



ORANGE COUNTY
Economic Development
Commission

MEMORANDUM

To: Orange County Board of County Commissioners

From: Dottie Schmitt, Orange County Economic Development

Re: Follow-up from 10/20/09 BOCC meeting on Utility Extension Fund history

Date: November 23, 2009

As requested during the October 20, 2009 Board of County Commissioners meeting, the following information provides a summary of the previous projects that awarded funds through the Orange County Utility Extension Fund.

- **Barber and Ross**
 - Property address: 200 Redman Crossing, Mebane, NC
 - No payback time was stipulated in the agreement; the agreement required specific dollar amount of facility improvements and jobs
 - In 1999, Orange County approved \$50,000 as partial reimbursement of the cost of constructing a new sanitary sewer connection and a new pumping station to connect the sanitary waste stream from the plan to the existing sanitary sewer line
 - Correspondence from Barber & Ross 02/16/2001 attested to meeting Fund Agreement requirements including:
 - Facility improvements of \$1,988,259, in excess of required investment;
 - Equipment purchases of \$778,917, in excess of requirement equipment investment; and
 - Company Chief Financial Officer attesting to meeting wage and benefits requirements.
 - Assessed property value before improvements was \$920,562, after improvement assessed value was \$1,898,812 (2001).
 - Facility is currently operating as Cleora Sterling, with 2009 assessed value of \$2,017,713, with 2009 property taxes to be paid in the amount of \$18,327.

- **Hancor, Inc.**¹
 - Property address: 5816 US 70 West, Mebane, NC
 - In November 1993, Orange County approved \$38,428 to assist with hooking the Hancor facility into the Efland area sewer system by adding a small force main along US Highway 70 which allowed Hancor to significantly expand operations.
 - Tax revenue before improvements was \$2,627 (1993)
 - Tax revenue after improvements was \$27,906 (1994)
 - Tax revenue in 1995 was 31,240 (from tax records)
 - The increased in tax revenue from just the first two years following the award was in excess of \$38,428 Fund award (net surplus to Orange County after first two years was \$53,892)
 - The facility continues to operate and provide revenues. In 2009 tax revenue is estimated to be \$32,838

- **Meadowlands Park and Cornerstone Park, Hillsborough 'Bottleneck'**¹
 - Property address: Various parcels in Cornerstone and Meadowlands Business Park (US 70A and NC 86)
 - *Note this project was completed prior to the establishment of formal Utility Extension Fund procedures in December 1993*
 - In 1991 Orange County contributed \$78,000 in conjunction with contributions from the Town of Hillsborough and two private development companies to upgrade the Hillsborough sewer system to allow commercial development, as well as provide benefits to surround schools and properties.
 - Improvements relieved sewer system bottleneck allowing development of Meadowlands and Cornerstone Business Parks, and benefited New Hope Elementary, Stanback Middle School and other properties
 - Because this project is comprised of multiple properties (Meadowlands Park = 110 acres, Cornerstone Park = 57.5 acres) and the parcels were not specifically identified, an exact comparison cannot be done. A subset of the total acreage of the parcels that could be identified (Meadowlands Park = 82.2 acres and Cornerstone park = 36.5 acres) was used for 2009 estimate. Even with this incomplete comparison, the increase in value is notable.
 - Tax Revenue before improvements (total of 167.5 acres) was \$21,862
 - Tax revenue after upgrade (1991) was \$25,413
 - Total tax revenue from 1991 through 1995 was \$354,209 in excess of base revenue before improvements, resulting in net surplus to Orange County from 1991 through 1995 of \$276,209
 - 2009 assessed value of parcels that could be identified (119 acres) is over \$31 million.

¹ Unless otherwise specified, tax revenues for Hancor Inc. and Meadowlands and Cornerstone Park from 04/19/1996 EDC update memo from Ted Abernathy to BOCC/John Link .