislature has not been passing much legislation lately, and still
 35 awaits a budget. He said there are some regulatory reform and farm act bills that may still
 36 potentially impact local government.

37
 38 **11. *Appointments**

39
 40 **a. Orange County Climate Council – Appointment**

41 The Board will consider appointing one position on the newly formed Orange County
 42 Climate Council.

43
 44 A motion was made by Commissioner Greene, seconded by Commissioner Marcoplos
 45 to appoint Jonas Monast to the newly formed Orange County Climate Council.

46
 47 **VOTE: UNANIMOUS**

48
 49 Commissioner Marcoplos said he is thrilled with this group, and it is full of excellent
 50 people. He said the roster is coming together. He said he attended the North Orange NAACP
 51 meeting, and it is looking to fill slots. He said the Orange County School Board is doing the

1 same, but he has not heard back from the Chapel Hill-Carrboro City Schools Board yet. He said
2 Hillsborough and Carrboro are working on representatives.

3 Chair Rich asked if anyone has reached out to UNC.

4 Commissioner Marcoplos said he has, and UNC is in the midst of hiring a new
5 sustainability director.

6
7 **12. Information Items**

- 8
9 • June 18, 2019 BOCC Meeting Follow-up Actions List
10 • Tax Collector's Report – Numerical Analysis
11 • Tax Collector's Report – Measure of Enforced Collections
12 • Tax Assessor's Report – Releases/Refunds under \$100
13 • Memorandum – NCDOT Corridor Updates – NC-54 West, S. Churton Street and Orange
14 Grove Road Extension

15
16 **13. Closed Session**

17 **NONE**

18
19 **14. Adjournment**

20
21 A motion was made by Commissioner Price, seconded by Commissioner Marcoplos to
22 adjourn the meeting at 10:25 p.m.

23
24 **VOTE: UNANIMOUS**

25
26
27 Penny Rich, Chair

28
29 Donna Baker
30 Clerk to the Board

1
2
3 **DRAFT**4 **MINUTES**
5 **BOARD OF COUNTY COMMISSIONERS**
6 **SPECIAL MEETING**
7 **September 10, 2019**
8 **7:00 p.m.**
910 The Orange County Board of Commissioners met in special session on Tuesday, September
11 10, 2019 at 7:00 p.m. at the Southern Human Services Center in Chapel Hill, N.C.
1213 **COUNTY COMMISSIONERS PRESENT:** Chair Penny Rich and Commissioners Jamezetta
14 Bedford, Mark Dorosin, Sally Greene, Earl McKee, Mark Marcoplos, and Renee Price15 **COUNTY COMMISSIONERS ABSENT:** None16 **COUNTY ATTORNEYS PRESENT:** John Roberts17 **COUNTY STAFF PRESENT:** County Manager Bonnie Hammersley, Deputy County Manager
18 Travis Myren and Clerk to the Board Donna Baker (All other staff members will be identified
19 appropriately below)
20

21 Chair Rich called the meeting to order at 7:00 p.m.

22 Chair Rich said she joined Steve Brantley, Economic Development Director, and
23 Amanda Garner, Business Recruitment Economic Developer, at the Mebane meeting last night,
24 where they approved an incentive proposal and annexation of property.
2526 **1. Public Hearing Regarding an Economic Development Recruitment Incentive for**
27 **Medline Industries, Inc. (Project Tomorrow)**28 Steve Brantley, Economic Development Director, noted the following items at the
29 Commissioners' places:

- 30 - the performance agreement (Attachment A)
-
- 31 - PowerPoint summary
-
- 32 - Public hearing newspaper notice (Attachment C)
-
- 33 - Abstract
-
- 34 - yellow sheet, replaces page 12 of 12 of exhibit B. The original contained a small typo,
-
- 35 which staff corrected, and the revised form is the yellow sheet.
-
- 36

37 Steve Brantley recognized Medline representative Dmitry Dukhan (Vice President Real
38 Estate Operations with Medline), Robert "Bob" Kievert (Director of Tax Compliance, Finance
39 and Audit with Medline), and Austin Watts (Vice President) with the site contractor Kimley-Horn.40 Steve Brantley said Project Tomorrow came from the sundial at the Morehead
41 Planetarium.
4243 **PURPOSE:**

44 To:

- 45 1) Receive and hold a public hearing on the issuance of a "performance-based" economic
-
- 46 development incentive by the County to a private company; and
-
- 47 2) Consider approval of the proposed 5-year performance-based incentive agreement, with
-
- 48 claw-back provisions, for the recruitment of Medline Industries' distribution center to
-
- 49 Orange County, NC.
-
- 50

1 **BACKGROUND:** Local and state government in North Carolina have the goal to promote
 2 economic development by encouraging the location of new businesses and the expansion of
 3 existing businesses. This activity serves to diversify the local tax base, increase employment
 4 opportunities and introduce desired job skills and related benefits to a community, and for the
 5 benefit of its residents. The Local Government Act, North Carolina General Statute (NCGS)
 6 158-7.1 outlines the requirements of public hearings, and NCGS 158-7.1(a) specifically
 7 addresses the requirement that economic development appropriations *“must be determined by*
 8 *the governing body of the city or county to increase the population, taxable property, agriculture*
 9 *industries, employment, industrial output, or business prospects of the city or county”*. This
 10 public hearing has been scheduled in compliance.

11 **Company Description:**

12 Founded in 1966, Medline Industries, Inc. is a privately held American healthcare company
 13 headquartered in Northfield, IL and is the largest privately held manufacturer and distributor of
 14 medical supplies in the United States, providing products, education, clinical programs and
 15 services with offices in 20 different countries. These distribution centers serve as regional hubs
 16 for next-day delivery service to hospitals, physicians’ offices, surgical centers, care facilities,
 17 retailers and pharmacies. In 2019, Medline reached over \$12 billion in overall company sales,
 18 having been ranked at number 32 on the Forbes 2016 list of largest privately held companies.

- 19 • Originally founded in Chicago in 1910 as “Mills Hospital Supply”, and later renamed
 20 “Medco”, the firm is now the largest privately held manufacturer and distributor of
 21 medical supplies in the United States.
- 22 • Manufactures 80,000 medical products in 30 company-owned manufacturing centers.
- 23 • Distributes 550,000 medical and surgical products in 7 countries.
- 24 • Operates 43 medical grade distribution centers totaling 20 million sq. ft. in size.
- 25 • Owns a fleet of 750 delivery trucks.
- 26 • Serves many international customers in 90 countries.
- 27 • Employs 24,000 total employees worldwide (8,300 new positions added since 2014), to
 28 include 2,000 direct sales representatives.
- 29 • Serves as a primary supplier to U.S. Homeland Security, EMS agencies and other first
 30 responders in cases of national emergencies.
- 31 • Owns the *CURAD* line of sterile adhesive bandages and gauze pads.
- 32 • Regionally, the company operates two 400,000 sq. ft. distribution centers in Lincolnton,
 33 NC and Richmond, VA.
- 34 • 40% of Medline’s U.S. distribution centers are LEED (Leadership in Energy and
 35 Environmental Design) certified or pending certification, representing over 8.3 million
 36 square feet of warehouse space. All new Medline buildings worldwide are constructed to
 37 meet LEED “green” standards.
- 38
- 39

40 A company representative has been invited and will be available for comment and questions.

41 **Project Description:**

42 (1) **Investment** – Medline Industries will increase real property valuation by up to \$55,000,000
 43 and up to \$10,300,000 in new personal property, to generate a total capital investment of
 44 **\$65,300,000 over the first 5 years.**
 45

Investment	2019	2020	2021	2022	2023	Total
Real Property	\$25,000,000	\$30,00,000	\$0	\$0	\$0	\$55,000,000
Personal Property	\$3,000,000	\$7,000,000	\$100,000	\$100,00	\$100,00	\$10,300,000
Total	\$28,000,000	\$37,000,000	\$100,000	\$100,000	\$100,000	\$65,300,000

(2) **Employment** – Medline Industries will maintain employment consistent with the job chart below during the term of the incentive agreement. If annual job targets are not achieved, the incentive payment will be reduced proportionally. By year #5, the Company will create 250 new positions with an average salary of \$35,468 per year. In addition, the Company forecasts eventual employment growing to 500 jobs in 8 - 9 years, and believes potential employment at full capacity of 600 jobs at or after 10 years of operation.

	2020	2021	2022	2023	2024	Total
Full-Time Jobs	30	75	75	50	20	250

(3) **Operation** – Regional distribution center and some light assembly of a large inventory of medical products to be supplied to hospitals, medical professionals, surgical centers, extended and home health care providers, and EMS first responder agencies located across a multi-state area.

Main Products:

Main Products:	
Advanced Wound Care	Anesthesia
Apparel	Beds & Mattresses
Central Sterile	Diagnostics
Durable Medical Equipment	Environmental Services
Equipment & Furnishings	Foot & Ankle supplies
Gloves	Incontinence
Infection Prevention	Lab Supplies
Nursing Supplies/Patient Care	Nutrition
Office Supplies	Operating Room/Surgery
Pharmacy	Eye Punctal/Occlusion
Respiratory	Skin Care
Textiles	Therapy & Rehabilitation
Urology & Ostomy	Vascular Access
Wound Care	Foot & Ankle Surgery
Product Services	Device Reprocessing
Consumer Brands	

(4) **Facility** – New construction of an environmentally efficient LEED-certified distribution center of 1.2 million sq. ft. in size, with a significant array of solar panels to be installed on the roof. (As an illustration, Medline's 1.1 million sq. ft. facility in Tracy, CA generates 35% of that operation's annual electricity needs). LEED (Leadership in Energy and Environmental Design) is an internationally recognized ecology-oriented green building certification program run under the guidance of the U.S. Green Building Council (USGBC). LEED designated building construction concentrates efforts on improving performance across five key areas of environmental and human health: energy efficiency, indoor environmental quality, CO2 emissions, materials selection, sustainable site development and water savings. The building will also incorporate a highly automated and intelligent robotic storage and picking system pioneered by "Swisslog" logistics technology.

1 (5) **Site Location** – Medline’s site in Orange County comprises six (6) adjacent parcels that are
 2 currently under option in the Buckhorn Economic Development District, totaling approximately
 3 172.79 acres along the north side of West Ten Road (located between the Gravely Hill Middle
 4 School and Buckhorn Road). These properties are indicated on the aerial site map by the red
 5 boundary line.
 6

7 **Orange County’s Performance-Based Incentive Proposal:**

8 The proposed economic development inducement incentive follows the County’s current
 9 incentive formula that has been previously utilized with other industrial prospects. The incentive
 10 will be performance-based with respect to the County’s annual verification of Medline Industries’
 11 targeted increases over a 5 year period in (1) employment, wages & benefits, and, (2) new
 12 taxable real & personal property additions, as the Company establishes its’ Orange County
 13 presence. Incentives would only be paid following confirmation of the Company’s required
 14 annual threshold growth in these measures, and, on a pro-rata reimbursement in case the
 15 company’s targeted growth in any year lags current growth projections.

The proposed County inducement capped at \$1,840,967 is a performance-based grant to be made to the Company over a five (5) year period, and is calculated in value at an amount equal to 75% of Medline’s projected new investment in real & personal property tax valuation. This specific formula represents the County’s current incentive policy, which has been offered by the BOCC in the past to other industrial prospects. The formula ensures that annual property tax revenues from the new investment’s additional property tax values, net of annual incentive payments, yield a positive cash flow in all years of the initial incentive agreement.

Orange County Property Tax Revenue Projections

	st 1 st Year 2020	nd 2 nd Year 2021	rd 3 rd Year 2022	th 4 th Year 2023	th 5 th Year 2024	th 6 th Year 2025	<u>TOTAL</u>
New Property Tax Revenues	\$243,012	\$562,399	\$555,630	\$549,537	\$544,045	\$537,349	\$2,991,972
Incentive Payments		(\$421,799)	(\$416,722)	(\$412,153)	(\$408,034)	(\$182,259)	(\$1,840,967)
Annual Net Revenues	\$243,012	\$140,600	\$138,907	\$137,384	\$136,011	\$355,090	\$968,745

16
 17 * Note: There is no incentive payment scheduled for 2020 due to the company’s request that
 18 payments begin after building completion.
 19

Orange County Property Tax Revenue Projections (10 Years)	
New Property Tax Revenues Collected	\$5,086,350
Incentive Payments	(\$1,840,967)
Annual Net Revenues	\$3,245,383

State of North Carolina & City of Mebane – Supplemental Recruitment Incentives:

The Company has also received financial inducement proposals from the State of North Carolina and the City of Mebane, as follows:

State of North Carolina – Incentives	
Discretionary Grant	
N.C. Department of Commerce (ONE NC FUND)	\$500,000
Workforce Development Support	
N.C. Community College System's Customized Training	\$225,000
Public Road Access Improvements to West Ten Road	
N.C. Department of Transportation	\$1,000,000
Total	\$1,725,000

City of Mebane - Incentives	
Performance Based Incentive – 5 years	\$653,000
Waiver of Development Fees	\$150,000
Total	\$803,000

City of Mebane – Incentives, Annexation & Rezoning

- August 12, 2019 – Mebane Planning Board received the six (6) individual land owners' petition to request annexation, and rezoning (to M-2, light manufacturing & distribution), and voted unanimously to endorse and forward to the Mebane City Council.
- September 9, 2019 - Mebane City Council is scheduled to meet and hold public hearings which are expected to authorize the City's approval of local incentives, and, annexation and rezoning of the 6 adjacent parcels (totaling 172.79 acres) representing Medline's preferred site, which is located north of West Ten Road in the County's designated Buckhorn Economic Development District.

Benefits of Attracting Medline Industries to Orange County

- Initial creation of 105 professional & blue collar jobs in the first two (2) years, rising to 250 jobs by year #5, and eventually 500 - 600 jobs in 5 – 10 years, paying at or above \$15 per hour average wage with full health care, retirement, educational and performance bonus benefits.
- Well-established national health care firm committed to building a green, environmentally conscious LEED certified facility, and precedent to fill the large rooftop with solar panels.
- Good potential to attract Medline's in-house light manufacturing subsidiaries of medical products on both sides of the West Ten Road site. Company routinely refers to 2-3 likely vendors that may follow and co-locate.
- Medline's \$65.3 million investment would make the firm Orange County's largest manufacturing property taxpayer.
- This distribution operation is a low water user and does not put heavy manufacturing related challenges on the environment.
- The site connects to the County's Article 46-fund utility lines that were strategically placed in the Buckhorn Economic Development District to attract non-residential new business.
- Establishes another successful public/private partnership between Orange County and the City of Mebane to grow the industrial tax base and new employment in a designated "Rural Census Tract" area.

- Offers direct synergy with the County's existing regional health care presence by UNC Health Care, Duke Hospital, Veterans Administration Hospital, Wake Med & UNC Rex Hospital spread among the Triangle area.

Other Local Governments, State of N.C. Agencies & Utility Partners

- ***N.C. Department of Transportation*** (NCDOT) (will make road improvements to West Ten Road)
- ***N.C. Community Colleges System & Durham Tech/Hillsborough Campus*** (will fund technical training of employees, and strengthen the health care focus of the Hillsborough campus)
- ***N.C. Department of Commerce*** and the ***Economic Development Partnership of North Carolina*** (will provide state incentives, and act a liaison on workforce development and pre-screening of applicants by NC Works, NCDOT road improvements, and community college technical training of Medline's new Orange County employees.)
- ***City of Mebane*** (site annexation and rezoning, incentives & water/sewer service)

FINANCIAL IMPACT: The attached "Performance Agreement" contract between Orange County and Medline Industries, Inc. outlines a total financial impact of up to One Million Eight Hundred Forty Thousand Nine Hundred Sixty Seven Dollars (\$1,840,967.00), payable in five (5) annual installments. This Inducement Agreement will be performance-based, measured annually, and based on the Company's actual 5-year capital investment schedule that will generate new property tax valuation of at least Fifty Five Million Dollars (\$55,000,000) in Real Property, and at least Ten Million Three Hundred Thousand Dollars (\$10,300,000) in new Personal Property, reaching a combined Sixty Five Million Three Hundred Thousand Dollars (\$65,300,000).

The Company will also create at least Two Hundred Fifty (250) full-time jobs, with full health care and related employment benefits, and pay an average annual salary of \$35,468 per year at the facility during the first 5 years. Other economic benefit multipliers to the County include enhanced job skills for those employees through advanced technical training to be provided by the Orange County campus of Durham Technical Community College in Hillsborough. Also, construction employment for the new distribution center will create many additional skilled trade employment opportunities.

Annual incentive payments by the County will be paid from net new property tax revenues to be generated by Medline Industries, Inc. and from available Article 46 funds, as required.

Steve Brantley made the following PowerPoint presentation:

Medline Industries, Inc.
"Project Tomorrow"
Public Hearing for Incentive Proposal
Southern Human Services Center
September 10, 2019

Description of Medline's "Project Tomorrow"

Investment: \$65.3 million (majority in first 2 years)

Employment: 250 new jobs in first 5 years

- \$35,468 average annual salary, plus health care, retirement & educational benefits
- 500 jobs in 8-9 years, up to 600 jobs after 10 years

Facility: Distribution center of 1.2 million sq. ft. to supply medical products to hospitals, EMS agencies, home health care providers, surgical centers, and critical care clinics. Will be built to LEED-certified standards to promote environmental efficiency, with extensive solar panel placement on the building's rooftop; uses automated robotic inventory control technology

Commissioner Greene arrived at 7:06 p.m.

Outline of Orange County's Performance-Based Incentive

Medline's New Capital Investment By Year

	2019	2020	2021	2022	2023	Total
Real Property	\$25,000,000	\$30,000,000	\$0	\$0	\$0	\$55,000,000
Personal Property	\$3,000,000	\$7,000,000	\$100,000	\$100,000	\$100,000	\$10,300,000
Total	\$28,000,000	\$37,000,000	\$100,000	\$100,000	\$100,000	\$65,300,000

Medline's New Employment By Year

	2020	2021	2022	2023	2024	Total
Full-Time Jobs	30	75	75	50	20	250

- \$35,468 average annual salary, plus health care, retirement, educational & related employment benefits
- Anticipated to reach 500 jobs in 8-9 years
- Potential to rise to 600 jobs after 10 years

S Description of Medline's "Project Tomorrow"

Site Location – Buckhorn Economic Development District

Location: West Ten Road site (6 tracts totaling 172.79 acres) located in the County's Buckhorn Economic Development District, near interstate exit #157 at Buckhorn Road.

This acreage was originally zoned by the County into the Buckhorn EDD as non-residential on 3/1/94, and a 150' buffer was added around the nearest residential area on 8/20/96.

Medline has requested annexation & rezoning (to M-1 light industrial & distribution) by the City of Mebane, with City Council review scheduled for September 9th.

Company History

- Began in Chicago in 1910 as Northwestern Garment Factory; was renamed Medline Industries in 1966 and now based in Northfield, IL
- Facility presence in 20 countries
 - Serves customers in 90+ countries

- 1 • \$12 billion in annual sales
- 2 • 24,000 employees worldwide (8,300 new jobs added since 2014)
- 3 • Largest privately held manufacturer and distributor of medical supplies in the United
- 4 States:
- 5 o 43 medical grade distribution centers totaling 20 million sq. ft.
- 6 o 30 manufacturing centers producing 80,000 medical products
- 7 o 50+ distribution centers worldwide, including North America, Europe, Asia and
- 8 o Australia, with 550,000+ Medline-brand and national brand products
- 9 o 2+ month of Medline-brand product inventory is held for each customer to protect
- 10 o against unplanned demand increases and natural disaster response
- 11 o Primary supplier to U.S. Dept. of Homeland Security
- 12 o Fleet of 750 company-owned delivery trucks
- 13 • Regionally, the company operates two distribution centers in Lincolnton, NC and
- 14 Richmond, VA.
- 15 • 40% of Medline's U.S. distribution centers are LEED certified or are pending certification,
- 16 representing over 8.3 million sq. ft. of distribution center space. All new Medline
- 17 buildings worldwide are constructed to meet "green" LEED standards to promote
- 18 environmental efficiency.

20 **Summary of State & Local Financial Incentives**

21 *County's proposed incentive of \$1,840,967 will be paid in 5 annual installments over 5*

22 *years of Medline's start-up operation.*

23 *Performance based, and will be measured annually against verification of Medline's*

24 *actual history to create 250 jobs and invest \$65,300,000 in new property valuation over*

25 *each of the initial 5 years, as proposed.*

26 *Net property tax revenue collected is positive in all years, after paying the annual*

27 *incentive; (\$1,151,003 net revenue in first 6 years; and, \$3.2 million in first 10 years)*

28

29 *Commissioner McKee arrived at 7:15 p.m.*

31 **Net Property Tax Revenues Collected- chart**

32 **(Projections)**

33

34 Commissioner Dorosin referred to the property tax incentive, and said it has been

35 reported in the media is that Orange County is paying \$1.8 million. He asked if this is accurate.

36 Steve Brantley said that is not accurate.

37 Commissioner Dorosin said the County is not collecting that portion of the property taxes

38 during the incentive period.

39 Steve Brantley said that is correct.

40 John Roberts said the County collects all of the taxes from the company, and then

41 provides a percentage of it back to the company as the incentive.

42 Commissioner Greene referred to the last chart, and clarified that there are no payments

43 in 2020 until after building completion. She asked if the company owns the land already, or if it

44 will do so in 2020.

45 Steve Brantley said the company has an option on the property, and technically cannot

46 buy the property until it and the State of North Carolina have officially announced what their

47 decision would be, as to which state, and which county. He said the company would exercise

48 the option and purchase the land, at that point to actually own the property.

49 Commissioner Greene asked if this is expected to be in 2020.

50 Steve Brantley said it may be later this year, and construction would begin thereafter.

51 He said the company anticipates making the great majority of the total investment by the end of

1 2020, and wants the County to make the schedule from that year, for five years, to look at the
2 performance grant.

3 Dmitry Dukhan thanked the Board of County Commissioners (BOCC) for this opportunity
4 to be in Orange County and the City of Mebane. He said Medline is looking to close the land in
5 the next 60-90 days. He said it is Medline's goal to complete the purchase of the land in 2019,
6 commence construction in the first or second quarter of 2020, and complete by construction by
7 the first quarter of 2021. He said it will take 4-6 months to "energize" the property (set up
8 technology, hire people, etc.), and Medline expects to be fully operational by the end of the
9 second, or beginning of the third quarter of 2021.

10 Dmitry Dukhan said Medline Industries is a privately held company, based out of
11 Chicago, and is fourth generation privately owned, with no debt. He said this property is owned
12 free and clear with no debt. He said it is Medline's goal to operate with the long-term in mind,
13 by investing back into the community, the company, and the employees. He said Medline is a
14 top 100 medical company to work for in the country. He said Medline provides a full continuum
15 of care from hospital to hospice, with over 550,000 products and services within the hospital
16 systems, and plans to manufacture 60% of the products it sells.

17 Dmitry Dukhan said this 1.2 million square foot facility will take care of Medline's hospital
18 and medical needs in the state of North Carolina, South Carolina, parts of Virginia, parts of
19 Georgia, and serve as back up to Florida. He said the facility will be state of the art, LEED
20 certified, with up to 50% solar potential for its electric needs. He said Medline is committed to
21 hire 250 people in the first 5 years, but at full capacity, this facility will have over 700 jobs,
22 ranging from warehouse associates to team members to shipping operations, etc. He said
23 Medline delivers over 80% of its products itself, and 100% of its products are delivered the next
24 day. He said Medline is looking forward to be a proud member of this community.

25 Commissioner Price asked if the number of employees that will come from this
26 community is known.

27 Dmitry Dukhan said only 2% will come from the outside, and the rest will be local, about
28 240 local jobs.

29 Commissioner Dorosin asked if there will be any manufacturing at this site, or if it is just
30 distribution.

31 Dmitry Dukhan said there will be no manufacturing at this site, but there will be some
32 assembly. He said the site is purely distribution. He said there will be three different office
33 complexes inside the facility (about 60,000 square feet), a staging area, and all will be very
34 clean locations due to the products going straight to surgeries.

35 Commissioner Marcoplos said he appreciated that Medline uses LEED certified
36 construction.

37 Dmitry Dukhan said 100% of Medline's construction is LEED certified.

38 Chair Rich asked if a slide of the facility area could be put back up, and asked if Dmitry
39 Dukhan could review the ingress and egress of the trucks.

40 Dmitry Dukhan said, as a medical grade facility, Medline must have two ways out of the
41 site and location. He said there will be two exits that go both east and west, but 99% of the
42 time, trucks will be going west on West Ten Road to Buckhorn Road, and onto I-40. He said the
43 company desires to avoid the school that is a mile down the road.

44 Commissioner Price asked if Medline works with high school students at all.

45 Dmitry Dukhan said not directly, but Medline works with the community colleges that in
46 turn partner with the high schools. He said the warehouse jobs are highly computerized and
47 take a full 4 months in which to be fully trained. He said 60-70% of promotions come from
48 within the work staff, and a college degree is not required to be promoted to a senior director at
49 the company.

50 Commissioner Price said it would be great for local youth to know the long-term
51 opportunities, to which they can aspire, within Medline.

1 Dmitry Dukhan said this truly will be the best supply chain in the United States, and they
2 carry a three month supply of inventory for hospitals, and could supply the entire state of North
3 Carolina if necessary.

4
5 A motion was made by Commissioner McKee, seconded by Commissioner Greene to
6 open the public hearing.

7
8 **VOTE: UNANIMOUS**

9
10 **PUBLIC COMMENT**
11 NONE

12
13 A motion was made by Commissioner Greene, seconded by Commissioner McKee to
14 close the public hearing.

15
16 **VOTE: UNANIMOUS**

17
18 Commissioner McKee said this is a game changer company for Orange County, and it
19 will hugely benefit the community.

20 Commissioner Dorosin referred to the incentives chart, and said there is no incentive in
21 2020, but asked if, whoever owns the property, will be paying taxes.

22 Dmitry Dukhan said that is correct, and the current tax that is being paid on the property
23 will continue to be paid, but not incremental to what the project generates, because no
24 additional value has been created yet.

25
26 A motion was made by Commissioner Price, seconded by Commissioner McKee to
27 approve the "performance-based" economic development incentive agreement between Orange
28 County and the Company, Medline Industries, Inc., subject to final review by the County
29 Attorney, and authorize the Chair to sign the agreement on behalf of the County.

30
31 **VOTE: UNANIMOUS**

32
33 **2. Adjournment**

34
35 A motion was made by Commissioner Price, seconded by Commissioner Greene to
36 adjourn the meeting at 7:32 p.m.

37
38 **VOTE: UNANIMOUS**

39
40 Penny Rich, Chair

41
42
43 Donna Baker
44 Clerk to the Board

Attachment 3

1
2
3 DRAFT4 **MINUTES**
5 **BOARD OF COUNTY COMMISSIONERS**
6 **WORK SESSION**
7 **September 10, 2019**
8 **8:00 p.m.**
910
11 The Orange County Board of Commissioners met in special session on Tuesday, September 10,
12 2019 at 8:00 p.m. at the Southern Human Services Center in Chapel Hill, N.C.
1314 **COUNTY COMMISSIONERS PRESENT:** Chair Penny Rich and Commissioners Jamezetta
15 Bedford, Mark Dorosin, Sally Greene, Earl McKee, Mark Marcoplos, and Renee Price16 **COUNTY COMMISSIONERS ABSENT:** None17 **COUNTY ATTORNEYS PRESENT:** John Roberts18 **COUNTY STAFF PRESENT:** County Manager Bonnie Hammersley, Deputy County Manager
19 Travis Myren and Clerk to the Board Donna Baker (All other staff members will be identified
20 appropriately below)
21

22 Chair Rich called the meeting to order at 7:39 p.m.

23 Chair Rich suggested moving up Item 2 before Item 1, and the Board agreed by
24 consensus.
2526 **1. Discussion of Board of Commissioners Draft Meeting Schedule for Calendar Year**
27 **2020**
2829 **PURPOSE:** To discuss the draft meeting schedule for the Board of County Commissioners for
30 calendar year 2020.
3132 **BACKGROUND:** In accordance with 143.318.12 of the North Carolina General Statutes, a
33 schedule of regular meetings shall be filed with the Clerk to the Board of County Commissioners.
34 The schedule must show the date, time and place of each meeting. All meetings will begin at
35 7:00 p.m. unless otherwise noted.
3637 During the budget process this past spring, Board members requested that the budget
38 amendment process be addressed, specifically to allow for public comments on any
39 amendments proposed after the Manager presented the Recommended Budget. Staff has
40 addressed this opportunity in the proposed meeting calendar for 2020 by scheduling the two
41 public hearings differently than in the past.
4243 The first budget public hearing is proposed to occur on May 12, 2020 at the Whitted Center in
44 Hillsborough - after the Manager's Recommended Budget presentation on May 5th. The second
45 budget public hearing is proposed to occur at the Southern Human Services Center in Chapel
46 Hill three weeks later on June 4, 2020. As proposed, convening the second public hearing on
47 June 4th would occur after the Board has conducted three budget work sessions and Board
48 members have had the opportunity to propose potential amendments to the Recommended
49 Budget. The June 4th second public hearing would provide the opportunity for public comment on
50 any proposed amendments and any other parts of the budget in preparation for the Board's

1 fourth and final budget work session on June 9, 2019 when the Board would make decisions on
 2 proposed amendments and the budget as a whole and also adopt its Resolution of Intent to
 3 Adopt the Budget.

4
 5 Discussion of the 2020 proposed calendar will provide the opportunity for the Board to review the
 6 meeting schedule for the entire year as well as the proposed budget public hearing schedule and
 7 any other related issues. It should also be noted that after the Manager presents the
 8 Recommended Budget on May 5th, all proposed amendments from Board members and staff will
 9 be compiled, posted and updated on a continual basis on the County's website. This effort will
 10 inform the public on the proposed amendments and provide interested individuals and
 11 organizations sufficient time to prepare for making comments at the public hearings and/or share
 12 any comments with the Board via electronic or other means.

13
 14 Commissioner Dorosin said he is concerned about the "bunching" up of meetings in the
 15 spring, and suggested moving a meeting back to March. He said 6 meetings in a month seems
 16 excessive. He said meeting in the fourth week of June is also an option, as the calendar looks
 17 excessively cramped in May and exceptionally light in February and March. He said having
 18 meetings so close together is overwhelming to the public.

19 Commissioner Price agreed with Commissioner Dorosin.

20 Commissioner Marcoplos said there is a pace and rhythm to the budget season, which is
 21 driven by how the staff can work most efficiently through the various components of the budget.
 22 He said this is the important part of the process.

23 David Hunt, Deputy Clerk, said the school meeting in April is a pre-budget related
 24 meeting, and moving this earlier may not work well.

25 Commissioner Greene said though it is great to have the budget signed off on earlier in
 26 June, she agreed with Commissioner Dorosin about spreading things out a bit more. She would
 27 like the public to have more time to digest the budget, and bring forward its comments.

28 Bonnie Hammersley said staff will defer to the will of the Board, just as long as the budget
 29 is adopted by the end of June.

30 Commissioner McKee said he has no problem with moving some of these meetings
 31 around, but he has served on the Board when it held 60 meetings a year, which he did not find
 32 oppressive. He said he would have a problem in reducing the number of meetings any further,
 33 and there is only one week in April that has more than 2 meetings.

34 Commissioner Price asked if the April 23 work session could be moved to March.

35 Bonnie Hammersley said staff would work on the schedule.

36 Donna Baker said the calendar must be completed by the end of the year, but she prefers
 37 to have it done no later than the second meeting in October.

38 39 **2. Presentation Regarding the Potential Regulation of the Discharge of Firearms in** 40 **Areas of the County with High Residential Unit Density**

41
 42 John Roberts presented this item:

43
 44 **PURPOSE:** To receive a presentation from the County Attorney and discuss options related to
 45 the potential regulation of firearms discharge in limited urbanized areas of the County.

46
 47 **BACKGROUND:** This issue was briefly discussed by the County's Firearms Safety Committee at
 48 its meetings a few years ago. However, those discussions did not result in any substantive
 49 recommendations on this specific issue to the Board of Commissioners in the Committee's final
 50 recommendations. The Committee did recommend that the Orange County Code of
 51 Ordinances be amended to: a) prohibit the discharge of firearms while an individual is impaired;

1 b) require discharged projectiles to remain on the property on which they were discharged; and
2 c) require individuals discharging firearms to maintain adequate backstops. These
3 recommendations were adopted by the Board of Commissioners.
4

5 The Board of Commissioners continues to receive complaints from residents related to the
6 discharge of firearms near populated areas and directed the County Attorney to examine this
7 issue and provide a presentation for Board discussion. North Carolina General Statute 153A-
8 129 specifically authorizes counties to regulate the discharge of firearms (Attachment B). Other
9 statutes limit the extent to which counties may regulate firearms in general and the discharge of
10 firearms, particularly with respect to the discharge of firearms on "sport shooting ranges."
11

12 In examining this issue, the County Attorney determined the only lawful means to regulate the
13 discharge of firearms in urbanized areas in a manner by which the regulation would apply to
14 discharge of firearms in general and on existing shooting ranges is to regulate the discharge of
15 firearms within specified distances of high density urbanized areas. To show where such
16 regulations could be implemented, Planning Department staff developed a county map showing
17 areas of the County with residential housing densities of 10 or more residential units per 10 acres
18 (Attachment A). **This map in the packet is for illustrative purposes only** and shows where an
19 ordinance of this type could be applicable. Although each grid square is not visible, each red grid
20 square represents a 10-acre tract within which there are at least 10 residential units. The
21 enclosed green areas on the map are areas in which there are clusters of at least four red grid
22 squares within approximately one mile of each other. Regulated areas could be established
23 through reference to existing roads in the area or GPS coordinates with enforcement focused on
24 discharges occurring within a designated distance from a residential unit located within one of
25 the regulated areas. As is apparent from the map, focusing only on dense areas would create
26 small islands of enforcement and, at least at the density selected for the example, would result in
27 enforcement areas only in the southern portion of the County.
28

29 Durham County previously implemented an ordinance similar to this in which the ordinance only
30 applied to the discharge of firearms within 600 feet of a residence within one of many high
31 density areas. Durham also had a permit process for shooting ranges that existed in the
32 regulated areas prior to the adoption of the ordinance (Attachment C). According to the Durham
33 County Attorney, enforcement proved exceptionally difficult, and in December 2018, Durham
34 County amended its ordinance to remove the references to high density areas and now restricts
35 firearms discharge throughout the county if it occurs within 900 feet of the property lines of
36 properties containing houses, schools, and churches (Attachment D).
37

38 The County Attorney consulted the Orange County Sheriff's Office on this issue and, as in prior
39 discussions of this topic, the Sheriff's Office indicates enforcement would be difficult due to the
40 nature of the regulated activities, that being generally short in duration and, unless visually
41 observed by a deputy, difficult to precisely locate.
42

43 Pursuant to North Carolina law, any regulation such as that discussed in this presentation would
44 not apply to the discharge of firearms for lawful hunting activities, when occurring in the defense
45 of person or property, or pursuant to the lawful directions of law enforcement officers.
46

47 John Roberts said this presentation is not a recommendation, but rather some ideas for
48 the Board to consider. He said a lot more work would need to be done, should the Board choose
49 to pursue an ordinance.

50 John Roberts said residents voiced great concern about constitutional rights being
51 infringed upon. He said that is not the case, and any of the rights in the Bill of Rights may be

1 regulated, as long as the regulation is very narrowly tailored to accomplish a specific purpose.
2 He said if regulation goes beyond a narrow focus, then it could become unconstitutional. He said
3 if the Board chooses to proceed, staff would work to make sure the focus is very narrow.

4 John Roberts said he talked with Durham, and it previously regulated firearms in a
5 manner similar to the ideas being presented tonight. He said Durham's original ordinance
6 focused on housing density in approved subdivisions, but it was repealed due to the difficulty of
7 enforcement. He said Durham changed to no shooting within 900 feet from government
8 buildings, private residences, churches, and schools. He said this may work in Durham County,
9 but he would suggest that it would not work for Orange County. He said Orange County still has
10 significant areas that are rural in nature, and 900 feet would eat into a lot of private property. He
11 said Durham is much more urbanized than Orange County, and it did not experience much
12 opposition to the ordinance change in its public hearings.

13 John Roberts said Durham required a permit in order to shoot within 900 feet of one of
14 these areas, and the permit process was convoluted, requiring a public hearing before the Board
15 of County Commissioners (BOCC) prior to issuing a permit. He said he expects the 900-foot rule
16 to be equally difficult to enforce.

17 John Roberts referred to a map on the screen, and in the Commissioners' packet, which
18 the County GIS staff prepared. He said the map divides Orange County's rural area into red grid
19 squares that are 10-acre parcels with at least ten houses in them. He said these parcels are
20 linked by the green lines within one mile of each other. He said ten acres with ten houses on it is
21 just an example, and is probably not equivalent to a suburban-type density. He said he
22 recommends that GIS or the Planning Department determine what constitutes suburban type
23 density, and figure out where those areas are in the County. He said this may be a higher
24 number, 20 houses per 10-acre grid square, and thus the regulated areas would be substantially
25 smaller.

26 Commissioner Dorosin asked if the red squares on this map would also include areas
27 that are denser than 10 houses on a 10-acre parcel.

28 John Roberts said each red grid square represents an area where there are at least ten
29 houses, and yes, it could be as many as 20 houses. He said this ordinance would also apply in
30 the extraterritorial jurisdiction (ETJ) areas.

31 Commissioner Price asked if the green lines could be explained.

32 John Roberts said these are just boundary lines of where the areas are, and it is not a
33 recommended line. He said if the Board wants to pursue this option, GIS or Planning will need to
34 determine the actual boundaries. He said this could be based on roads, property lines, GIS
35 coordinates, etc. He said these boundaries would need to be able to be located in order to
36 enforce the ordinance.

37 Commissioner Greene asked if the areas within the green lines would have the ordinance
38 enforced.

39 John Roberts said that would need to be determined. He said all of the clusters are
40 within a mile of each other, and the question remains whether the Board would want to include
41 all of the empty spaces. He said he would not think this would be necessary, and he would not
42 recommend the 900-foot limit set by Durham, as Orange County has existing restrictions based
43 on a 450-foot limit on hunting around schools or government buildings, etc.

44 Commissioner McKee said he would be interested in the red boxes having a name, so
45 the affected areas are more easily identifiable. He said there are definitely areas where firearm
46 use makes no sense, but there are other areas that are wide open and restriction seems
47 unnecessary.

48 Commissioner Marcoplos said he would also like to have the road names on the map.

49 Commissioner Marcoplos asked if the work on the ETJ areas remains to be done.

1 John Roberts said absolutely. He said the ETJs have density in some areas, and the
2 green lines may go away completely, and the ordinance could be based on subdivisions. He
3 said this is all up to the Board.

4 Commissioner Marcoplos said the Board should discuss if the ETJs should be a no-shot
5 zone by themselves, since these are areas where development is expected.

6 Commissioner Dorosin asked if an ordinance can be written that just applies to the ETJs.

7 John Roberts said he would research this.

8 Commissioner Marcoplos said seeing the density in the ETJs would be helpful.

9 John Roberts said if the Board decides to pursue this ordinance, then it will have better
10 data prior to making any decision. He said this information is just an idea to show what is
11 possible.

12 Commissioner McKee said he would also like to know if regulating in the ETJs would
13 require mutual agreement with any of the towns.

14 John Roberts said that is not necessary, and in the ETJs, the towns' land use ordinances
15 are controlling, but the County's police power ordinances are in effect.

16 Commissioner Greene said she would guess that there are many properties in the ETJs
17 that are on more than an acre of land, due to many not being connected to Orange Water and
18 Sewer Authority (OWASA). She said she would like a lot more information, and you're not going
19 to find many houses in this area that are ½ acre without water and sewer.

20 Commissioner Dorosin asked if enforcement would be possible on this type of ordinance.

21 John Roberts said the deputies go out and talk to people to find out what is going on. He
22 said before any citation is written, the deputies will explain the ordinance to the resident, as well
23 as how to comply.

24 Commissioner Dorosin said this type of regulation, based on density, would have some
25 kind of prohibition within a zone, as opposed to it being too noisy, too late, etc. He said if one is
26 within the designated area, one cannot shoot; but if one is outside the designated area, one
27 would be not be affected by this ordinance, but rather by a noise ordinance, etc.

28 John Roberts said the ordinance would not apply outside of the established boundaries.
29 He said if the Board adopts something with this theme, and how to regulate this, the General
30 Assembly has defined a range as an area that is operated or maintained for target shooting. He
31 said if the Board chooses to proceed, he will recommend that the Board adopt a simple permit
32 process, where one can get a permit for a year to shoot, and will agree to only shoot between
33 stated hours on designated days. He said for existing ranges that may be impacted, he would
34 recommend some type of permitting process so that people are not deprived of something that
35 they have been lawfully doing.

36 Commissioner Price said it seems that Durham is focused on distance and safety, and
37 not noise. She asked if Orange County is more focused on safety or noise.

38 John Roberts said this would be written as a safety ordinance, and if the noise ordinance
39 is amended, it would apply countywide, and would be even more difficult to enforce. He said
40 shooting is going to occur, and hunting would not be impacted at all by this type of ordinance.
41 He said the 450-foot limit would not apply to lawful hunting, self-defense, or lawful instructions of
42 a law enforcement officer. He said state law prohibits the County from regulating these three
43 things.

44 Commissioner Price said she would also like a more detailed map, if this discussion in
45 going to continue.

46 John Roberts said the former Sheriff called him several years ago about an individual,
47 who had laid out bait below a tree and was shooting straight down from the tree above, on a 1/3-
48 acre lot. He said this was, and is still not, a violation of any law.

49 Commissioner Price asked if shooting ranges, commercial and semi-commercial, would
50 be regulated.

1 John Roberts said yes they would be, but he does not believe there are any commercial
2 ranges (outdoor) within any of the areas. He said if the Board elected to regulate by subdivision,
3 there would not be any within the area, but there may be a private sport range within 450-feet
4 outside the area/subdivision.

5 Commissioner Price asked if the County can regulate the types of firearms that are used.
6 John Roberts said he does not believe so, but he would research this.

7 Commissioner Greene asked if there is any legal impediment to regulating subdivisions
8 where houses are on a 10-acre property each.

9 John Roberts said regulating 10-acre lots would not be consistent with suburban type
10 density. He said for this ordinance to be lawful, there must be designated criteria to which the
11 County can refer as the reasoning behind the adoption of the ordinance. He said there would not
12 be a legal impediment, if this were the criterion that is adopted.

13 Commissioner Greene said there are homes that look like a subdivision, but the lots are
14 very large.

15 John Roberts said if the Board pursues the designated subdivision option, he would
16 recommend that there be a density requirement.

17 Commissioner Dorosin asked if there are reasons why these types of ordinances are so
18 hard to enforce.

19 Sheriff Blackwood said this whole topic needs to be carved into 4 sections: noise, safety,
20 hunting, and other regulated matters. He said the problem with noise is that it occurs, and then
21 it is over instantaneously. He said prolonged noise gives the Sheriff an idea of where he is
22 going. He said it is difficult to enforce, as deputies find themselves walking onto a property, with
23 no lawful authority, to ask a resident if he/she is conducting a lawful practice. He said if one is
24 conducting a lawful practice, the deputy is now on someone's land that is breaking no laws, and
25 has a weapon in their hands. He said if a situation escalates, there is a risk for great peril. He
26 said these types of exchanges are often very cordial, but it is risky to wander someone's property
27 looking for the source of noise. He said enforcing noise ordinances, with respect to a firearm, is
28 problematic for Sheriff Departments across the entire state.

29 Sheriff Blackwood said his department has taken measures to address safety, and he
30 feels this has been well handled in Orange County. He said there are no outdoor commercial
31 gun ranges in Orange County, and those ranges that do exist in the County have proven to be
32 very safe. He said, of course, that does not mean injury cannot occur. He said he talked with
33 the former Durham County Sheriff about this ordinance, and its efforts were to reduce the noise
34 created by ranges. He said problems arose when shooters lived within appropriate distance to
35 shoot lawfully, but neighbors across the street did not.

36 Sheriff Blackwood said he will not speak to this ordinance until it is written into law. He
37 said he will offer advice, but that is the limit to what he can offer. He said John Roberts has
38 worked tirelessly to make shooting safe in Orange County, but that does not affect the noise.

39 Sheriff Blackwood said it is also important to point out that ordinance is not about gun
40 violence, and will not remove guns from people.

41 John Roberts said what he has proposed tonight is only an example, and this would need
42 more work from GIS and Planning and the Sheriff's office. He said it is a waste of time for the
43 Board to adopt something that cannot be enforced. He said staff will need direction from the
44 Board.

45 Commissioner Dorosin referred to the sport shooting range, and asked if there is a clear
46 definition of what this is; is it a formal location or is it people shooting in their back yards.

47 John Roberts said there is no court interpretation of sport shooting range that he has
48 found, and it is defined as an area designed and operated for the use of rifles, shotguns, pistols,
49 silhouette skeet trap black power, or similar sport shooting. He said that does not include
50 someone putting a target on a tree and shooting at it. He said this would likely include some
51 type of safety barrier, shooting lanes, etc., but the definition is fairly broad.

1 Commissioner McKee said he and former Commissioner Jacobs sat on a Firearms Safety
2 Committee a few years back, which included people from both extremes of the gun debate. He
3 said this group worked for several months, and was able to make changes to safety. He said no
4 changes could be made to address noise. He said noise could not even be defined. He said he
5 shoots occasionally on his own property, and he is very concerned about shooting occurring in
6 densely populated areas, but he sees this example tonight as totally unenforceable. He said he
7 would like to see some regulations that are enforceable and reasonable, and nothing that he has
8 heard tonight or seen in the packet will address noise.

9 Chair Rich said she is hearing consensus on wanting the following:

- 10 • Definitions
- 11 • Suburban density
- 12 • ETJ follow up
- 13 • Safety vs. noise ordinance
- 14 • How to search for sound
- 15 • Overall enforceability
- 16 • Additional maps that include names of sub-divisions and road names

17 She asked if there was anything else.

18 Commissioner Dorosin said to pull up the County GIS during next discussion and zoom in
19 on any location. He said the only consensus he heard was around higher density subdivisions,
20 as well as looking at ETJs.

21 Chair Rich asked if there is a process for the Board to continue the conversation.

22 John Roberts said he has not heard any firm direction to bring this back for a vote, so it
23 would be a work session item. He said he does not know how long it would take GIS staff to
24 have to blow up maps of all of these subdivisions. He said this would be a lot of maps.

25 Commissioner Marcoplos said, in the interest of time, perhaps the Board could look at 3
26 or 4 prominent, dense areas, and discuss in principle what is learned.

27 John Roberts said it would be a good idea for Planning to define suburban density, and
28 then pull up some subdivisions that meet the criteria.

29 Commissioner Price said some newer subdivisions are well defined, while other older
30 subdivisions are not. She would like to include some of these older subdivisions in the samples
31 for discussion.

32 Commissioner Bedford asked if the state statute says that any existing ranges
33 (regardless of any changes that are made) are exempt. She said any changes would be
34 prospective, unless there is a major change in the activities of the range.

35 John Roberts said that is exactly what is says for noise and nuisance ordinances. He
36 said a public safety ordinance would not fit within a noise or nuisance ordinance.

37 Commissioner Marcoplos said he is not comfortable with the subdivision density idea,
38 without knowing what it is. He said one house per acre is dense enough to be considered for
39 this issue, but he agrees with 10 houses or greater.

40 John Roberts said he will speak with staff, and will leave 10 or greater in place, as well as
41 other options for suburban density definitions.

42 Commissioner Price clarified that state law protects the sports shooting range.

43 John Roberts said yes, from noise and nuisance regulation. He said a noise ordinance
44 can be enforced going forward from the date of the ordinance being adopted, and would not
45 impact existing shooting ranges.

46 Commissioner Price clarified that noise is not being considered here.

47 John Roberts said no, because it is has been discussed many times, but never pursued.

48 Commissioner Bedford asked if the new Board members could see a copy of the gun
49 safety committee report.

1 Commissioner McKee said there are 20-25 members of the public in attendance tonight,
2 and last Tuesday he asked to set some time aside, at the end of this work session, to allow for
3 public comment, despite public comment not typically being allowed at a work session. He said
4 he made a motion to this effect, which failed.

5 Commissioner McKee respectfully asked if the Board would set aside the policy, and
6 allow the public to speak at this work session. He said there may be some excellent ideas
7 contained in the public comments.

8 Commissioner Marcoplos said the Board should not make rules on the fly, and he does
9 not support this. He said the Board will conclude this issue at some point, and the public will
10 have ample time to speak on something specific.

11 Commissioner Greene agreed with Commissioner Marcoplos, as long as there is ample
12 opportunity for the public to speak on any proposals prior to the Board taking any votes. She
13 said she recommends have two public hearings.

14 Commissioner Marcoplos said there should be a wider discussion on public comment,
15 and the Board should not change the rules in mid-stream.

16 Commissioner Dorosin said he would not support having public comment at this time, as
17 people emailed about this meeting and were told there would not be public comment.

18 Commissioner Greene said she disagrees with Commissioner Marcoplos, and sometimes
19 there are topics that warrant greater public discourse than others. She said the Board is made
20 up of sensible people, and can be responsive to the community.

21 Commissioner Price agreed with Commissioner Greene, and said the Board can change
22 when it needs to change. She said she is open to speaking with the public individually, and
23 welcomes emails.

24 Chair Rich said it sounds like the topic of public comment should be a topic for an
25 upcoming work session.

26 Chair Rich said she does not think the lack of public comment at a work session is equal
27 to the Board silencing the public. She said it is just a policy, which can be reviewed and
28 changed, if necessary.

29 Commissioner Dorosin said he would like to have a broader conversation about whether
30 the towns have any future annexation or growth plans. He said some of these high-density
31 places are right on the borders of existing limits. He said some of these fringe areas will
32 experience suburbanization, and general regulations will need to be considered.

33 Commissioner McKee said he has chastised Commissioner Dorosin for making changes
34 on the fly in the past, which he does not regret. He said every meeting belongs to the BOCC and
35 it is able to make any changes it so chooses. He said he sees the rest of the Board does not
36 agree with him about allowing public comment at this time.

37 Chair Rich said it sounds like staff will have a lot of work to do prior to being able to have
38 another work session on this topic.

39 John Roberts said at least a month.

40 Chair Rich said probably 2-3 months, given that work session agendas are set in
41 advance.

42 Commissioner Greene said she thought the permit idea is a good one.

44 3. Adjournment

45
46 A motion was made by Commissioner Dorosin, seconded by Commissioner McKee to
47 adjourn the meeting at 8:57 p.m.

48
49 **VOTE: UNANIMOUS**

50
51 Penny Rich, Chair

- 1
- 2 Donna Baker
- 3 Clerk to the Board

1
2
3 **DRAFT**

4 **MINUTES**
5 **BOARD OF COUNTY COMMISSIONERS**
6 **REGULAR MEETING**
7 **September 17, 2019**
8 **7:00 p.m.**
9

10 The Orange County Board of Commissioners met in regular session on Tuesday, September
11 17, 2019 at 7:00 p.m. at the Southern Human Services Center in Chapel Hill, N.C.
12

13 **COUNTY COMMISSIONERS PRESENT:** Chair Penny Rich and Commissioners Jamezetta
14 Bedford, Mark Dorosin, Sally Greene, Earl McKee, Mark Marcoplos, and Renee Price

15 **COUNTY COMMISSIONERS ABSENT:** None

16 **COUNTY ATTORNEYS PRESENT:** John Roberts

17 **COUNTY STAFF PRESENT:** County Manager Bonnie Hammersley, Deputy County Manager
18 Travis Myren and Clerk to the Board Donna Baker (All other staff members will be identified
19 appropriately below)
20

21 Chair Rich called the meeting to order at 7:01 p.m.
22

23 **1. Additions or Changes to the Agenda**
24

25 **PUBLIC CHARGE**

26 Chair Rich acknowledged the public charge.
27

28 **Arts Moment**

29 Emily Cataneo introduced herself:

30 Emily Cataneo is a graduate of North Carolina State University's creative writing MFA. Her short
31 fiction has appeared in magazines such as Nightmare, Lightspeed, cream city review,
32 Smokelong Quarterly, and Beneath Ceaseless Skies, and was long listed for Best Science
33 Fiction and Fantasy 2016 and mentioned in Best Science Fiction and Fantasy 2018. She is a
34 journalist whose nonfiction has appeared in venues such as Slate, NPR, and the Boston Globe.
35 Currently, she is the co-founder of the Redbud Writing Project, the Triangle's only adult
36 education creative writing school, which offers six-week courses in memoir, fiction, and novel.

37 Emily Cataneo read the opening of "The Birch Circle," which takes place in Stalinist
38 Russia.
39

40 **2. Public Comments**
41

42 **a. Matters not on the Printed Agenda**

43 Don O'Leary said he does not come to Board meetings unless the Board does
44 something that he considers unconstitutional or stupid, and what the Board is considering with
45 the safety ordinance and guns is stupid. He said he does not believe any of this is about noise
46 or safety, but it is about a mindset, and he finds the Stalinist opening to the meeting apropos.
47 He said the Board is trying to take away their rights, and undermine the constitution.

48 Neal Galloway submitted a written petition requesting that all Board of County
49 Commissioner (BOCC) meetings allow for public comment, in order to allow timely and open
50 dialogue between the public and its elected officials. He said denying public comment at a work

1 session could be interpreted as a refusal to consider opposing views, or an intent to forge an
 2 ordinance, which limits the rights of some citizens, under the guise of public safety. He said
 3 personal convenience of the BOCC should not be the primary concern regarding meetings.

4 Chair Rich said the Board will bring this issue for discussion at a work session soon.

5 Riley Ruske said he submitted a petition about the Pledge of Allegiance being recited at
 6 Board meetings at the September 3 meeting, and a follow up BOCC actions list states that it will
 7 take 2 months to write a letter back to him. He said a second, more complex petition was listed
 8 as "done," indicating a lack of consistency in responding to citizen petitions. He made another
 9 petition for the BOCC to:

- 10 1. create a written process, or procedure, for handling citizen petitions, which includes
- 11 timelines for completion of actions by the BOCC.
- 12 2. direct Orange County management to permanently post this procedure on the Orange
- 13 County website homepage, with a sincere invitation to the citizens of Orange County to
- 14 avail themselves of the petition process for better communication to the Board.
- 15 3. direct Orange County management to establish and maintain a database of petitions
- 16 submitted to, and actions taken by the Board, and provide a link to that database in the
- 17 above posted procedure.
- 18 4. To complete all these actions by November 1, 2019.

19
 20 Riley Ruske said taking these actions would provide for more open communication
 21 between citizens and the Board, and hopefully reduce distrust that citizens have for the Board.
 22 He said if the Board chooses to deny this petition, it should provide a written and verbal
 23 statement as to why. He said today is Constitution Day, recognizing 232 years since the
 24 Constitution was ratified.

25 26 **b. Matters on the Printed Agenda**

27 (These matters will be considered when the Board addresses that item on the agenda
 28 below.)

29 30 **3. Announcements, Petitions and Comments by Board Members**

31 Commissioner McKee referred to the meeting follow-up actions, and the petition
 32 regarding the pledge of allegiance, which noted a letter will be drafted for an information item.
 33 He said he hopes a copy of this letter will be sent to the petitioner.

34 Commissioner Bedford said, this afternoon, at least three Board members watched a
 35 webinar from the North Carolina Department of Health and Human Services (DHHS) about the
 36 opioid crisis. She said the state website contains a lot of information.

37 Commissioner Price said she has been in touch with Ralph Gabellieri and his wife Elaine
 38 Malek-Madani, who are interested in naming a body of water near their home to Glass House
 39 Creek. She said, in order to do so, they need a letter of recommendation from a governing
 40 board. She provided the necessary information, and asked if it would be considered at agenda
 41 review. She said the couple is working on all the necessary criteria, and there is no apparent
 42 conflict.

43 Commissioner Price said she went to the Family Success Alliance (FSA) celebration on
 44 Sunday, which was wonderful.

45 Commissioner Price said she attended the ABC Board meeting, and reported that the
 46 new store in Hillsborough is moving along on time.

47 Commissioner Price said there will be a Climate Strike event on September 20th at
 48 Peace and Justice Plaza, and she hoped that any students wanting to attend would be allowed
 49 to do so by their administrators. She said this is a teachable moment for the students.

50 Commissioner Greene said as the Board representative to the Partnership for
 51 Homelessness, she and others will be visiting Dr. Allison DeMarco's social work class to

1 discuss racial equity. She said they have been asked to bring a proposed problem, on which
2 the students can work. She said she will present the housing + transportation index, and how
3 the students would address this need, especially given the County's rural areas.

4 Commissioner Marcoplos had no comments.

5 Commissioner Dorosin reported that he attended the Fire Chief's Council meeting in
6 July, and the Board is meeting with them in October. He said there is a need for additional
7 funding for the training facility, around \$60,000. He said he would like to flag this item, and
8 consider if the County can provide the funds to complete this project.

9 Chair Rich said at the last meeting she informed the Board of a letter from Governor
10 Cooper about the budget, and has now also received a letter from Senator Berger stating that
11 the Governor's letter did not contain all the facts. She said this is all a moot point given that the
12 General Assembly voted the budget on September 11.

13 Chair Rich referred to the Climate Walk, and said that all involved are being asked to
14 take public transportation.

15 Chair Rich said she and Commissioner Marcoplos did a field trip to West Virginia to
16 research the process of taking trash and turning it into fuel. She said members of the Solid
17 Waste staff also attended, and this was very interesting. She said it is not a question of if this
18 will happen, but when, as recycling cannot continue as it has been. She said a neighboring
19 cement plant used the fuel to operate its plant (80% waste fuel, and 20% coal). She said it is
20 hoped that UNC will get on board in the future, and the County will need to start thinking in
21 bigger ways, sooner rather than later. She said there would need to be a regional plant,
22 involving several neighboring counties.

23 Commissioner Marcoplos said the neighboring cement plant used the fuel, and this is
24 quite successful. He said this is a real option for local cement plants.

25 Chair Rich said renewable energy must be used moving forward, and the County must
26 start having hard conversations to address this issue. She said it will cost money to fight the
27 climate crisis.

28 Commissioner Greene said asked if there is anything that enters the air as a result of
29 burning the trash.

30 Chair Rich said the gas is clean, as everything that is not clean burning is removed. She
31 said some goes to the landfill and some goes to recycling.

32 Commissioner Marcoplos said it is cleaner, and nothing is completely clean. He said
33 there is an environmental impact of using the landfill, and all variables need to be weighed out.

34 Commissioner Dorosin asked if any Board members attended the Chapel Hill Carrboro
35 City Schools (CHCCS) press conference about new software being unveiled to make schools
36 safer. He said there is concern among parents about this software, and the collection of data
37 on the students. He said it would be good to bring this issue up at the next school collaboration
38 meeting.

39 Chair Rich said she would take that as a petition.

40
41 **4. Proclamations/ Resolutions/ Special Presentations**
42 **NONE**

43
44 **5. Public Hearings**

45
46 **a. Public Hearing on Refinancing Existing Bond Obligations**

47 The Board conducted a public hearing on the issuance of up to \$24 million to refinance
48 existing debt to achieve debt service savings; and consider voting to approve a related
49 resolution supporting the County's application to the Local Government Commission (LGC) for
50 approval of the refinancing plan.

51 Gary Donaldson, Chief Financial Officer, presented the information below:

BACKGROUND: The County and its financing team estimates that the total amount to be refinanced is an amount Not-to-Exceed \$24 million in Limited Obligation Bonds. Although the Refinancing Summary (Attachment 3) currently identifies a principal amount to be refinanced of \$16.6 million, the actual amount to be refinanced is contingent on prevailing market conditions at the time of market pricing. The Not to Exceed amount provides sufficient pricing considerations and flexibility for the financing team as it works to secure the lowest interest costs and maximize debt service savings.

If the Board adopts the resolution indicating its intent to continue with the refinancing plan, the Board will be asked to consider a resolution giving final approval to the refinancing plans at the October 1, 2019 BOCC meeting. A copy of the published notice of this hearing is provided as Attachment 1.

North Carolina General Statutes require that the County conduct a public hearing on the proposed financing. After conducting the public hearing and receiving public input, the Board will consider the adoption of the resolution (Attachment 2). This resolution formally requests the required approval from the North Carolina Local Government Commission (LGC) for the County's refinancing.

The refinancing of existing installment bond obligations is designed to provide savings to the County without extending the terms of the existing loans (Attachment 3). The proposed financing would be secured by a lien on some or all of the property purchased or improved through the loans that are being refinanced, as well as the County's promise to repay the financing.

Five Refunding Bond Opportunities	Original Interest Rates	Current Market Interest Rates
2010 General Obligation Bonds	3.49%	1.91%
2012 Installment Financing	2.45%	1.65%
2013 Installment Financing	2.13%	1.34%
2016 Installment Financing Draw 2	2.55%	1.44%
2016 Installment Financing Draw 1	2.30%	1.59%

Gary Donaldson, Chief Financial Officer, made the following presentation:

FY 2019-20 Refinancing
Various Bond Obligations
Gary Donaldson, Chief Financial Officer
September 17, 2019

Public Hearing Purpose

- Board Approval for FY 2019-20 Installment Purchase Financing as authorized under Section 160A-20 of North Carolina General Statutes
- Not to exceed \$24,000,000 in Bonds to refinance existing debt and achieve estimated County savings of \$649,464 through final maturity
- Approve Resolution supporting Limited Obligation Bond application to the Local Government Commission

Refinancing Terms

- Security Pledge- Annual Appropriations and County collateral of Southern Campus, Seymour Center and Northern Campus Site added to Master Deed of Trust
- No extension of Loan Maturities; Final Maturity June 1, 2030
- Net Present Value Savings- 3.9% which exceeds the County's 3% Policy
- Source of Repayment- Property Taxes
- Subordinate Lien to General Obligation Bonds
- Current and Projected Ratings- Aa1/AA+/AA+ from Moody's, Standard & Poor's and Fitch Ratings
- LGC Approval required

Interest Rate Savings (table)

Five Refunding Bond Opportunities (table)

Financing Calendar

Commissioner Bedford referred to the debit to the liability for the interest payable, and asked if this saved money goes to a particular place in the budget.

Gary Donaldson said this money goes to the General Fund.

A motion was made by Commissioner McKee, seconded by Commissioner McKee to open the public hearing.

VOTE: UNANIMOUS

**Public Comments:
NONE**

A motion was made by Commissioner Marcoplos, seconded by Commissioner Price to close the Public Hearing.

VOTE: UNANIMOUS

Resolution supporting an application to the Local Government Commission for its approval of a County financing agreement for the refinancing of existing loans

WHEREAS –

The County has determined that it can save money by refinancing some of its existing installment contracts, general obligation bonds and other loans. The refinancings will save the County money without extending the terms of the existing loans.

The County desires to carry out this refinancing using a single new installment financing contract, as authorized under Section 160A-20 of the North Carolina General Statutes. The County expects the refinancings will be combined into a single County financing contract with another County financing for new public assets and improvements.

Under the guidelines of the North Carolina Local Government Commission, this governing body must make certain findings of fact to support the County's application for the LGC's approval of the County's financing arrangements.

1 ***THEREFORE, BE IT RESOLVED*** by the Board of Commissioners of Orange County, North
 2 **Carolina**, that the County makes a preliminary determination to finance approximately
 3 \$24,000,000 to refinance existing obligations. The County requests that the LGC approve the
 4 County's application for this new financing.
 5

6 The Board will determine the final amount to be financed by a later resolution. The final
 7 amount financed may be slightly lower or slightly higher than \$24,000,000. Some of the
 8 financing proceeds may be used to pay financing expenses or to provide any required reserves.
 9

10 The Board will also determine the collateral for the financing by a subsequent resolution.
 11 The County expects that the collateral for the financing will include property in the County's
 12 planned "northern campus" off Highway 70 just north of Hillsborough (including the site of the
 13 planned new jail) and portions of the County's "southern campus" off Homestead Road in
 14 Chapel Hill, along with other properties that have been previously pledged to other related
 15 County financings.
 16

17 ***BE IT FURTHER RESOLVED*** that the Board of Commissioners makes the following
 18 findings of fact in accordance with LGC guidelines:
 19

- 20 (1) The proposed refinancing is appropriate for the County under all the circumstances.
- 21 (2) The proposed installment financing is preferable to a bond issue for the same
 22 purposes. Some of the obligations to be refinanced are also installment financings,
 23 so it makes sense to use the same vehicle for the refinancing. As the County is
 24 already planning a substantial installment financing for new public assets and
 25 improvements, combining the refinancings into the same overall financing package
 26 will be convenient and cost-effective.
- 27 (3) The estimated sums to fall due under the proposed financing contract are adequate
 28 and not excessive for the proposed purpose. The refinancings will save money
 29 without extending any loan terms.
- 30 (4) As confirmed by the County's Finance Officer, (a) the County's debt management
 31 procedures and policies are sound and in compliance with law, and (b) the County is
 32 not in default under any of its debt service obligations.
- 33 (5) The County expects that there will be no actual increase in taxes necessary to meet
 34 debt obligations under the proposed financing arrangements because of the overall
 35 debt service savings.
- 36 (6) The County Attorney is of the opinion that the proposed projects are authorized by
 37 law and are purposes for which public funds of the County may be expended
 38 pursuant to the Constitution and laws of North Carolina.
 39

40 ***BE IT FURTHER RESOLVED*** that the Board authorizes all County officers and
 41 employees to take all appropriate steps to complete the proposed refinancing, including
 42 completing an application to the LGC for its required approval, that the Board ratifies all prior
 43 actions taken toward accomplishing these purposes, and that this resolution takes effect
 44 immediately.
 45

46 A motion was made by Commissioner Marcoplos, seconded by Commissioner Price to
 47 adopt the resolution supporting the application to the Local Government Commission for
 48 approval of the refinancing.
 49

50 **VOTE: UNANIMOUS**
 51

1 Commissioner Price thanked Gary Donaldson and his team.

2
3 **6. Regular Agenda**

4
5 **a. Refund Request from John C. and Judith K. Guibert, Lake Orange Property**

6 The Board received additional information regarding a refund request made by John C.
7 and Judith K. Guibert at the June 4, 2019 BOCC Meeting; and take action on the Guibert refund
8 request.

9 Nancy Freeman, Tax Administrator, Dawn Perry, Land Records/GIS Deputy Director and
10 Michael Burton- Land Records/GIS Director made the following presentation:

11
12 **BACKGROUND:** At the June 4, 2019 Board of County Commissioners meeting, John C. and
13 Judith K. Guibert submitted a refund request for property at Lake Orange for taxes overpaid
14 from 2014 through 2018. A copy of the request is attached. The Guiberts state that double
15 taxation of the 615' to 620' elevation line has occurred and that he has been taxed for property
16 he does not own based on an incorrect survey/plat from the 1970's.

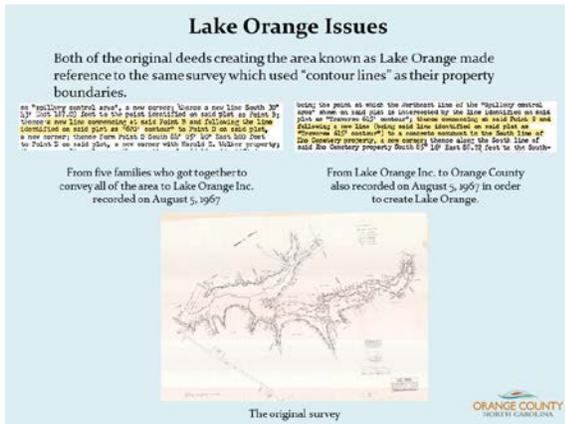
17
18 Following discussion on the Guibert refund request, the Board requested more comprehensive
19 information regarding Lake Orange parcels to make a more informed decision following the
20 summer break. A PowerPoint presentation is attached detailing this additional information.

21
22 Key Points

- 23 • Mr. Guibert recorded a new survey in February 2019, and the change in size of the property
24 and a reduction in value will be effective for the 2019 tax bill and future years. In accordance
25 with state law, the change should not become effective until 2020, but the decision was
26 made in March 2019 by the Tax Office to change the 2019 value in this particular case.
27
- 28 • Pursuant to North Carolina State law, the 2019 survey is not sufficient information to support
29 the Guibert request for a refund for tax years 2014 through 2018. Based on that new
30 survey/plat, the County cannot determine if double taxation occurred during the years 2014
31 through 2018. Rather, it seems that the prior years' taxation is in adherence to the law, in
32 accordance with the plat/survey recorded in the 1970's.
33
- 34 • Property ownership in North Carolina is deed document based, and taxing jurisdictions do
35 not have the authority to change the property lines or the size of a property without a legal
36 document being recorded that indicates the change in acreage or property lines. Tax
37 records are based on the recorded document, and cannot be changed without a new
38 recorded document.
39
- 40 • Pursuant to NC Statute 105-381, a refund may be made for the prior five years if it is based
41 on a clerical error made by the County, or due to an illegal tax. Because the issue in this
42 situation is created by the surveys and deeds that do not clearly define ownership, it is not a
43 clerical error on the part of the County. In addition, because the ownership is not clearly
44 defined, the County cannot determine if this is an issue of double taxation (which would be
45 an illegal tax).
46
- 47 • Overlappage Issue – Both the Guibert prior survey and the surveys of Lake Orange Inc.
48 make claim to the same area of property (the area between the 615' and the 620' contour
49 lines). This is creates an overlappage issue. As in every overlappage situation, the issue
50 must be resolved between the owners involved, in this case the Guiberts and Lake Orange,
51 Inc. The issue may be settled between the parties through a newly recorded survey, deed,

1 or a judgement from a court. Mr. Guibert has recorded a new survey, and the issue has
 2 been settled for future tax years.

- 3
- 4 • Other landowners at Lake Orange in this same situation should use the same method to
 5 solve their overlappage issue by obtaining a new survey. After a new survey has been
 6 recorded for the properties, then adjustments to size and property lines will be made by
 7 Orange County Tax staff in accordance with the updated survey, and any resulting reduction
 8 in value will be effective for January 1 of the year following the recording of the survey.
 9
- 10 • In order to be equitable, the County must require that all Lake Orange land owners are
 11 treated the same, and follow the statutes regarding land ownership as all other Orange
 12 County property owners. Standard procedure by Tax Office staff when contacted for
 13 assistance is to advise the taxpayer to seek legal guidance and ultimately to record a new
 14 survey. It is expressed that the County must tax property owners according to recorded
 15 documents, and is not able to change what a property owner's tax is based on without a
 16 new survey.
 17
- 18 • It is important to recognize that approximately half of the current Lake Orange Land owners
 19 have already taken the appropriate steps to establish the correct ownership of the Lake
 20 Orange property.
 21
- 22 • It is significant to realize that overlappage issues are not restricted to just the Lake Orange
 23 area. Other landowners in the County have had situations that required a new deed or
 24 survey to establish ownership and update tax records. During the June 4th Board meeting,
 25 County Attorney John Roberts pointed out that if the issue with the Guibert property is one
 26 of double taxation, then the Guiberts should be eligible for a refund. If the issue were not
 27 determined as double taxation, the Board would be at risk of personal liability to anyone in
 28 the County who challenged it.
 29



Lake Orange Issues

THIS DEED made this _____ day of _____, 20____, by and between

GRANTOR	GRANTEE
HENRY R. KASZNER and wife, KIMBERLEY R. KASZNER	JOHN C. GUILBERT III and wife, JUDITH K. GUILBERT 4316 Arrowhead Trail Hillsborough, N.C. 27278

Enter in appropriate block for each party, name, address, and, if appropriate, character of entity, e.g. corporation or partnership. The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of _____, County of _____, North Carolina and more particularly described as follows:

BEING all of Lot 10, ARROWHEAD SUBDIVISION, as shown on plat of Arrowhead, property of R.B. Nichols, recorded in Plat Book 26, Page 73, Orange County Registry.

This is the deed that was recorded in 2002 when the John and Judith Guilbert bought their property and it refers to the 1976 Arrowhead survey.



1
2

Lake Orange Issues



This slide shows the Guilbert property shaded in blue to illustrate how it was depicted per the survey that their deed referred to.



3
4

Lake Orange Issues

Here you can see how the Guilbert property was originally mapped according to the 1976 survey. It was one entire parcel going from the road to the waterline as the survey depicted.

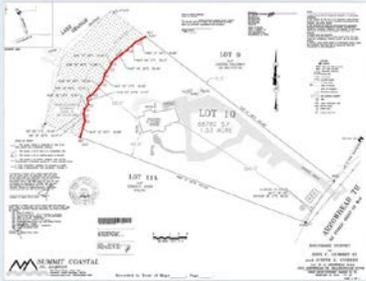
Even though Lake Orange Inc. had already laid claim to the property between the 615 and 620 contour line, nothing had been recorded in the nine years between the original survey and the time of this 1976 survey to define the 620 line.

Because settling land disputes is a matter for the courts, the only recourse we have is to acknowledge that both parties are making the claim and tax them according to the recorded document until another document is recorded to change the property lines.



5
6

Lake Orange Issues



This is the plat that was recorded by the Guilberts in February 2019. When we received this, we followed our procedures in order to split the property along the line the surveyor had defined as the 620 contour line (shown in red). This was the first time that the 620 contour line was defined with directions and distances as required. It was over fifty years after the original survey was recorded.



1
2

Lake Orange Issues



We have updated the mapping to show this property split into two parcels per the new survey. The transparent area you see in this picture has been put into the Lake Orange ownership while the solid area represents how the 2019 survey defined the Guilbert property.



3
4

Lake Orange Issues

Here you can see three of the parcels from this subdivision where the owners have rectified the situation on their own.

The Guilbert's property is the one with the blue arrow.

All three of these properties have hired a surveyor to find the 620 contour line and then had that survey recorded so that we could update the mapping. As required by statute, any changes the new surveys make that affect the value and taxation are effective for the following January 1st.

Anytime a resident has brought up this matter, we have advised them to follow this course of action in order to fix the issue. Until the 620 line is defined, both Lake Orange and the individual resident have recorded documents making claim to the same undefined area.

Because North Carolina statutes require us to be governed by recorded documents, we can only be as accurate as the recorded documents allow.



5
6

7 Commissioner Dorosin referred to the maps on the first slides, and asked if the blue and
8 the red and green lines were recorded.

9 Dawn Perry said yes, in 1967 when the deeds were recorded.

10 Commissioner Marcoplos asked if the other landowners were not as concerned, and if
11 these landowners knew that Lake Orange was also claiming rights to the property.

12 Nancy Freeman said she does not know.

13 Dawn Perry said the County would have had the opportunity to tell the landowner this
14 information, because the County is not involved in the sale process. She said an attorney, who
15 had researched the property, should have cleared this up at closings.

16 Nancy Freeman said the County puts disclaimers on all of their public maps, and this
17 would be easy to research. She said it is clear on all maps that 615-620 is owned by Lake
18 Orange, Inc.

1 Commissioner Marcoplos said it seems odd that some residents picked up it, while
2 others did not.

3 Nancy Freeman said it may depend on the person, the level of research conducted, the
4 attorney that was chosen, etc.

5 Commissioner Dorosin said it could also depend on how a parcel is shaped.
6

7 **PUBLIC COMMENT:**

8 John Guibert said this is a very complex subject. He said he would like to address the
9 question of why other landowners were not concerned or aware of the issue. He said the owner
10 of the Arrowhead land (the Nichols family) was also the President of Lake Orange, Inc. at the
11 time that all of these deals were made; when the land was transferred from the five owners to
12 Lake Orange, Inc., which was land from 620 down. He said this was also the time when the
13 transfer of 615 and down was made. He said ownership was well known, and the County
14 required that the land between 615 and 620 be owned by Lake Orange, Inc. He said the
15 County was to be informed of, and given the right of first refusal on this land, in the case that
16 there was a transfer of the land to another owner. He said the County wanted to protect 615 to
17 620, which was the maximum flood stage. He said it is unequivocal that this land is owned by
18 Lake Orange, Inc., and the owner of the Arrowhead subdivision knew full well. He said the very
19 first deed for each of the 15 lots accounts for an exception of the land between 615-620, which
20 did not convey as part of the sale. He said the Nichols family knew they had made a mistake,
21 and did not solve it by a survey, but rather by noting the exemption of the land on the deeds.
22 He said there was a new survey of sorts in the 1980s, which was an attempt to show where the
23 lines lay on the 615-620 contour, but staff rejected these surveys for every lot. He said this all
24 shows that both Lake Orange, Inc., and the owner of the subdivision knew exactly who owned
25 the land. He said it also very clear that the County was informed.

26 John Guibert said two newer subdivisions were built in the 1990s, and this issue was
27 clearly handled, and the land delineated, so as to avoid these same problems. He said in order
28 to know what amount of back taxes one should claim, one must know the amount of land in
29 question, and the percentage of one's taxes it constitutes. He said he did a survey of his land,
30 to determine how much of his land between 615 and 620 belongs to Lake Orange, Inc., and on
31 which he had paid taxes. He said this survey showed he paid taxes on land that belonged to
32 somebody else, and the County was aware due to the 1986 plats that were attached. He said
33 there has never been any sale of the 615-620 land, and if there were, the County would have to
34 first be advised and given the right of first refusal. He said ownership is clear in his mind, as is
35 the question of double taxation. He said he has paperwork back to 2003 showing that he has
36 paid taxes on the 0.37 acres of land owned by Lake Orange, Inc. He said the County has
37 changed his taxable land to 1.53 acres, but he, and all previous owners, have been taxed for
38 the land all the way to the water line. He said 2 parties were paying taxes on the same piece of
39 land, which is a clear case of double taxation. He said staff can explain the basis on which the
40 County has been taxing Lake Orange, Inc.

41 Commissioner Dorosin referred to a picture on page 13 of the PowerPoint, and asked if
42 the property with the blue arrow belonged to John Guilbert.

43 John Guibert said yes.

44 Commissioner Dorosin asked if the dock belonged to him, and if he built it.

45 John Guibert said the dock was pre-existing, and is accessed through a recorded
46 easement.

47 Commissioner Dorosin asked if the Board has a copy of this easement.

48 John Guibert said there is an easement for every lot in the subdivision. He said the
49 easement was granted to each of the families that donated land from 620 out, after they
50 donated the land from 620 in and below. He said this happened in 1972, and is documented.

1 John Roberts said there is a recorded easement on the plat, which provides access
2 across the land that is subject to this issue.

3 John Guibert said there is ingress and egress easement, but one must pay recreational
4 fees to Lake Orange, Inc. (including a dock, pier, boat, etc.)

5 Commissioner McKee referred to page 22 of the abstract, and asked if the value of
6 \$512,000 is solely for the acreage, or for the acreage and improvements.

7 Nancy Freeman said that would include the land and his improvements.

8 Commissioner McKee asked if the land in question (0.39 acres) would give the financial
9 impact that is shown.

10 Nancy Freeman said the adjusted value would show the difference between the
11 \$512,000 and the \$482,000, which would give the value of the 0.39 acres.

12 Commissioner Bedford referred to page 22, and said the value is \$1,622.43, but page 16
13 says \$1,658.15, and she asked if she should consider one of these numbers over the other.

14 Nancy Freeman said page 16 is the information John Guibert provided, and page 22 is
15 from staff.

16 Chair Rich said the Board will go with what is on page 22.

17 Commissioner Marcoplos said it looks like Lake Orange and the Guiberts were both
18 paying taxes on this land, and asked if this is correct.

19 Nancy Freeman said yes.

20 Commissioner Marcoplos said he is curious about the state law, as it seems to be a
21 major part of this story.

22 John Roberts said he does not think he can explain this. He said if it is proved to be a
23 double taxation issue, it can be corrected, which has been done. He said the Guiberts provided
24 a new survey, which shows the difference in ownership, and going forward the County can
25 correct this. He said prior to the date on which the survey was recorded, the surveys and
26 evidence is conflicting, and the tax department does not have clear evidence to say who paid
27 what, and how much.

28 Commissioner Marcoplos asked if a clear deed was needed.

29 John Roberts said all of these plats that were recorded in error, and closing attorneys
30 and real estate agents were not doing their jobs in pointing these issues out. He said this
31 allowed for confusion, and he does know of any way to record something that is retroactive.

32 Commissioner Marcoplos said in the end the County received double taxes for this land.

33 Nancy Freeman said the County taxed based on the deeds that were recorded, and
34 once the deed was changed the County was able to change that which is taxed, and will
35 continue to do so moving forward. She said as the line had not been previously defined, there
36 was no way for the County to know what was being taxed and what was not, or by whom.

37 Commissioner Marcoplos said the County may not have known, but the overlappage
38 meant that the money was coming in from both parties for that piece of land.

39 Michael Burton said yes, there was an overlappage.

40 Commissioner Dorosin said the real issue is that the County has collected twice on the
41 same piece of property, at no fault of the County, but due to conflicting claims. He said the first
42 recorded plat show that Lake Orange owned the land, and as this was first, it should be the
43 defining thing. He said Lake Orange believed it owned the land, paid taxes on the land, and
44 has not contested the new plat that has been filed. He said there is a legal concept called
45 "unjust enrichment," where one receives a benefit that was undeserved. He said one could take
46 a narrow view of the phrase double taxation to mean one taxpayer got charged twice for the
47 same thing, or one could take a broader view, which would say that the same parcel of land got
48 charged twice. He said this case does not seem to involve a dispute between the parties over
49 land ownership, and the appropriate thing to do would be to refund the taxes, as the property
50 was double taxed. He said it would be a different case if no one had paid the taxes.

1 Commissioner Greene agreed that there appears to be unjust enrichment, and since the
2 County is the other party, it can reimburse the taxes. She asked if the County were to do so,
3 would it be obligated to pay it back for all the previous owners of the property back to the
4 creation of the subdivision in the 1970s.

5 Nancy Freeman said the landowners would need to request a refund, and they have 5
6 years to ask for a refund. She said there are a few other property owners who have completed
7 surveys, and if they were to request a refund, could be granted it.

8 Commissioner Greene clarified that the Guiberts could only be given 5 years of a refund,
9 not back to 2002 when the property was purchased.

10 Nancy Freeman said that is correct.

11 John Roberts said the State Statute is very specific about the five years.

12 Nancy Freeman said there are roughly 75 other parcels on Lake Orange that have not
13 had a corrected survey, the owners of which, may now do so, and would then be able to request
14 a refund for 5 years.

15 Commissioner Dorosin said this is all property upon which the County has collected
16 double taxes.

17 Michael Burton said both parties were taxed for what they claimed.

18 Commissioner Dorosin said there are now property owners that have resolved the claim,
19 and are making it clear that they do not own the land, and another taxpayer making it clear that
20 they do own the land.

21 Michael Burton said, per Statute, the County has corrected the record based upon the
22 new recording of survey, which moves forward from here on.

23 Commissioner Dorosin said there are other homeowners, and there is this notion that
24 the County is opening up a Pandora's box, but the homeowners would only be eligible to a
25 refund if it can be shown that taxes were doubly taxed.

26 Michael Burton said there may be some parties that will be unwilling to give the land
27 back to Lake Orange, now that they may have adverse possession. He said many cases have
28 gone to the Supreme Court regarding overlapping land. He said one of the most precise things
29 in those cases is that the individual has been paying taxes on the land all along.

30 Commissioner Price asked if the exact process for taxing land could be explained. She
31 said she had an issue with her property and the former Tax Administrator said there is one set
32 amount for the land, and the improvement (building) is assessed separately. She asked if
33 taxation is done by square footage.

34 Michael Burton said it is done by acreage of land, and based upon the schedule of
35 values adopted by the BOCC.

36 Commissioner Price clarified that if the BOCC awards repayment in this case, that
37 anyone who has had a dispute could have a survey completed and determine if double taxation
38 has occurred.

39 Michael Burton said there are over 55,000 parcels of land in Orange County, of which,
40 each and every one of those neighboring properties could have a survey done, and both
41 surveys may overlap with each other.

42 Nancy Freeman said there are other cases in Orange County that staff has noted on
43 maps, which have not yet been corrected, and there may be more.

44 Commissioner McKee asked if this has been corrected now.

45 Nancy Freeman said yes.

46 Commissioner McKee asked if John Roberts would explain his recommendation that the
47 Manager deny the refund.

48 John Roberts said there are only a very limited number of reasons to issue a refund:
49 clerical error, unlawful tax, or tax for unlawful purpose. He said, at the time this was taxed, this
50 was not a clerical error by County staff; it was not a tax that was for an unlawful purpose; and at
51 the time it was not an unlawful tax. He said through the land records, two parties were claiming

1 the same property, and because of that, staff cannot say this was an unlawful tax, or an issue of
2 double taxation, even though two parties were paying the tax on it. He said they both had, what
3 appeared to be, lawful claims based on their recorded documents. He said, based on the risk to
4 the Board for refunding a tax outside of those three purposes, he recommends denying the
5 refund.

6 Commissioner Marcoplos clarified that the County cannot be reasonably responsible for
7 sorting out these land issues, wherever they may occur.

8 Nancy Freeman said that is correct.

9 Commissioner Marcoplos said the County may have received taxes from both parties,
10 and perhaps someone is due a refund, but it is not the County's responsibility to be there at the
11 transaction, to examine transactions, and confirm that all i's are dotted and t's are crossed.

12 John Roberts said that is correct.

13 Commissioner Marcoplos said that makes sense.

14 Commissioner Greene referred to the abstract, which states: "If the issue were not
15 determined as double taxation, the Board would be at risk of personal liability to anyone in the
16 County who challenged it," and asked if the "it" could be defined.

17 John Roberts said the refund. He said if this is not an unlawful tax, not for an unlawful
18 purpose, and is not a clerical error, but if the Board issues a refund anyway, then each Board
19 member who votes in favor of a refund, is personally liable for the refund.

20 Commissioner Greene asked if those with standing to challenge it could be identified.

21 John Roberts said any taxpayer in the County.

22 Commissioner Marcoplos said staff mentioned there are a lot of instances of
23 overlappage in the County, and asked if these property owners have been contacted.

24 Michael Burton said typically property owners find out by hiring a surveyor, who defines
25 the land and the properties which people own, and attorneys are responsible for doing the title
26 search and history. He said any overlaps that arise should be disclosed to the purchaser when
27 buying a property. He said the mapping world does show these as conflict lines, now that the
28 age of GIS has come a little further. He said the original cadaster of the mappings show the
29 615-620 contour line being owned by Lake Orange, Inc. He said Lake Orange was created
30 because the Town of Hillsborough was running out of water, and it was to be a water supply.

31 Commissioner Marcoplos asked if he had overlappage, of which he was unaware, would
32 he receive a letter from the County. He said it sounds like the County knows of some of these
33 instances.

34 Michael Burton said the last time these types of issues were discovered was in the
35 1980s, and property owners were sent letters, and asked to bring in documents, so that the
36 County could put it on record. He said the maps still depict the conflict lines as the mappers
37 find them.

38 Commissioner Price said it seems that the burden is on the homeowner.

39 Commissioner Greene asked if this is a situation that a person's title insurance would
40 take care of.

41 Michael Burton said possibly.

42 Commissioner Greene asked John Roberts if there have been any reported cases on
43 the argument that Commissioner Dorosin and she are making about an equitable solution of
44 unjust enrichment, when the government gets paid twice for the same taxable land.

45 John Roberts said he does not know of any, and has researched this topic at a previous
46 time, but not in this instance.

47 Commissioner Bedford asked if she voted yes to the refund, and a resident objected, if
48 she would liable for the \$1,622 one time back to the County, or to every single taxpayer.

49 John Roberts said one time back to the County. He said he is not sure that this would
50 happen, but it is his job to advise the Board of risk.

1 Commissioner Bedford said it seems to her that the law has tied the hands of the County
2 staff, and the equitable solution is to refund the monies, and the other property owners along
3 Lake Orange should be alerted to consider having a survey completed, so that going forward
4 taxes would be lower. She said this strikes her as the right and just thing to do.

5 Michael Burton said the owners around Lake Orange are routinely contacted by Lake
6 Orange, Inc. for the dues that they pay to cross that area of land, basically informing them that
7 Lake Orange still claims that land.

8 Commissioner Bedford said she understands that, but when she receives her tax bill,
9 she does not know anything about the contours, etc.

10
11 A motion was made by Commissioner McKee, seconded by Commissioner Marcoplos to
12 approve the resolution denying the refund request based on consultation with the County
13 Attorney.

14
15 Commissioner Price said the wording in the proposed resolution is confusing.

16 Commissioner Dorosin said to amend the language to say the property tax refund is
17 denied.

18 Commissioner McKee accepted this amendment.

19 Commissioner Marcoplos agreed.

20 Commissioner Dorosin said he would vote against this resolution, and this is a matter of
21 equity and fairness. He said the County was unintentionally unjustly enriched.

22 Commissioner Price said she does see the argument of double taxation, but she also
23 understands this is prevalent throughout Orange County, and once surveys are done, property
24 lines are being corrected. She said it is unfortunate that some of these property lines and plats
25 were recorded without the advantage of modern technology and good surveys.

26 Commissioner Marcoplos said this is a tough call. He agrees with much of
27 Commissioner Dorosin's statements, but the County did not create these problems, and the
28 County should not be in the position of arbiter and money distributor every time a mistake is
29 made.

30 Chair Rich asked if these types of mistakes really are that prevalent.

31 Nancy Freeman said the revaluation process does correct any errors or issues with the
32 details of the home, but not with the land itself. She said the County is required to record a
33 survey and tax by it, and this can only be fixed by the landowner.

34 Bonnie Hammersley said the County would not know if this is a prevalent problem, and
35 this is an example of change in technology, and the County is getting better at looking at the
36 surveying as technology improves. She said her office and the tax administration office do not
37 challenge surveys, and during the revaluation process, staff is simply looking at value. She said
38 the County is not aware of a prevalence of these types of issues, but if staff is made aware of
39 such a situation, it will alert property owners.

40 Commissioner Price said many surveys were done years ago, when technology was not
41 as accurate.

42
43 **VOTE: Ayes, 4 (Chair Rich, Commissioner McKee, Commissioner Marcoplos, and**
44 **Commissioner Price); Nays, 3 (Commissioner Bedford, Commissioner Greene, and**
45 **Commissioner Dorosin)**

46
47 **MOTION PASSES**

48
49 Commissioner McKee asked if there is a reason why the parties themselves could not
50 handle this issue.

51 John Roberts said there is no reason, and is likely more appropriate.

1 Commissioner Dorosin said the County received the double taxes, and there is nothing
2 the parties can do. He said the County got paid twice.

3
4 **7. Reports**
5 **NONE**

6
7 **8. Consent Agenda**
8 • **Removal of Any Items from Consent Agenda**
9 • **Approval of Remaining Consent Agenda**

10
11 A motion was made by Commissioner Dorosin, seconded by Commissioner Bedford to
12 approve the Consent Agenda.

13
14 **VOTE: UNANIMOUS**

- 15
16 • Discussion and Approval of the Items Removed from the Consent Agenda

17
18 **a. Minutes – None**

19 **b. Refund of Overpayment of Excise Tax**

20 The Board refunded an overpayment of excise tax in the amount of \$328 to Tatum Law Firm.

21 **c. FY 2019-20 Home and Community Care Block Grant for Older Adults Funding Plan**

22 The Board approved the recommended Home and Community Care Block Grant (HCCBG) for
23 Older Adults Funding Plan for FY 2019-20 and authorized the Manager to sign.

24 **d. Amendments to North Chatham Fire Protection and Emergency Services Agreement**

25 The Board ratified the County Manager's signature on amendments to allow the 2013 contract
26 between Orange County and North Chatham to remain in effect until a new contract is agreed
27 upon and implemented.

28 **e. Link Building Remediation Project – Rejection of Bids**

29 The Board authorized the County Manager to reject all bids for the remediation of the John M.
30 Link, Jr. Government Services Center project that were opened on Thursday, September 5,
31 2019, and to rebid the project.

32
33 **9. County Manager's Report**
34 **NONE**

35
36 **10. County Attorney's Report**
37 **NONE**

38
39 **11. *Appointments**

40
41 **a. Advisory Board on Aging – Appointment**

42 The Board considered making an appointment to the Advisory Board on Aging.

43
44 A motion was made by Commissioner Dorosin, seconded by Commissioner McKee to
45 appoint the following to the Advisory Board on Aging:

- 46
47 • Position 3, Jeffrey Charles, Chapel Hill Town Limits, Partial Term ending 06/30/2021

48
49 **VOTE: UNANIMOUS**

50

1 A motion was made by Commissioner Dorosin, seconded by Commissioner Greene to
 2 appoint the following:

- 3
- 4 • Position 8, Tiketha Collins, At-Large, Partial Term ending 06/30/2021
- 5 • Position 10, Karen Green McElveen, At-Large, Term ending 06/30/2022
- 6 • Position 12, Jerry Gregory, At-Large, Partial Term ending 06/30/2021

7
 8 **VOTE: UNANIMOUS**

9
 10 **b. Affordable Housing Advisory Board – Appointments**

11 The Board considered making appointments to the Affordable Housing Advisory Board.

12
 13 A motion was made by Commissioner Dorosin, seconded by Commissioner Marcoplos
 14 to appoint the following to the Affordable Housing Advisory Board:

- 15
- 16 • Position 1, Keith Cook, At-Large, Second Full Term ending 09/30/2022
- 17 • Position 10, Douglas Boemker, At-Large, Second Full Term ending 06/30/2022

18
 19 **VOTE: UNANIMOUS**

20
 21 A motion was made by Commissioner Price, seconded by Commissioner Dorosin to
 22 appoint:

- 23
- 24 • Position 4, Adejuwon Ojebuoboh, At Large, Term ending 6/30/2022

25
 26 **VOTE: UNANIMOUS**

27
 28 A motion was made by Commissioner Greene, seconded by Commissioner Marcoplos
 29 to appoint:

- 30
- 31 • Position 7, James Eichel, At Large, Term ending 9/30/2022

32
 33 **VOTE: UNANIMOUS**

34
 35 A motion was made by Commissioner Dorosin, seconded by Commissioner Greene to
 36 appoint:

- 37
- 38 • Position 13, Jennifer Moore, At Large, Term ending 6/30/2022

39
 40 **VOTE: UNANIMOUS**

41
 42 Commissioner Marcoplos asked if applicants are ever asked to list their age.

43 Staff said no.

44 Commissioner Marcoplos said it would be informative to have this information, as he
 45 would like to facilitate young leadership.

46
 47 **c. Arts Commission – Appointments and Term Extension**

48 The Board considered making appointments to the Arts Commission.

49

1 A motion was made by Commissioner Price, seconded by Commissioner Bedford to
2 appoint the following to the Arts Commission:

- 3
- 4 • Position 6, Linda Williamson, At-Large, One Year Term Extension ending 09/30/2020
- 5 • Position 7, Doris Friend, At-Large, First Full Term ending 09/30/2022
- 6 • Position 14, Justin Haslett, At-Large, First Full Term ending 09/30/2022

7
8 **VOTE: UNANIMOUS**

9
10 **d. Board of Health – Appointment**

11 The Board considered making an appointment to the Board of Health.

12
13 A motion was made by Commissioner McKee, seconded by Commissioner Price to
14 appoint the following to the Board of Health:

- 15
- 16 • Position 1, Dr. Lee Pickett, Veterinarian, Partial Term ending 06/30/2020

17
18 **NOTE** - Dr. Pickett is currently serving on the Animal Services Advisory Board (ASAB) and if
19 appointed to the Board of Health Veterinarian position, would become the Board of Health
20 representative on the ASAB.

21
22 **VOTE: UNANIMOUS**

23
24 **e. Chapel Hill Orange County Visitors Bureau – Appointments**

25 The Board considered making appointments to the Chapel Hill Orange County Visitors
26 Bureau.

27
28 A motion was made by Commissioner Price, seconded by Commissioner McKee to
29 appoint the following to the Chapel Hill Orange County Visitors Bureau:

- 30
- 31 • Position 1, Mayor Pam Hemminger, Chapel Hill Town Council, First Full Term ending
- 32 12/31/2021
- 33 • Position 2, Dixon Pitt, Chapel Hill-Carrboro Chamber of Commerce, Partial Term ending
- 34 12/31/2020
- 35 • Position 8, Shailan “Sam” Vadgama, O/C Lodging Association, First Full Term ending
- 36 12/31/2021
- 37 • Position 13, Anita “Spring” Council, Economic Development Staff – Town of Carrboro,
- 38 Partial Term ending 12/31/2019
- 39 • Position 15, Matt Gladdeck, Chapel Hill Downtown Partnership Staff, Partial Term
- 40 ending 12/31/2020

41
42 **VOTE: UNANIMOUS**

43
44 **f. Nursing Home Community Advisory Committee – Appointment**

45 The Board considered making an appointment to the Nursing Home Community
46 Advisory Committee.

47
48 A motion was made by Commissioner Greene, seconded by Commissioner McKee to
49 appoint the following to the Nursing Home Community Advisory Committee:

50

- Position 6, Jacquelyn Podger, At-Large, One Year Preliminary Term ending 09/17/2020

VOTE: UNANIMOUS

g. Orange County Parks and Recreation Council – Appointment

The Board considered making an appointment to the Orange County Parks and Recreation Council.

A motion was made by Commissioner Bedford, seconded by Commissioner Price to appoint the following to the Orange County Parks and Recreation Council:

- Position 7, Cecily Kritz, Chapel Hill Township, Partial Term ending 03/31/2020

VOTE: UNANIMOUS

h. Orange County Planning Board – Appointment

The Board considered making an appointment to the Orange County Planning Board.

A motion was made by Commissioner Dorosin, seconded by Commissioner Price to appoint the following to the Orange County Planning Board:

- Position 10, Gio Mollinedo, At-Large, First Full Term ending 03/31/2022

VOTE: Ayes, 4 (Commissioner Dorosin, Commissioner McKee, Commissioner Price, Commissioner Bedford); Nays, 3 (Chair Rich, Commissioner Marcoplos, Commissioner Greene)

Commissioner Marcoplos said he was very impressed with the list of possible appointees for all of these boards. He asked if the Board has any interest in including age on the application form.

Donna Baker said age has never been included on the application during her tenure with the Board. She said she is not sure if it would be age discrimination.

Commissioner Marcoplos said he always wonders about an applicant's age.

Commissioner Greene said applicants list their email and phone number, and a Commissioner can always reach out for further discussion.

Commissioner Marcoplos said having it on the form would save a lot of time.

Commissioner Dorosin said he would also be interested in this information, and if one chooses not to answer that would be their prerogative.

Donna Baker said staff can research this topic further.

Chair Rich said perhaps the application could ask for an age range, as opposed to a specific age.

Commissioner Marcoplos said there is a lack of young participants.

Chair Rich said she thinks people want to get here, but do not know how to.

Commissioner Marcoplos said, or we don't know they are young.

Commissioner Dorosin said perhaps a youth advisory committee would be warranted. He petitioned the Board to consider this idea.

12. Information Items

- September 3, 2019 BOCC Meeting Follow-up Actions List

1 **13. Closed Session**

2

3 A motion was made by Commissioner McKee, seconded by Commissioner Marcoplos to
4 go into closed session 8:43 p.m. for the purpose below:

5

6 Pursuant to G.S. § 143-318.11(a)(3) "to consult with an attorney retained by the Board in order
7 to preserve the attorney-client privilege between the attorney and the Board."

8

9 **VOTE: UNANIMOUS**

10

11 A motion was made by Commissioner McKee, seconded by Commissioner Greene to
12 reconvene into regular session at 9:05 p.m.

13

14 **VOTE: UNANIMOUS**

15

16 **14. Adjournment**

17

18 A motion was made by Commissioner Greene, seconded by Commissioner McKee to
19 adjourn the meeting at 9:06 p.m.

20

21 **VOTE: UNANIMOUS**

22

23

Penny Rich, Chair

24

25 Donna Baker
26 Clerk to the Board

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: October 1, 2019

**Action Agenda
Item No. 8-b**

SUBJECT: Motor Vehicle Property Tax Releases/Refunds

DEPARTMENT: Tax Administration

ATTACHMENT(S):

Resolution
Releases/Refunds Data Spreadsheet
Reason for Adjustment Summary

INFORMATION CONTACT:

Nancy T. Freeman, Tax Administrator,
(919) 245-2735

PURPOSE: To consider adoption of a resolution to release motor vehicle property tax values for ten taxpayers with a total of ten bills that will result in a reduction of revenue.

BACKGROUND: North Carolina General Statute (NCGS) 105-381(a)(1) allows a taxpayer to assert a valid defense to the enforcement of the collection of a tax assessed upon his/her property under three sets of circumstances:

- (a) "a tax imposed through clerical error", for example when there is an actual error in mathematical calculation;
- (b) "an illegal tax", such as when the vehicle should have been billed in another county, an incorrect name was used, or an incorrect rate code (the wrong combination of applicable county, municipal, fire district, etc. tax rates) was used;
- (c) "a tax levied for an illegal purpose", which would involve charging a tax which was later deemed to be impermissible under state law.

NCGS 105-381(b), "Action of Governing Body" provides that "Upon receiving a taxpayer's written statement of defense and request for release or refund, the governing body of the taxing unit shall within 90 days after receipt of such a request determine whether the taxpayer has a valid defense to the tax imposed or any part thereof and shall either release or refund that portion of the amount that is determined to be in excess of the correct liability or notify the taxpayer in writing that no release or refund will be made".

For classified motor vehicles, NCGS 105-330.2(b) allows for a full or partial refund when a tax has been paid and a pending appeal for valuation reduction due to excessive mileage, vehicle damage, etc. is decided in the owner's favor.

FINANCIAL IMPACT: Approval of these release/refund requests will result in a net reduction of \$3,484.86 to Orange County, the towns, and school and fire districts. Financial impact year to date for FY 2019-2020 is \$9,885.78.

SOCIAL JUSTICE IMPACT: There is no Orange County Social Justice Goal impact associated with this item.

ENVIRONMENTAL IMPACT: There is no Orange County Environmental Responsibility Goal impact associated with this item.

RECOMMENDATION(S): The Manager recommends that the Board:

- Accept the report reflecting the motor vehicle property tax releases/refunds requested in accordance with the NCGS; and
- Approve the attached release/refund resolution.

NORTH CAROLINA

RES-2019-060

ORANGE COUNTY

REFUND/RELEASE RESOLUTION (Approval)

Whereas, North Carolina General Statutes 105-381 and/or 330.2(b) allows for the refund and/or release of taxes when the Board of County Commissioners determines that a taxpayer applying for the release/refund has a valid defense to the tax imposed; and

Whereas, the properties listed in each of the attached "Request for Property Tax Refund/Release" has been taxed and the tax has not been collected: and

Whereas, as to each of the properties listed in the Request for Property Tax Refund/Release, the taxpayer has timely applied in writing for a refund or release of the tax imposed and has presented a valid defense to the tax imposed as indicated on the Request for Property Tax Refund/Release.

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY THAT the recommended property tax refund(s) and release(s) are approved.

Upon motion duly made and seconded, the foregoing resolution was passed by the following votes:

Ayes: Commissioners _____

Noes: _____

I, Donna Baker, Clerk to the Board of Commissioners for the County of Orange, North Carolina, DO HEREBY CERTIFY that the foregoing has been carefully copied from the recorded minutes of the Board of Commissioners for said County at a regular meeting of said Board held on _____, said record having been made in the Minute Book of the minutes of said Board, and is a true copy of so much of said proceedings of said Board as relates in any way to the passage of the resolution described in said proceedings.

WITNESS my hand and the corporate seal of said County, this _____ day of _____, 2019.

Clerk to the Board of Commissioners

**BOCC REPORT - REGISTERED MOTOR VEHICLES
OCTOBER 1, 2019**

NAME	ACCOUNT NUMBER	BILLING YEAR	ORIGINAL VALUE	ADJUSTED VALUE	FINANCIAL IMPACT	REASON FOR ADJUSTMENT	ADDITIONAL EXPLANATION
Anderson, Clain Harmer	49850454	2019	25,900	500	(289.01)	Antique plate (property classification)	
Foster, Elaine	49629830	2018	15,230	0	(280.78)	County changed to Chatham (illegal tax)	
Gilmour, Arnold	49352393	2018	19,900	500	(285.26)	Antique plate (property classification)	
Hopkins, Frank Joseph	49833679	2018	52,500	500	(764.61)	Antique plate (property classification)	
Howard, Antonio	48653901	2018	9,520	0	(186.76)	Military exemption (illegal tax)	
Karan, Inc	44136432	2018	57,000	57,000	(469.07)	*Situs error (illegal tax)	
Strat Security and Fire of NC LLC	48953384	2019	37,718	0	(504.62)	County changed to Chatham (illegal tax)	
Taylor, Kenneth	35676613	2016	34,580	34,580	(276.96)	*Situs error (illegal tax)	
Taylor, Teresa	24470734	2014	32,024	32,024	(261.92)	*Situs error (illegal tax)	
Velasquez Jimenez, Marcos	49160367	2019	8,140	0	(165.87)	County changed to Chatham (illegal tax)	
					(3,484.86)	TOTAL	

Adjustment Descriptions
<i>Clerical error G.S. 105-381(a)(1)(a): e.g. when there is an actual error in mathematical calculation.</i>
<i>Illegal tax G.S. 105-381(a)(1)(b): e.g. when the vehicle should have been billed in another county, an incorrect name was used, or an incorrect rate code was used.</i>
<i>Tax levied for an illegal purpose G.S. 105-381(a)(1)(c): e.g. charging a tax that was later deemed to be impermissible under State law.</i>
<i>Appraisal appeal G.S. 105-330.2(b): e.g. reduction in value due to excessive mileage or vehicle damage.</i>
<i>*Situs error: An incorrect rate code was used to calculate bill. Value remains constant but bill amount changes due to the change in specific tax rates applied to that physical location.</i>
<i>Classification GS 105-330-9(b): e.g. Antique automobiles are designated a special class of property under the NC Constitution.</i>
The spreadsheet represents the financial impact that approval of the requested release or refund would have on the principal amount of taxes.
Approval of the release or refund of the principal tax amount also constitutes approval of the release or refund of all associated interest, penalties, fees, and costs appurtenant to the released or refunded principal tax amount.

Military Leave and Earning Statement (LES): Is a document given on a monthly basis to members of the United States military which reports their pay, home of record and service status. The LES is required when applying for exemption from Motor Vehicle Property Taxes. Active duty, non-resident military personnel may be exempt from North Carolina motor vehicle property tax as allowed by United States Code, Title 50, Service members' Civil Relief Act of 1940. (Amended in 2009 by The Military Spouse's Residency Relief Act)

Titles and Brands: Section 1, Chapter 7
NCDMV Title Manual 14th Edition Revised January 2016

Title: Document that records the ownership of vehicles and the liens against them.

Custom-Built: A vehicle that is completely reconstructed or assembled from new or used parts. Will be branded "Specially Constructed Vehicle"

Flood Vehicles: A motor vehicle that has been submerged or practically submerged in water to the extent that damage to the body, engine, transmission or differential has occurred.

Reconstructed Vehicles: A motor vehicle required to be registered that has been materially altered from original construction due to the removal addition or substitution of essential parts.

Salvaged Motor Vehicles: Is a vehicle that has been damaged by collision or other occurrence to the extent that the cost of repairs exceeds 75% of fair market value, whether or not the motor vehicle has been declared a total loss by an insurer. Repairs shall include the cost of parts and labor, or a vehicle for which an insurance company has paid a claim that exceeds 75% of the Fair Market Value. If the salvaged vehicle is six model years old or newer, an Anti-Theft Inspection by the License and Theft Bureau is required.

Salvage Rebuilt Vehicle: A salvaged vehicle that has been rebuilt for title and registration.

Junk Vehicle: A motor vehicle which is incapable of operation or use upon the highways and has no resale value except as scrap or parts. The vehicle shall not be titled.

Antique Vehicle: A motor vehicle manufactured in 1980 and prior

Commercial Trucking (IRP): The International Registration Plan is a registration reciprocity agreement among jurisdictions in the US and Canada which provides for payment of license fee on the basis of fleet miles operated in various jurisdictions.

Total Loss: Repairs were more than the market value of the vehicle and the insurance company is unwilling to pay for the repairs.

Total Loss/Rebuilt: Whatever the repairs were to make the vehicle road worthy after a Total Loss status has been given. Vehicle must be 5 years old or older. Vehicle status then remains as salvaged or rebuilt.

Certificate of Destruction: NC DMV will not register this type of vehicle. It is not fit for North Carolina roads.

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: October 1, 2019

**Action Agenda
Item No. 8-c**

SUBJECT: Property Tax Releases/Refunds

DEPARTMENT: Tax Administration

ATTACHMENT(S):

Resolution
Releases/Refunds Data Spreadsheet

INFORMATION CONTACT:

Nancy T. Freeman, Tax Administrator,
(919) 245-2735

PURPOSE: To consider adoption of a resolution to release property tax values for sixteen taxpayers with a total of thirty-eight bills that will result in a reduction of revenue.

BACKGROUND: The Tax Administration Office has received sixteen taxpayer requests for release or refund of property taxes. North Carolina General Statute 105-381(b), "Action of Governing Body" provides that "upon receiving a taxpayer's written statement of defense and request for release or refund, the governing body of the Taxing Unit shall within 90 days after receipt of such a request determine whether the taxpayer has a valid defense to the tax imposed or any part thereof and shall either release or refund that portion of the amount that is determined to be in excess of the correct liability or notify the taxpayer in writing that no release or refund will be made". North Carolina law allows the Board to approve property tax refunds for the current and four previous fiscal years.

FINANCIAL IMPACT: Approval of this change will result in a net reduction in revenue of \$212,772.10 to the County, municipalities, and special districts. The Tax Assessor recognized that refunds could impact the budget and accounted for these in the annual budget projections.

SOCIAL JUSTICE IMPACT: There is no Orange County Social Justice Goal impact associated with this item.

ENVIRONMENTAL IMPACT: There is no Orange County Environmental Responsibility Goal impact associated with this item.

RECOMMENDATION(S): The Manager recommends that the Board approve the attached resolution approving these property tax release/refund requests in accordance with North Carolina General Statute 105-381.

NORTH CAROLINA

RES-2019-061

ORANGE COUNTY

REFUND/RELEASE RESOLUTION (Approval)

Whereas, North Carolina General Statutes 105-381 and/or 330.2(b) allows for the refund and/or release of taxes when the Board of County Commissioners determines that a taxpayer applying for the release/refund has a valid defense to the tax imposed; and

Whereas, the properties listed in each of the attached "Request for Property Tax Refund/Release" has been taxed and the tax has not been collected: and

Whereas, as to each of the properties listed in the Request for Property Tax Refund/Release, the taxpayer has timely applied in writing for a refund or release of the tax imposed and has presented a valid defense to the tax imposed as indicated on the Request for Property Tax Refund/Release.

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY THAT the recommended property tax refund(s) and release(s) are approved.

Upon motion duly made and seconded, the foregoing resolution was passed by the following votes:

Ayes: Commissioners _____

Noes: _____

I, Donna Baker, Clerk to the Board of Commissioners for the County of Orange, North Carolina, DO HEREBY CERTIFY that the foregoing has been carefully copied from the recorded minutes of the Board of Commissioners for said County at a regular meeting of said Board held on _____, said record having been made in the Minute Book of the minutes of said Board, and is a true copy of so much of said proceedings of said Board as relates in any way to the passage of the resolution described in said proceedings.

WITNESS my hand and the corporate seal of said County, this _____ day of _____, 2019.

Clerk to the Board of Commissioners

Clerical error G.S. 105-381(a)(1)(a)
 Illegal tax G.S. 105-381(a)(1)(b)
 Appraisal appeal G.S. 105-330.2(b)

**BOCC REPORT - REAL/PERSONAL
 OCTOBER 1, 2019**

NAME	ACCOUNT NUMBER	BILLING YEAR	ORIGINAL VALUE	ADJUSTED VALUE	FINANCIAL IMPACT	REASON FOR ADJUSTMENT	ADDITIONAL INFORMATION
16 Parkside Lane LLC	3175842	2019	122,100	717	(1,381.10)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175844	2019	113,800	668	(1,287.22)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175845	2019	127,400	772	(1,440.77)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175847	2019	126,400	705	(1,430.16)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175733	2019	153,800	1,167	(1,736.66)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175843	2019	129,500	1,372	(1,457.84)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175840	2019	144,900	1,659	(1,629.80)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175832	2019	163,700	1,992	(1,839.91)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175830	2019	174,500	1,604	(1,967.21)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175831	2019	140,400	786	(1,588.53)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175836	2019	89,700	426	(1,015.76)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175833	2019	147,100	1,184	(1,660.23)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175828	2019	148,500	1,635	(1,671.03)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175824	2019	166,600	1,518	(1,878.30)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175825	2019	157,000	1,295	(1,771.61)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175826	2019	109,100	1,063	(1,229.24)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175827	2019	109,100	1,063	(1,229.24)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
16 Parkside Lane LLC	3175835	2019	106,000	586	(1,199.40)	Incorrect value (clerical error)	*Present Use Value approved for 2019 from timely filed application
Adcock, Bruce C.	315189	2019	18,000	-	(172.69)	Incorrect value (clerical error)	Land value was not included in homestead exemption
Betts, Celia Ines Caputo	3178653	2019	10,480	-	(349.84)	Assessed in error (illegal tax)	Gap bill: vehicle registered in Maryland during gap period
Blue Stripes LLC dba Silverspot Cinema	1057995	2018	7,067,969	3,527,189	(55,951.41)	Double billed (illegal tax)	Also billed on account 304110
Blue Stripes LLC dba Silverspot Cinema	1057995	2018-2017	5,382,725	1,633,943	(58,012.40)	Double billed (illegal tax)	Also billed on account 304110
Blue Stripes LLC dba Silverspot Cinema	1057995	2018-2016	5,493,297	1,631,252	(62,194.37)	Double billed (illegal tax)	Also billed on account 304110
Community Home Trust	263801	2019	156,300	89,000	(1,086.02)	Incorrect value (clerical error)	Assessed value to be reduced to the initial investment basis per G.S. 105-277.17 for Community Home Trust
Elkins, Catherine Jill	3180332	2019	5,850	-	(330.09)	Assessed in error (illegal tax)	Gap bill: vehicle registered in Maryland during gap period
Federspiel, Jerome Jeffrey	3180452	2019	7,380	-	(377.12)	Assessed in error (illegal tax)	Gap bill: vehicle registered in Maryland during gap period
Glosson Jr, Robert Clifford	1075356	2018	30,340	-	(416.31)	Assessed in error (illegal tax)	Gap bill: vehicle registered during stated gap period; taxpayer transferred license plates between similar vehicles triggering a gap in registration being reported.
Hodge & Kittrell Inc.	1067070	2019	154,956	102,926	(963.65)	Double billed (illegal tax)	Business listed lease hold improvements that were listed on parcel 9788278230 (exempt Town of Chapel Hill parcel)
JustMeag Inc dba Steves Garden Market & Butchery	1073120	2019	142,530	66,976	(1,236.59)	Value adjustment (appraisal appeal)	Business listed full purchase price instead of historical cost of equipment
MacAller, Timothy J.	124346	2019	197,113	183,316	(127.91)	Incorrect value (clerical error)	Incorrect Present Use Value was used as basis for bill
Miles, John Michael	3178731	2019	9,560	-	(252.65)	Assessed in error (illegal tax)	Gap billing: vehicle located in Chatham County
Parker, Thomas W.	224791	2019	32,673	25,240	(70.53)	Incorrect value (clerical error)	Incorrect Present Use Value was used as basis for bill
Scarlett, Mary W.	1005209	2019	450,800	372,921	(722.02)	Assessed in error (illegal tax)	Present Use Value reapplied to property after owners proved evidence of compliance
Scarlett, Mary W.	1005209	2018	450,804	N/A	(754.48)	Assessed in error (illegal tax)	Previously disqualified from present-use value program, evidence of compliance produced, necessitating reversal of deferred tax bill
Scarlett, Mary W.	1005209	2017	450,804	N/A	(797.82)	Assessed in error (illegal tax)	Previously disqualified from present-use value program, evidence of compliance produced, necessitating reversal of deferred tax bill
Scarlett, Mary W.	1005209	2016	450,804	N/A	(814.49)	Assessed in error (illegal tax)	Previously disqualified from present-use value program, evidence of compliance produced, necessitating reversal of deferred tax bill
Teapole, Brianna Rebecca	3178677	2019	8,290	-	(112.68)	Assessed in error (illegal tax)	Gap bill: vehicle registered in South Carolina during gap period
Tomasi, Luca Guglielmini	3176374	2018	19,460	-	(615.02)	Assessed in error (illegal tax)	Gap bill: vehicle registered in Pennsylvania during gap period
				Total	(212,772.10)		
<p>*16 Parkside Lane LLC was originally a 92.5 acre parcel located in rural area of the Chapel Hill township that had been in agricultural and forestry use for several years. It was split into multiple parcels for 2019, and a portion of the parcel was taken out of the present use value program. Although the remainder would still qualify for the program, these changes made it necessary for the submission of new applications in order to continue in the program, and the applications were not fully processed prior to 2019 billing.</p>							
<p>Gap Bill: A property tax bill that covers the months between the expiration of a vehicle's registration and the renewal of that registration or the issuance of a new registration.</p>							
<p>The spreadsheet represents the financial impact that approval of the requested release or refund would have on the principal amount of taxes.</p>							
<p>Approval of the release or refund of the principal tax amount also constitutes approval of the release or refund of all associated interest, penalties, fees, and costs appurtenant to the released or refunded principal tax amount.</p>							

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: October 1, 2019

**Action Agenda
Item No. 8-d**

SUBJECT: Applications for Property Tax Exemption/Exclusion

DEPARTMENT: Tax Administration

ATTACHMENT(S):

Exempt Status Resolution
Spreadsheet
Requests for Exemption/Exclusion

INFORMATION CONTACT:

Nancy T. Freeman, Tax Administrator,
(919) 245-2735

PURPOSE: To consider seven untimely applications for exemption/exclusion from ad valorem taxation for seven bills for the 2019 tax year.

BACKGROUND: North Carolina General Statutes (NCGS) typically require applications for exemption to be filed during the listing period, which is usually during the month of January. Applications for Elderly/Disabled Exclusion, Circuit Breaker Tax Deferment and Disabled Veteran Exclusion should be filed by June 1st of the tax year for which the benefit is requested. NCGS 105-282.1(a1) does allow some discretion. Upon a showing of good cause by the applicant for failure to make a timely application, an application for exemption or exclusion filed after the close of the listing period may be approved by the Department of Revenue, the Board of Equalization and Review, the Board of County Commissioners, or the governing body of a municipality, as appropriate. An untimely application for exemption or exclusion approved under this provision applies only to property taxes levied by the county or municipality in the calendar year in which the untimely application is filed.

Six applicants are applying for homestead exclusion based on NCGS 105-277.1, which allows exclusion of the greater of \$25,000 or 50% of the appraised value of the residence.

One of the applicants is applying for exclusion based on NCGS 105-277.1C, which allows for an exclusion of \$45,000 for an honorably discharged Disabled American Veteran.

Including these seven applications, the Board will have considered a total of sixteen untimely applications for exemption of 2019 taxes since the 2019 Board of Equalization and Review adjourned on June 27, 2019. Taxpayers may submit an untimely application for exemption of 2019 taxes to the Board of Commissioners through December 31, 2019.

Based on the information supplied in the application and based on the above-referenced General Statutes, the application may be approved by the Board of County Commissioners.

NCGS 105-282.1(a1) permits approval of such application if good cause is demonstrated by the taxpayer.

FINANCIAL IMPACT: The reduction in the County's tax base associated with approval of the exemption application will result in a reduction of FY 2019/2020 taxes due to the County, municipalities, and special districts in the amount of \$7,644.77.

SOCIAL JUSTICE IMPACT: There is no Orange County Social Justice Goal impact associated with this item.

ENVIRONMENTAL IMPACT: There is no Orange County Environmental Responsibility Goal impact associated with this item.

RECOMMENDATION(S): The Manager recommends that the Board approve the attached resolution for the above-listed applications for FY 2019/2020 exemption.

NORTH CAROLINA

RES-2019-062

ORANGE COUNTY

EXEMPTION/EXCLUSION RESOLUTION

Whereas, North Carolina General Statutes 105-282.1 empowers the Board of County Commissioners to approve applications for exemption after the close of the listing period, and

Whereas, good cause has been shown as evidenced by the information packet provided, and

Whereas, the Tax Administrator has determined that the applicants could have been approved for 2019 had applications been timely.

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF COUNTY

COMMISSIONERS OF ORANGE COUNTY THAT the properties applying for exemption for 2019 are so approved as exempt.

Upon motion duly made and seconded, the foregoing resolution was passed by the following votes:

Ayes: Commissioners _____

Noes: _____

I, Donna Baker, Clerk to the Board of Commissioners for the County of Orange, North Carolina, DO HEREBY CERTIFY that the foregoing has been carefully copied from the recorded minutes of the Board of Commissioners for said County at a regular meeting of said Board held on _____ said record having been made in the Minute Book of the minutes of said Board, and is a true copy of so much of said proceedings of said Board as relates in any way to the passage of the resolution described in said proceedings.

WITNESS my hand and the corporate seal of said County, this ____ day of _____, 2019.

Clerk to the Board of Commissioners

Late exemption/exclusion application - GS 105-282.1(a1)

**BOCC REPORT - REAL/PERSONAL
LATE EXEMPTION/ EXCLUSION
OCTOBER 1, 2019**

NAME	ACCOUNT NUMBER	BILL YEAR	ORIGINAL VALUE	TAXABLE VALUE	FINANCIAL IMPACT	REASON FOR ADJUSTMENT
Atwater, Lillie P.	313092	2019	169,000	84,500	(1,410.38)	Late application for exemption G.S. 105-277.1 (Homestead Exemption)
Gould, Bonnie K Trustee	321160	2019	230,800	115,400	(1,862.20)	Late application for exemption G.S. 105-277.1 (Homestead Exemption)
Panet-Raymond, Marlene M.	266914	2019	294,700	147,350	(1,722.66)	Late application for exemption G.S. 105-277.1 (Homestead Exemption)
Tuck, Timothy (Glory Tuck Hiers)	9463	2019	169,300	84,650	(812.13)	Late application for exemption G.S. 105-277.1 (Homestead Exemption)
Walker, Everett	12660	2019	227,200	147,500	(764.64)	Late application for exemption G.S. 105-277.1 (Homestead Exemption)
Walton, Corey	237860	2019	230,570	185,570	(421.06)	Late application for exemption G.S. 105-277.1C(Disable Veteran)
Williams, Brenda Gayle	9870	2019	87,600	43,800	(651.70)	Late application for exemption G.S. 105-277.1 (Homestead Exemption)
					(7,644.77)	Total

*Circuit Breaker does not result in a reduction in value. The exemption received is based on the income of the taxpayer.

The spreadsheet represents the financial impact that approval of the requested release or refund would have on the principal amount of taxes.

Approval of the release or refund of the principal tax amount also constitutes approval of the release or refund of all associated interest, penalties, fees, and costs appurtenant to the released or refunded principal tax amount.

August 15, 2019 thru September 11, 2019



**Request for Approval of
Property Tax Exemption, Exclusion or Deferral
Due to Showing of Good Cause for Failure to Make a Timely Application**

Date: 08/15/

To Whom It May Concern:

I, (PRINT NAME) Lillie P Atwater, wish to be considered for Property Tax Exemption, Exclusion or Deferral for the tax year 2019 on Tax Abstract or Parcel Identification Number(s) (PIN) # 9778553954. Please note that the deadline to submit a timely application Deadline is June 1st of the tax year.

In accordance with North Carolina General Statute 105-282.1(a1), I submit the reason(s) set forth below for consideration as demonstration of good cause for failure to make a timely application. An untimely application approved under G.S. 105-282.1 (a1) applies only to the property taxes levied by the county or municipality in the calendar year in which the untimely application is filed. If additional space for explanation is needed, please submit an attachment with this request.

Please explain:

I did not realize there was a deadline and I had difficulty filing this by my self

How did you find out about the program(s)? _____

Thank you,

Lillie P. Atwater

(Signature)



**Request for Approval of
Property Tax Exemption, Exclusion or Deferral
Due to Showing of Good Cause for Failure to Make a Timely Application**

Date: 20 Aug 2019

To Whom It May Concern:

I, (PRINT NAME) Bonnie K. Gould, Trustee, wish to be considered for Property Tax Exemption, Exclusion or Deferral for the tax year 2019 on Tax Abstract or Parcel Identification Number(s) (PIN) # 9798345972095.

Please note that the deadline to submit a timely application Deadline is June 1st of the tax year.

In accordance with North Carolina General Statute 105-282.1(a1), I submit the reason(s) set forth below for consideration as demonstration of good cause for failure to make a timely application. An untimely application approved under G.S. 105-282.1 (a1) applies only to the property taxes levied by the county or municipality in the calendar year in which the untimely application is filed. If additional space for explanation is needed, please submit an attachment with this request.

Please explain:

I have been out-of-town... plus I'm a very
challenging 69-yr-old who has significant memory
issues

How did you find out about the program(s)? A friend

Thank you,

[Handwritten Signature]
Signature



**Request for Approval of
Property Tax Exemption, Exclusion or Deferral
Due to Showing of Good Cause for Failure to Make a Timely Application**

Date: 8/13/2019

To Whom It May Concern:

I, (PRINT NAME) Marlene Marra Panet-Raymond
wish to be considered for Property Tax Exemption, Exclusion or Deferral for the tax year 2019
on Tax Abstract or Parcel Identification Number(s) (PIN) #
9880155817

In accordance with North Carolina General Statute 105-282.1(a1), I submit the reason(s) set forth below for consideration as demonstration of good cause for failure to make a timely application. An untimely application approved under G.S. 105-282.1 (a1) applies only to the property taxes levied by the county or municipality in the calendar year in which the untimely application is filed. If additional space for explanation is needed, please submit an attachment with this request.

Please explain:

I didn't know I had to file an application by June 1st. When I received notice of tax bill^{9.31} I then discovered I was late. My apologies.

How did you find out about the program(s)? Mail?

Thank you, [Signature]
(Signature)



FILED

SEP 12 2019

ORANGE COUNTY
TAX ADMINISTRATION

**Request for Approval of
Property Tax Exemption, Exclusion or Deferral
Due to Showing of Good Cause for Failure to Make a Timely Application**

Date: 9-11-2019

To Whom It May Concern:

I, (PRINT NAME) Timothy WAYNE TUCK, wish to be considered for Property Tax Exemption, Exclusion or Deferral for the tax year 2019 on Tax Abstract or Parcel Identification Number(s) (PIN) # 9874753903. Please note that the deadline to submit a timely application Deadline is June 1st of the tax year.

In accordance with North Carolina General Statute 105-282.1(a1), I submit the reason(s) set forth below for consideration as demonstration of good cause for failure to make a timely application. An untimely application approved under G.S. 105-282.1(a1) applies only to the property taxes levied by the county or municipality in the calendar year in which the untimely application is filed. If additional space for explanation is needed, please submit an attachment with this request.

Please explain:

Didnt know about the date or timeline. It was due, didnt know for sure I would qualify.

How did you find out about the program(s)? Saw it in my tax bill notice.

Thank you,

Timothy Wayne Tuck

(Signature)



FILED

AUG 20 2019

**ORANGE COUNTY
TAX ADMINISTRATION**

**Request for Approval of
Property Tax Exemption, Exclusion or Deferral
Due to Showing of Good Cause for Failure to Make a Timely Application**

Date: 8-19-19

To Whom It May Concern:

I, (PRINT NAME) Everett V Walker, wish to be considered for Property Tax Exemption, Exclusion or Deferral for the tax year 2019 on Tax Abstract or Parcel Identification Number(s) (PIN) # 9886149771. Please note that the deadline to submit a timely application Deadline is June 1st of the tax year.

In accordance with North Carolina General Statute 105-282.1(a1), I submit the reason(s) set forth below for consideration as demonstration of good cause for failure to make a timely application. An untimely application approved under G.S. 105-282.1 (a1) applies only to the property taxes levied by the county or municipality in the calendar year in which the untimely application is filed. If additional space for explanation is needed, please submit an attachment with this request.

Please explain:

I wasn't aware of the deadline

How did you find out about the program(s)? _____

Thank you,

Everett Young Walker

(Signature)



FILED

JUN 06 2019

**ORANGE COUNTY
TAX ADMINISTRATION**

**Request for Approval of
Property Tax Exemption, Exclusion or Deferral
Due to Showing of Good Cause for Failure to Make a Timely Application**

Date: 6/6/19

To Whom It May Concern:

I, (PRINT NAME) Corey Walton, wish to be considered for Property Tax Exemption, Exclusion or Deferral for the tax year 2019 on Tax Abstract or Parcel Identification Number(s) (PIN) # 9834547838. Please note that the deadline to submit a timely application Deadline is June 1st of the tax year.

In accordance with North Carolina General Statute 105-282.1(a1), I submit the reason(s) set forth below for consideration as demonstration of good cause for failure to make a timely application. An untimely application approved under G.S. 105-282.1 (a1) applies only to the property taxes levied by the county or municipality in the calendar year in which the untimely application is filed. If additional space for explanation is needed, please submit an attachment with this request.

Please explain:

I just received notice that I was awarded 100% disability that was awarded in may. The award was back dated from October 9th, 2018.

How did you find out about the program(s)? VA Legions

Thank you,

Corey Walton
(Signature)



FILED

SEP 13 2019

ORANGE COUNTY
TAX ADMINISTRATION

Request for Approval of
Property Tax Exemption, Exclusion or Deferral
Due to Showing of Good Cause for Failure to Make a Timely Application

Date: 9-9-19

To Whom It May Concern:

I, (PRINT NAME) Brenda Gayle Williams, wish to be considered for Property Tax Exemption, Exclusion or Deferral for the tax year 2019 on Tax Abstract or Parcel Identification Number(s) (PIN) # 9864497079. Please note that the deadline to submit a timely application Deadline is June 1st of the tax year.

In accordance with North Carolina General Statute 105-282.1(a1), I submit the reason(s) set forth below for consideration as demonstration of good cause for failure to make a timely application. An untimely application approved under G.S. 105-282.1 (a1) applies only to the property taxes levied by the county or municipality in the calendar year in which the untimely application is filed. If additional space for explanation is needed, please submit an attachment with this request.

Please explain:

Death of my husband Denny Ray Williams on June 16th
loss of income due to his death

How did you find out about the program(s)? a friend

Thank you,

Brenda Gayle Williams

(Signature)

**ORANGE COUNTY
BOARD OF COMMISSIONERS
ACTION AGENDA ITEM ABSTRACT**
Meeting Date: October 1, 2019

**Action Agenda
Item No. 8-e**

SUBJECT: Approval of a Design Contract for Construction Materials Testing and Special Inspections Services for the Northern Campus Construction Project

DEPARTMENT: Asset Management Services
(AMS)

ATTACHMENT(S):
Contract with Summit Design &
Engineering Services, PLLC

INFORMATION CONTACT:
Angel Barnes, Capital Projects Manager,
919-245-2628
Steven Arndt, AMS Director, 919-245-
2658
Travis Myren, Deputy County Manager,
919-245-2308

PURPOSE: To approve a professional services contract with Summit Design and Engineering Services, PLLC totaling \$245,238 to perform materials testing and special inspection services for the Northern Campus construction project.

BACKGROUND: On September 3, 2019, the County voted to accept a Guaranteed Maximum Price (GMP) of \$36,354,082 as presented by Bordeaux Construction for the development of the Orange County Northern Campus. The Campus, located on Highway 70 in Hillsborough, is intended to include a replacement Detention Center, Environment and Agriculture Center, and Parks Operations Base. Approval of this professional services contract will provide necessary materials testing and special inspection oversight required for the successful performance of the work.

FINANCIAL IMPACT: The professional services contract with Summit Design and Engineering Services, PLLC is a not to exceed amount of \$245,238. This proposal is acceptable from a financial standpoint and is within budget expectations for this work.

SOCIAL JUSTICE IMPACT: There is no Orange County Social Justice Goal impact associated with this item.

ENVIRONMENTAL IMPACT: The following Orange County Environmental Responsibility Goal is applicable to this item:

- **RESULTANT IMPACT ON NATURAL RESOURCES AND AIR QUALITY**

Assess and where possible mitigate adverse impacts created to the natural resources of the site and adjoining area. Minimize production of greenhouse gases.

RECOMMENDATION(S): The Manager recommends that the Board approve and authorize the Chair to sign the professional services contract with Summit Design and Engineering Services, PLLC, totaling \$245,238 to perform materials testing and special inspection services for the Northern Campus construction project, upon final review by the County Attorney.

[Departmental Use Only]
 TITLE CMT & Special Testing
 FY 2019-20

NORTH CAROLINA

**SERVICES AGREEMENT OVER \$90,000.00
 RFP/RFQ**

ORANGE COUNTY

This Services Agreement (hereinafter "Agreement"), made and entered into this 2nd day of October, 2019, ("Effective Date") by and between Orange County, North Carolina a political subdivision of the State of North Carolina (hereinafter, the "County") and Summit Design and Engineering Services, PLLC, (hereinafter, the "Provider").

WITNESSETH:

That the County and Provider, for the consideration herein named, do hereby agree as follows:

1. Services

a. Scope of Work.

- i) This Services Agreement ("Agreement") is for professional services to be rendered by Provider to County with respect to (*insert type of project*): Northern Campus Expansion - Construction Materials Testing (CMT) and Special Inspections (SI) Services.
- ii) By executing this Agreement, the Provider represents and agrees that Provider is qualified to perform and fully capable of performing and providing the services required or necessary under this Agreement in a fully competent, professional and timely manner.
- iii) Time is of the essence with respect to this Agreement.
- iv) The services to be performed under this Agreement consist of Basic Services, as described and designated in Section 3 hereof. Compensation to the Provider for Basic Services under this Agreement shall be as set forth herein.

2. Responsibilities of the Provider

- a. Services to be provided. The Provider shall provide the County with all services required in Section 3 to satisfactorily complete the Project within the time limitations set forth herein and in accordance with the highest professional standards.
- b. Standard of Care.
 - i) The Provider shall exercise reasonable care and diligence in performing services under this Agreement in accordance with the highest generally accepted standards of this type of Provider practice throughout the United States and in accordance

with applicable federal, state and local laws and regulations applicable to the performance of these services. Provider is solely responsible for the professional quality, accuracy and timely completion and/or submission of all work related to the Basic Services.

- ii) Provider shall be responsible for all errors or omissions of its agents, contractors, employees, or assigns in the performance of the Agreement. Provider shall correct any and all errors, omissions, discrepancies, ambiguities, mistakes or conflicts at no additional cost to the County.
- iii) The Provider shall not, except as otherwise provided for in this Agreement, subcontract the performance of any work under this Agreement without prior written permission of the County. No permission for subcontracting shall create, between the County and the subcontractor, any contract or any other relationship.
- iv) Provider is an independent contractor of County. Any and all employees of the Provider engaged by the Provider in the performance of any work or services required of the Provider under this Agreement, shall be considered employees or agents of the Provider only and not of the County, and any and all claims that may or might arise under any workers compensation or other law or contract on behalf of said employees while so engaged shall be the sole obligation and responsibility of the Provider.
- v) If activities related to the performance of this Agreement require specific licenses, certifications, or related credentials Provider represents that it and/or its employees, agents and subcontractors engaged in such activities possess such licenses, certifications, or credentials and that such licenses certifications, or credentials are current, active, and not in a state of suspension or revocation.

3. Basic Services

a. Basic Services.

- i) The Provider shall perform as Basic Services the work and services described herein and as specified in the County's Request for Proposals or Request for Qualifications (the "RFP") "RFP Number 5268 for "CONSTRUCTION MATERIAL TESTING AND SPECIAL INSPECTIONS SERVICES FOR THE NEW ORANGE COUNTY DETENTION CENTER AND VARIOUS PROJECTS" issued August 15, 2019, and the Provider's proposal, which are fully incorporated and integrated herein by reference together with Attachments A-Request for Qualifications 5268 dated August 15, 2019, B - RFQ5268 Addendum #1 dated August 23, 2019, C- Summit Design & Engineering Services, PLLC Response to RFQ dated September 5, 2019 and D - Bordeaux Bid Basis Schedule dated 9-17-2019 (designate all attachments). In the event a term or condition in any document or attachment conflicts with a term or condition of this Agreement the term or condition in this Agreement shall control. Should such conflict arise the priority of documents shall be as follows: This Agreement, the County's RFP together with attachments, Provider's Proposal together with attachments.

- ii) The Basic Services will be performed by the Provider in accordance with the following schedule: (Insert task list and milestone dates)

<u>Task</u>	<u>Milestone Date</u>
1. Construction Materials Testing	5/14/21
2. Special Inspections	5/14/21
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

- iii) Should County reasonably determine that Provider has not met the Milestone Dates established in Section 3(a)(ii), County shall notify Provider of the failure to meet the Milestone Date. The County, at its discretion may provide the Provider seven (7) days to cure the breach. County may withhold the accompanying payment without penalty until such time as Provider cures the breach. In the alternative, upon Provider's failure to meet any Milestone Date the County may modify the Milestone Date schedule. Should Provider or its representatives fail to cure the breach within seven (7) days, or fail to reasonably agree to such modified schedule, County may immediately terminate this Agreement in writing, without penalty or incurring further obligation to Provider. This section shall not be interpreted to limit the definition of breach to the failure to meet Milestone Dates.

4. Duration of Services

- a. Term. The term of this Agreement shall be from October 2, 2019 to May 14, 2021.
- b. Scheduling of Services
- i) The Provider shall schedule and perform its activities in a timely manner so as to meet the Milestone Dates listed in Section 3.
- ii) Should the County determine that the Provider is behind schedule, it may require the Provider to expedite and accelerate its efforts, including providing additional resources and working overtime, as necessary, to perform its services in accordance with the approved project schedule at no additional cost to the County.
- iii) The Commencement Date for the Provider's Basic Services shall be October 2, 2019.

5. Compensation

- a. Compensation for Basic Services. Compensation for Basic Services shall include all compensation due the Provider from the County for all services under this Agreement. The maximum amount payable for Basic Services is Two Hundred Forty Five Thousand,

Two Hundred Thirty Eight Dollars (\$245,238.00). In the event the amount stated on an invoice is disputed by the County, the County may withhold payment of all or a portion of the amount stated on an invoice until the parties resolve the dispute. Payment for Basic Services shall become due and payable in direct proportion to satisfactory services performed and work accomplished. Payments will be made as percentages of the whole as Project milestones as set out in Section 3(a)(ii) are achieved. *(For example, if there are 10 Project Tasks with Milestone Dates then Provider may invoice for the first 10% of the whole upon County's acknowledgement of the satisfactory completion of Task one. Upon the County's acknowledgement that the second Task has been satisfactorily completed Provider may invoice for the next 10% of the whole.)*

- b. Additional Services. County shall not be responsible for costs related to any services in addition to the Basic Services performed by Provider unless County requests such additional services in writing and such additional services are evidenced by a written amendment to this Agreement.

6. Responsibilities of the County

- a. Cooperation and Coordination. The County has designated (*Steven Arndt*) to act as the County's representative with respect to the Project and shall have the authority to render decisions within guidelines established by the County Manager and/or the County Board of Commissioners and shall be available during working hours as often as may be reasonably required to render decisions and to furnish information.

7. Insurance

- a. General Requirements. Provider shall obtain, at its sole expense, Commercial General Liability Insurance, Automobile Insurance, Workers' Compensation Insurance, and any additional insurance as may be required by County's Risk Manager as such insurance requirements are described in the Orange County Risk Transfer Policy and Orange County Minimum Insurance Coverage Requirements (each document is incorporated herein by reference and may be viewed at http://www.orangecountync.gov/departments/purchasing_division/contracts.php.) If County's Risk Manager determines additional insurance coverage is required such additional insurance shall consist of N/A (if no additional insurance required mark N/A as being not applicable). Provider shall not commence work until such insurance is in effect and certification thereof has been received by the County's Risk Manager.

8. Indemnity

- a. Indemnity. The Provider agrees, without limitation, to defend, indemnify and hold harmless the County from all loss, liability, claims or expense, including attorney's fees, arising out of or related to the Project and arising from property damage or bodily injury including death to any person or persons caused in whole or in part by the negligence or misconduct of the Provider except to the extent same are caused by the negligence or willful misconduct of the County. It is the intent of this provision to require the Provider to indemnify the County to the fullest extent permitted under North Carolina law.

9. Amendments to the Agreement

- a. Changes in Basic Services. Changes in the Basic Services and entitlement to additional compensation or a change in duration of this Agreement shall be made by a written Amendment to this Agreement executed by the County and the Provider. The Provider shall proceed to perform the Services required by the Amendment only after receiving a fully executed Amendment from the County.

10. Termination

- a. Termination for Convenience of the County. This Agreement may be terminated without cause by the County and for its convenience upon seven (7) days prior written notice to the Provider.
- b. Other Termination. The Provider may terminate this Agreement based upon the County's material breach of this Agreement; provided, the County has not taken all reasonable actions to remedy the breach. The Provider shall give the County seven (7) days' prior written notice of its intent to terminate this Agreement for cause.
- c. Compensation After Termination.
 - i) In the event of termination, the Provider shall be paid that portion of the fees and expenses that it has earned to the date of termination, less any costs or expenses incurred or anticipated to be incurred by the County due to errors or omissions of the Provider.
 - ii) Should this Agreement be terminated, the Provider shall deliver to the County within seven (7) days, at no additional cost, all deliverables including any electronic data or files relating to the Project.
- d. Waiver. The payment of any sums by the County under this Agreement or the failure of the County to require compliance by the Provider with any provisions of this Agreement or the waiver by the County of any breach of this Agreement shall not constitute a waiver of any claim for damages by the County for any breach of this Agreement or a waiver of any other required compliance with this Agreement.
- e. Suspension. County may suspend the Basic Services and this Agreement at any time for County's convenience and without penalty to County upon three (3) days' notice to Provider. Upon any suspension by County, Provider shall discontinue the Basic Services and shall not resume the Basic Services until notified to proceed by County.

11. Additional Provisions

- a. Limitation and Assignment. The County and the Provider each bind themselves, their successors, assigns and legal representatives to the terms of this Agreement. Neither the County nor the Provider shall assign or transfer its interest in this Agreement without the written consent of the other.
- b. Governing Law. This Agreement and the duties, responsibilities, obligations and rights of respective parties hereunder shall be governed by the laws of the State of North Carolina.

- c. Compliance with Laws. Provider shall at all times remain in compliance with all applicable local, state, and federal laws, rules, and regulations including but not limited to all state and federal anti-discrimination laws, policies, rules, and regulations and the Orange County Non-Discrimination Policy and Orange County Living Wage Policy (each policy is incorporated herein by reference and may be viewed at http://www.orangecountync.gov/departments/purchasing_division/contracts.php.) Any violation of this requirement is a breach of this Agreement and County may immediately terminate this Agreement without further obligation on the part of the County. This paragraph is not intended to limit and does not limit the definition of breach to discrimination. By executing this Agreement Provider affirms that Provider and any subcontractors of Provider are and shall remain in compliance with Article 2 of Chapter 64 of the North Carolina General Statutes. By executing this Agreement Provider certifies that Provider has not been identified, and has not utilized the services of any agent or subcontractor identified, on the list created by the State Treasurer pursuant to G.S. 147-86.58. By executing this Agreement Provider certifies that Provider has not been identified, and has not utilized the services of any agent or subcontractor identified, on the list created by the State Treasurer pursuant to G.S. 147-86.81.
- d. Dispute Resolution. Any and all suits or actions to enforce, interpret or seek damages with respect to any provision of, or the performance or non-performance of, this Agreement shall be brought in the General Court of Justice of North Carolina sitting in Orange County, North Carolina. It is agreed by the parties that no other court shall have jurisdiction or venue with respect to such suits or actions. Binding arbitration may not be initiated by either Party, however, the Parties may agree to nonbinding mediation of any dispute prior to the bringing of a suit or action.
- e. Entire Agreement. This Agreement, together with the RFP and its attachments and the Proposal and its attachments, represents the entire and integrated agreement between the County and the Provider and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both parties. Modifications may be evidenced by facsimile signatures.
- f. Severability. If any provision of this Agreement is held as a matter of law to be unenforceable, the remainder of this Agreement shall be valid and binding upon the Parties.
- g. Ownership of Work Product. Should Provider's performance of this Agreement generate documents, items or things that are specific to this Project such documents, items or things shall become the property of the County and may be used on any other project without additional compensation to the Provider. The use of the documents, items or things by the County or by any person or entity for any purpose other than the Project as set forth in this Agreement shall be at the full risk of the County.
- h. Non-Appropriation. Provider acknowledges that County is a governmental entity, and the validity of this Agreement is based upon the availability of public funding under the authority of its statutory mandate.

In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this Agreement, then this Agreement shall automatically expire without penalty to County immediately upon written notice to Provider of the unavailability and non-appropriation of public funds. It is expressly agreed that County shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this Agreement, but only as an emergency fiscal measure during a substantial fiscal crisis.

In the event of a change in the County's statutory authority, mandate and/or mandated functions, by state and/or federal legislative or regulatory action, which adversely affects County's authority to continue its obligations under this Agreement, then this Agreement shall automatically terminate without penalty to County upon written notice to Provider of such limitation or change in County's legal authority.

- i. Signatures. This Agreement together with any amendments or modifications may be executed electronically. All electronic signatures affixed hereto evidence the consent of the Parties to utilize electronic signatures and the intent of the Parties to comply with Article 11A and Article 40 of North Carolina General Statute Chapter 66.
- j. Notices. Any notice required by this Agreement shall be in writing and delivered by certified or registered mail, return receipt requested to the following:

Orange County
 Attention: Steven Arndt
 Engineering Services, PLLC
 P.O. Box 8181
 Hillsborough, NC 27278

Provider's Name & Address
 Summit Design and
 504 Meadowlands Drive
 Hillsborough, NC 27278

IN WITNESS WHEREOF, the Parties, by and through their authorized agents, have hereunder set their hands and seal, all as of the day and year first above written.

ORANGE COUNTY:

PROVIDER:

By: _____
 Penny Rich, Chair Orange County Board
 of County Commissioners

By: _____
 James Parker, President
Printed Name and Title

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: October 1, 2019

**Action Agenda
Item No. 8-f**

SUBJECT: Performance Agreement Between the Town of Chapel Hill and Visitors Bureau

DEPARTMENT: Economic Development/Visitors Bureau

ATTACHMENT(S):

2019-20 Performance Agreement
Between the Town of Chapel Hill and
the Chapel Hill/Orange County Visitors
Bureau for Annual Funding

INFORMATION CONTACT:

Laurie Paolicelli, 919-245-4322

PURPOSE: To approve the 2019-20 performance agreement between the Town of Chapel Hill and the Chapel Hill/Orange County Visitors Bureau.

BACKGROUND: Pursuant to the Chapel Hill/Orange County Visitors Bureau's annual performance agreement with the Town of Chapel Hill for tourism promotion, \$200,000 has been allocated to the Visitors Bureau for Fiscal Year 2019-20. In addition, the Town will pay 50% of any additional revenues collected in the event the hotel/motel occupancy receipts exceed the Town's budgeted amount of \$1,000,000.

Budget Year	Contribution per Performance Agreement	Additional Amount Received Following Release of that Years Audited Revenues
FY2012-13	\$175,000 plus 50% of collections over \$950,000	\$ 13,000
FY2013-14	\$175,000 plus 50% of collections over \$950,000	\$ 43,750
FY2014-15	\$175,000 plus 50% of collections over \$950,000	\$ 57,739
FY2015-16	\$175,000 plus 50% of collections over \$950,000	\$108,903
FY2016-17	\$200,000 plus 50% of collections over \$1,000,000	\$ 93,755
FY2017-18	\$200,000 plus 50% of collections over \$1,000,000	\$140,855

FINANCIAL IMPACT: The Town of Chapel Hill will provide \$200,000 to the Chapel Hill/Orange County Visitors Bureau, plus 50% of any additional revenues collected in the event the hotel/motel occupancy receipts exceed the Town's budgeted amount of \$1,000,000.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this item:

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**

The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

Tourism is a clean and green industry that fuels the economy leading to the economic self-sufficiency of Orange County residents.

ENVIRONMENTAL IMPACT: There is no Orange County Environmental Responsibility Goal impact associated with this item.

RECOMMENDATION(S): The Manager recommends that the Board approve the performance agreement between the Town of Chapel Hill and the Chapel Hill/Orange County Visitors Bureau.

**STATE OF NORTH CAROLINA
COUNTY OF ORANGE**

**PERFORMANCE AGREEMENT
OPERATIONAL SUPPORT**

This Contract is made and entered into by and between the “Town of Chapel Hill”, herein “Town”, and the “Chapel Hill/ Orange County Visitors Bureau, 501 West Franklin Street, Suite 104, Chapel Hill, NC 27516, herein “Contractor”, for services hereinafter described for the Town of Chapel Hill. This Contract is for monetary support for operation of a visitor’s center in Chapel Hill.

WITNESSETH

That for and in consideration of the mutual promises and conditions set forth below, the Town and Contractor agree:

WHEREAS, the Contractor agrees to provide a comprehensive visitor services program targeted toward providing services to potential visitors to Chapel Hill and Orange County; and

WHEREAS, the Contractor shall use Town funds for general operational support and to provide visitor services; and

WHEREAS, it is in the interest of the Town that said program be assisted by the Town and thereby be available to the residents and visitors of the Town;

NOW, THEREFORE, in consideration of the above and the mutual covenants and conditions hereinafter set forth, the Town and Contractor agree as follows:

1. Duties of the Contractor: The Contractor agrees to perform those duties described in Exhibit A attached hereto and incorporated herein by reference.
2. Duties of the Town: The Town appropriated the sum of Two Hundred Thousand Dollars (\$200,000) to the Contractor for the fiscal year 2019-2020. The Town will also pay the Contractor 50% of any additional revenues collected in the event that hotel/motel occupancy receipts exceed the budgeted amount of \$1,000,000 during the Town’s fiscal year 2019-2020. The Town does not obligate itself to provide any other support to Contractor this fiscal year or in succeeding years.
3. Fee Schedule and Maximum Sum: Contract amount is not to exceed \$200,000, unless occupancy receipts exceed \$1,000,000 (see paragraph 2). Payments of \$50,000 each will be made on or after the following dates: July 1, 2019; October 1, 2019; January 1, 2020; and April 1, 2020. The Town’s obligation to make each payment is contingent upon receiving satisfactory documentation and account of expenditures as detailed in Exhibit A.
4. Work Statement: Contractor agrees to provide those services described in Exhibit A attached hereto and incorporated herein by reference, to residents and visitors of Chapel Hill and to maintain a high level of professionalism in the provision of these services.

5. Billing and Payment: The Contractor shall submit a bill to the Town for work performed under the terms of this Contract. The Contractor shall bill and the Town shall pay the rates set forth therein. Payment will be made by the Town within thirty (30) days of receipt of an accurate invoice, approved by the contact person or his/her designee.
6. Indemnification and Hold Harmless: The Contractor agrees to the extent allowed by law to indemnify and hold harmless the Town of Chapel Hill and its officers, agents and employees from all loss, liability, claims or expense (including reasonable attorneys' fees) arising from bodily injury, including death or property damage to any person or persons caused in whole or in part by the negligence or willful misconduct of the Contractor in the performance of this Contract except to the extent same are caused by the negligence or misconduct of the Town.
7. Financial Records: To the extent authorized by law Contractor will provide to the Town a financial report related to the activities contemplated by this Contract.
8. Termination for Cause: In the event that Contractor shall cease to exist as an organization or shall enter bankruptcy proceedings, or be declared insolvent, or liquidate all or substantially of its assets, or shall significantly reduce its services or accessibility to Chapel Hill residents during the term of the Agreement; or in the event that Contractor shall fail to render a satisfactory account as provided herein, then and in that event the Town may terminate this Agreement and Contractor will return all payments already made to it by the Town for services which have not been provided or for which no satisfactory accounting has been rendered.
9. Insurance Provisions: The Town requires evidence of Contractor's current valid insurance (if applicable) in the amounts stated below during the duration of the named project and further requires that the Town be named as an additional insured for Comprehensive General Liability and Business Automobile policies. The required coverage limits are: 1) Comprehensive General Liability and Business Automobile - \$1,000,000 per occurrence and 2) Workers' Compensation - \$100,000 for both employer's liability and bodily injury by disease for each employee and \$500,000 for the disease policy limit.
10. Non-Discrimination: The Contractor contractually agrees to administer all functions pursuant to this Contract without discrimination because of race, creed, sex, national origin, age, economic status, sexual orientation, gender identity or gender expression.
11. Federal and State Legal Compliance: The Contractor must be in full compliance with all applicable federal and state laws, including those on immigration.
12. E-Verify: The Contractor shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Further, should Contractor utilize a subcontractor(s), Contractor shall require the subcontractor(s) to comply with the requirements of Article 2, Chapter 64 of the General Statutes. Pursuant to North Carolina General Statute § 143-133.3 (c)(2), contracts solely for the purchase of apparatus, supplies, materials, and equipment are exempt from this E-Verify provision.

13. Amendment: This Contract may be amended in writing by mutual agreement of the Town and Contractor.
14. Termination: Either party may terminate this Contract at any time by giving the other party thirty (30) days written notice of termination prior to the end of the term as described herein.
15. Interpretation/Venue: This Contract shall be construed and enforced under the laws of North Carolina. The courts and the authorities of the State of North Carolina shall have exclusive jurisdiction over all controversies between the parties which may arise under or in relation to this Contract. In the event of any dispute between the parties, venue is properly laid in Orange County, North Carolina for any state court action and in the Middle District of North Carolina for any federal court action. Contrary to any provision that may be contained in any exhibit attached hereto the Town shall not consent to 1) resolving any dispute by means of arbitration and/or 2) waiver of a trial by jury.
16. Preference: In the event that the terms of any exhibit attached hereto are not consistent with the terms of this Contract, this Contract shall have preference; provided that where either any exhibit attached hereto or this Contract establishes higher standards for performance by either party, the higher standard, wherever located, shall apply.
17. Severability: The parties intend and agree that if any provision of this Contract or any portion thereof shall be held to be void or otherwise unenforceable, all other portions of this Contract shall remain in full force and effect.
18. Assignment: This Contract shall not be assigned without the prior written consent of the parties.
19. Entire Agreement: This Contract shall constitute the entire agreement of the parties and no other warranties, inducements, considerations, promises, or interpretations shall be implied or impressed upon this Contract that are not expressly addressed herein. All prior agreements, understandings and discussions are hereby superseded by this Contract.
20. Construction Project Related Sales Tax: If applicable, the Contractor shall furnish the Town certified statements setting forth, the cost of all materials purchased from each vendor and the amount of North Carolina sales and use taxes paid thereon. In the event the Contractor makes several purchases from the same vendor, the Contractor's certified statement shall indicate the invoice number, the inclusive dates of the invoices, the total amount of the invoices, and the North Carolina sales and use taxes paid thereon. The Contractor's certified statement shall also include the cost of any tangible personal property withdrawn from the Contractor's warehouse stock and the amount of North Carolina sales or use tax paid thereon by the Contractor. The Contractor shall furnish such additional information as the Commissioner of Revenue of the State of North Carolina may require to substantiate a refund claim by the Town for sales or use taxes. The Contractor shall obtain and furnish to the Town similar certified statements by the subcontractors. The

certified statements to be furnished shall be in the form of the standard CONTRACTOR'S SALES TAX REPORT and shall be submitted with each request for payment. The Town will not make payment to the Contractor until the CONTRACTOR'S SALES TAX REPORTS ARE SUBMITTED. Any and all refunds received by the Town of said taxes shall remain with the Town, and the Contractor shall not be entitled to such refund.

21. Term: This Contract, unless amended as provided herein, shall be in effect until June 30, 2020.

[SIGNATURES ON FOLLOWING PAGE.]

This Performance Agreement is between the Town of Chapel Hill and Orange County by and for its Chapel Hill/ Orange County Visitors Bureau for operation of a visitor’s center in Chapel Hill.

IN WITNESS WHEREOF, the parties hereto cause this agreement to be executed in their respective names.

ORANGE COUNTY by and for its CHAPEL HILL/ ORANGE COUNTY VISITORS BUREAU

SIGNATURE

PRINTED NAME & TITLE

WITNESS

PRINTED NAME & TITLE

TOWN OF CHAPEL HILL

DEPARTMENT HEAD OR DEPUTY/TOWN MANAGER

PRINTED NAME & DEPARTMENT

ATTEST BY TOWN CLERK:

TOWN CLERK

TOWN SEAL

Town Clerk attests date this the _____ day of _____, 20_____.

Approved as to Form and Authorization

TOWN LEGAL STAFF

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

FINANCE OFFICER

DATE

EXHIBIT A
Chapel Hill/ Orange County Visitors Bureau

1. Contractor provides a comprehensive visitor services program targeted toward providing services to potential visitors to Chapel Hill and Orange County.
2. The Contractor will participate in discussions with the Town's Economic Development Committee to define the appropriate roles and responsibilities of the Contractor in the Town's economic development strategy in consideration of this payment.
3. Town funds may be utilized for office supplies, postage, telephone, training materials, advertising, printing and duplicating, staff time, and marketing.
4. Contractor will provide the Town with a final financial report for the fiscal year July 1, 2019- June 30, 2020. The report will include a budget breakdown showing expenditures of the Town's \$200,000 appropriation. The report is due by August 1, 2020.
5. Contractor will provide an annual report of activities supported by the funding provided under this performance agreement including specific program outcomes. This report should be submitted with the final financial report. This report is due by August 1, 2020.
6. The final financial report and the annual report of activities should be sent to:

Lisa Baaske, Administrative Coordinator
Chapel Hill Parks and Recreation Department
200 Plant Road
Chapel Hill, NC 27514
lbaaske@townofchapelhill.org

BOCC Meeting Follow-up Actions

(Individuals with a * by their name are the lead facilitators for the group of individuals responsible for an item)

Meeting Date	Task	Target Date	Person(s) Responsible	Status
9/17/19	Review and consider a request from member of the public to open all BOCC meetings, work sessions, etc. with the opportunity for public comments	11/1/2019	Chair/Vice Chair/Manager	DONE Scheduled for Board discussion at October 3, 2019 work session
9/17/19	Review and consider a request from member of the public that the Board, by November 1, 2019, create a written process/procedure for handling petitions from the public which include timelines for completion of actions by the BOCC; post the procedure on the County website homepage with an invitation to the public to be involved in the petition process for better communication to the BOCC; establish a database of public petitions and related BOCC actions and provide access to that database as part of the petition procedure information on the homepage; and if this request is denied, make a verbal and written public announcement explaining the Board's denial	11/1/2019	Chair Travis Myren	Chair and staff to circulate draft letter to all BOCC members with final letter to be sent to member of the public
9/17/19	Review and consider request by Commissioner Price that the Board provide a letter supporting the naming of a currently unnamed creek in Cedar Grove Township as Glass House Creek	11/1/2019	Chair Donna Baker	Chair and staff to circulate draft letter to all BOCC members with final letter to be sent to member of the public
9/17/19	Review and consider request by Commissioner Dorosin that the collection, use, and sharing of student data by both school systems be discussed at the next School Collaboration meeting and that the information received be shared with the BOCC	12/1/2019	Chair	DONE Item has been proposed for discussion at October 18, 2019 School Collaboration meeting
9/17/19	Review and consider request by Commissioner Marcoplos that the Board discuss adding an "age" category to the BOCC Advisory Boards and Commissions Volunteer Application to potentially enhance diversity, especially younger adults representation, on advisory boards	12/1/2019	Chair/Vice Chair/Manager	DONE Scheduled for Board discussion at October 3, 2019 work session

Meeting Date	Task	Target Date	Person(s) Responsible	Status
9/17/19	Review and consider request by Commissioner Dorosin that the Board consider establishing a Youth Advisory Council as a means to encourage greater interest/involvement in local government	12/1/2019	Donna Baker	Staff to research information/formats from other jurisdictions and provide follow-up information/structure ideas for Board consideration
9/17/19	Conform the Guibert Resolution denying the refund request based on the Board's action approving the revised resolution	10/1/2019	Nancy Freeman Donna Baker	DONE

INFORMATION ITEM

Tax Collector's Report - Numerical Analysis

Property Tax Collection - Tax Effective Date of Report: August 30, 2019						
Tax Year 2019	Amount Charged in FY 19-20	Amount Collected	Accounts Receivable	Amount Budgeted in FY 19-20	Remaining Budget	% of Budget Collected
Real and Personal Current Year Taxes	\$ 152,142,471.00	12,447,997.17	\$ 138,522,087.70	\$ 152,142,471.00	\$ 139,694,473.83	8.18%
Real and Personal Prior Year Taxes	\$ 3,378,823.17	283,118.35	\$ 3,032,468.42	\$ 1,100,000.00	\$ 816,881.65	25.74%
Total	\$ 155,521,294.17	12,731,115.52	\$ 141,554,556.12	\$ 153,242,471.00	\$ 140,511,355.48	8.31%
Registered Motor Vehicle Taxes		1,304,565.01	\$ 2,692.20	\$ 10,770,627.00	\$ 9,466,061.99	12.11%
Tax Year 2018	Amount Charged in FY 18-19	Amount Collected	Accounts Receivable	Amount Budgeted in FY 18-19	Remaining Budget	% of Budget Collected
Real and Personal Current Year Taxes	\$ 146,099,548.00	13,823,727.46	\$ 130,609,761.13	\$ 146,099,548.00	\$ 132,275,820.54	9.46%
Real and Personal Prior Year Taxes	\$ 3,097,551.91	344,176.82	\$ 3,003,825.40	\$ 1,100,000.00	\$ 755,823.18	31.29%
Total	\$ 149,197,099.91	14,167,904.28	\$ 133,613,586.53	\$ 147,199,548.00	\$ 133,031,643.72	9.62%
Registered Motor Vehicle Taxes		\$1,145,061.80	\$2,206.20	\$ 10,221,001.00	\$ 9,075,939.20	11.20%
2019 Current Year Overall Collection Percentage - Real & Personal		8.25%				
2019 Current Year Overall Collection Percentage - with Registered Motor Vehicles		9.03%				
2018 Current Year Overall Collection Percentage - Real & Personal		9.57%				
2018 Current Year Overall Collection Percentage - with Registered Motor Vehicles		10.28%				

This report has been updated as of March 2019 to include registered motor vehicle collections.

INFORMATION ITEM

Tax Collector's Report - Measures of Enforced Collections

-
Fiscal Year 2019-2020

Effective Date of Report: August 30, 2019

	July	August	September	October	November	December	January	February	March	April	May	June	YTD
Wage garnishments	80	20											
Bank attachments	32	11											
Certifications	-	-											
Rent attachments	-	-											
Housing/Escheats/Monies	25	-											
Levies	-	-											
Foreclosures initiated	-	-											
NC Debt Setoff collections	\$ 2,873.28	\$ 3,120.65											

This report shows the Tax Collector's efforts to encourage and enforce payment of taxes for the fiscal year 2019-2020. It gives a breakdown of enforced collection actions by category, and it provides a year-to-date total.

The Tax Collector will update these figures once each month, after each month's reconciliation process.

NAME	ACCOUNT NUMBER	BILLING YEAR	ORIGINAL VALUE	ADJUSTED VALUE	TAX	FEE	FINANCIAL IMPACT	REASON FOR ADJUSTMENT	TAX CLASSIFICATION	ACTION	Approved by CFO	Additional Explanation
Amalong, Susan	43039722	2018	7,670	5,676	(22.97)		(22.97)	High mileage (appraisal appeal)	RMV-VTS	Approve	8/22/2019	
Collins, Charles Neal Jr	3178663	2019	200	200	(15.08)		(15.08)	*Situs error (illegal tax)	Personal	Approve	9/12/2019	
Downey, Charisse	1002186	2018	6,020	-	(55.29)		(55.29)	Assessed in error (illegal tax)	Personal	Approve	9/12/2019	Taxpayer provided proof that she does not own this mobile home
Downey, Charisse	1002186	2019	5,650	-	(52.89)		(52.89)	Assessed in error (illegal tax)	Personal	Approve	9/12/2019	Taxpayer provided proof that she does not own this mobile home
Gruber, Timothy	49343464	2019	2,590	-	(19.22)	(30.00)	(49.22)	*Situs error (illegal tax)	RMV-VTS	Approve	8/22/2019	
Haley, Jessica	47143409	2018	51,432	46,288	(48.46)		(48.46)	Purchase price (appraisal appeal)	RMV-VTS	Approve	8/22/2019	
Haskill, Denna	1074865	2019	3,730	-	(35.78)		(35.78)	Assessed in error (illegal tax)	Personal	Approve	8/22/2019	Double billed also billed on account 1077023
Holden, Vance Newton LLC	1075471	2019	1,000	1,000	(0.96)		(0.96)	Assessed in error (illegal tax)	Personal	Approve	8/22/2019	Late list penalty assessed in error, listing form received Jan 14, 2019
Johanns, Zachary	48798454	2019	5,510	5,510	(51.08)		(51.08)	Military exemption (illegal tax)	RMV-VTS	Approve	8/22/2019	
Kearney, Gregory	53547332	2018	2,100	1,575	(8.65)		(8.65)	Condition (appraisal appeal)	RMV-VTS	Approve	8/22/2019	
Kevin Leon Covington	1068782	2018	9,110	-	(49.64)		(49.64)	*Situs error (illegal tax)	Personal	Approve	8/22/2019	Gap Bill- Vehicle located in Alamance County
Koenigshofer, Daniel	47229870	2018	6,490	4,366	(24.40)		(24.40)	Purchase price (appraisal appeal)	RMV-VTS	Approve	9/12/2019	
Markle, Jonathan	219799	2019	274,469	274,469	(3.23)		(3.23)	Assessed in error (illegal tax)	Personal	Approve	8/22/2019	Late list penalty assessed in error
McPhail, Timothy	256521	2018	1,190	-	(17.90)		(17.90)	Double billed (illegal tax)	Personal	Approve	9/12/2019	Also billed on account 195470
McPhail, Timothy	256521	2019	1,830	-	(18.83)		(18.83)	Double billed (illegal tax)	Personal	Approve	9/12/2019	Also billed on account 195470
Merron, Jeffrey	48653770	2018	2,130	2,130	(14.54)	(30.00)	(44.54)	*Situs error (illegal tax)	RMV-VTS	Approve	9/12/2019	
Moore, Kristi	1073141	2019	1,630	-	(17.30)		(17.30)	Assessed in error (illegal tax)	Personal	Approve	9/12/2019	Property located in Granville County
Myers, Bonnie	49500046	2019	3,270	3,270	(23.98)	(30.00)	(53.98)	*Situs error (illegal tax)	RMV-VTS	Approve	9/12/2019	
Nelson, Velma	294538	2010	4,430	-	(40.67)		(40.67)	Assessed in error (illegal tax)	Personal	Approve	8/22/2019	Court ordered repossession of mobile home 10/27/2009
Nelson, Velma	294538	2011	4,209	-	(39.06)		(39.06)	Assessed in error (illegal tax)	Personal	Approve	8/22/2019	Court ordered repossession of mobile home 10/27/2009
Nelson, Velma	294538	2012	4,020	-	(37.30)		(37.30)	Assessed in error (illegal tax)	Personal	Approve	8/22/2019	Double billed also billed on account 994991
Nelson, Velma	294538	2013	3,580	-	(33.87)		(33.87)	Assessed in error (illegal tax)	Personal	Approve	8/22/2019	Double billed also billed on account 994991
Nelson, Velma	294538	2014	3,340	-	(33.00)		(33.00)	Assessed in error (illegal tax)	Personal	Approve	8/22/2019	Double billed also billed on account 994991
Poovey, James Steven	3176326	2018	1,800	-	(79.64)		(79.64)	Assessed in error (illegal tax)	Personal	Approve	9/12/2019	Gap bill: registered in Virginia during gap period
Queen OT PHO Inc	1066098	2019	82,064	81,178	(14.30)		(14.30)	Assessed in error (illegal tax)	Personal	Approve	9/12/2019	Depreciation schedule submitted to amend 2019 listing
Reddy, Shelia	1074059	2019	2,614	-	(43.64)		(43.64)	Assessed in error (illegal tax)	Personal	Approve	9/12/2019	Watercraft located in Pamlico County (per 2019 bill)
Savage, Christina	1073319	2018	4,900	4,900	(82.86)		(82.86)	Assessed in error (illegal tax)	Personal	Approve	9/12/2019	Gap bill: registered in Tennessee for portion of gap period (except for 8 months)
Sheaves, David	87343	2019	950	-	(8.90)		(8.90)	Double billed (illegal tax)	Personal	Approve	9/12/2019	Also billed on account 1066027
Slater, Brittany	1075725	2019	2,270	-	(21.54)		(21.54)	Double billed (illegal tax)	Personal	Approve	9/12/2019	Also billed on account 282043
Taylor, Kenneth	25080096	2014	385	385	(2.99)		(2.99)	*Situs error (illegal tax)	RMV-VTS	Approve	9/12/2019	
Taylor, Teresa	25080091	2014	300	300	(2.18)		(2.18)	*Situs error (illegal tax)	RMV-VTS	Approve	9/12/2019	
Taylor, Teresa	25080089	2014	725	725	(5.51)		(5.51)	*Situs error (illegal tax)	RMV-VTS	Approve	9/12/2019	
Taylor, Teresa	44359109	2018	600	600	(4.23)	(30.00)	(34.23)	*Situs error (illegal tax)	RMV-VTS	Approve	9/12/2019	
Taylor, Teresa	43650805	2018	1,740	1,740	(12.26)	(30.00)	(42.26)	*Situs error (illegal tax)	RMV-VTS	Approve	9/12/2019	
Taylor, Teresa	44112329	2018	11,760	11,760	(82.87)	(30.00)	(112.87)	*Situs error (illegal tax)	RMV-VTS	Approve	9/12/2019	
Taylor, Teresa	26252394	2014	8,570	8,570	(62.06)	(30.00)	(92.06)	*Situs error (illegal tax)	RMV-VTS	Approve	9/12/2019	
Thornton, Maura	3178804	2019	2,220	-	(78.43)		(78.43)	Assessed in error (illegal tax)	Personal	Approve	9/12/2019	Gap bill: registered in Texas during gap period
Vandermark, Kristopher	1072795	2018	1,710	-	(63.05)		(63.05)	Assessed in error (illegal tax)	Personal	Approve	9/12/2019	Taxpayer provided proof of military deployment during gap period
Velasquez Jimenez, Marcos	49489384	2019	4,500	-	(75.11)	(30.00)	(105.11)	County changed to Chatham (illegal tax)	RMV-VTS	Approve	9/12/2019	
Wells Fargo Vendor Financial Serv L	1011971	2019	3,734	-	(60.26)		(60.26)	Double billed (illegal tax)	Personal	Approve	9/12/2019	Also billed on account 1062593
							(1,627.73)	Total				
*Situs error: An incorrect rate code was used to calculate bill. Value remains constant but bill amount changes due to the change in specific tax rates applied to that physical location.												
Gap Bill: A property tax bill that covers the months between the expiration of a vehicle's registration and the renewal of that registration or the issuance of a new registration.												
The spreadsheet represents the financial impact that approval of the requested release or refund would have on the principal amount of taxes. Approval of the release or refund of the principal tax amount also constitutes approval of the release or refund of all associated interest, penalties, fees, and costs appurtenant to the released or refunded principal tax amount.												

PLANNING & INSPECTIONS DEPARTMENT
Craig N. Benedict, AICP, Director

Administration
(919) 245-2575
(919) 644-3002 (FAX)
www.orangecountync.gov



131 W. Margaret Lane
Suite 201
P. O. Box 8181
Hillsborough, NC 27278

MEMORANDUM

TO: Board of County Commissioners
FROM: Perdita Holtz, Planner III – Planning Systems Coordinator
CC: Craig Benedict, Orange County Planning Director
DATE: September 16, 2019
SUBJECT: Petition Regarding Assessment of “Southeast Rural Buffer Triangle”

Attached for your use and information is an assessment of the Southeast Rural Buffer Triangle. This assessment was prepared by Planning staff in response to a petition made at the February 5, 2019 BOCC meeting requesting an assessment of the area.

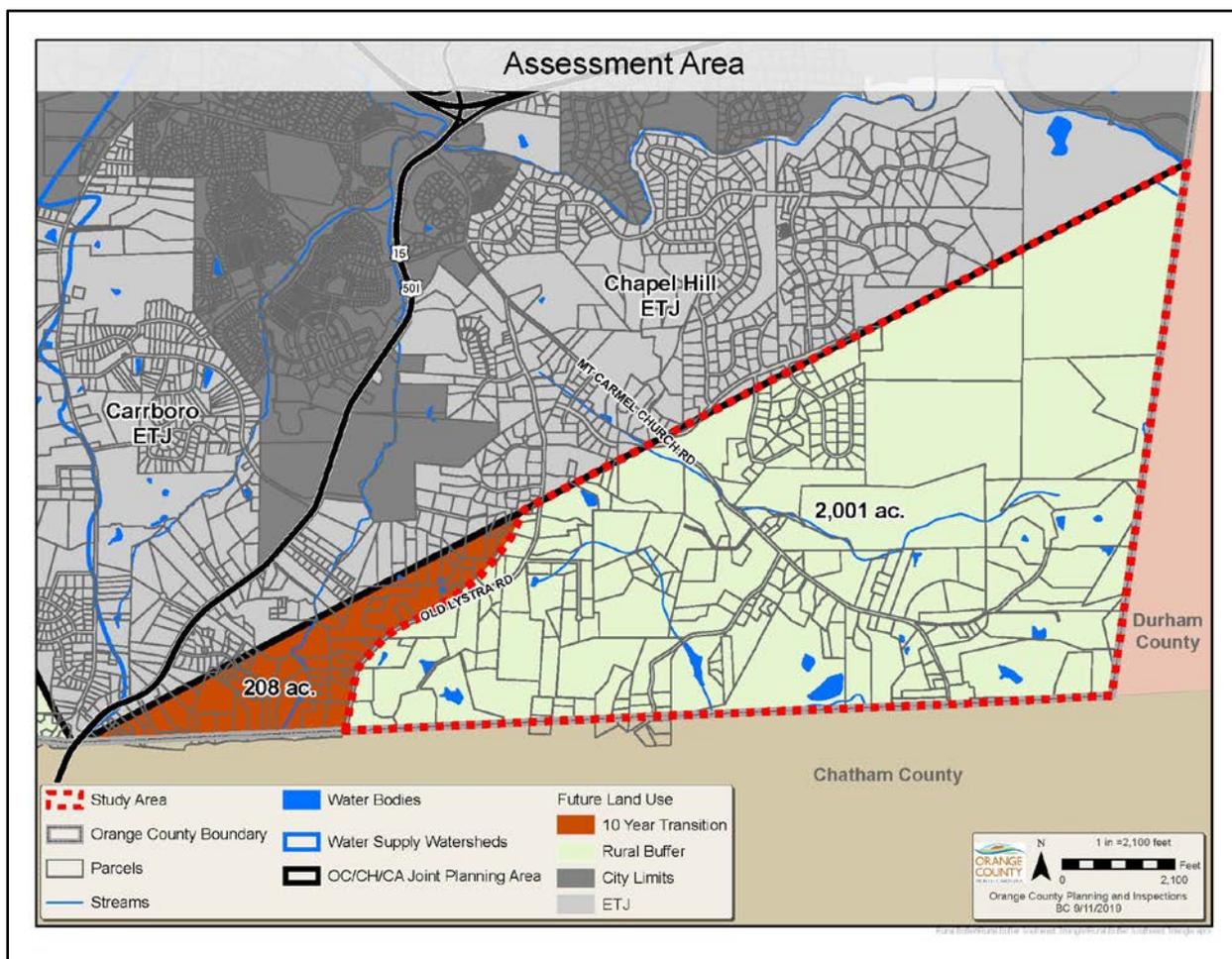
If you have any questions regarding the information contained in the assessment, please contact Perdita Holtz at 919.245.2578 (email: pholtz@orangecountync.gov) or Craig Benedict at 919.245.2575 (email: cbenedict@orangecountync.gov).

Assessment of “Southeast Rural Buffer Triangle”

Prepared by:
 Perdita Holtz, AICP
 Orange County Planning Department
 September 2019

Purpose and Contents

This assessment of the Southeast Rural Buffer Triangle has been prepared as a result of a Board of County Commissioner (BOCC) request at the February 5, 2019 BOCC meeting. The assessment area contains approximately 2,001 acres under the County’s planning jurisdiction. The area is immediately east of 208 acres within the Town of Chapel Hill’s urban transition area, as designated by the Joint Planning Agreement (JPA), and immediately south of the Town’s ETJ (Extra-Territorial Jurisdiction).



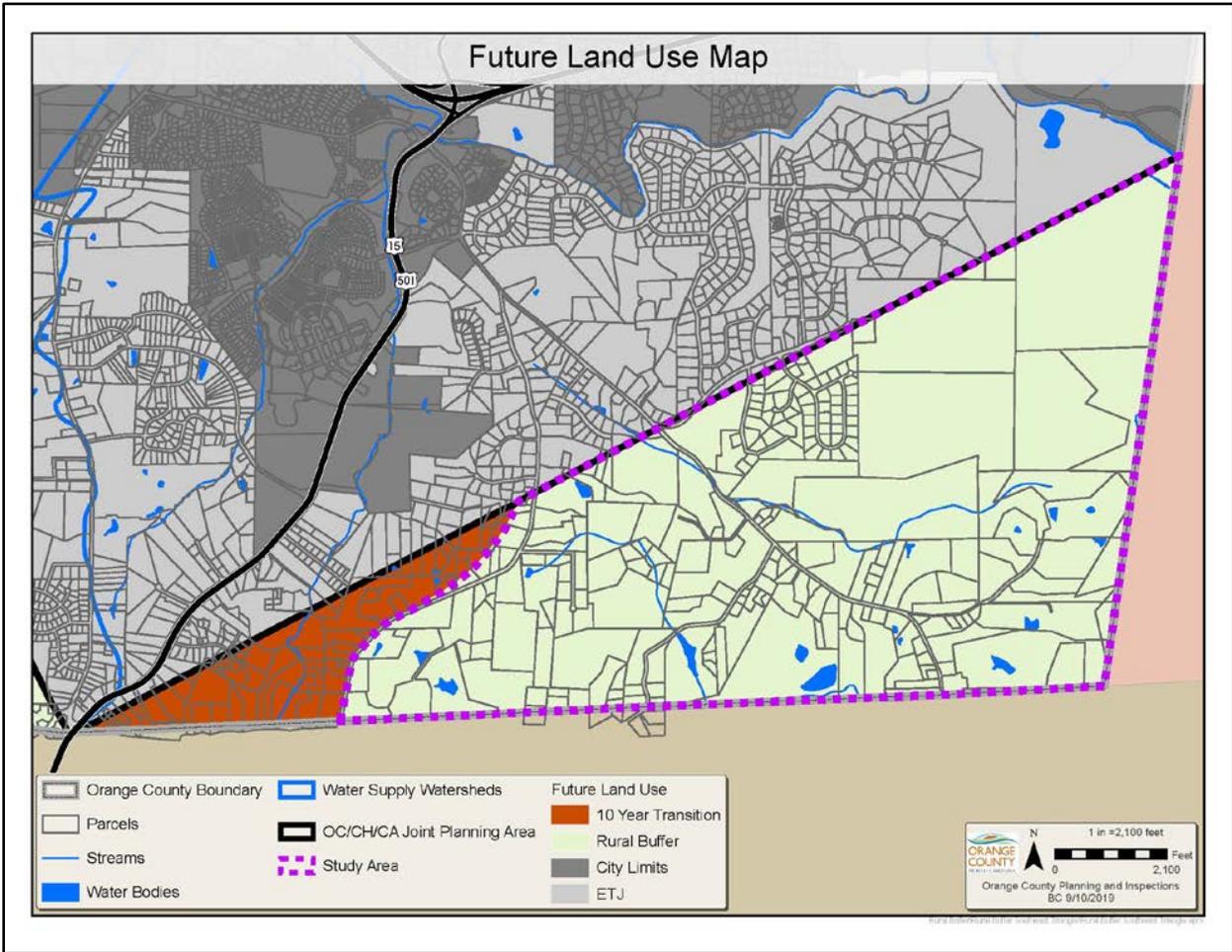
This assessment includes information on:

- Future Land Use Map
- Resource Protection Areas
- Topography and Steep Slopes
- Streams and Stream Buffers
- Public Water and Sewer Systems
- Agricultural “Present Use Value” Parcels
- Current Zoning and Watershed Protection Overlay District

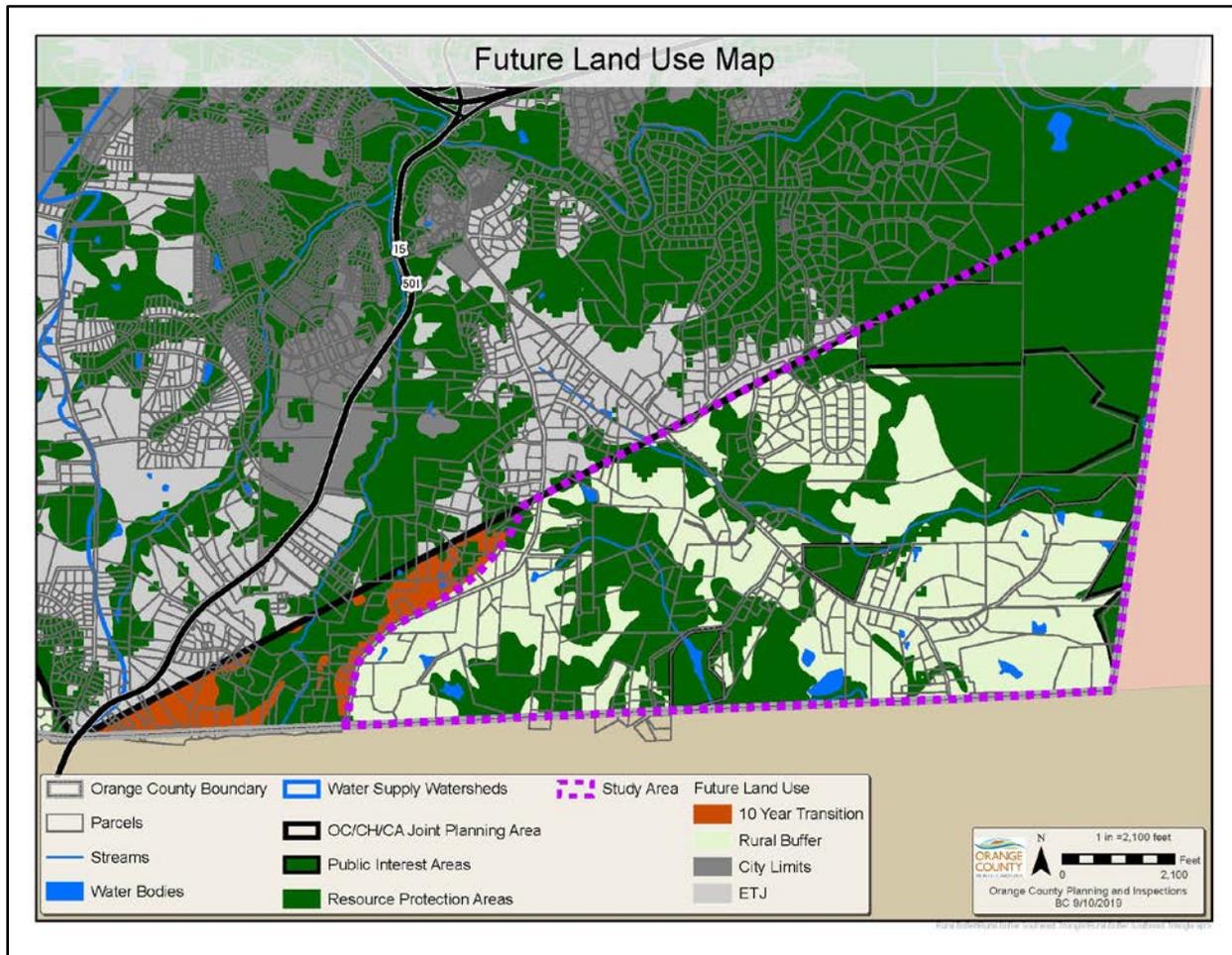
Assessment/Analysis

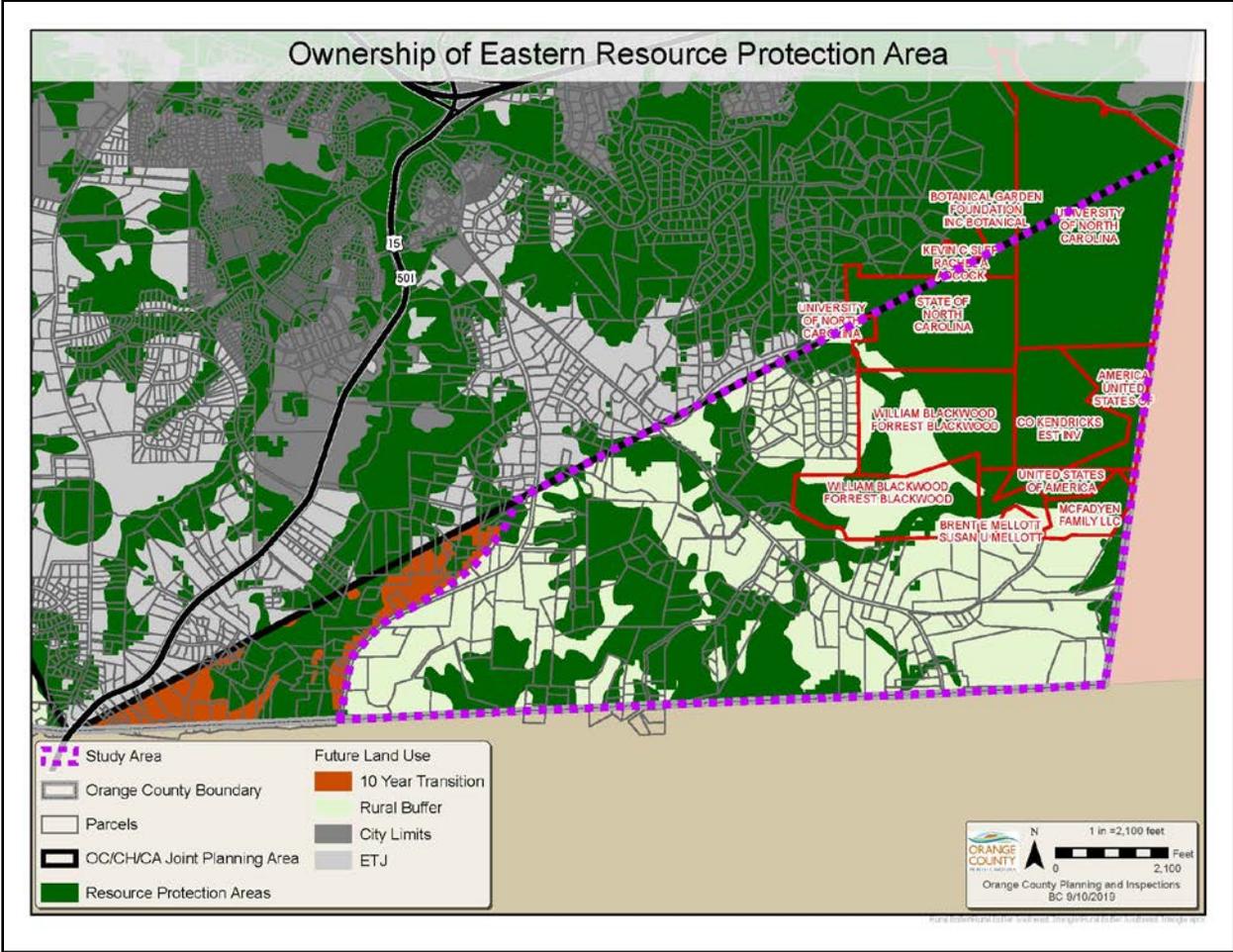
Future Land Use Map and Resource Protection Areas

The area in question is currently designated “Rural Buffer” on the County’s Future Land Use Map (FLUM), in accordance with the Joint Planning Land Use Plan and Agreement, an agreement entered into in 1986/1987 by Orange County and the Towns of Chapel Hill and Carrboro. Any changes to the FLUM would require a public hearing process and approval by the three governing boards.



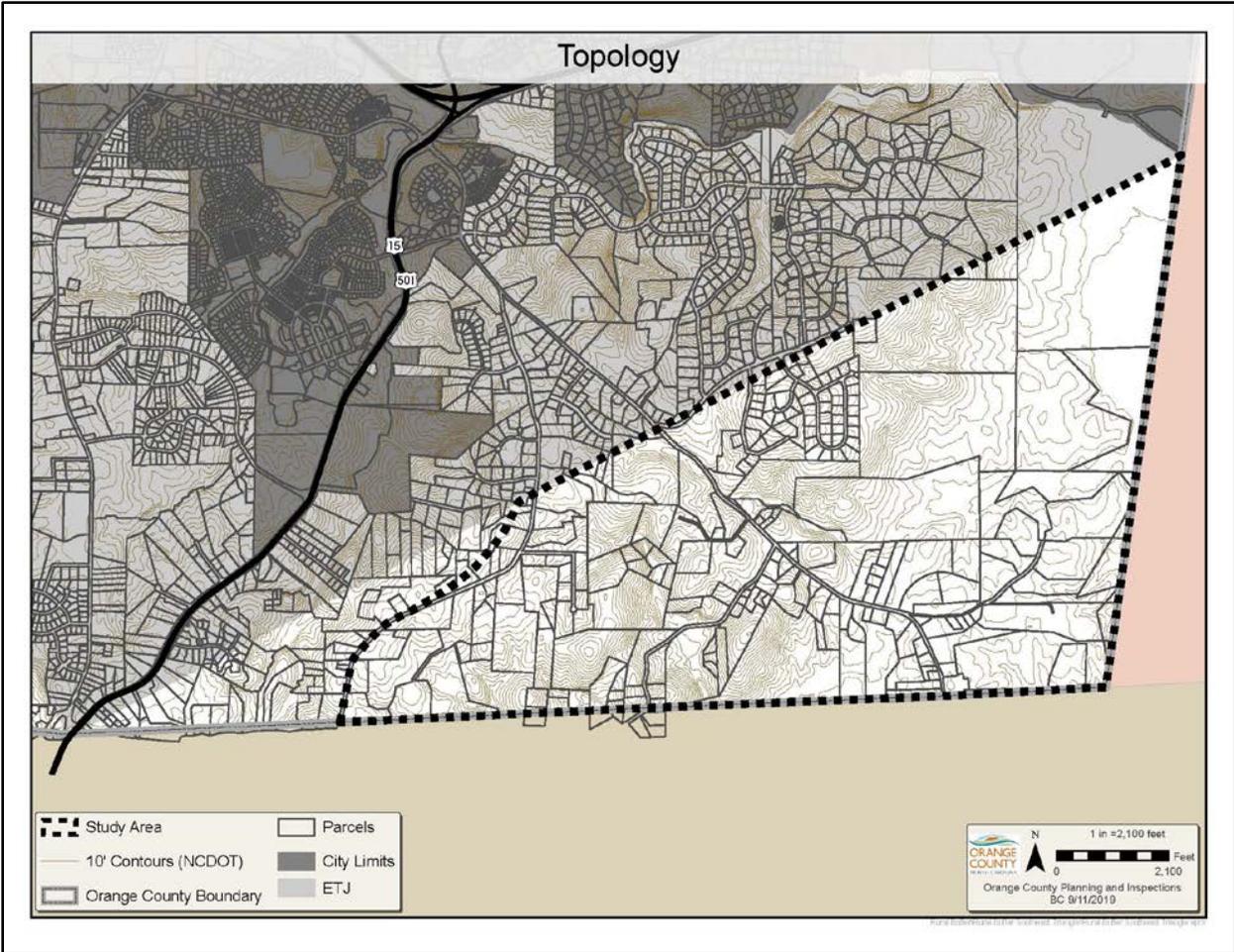
Additionally, a large portion of the area is overlaid by the “Resource Protection Area” overlay category (see Map 2). The eastern-most portion of the Resource Protection Area (approximately 535 acres) is an identified Natural Area/Wildlife Habitat area and also contains 100-year floodplain and/or alluvial soils. Of these 535 acres, 355 acres are owned by either the State of North Carolina, the University of North Carolina, or the United States of America (Army Corps of Engineers). Other lands overlaid with Resource Protection Area contain steep slopes (discussed below).

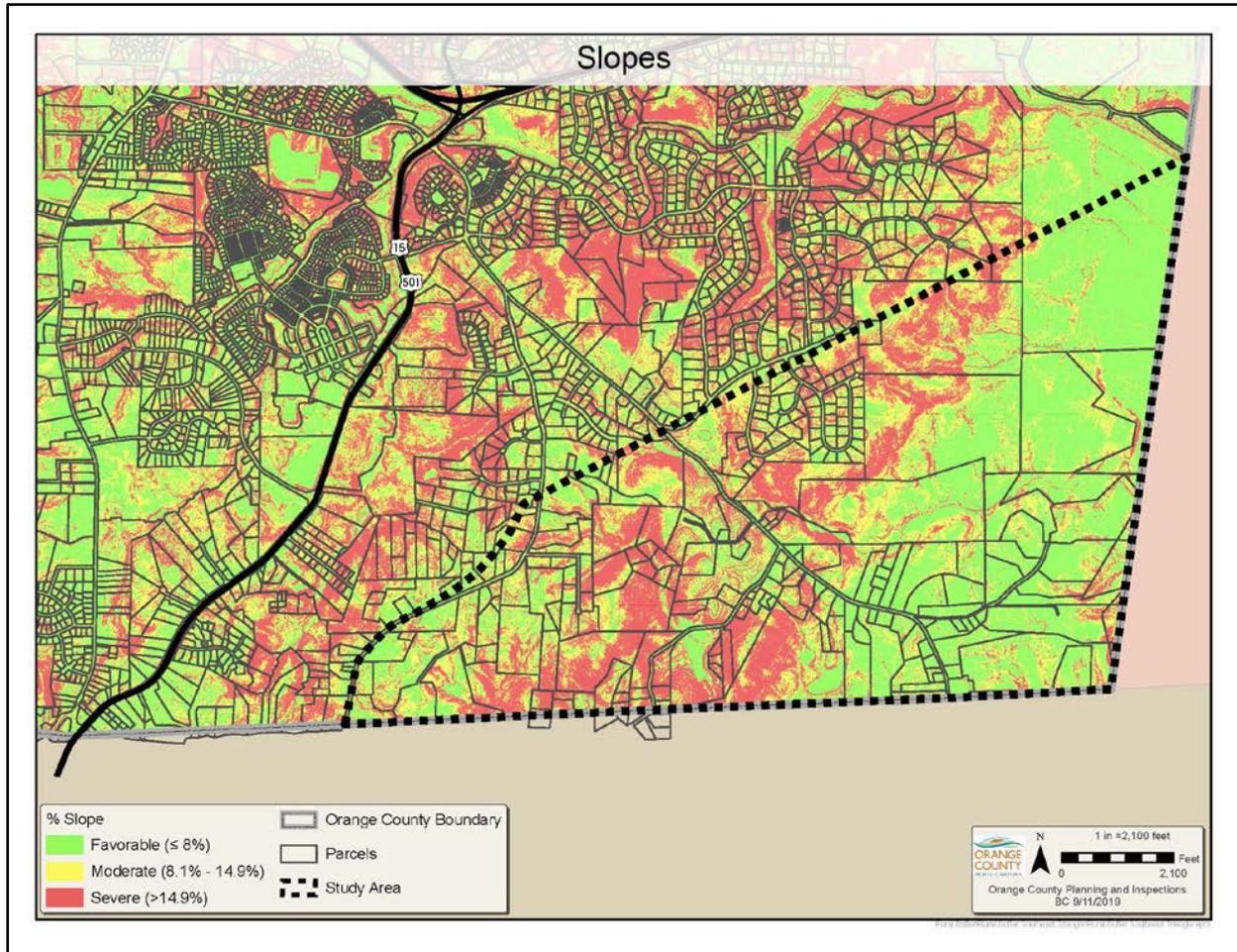




Topography and Steep Slopes

Topographically, the area outside of the eastern floodplain tends to be hilly and have steep slopes (slopes above 15%; 15 feet of vertical change per 100 feet of horizontal distance). Lands with steep slopes are generally considered to be unsuitable for intensive development and can be subject to economic challenges when building utility (water and sewer) facilities. The presence of steep slopes does not, in and of itself, prohibit development, as can be seen on the map below where many subdivision lots within the Town of Chapel Hill’s ETJ are located in areas with steep slopes. However, the County’s Comprehensive Plan designates lands with slopes of 15% or greater as Resource Protection Areas and the County’s UDO requires that lands with slopes greater than 25% be part of any required open space areas.

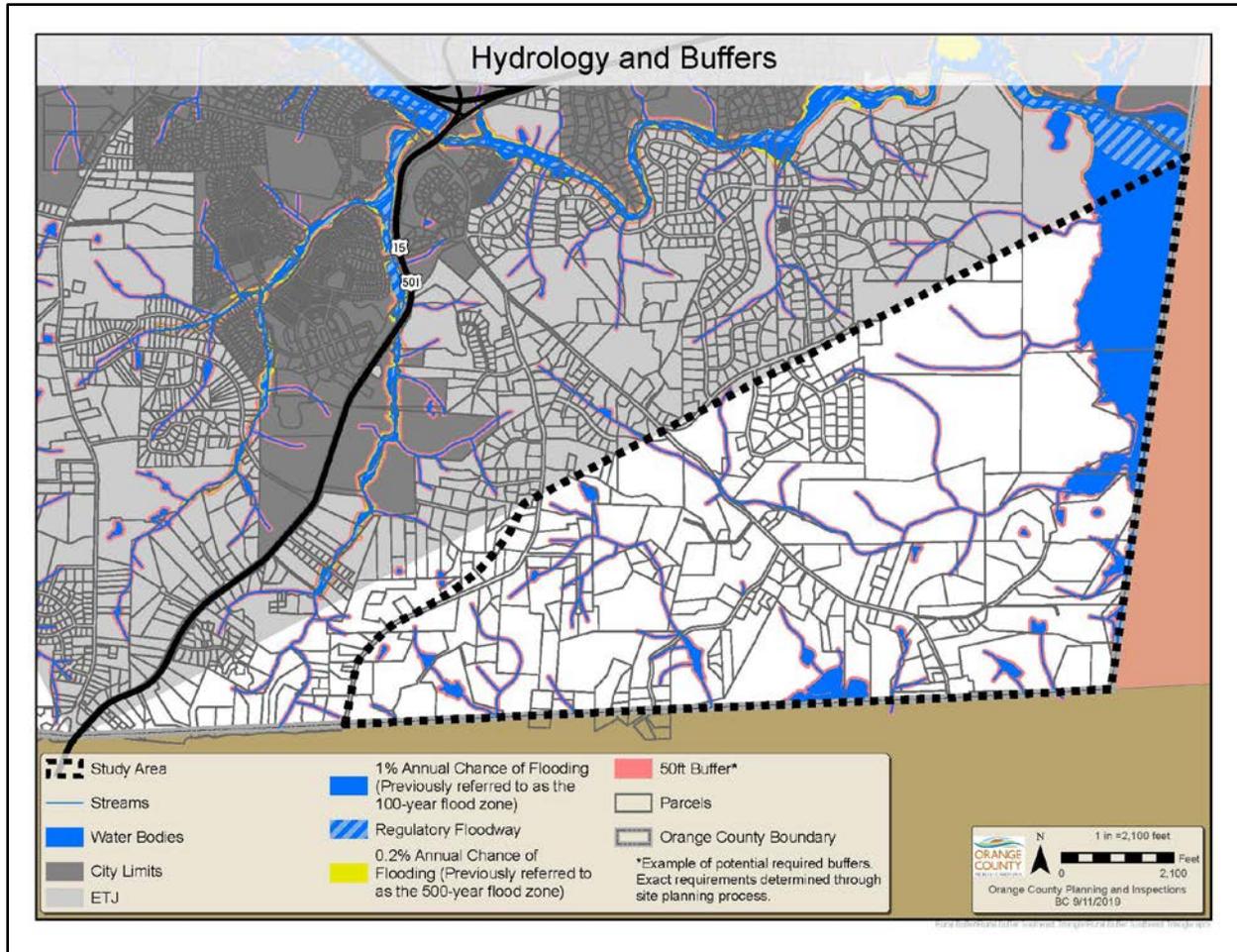




Streams and Stream Buffers

Much of the assessment area is a headwaters area for the Jordan Lake watershed. Headwaters are where streams begin because ridgelines split drainage areas into different drainage basins. The eastern portion of the area contains floodplain for Morgan Creek, which drains into Jordan Lake.

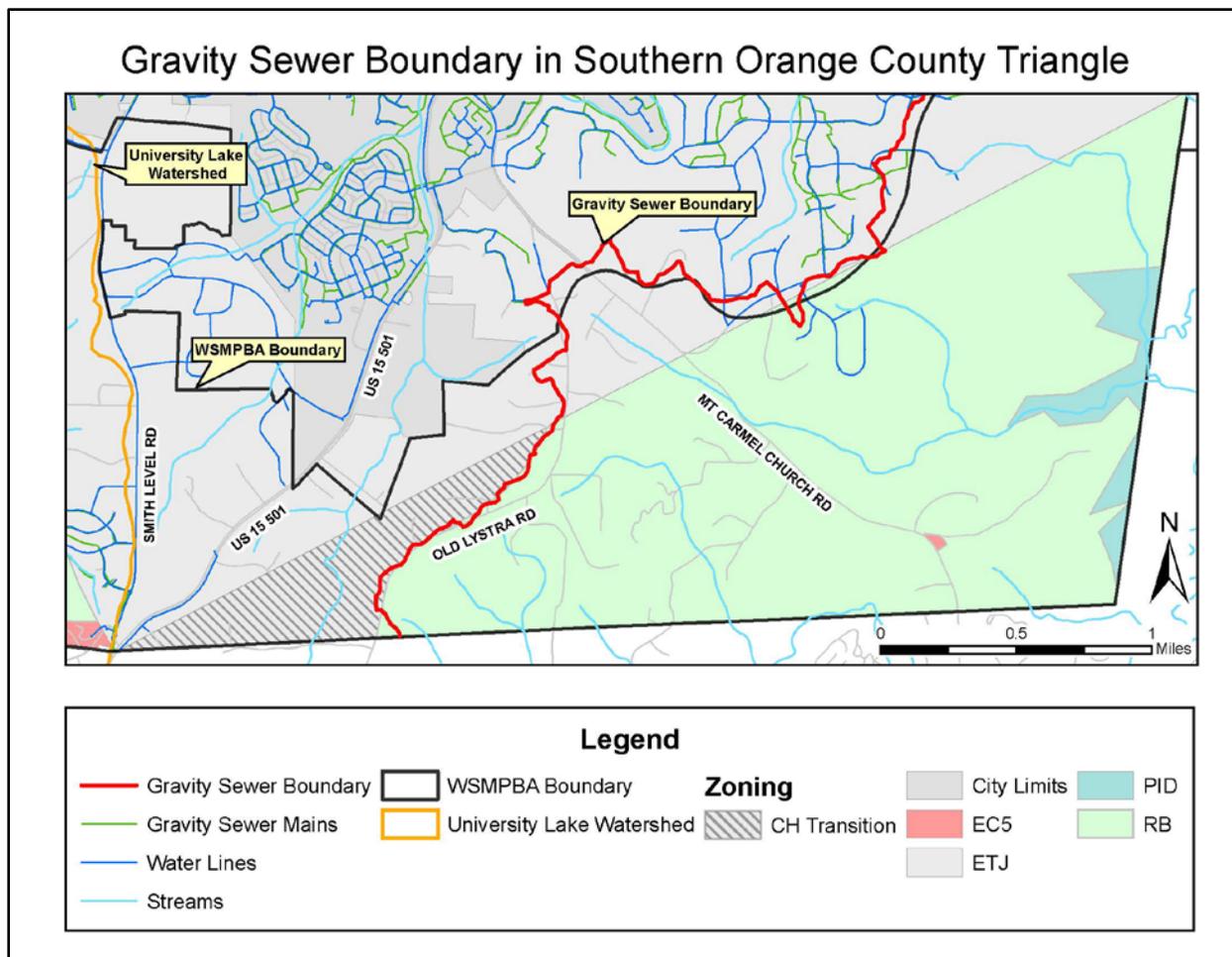
As is normal for any large geographic area, numerous streams are located in the assessment area. State and County regulations require buffer areas adjacent to streams. The exact required stream buffer width varies depending on other considerations such as slope and groundcover. The map below shows the streams and depicts a buffer width of 100-feet (50-feet on each side of the stream). This buffer width is the general minimum width required by the County's UDO and could be more, depending on the presence of floodplain and the slope of the adjacent land.



Public Water and Sewer Systems and the Water and Sewer Management, Planning, and Boundary Agreement (WASMPBA)

At the request of County Planning staff, OWASA staff conducted a high-level analysis of the serviceability of the area by gravity sewer lines and water lines (please see letter and map from OWASA at the end of this document for more detail, including expected “rule of thumb” costs for infrastructure and other considerations). Water lines could be extended to serve the area in question but additional costly infrastructure, such as an elevated water tank, might be necessary. A detailed engineering study would need to be completed in order to determine precise requirements.

There are physical constraints to serving much of the area with gravity sewer lines. Only areas to the north and west of the red line of the map below could potentially be served by gravity sewer lines, with minor adjustments possible if a detailed engineering study were to be completed.



As is discussed in the attached letter from OWASA, extending sewer lines to and within the southeast rural buffer triangle would require multiple pump stations, force mains, and other necessary infrastructure. Costs to do so would be significant, in the millions of dollars.

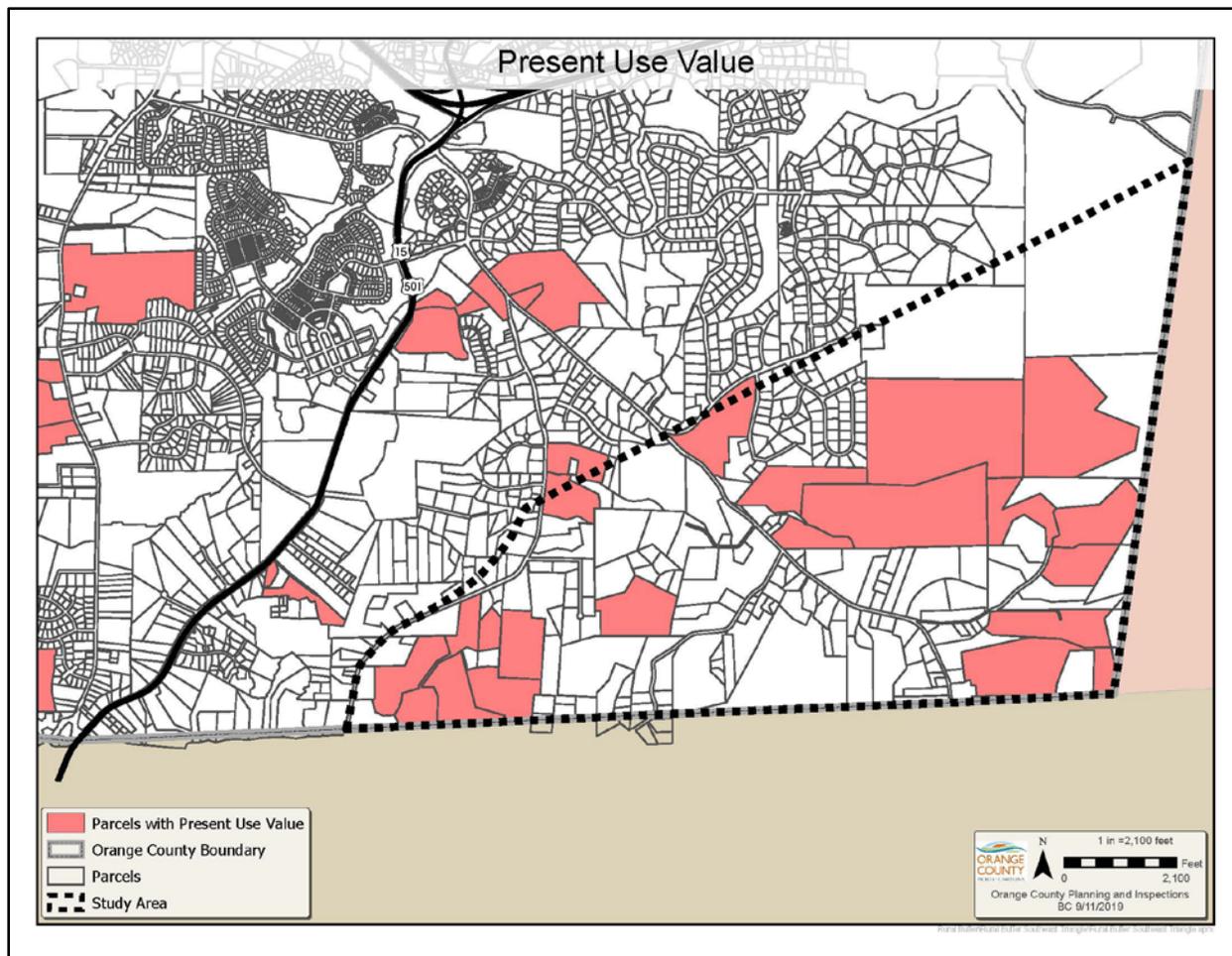
The map above also depicts the WASMPBA “primary service area” boundary. Areas to the south of the boundary cannot be served by public water and sewer systems unless the boundary is modified. Modification to the boundary requires the approval of all five signatories to the Agreement (Orange County, OWASA, and the Towns of Chapel Hill, Carrboro, and Hillsborough).

OWASA staff notes in the attached letter that the area in the map above between the red line (gravity sewer boundary) and the WASMPBA boundary (black line) may be serviceable by extension of gravity sewer lines.

County Planning staff notes the existing incongruity of Chapel Hill ETJ and Transition Area outside of the WASMPBA boundary and how the sewershed seems to reflect why the Transition Area was incorporated into the JPA land use plan rather than designating it Rural Buffer.

Agricultural “Present Use Value” Parcels

Approximately 678 acres (17 parcels in their entirety and 3 partial parcels) within the assessment area are registered for “present use value” with the County’s Tax Assessor. This program is for properties that meet State of North Carolina definitions for agricultural uses and results in valuations for property tax purposes to be based on the present use of the property instead of market value. Uses can include activities such as actively farmed land, livestock pastures and facilities, horticulture, and forestry (with an active forest management plan).



Current Zoning and Watershed Protection Overlay District

The map below depicts current zoning of parcels, both County jurisdiction and Town of Chapel Hill jurisdiction. Within the County’s jurisdiction, the predominant zoning district is Rural Buffer (RB) with three small parcels zoned EC-5 (Existing Commercial). Lands owned by the Army Corps of Engineers is zoned PID (Public Interest District).

- All uses:
 - New septic tanks and their nitrification fields must be located outside of any stream buffers and at least 100 feet from a perennial or intermittent stream as shown on the USGS Quadrangle maps.

Town of Chapel Hill – Charting Our Future

The Town of Chapel Hill is currently involved in a project to plan for its future through adoption of a new Future Land Use Map/Land Use Plan. A future phase will rewrite the town's Land Use Management Ordinance (which is the Town's development regulations, similar to the County's UDO). Further information on the project is available at <http://chartingourfuture.info/>

As part of the process, the Town has designated six "Focus Areas" for further evaluation for future growth. In April of this year Town staff held a public meeting to receive feedback on potentially adding an additional focus area south of Southern Village that would extend along 15-501 to the Chatham County line. To date, the issue has not been on a Town Council agenda. A general update by Town staff on the Charting Our Future project is currently scheduled for the October 2, 2019 Town Council agenda.

The potential additional focus area is wholly within the Town's planning jurisdiction. It is mentioned here because of its proximity to the assessment area detailed in this report.

Attachment - Letter and Map from OWASA



Orange Water and Sewer Authority

OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

August 20, 2019

Perdita Holtz, AICP
 Planner III - Planning Systems Coordinator
 Orange County, NC Planning Department
 200 South Cameron Street
 PO BOX 8181
 Hillsborough NC 27278

Dear Ms. Holtz:

I am writing in response to your July 3, 2019 email request regarding the potential provision of water and sewer in southern Orange County. Thank you for meeting with me to clarify your request and for supplying the GIS layer for your area of interest to overlay on our service area maps. You defined the area of interest in GIS as the triangle along the southeastern part of the county, including 1,901 acres of southern rural buffer and 208 acres of Chapel Hill transition zone (shown in green and cross hatch, respectively, on the attached map). I have also looked at the unserved area north of the triangle and south of the OWASA service boundary. The County is of course aware that OWASA will not accept new water or sewer customers outside of the Water and Sewer Management Planning Boundary Agreement (WSMPBA), and that changes to the boundary would be necessary to serve such areas.

Answering your questions in detail would require contractor and modeling assistance, however, I've taken a high-level look to provide you some information for early planning. Watershed areas were delineated by GIS using LIDAR data, and the general direction of surface flows was used to determine whether a watershed flowed toward or away from OWASA's infrastructure. No review of parcels was performed to determine if an individual parcel was serviceable. In addition, easements which do not follow roadways may be required along very specific routes to open areas for service.

Sewer

The attached map delineates the areas where topography directs surface flow both toward and away from the OWASA service area, shown on the map by the Gravity Sewer Boundary. This boundary should correlate with the areas which should be serviceable by gravity sewers and areas which cannot. You will note the similarity between the Gravity Sewer Boundary and the WSMPBA boundary east of Old Lystra Road.

In general, the region located to the south and east of the Gravity Sewer Boundary cannot be served without pumping to the OWASA system. Planning to serve this area would require consideration of several factors, including the need and costs for:

- new gravity sewer lines for the new development to carry the wastewater to pump stations,
- multiple pump stations,
- force mains to carry pumped wastewater northward toward the service area,

- significant upgrades to the existing wastewater collection system to handle the increased flow from this large area,
- upgrades to the Mason Farm Wastewater Treatment Plant, and
- operation and maintenance of the new infrastructure.

The area north and west of the Gravity Sewer Boundary generally flows northward to Morgan Creek and may be serviceable by gravity. A small area near the intersection of Smith Level Road and US 15-501, while not flowing northward to Morgan Creek, appears to have adequate slope to reach a gravity system. The boundary for the University Lake watershed to the west, which also restricts extension of water and sewer service, follows closely with Smith Level Road. Planning to serve the area above the Gravity Sewer Boundary would require consideration of several factors, including the need and costs for:

- new gravity sewer lines for the new development,
- upgrades to the existing wastewater collection system to handle the increased flow,
- long-range planning for upgrades to the Mason Farm Wastewater Treatment Plant, and
- operation and maintenance of the new infrastructure.

Rule of thumb cost estimates include \$200 per foot for 8-inch sewer lines and \$750,000-\$1,000,000 for a typical wastewater pump station.

Water

Water can be provided within the area of interest. Planning to serve this area with water, however, would require consideration and analysis of several factors, including the need and costs for:

- new water distribution lines for the new development;
- upgrades to the existing distribution system to handle the increased flow, including the possibility of a new elevated water storage tank and pump station to serve portions of the Chapel Hill transition zone;
- long-range planning for upgrades to the Jones Ferry Road Water Treatment Plant; and
- operation and maintenance of the new infrastructure.

Rule of thumb cost estimates include \$200 per foot for 8-inch water lines and \$1,500,000 - \$2,000,000 for an elevated storage tank and pump station, should modeling indicate a new tank was needed.

I hope you find this information helpful. Let me know if you have questions.

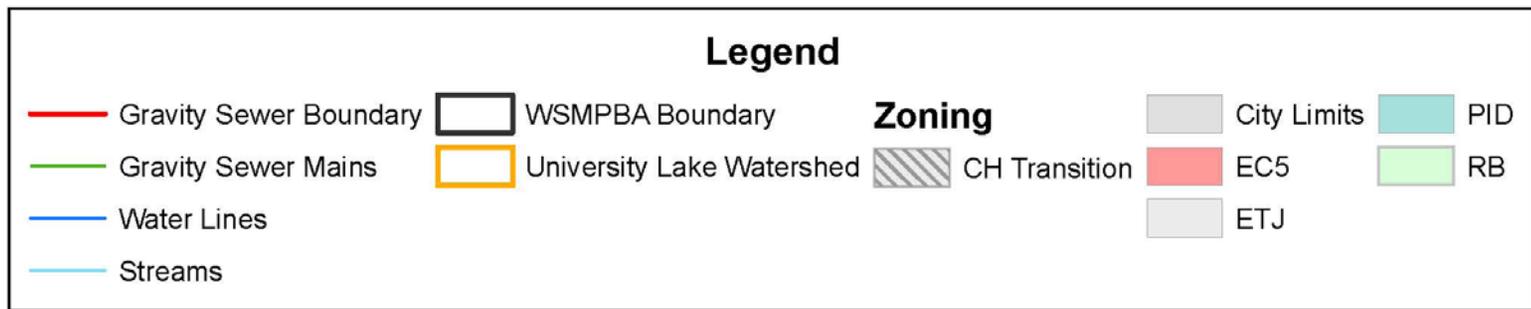
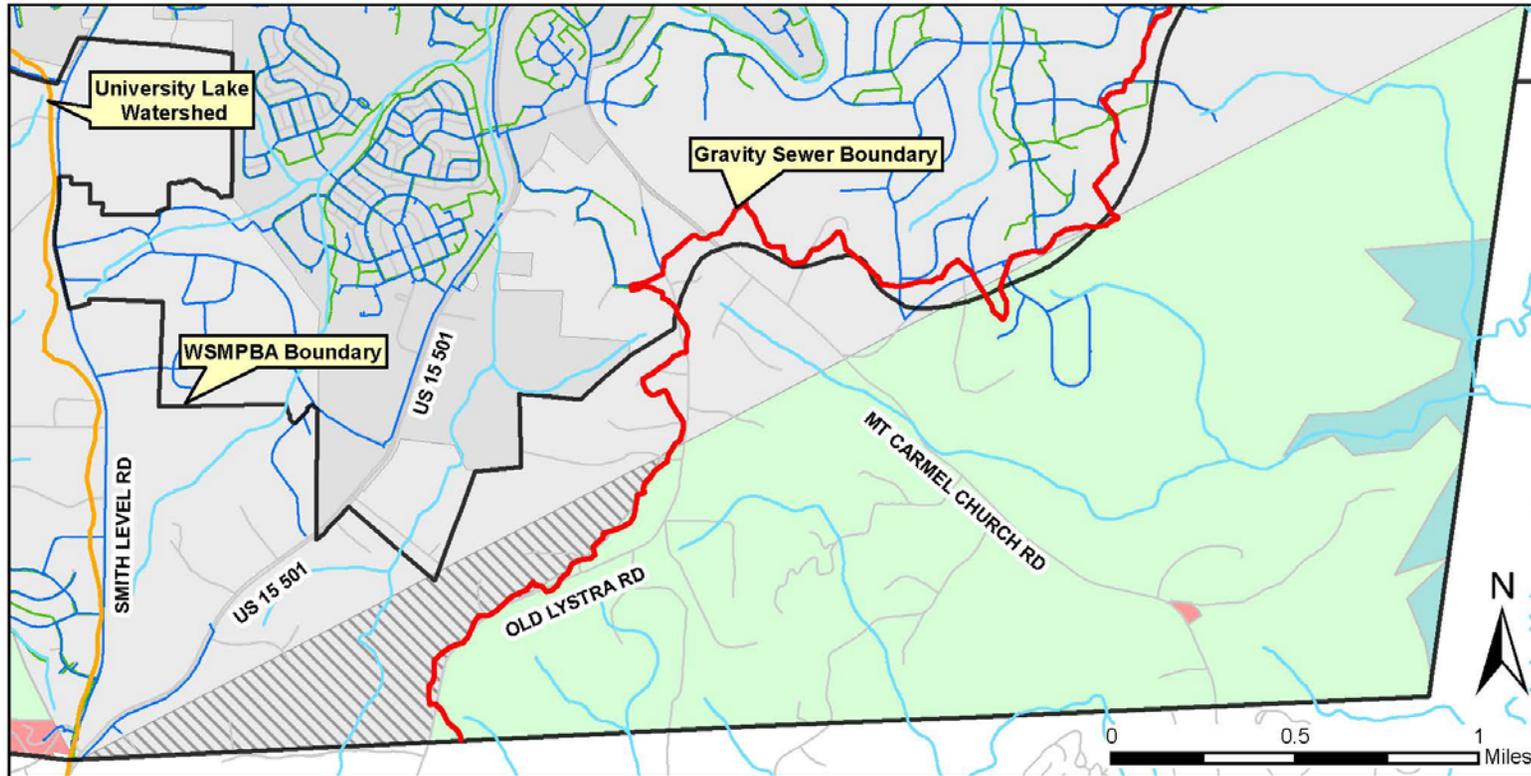
Sincerely,



Jessica C. Godreau, PE, BCEE
Engineering Manager, Systems Development

cc: Mary Darr, OWASA
Judy Johnson, Town of Chapel Hill

Gravity Sewer Boundary in Southern Orange County Triangle



PLANNING & INSPECTIONS DEPARTMENT
Craig N. Benedict, AICP, Director

Administration
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131 W. Margaret Lane
Suite 201
P. O. Box 8181
Hillsborough, NC 27278



MEMORANDUM

TO: Board of County Commissioners

FROM: Michael D. Harvey – Current Planning Supervisor
 Craig Benedict – Planning Director

CC: Tom Altieri – Comprehensive Planning Supervisor
 John Roberts – County Attorney

DATE:

SUBJECT: RESPONSE TO PETITION Regarding Development of Affordable Housing within Orange County

This memorandum is in response to a petition made at the June 6, 2019 BOCC meeting regarding the encouragement of 'affordable housing'.

On June 11, 2019 staff prepared and disseminated a BOCC Information Request Outline form ([Attachment 1](#)) providing an initial response. What follows is additional detail on current policies and existing opportunities/limitations as well as a summary of policy initiatives for further review and discussion.

EXECUTIVE SUMMARY: North Carolina local governments have limited tools to encourage/promote the development of affordable housing within their communities.

Orange County promotes development of affordable housing through a voluntary program allowing for density bonuses (i.e. allowing more total units per acre) for projects proposing housing for low or moderate income households. As indicated this is a voluntary program and developers are currently not required to participate. Impediments to the current program include regulatory limits on where density bonuses are permitted, compliance with dimensional standards for various general use zoning districts, availability of public infrastructure (i.e. water and sewer), and project review processes/requirements.

While local government's legal ability to compel or require development of affordable housing is still in question, the County could revise existing policies/regulations to create additional incentives to bolster the existing voluntary program. Certain potential policy

initiatives, such as payment-in-lieu or mandatory provision of affordable housing, may not be viable unless enabling legislation is received by the State authorizing the County to engage in same.

BACKGROUND: The provision of affordable housing has become a major area of concern for local governments across the nation. To address this concern, local governments typically adopt policies designed to encourage/promote development of what is defined as affordable housing, a practice commonly referred to as inclusionary zoning. Inclusionary zoning involves using a local government's zoning power to encourage private developers to construct/make available land for affordable housing units.

INCLUSIONARY ZONING: From a practical standpoint, there are potentially 3 categories of inclusionary zoning, summarized as follows:

- **Voluntary Programs:** Developers are provided some form of incentive (i.e. density bonuses, relaxed development controls, etc.) to provide affordable housing units. Incentives and requirements are defined by ordinance.
- **Conditional Programs:** Involve the imposition of condition(s) as part of the review of a site specific development project. Examples could include the BOCC requiring a condition on a Conditional Zoning (i.e. Master Plan Development, etc.) project for the provision of affordable housing.

Under North Carolina law, conditions or site-specific standards imposed must either address conformance with the comprehensive plan or be designed to address identified impacts of a given project.

- **Mandatory Programs:** All proposed residential developments are required to provide a specific, previously established, percentage of parcels allowing for the development of affordable housing.

The viability of such programs continues to remain uncertain. There is no enabling legislation in North Carolina supporting mandatory programs as a regulatory tool.

For more information on the inclusionary zoning issue, staff recommends reviewing the following article, *A Primer on Inclusionary Zoning*, produced by the UNC School of Government, which can be accessed utilizing the following link: <https://canons.sog.unc.edu/a-primer-on-inclusionary-zoning/>.

ORANGE COUNTY AFFORDABLE HOUSING POLICY: Section 6.18 *Affordable Housing* of the Unified Development Ordinance (UDO) establishes a voluntary program providing incentives encouraging development of affordable housing, summarized as follows:

- a. A 25% density bonus for projects proposing duplex or multi-family units in accordance with the following:
 - i. A minimum of 40% of the units are to be rented to families earning less than 60% of Orange County median income, adjusted for family size, as determined by the U.S. Department of Housing and Urban Development (HUD), hereinafter, "median income",

OR

- ii. A minimum of 20% of the units are to be rented to families earning less than 50% of median income.
- b. A 25% density bonus for projects proposing single family units if proposed bonus units are sold to families earning less than 80% of median income;
- c. A 25% density bonus for single family residential projects proposing donation of land to Orange County for the purpose of developing affordable housing;

STAFF COMMENT: Section 6.18.3 of the UDO requires donated land contain either suitable soils for development of septic systems or has access to public water and sewer. Further, donated land is required to contain sufficient land area for proposed new lots to comply with minimum dimensional standards (i.e. minimum lot area, width, etc.) for the general use zoning district in which the project is located.

- d. A 50% density bonus for projects of at least 20% of the units are to be occupied by families earning less than 50% of median income and the remaining 80% of units are occupied by families earning less than 80% of median income.

STAFF COMMENT: This bonus does not apply to lands which have been donated to Orange County in exchange for a density bonus pursuant to Section 6.18.3 of the UDO.

Per Section 6.18.2 of the UDO, project(s) proposing/requesting a density bonus, where property is not donated to the County, are required to submit a contract guaranteeing reserved units will either be purchased or rented to qualifying households. The terms of this contract are binding on the developer/owner and their successors for a period of not less than 15 years from the date on which the unit is first occupied¹ and must be reviewed and approved by both the County Attorney and the Orange County Department of Housing and Community Development (HCD).

Per the UDO, approval of an application proposing affordable housing shall not occur until the contract is approved and executed. Lots or rental units reserved for affordable housing are required to be denoted on the approved plan.

ISSUE(S):

- A. WATER SUPPLY WATERSHEDS:** Section 6.18.3 (A) *Affordable Housing – Applicability* indicates density bonuses are not viable for: ‘... a project located within any Water Supply Watershed designated in the Land Use Element of the Comprehensive Plan’. This, effectively, eliminates approximately 76% of the County’s planning jurisdiction from consideration for density bonuses.

Attachment 2 contains a copy of the Future Land Use Map (FLUM) of the adopted Comprehensive Plan denoting the areas designated as a Water Supply Watershed. These areas correspond to the Watershed Protection Overlay Districts (hereafter ‘Districts’) where the County has established density limitations, summarized as follows:

¹ After the 15 year time period, the affected units are no longer obligated to comply with identified purchase/rental requirement(s).

Watershed Protection Overlay District	Density Limit
University Lake and Cane Creek – Protected and Critical	1 dwelling unit for every 5 acres of property. ^{2,3}
Upper Eno Critical and Little River Protected	1 dwelling unit for every 2 acres of property.
Upper Eno Protected ; Lower Eno Protected ; Haw River Protected ; Jordan Lake Protected ; Back Creek Protected	Allowable density is based on the underlying zoning district. ⁴

Attachment 3 contains a map denoting the location of these Districts. Density bonuses are not viable in areas where the county has established density limit(s). To do so would create violation(s) of existing land use regulations.

There are areas of the county where density limits have been established through the adoption/enforcement of planning agreements. This includes an area north of the Town of Chapel Hill, located within the Rural Buffer (RB) general use zoning district. This area has an established density limit of 1 dwelling unit for every 2 acres of property, consistent with the adopted Joint Planning Area (JPA) Land Use Plan and Agreement. There is no allowance for a density bonus in this area, even for affordable housing, based on the current wording of the JPA.⁵

B. DIMENSIONAL STANDARDS FOR ZONING DISTRICTS: The typical minimum lot size for parcels throughout the county (i.e. AR and R-1 general use zoning districts) is 40,000 sq.ft. (0.92 acres) translating to a maximum base density of 1 dwelling unit for every 40,000 sq.ft. There are opportunities to rezone/develop property at higher intensities based on a parcel's land use designation as detailed within the adopted Comprehensive Plan and FLUM (refer to Attachment 2).

Property within the 'Transition' (10 and 20 Year) land use classifications, for example, can be rezoned to a general use zoning designation allowing for additional dwelling units per acre ranging from 5 dwelling units per acre to 14 dwelling units per acre. Attachment 4 contains a copy of Appendix F of the adopted Comprehensive Plan outlining which general use zoning districts are permitted within the various established land use categories.

² A 100 acre parcel of property within the University Lake and/or Cane Creek (protected and critical) watershed protection overlay has an allowable density of 20 individual dwelling units (i.e. 1 unit for every 5 acres of property).

³ A duplex (i.e. 2 single-family residences in a single structure) would have to be on 10 acres of property to comply with established density limits.

⁴ Property zoned Agricultural Residential (AR) for example will have a density of 1 dwelling unit for every 40,000 sq.ft. (0.92 acres) based on the current wording of the UDO.

⁵ The JPA was adopted by the County and the Towns of Chapel Hill and Carrboro in the late 1980's. Amendments to the land use plan and agreement have to be approved by all participating entities.

Where rezoning to a higher intensity general use zoning district is not permitted, based on existing land use designation, standard minimum lot size/area as detailed within the UDO shall be required.⁶

It needs to be remembered within Article 3 of the UDO, the AR, R-1, and R-2 general use zoning districts are required to adhere to the following minimum lot size standard for parcels located outside of Watershed Protection Overlay Districts:

... the minimum usable lot area for lots that utilize ground absorption wastewater systems shall be 30,000 square feet for parcels between 40,000 square feet and 1.99 acres in size; zoning lots two acres and greater in size shall have a minimum usable lot area of at least 40,000 square feet.

While the County allows subdivision project(s) utilizing the Flexible Development Option to have wastewater systems within a dedicated easement and/or septic lot that is recorded and maintained within required open space areas, density limits identified herein are still applicable. This can impact the granting of density bonuses given the minimum lot area required for a parcel of property based on the proposed development.

- C. PUBLIC UTILITIES:** Higher intensity projects typically require public utilities (i.e. water and sewer) to ensure provision of potable water and proper treatment of wastewater. Projects not able to tie onto public utilities are required to rely on individual well and septic systems for these services.

Attachment 5 provides a copy of the current Water and Sewer Management, Planning, and Boundary Agreement (WASMPBA) map denoting where public utilities are intended to support development. At the writing of this memorandum there are areas of the county, namely west of the Town of Carrboro, north of Chapel Hill, and north of US Highway 70 where no public utilities are available or anticipated.

Typically, the extension of public utilities requires development projects to be annexed into the municipality providing the actual service or an agreement is reached between the County and the unit of local government supplying the utility service agreeing that annexation can be delayed. As a reminder, annexation means development projects do not have to comply with County land use regulations, including the existing density bonus program for affordable housing.

There are realistic concerns over the carrying capacity of soils within the county to support high intensity development relying on individual wells and septic systems, including off-site systems, to support such development.

Staff has previously heard from developers it is not financially feasible to develop high intensity residential projects without the ability to tie into public utility systems.

⁶ For example, a parcel of property within the Upper Eno Protected Watershed Protection Overlay District that is within the Rural Residential land use category can be 'zoned' only Agricultural Residential (AR) or Rural Residential (R-1). This district allows for a density of 1 dwelling unit for every 40,000 sq.ft. or 0.92 acres. A density bonus would not be viable.

There are also concerns over competing interests with respect to what types of projects available water/sewer infrastructure should support.

At one end of the spectrum there are arguments available capacity should be devoted to supporting expanding non-residential developments in an effort to expand job opportunities for, and reduce the tax burden on, local residents. On the other end of the spectrum there are arguments being made some of this capacity should be devoted to supporting the development of higher intensity residential to address housing needs. At the current time, most areas in the County's jurisdiction that are anticipated for service by public water and sewer, and are likely served, are designated for non-residential growth.

D. PROCESS REQUIREMENTS: Per the UDO, review of development projects will typically involve the following:

Number of Proposed Lots or Proposed Process	Review Process
1 to 5 lots (conventional) 1 to 12 lots (flexible)	Staff review (no planning board or BOCC involvement)
6 to 20 lots (conventional) 13 to 20 lots (flexible)	<p>Per Section 2.15 of the UDO:</p> <ul style="list-style-type: none"> • Planning Board approval of concept plan; • Planning Board recommendation on preliminary plat; • BOCC review/approval of preliminary plat. <p>Processed through the legislative review process (i.e. decision based on compliance with UDO, no sworn testimony or evidence required).</p> <p>Conditions can be imposed consistent with ensuring compliance with mandatory standards outlined within the UDO.</p>

Number of Proposed Lots or Proposed Process	Review Process
21 lots and over ⁷	<p>Special Use Permit (SUP) – Per Section(s) 2.7 and 2.15 of the UDO:</p> <ul style="list-style-type: none"> • Planning Board recommendation on application; • BOCC holds public hearing in a quasi-judicial setting to review and act on project. <p>Processed through the quasi-judicial review process (i.e. applicant/those in opposition bear burden of proving through substantial evidence and competent sworn testimony project does/does not comply with the UDO.</p> <p>Decision based on BOCC finding applicant does/does not comply based on the evidence in the record).</p> <p>Conditions can be imposed consistent with ensuring compliance with mandatory standards outlined within the UDO.</p>
Review of Conditional Zoning Application – Approval of Master Plan (residential or mixed use)	<p>Per Section 2.9 of the UDO:</p> <ul style="list-style-type: none"> • Planning Board makes a recommendation; • BOCC holds a public hearing to review and take action on the request <p>Processed through the legislative review process (i.e. decision based on compliance with UDO, no sworn testimony or evidence required).</p> <p>Conditions can be included subject to applicant agreement with same.</p>

Staff has previously heard from developers they are hesitant to propose affordable housing, even with the potential for density bonuses, as doing so could require a heightened review process for their project(s).

For example, a developer proposes a 20 lot single-family residential subdivision. In this scenario, 20 lots is the minimum number of lots necessary for the

⁷ Depending on the number of lots, projects proposing more than 20 lots may have to include a rezoning petition to a Conditional Use (CU) district based on the wording of Section 7.2.3 of the UDO. Staff is in the process of revising the UDO to eliminate this requirement (i.e. rezoning to a CU district) given recent changes in State law eliminating CU districts as a viable process.

applicant to cover the cost(s) of land purchase, development (i.e. application review/processing, roadway permitting/development, stormwater permitting/development, landscaping, erosion control permitting/development, septic permitting/development, provision of recreational amenities, parking, etc.), and a profit on the project.

Seeking a density bonus for the provision of affordable housing will result in an increase in the number of proposed lots thereby requiring the project to be reviewed through the SUP process. This translates to the applicant having to comply with additional regulatory requirements and provide the appropriate level of expert testimony 'proving' compliance with applicable development standards consistent with the requirements of the UDO in order for the project to be approved, all of which increases costs.

Staff has worked with several developers over the years who have argued the cost-benefit analysis of receiving a density bonus for additional parcels for the purpose of providing affordable housing does not cover the additional permit review and development costs they will have to incur.

OPTION(S): As this discussion moves forward, the BOCC could direct various staff to study the following options, with respect to increasing the development of affordable housing, in more detail:

1. Allocate a specific percentage of the annual tax levy to support development of affordable housing units within the county. This could cover land acquisition, application submittal/processing, and development of required infrastructure (i.e. roads, stormwater facilities, etc.) and the actual units.
2. Develop a mandatory inclusionary zoning program requiring developers to designate a certain percentage of development projects to serve affordable housing needs.

STAFF COMMENT: Recent case law does not lend support to the notion units of local government can require development of affordable housing. As detailed within the previously referenced School of Government article, the courts have not found local governments have authority under existing State law to establish/require a specific price point for new parcels/housing.

The development of such a program would require the adoption of enabling legislation at the State level granting the County authority to implement the program.

3. Develop a payment-in-lieu program requiring developers to pay a fee for the development of affordable housing units.

STAFF COMMENT: There are examples, Seattle Washington and Somerville Massachusetts, where local governments require a developer to submit a payment-in-lieu fee to satisfy development of affordable housing in lieu of actual on-site production. These fees are generally paid into a specific housing fund and used, often along with other local funding sources, to finance affordable housing developed off site.

Some concerns staff sees with this option include criticism that such programs would offer a 'loophole' allowing developers to avoid building affordable housing units within a proposed project. This could be perceived as 'segregating' low to medium income families out of specific neighborhoods.

Another concern is how the County would devise the fee for such a program. If the fee is too low, insufficient funds would exist to allow for the development of affordable housing units. If the fee is too high, the County may see a lack of interest in residential development thereby exacerbating existing housing availability. This would also add additional costs to the existing permit/development review processes, which has been the subject of concern amongst those in the development community.

As with the development of a mandatory inclusionary zoning program, staff believes the development of a payment-in-lieu system would require the adoption of enabling legislation at the State level granting the County authority to initiate same.

Staff would suggest any additional review of options 2 and 3 should include an analysis from the County Attorney's office to ascertain the appropriate path forward as well as identifying the legal obstacles to same.

4. Modify existing land use policies addressing potential impediments to the current voluntary affordable housing program, including:

- a. UDO text amendment excluding parcels proposed for affordable housing, proposed consistent with Section 6.18 of the UDO, from being included as part of the 'lot count' associated with the determination of permit review (Section 7.2.3 of the UDO).

For example, a developer proposes a 20 lot subdivision and requests a 10 lot density bonus for the provision of affordable housing. Under current rules this would be treated as a proposed 30 lot subdivision and require the applicant to apply for a SUP. A text amendment could be written to exempt affordable housing units from this calculation and, potentially, eliminate concerns over the costs associated with processing the development request.

- b. UDO text amendment modifying Section 6.18 of the UDO indicating developers interested in proposing affordable housing donate the land directly to the County for joint development.

Under this option, the County would assume responsibility for the development and management of the actual land area designated for affordable housing and partner with the developer to share in the cost of developing joint infrastructure (i.e. roads, stormwater facilities, recreational facilities, etc.).

This could lessen the overall impact on the cost of the project to the developer and increase opportunities for the development of affordable housing.

5. Study existing general use zoning within Transition areas (i.e. 10 and 20 Year) for undeveloped parcels in an effort to identify parcels that could be rezoned to a higher intensity general use residential zoning district, resulting in additional opportunities for higher intensity residential development in areas where public utilities are either available or anticipated.
6. Study possible expansion of Transition areas (i.e. 10 and 20 Year) to include more property that could be viable for rezoning to a higher intensity residential.

STAFF COMMENT: This would potentially require amendment(s) to various plans and agreements including, but not limited to; the Comprehensive Plan and FLUM, WASMBPA, etc.

7. Identify land within the County's jurisdiction, served or intended for service by public utilities, which could support development or re-development of affordable housing. The County could, along with the appropriate municipal planning partner providing the utility service, work proactively to begin development of affordable housing projects on these properties.
8. Identify available land area within local municipalities, served or intended for service by public utilities, which could support development of affordable housing. The County could partner with the appropriate municipality to work proactively and begin development of affordable housing projects on these properties.
9. Study the viability of developing regional package treatment facilities in areas within/adjacent to Transition areas for the purpose of supplying wastewater treatment for high intensity residential development.

Under this option the County would partner with a developer to construct the facility thereby potentially expanding the area where high intensity residential zoning districts could be located as connection to public sewer would not be necessary.

STAFF COMMENT: Staff has previously met with applicants interested in developing private wastewater treatment systems to serve their proposed projects.

Historically the County been hesitant about encouraging, or allowing for, the development of private wastewater treatment systems. There was a project off Mt. Sinai Road, Piney Mountain, approved with such a system which failed in the late 1980's/early 1990's. As a result the County had to work with the City of Durham to extend utility services to the subdivision to ensure residents were able to keep their homes.

Such systems are also expensive to install and maintain and decisions would have to be made about who would assume the perpetual liability and responsibility for the maintenance of such a system.

10. Modify the UDO to allow, as part of a Conditional Zoning application, applicants to establish private wastewater treatment facilities for a project. Standards would have to be developed outlining required installation and perpetual maintenance issues for the facility as part of this amendment package.

STAFF COMMENT: The same concerns identified within number 9 apply to this option.

11. Complete an assessment of existing policies concerning the development of affordable housing within the Comprehensive Plan to ascertain if there are options to establish additional policy requirements for projects in certain land use categories (i.e. Transition areas), or strengthen existing language to ensure the provision of affordable housing is more of a priority.
12. Partner with local employers to develop an 'employer assisted housing program' whereby funds could be allocated by the County and these employers on an annual basis to support the development of 'work force housing'.

STAFF COMMENT: This would be a voluntary program.

BOCC INFORMATION REQUEST OUTLINE

Meeting Date: June 6, 2019 Response Date: June 11, 2019

ISSUE: Identify ways to encourage or support the development of affordable housing with incentives, payment in lieu, and other means

Responding Department: Planning & Inspections

A. AMENDMENT TYPE

Map Amendments

Land Use Plan: Yes No Maybe

Zoning Yes No Maybe

Text Amendments

Comprehensive Plan Text: Yes No Maybe

UDO Text:

UDO General Text Changes Yes No Maybe

UDO Development Standards Yes No Maybe

UDO Development Approval Processes Yes No Maybe

Section(s): TBD

B. RATIONALE

1. Purpose/Mission

Staff has been tasked with identifying ways to encourage or support the development of affordable housing with incentives, payment in lieu, and other means.

2. Analysis

Staff will develop an Info Item memo over the summer for a September 2019 BOCC meeting agenda outlining affordable housing issues. Attached to this outline is the Land Use and Development section of the County's Affordable Housing Strategic Plan which provides more detail on the regulatory aspect of the affordable housing issue.

Within Orange County's planning jurisdiction, there are some constraints to providing higher-density housing; these constraints include watershed density regulations related to water supply watersheds and the absence of public water and sewer lines which would support denser housing, which is necessary from the economic/monetary side of land development.

As is shown on the attached Table of Permitted Uses for residential uses, Orange County permits manufactured homes in all of the residential zoning districts and in some other types of districts; manufactured housing has been an avenue for many of the more affordable housing units within the County's planning jurisdiction. Additionally, the County permits duplexes in all of the residential zoning districts and multi-family housing is permitted in many of the residential zones.

Admittedly, affordable housing within housing subdivisions has been difficult to implement, even with the County’s existing density bonus incentive (which is applicable only outside of water supply watersheds). Land areas outside of water supply watersheds and the Rural Buffer (a large portion of which is not within a water supply watershed area) leaves a fairly small geographic area of the County in which the density bonuses could be applicable. The Rural Buffer has regulatory density and minimum lot size constraints and a prohibition for public water and sewer lines which results in only large-lot development within the Rural Buffer.

There may be opportunities for the County to be a partner in providing affordable housing units in areas of the County served by public water and sewer and/or outside of the County’s planning jurisdiction (e.g., within the planning jurisdiction of a municipality). A trade-off might be that these are also areas of the County designated for economic development activities.

Planning staff will work with Housing and Community Development staff and Attorney’s Office staff to develop the Info Item memo referenced above.

3. Comprehensive Plan Linkage (i.e. Principles, Goals and Objectives)

Chapter 4: Housing Element

4. New Statutes and Rules

N/A

C. PROCESS

1. TIMEFRAME/MILESTONES/DEADLINES

- a. BOCC Authorization to Proceed

BOCC to direct staff on potential options after Info Item memo is developed.

- b. Public Hearing

- c. BOCC Updates/Checkpoints

- d. Other

2. PUBLIC INVOLVEMENT PROGRAM

Mission/Scope: TBD

- a. Planning Board Review: _____
- b. Advisory Boards: _____
- c. Local Government Review: _____
- d. Notice Requirements: _____
- e. Outreach: _____

3. FISCAL IMPACT

TBD

D. AMENDMENT IMPLICATIONS

TBD

E. SPECIFIC AMENDMENT LANGUAGE

Not Applicable at this time

Primary Staff Contact:
Craig Benedict
Planning & Inspections Director
919-245-2585
cbenedict@orangecountync.gov

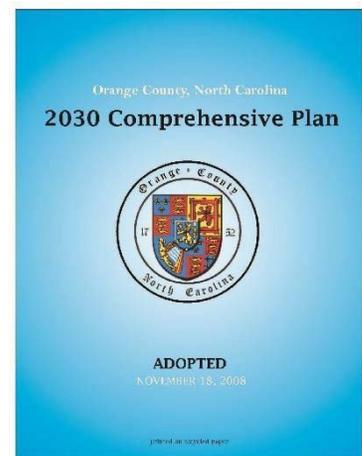
Orange County Affordable Housing Strategic Plan

VI. LAND USE AND DEVELOPMENT

A. INTRODUCTION

Land use and zoning standards set mandatory parameters for varying land uses, housing types, and density to shape community character. Zoning can be used as a means to exclude or include diverse housing stocks. Zoning can often affect housing affordability if higher density, smaller lots, or multi-unit buildings are not permitted. However, zoning alone does not determine whether or not developments will result in lower density. In many cases, communities are not developed to the maximum density allowed by zoning or supported by adopted land use plans. For example, proposed residential development may determine density and the total number of units based on the existing base zoning district instead of exploring upzoning opportunities through the rezoning process. Upzoning or rezoning property to a different residential or commercial zoning district that allows for greater density supported by a comprehensive land use plan could allow for increased density and more residential units compared to what would be permitted with the existing base zoning district.

Development in Orange County is planned and guided by the Orange County 2030 Comprehensive Land Use Plan which acts as a blueprint for future growth and development. Zoning and land use controls are regulated and based on the Orange County Unified Development Ordinance. Several goals identified in the 2030 Comprehensive Land Use Plan and the Housing Element support affordable housing efforts and needs in the county. These goals are reflective in standards contained in the Unified Development Ordinance that provide for affordable housing opportunities. Orange County strives to support affordable housing efforts through zoning regulations, permitting processes, and housing policies.



Common zoning principles that are enforced in Orange County and throughout the state can have a disproportionate impact on available housing and housing costs. Similar to many growing communities and counties in North Carolina, Orange County zoning and land use regulations try to strike a balance between varying impacts and growth management techniques. Some can create barriers hindering affordable housing efforts while supporting other goals, nonetheless, certain zoning techniques have been identified as impediments. In order to promote and support affordable housing opportunities, these impediments must be reviewed, cross-balanced, and examined in order to reduce or ameliorate barriers in the future.

B. CURRENT REGULATIONS SUPPORTING AFFORDABLE HOUSING OPPORTUNITIES

Providing housing opportunities for residents in a range of income levels is essential for a well-balanced community. Local government land use controls that limit the supply of housing can be the primary reason for the lack of affordable housing. The urban services boundary implemented in Orange County regulates the location of water and sewer infrastructure and the supply of available land for development. This can limit the supply of developable land; create a higher demand and increase housing prices in the local real estate market.

Recognizing these effects and determining what factors are within Orange County's control is imperative in developing regulations that support affordable housing in the county. The Orange County Unified Development Ordinance contains standards and regulations allowing for and supporting affordable housing opportunities for Orange County residents. These are identified below:

- The Unified Development Ordinance does not set minimum square footage requirements for residential structures, which assists in reducing overall costs. Minimum room square footages and dimensions are consistent with the North Carolina State Building Code.
- Orange County strives to allow for a variety of housing types for residents in the general use zoning districts, economic development zoning districts, and conditional zoning districts in Orange County. Many of these residential uses are permitted by right which reduces

the amount of red tape and shortens the review process. A diversity of adequate housing is fundamental to the welfare of the county and its residents. Conventional housing (i.e. stick built or tract built home) is not consistently affordable for or desired by all residents. As a result, it is imperative to provide for different housing types with proper regulation to meet the needs of the general public.

- Apartments and other multifamily residential uses including townhomes and condominiums are permitted in Orange County. These uses are permitted by right in several residential zoning districts, general commercial zoning districts, economic development districts, and conditional zoning districts.
- Two family dwellings (also known as a duplex) are permitted by right in several residential zoning districts, general commercial zoning districts, economic development districts, and conditional zoning districts.
- Manufactured housing including mobile homes and modular homes are permitted by right on individual lots in several residential zoning districts, general commercial zoning districts, economic development districts, and conditional zoning districts.
- Mobile home parks are permitted in the county with the creation of a Mobile Home Park – Conditional Zoning District. The purpose of the Mobile Home Park - Conditional Zoning (MHP-CZ) District is to provide for the development of properly located and planned facilities for mobile home parks.
- Group care facilities are currently permitted in Orange County in nine residential zoning districts, six general commercial zoning districts, and one conditional zoning district with a Class B Special Use Permit.
- Rehabilitative care facilities are permitted by right in Orange County in the general zoning districts, economic development districts, and conditional zoning districts.
- Rooming houses (also known as boarding houses) are permitted by right in four residential zoning districts and one general commercial district.
- Efficiency apartments (also known as accessory dwelling units) up to 800 square feet are permitted as an accessory use to a single family dwelling unit in several residential zoning districts, general commercial zoning districts, economic development districts, and conditional zoning districts.

- A total of 100 mobile homes parks are identified as operational in Orange County, majority of which do not meet zoning requirements adopted in 2011. Many were established prior to zoning in the various townships and no mobile home parks were formally adopted since the early 1990's. However, these parks are permitted to remain operational based on Article 8, Nonconformities, and provide affordable housing opportunities to residents.
- Recently approved standards allow for up to five persons who are not related to reside together in a residential dwelling unit which could promote co-housing.
- The Orange County Density Bonus policy offers density bonuses to developers as an incentive to provide affordable housing units within their residential development. These bonuses are also intended to promote economically mixed housing developments to provide a range of housing types and options to low income families. An increase in density may be permitted for developments providing housing opportunities to low or median income households. Density bonus of 25% to 40% may be approved for developments providing a minimum percent of units for sale to families earning less than 50% to 80% of Orange County median income. For example, a development proposing 20 units for sale to families earning less than 50% to 80% of Orange County median income would allow for a bonus of 5 units, permitting a developer to develop 25 total units.

C. BARRIERS TO FAIR HOUSING

Many factors affect housing costs in Orange County which create barriers for affordable housing. Although many of these are beyond government control, there are some factors that can be identified and reviewed to reduce barriers at the local level. Zoning regulations are implemented nationwide to assist in regulating land uses and to accomplish objectives for the public good.

Several planning tools or land use regulations have been established by Orange County in the past to encourage manageable growth, protect the environment, and ensure a sustainable, vibrant, and well-balanced community. However, some of these same tools and regulations can create unintended consequences affecting the availability of affordable housing. When reviewing these tools and barriers it is important to note that public objectives and community goals relating to urban sprawl reduction, efficient

provision of public sewer, environmental protection, and public health need to be balanced with development in residential and employment sectors. This can create obstacles when determining options and making decisions to provide affordable housing.

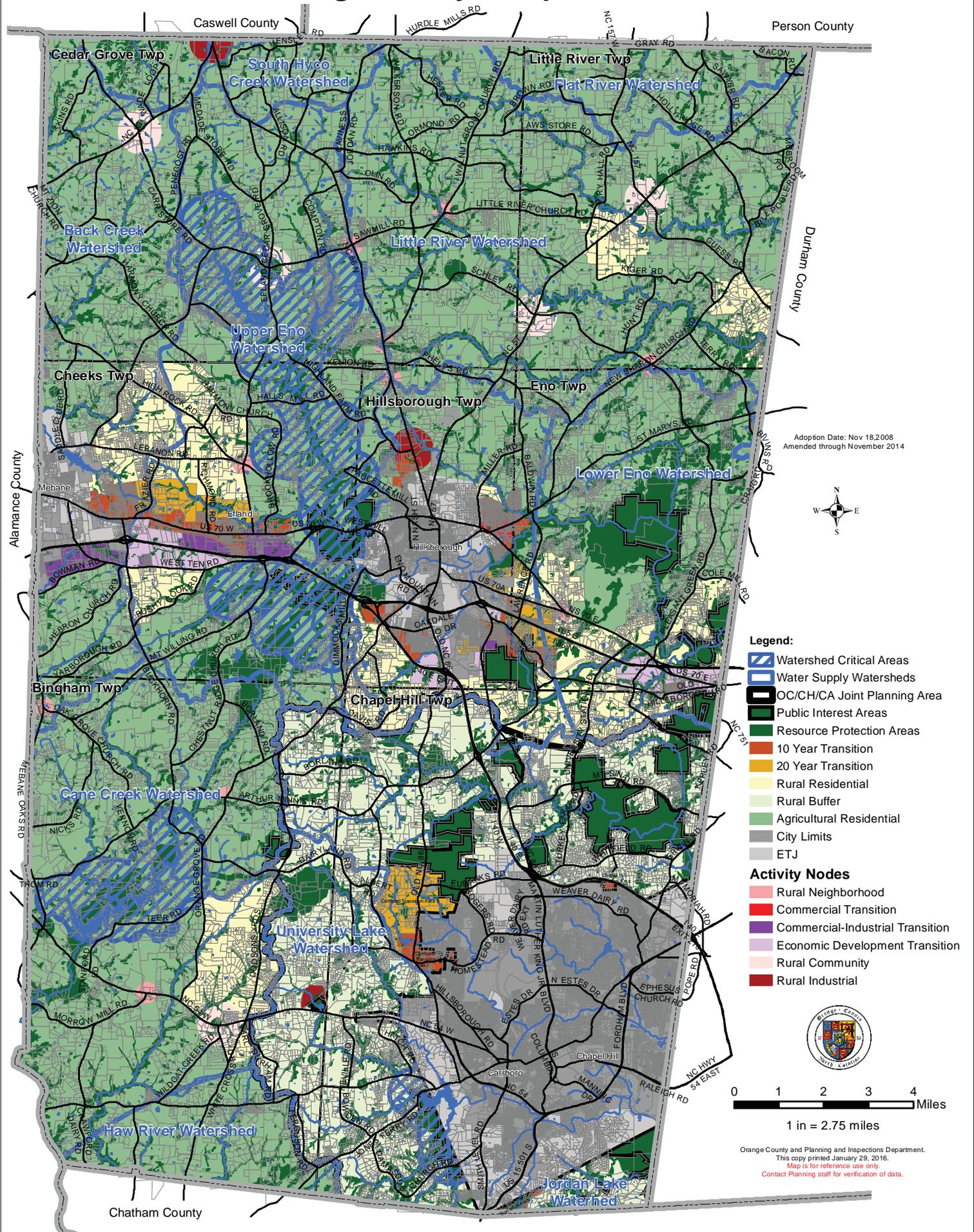
Some of these tools and regulations were identified as impediments to affordable housing in the Orange County Home Consortium's Five Year Consolidated Plan and Analysis of Impediments to Fair Housing Choice. The matrix on the next page identifies the most common planning tools, their purpose, unintended impacts, and if they have been identified as impediments in Orange County.

Regulatory Tool	Purpose	Unintended Impact	Identified Impediment	Strategies
Urban Growth Boundary	Used to control growth in a rapidly growing area by encouraging higher density development inside the boundary line and encouraging lower density growth outside the boundary line.	Contributes to higher land and housing prices due to the limited amount of land available for development.	Yes. The Urban Services Boundary limits infrastructure and development in the Rural Buffer. This limits the amount of developable land and increases land and housing costs.	Review and examine minimum lot sizes, setback standards, and other land use regulations effecting density allowances to determine possible modifications to support and accommodate smaller lot sizes, micro housing, pocket neighborhoods, and cluster housing.
				Review existing minimum lot sizes, density standards, and other land use regulations pertaining to two-family dwelling units to determine possible modifications to encourage this housing type in the future.
				Evaluate existing standards and new opportunities to support and allow for offsite septic facilities for wastewater treatment. By reviewing existing standards and exploring modern advances in offsite septic infrastructure and technology, the Unified Development Ordinance may allow for flexible residential site design and accommodate smaller lot sizes compared to the traditional onsite septic system.
Exclusionary Zoning Practices	Used to protect neighborhoods from incompatible uses and nuisances.	Increases land and development costs by limiting the location of residential land uses and availability of land for residential development.	Yes. Standards contained in the Unified Development Ordinance such as required minimum lot sizes in specific zoning districts and limiting the location of individual residential uses such as group homes, limit affordable housing opportunities.	Review existing permitted residential land uses, residential land use standards, and review processes specifically related to group homes to determine if existing residential standards and review processes can be modified to expand and provide for more diverse residential uses throughout the county.
				Review and examine Section 5.2, Table of Permitted Uses, of the Orange County Unified Development Ordinance to determine if modifications can be made to allow for a greater mix of residential uses and nonresidential uses in appropriate zoning districts in the county. Allowing for a greater mix of uses in the appropriate zoning districts can assist in expanding and supporting future affordable housing efforts in a sustainable manner by allowing housing to be located near employment centers, public transit, and public services.

<p>Inclusionary Zoning Practices</p>	<p>Used to encourage affordable housing by requiring developers to reserve a portion of new units for low to moderate income households.</p>	<p>Constrains land from complete economic use and may increase average housing prices.</p>	<p>No. Currently, there is no state enabling legislation in North Carolina to support this regulatory tool. Voluntary inclusionary zoning practices can be implored with the use of the conditional use permitting process. However, this can extend the review period and create delays for residential projects.</p>	
<p>Subdivision Controls</p>	<p>Subdivision ordinances, which regulate the land development, infrastructure, and site design characteristics of new housing are a primary tool communities use to plan and regulate residential development. May require regulations such as increased street widths, more parking, and greater setback standards.</p>	<p>May consume more land than necessary and unnecessarily raise the cost of housing. These costs may be added onto the initial costs of a home and passed onto the new home owner.</p>	<p>No. Standard minor and major subdivision regulations enforced by the Orange County Unified Development Ordinance are marginal in order to protect the health, safety, and welfare of residents.</p>	
<p>Impact Fees</p>	<p>Fee imposed by a local government on new development to pay for a portion of costs of providing public services incurred as a result of the new development.</p>	<p>Required impact fees on residential units are paid by the developer which may be passed onto the home owner, increasing housing costs.</p>	<p>No. Orange County does collect an impact fee for each residential unit prior to construction. However, for affordable housing construction, this fee is reimbursed to the developer from the county.</p>	

<p>Permitting Process</p>	<p>Used to ensure that proposed development meets local government zoning and land use regulations.</p>	<p>Multiple, time consuming steps may increase carrying costs on developers' construction debt. These costs may be passed onto the home owner, increasing housing costs.</p>	<p>No. Orange County's permitting process is standard and comparable to other local governments. No excessive permitting or wait times are employed by the county for residential developments.</p>	
<p>Restrictions on Certain Types of Housing</p>	<p>Used to keep types of housing out of an area that might be considered unattractive or could bring in undesirable neighbors.</p>	<p>Lowers the available stock of housing units for low income residents and increases average housing costs.</p>	<p>No. Currently Orange County allows for a variety of housing types including single family homes, townhomes, duplexes, apartments, and, mobile homes.</p>	

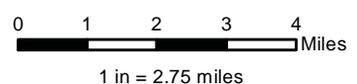
Future Land Use Map of the Orange County Comprehensive Plan



Adoption Date: Nov 18, 2008
Amended through November 2014

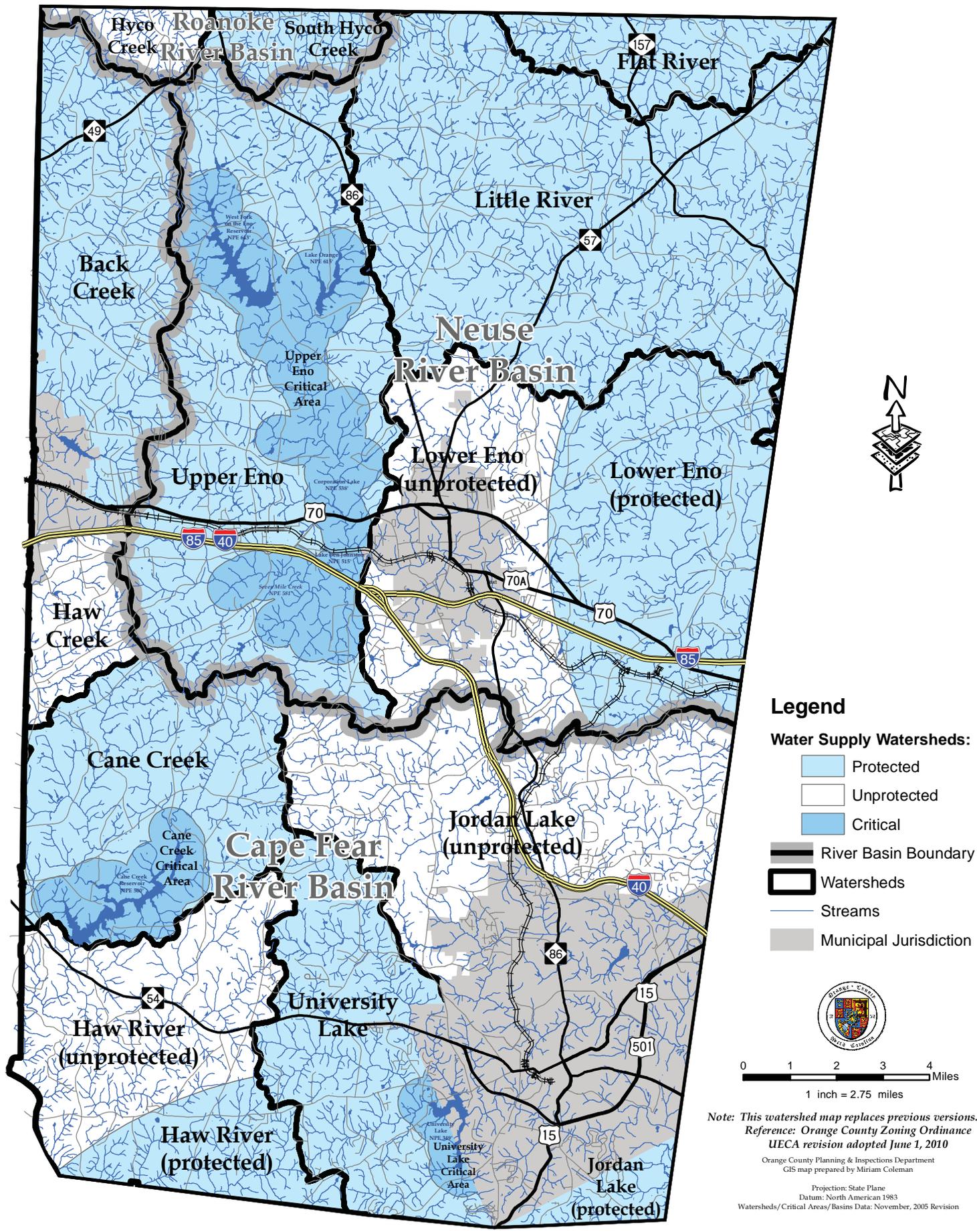


- Legend:**
- Watershed Critical Areas
 - Water Supply Watersheds
 - OC/CH/CA Joint Planning Area
 - Public Interest Areas
 - Resource Protection Areas
 - 10 Year Transition
 - 20 Year Transition
 - Rural Residential
 - Rural Buffer
 - Agricultural Residential
 - City Limits
 - ETJ
- Activity Nodes**
- Rural Neighborhood
 - Commercial Transition
 - Commercial-Industrial Transition
 - Economic Development Transition
 - Rural Community
 - Rural Industrial



Orange County and Planning and Inspections Department.
 This copy printed January 29, 2016.
 Map is for reference use only.
 Contact Planning staff for verification of data.

Orange County Watersheds





Appendix F: Land Use and Zoning Matrix

Appendix F. Relationships Between Land Use Classifications and Zoning Districts

Per the Orange County Unified Development Ordinance, zoning districts are applied to Land Use classifications and overlays in accordance with this appendix. A matrix is provided at the end of this appendix that links the zoning districts to the land use classifications and overlays listed.

TRANSITION LAND USE CLASSIFICATIONS

CHAPEL HILL AND CARRBORO TRANSITION

On November 2, 1987, a Joint Planning Agreement was adopted by Orange County and the Towns of Chapel Hill and Carrboro. The Agreement became effective on November 14, 1988, following the adoption, by Orange County, of zoning plans prepared by the two municipalities for their respective Transition Areas. The applied zoning districts are those contained in the Chapel Hill Land Development Ordinance and the Carrboro Land Use Ordinance, and are consistent with the land use plan categories contained in the Orange County Chapel Hill Carrboro Joint Planning Land Use Plan. Reference should be made to the appropriate municipal ordinance and zoning map for a description of the districts and applicable development standards. Under the terms of the Joint Planning Agreement, the Towns of Chapel Hill and Carrboro are responsible for permit administration within their respective Transition Areas.

10-Year Transition

Identifies areas changing from rural to urban in form and density. All densities of residential development would be appropriate. Non-residential uses implemented in accordance with small area plans and/or overlay districts may be appropriate. The applied zoning districts include: R-1 (Rural Residential); R-2 (Low Intensity Residential), R-3 (Medium Intensity Residential), and R-4 (Medium Intensity Residential); and R-5 (High Intensity Residential), R-8 (High Intensity Residential), and R-13 (High Intensity Residential) residential uses, and Zoning Overlay Districts.

20-Year Transition

Identifies areas changing from rural to urban in form and density. All densities of residential development would be appropriate. The applied zoning districts include: R-1 (Rural Residential); R-2 (Low Intensity Residential), R-3 (Medium Intensity Residential), and R-4 (Medium Intensity Residential); and R-5 (High Intensity Residential), R-8 (High Intensity Residential), and R-13 (High Intensity Residential) residential uses.

COMMERCIAL TRANSITION ACTIVITY NODE

Identifies areas changing from rural to urban in form and density. A full range of intensities of commercial development would be appropriate. The applied zoning districts include: LC-1 (Local Commercial); NC-2 (Neighborhood Commercial); CC-3 (Community Commercial); GC-4 (General Commercial); and O/RM (Office/Research and Manufacturing).

COMMERCIAL INDUSTRIAL TRANSITION ACTIVITY NODE

Identifies areas changing from rural to urban in form and density. A full range of commercial and industrial activities would be appropriate and allowed. The applied zoning districts include: I-1 (Light Industrial); I-2 (Medium Industrial); I-3 (Heavy Industrial); LC-1 (Local Commercial); NC-2 (Neighborhood Commercial); CC-3



Appendix F: Land Use and Zoning Matrix

(Community Commercial); GC-4 (General Commercial); and O/RM (Office/Research and Manufacturing).

ECONOMIC DEVELOPMENT TRANSITION ACTIVITY NODE

Identifies areas along major transportation corridors that may be in proximity to 10-Year or 20-Year Transition areas of the County which have been specifically targeted for economic development activity consisting of light industrial, distribution, flex space, office, and service/retail uses. Such areas are located adjacent to interstate and major arterial highways, and subject to special design criteria and performance standards. The applied zoning districts are EDB-1 (Economic Development Buckhorn Lower Intensity), EDB-2 (Economic Development Buckhorn Higher Intensity), EDE-1 (Economic Development Eno Lower Intensity), EDE-2 (Economic Development Eno Higher Intensity), EDH-1 (Economic Development Hillsborough Linear Office), EDH-2 (Economic Development Hillsborough Limited Office), EDH-3 (Economic Development Hillsborough Limited Office with Residential), EDH-4 (Economic Development Hillsborough Office), and EDH-5 (Economic Development Hillsborough Office/Flex).

RURAL LAND USE CLASSIFICATIONS

RURAL BUFFER

Only very low density residential, agricultural uses exempt from zoning regulations, and low-intensity agricultural support uses are appropriate in the Rural Buffer. The applied zoning district is RB (Rural Buffer).

RURAL RESIDENTIAL

Identifies rural areas to be developed as low intensity and low density residential. The applied zoning district is R-1 (Rural Residential).

AGRICULTURAL RESIDENTIAL

Agricultural activities and associated residential and commercial uses predominate. The applied zoning districts reflect this primary land use and include: AR (Agricultural Residential) and AS (Agricultural Services).

RURAL COMMUNITY ACTIVITY NODE

Identifies rural crossroads communities throughout the County where small scale commercial activities serving the community and surrounding area are appropriate. The applied zoning districts include: LC-1 (Local Commercial) and NC-2 (Neighborhood Commercial).

RURAL NEIGHBORHOOD ACTIVITY NODE

Identifies areas in the County where small scale commercial uses serving the population in the surrounding area are appropriate. The applied zoning districts include: LC-1 (Local Commercial) and NC-2 (Neighborhood Commercial).

RURAL INDUSTRIAL ACTIVITY NODE

Identifies rural areas in the County where small scale industrial activities would be appropriate. The applied zoning district is I-1 (Light Industrial).

OVERLAYS

PUBLIC INTEREST AREA

These lands are considered valuable for recreational and research purposes and are afforded special treatment. The applied zoning district is PID (Public Interest District).

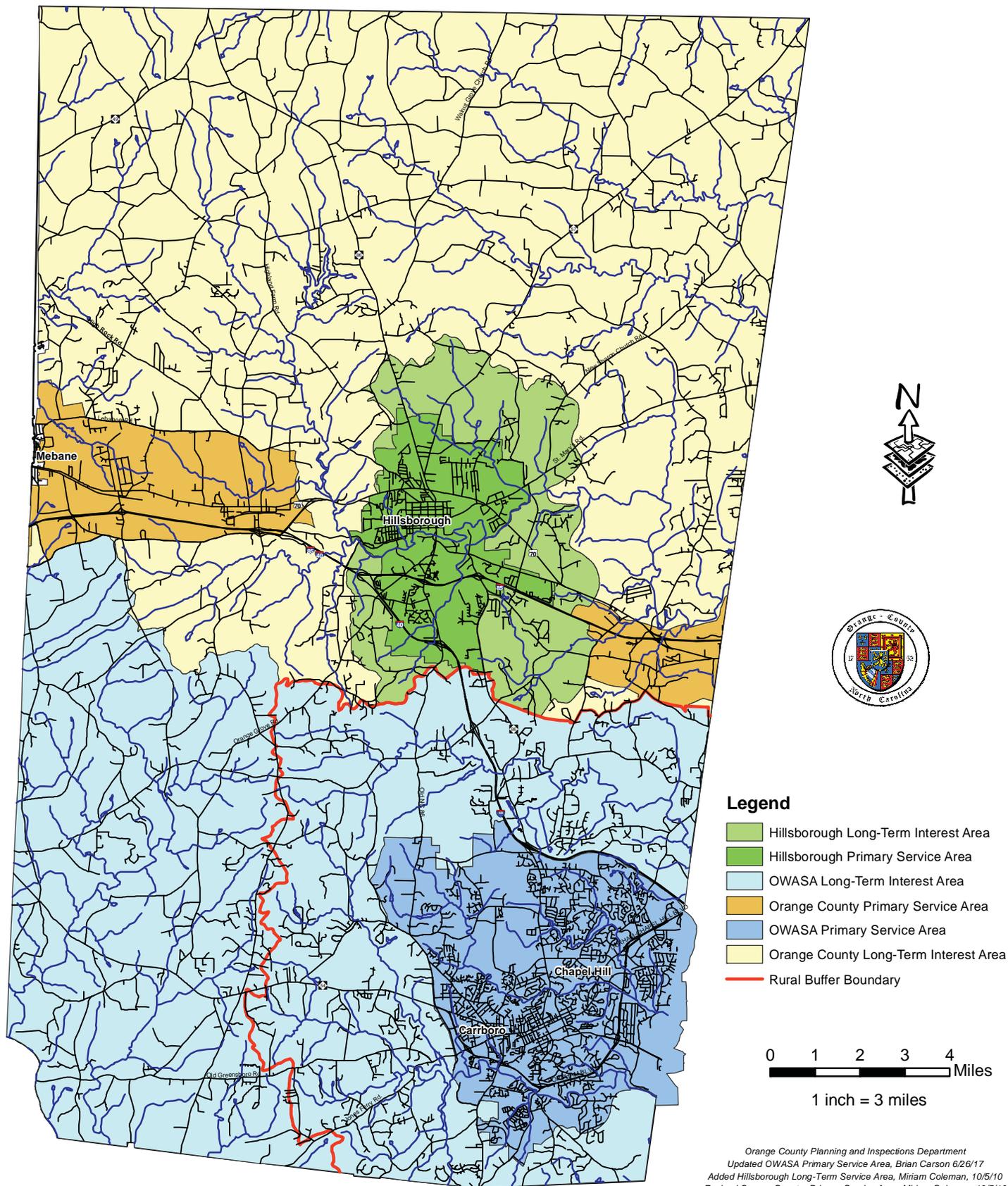


Appendix F: Land Use and Zoning Matrix

Land Use Classifications & Overlays		ZONING DISTRICTS																							
		RB	AR	R-1	R-2	R-3, R-4	R-5, R-8, R-13	LC-1	NC-2	CC-3	GC-4	EC-5	O/RM	I-1	I-2	I-3	EI	EDB-1, EDB-2, EDE-1, EDE-2, EDH-1, EDH-2, EDH-3, EDH-4, EDH-5	AS	Special Zoning Overlay District	PID	ASE-CZ	MPD-CZ	HP-CZ	
Transition	Chapel Hill Transition	Permit Administration by Municipalities under the provisions of the Joint Planning Agreement-																							
	Carrboro Transition	Contact appropriate Municipality for applicable Zoning Standards																							
	10-Year Transition			◆	◆	◆	◆														◆			◆	◆
	20-Year Transition			◆	◆	◆	◆														◆			◆	◆
	Commercial Transition Activity Node							◆	◆	◆	◆		◆								◆		◆	◆	
	Commercial-Industrial Transition Activity							◆	◆	◆	◆		◆	◆	◆	◆					◆		◆	◆	
	Economic Development Transition Activity Node																	◆			◆		◆		
Rural	Rural Buffer	◆																					◆	◆	
	Rural Residential			◆																			◆	◆	
	Agricultural Residential		◆																◆				◆	◆	
	Rural Community Activity Node							◆	◆														◆	◆	
	Rural Neighborhood Activity Node							◆	◆														◆		
	Rural Industrial Activity Node													◆									◆		
Overlay	Public Interest Area																				◆				

Amended 02-13-17

Appendix A Water and Sewer Management Planning and Boundary Agreement



Legend

- Hillsborough Long-Term Interest Area
- Hillsborough Primary Service Area
- OWASA Long-Term Interest Area
- Orange County Primary Service Area
- OWASA Primary Service Area
- Orange County Long-Term Interest Area
- Rural Buffer Boundary

0 1 2 3 4 Miles

1 inch = 3 miles

Orange County Planning and Inspections Department
 Updated OWASA Primary Service Area, Brian Carson 6/26/17
 Added Hillsborough Long-Term Service Area, Miriam Coleman, 10/5/10
 Revised Orange County Primary Service Area, Miriam Coleman, 10/5/10
 Updated Hillsborough Primary Service Area, Miriam Coleman, 10/22/08
 Updated Streets, Miriam Coleman, 2002
 Revised Map to show retracted Chapel Hill Urban Service Boundary, Carrie Whitehill, 11/14/01
 Original Map Prepared by Beth McFarland, 04/17/97



Date: September 13th, 2019
To: Board of Orange County Commissioners
From: Brennan Bouma, Sustainability Coordinator
Steven Arndt, Director Asset Management Services
RE: Request for Information on the Orange County Electric Vehicle Charging Stations

At their regular meeting on September 3rd, 2019, the Board of Orange County Commissioners approved the acceptance of grant funding in part to replace aging electric vehicle charging stations. During the meeting, Commissioner Marcoplos asked for more information on the shortcomings of the existing County charging stations that will be replaced, how the planned new ones are an improvement, and information on the benefits and location the new solar charging station. The following was prepared by staff to address their questions.

On June 10, 2019, Orange County was awarded \$147,247 in grant funding from the North Carolina Clean Energy Technology Center (NC CETC) under the Clean Fuel Advanced Technology (CFAT) 2019 Round 2 grant program. This grant program is sponsored by the NC Department of Transportation and funded with federal Congestion Mitigation Air Quality funds. These funds were awarded to support the County's efforts to replace aging electric vehicle charging stations, purchase a solar-powered charging station with a battery backup, and to lease an electric vehicle.

Electric Vehicle Charging Station Replacements:

In 2011, Orange County was awarded grant funding to install a network of 16 electric vehicle charging stations in 4 locations across the County. The equipment chosen was manufactured by EATON, which remains a well-established manufacturer of electrical components and who was an early leader in supplying electric vehicle charging stations.

Components began to wear out on some of our most-used charging stations in 2015, and they were able to be fixed by EATON and returned to service. An EATON representative at the time said that commercial electric vehicle charging stations have an expected service life of 5 years. Not long after those initial repairs, EATON announced that they would no longer be selling charging stations, supplying parts, or making repairs to their electric vehicle charging equipment. Therefore, since 2016 when charging stations in popular locations needed repair, their components were borrowed from historically less-popular locations such as the Durham Tech Park and Ride lot. This allowed the popular stations to continue functioning, but temporarily disabled a station at Durham Tech Park and Ride. In 2018, the County budgeted funds to replace non-functional charging station equipment and County staff replaced the 4 most used charging stations in the network, those at the Skills Development Center, with Clipper Creek brand charging stations. This brand has a good reputation for simplicity and durability, they are used throughout the country in what is now a far more mature industry, and these chargers are listed on the state purchasing contract. The new chargers were also equipped with the ability to communicate their usage data to a central system once connections are available from the building.

This replacement allowed for the still-functioning components of the old chargers to be returned to the charging stations from which they'd been borrowed and for a short time all of the charging stations were functional.

Currently, 3 of the 6 charging stations at Durham Tech Park and Ride have stopped working and cannot be repaired.

As a final note, some current electric vehicle models are incompatible with these older EATON stations. There is a necessary communication that occurs between charging stations and an electric vehicle to ensure a safe connection is made. These communication standards have been improved since 2011 with the unfortunate side-effect of creating incompatibilities between older charging stations and new electric vehicles. This means that even when the old charging stations are working, they may not be able to serve their purpose for current electric vehicles.

With the availability of grant funding this year, staff applied to replace the remaining 12 stations with Clipper Creek stations which will be warranted to provide years of good service, equipped to allow for communication of usage data, and serviceable in the event that they need repair.

Solar Electric Vehicle Charging Station:

These grant funds will also support Orange County's purchase of a standalone solar electric vehicle charging station which will allow 100 miles of total charging per day on renewable solar energy without connecting to the grid. This 3-port charging station is equipped with a large battery that stores the energy from the station's solar panels and then delivers it to vehicles when charging. The charging station comes pre-assembled on a truck and rests on top of a single parking space, so no ground-disturbance is required and the station can be placed in any sunny parking lot.

As written into the grant application's scope of work, the solar electric vehicle charging station will be located at the bus lot at Orange County Public Transportation (600 Hwy NC 86 North) and its purpose would be to charge the 3 plug-in hybrid ADA accessible minivans which will form the backbone of their new mobility-on-demand program. This will fully charge the batteries of those vehicles and enable them to travel a total of 33 miles each before switching over to operating as a gasoline-electric hybrid. Given the ability to deploy solar electric charging with no site preparation, this standalone off-grid charging station would allow this new program to launch as soon as the vehicles are ready.

During most days, the solar battery will recharge before the chargers are needed again by the transit vans, and Orange County expects this additional capacity to be used by visitors to the facilities. Visitor electric vehicle charging needs for this location are expected to be lower than other County electric vehicle charging station locations due to the lower number of County residents who are directly served by the nearby County Motor Pool facility and Orange County Public Transportation Office. The additional capacity in the recharging solar batteries should therefore be sufficient for the needs of the mobility-on-demand program.

An alternative location for the solar charging station could be proposed to grant administrators as long as the charger remained publicly accessible. Locating it elsewhere would require identifying 3 additional charging stations for the electric vans of the County's upcoming mobility-on-demand program as it is currently designed.

INFORMATION ITEM



ORANGE COUNTY
ARTS COMMISSION

Memo to: Orange County Board of County Commissioners

From: Katie Murray, Orange County Arts Commission Director

CC: Travis Myren, Deputy County Manager

Date: September 10, 2019

Re: Orange County Local Roots Festival 2020 (formerly Orange County LocalFest)

The first planning meeting for Orange County Local Fest took place on Friday, September 6, 2019. This memo serves as an update regarding the initial plans for the 2020 festival:

- The event will take place on Saturday, June 6 from 12-6pm at Blackwood Farm Park.
- In order to better describe the nature and character of the festival, the planning committee recommended rebranding the event as *Orange County Local Roots Festival: A Celebration of Local Music, Art, and Tradition*. Being only in the festival's second year, the committee felt there will be minimal branding confusion and the name change will contribute towards a more successful event.
- The event will be under the coordination and director of the Orange County Arts Commission director, Katie Murray. Murray has more than twenty years' experience in event and festival planning and production.
- The goal of the event is to offer Orange County residents a free and diverse community festival celebrating our local music, arts, and traditions.
- The 2020 festival will be similar in scope to the 2018 event, featuring local food, beverage, arts and entertainment, and traditional agricultural and farming practices. These themes will be expanded upon, offering even more experiences, and as a result, attracting more attendees.



For additional information or suggestions, please contact Katie Murray at 919.245-2335 or kmurray@orangecountync.gov.