

ORANGE COUNTY BOARD OF COMMISSIONERS

AGENDA

BOCC Regular Work Session
November 11, 2014
Meeting – 7:00 p.m.
Richard Whitted Meeting Facility
300 West Tryon Street
Hillsborough, NC

- | | | |
|---------------|----|--|
| (7:00 – 7:20) | 1. | Update on Urban Roll Cart Implementation |
| (7:20 – 8:10) | 2. | Update on the Ephesus Church Road/Fordham Boulevard Public Improvements and Request for County Investment in the Project |
| (8:10 – 8:40) | 3. | Update on Employment and Child Care Programs Operating at Social Services |
| (8:40 – 9:15) | 4. | Proposed Parameters for ETJ Approval |
| (9:15) | 5. | Closed Session
“To discuss matters related to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations,” NCGS § 143-318.11(a)(4). |

Orange County Board of Commissioners’ regular meetings and work sessions are available via live streaming video at orangecountync.gov/occlerks/granicus.asp and Orange County Gov-TV on channels 1301 or 97.6 (Time Warner Cable).

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: November 11, 2014

**Action Agenda
Item No. 1**

SUBJECT: Update on Urban Roll Cart Implementation

DEPARTMENT: Solid Waste Management

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

Draft Oops Tag for Improper Set-Out
Special Collection Guidance Document

INFORMATION CONTACT:

Gayle Wilson, 919-968-2885

PURPOSE: To receive an update on the implementation of roll carts in the Urban Curbside Recycling Program and the subsequent performance of the program.

BACKGROUND: On November 19, 2013 the Board of Commissioners (BOCC) authorized the County Manager to proceed to execute a Letter of Intent with the Towns affirming the intention of the Towns to allow the County to purchase the roll carts and provide curbside recycling services. Additionally, the BOCC authorized the Manager to award a bid of up to 1.1 million dollars for the purchase of 19,500 95-gallon roll carts.

In June 2014 the County Solid Waste Department began distribution of roll carts within the Towns completing the distribution of approximately 18,100 carts and initiating service in July.

Initially there were concerns expressed by residents, primarily in Chapel Hill, regarding the large size of the carts and approximately 80 residents requested that County staff pick up their new carts. Virtually no complaints are currently being received about cart size, color, etc. Staff has received at least five calls reporting missing or stolen carts.

Staff has also received a few calls regarding broken carts. Investigation has determined that damaged carts typically result from carts misplaced at the curb (not squarely facing the curb and clear of mailboxes/fire hydrants, etc.) so that when the automated collection vehicle's mechanical arm grasps the cart, it is not properly aligned when dumped into the truck body and damage to the cart can result. Staff is currently developing a program outreach plan to remind residents of proper cart placement. Initially staff intends to record the address and send a letter explaining how to properly locate the cart at the curb for collection. Ultimately, collection may be suspended to those residents not following the guidelines. Attached is a draft "oops" tag that will accompany a letter that staff plans to send to residents who have difficulty following the cart placement requirements.

Additionally, special handicapped service requests have risen from 119 to about 224 since roll cart implementation, which is in line with what other communities have experienced. Based on the impact these special services have on the contractor's route efficiency and based on advice from other programs using roll carts, staff has drafted a special collection service guidance document (attached) to replace the previous informal special service practice so as to better ensure dependable services to these residents.

Program performance since the roll cart implementation indicates a considerable improvement in the quantity of materials recycled in the urban program. First quarter tonnage collected in the three towns, compared to the same period in 2013, shows a tonnage increase of 29%. Whether this level of recycling can be sustained or whether it is at least in part due to the newness of the roll carts is not known. Staff's expectations are that performance will continue to be higher than previously, but may not maintain the extraordinary 29% level.

FINANCIAL IMPACT: There is no financial impact related to providing a program update to the BOCC. Staff has not yet received any of the state roll cart grant reimbursements from the Towns.

RECOMMENDATION(S): The Manager recommends that the Board receive this update and provide any comments and questions as necessary.

SET YOUR CART OUT **RIGHT** AT THE CURB



Have your cart lined up parallel, to the street.

NOT crooked, away from the street



SET YOUR CART OUT **RIGHT** AT THE CURB



Have your cart lined up parallel, to the street.

NOT crooked, away from the street



Have the cart lid opening and metal lift bar facing the street.

NOT with the handle facing the street.



Have the cart lid opening and metal lift bar facing the street.

NOT with the handle facing the street.



Have your cart at least three feet away from cars, trees, mailboxes, or other objects.

NOT blocked by cars or too close to other objects.

Have your cart at least three feet away from cars, trees, mailboxes, or other objects.

NOT blocked by cars or too close to other objects.



Questions?

Orange County Solid Waste Management
(919) 968-2788
recycling@orangecountync.gov

Questions?

Orange County Solid Waste Management
(919) 968-2788
recycling@orangecountync.gov

Special Collection Guidance Document

Effective January 1, 2015

A special recycling collection service is provided to residents who are disabled or of advanced age and therefore unable to place their recycling receptacle at the designated point of collection.

Residents occasionally inform the department that they are physically unable to lift, carry or push a recycling container to the curb due to a medical or age related handicap. In addition, they do not have any available relative, roommate, spouse, friend or neighbor who can perform this task for them. While we are happy to provide this special service, we must limit its availability to those whose mobility is medically or physically impaired. This special service will allow solid waste collection staff to walk to the receptacle, take it to the truck to empty, and then return the receptacle to its regular location.

We request that the resident fill out the questionnaire in order to request this special service, which must be periodically renewed or verified by solid waste staff. There is no fee or other charge for this special recycling collection service.

The following procedure is to be followed with regard to requesting, approving and servicing a special collection service based on age or medical disability:

- Request a special service form, either by telephone, email or other means.
- Complete the form thoroughly and send the form to:
 - Orange County Solid Waste Department
PO Box 17177
Chapel Hill, NC 27516
Attention: Special Service Request
- A solid waste department service representative will contact the applicant by phone to schedule a time to speak with the applicant in person and discuss the special service collection procedure, such as, where the receptacle will be located. A statement from a medical care provider **may** be required if questions regarding resident's suitability for special collection service arise.
- A temporary disability or other non-permanent handicap can be awarded special service for a time-limited period assuming the conditions above are met.
- Once the special service request is approved the special service collection will begin on the next regularly scheduled collection day.
- The resident should notify the solid waste department should conditions that permitted qualification for the special service noted in the application form change.
- The solid waste department **may require periodic verification** that the resident still requires the special recycling collection service and that conditions noted in the application form have not changed.

PLEASE COMPLETE THE FORM ON THE REVERSE SIDE AND SUBMIT TO THE COUNTY SOLID WASTE DEPARTMENT AS NOTED ABOVE. THE FORM MUST BE FULLY COMPLETED, SIGNED AND DATED

Recycling Division Special Service Questionnaire
(To be completed by the person requesting service or their representative)

PLEASE PRINT CLEARLY

Name of Applicant: _____

Current Address: _____

Phone Number: _____ Best Time of Day to Call: _____

Age: _____ (if age is basis of request) Number of Persons Living in Household: _____

Ages of Additional Person(s) Living in Household: _____

Who routinely places your recyclables out for collection now? _____

Do you have a Handicapped Parking Tag? Yes _____ No _____ If yes, Serial # on Tag: _____

Tag Expiration Date: _____

Reason for Requesting Special Collection Service:

Today's Date: _____

Signature: _____

Recycling Division Only

Roll Cart or Bin Site Visit By: _____ Date: _____
Circle

Approved Yes _____ By: _____ Date Approved: _____

Location of container for collection: _____

No _____ If no, why not approved? _____

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: November 11, 2014

**Action Agenda
Item No. 2**

SUBJECT: Update on the Ephesus Church Road/Fordham Boulevard Public Improvements and Request for County Investment in the Project

DEPARTMENT: Finance and Administrative Services

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

- A) Town of Chapel Hill Presentation
- B) Town of Chapel Hill Memo on County Participation
- C) Bond Counsel Memorandum on Tax Increment Financing
- D) County Presentation

INFORMATION CONTACT:

Bonnie Hammersley, 919-245-2306
 Clarence Grier, 919-245-2453
 Craig Benedict, 919-245-2592
 Steve Brantley, 919-245-2326

PURPOSE: To receive an overview and additional analysis of the County's potential involvement/investment in the Ephesus Church/Fordham Boulevard (Ephesus Fordham) Public Improvement Plan.

BACKGROUND: The Town of Chapel Hill, at the March 21, 2014 Joint Meeting with the Board of County Commissioners, presented an improvement project for the Ephesus Church Road – Fordham Boulevard area of the Town of Chapel Hill. In order to support the renewal of the Ephesus Fordham area, the Town of Chapel Hill must make investments in much needed traffic and stormwater capital improvements. The project would be financed with the use of Tax Increment Financing. Under this method of financing, economic development projects are financed by pledging the anticipated incremental growth in tax revenues generated by the incremental increase in the tax base as a source of repayment for the debt incurred to finance the economic development project. The basis and theory behind this method of project financing of economic development projects is that the project being financed is enabling the tax growth, and therefore the project is, in theory, will be self-financing because if not for the project, the growth in the tax base and corresponding tax revenues would not have occurred.

The Town of Chapel Hill would like the County to participate in the Ephesus Fordham Renewal Project by pledging the lesser of 50% of the actual increment property tax revenues received, or 50% of the actual annual debt service cost.

Additionally, the Town of Chapel Hill (Town) is suggesting that the County consider an approach to investing in the project using mutually agreed upon criteria, which will be tied to the Ephesus - Fordham project phases of completion and performance. The Town would provide an annual Ephesus Fordham project performance report during the County's budget deliberations that would include the following: additions to the tax base, status of public improvements, status of private improvements, including progress toward meeting affordable housing, energy efficiency and transportation goals, and economic impact analysis.

The first Ephesus Fordham performance report would be submitted during the first budget cycle in which an actual tax increment from the project was expected in the next fiscal year. The County could potentially benefit from participating with the Town of Chapel Hill from increased property and sales tax revenues.

The County budget would be committing an average contribution for the debt service of \$385,612 over 18 years for a total of \$6,941,017 for the project. This also takes in account the possible impact of adding approximately 284 new students in the Ephesus Fordham area of the Chapel Hill – Carrboro School District (CHCCS) over an 18-year period that could increase the need for a new elementary and/or move up the timeline for Elementary #12 and Middle School #5 for CHCCS. An interlocal agreement to provide the contribution for the debt service would not affect the County's bond rating, debt policy or legal debt limit.

Additionally, if a new high school and/or major additions have to be made to one of the existing CHCCS high schools to accommodate the projected increase in students, the additional debt service would reduce the net amount of property taxes received as result of the planned project improvements.

FINANCIAL IMPACT: There is not a financial impact with receiving this information. The financial impact will occur if the Board of County Commissioners participates in the project.

RECOMMENDATION(S): The Manager recommends that the Board receive the information and provide feedback to staff.

Ephesus Fordham Renewal Financing Plan

Kenneth C. Pennoyer
Town of Chapel Hill
Business Management Department
November 2014



***Redevelopment will enable self-financing
of public improvements by using a
“Synthetic” Tax Increment Financing.***



The Town is planning an installment financing to pay⁵ for \$10 million of Ephesus Fordham public improvements by combining financing with the Town Hall Renovation Project



+



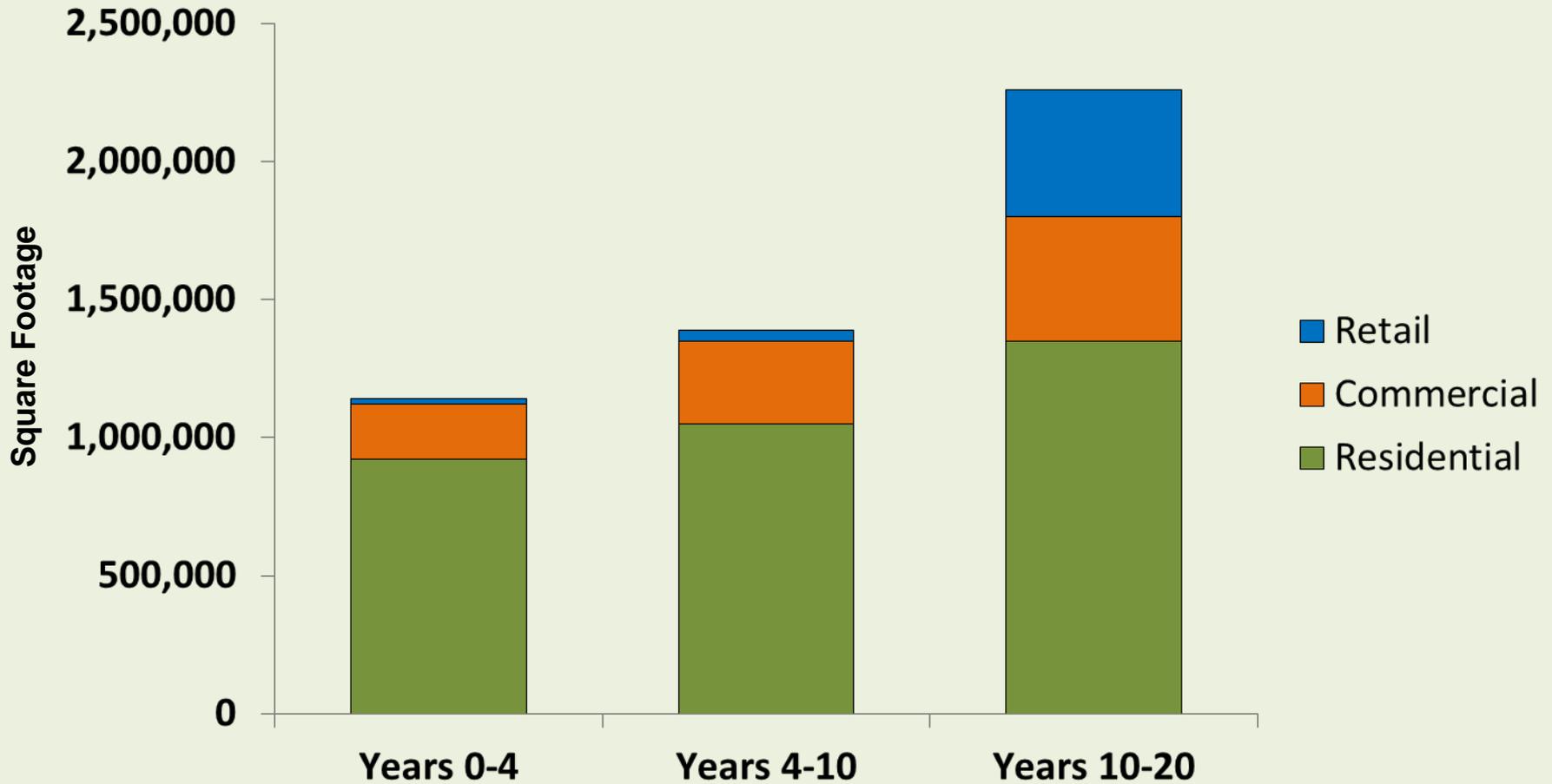
Synthetic Tax Increment Financing

Funds for repayment of the debt will come from the additional (incremental) taxes generated from the redeveloped properties

***Total Annual Payments would be about
\$800,000 (20 years)***

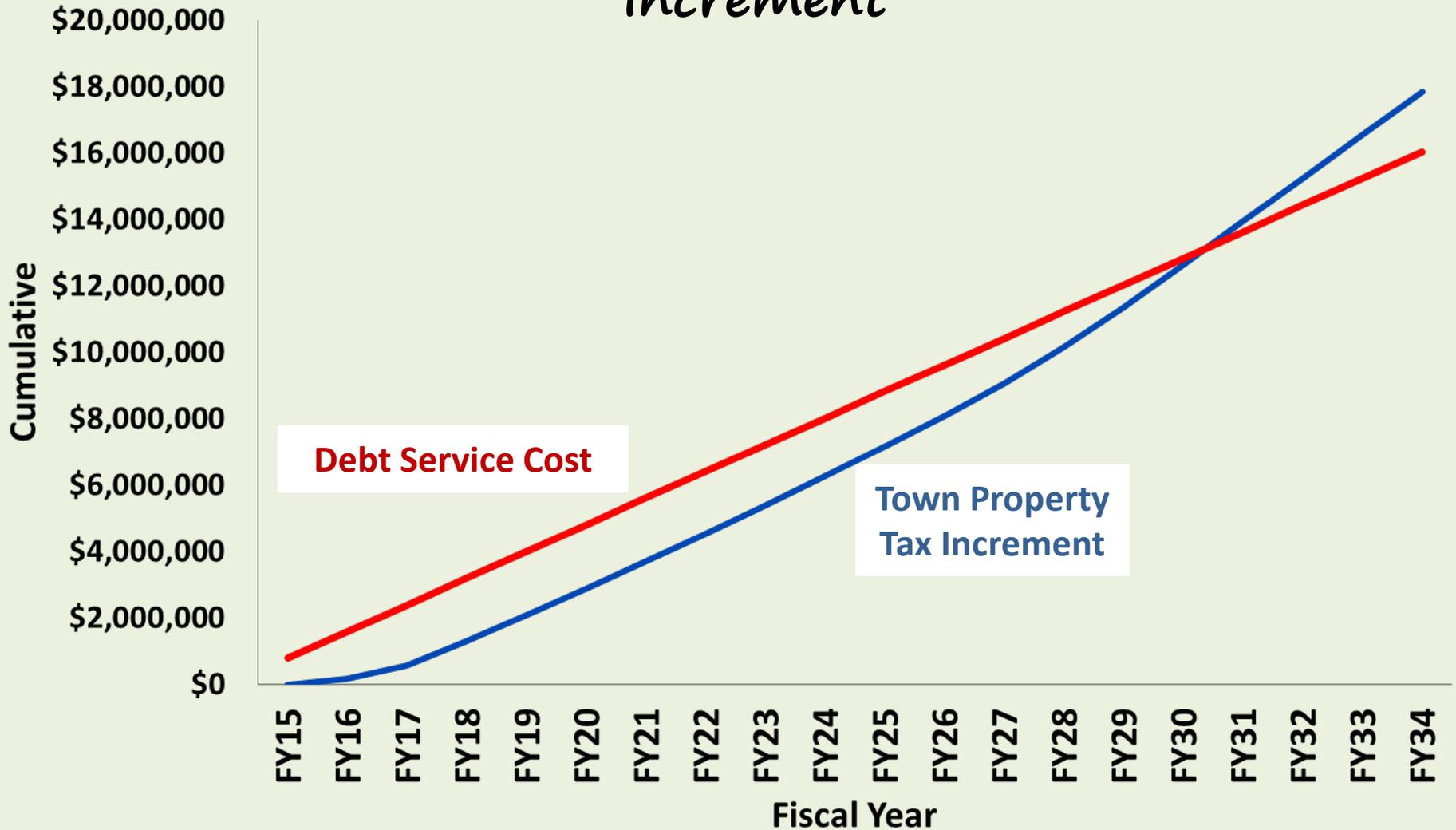
Expected Development

2.2 Million Sq. Ft. & \$260 Million Value



20 Year Cost Benefit Comparison ⁸

Cumulative Debt Service & Town Property Tax Increment



Major Revenues Schools & County ⁹

Orange County	Phase 1	Phase 2	Phase 3	Total
County Property Tax (87.8)	\$ 1,424,704	\$ 154,721	\$ 726,694	\$ 2,306,120

Schools	Phase 1	Phase 2	Phase 3	Total
School Impact Fees (1 Time)	\$ 1,286,000	\$ 192,900	\$ 443,670	\$ 1,922,570
Schools Property Tax (20.84)	338,164	37,095	174,229	549,488

Note: Tax projections based on full phase build-out using current tax rates

Proposed County Participation

Lesser of 50% of the actual tax increment or 50% of the actual Debt Service on the \$10 million of public Improvements

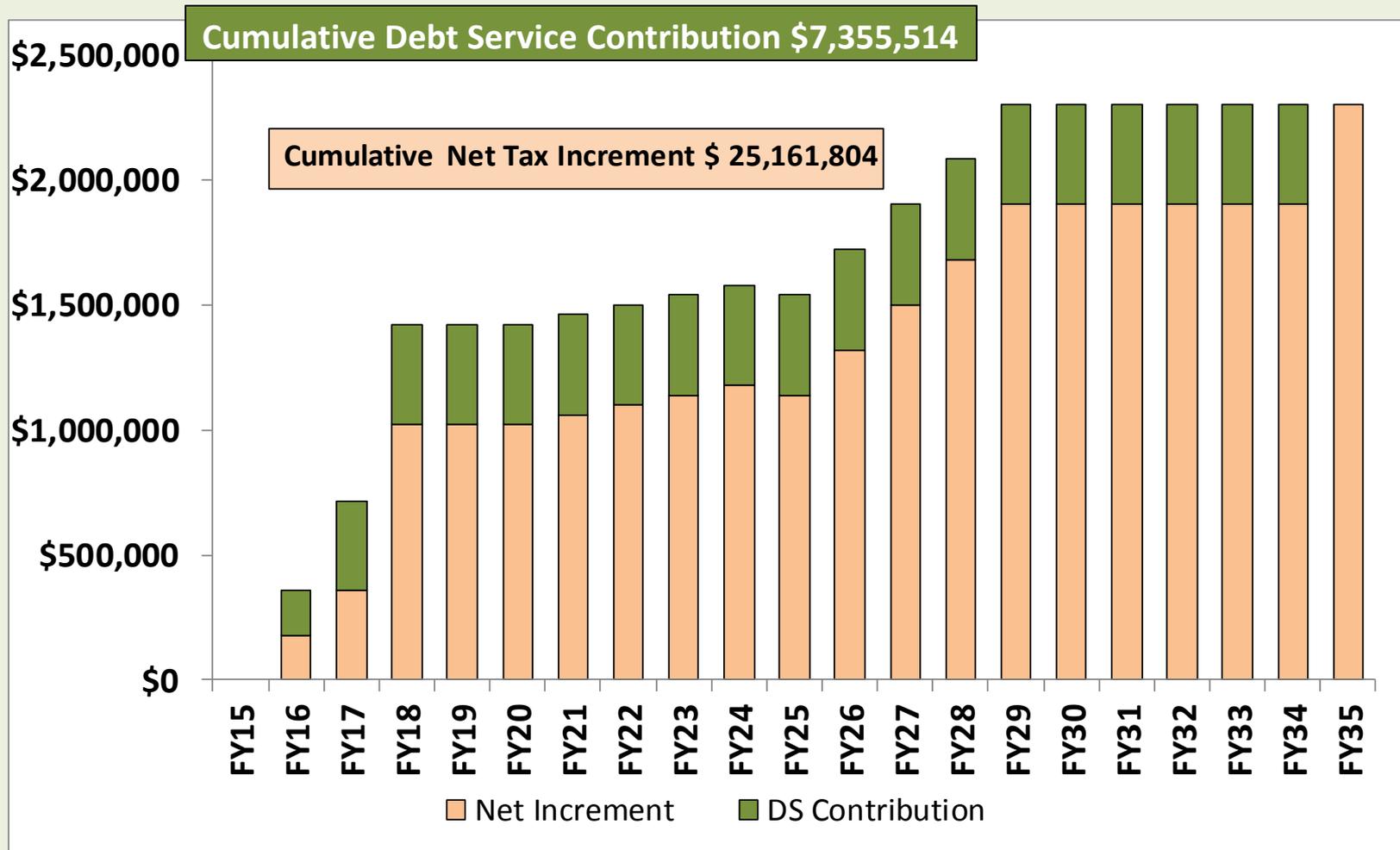
Subject to annual appropriation based on Town progress report on project performance

Maximum Annual Payment would be about \$400,000

Annual Reporting

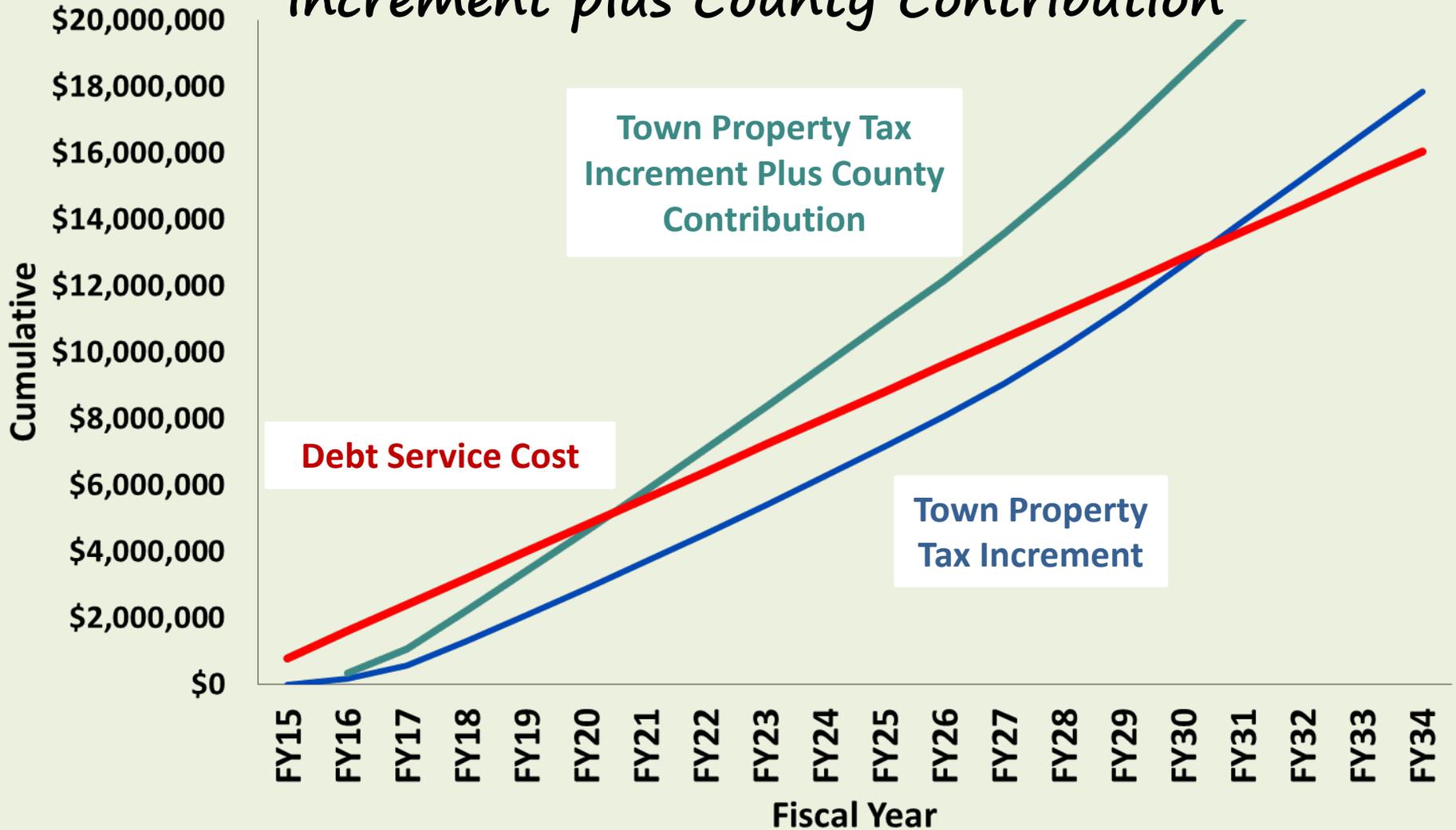
- The Town will provide the County with an annual project performance report during the budget cycle that will include:
 - Additions to Tax Base
 - Public improvement status
 - Private improvement status
 - Economic impact analysis

Projected County Tax Increment



20 Year Cost Benefit Comparison ¹³

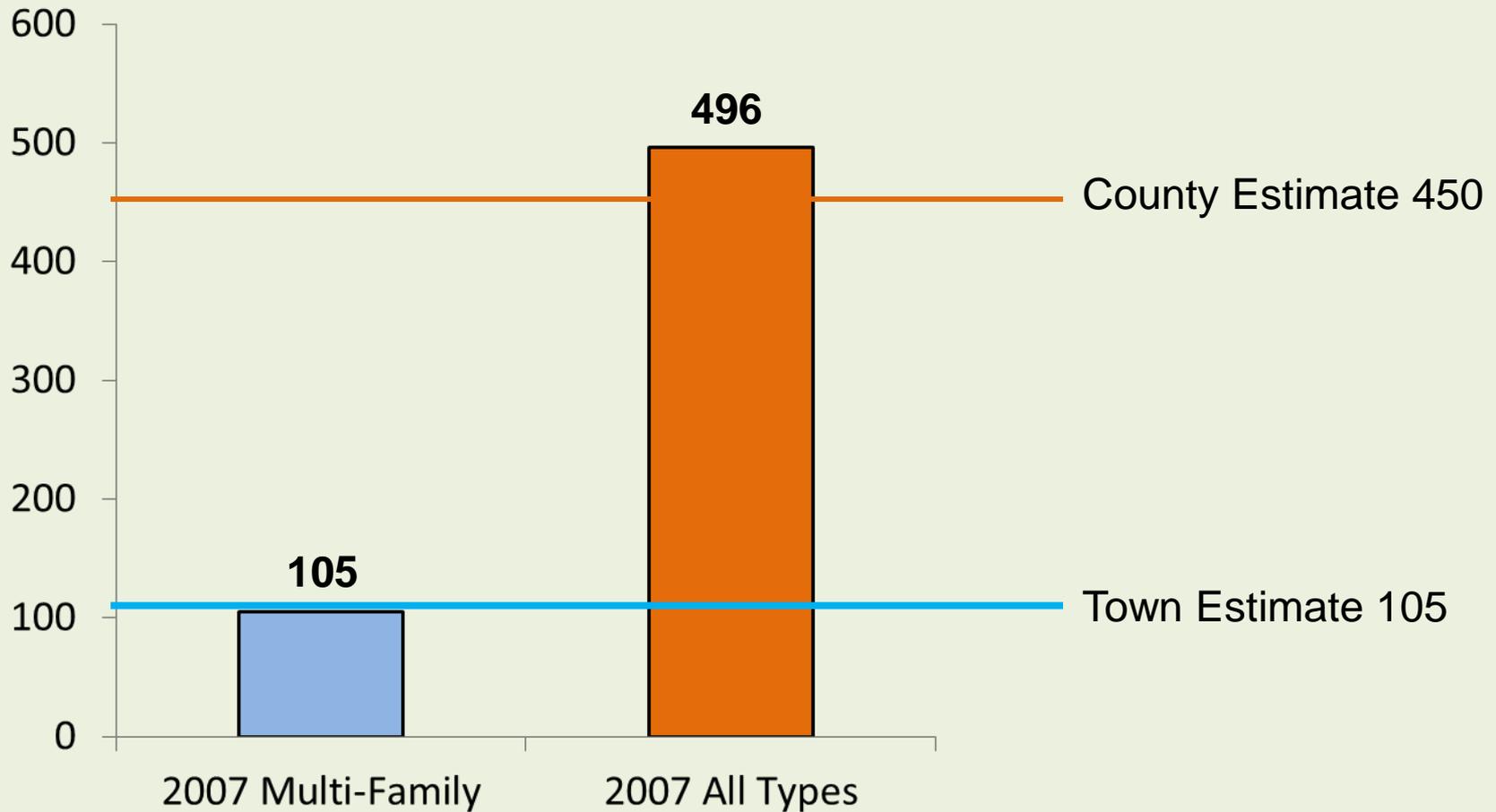
Cumulative Debt Service & Town Property Tax Increment plus County Contribution



School Generation Numbers

- Difference Between Town and County Student Growth numbers:
 - Based on available (2007) Student Generation factors for CHCCS for multi-family Housing units
Town calculated 105 new students for 1,495 units
 - County estimated 450 new students based on over-all student generation rates (all housing types)

2007 Student Generation Numbers



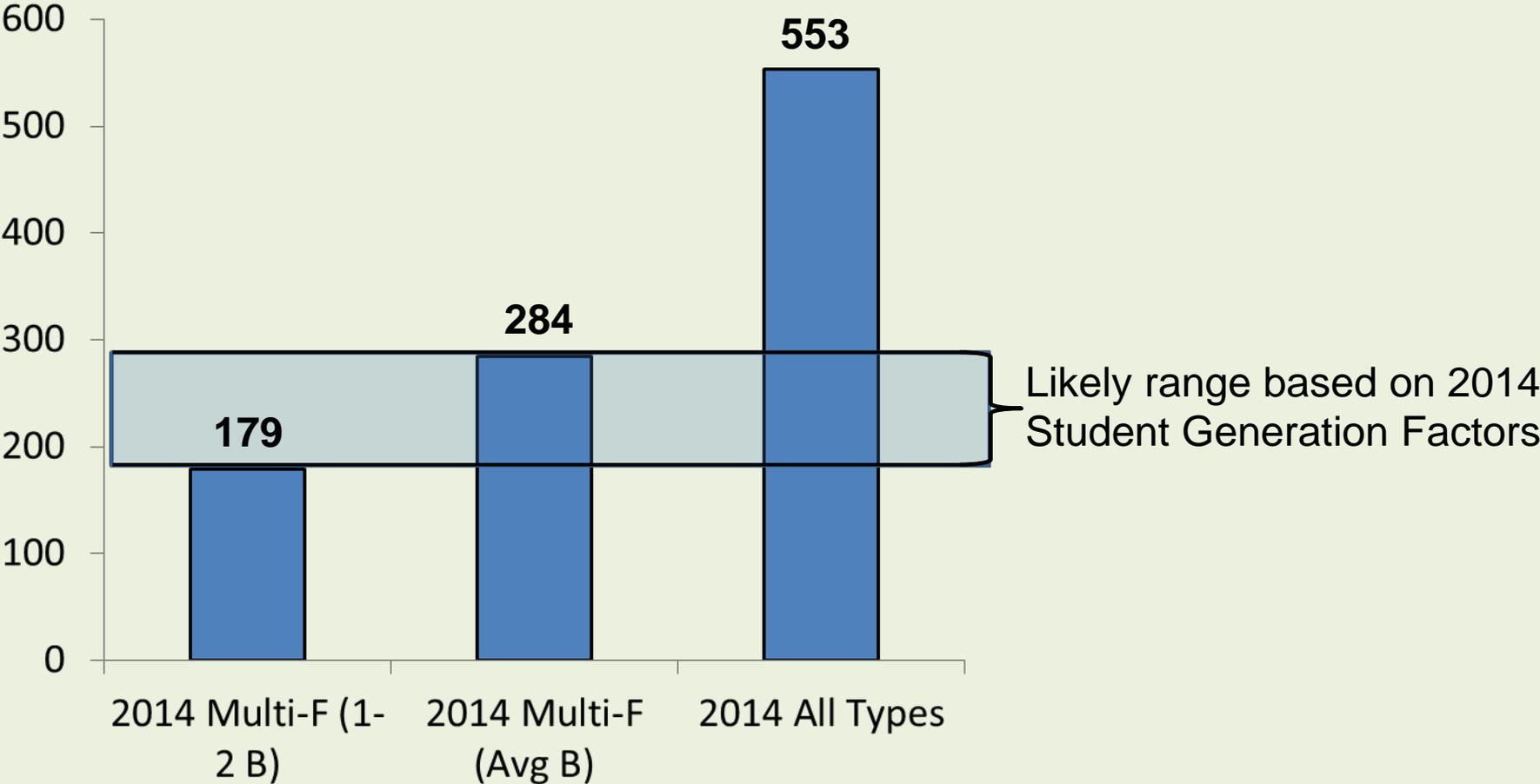
2014 Student Generation Numbers*

- New Student Generation Rates
 - Broken out by Sub-Areas (Chapel Hill & ETJ)
 - Separate factors for number of bedrooms
 - Multifamily: 0-2 bedrooms, 3+ Bedrooms & Average)
 - Based on market demand we believe that student generation for Ephesus Fordham Development will be mostly 1-2 bedroom multi-family units

** Note: Based on preliminary un-adopted student generation rates*

2014 Student Generation Numbers*

(Chapel Hill and ETJ)



* **Note: Based on preliminary un-adopted student generation rates**

Village Plaza Apartments

- 1st Ephesus Fordham Development Application
 - 266 Multi-Family Housing Units (1-2 bedrooms)
 - 15,600 Square Feet of new retail
 - Population Estimate: 505 new residents

Village Plaza Apartments	Square Footage
Multi-Family Housing	306,000
Retail	15,600
Total	321,600

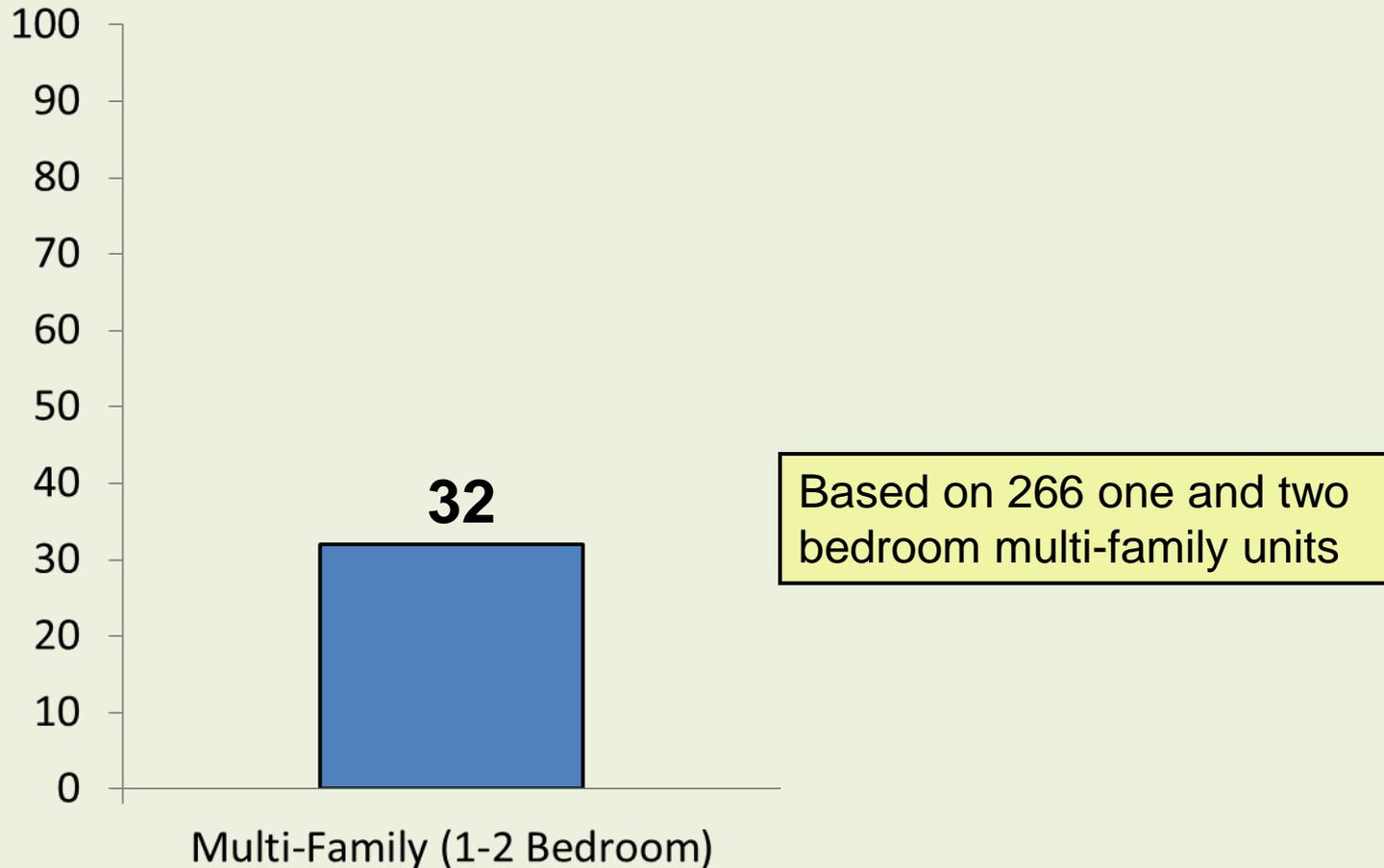
Village Plaza Apartments

Preliminary Revenues Estimates

Revenue	Town	County	Schools
Property Tax	\$ 354,900	\$ 594,675	\$ 141,200
Sales Tax	31,100	75,381	0
Impact Fees (one-time)	0	0	342,076

Village Plaza Apartments*

Student Generation Numbers (2014)



*** Note: Based on preliminary un-adopted student generation rates**

Thank You!

questions?



TOWN OF CHAPEL HILL NORTH CAROLINA

Attachment B

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: Kenneth C. Pennoyer, Business Management Director

SUBJECT: Ephesus Fordham Renewal Information concerning County Participation

DATE: November 3, 2014

Summary

The Town is proposing that the County partner with the Town in the Ephesus Fordham Renewal Project by pledging support for the project and considering, on an annual basis, financial participation based on the performance of the project in meeting mutually agreed upon goals.

Project Description

The Town has made a commitment to the renewal of the Ephesus Fordham project area and has begun a process of renewal that addresses many issues and interests, including:

- Stormwater
 - The Town is in the process of planning \$1.2 million of Town financed stormwater improvements designed to mitigate longstanding stormwater issues the area.
 - The Town Council has created a Stormwater municipal service district to fund ongoing costs of stormwater management in and around the district.
- Roadway Improvements
 - The Town is in the process of planning \$8.8 million of Town financed and much needed roadway improvements to be completed in 4 phases to correct existing transportation problems, expand connectivity and minimize impact on future traffic conditions.
- Affordable Housing
 - The Town Council established a public-private partnership and donated 8.5 acres of land for an affordable housing complex within the Ephesus Fordham project area.
- Energy Efficiency
 - The Town is working on a pilot rebate program that incentivizes developers to maximize the energy and water efficiency of new buildings.
- Transportation
 - This project addresses transportation connectivity and congestion issues that, according to the Town's most recent Community Survey, represents the area that should receive the most emphasis over the next two years.
- Rezoning
 - The Town Council created the Ephesus/Fordham Form District. The use of form based zoning provides highly prescriptive requirements that will help to ensure

development compatible with community standards and also streamlines the approval process.

- Financing
 - In order to Finance this project the Town is using a combination of two-thirds bonds and an installment financing secured by the Town Hall building. By combining Ephesus Fordham public improvements with the Town Hall project, the Town can efficiently use a tax increment financing approach, without going through the additional cost and time involved with a statutory (Amendment One) TIF. Although this approach is faster, less expensive and more flexible, it does by-pass official County approval that would be needed for a statutory TIF.

Project Benefits

Recognizing that the benefits of the project will accrue both to the Town and the County and that the Town and the County share many of the same interests with regard to the successful completion of this project, we are seeking County support to solidify the public financial underpinnings of the renewal process.

Using a TIF approach to financing, with the Town issuing the debt and taking the risk of any tax increment shortfall, we feel there is opportunity for the County to support the project financially using only a portion of tax revenues that, if not for the Town's public investment, would not otherwise exist.

Suggested Approach to County Investment in Project

While the Town is committed to paying for the public improvements, regardless of the outcome of the project, we believe that the County and Town have shared interests, described above, that would best be served with a long-term partnership that recognizes both the rewards and costs associated with an economic development project of this scale.

We understand the multiple demands on new tax dollars and the need to prioritize those demands on an annual basis through the budget process. Therefore we are suggesting that the County consider an approach to investment in the Ephesus Fordham project based on project performance using criteria both the Town and the County agree on. The Town would provide an annual Ephesus Fordham project performance report during the County's budget deliberations that would include the following:

- Additions to the tax base
- Status of public improvements
- Status of private improvements, including progress toward meeting affordable housing, energy efficiency and transportation goals
- Economic impact analysis

The first Ephesus Fordham performance report would be submitted during the first budget cycle in which an actual tax increment from the project was expected in the next fiscal year. In other words, we will not ask for funding until the tax benefits become measurable.

SanfordHolshouser
www.Sanfordholshouserlaw.com

Attachment C

-Memorandum-

To: Ken Pennoyer

Date: November 4, 2014

Re: Ephesus-Fordham –
County-Municipal Agreements To Share Tax Increment

When the Town of Chapel Hill made a presentation last spring to the Orange County Board of Commissioners on the Ephesus-Fordham project, one Commissioner asked for examples in which a county and a municipality agreed to share the benefit of a tax increment for the purpose of paying off a loan. We quickly found two illustrations.

Woodfin – Buncombe County

Buncombe County in 2008 issued approximately \$13 million in formal tax increment financing bonds to pay for improvements in Woodfin, a town within the County. As part of the financing arrangements, the County and Town each pledged (to each other and to the bondholders) that the incremental tax revenues generated from taxable improvements in the financing district would be paid to a central fund and used for debt service on the bonds. This is a binding, long-term agreement between the two entities that covers 100% of each party’s incremental revenues.

Fayetteville – Cumberland County

Fayetteville and the County, along with the City’s Public Works Commission, entered into a 2010 agreement to finance and develop a parking garage in the City’s downtown. The City and County each agreed that 100% of the incremental tax revenues in a defined municipal service district would be used to make payments on the City’s financing for the parking deck. This arrangement is in support of an installment financing and not a formal tax increment financing, and so is closer to the arrangement proposed for Ephesus-Fordham improvements.

We would be happy to look for additional examples at the Town’s or the County’s request. Please let us know if you have any questions about this material or if we can otherwise be of any help.

-- Bob Jessup

-- Adam Parker

Ephesus Fordham Renewal

Potential Economic Development for Orange County

The proposed redevelopment of Chapel Hill's Ephesus Church – Fordham Boulevard district offers several realistic economic development benefits:

- Significantly greater property tax valuation is created, per acre, due to the higher density allowed by the proposed redevelopment.
- Retail sales tax potential will reduce our local sales tax leakage, and help retain wealth currently flowing out of Orange County and into our neighboring counties. Although Orange County ranks #1 in N.C. for highest per capita income, we rank 81st among all 100 N.C. counties in retail sales tax collected per capita.
- The inventory of available commercial office locations will grow, thereby making Orange County & Chapel Hill more competitive to recruit new and expanding corporate headquarters site search projects. Currently, larger office headquarters projects are able to find suitable commercial space in Durham County & Wake County that is not available in Orange County.

Ephesus Fordham Renewal

Potential Economic Development for Orange County

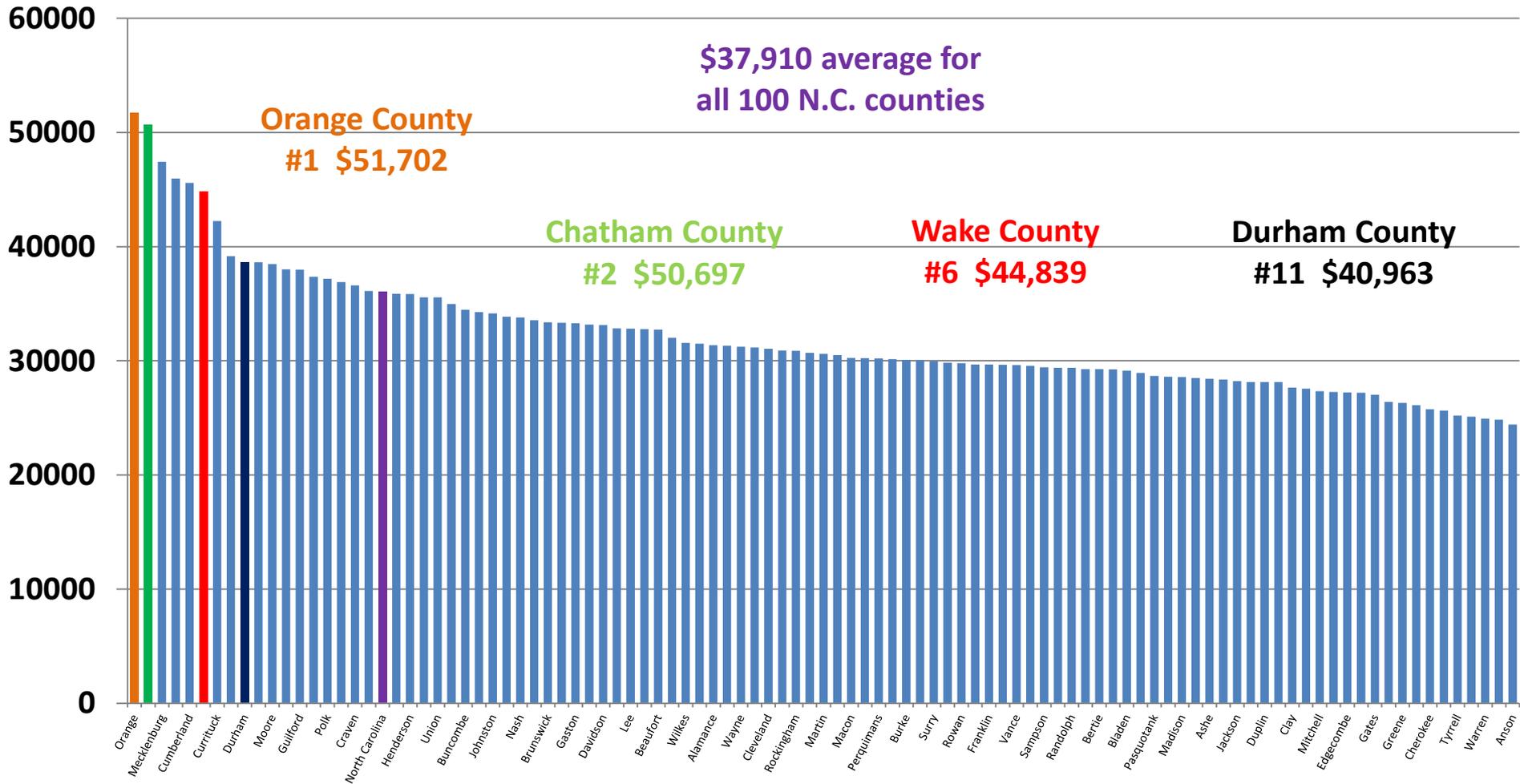
- Promotes a new and exciting destination for tourism.
- Generates opportunity to attract more affordable housing options.
- Creates more shopping, dining & employment opportunities here at home, which reduces transportation & out-migration to adjacent counties.
- Identifies and improves critical infrastructure needs such as road improvements, mass transit and storm water systems.
- **Synthetic Tax Increment Financing (TIF)** is a commonly used & successful financial tool that regularly assists other North Carolina communities promote local economic development and land use goals.
- Economic development offices with the Town and County should collaborate on the recruitment of active investment clients and prospects.

Ephesus Fordham Renewal

Potential Economic Development for Orange County

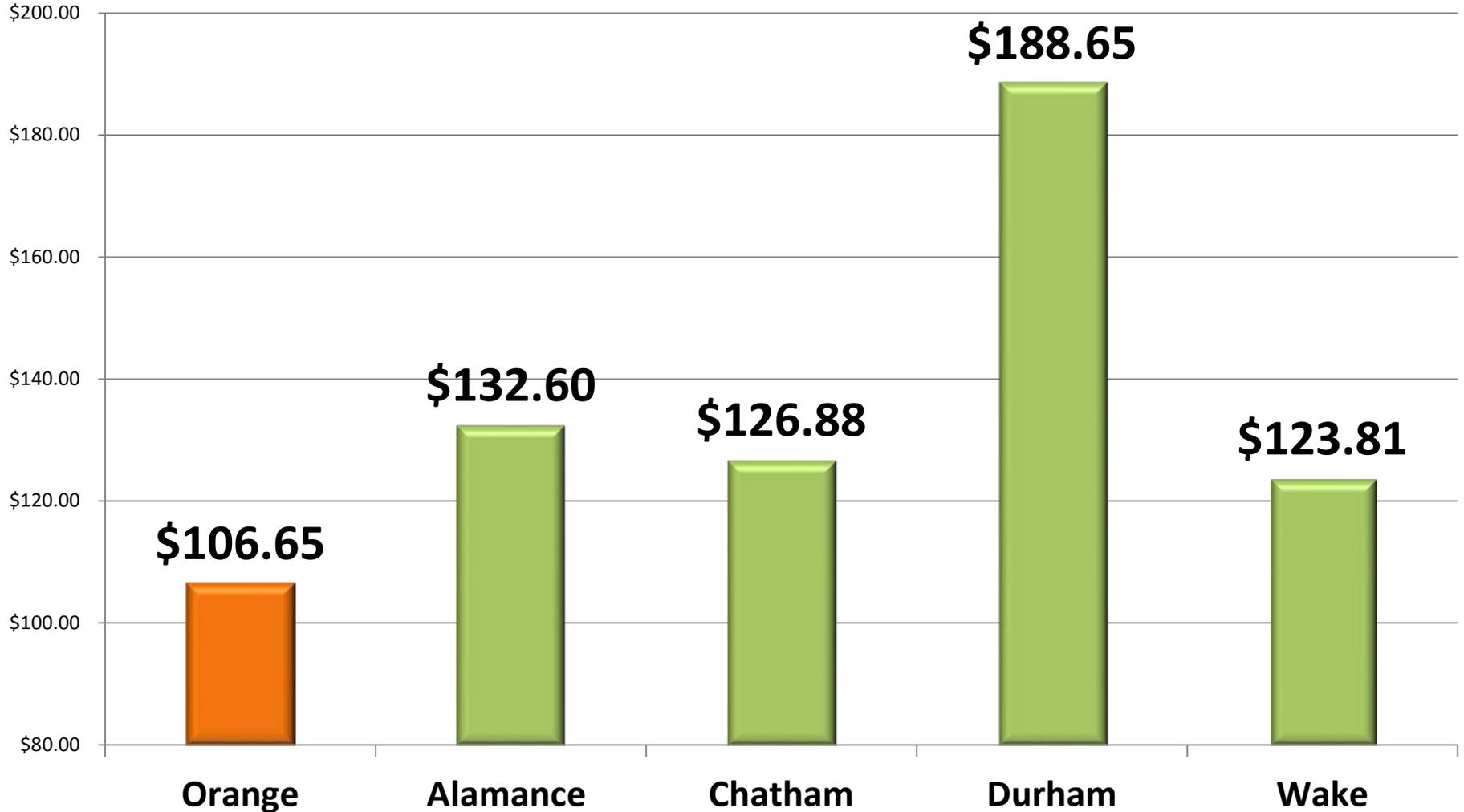
- The Ephesus Fordham Renewal Planning incorporates consultant recommendations made in 2013 by **Urban3, LLC** which created a 3-D visualization map showing property tax revenue per acre throughout Orange County. The report's visualization tool showed where the County's property tax revenues are derived, where property values are highest, the link between higher density development and increased property tax generation, and the positive economic potential of redevelopment of mixed use projects. Higher density generally yields higher real estate market values and property taxes.
- Urban3 LLC's study was jointly funded in a partnership between the Town of Chapel Hill, Orange County (Economic Development), the Chapel Hill/Carrboro Chamber of Commerce, area developers (East West Partners) and local real estate firms.

Per Capita Income in North Carolina Orange County & Adjacent Counties - 2012



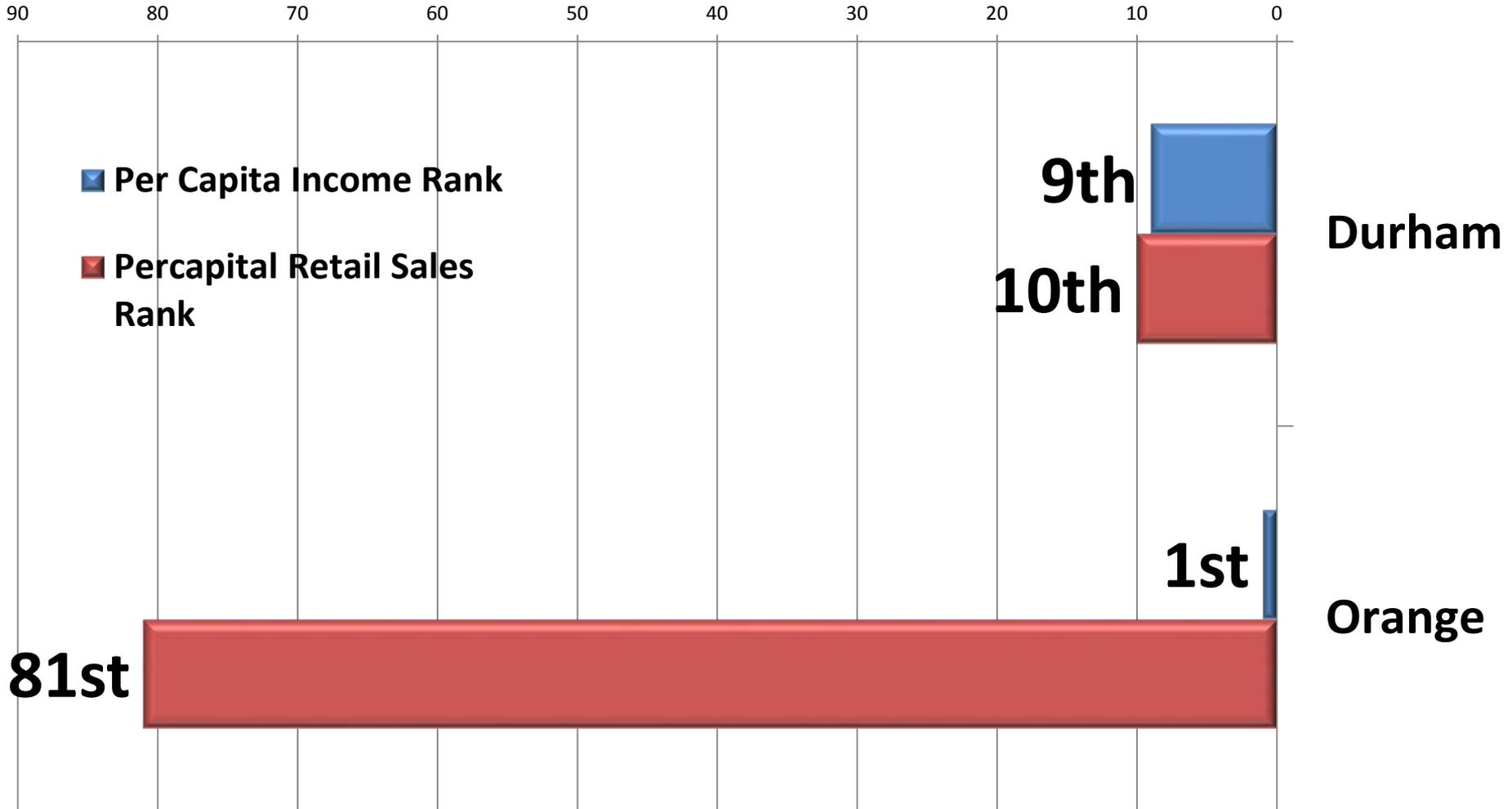
U.S. Department of Commerce
Bureau of Economic Analysis (2012)

Annual Retail Sales Tax Per Capita Orange County & Adjacent Counties - 2012



N. C. Department of Revenue (2012)

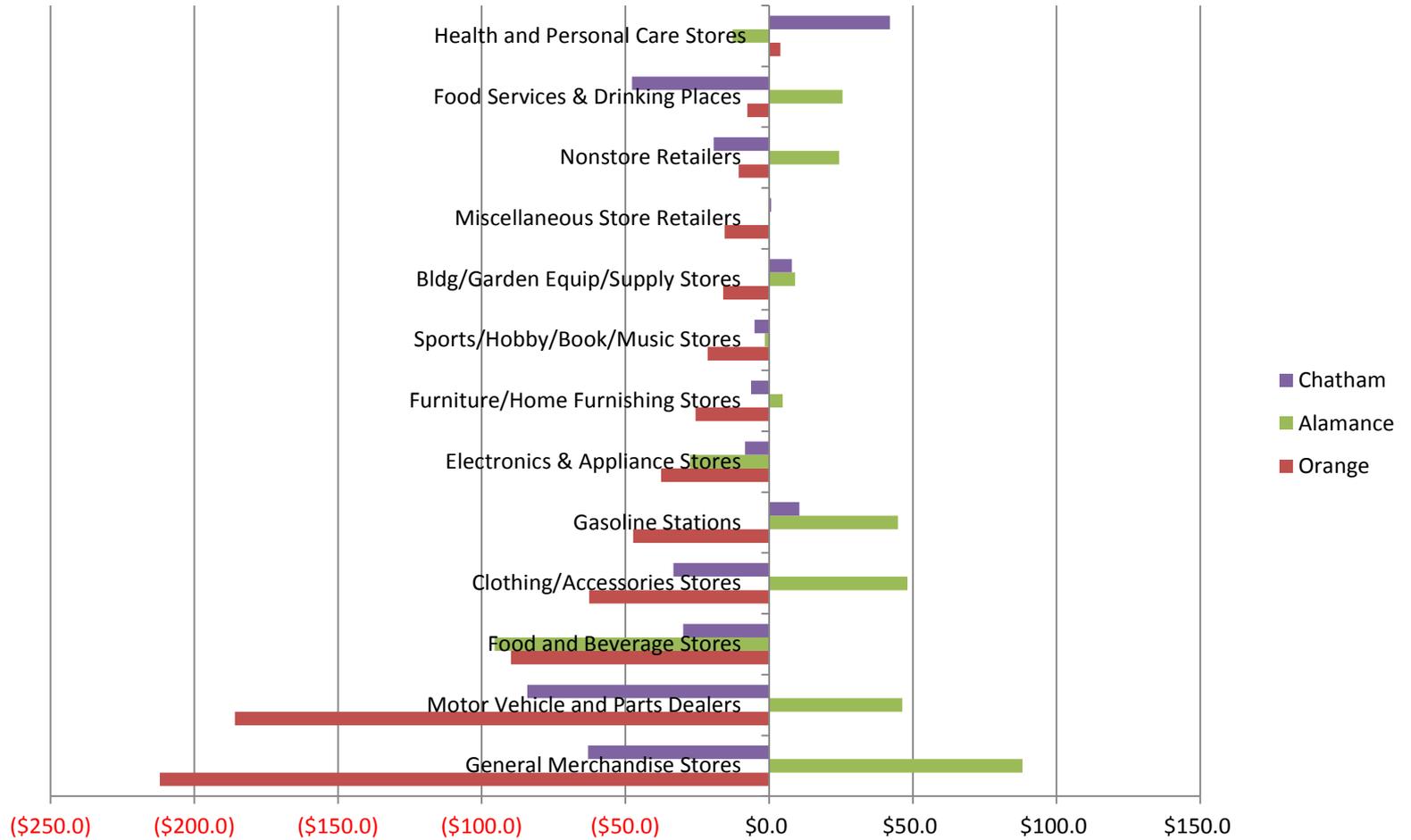
Retail Sales Taxes Per Capita Orange County vs. Durham County - 2012



N. C. Department of Revenue (2012)

Retail Sales Tax Leakage - 2012

Orange County vs. Alamance & Chatham Counties



**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: November 11, 2014

**Action Agenda
Item No. 3**

SUBJECT: Update on Employment and Child Care Programs Operating at Social Services

DEPARTMENT: Social Services

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

Child Care Eligibility Chart
Market Rate Chart

INFORMATION CONTACT:

Nancy Coston, 919-245-2800

PURPOSE: To receive an update on Department of Social Services (DSS) employment programs and child care services and to provide feedback to staff on the use of County funds to support these efforts.

BACKGROUND: One of the important missions of the Department of Social Services is to help low income families increase financial self-sufficiency. Staff plans to provide the Board of County Commissioners (BOCC) with information about some of the employment and training activities currently provided at DSS and some of the barriers faced by low income working families. These programs include Work First, Food and Nutrition Employment and Training, and the Building Futures Youth Employment and Training Program.

Many of the families served at DSS also need child care subsidy to support either work or child safety. Recent changes by the North Carolina General Assembly to eligibility rules and a budget cut related to updated census data have created a crisis in the child care program at DSS.

Before the summer recess and before the General Assembly approved its budget, the BOCC was informed about the possibility of some of these changes. At a Board budget work session, an adjustment to the Social Services (DSS) budget was made with the understanding that these additional funds would be used to serve any families losing eligibility due to the income changes until this issue could be revisited by the BOCC. DSS has been studying the impact of these various changes and is seeking guidance from the BOCC about the use of County funds to support some of the impacted children and families. The attached chart summarizes the changes and recommendations that have been discussed by the Social Services Board.

FINANCIAL IMPACT: Since this is an informational item and relates to funding in the approved DSS budget, there is no financial impact.

RECOMMENDATION(S): The Manager recommends that the Board receive and discuss the update information provided by the Department of Social Services and provide feedback on the use of County funds to support child care and employment activities.

**Child Care Eligibility Changes
October 2014**

Change	Anticipated Impact	Current Practice	Staff Recommendations
<p>Income Eligibility Changes For any annual reviews after October 1, 2014, income eligibility changes from 75% median income to 200% Federal Poverty Level for children 0-5 and to 133% for children 6-12. This will cause many working parents to lose child care.</p>	<p>Although there is minimal impact on children under 6, many families with part-time care now have a fee higher than the cost of the care.</p> <p>85 families total thru May 2015</p> <p>Cost of \$7,500 per month</p>	<p>Although the state policy requires only a ten-day notice, DSS is giving families three month notices of this change and utilizing county funds to pay for that care. This was based on the discussion with the BOCC during the budget negotiations.</p>	<p>Continue paying for three months of care to allow longer notices to families.</p> <p>Total for 8 months of \$60,000</p>
<p>Fee Increases and Change in Part-time Care Effective October 1, 2014, regardless of cost of care (including part time and afterschool), parents now pay 10% of monthly gross income as their fee. This will represent a significant increase for some families, particularly those with large families and part-time care.</p>	<p>This mostly impacted large families (whose fees were previously a smaller percentage of income) and families with part-time care (fee is no longer prorated for part-time care) who must all now pay higher fees. In some cases these two changes will cause families to have a higher fee than the actual cost of care.</p>	<p>This change has been implemented for all cases and was not phased in during reviews.</p>	<p>Implement state policy but note potential impact on summer costs. Families who meet eligibility criteria but would be assessed a fee higher than the cost of the part-time plan are being placed in “eligible but suspended status.” These families will be automatically eligible for full-time care in the summer and should not be placed on the bottom of the wait list. There is a possibility that DSS will not have enough state subsidy funds to cover those costs next summer. Not assisting these families will create significant hardship for these working families and DSS would recommend using county funds for this if state subsidy is not available.</p>
<p>Inclusion of Relatives’ Income Effective January 2015, income from relatives not currently counted for eligibility and fees will have to be included. This will have a significant impact on grandparents, aunts and uncles who are providing homes for children and may also cause an increase in foster care</p>	<p>25 families total through May 2015.</p> <p>Cost of \$11,000 per month</p>	<p>Will affect families as reviews are completed starting January 2015</p>	<p>Provide county funds to support any relative cases with needs related to child welfare when family is working with assigned prevention worker. Utilize one of the positions available after the termination of the school social work contract, funded partially through Medicaid Administrative Claiming, to provide comprehensive services to these families.</p>

<p>Market Rate Increase A rate increase was approved for providers which may also impact how many children can be served with the subsidy funds.</p>	<p>All market rates will increase effective January 2015. The cost of the increase for this fiscal year is estimated at \$150,000-200,000.</p>	<p>See attached market rate increase chart.</p>	<p>Implement state policy</p>
<p>Decrease in Subsidy for Orange County For several years, the state has not rebased subsidy allocations using the available census data. This year begins a six-year cycle to implement this rebasing and Orange County's allocation has decreased by approximately \$700,000. The second phase of the implementation will occur in July 2016.</p>	<p>Currently DSS is overspending the state allocation although an additional allocation for this year of \$290,000 is now expected. State funds may be exhausted before the end of the fiscal year even with the wait list for working families.</p>		<p>The BOCC provided DSS with \$500,000 in the current budget for children on the wait list. Given the cut, DSS recommends using county funds to continue services to eligible families currently being served if state funds are not sufficient to cover this care.</p>
<p>Wait List There are currently 276 children on the wait list and they are being assessed to see how they are impacted by the new policies.</p>	<p>Working families will wait longer for child care. The current wait list began in May 2014.</p>	<p>Only target populations (child protective services and foster care, Work First training, adolescent parents in high school, and homeless children) are currently being served without being placed on the wait list. All other families are being placed on the wait list if they meet the new criteria.</p>	<p>Although the BOCC provided funds for the wait list, DSS recommends delaying serving any of those families until the costs of providing longer notices to ineligible families and of providing subsidy for child welfare relative cases is known. If after these changes, budget projections for the year allow for more children to be served, working families on the wait list will be served in the order they were placed on the list. Spending will need to be monitored since the next fiscal year will begin in June 2015 and it is less likely that Orange County will receive a supplemental allocation next year.</p>

2007 Subsidized Child Care Market Rates

<u>Infant & Toddler Rates</u>	<u>2-Year Old Rates</u>	<u>3-5 Year Old Rates</u>	<u>School-Age Rates</u>
Three Star: \$892	Three Star: \$760	Three Star: \$708	Three Star: \$534
Four Star: \$943	Four Star: \$798	Four Star: \$752	Four Star: \$565
Five Star: \$1009	Five Star: \$853	Five Star: \$795	Five Star: \$585

2015 Subsidized Child Care Market Rates

<u>Infant & Toddler Rates</u>	<u>2-Year Old Rates</u>	<u>3-5 Year Old Rates</u>	<u>School-Age Rates</u>
Three Star: \$958	Three Star: \$840	Three Star: \$752	Three Star: \$551
Four Star: \$1009	Four Star: \$883	Four Star: \$805	Four Star: \$587
Five Star: \$1080	Five Star: \$950	Five Star: \$869	Five Star: \$622

**ORANGE COUNTY
BOARD OF COMMISSIONERS
ACTION AGENDA ITEM ABSTRACT
Meeting Date: November 11, 2014**

**Action Agenda
Item No. 4**

SUBJECT: Proposed Parameters for ETJ Approval

DEPARTMENT: Planning and Inspections,
Manager, County Attorney

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):
Draft Policy

INFORMATION CONTACT:
Craig Benedict, Planning, 919-245-2592
Bonnie Hammersley, County Manager,
919-245-2300
John Roberts, County Attorney, 919-245-
2318

PURPOSE: To review extra-territorial jurisdiction (ETJ) extension request policy parameters.

BACKGROUND: ETJs are afforded to cities in accordance with North Carolina General Statute 160A-360. These are areas where the county relinquishes its zoning, subdivision, and building code regulations to the adjacent city. These areas are outside the city corporate limits, but are likely urban growth areas and would develop more compatibly with nearby city/town regulations because of the proximity of existing or planned urban form.

Counties have to review and act upon these request using General Statutes. The majority of the procedures and processing is done by the municipality. However, counties can develop their own review policies to assist in an orderly transition from rural to urban environments whether the area is annexed or not into the adjacent city.

Since these areas are not part of a city and therefore no city voting rights, before potential annexation, general statutes recognize the need for ETJ representation on city planning & board of adjustment boards. The county makes such appointments.

Orange County does not have a specific policy on ETJ requests since the County and cities have formed other planning mechanisms to ensure orderly development in these adjacent city zones. The joint planning agreements have promoted this planning and growth collaboration. However, since ETJ areas do and can provide additional supplemental powers to a city beyond a joint planning area authority, ETJ expansion is still viable and preferred in some instances. Therein, a draft review policy is attached to evaluate ETJ requests. This policy can be augmented over time.

FINANCIAL IMPACT: None at this time.

RECOMMENDATION(S): The Manager recommends the Board review the draft and provide comments.

Orange County Board of Commissioners

Policy Related to the Review of Requests for the Expansion of Municipal Extraterritorial Jurisdictions

Purpose: To evaluate requests from municipalities consistent with NCGS 160A-360.

With the adoption of County-wide subdivision and zoning effective various dates between 1967 and 1994, the following policy is set forth by the Orange County Board of Commissioners and shall apply to all requests for the expansion of municipal extraterritorial jurisdictions (ETJ). The Board of Commissioners has adopted this policy for purposes of evaluating municipal ETJ extension requests and the requesting municipality's capability of and commitment to good planning and management of development. The municipality must prepare a report demonstrating how it can meet the criteria established herein. In addition to the report, the Board of Commissioners will also solicit comments and opinions of residents and property owners within the area requested for ETJ expansion and may include those opinions in its consideration. ETJ extension requests initiated by landowners must be submitted to the affected municipality for review which in turn will be the requesting party, and will follow the review process outlined below. The burden of compliance with the following considerations and the establishment of the municipal growth boundaries is the responsibility of the municipality submitting the ETJ extension request.

Considerations:

1. The municipality must demonstrate a commitment to comprehensive planning through an adopted land use plan for the area encompassed by the proposed ETJ extension. The municipality must also have subdivision and zoning regulations and should have other regulations that protect the environment (i.e. stormwater, flood control, etc.), a citizen representative planning board and a staff, contracted or otherwise, capable of administering such regulations within the additional requested area(s). Proposed ETJ areas that were comprehensively planned through county-municipal joint planning efforts are also encouraged.
2. The area proposed for ETJ extension must have a logical and/or geographical connection to the existing corporate limits and/or ETJ of the municipality. Logical and/or geographical boundaries, such as roads, rivers, perennial streams, or parcels lines, must also be used to delineate the proposed area.

3. Proposed ETJ extensions must be within anticipated and natural growth areas of the municipality and in locations where municipal services can be provided in the future. The extension must be within the planning area of the municipality's or district's [i.e. Orange Water and Sewer Authority (OWASA)] sanitary sewer and water service zone and consistent with Water and Sewer Management, Planning and Boundary Agreement (WASMPBA) as amended from time to time.
4. The requested ETJ extension must not be part of an area being formally considered for growth and development of another jurisdiction. The municipality requesting the ETJ extension must coordinate with neighboring municipalities and their expansion plans or identified urban growth boundaries. The municipality must have an interlocal growth management agreement or equivalent with the adjacent jurisdiction for the area being considered if at its closest point it is within 2 miles of the adjacent jurisdiction's corporate limits.
5. The municipality must demonstrate how growth has necessitated the need for extension of the ETJ and how the land uses in the area being considered will be better protected within the municipality's ETJ. In addition, the municipality must identify what, if any, proposed zoning and development regulations are more or less restrictive than those currently being enforced by the County.

Process:

A. Pre-Submittal

1. Resolution of Intent to expand ETJ is to be forwarded from Municipality elected board to County from Clerk and/or Manager and to County Commissioners Chair and manager, including basic statutory information.
2. Resolution of or direction from Board of County Commissioners (BOCC) and direction from Manager to conduct staff review and proceed in accordance with BOCC ETJ expansion request review policy.

B. Staff Review

1. Preliminary review of proposal in accordance with state law and ETJ expansion policy.
2. Presentation by staff to BOCC regarding request and if acceptable a resolution to be returned back to municipality acknowledging a 'notice to proceed' by municipality with other elements of the ETJ process (i.e. outreach, etc.).

3. Orange County elected officials and administration will be informed of municipal ETJ expansion procedural activities.

C. Submittal

1. The municipality will formally submit ETJ expansion request materials to the BOCC in accordance with 160A-360 including supporting materials including but not limited to:
 - Administrative Memorandum,
 - Resolution and/or Ordinance,
 - Proposed ETJ Boundary and Map,
 - Notice of Affected Parties Mailings,
 - Minutes of Pertinent Meetings and Public Hearings,
 - Any other germane material such as petitions, studies or comments.
2. Land use and zoning compatibility comparison.

D. Planning Board Review

1. The Planning Board will informally review the proposal and offer comments.

E. BOCC Action

1. At the public hearing, Planning Staff will provide a summary of the request. The floor will then be open for public comment. At this time the municipality requesting the extension may also provide comments.
2. The Board of County Commissioners will then review the information, taking into consideration public comments, and take action on the request. The Board may disapprove or approve the ETJ extension request in whole or in part.

F. Miscellaneous

1. Advisory Board representation in accordance with State statutes.