

**ORANGE COUNTY BOARD OF COMMISSIONERS  
CARRBORO BOARD OF ALDERMEN**

**JOINT MEETING  
DRAFT AGENDA**

BOCC/Carrboro Board of Aldermen Joint Meeting  
October 17, 2013  
Meeting – 7:00 p.m.  
Southern Human Services Center  
Chapel Hill, NC

- |               |    |  |
|---------------|----|--|
| (7:00 – 7:40) | 1. | Report from the Historic Rogers Road Neighborhood Task Force         |
| (7:40 – 8:00) | 2. | Chapel Hill ETJ Expansion Process                                    |
| (8:00 – 8:35) | 3. | Southern Branch Library Siting Criteria, Process Update              |
| (8:35 – 8:50) | 4. | Update on Roberson Street/Main Street Sewer Line Replacement Project |
| (8:50 – 9:15) | 5. | Update on Development Adjoining Twin Creeks Park                     |

**ORANGE COUNTY BOARD OF COMMISSIONERS  
CARRBORO BOARD OF ALDERMEN**

**JOINT MEETING AGENDA ITEM ABSTRACT**

**Meeting Date:** October 17, 2013

**Action Agenda  
Item No.   1**

**SUBJECT:** Report from the Historic Rogers Road Neighborhood Task Force

**DEPARTMENT:** Solid Waste Management

**PUBLIC HEARING: (Y/N)**

No

**ATTACHMENT(S):**

- A) Historic Rogers Road Neighborhood Task Force Report Dated 9/17/13
- B) Town of Carrboro Resolution dated June 18, 2013

**INFORMATION CONTACT:**

Michael Talbert, Interim County Manager,  
245-2308

**PURPOSE:** To discuss the recommendations from the Historic Rogers Road Neighborhood Task Force.

**BACKGROUND:** Beginning in 1972 the landfill was opened by the Town of Chapel Hill and in 1999 Orange County assumed ownership and operation of the Eubanks Road Landfill. The Historic Rogers Road Community has lived with the Orange County Landfill for 40 years. The Community is geographically split by the Orange County and Carrboro. Orange County as the current owner/operator of the Landfill, is taking the lead to make remediation improvement to the Historic Rogers Road Community.

**Timeline:**

On **May 17, 2011** the Board received a plan from RENA recommending actions to mitigate the long and short term impacts of Orange County's Landfill and Solid Waste operations on the health, safety and welfare of the Historic Rogers Road – Eubanks Road Community.

On **January 26, 2012** the Board and the Town Boards discussed the extension of sewer service and a community center for the Historic Rogers Road Community. County and Town Attorneys have concluded that, utilization of Solid Waste reserves, to extend sewer service to the Historic Rogers Road Community, is not consistent with North Carolina General Statutes and would subject the local governments to legal challenges. Therefore, funding for either the extension of sewer services and/or a community center will have to come from the County's and Towns other general revenue sources.

On **February 21, 2012** the Orange County Board of Commissioners authorized the Creation of a new Historic Rogers Road Task Force to address sewer service and a community center and approved the Charge The composition of the Task Force was to include two members appointed by each Town (Chapel Hill and Carrboro); two members appointed from the County; and two members appointed from Rogers Eubanks Neighborhood Association (RENA).

### **Charge of the Original Historic Rogers Road Neighborhood Task Force**

The Charge for the Historic Rogers Road Neighborhood Task Force is to investigate and make recommendations to the Board of County Commissioners, the Chapel Hill Town Council and the Carrboro Board of Aldermen for neighborhood improvements including funding sources and the financial impact to the County & Towns, for the following:

1. Sewer Service to the Historic Rogers Road Neighborhood as defined by the previously approved public water connections in the area.
2. A Neighborhood Community Center.

The Task force is also directed to:

- a. Submit an Interim Report back to the County and the Towns by the end of August, 2012 and;
- b. Submit a Final Report to the Assembly of Governments on December 6, 2012.

On **December 6, 2012** the Assembly of Governments received an interim report from the Historic Rogers Road Neighborhood Task Force and held a lengthy discussion of the accomplishments of the Task Force. One of the recommendations from The Task Force was that the Task Force continues to meet for an additional 6 months to address the Charge with the original composition of the Task Force.

On **February 5, 2013** the Orange County Board of Commissioners authorized the continuation of a reappointed Historic Rogers Road Neighborhood Task Force and approved the Charge of the Task Force. The composition of the Task Force includes two members appointed by each Town (Chapel Hill and Carrboro); two members appointed from the County; and two members appointed from Rogers Eubanks Neighborhood Association (RENA).

### **Charge of the Reappointed Historic Rogers Road Neighborhood Task Force**

1. Request that the towns confirm the continuation of the Historic Rogers Road Neighborhood Task Force and appoint members to the Task force;
2. Confirm the appointment of Commissioners Rich and Price as the County's members on the Historic Rogers Road Neighborhood Task Force;
3. Request that the Rogers Eubanks Neighborhood Association confirm the continuation of the Historic Rogers Road Neighborhood Task Force and appoint two members to the Task Force;
4. Confirm the charge and a timeline for the Task force as specified by the motion approved at the January 24 meeting:
  - To continue the Task Force for six (6) months;
  - To have the Task Force consider the final costs, provision and installation of water and sewer utility extensions preferably at no cost for members of the Historic Rogers Road community;
  - Consider options to address gentrification;

- Consider Chapel Hill's most recent Small Area Plan;
  - Consider funding options, including the Greene Tract.
5. Specify that the Task Force provide a report to the Board of County Commissioners no later than the Board's September 17th meeting

#### **Subsequent Local Government Actions:**

1. *On **April 9, 2013** the Board of County Commissioners was presented the schematic design of the Rogers Road Community Center and authorized the manager to award the bid for construction in an amount not to exceed \$650,000. The Town of Chapel Hill expedited the site plan review, permitting and other associated processes for the project as well as waived all associated Town fees related to those processes, normally estimated to be \$25,000. Bids were received for the Community Center in September with all bids over budget and the bids were rejected. The project will be rebid as soon as revised drawings are complete.*
2. *On **September 18, 2012** the Town of Carrboro approved the Town's intention to contribute not more than \$900,000 for the Town's 14% portion of the \$650,000 Community Center and estimated \$5.8 million cost of the Sewer Project.*

*On **June 18, 2013** the Carrboro Board of Aldermen approved a Resolution (Attachment 2) to Provide Comment on Alternatives Discussed by the Historic Rogers Road Neighborhood Task Force. The Town has also appropriated \$450,000 (1/2 of the \$900,000 the Town has committed to Rogers Road) in the Fiscal 2013/2014, for both a New Community Center and Sewer Improvements.*

3. *The Town of Chapel Hill appropriated \$90,549 and the Town of Carrboro appropriated \$29,524 in the Fiscal 2013/2014, for a New Rogers Road Community Center.*
4. *On **June 24, 2013** the Chapel Hill Town Council voted to initiate a process with the County to extend the Town's extraterritorial jurisdiction into the area within a portion of the Historic Rogers Road Neighborhood within Orange County. The Council also asked that the Manager continue discussion of a possible Utility District with local jurisdictions.*

## **RECOMMENDATIONS TO THE BOARD OF COUNTY COMMISSIONERS**

### **September 17, 2013**

1. That that the Cost associated with the Community Center and Sewer Improvements will be shared 14% Carrboro, 43% Chapel Hill and 43% Orange County.
2. That the Sewer Concept Plan presented by OWASA in 2012 to serve 86 parcels at an estimated cost of \$5.8 million should be funded by Carrboro, Chapel Hill, and Orange County in proportion to the recommended cost sharing. The first phase of the construction should include segments 5, 6, and 8 at an estimated cost of \$3.7 million, serving 67 parcels. Funding recommended to be included in the Fiscal 2014/2015 Budgets, with the remaining 19 parcels to be constructed in the second phase and included in the Fiscal 2015/2016 Budgets

3. That the Task Force prefers the original Sewer Concept Plan presented by OWASA in 2012 to serve 86 parcels at an estimated cost of \$5.8 million. First this concept will provide sewer improvements to the entire Historic Rogers Road Neighborhood; secondly, this proposal will enable all of the partners, Orange County, the Town of Chapel Hill, and The Town of Carrboro, to equally share the costs of the Community Center and Sewer Improvements in proportion to their responsibilities. If either the Orange County Board of Commissioners or the Chapel Hill Town Council do not favor the original Sewer Concept Plan presented by OWASA in 2012 or cannot agree on the concept of an ETJ for the Historic Rogers Road Neighborhood, the Sewer Concept Plan presented by OWASA in 2012 including only segments 5, 6, and 8 to serve 67 parcels at an estimated cost of \$3.7 million should be funded.
4. That the county petition the Town of Chapel Hill to annex all County Owned Property in the Historic Rogers Road Neighborhood.
5. That the Task Force requests that the Managers explore the collaborative approach to the Historic Rogers Road Neighborhood as outlined in February 25, 2013 memo to Elected Officials and report back to the Task Force on August 21, 2013.
6. That the Managers meet and talk about the options related to connecting the residents of the Historic Rogers Road Neighborhood to sewer.
7. That funding is identified for the cost of connecting from the OWASA infrastructure to the home in addition to applying for grants for low-to-moderate income persons. It is a priority of the Task Force to identify funding not only for the installation of sewer infrastructure but also cost of connections to homeowners and the Task Force recommends that the County and Towns set up a fund specifically for people in the Historic Rogers Road Neighborhood and to fund the cost of the connections from the home to the main.

**FINANCIAL IMPACT:** The financial impact of funding improvements in the Historic Rogers Road Community is uncertain until direction is provided by the Board.

**RECOMMENDATION(S):** The Interim County Manager recommends that the Boards discuss the recommendations from the Historic Rogers Road Neighborhood Task Force.

**ATTACHMENT A****Historic Rogers Road Neighborhood Task Force  
Final Report****September 17, 2013****Prepared by the Historic Rogers Road Neighborhood Task Force**

## TABLE OF CONTENTS

<b><i>Introduction</i></b>	1
Reappointment of the Historic Rogers Road Neighborhood Task Force	2
Charge of the Reappointed Historic Rogers Road Neighborhood Task Force	2
<b><i>Recommendations</i></b>	3
<b><i>Sewer Infrastructure</i></b>	
2012 OWASA Sewer Concept Plan	4
2013 OWASA Utility District Concept Plan	6
2013 OWASA Sewer Compromise Concept Plan	14
Homeowners Connections	14
<b><i>Community Center</i></b>	17
<b><i>Gentrification, Chapel Hill’s Small Area Plan, and The Greene Tract:</i></b>	18

### APPENDICES

- A. County and Town Attorneys Opinions
- B. Historic Rogers Road Neighborhood Task Force Report – December 6, 2013
- C. Town of Chapel Hill Memo to Elected Officials February 25, 2013
- D. North Carolina General Statutes 153A-376; 160A-456
- E. Lease Agreement between Habitat for Humanity and Orange County
- F. Operations Agreement: Rogers Road Community Center

## INTRODUCTION

In 1972, the north side of Eubanks Road became the site of a solid waste landfill operated by the Town of Chapel Hill. Orange County assumed operational control of the landfill as the result of an August 17, 1999 agreement between the Towns (Chapel Hill, Carrboro, and Hillsborough) and the County. The Historic Rogers Road Community has lived with this landfill for 40 years. Over many years, residents representing the Rogers Road area have voiced concerns about various operational elements associated with the landfill and the impact on the Rogers Road Neighborhood. The Neighborhood is geographically split by the Orange County and Carrboro. Orange County, as the current owner of the landfill, is taking the lead to make remediation improvement to the Historic Rogers Road Community.

A number of local government initiatives have been implemented to improve the quality of life in the Rogers Road Community and they are as follows:

1. The Solid Waste Fund paid \$650,000 to extend public water service by the Orange Water and Sewer Authority (OWASA) to the Rogers Road area.
2. Solid Waste installed gas flares to reduce odors.
3. The Town of Chapel Hill initiated bus service on Rogers Road.
4. Orange County initiated a no-fault well policy to deal with failing drinking water wells remaining in the adjoining neighborhoods.
5. Orange County approved the appropriation of \$750,000 from the Solid Waste Fund Balance to establish a Rogers Road Remediation Reserve Fund.
6. On July 1, 2011 Orange County established a \$5.00 tipping fee surcharge and a plan to incrementally increase the tipping fee each fiscal year by a minimum \$2 per ton as long as the landfill is operational to fund the Rogers Road Remediation Reserve Fund.
7. A partnership with Orange County and the University of North Carolina created a Landfill Gas to Energy Project that commenced operation on January 6, 2012 and will have an immediate and noticeable impact on the odor created by the operation of the landfill. The project will further provide a long-term renewable energy source to UNC, reducing dependence on increasingly expensive fossil fuels, and reduce carbon emissions.
8. On October 4, 2011 the Orange County Board of County Commissioners authorized staff to proceed with a "one-time" effort to clean-up illegal dump sites within three-fourths of one mile of the landfill boundary, at no cost to the individual property owners.

At the January 26, 2012 Assembly of Governments meeting, the Orange County Board of Commissioners and the Town Boards discussed the extension of sewer service and a community center for the Rogers Road Community. County and Town Attorneys (**Appendix A**) have concluded that use of Solid Waste reserves to extend sewer service to the Rogers Road Community is not consistent with North Carolina General Statutes and would subject the local governments to legal challenges. As such, a community

center does not have a relationship to Solid Waste and could not be funded from Solid Waste reserves. Therefore, funding for either the extension of sewer services and/or a community center will have to come from the County's and Towns' other general revenue sources. There was discussion on January 26 regarding the creation of a task force to address the issues.

On February 21, 2012 the Orange County Board of Commissioners authorized the creation of a new Historic Rogers Road Task Force to address sewer service and a community center. The composition of the Task Force was to include two members appointed by each Town (Chapel Hill and Carrboro); two members appointed from the County; and two members appointed from Rogers Eubanks Neighborhood Association (RENA). **Appendix B** is the Original Historic Rogers Road Neighborhood Task Force's Report to the Assembly of Governments on December 6, 2012

### **Reappointment of the Historic Rogers Road Neighborhood Task Force**

On February 5, 2013 the Orange County Board of Commissioners authorized the continuation of a reappointed Historic Rogers Road Neighborhood Task Force and approved the Charge of the Task Force. The composition of the Task Force includes two members appointed by each Town (Chapel Hill and Carrboro); two members appointed from the County; and two members appointed from Rogers Eubanks Neighborhood Association (RENA).

Appointed Task Force Members:

David Caldwell:	RENA
Robert Campbell:	RENA
Penny Rich:	Orange County
Renee Price:	Orange County
Michelle Johnson:	Carrboro
Sammy Slade:	Carrboro
Lee Storrow:	Chapel Hill
James Ward:	Chapel Hill

### **Charge of the Reappointed Historic Rogers Road Neighborhood Task Force**

1. Request that the towns confirm the continuation of the Historic Rogers Road Neighborhood Task Force and appoint members to the Task force;
2. Confirm the appointment of Commissioners Rich and Price as the County's members on the Historic Rogers Road Neighborhood Task Force;

3. Request that the Rogers Eubanks Neighborhood Association confirm the continuation of the Historic Rogers Road Neighborhood Task Force and appoint two members to the Task Force;
4. Confirm the charge and a timeline for the Task force as specified by the motion approved at the January 24 meeting:
  - To continue the Task Force for six (6) months;
  - To have the Task Force consider the final costs, provision and installation of water and sewer utility extensions preferably at no cost for members of the Historic Rogers Road community;
  - Consider options to address gentrification;
  - Consider Chapel Hill's most recent Small Area Plan;
  - Consider funding options, including the Greene Tract.
5. Specify that the Task Force provide a report to the Board of County Commissioners no later than the Board's September 17th meeting.

### **RECOMMENDATIONS**

1. That the Cost associated with the Community Center and Sewer Improvements will be shared 14% Carrboro, 43% Chapel Hill and 43% Orange County.
2. That the Sewer Concept Plan presented by OWASA in 2012 to serve 86 parcels at an estimated cost of \$5.8 million should be funded by Carrboro, Chapel Hill, and Orange County in proportion to the recommended cost sharing. The first phase of the construction should include segments 5, 6, and 8 at an estimated cost of \$3.7 million, serving 67 parcels. Funding recommended to be included in the Fiscal 2014/2015 Budgets, with the remaining 19 parcels to be constructed in the second phase and included in the Fiscal 2015/2016 Budgets
3. That the Task Force prefers the original Sewer Concept Plan presented by OWASA in 2012 to serve 86 parcels at an estimated cost of \$5.8 million. First this concept will provide sewer improvements to the entire Historic Rogers Road Neighborhood; secondly, this proposal will enable all of the partners, Orange County, the Town of Chapel Hill, and The Town of Carrboro, to equally share the costs of the Community Center and Sewer Improvements in proportion to their responsibilities. If either the Orange County Board of Commissioners or the Chapel Hill Town Council do not favor the original Sewer Concept Plan presented by OWASA in 2012 or cannot agree on the concept of an ETJ for the Historic Rogers Road Neighborhood, the Sewer

Concept Plan presented by OWASA in 2012 including only segments 5, 6, and 8 to serve 67 parcels at an estimated cost of \$3.7 million should be funded.

4. That the county petition the Town of Chapel Hill to annex all County Owned Property in the Historic Rogers Road Neighborhood.
5. That the Task Force requests that the Managers explore the collaborative approach to the Historic Rogers Road Neighborhood as outlined in February 25, 2013 Memo to Elected Officials (**Appendix C**) and report back to the Task Force on August 21, 2013.
6. That the Managers meet and talk about the options related to connecting the residents of the Historic Rogers Road Neighborhood to sewer.
7. That funding is identified for the cost of connecting from the OWASA infrastructure to the home in addition to applying for grants for low-to-moderate income persons. It is a priority of the Task Force to identify funding not only for the installation of sewer infrastructure but also cost of connections to homeowners. The Task Force recommends that the County and Towns set up a fund specifically for people in the Historic Rogers Road Neighborhood and to fund the cost of the connections from the home to the utility main

## **SEWER SERVICE**

### **2012 OWASA Sewer Concept Plan:**

OWASA is the water & sewer utility for the area and as such, it investigated the concept of providing sewer service as part of the Town of Chapel Hill's Rogers Road Small Area Plan. On February 8, 2011 OWASA provided an updated concept plan and cost estimate, for the Rogers Road Small Area Plan Study Area for \$3.4 million. This early concept plan was completed based on the Chapel Hill Small Area Plan which is a geographically different area than the Historic Rogers Road Neighborhood sewer concept. There is also some difference in routing some of the main outfalls. In the current estimate, OWASA needed to avoid the area of contamination coming out from the Carrboro section that required more line with deeper excavation. Most importantly, in the earlier estimates neither the availabilities fees was included nor the cost of extending a lateral from the main line to the properties.

OWASA provided a concept plan, layout, and cost estimate for providing sewer service to the area that was delineated by the Rogers Road Neighborhood Task Force at the April 30, 2012 meeting. The concept plan is the most efficient way to serve the defined



The total construction and installation cost for the sewer concept is currently estimated to be \$5.8 million. **See the table below.** It would serve 86 additional parcels of land. The concept costs include construction, engineering design, administration and contingency for possible rock. The topography of the neighborhood is complex and the land falls in several different directions. This concept plan does not include the costs of any property acquisitions or easement acquisitions. The availability hookup charge for each of the parcels is based on an assumed average house size of 2,500 square feet. When a customer connects to the OWASA water and sewer system, there is a one-time fee that is estimated to be \$4,300 per parcel for the concept plan.

Cost estimate Summary:

Engineering , Design and Permitting	376,350
Construction Cost	3,763,506
Construction Administration	188,175
Construction Inspection	188,175
20% Contingency	903,241
Sub Total	5,419,447
Service Availability Fees	368,768
Total	5,788,215

The concept does not include the cost to actually connect individual homes to the sewer system. Those costs will vary depending on the configuration of the lot and the distance from the house to the main sewer line. Those costs are typically the costs of the homeowner and are estimated to be about \$20/foot. The connections to an individual house would be provided by a private plumbing contractor.

**2013 OWASA Utility District Concept Plan:**

The Task Force reconvened in 2013 and there was discussion about a larger district that would include sewer and water that encompasses a much greater area and would bring many more potential property owners to the table, in terms of sharing the cost and the potential to serve a lot more people. There are a couple of options that the Task

Force considered. One was a larger district including other properties outside of Rogers Road that can contribute to the cost that otherwise would be paid by the Rogers Road area. The other option would be having Task Force recommend funding solely for the 2012 Sewer Concept for the Rogers Road area and that would represent a larger per-property cost.

If a Utility District is created, it would be a separate governmental entity, so everyone within that governmental entity would have the same opportunity. Even with the creation of a Utility District the County would be responsible for funding and operating the district. The district could issue bonds to raise the funds, or more likely, the County would issue some sort of General Obligation Bond. There are several legal ways to raise the money; it will come down to the political choice of which legal way the County would choose. Either way, the County would take the lead to finance a Utility District.

A Utility District would be located outside the corporate limits of the Town of Chapel Hill. A legal concern is whether the Town of Chapel Hill could spend money outside of the town limits. There are a couple of potential ways under which that could occur. The first option is that Chapel Hill could annex either all or some of that district. In order to do so it would require a majority vote of the residents. The second option allows the extension of water and sewer lines through a community development program. The extension of utility lines can occur within a Town's corporate limits but also within the ETJ [Extraterritorial Planning Jurisdiction]. The district could be created, but there is no basis for the Town of Chapel Hill to be able to make a contribution, in the absence of either a community development program in the ETJ or annexation. The County can create a service district. Carrboro can contribute because it has areas in the service district that are within the town limits, but Chapel Hill does not.

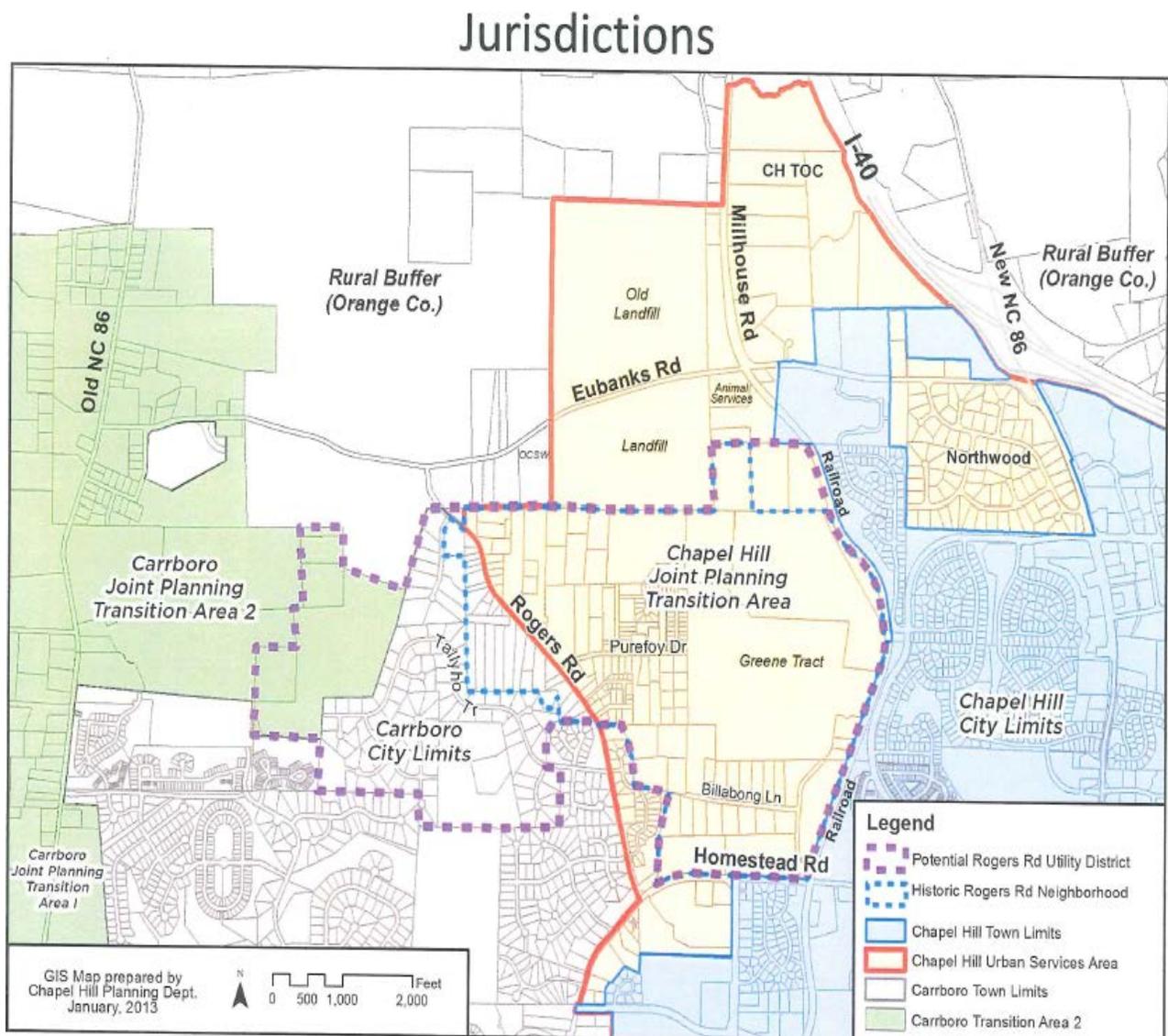
On November 14, 2012 the Historic Rogers Road Task Force recommended that the County & Town Managers explore the creation of a County Sewer District for all property owners in the Historic Rogers Road Neighborhood. This concept evolved from 2012 Sewer concept presented by OWASA, with the total cost of about \$5.8 million that would serve 86 parcels, with an average cost of \$67,000 per parcel. The Task Force asked the Managers to look at water and sewer options and see what might work; what might be a better solution or was the best solution.

The planning staffs from Carrboro and Chapel Hill looked at the sewer district and identified areas that the sewer lines go through that aren't being served by the proposed sewer. Staff identified parcels that could be served by new sewer infrastructure but also considered parcels that are not served by water. Consideration for a Proposed Utility District started with the boundaries of Historic Rogers Road Neighborhood. Adjacent properties that fell into the category of either existing development that was not currently

being served or areas that could be expected to request sewer service as the property develops in the future were included in the Proposed Utility District.

**Exhibit 2 Jurisdictions** outlines the existing jurisdictions, Carrboro Town Limits, Chapel Hill Town Limits, Chapel Hill Joint Planning Transition Area, Carrboro Joint Planning Transition Area 2, and the Historic Rogers Road Neighborhood. The thick purple line shows the possible expanded Utility district that OWASA was asked to propose as a Utility District. The blue line identifies the Historic Rogers Road Neighborhood as defined by the Task Force.

**Exhibit 2**



The Proposed Utility District above is broken down between Water and Sewer Costs. The Total Cost of the proposed Utility District is outlined below:

**Proposed Utility District**

**Total Water and Sewer Cost**

Construction Cost	\$	11,226,913
Engineering , Design and Permitting 10%	\$	1,122,691
Construction Administration 5%	\$	561,346
Construction Inspection 5%	\$	561,346
20% Contingency	\$	<u>2,694,459</u>
Sub Total	\$	16,166,755
Service Availability Fees	\$	1,414,908
Meter Cost	\$	<u>26,400</u>
Total	\$	17,608,063
Cost Per Parcel (220)	\$	80,037

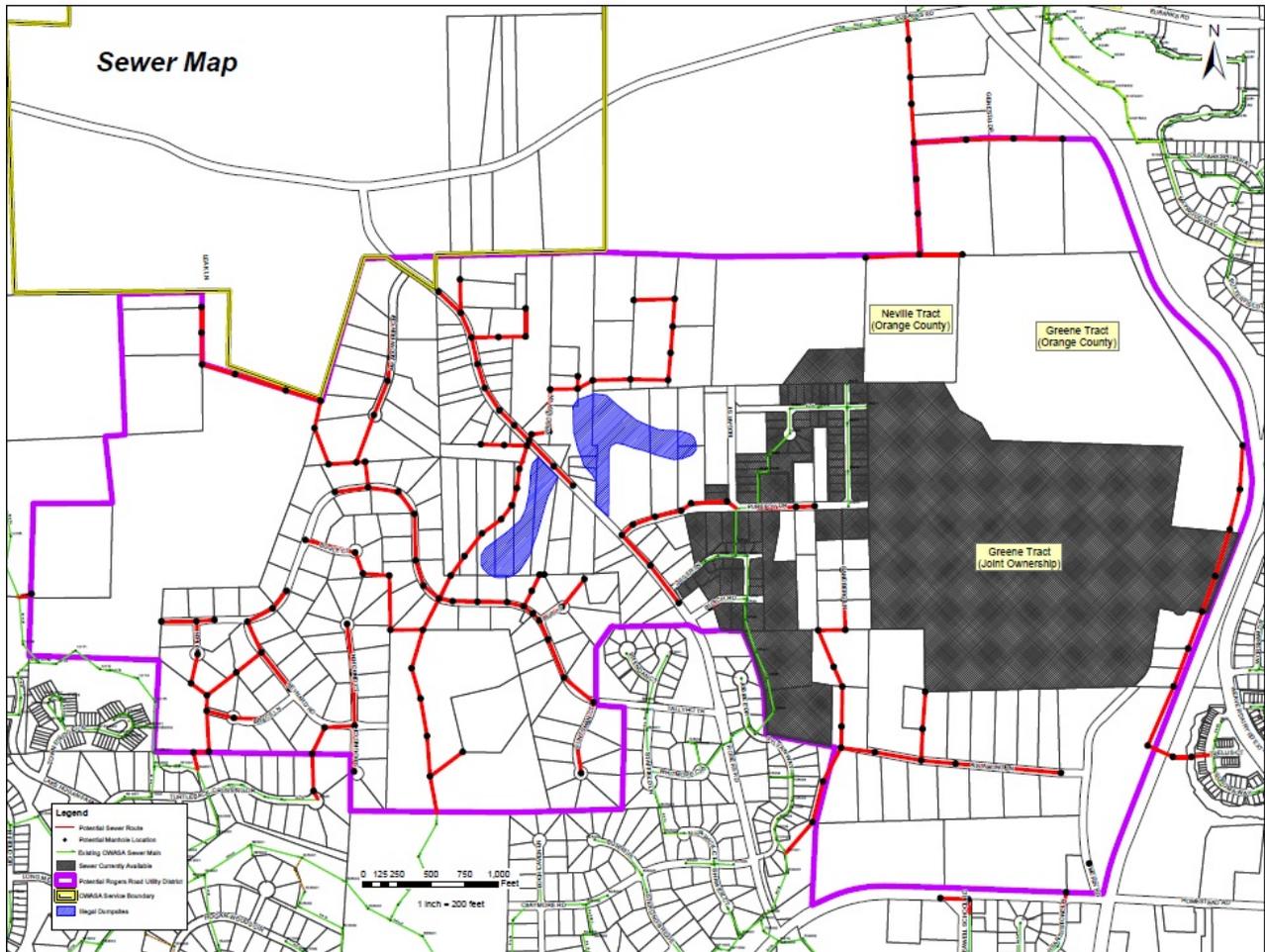
The Sewer only cost estimate is outlined below and shown on **Exhibit 3 (Sewer Map)**. Existing OWASA-owned public sewer is shown in thin green lines. The Proposed Utility District for sewer infrastructure is shown with a thick red line with black dots, representing the manholes for the new extension.

**Proposed Utility District**

**Total Sewer Cost**

Construction Cost	\$	7,441,188
Engineering , Design and Permitting 10%	\$	744,119
Construction Administration 5%	\$	372,059
Construction Inspection 5%	\$	372,059
20% Contingency	\$	<u>1,785,886</u>
Sub Total	\$	10,715,311
Service Availability Fees	\$	<u>973,500</u>
Total	\$	11,688,811
Number of parcels served 220		
Cost Per Parcel	\$	53,131

### Exhibit 3



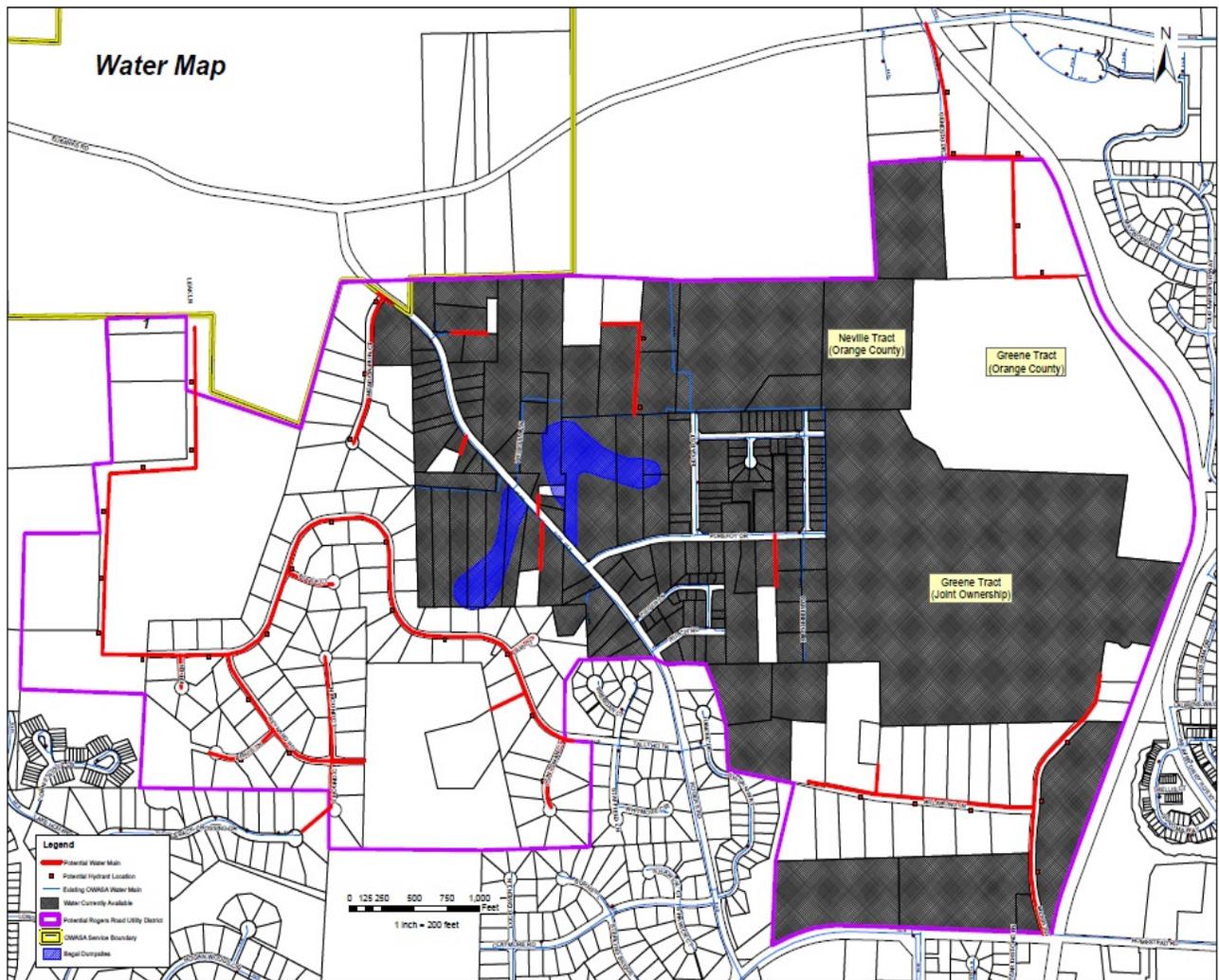
The water cost estimate is outlined below and shown on **Exhibit 4 (Water Map)**. The water map is the same as sewer, except with thin blue lines identify existing mains and the new mains are the thick red lines, with red squares as proposed fire hydrant locations.

**Proposed Utility District**

**Total Water Cost**

Construction Cost	\$ 3,835,724
Engineering , Design and Permitting 10%	\$ 383,572
Construction Administration 5%	\$ 191,786
Construction Inspection 5%	\$ 191,786
20% Contingency	<u>\$ 920,575</u>
Sub Total	\$ 5,523,443
Service Availability Fees	\$ 441,408
Meter Cost	<u>\$ 26,400</u>
Total	\$ 5,991,251
Number of parcels served 132	
Cost Per Parcel	\$ 45,388

**Exhibit 4**



All parcels that already have access to water and/or sewer on the maps are identified in a black crosshatch; some of these parcels are currently connected to OWASA's system and some are not.

The Proposed Utility District would extend water and sewer to all parcels within the purple boundary. The newly Proposed Utility District almost doubles the amount of sewer that would need to be installed from what was proposed in May 2012. This expanded area increased the lineal feet of sewer extension required from 3.6 miles to 6.8 miles and added 4.4 miles of water main extension. The conceptual layouts for sewer and water are based on the parcel boundaries as they are currently configured and whether or not a structure or multiple structures are currently located on a parcel was not considered.

The Proposed Utility District includes all parcels and the cost per parcel in some areas will be much greater than others. **Exhibit 5 (High Cost Areas)** identifies 5 areas where the cost of new water and/or sewer infrastructure/parcel will be the highest. If the high cost areas are removed until additional development occurs in the Proposed Utility District the initial cost of the Utility District would go from \$17.6 million to \$13.4 million. This represents a 24% decrease in the initial cost, which could be the final phase of the Utility District, and would eliminate water and/or sewer service to 22 parcels. The cost for the High Cost Areas is outlined below:

#### **Proposed Utility District Less High Cost Areas**

##### **Total Water Cost Less High Cost Areas**

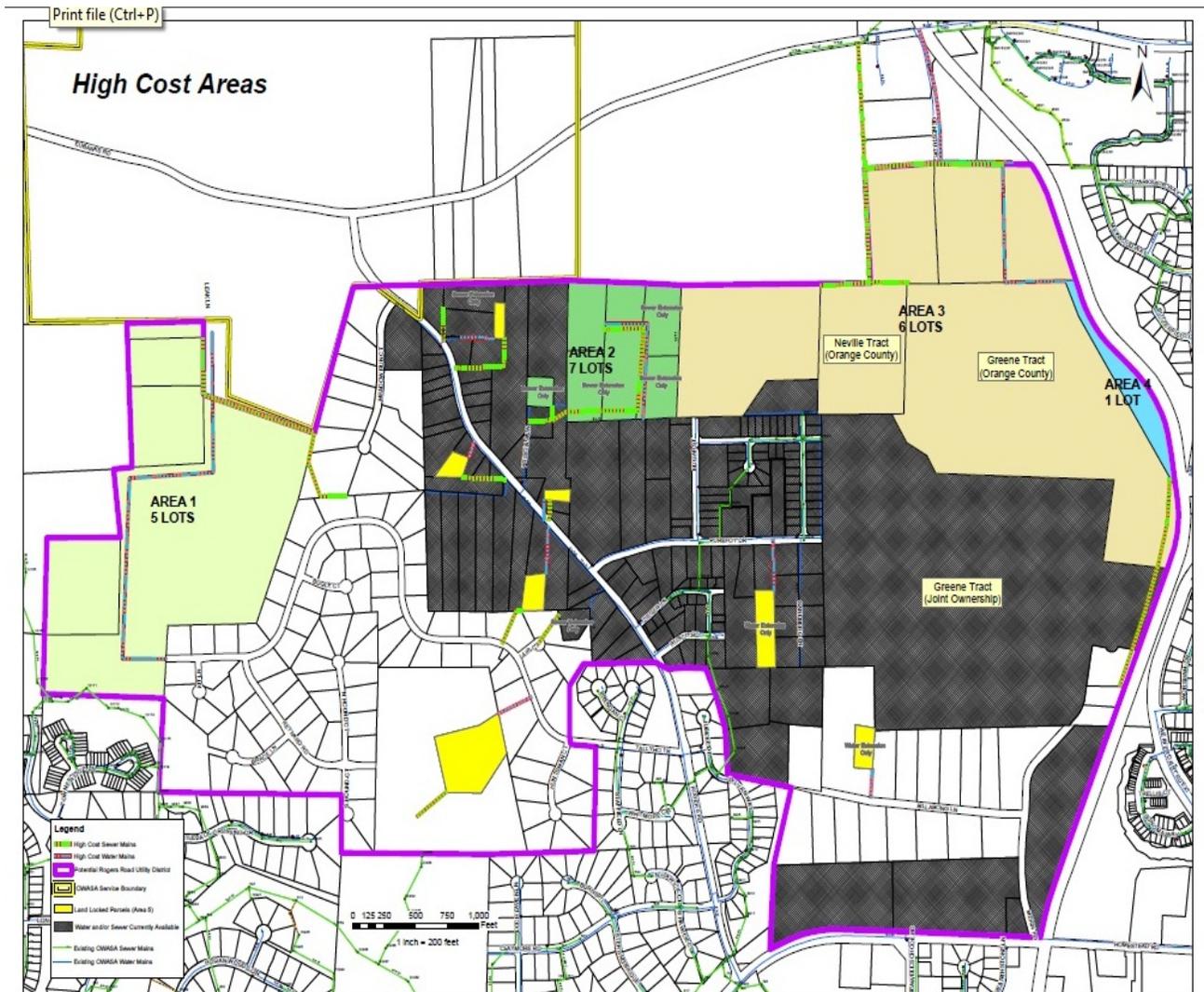
Total Overall Cost for Water	\$	5,991,251
Minus High Cost Areas for Water	\$	<u>1,826,331</u>
Total Water	\$	4,164,920

##### **Total Sewer Cost Minus High Cost Areas**

Total Overall Cost for Sewer	\$	11,688,811
Minus High Cost Areas for Sewer	\$	<u>2,465,767</u>
Total Sewer	\$	9,223,044

<b>Total Water &amp; Sewer Cost Minus High Cost Areas</b>	\$	13,387,964
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## Exhibit 5



The 2012 Sewer concept presented by OWASA had a total estimated cost of \$5.8 million that would serve 86 parcels, with an average cost of \$67,000 per parcel. The Proposed Utility District which evolved from the 2012 Sewer concept has an estimated total cost of \$17.6 million. With an expanded service area, the cost of sewer only is \$11.6 million. If the sewer component of the Proposed Utility District is broken out, sewer would serve 220 sewer parcels, with an average cost of \$53,131 per parcel.

OWASA estimates include extending one sewer service lateral from the main sewer line to the edge of the right-of-way, with a clean out, and extending one water service lateral, setting a meter box and meter at the edge of the right-of-way. This estimate does not consider any cost for hooking up those parcels that have sewer available to them now. If they already have sewer or water available to them, it's not included in the cost estimate. The costs associated with acquiring the easements that will be necessary before any construction work can begin are not included. However, whenever it was feasible to do so, proposed utilities are inside the right-of-way to minimize the number of easements that must be obtained.

### **2013 OWASA Sewer Compromise Concept:**

On June 12, 2013 the Task Force was presented a Compromise Sewer Concept based on the 2012 OWASA Sewer Concept. The intent of the concept is to bring focus on the target core of the Historic Rogers Road Neighborhood considering cost, efficiency and expediency to serve this Neighborhood.

The original 2012 Sewer Concept serves the Rogers Road Neighborhood by constructing 8 different segments at a total estimated cost of \$5.8 million. ***Exhibit 1, the Historic Rogers Road Area Sewer Concept May, 2012 Map*** shows the 8 different segments and 86 parcels that would be served with this concept. Segments 5, 6, & 8 could serve 67 parcels and are the most cost effective to construct. This concept could also be constructed as the first phase of a larger Proposed Sewer District. The Compromise Concept would serve 67 of the 86 original parcels or 77.9% and cost an estimated \$3.7 million or 64.1% of the original cost estimate. This concept could serve the core of Rogers Road, but not everyone.

### **Homeowner Connections:**

#### ***Homeowners subsidize connection:***

The County and the Towns have statutory authority to pay for or subsidize connection costs for the benefit of low and moderate income persons within their territorial jurisdiction. (**Appendix D - G.S. 153A-376; 160A-456**). Pursuant to this authority a program could be established whereby grants or loans are issued to persons who meet

designated criteria to assist those persons with the cost of connecting to a water or sewer system. It remains to be determined whether each unit of local government would operate its own program or whether a joint program would be established. A method to fund individual homeowner connections to water and/or sewer infrastructure is to create a community development fund, set up for the benefit of low-moderate income individual.

If a utility district is created, one of the benefits is that the availability of community development funds could be limited to property owners within the district. The District could not distinguish between or have differential sliding scales based on how long a resident has lived in the Rogers Road Neighborhood. After establishing a policy that makes funds available for individuals to connect to water and/or sewer utilities, for low-to-moderate income homeowners, individuals could apply for grants and/or loans to pay for utility connection charges. No one would be forced to connect to the system, but in any case the qualifying criteria would not be limited to residents of the District.

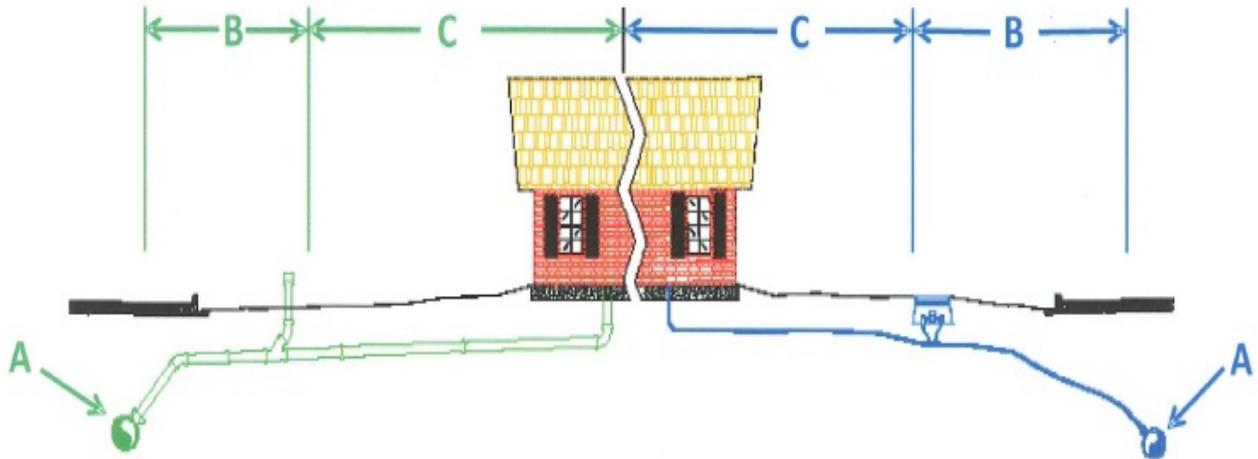
***Connection cost:***

The Proposed Utility District has not yet been formed and a fees structure has not yet been considered. The current OWASA fee structure could be used as an example of the fees a new Utility District customer would be expected to pay. A new sewer customer will be expected to pay for a sewer service lateral, a clean out and service availability fee; a water customer will be expected to pay for a water service lateral, meter box, meter, and service availability fee. The estimates are based on a 2,500 sq. ft. house, pumping out and abandoning a septic tank, a private lateral 150' long, and no internal plumbing modifications.

***Exhibit 6 (Historic Rogers Road Area Estimate Schematic)*** provides a detail breakdown of what an individual home owner could expect to pay to connect to both OWASA water and sewer. In this example, the fees paid to OWASA would be \$11,495 and the estimated cost of a private plumber is \$10,850.

Exhibit 6

## Historic Rogers Road Area Cost Estimate Schematic



### SEWER COST ESTIMATE PER LOT

Item	Cost
A - Sewer Main Extension	\$TBD
B - Sewer Service Lateral, Clean out and Service Availability Fee*	\$6,925
C - Private Plumbing	\$7,250
<b>Total:</b>	<b>\$TBD</b>

Private Plumbing Assumptions:

- All materials and workmanship per plumbing code
- Cleanout installed at edge of Right of Way
- Septic Tank pumped out and abandoned
- Home can be served by gravity (no sump or pump)
- Private lateral is 150' long
- No internal plumbing modifications required
- Assumes trenching will not require disturbance of sidewalk, driveway or landscaping

\* Service Availability Fee charge assumes 2,500 ft<sup>2</sup> home

### WATER COST ESTIMATE PER LOT

Item	Cost
A - Water Main Extension	\$TBD
B - Water Service Lateral, Meter Box, Meter and Service Availability Fee*	\$4,570
C - Private Plumbing	\$3,600
<b>Total:</b>	<b>\$TBD</b>

Private Plumbing Assumptions:

- All materials and workmanship per plumbing code
- Meter box and meter installed at edge of Right of Way
- Well disconnected from home plumbing, not abandoned
- Private lateral is 150' long
- Includes Pressure Reducing Valve installation, but no other internal plumbing modifications
- Assumes trenching will not require disturbance of sidewalk, driveway or landscaping

\* Service Availability Fee charge assumes 2,500 ft<sup>2</sup> home

## **COMMUNITY CENTER:**

On April 9, 2013 the Board of County Commissioners was presented the schematic design of the Rogers Road Community Center and authorized the manager to award the bid for construction in an amount not to exceed \$650,000. The project was bid in August, 2013. The Town of Chapel Hill has expedited the site plan review, permitting and other associated processes for the project as well as waived all associated Town fees related to those processes, normally estimated to be \$25,000.

A Lease Agreement (**Appendix E**) between the County and Habitat for Humanity to lease two lots in the Phoenix Place Subdivision for an initial term of 20 years has been approved. **Appendix F**, an Operating Agreement between Orange County and the Rogers Eubanks Neighborhood Association (RENA) has been drafted and is scheduled to be presented to the Board on September 17, 2013. The agreement contracts with RENA to provide programs and activities that take place at the Community Center, and that all such programs and activities shall be open to the general public.

The County Attorney will be drafting a Memorandum of Understanding between the County and Towns to outline a capital contribution from the Towns for the construction of the Rogers Road Community Center not to exceed \$650,000. The MOU will also provide that the County will be ultimately responsible for the cost of operating and maintaining the Community Center and that the financial participation by Carrboro and Chapel Hill will be limited to the capital contributions identified below.

Costs sharing percentages are the same as identified in the 1972 Landfill Agreement, 43% for Orange County, 43% for the Town of Chapel Hill, and 14% for the Town of Carrboro. The County will construct the Community Center and reimbursement from the Towns could begin in Fiscal 2013/2014.

Budget for the Community Center:		\$650,000
----------------------------------	--	-----------

Shared Costs:

Orange County	43%	\$279,500
Town of Chapel Hill	43%	\$279,500
Town of Carrboro	14%	\$ 91,000

**GENTRIFICATION, CHAPEL HILL'S SMALL AREA PLAN,  
AND THE GREENE TRACT:**

The Task Force highlights part of the charge to the reappointed Task Force (5 Feb 2013) – “To have the Task Force consider options to address gentrification”, indicating that it has not been adequately discussed by the Task Force, nor have options been identified to address this concern, yet it remains a critical issue. Therefore, the Task Force requests that the staffs from each jurisdiction continue to work together with RENA and the other partners identified in Manager’s February 25, 2013 memo to Elected Officials (Self-Help, Jackson Center, OWASA, Chapel Hill-Carrboro City Schools), to identify challenges and craft an action plan which addresses the issue of gentrification and allied concerns. And that the progress reports/recommendations be submitted and discussed at all future Assembly of Government meetings until sufficiently resolved.

On April 17, 2013 the Managers and Attorneys presented recommendation from their meeting on April 11, 2013, Appendix G.

The County & Town Managers, and Attorneys support the concept of a multijurisdictional Development Agreement that will address utilities, gentrification and the Greene Tract for the Historic Rogers Road Neighborhood, Including:

- The concept of an expanded geographic region for a Utility District to promote water and sewer for the Rogers Road Neighborhood
- That the County would be the unit of government to create, finance, and operate a County Utility District for a geographic region that would include the Historic Rogers Road Neighborhood parcels that are not currently served by a municipal water & sewer system.
- The concept of the joint development of the Greene Tract for affordable housing, schools, and open space should be an integral part of a development plan for the Rogers Road Neighborhood.

## Appendix A

## MEMORANDUM

Memorandum to: Carrboro Mayor and Board of Aldermen

From: Mike Brough

Subject: Rogers Road Proposals

Date: November 7, 2012

County Attorney John Roberts, Chapel Hill Attorney Ralph Karpinos, and I met November 6<sup>th</sup> to discuss the managers' October 16, 2012 recommendations for constructing a Community Center to serve the Rogers Road area and to extend sewer lines into this area. We also discussed Mark Dorosin's October 23, 2012 letter recommending that, not only should sewer lines be extended into this areas, but that homes should be connected to the sewer lines at public expense. We agreed on the conclusions set forth below in paragraphs 1-5. The thoughts set forth in paragraph 6 did not occur to me until after our meeting, and therefore have not been endorsed by the other attorneys.:

1. Statutory authority exists for the towns and the county to cooperate in operating and funding a community center located in the Rogers Road area, and there are a number of ways in which this could be accomplished. However, as we understand it, the current proposal is that the county and/or the towns would pay Habitat \$500,000 to construct the facility, on land provided by Habitat, and then Habitat would lease the center to RENA, who would operate it, presumably in accordance with RENA Neighborhood Center Business Plan (Attachment B to the Agenda Item). The attorneys do not believe it is legally permissible for the county or the towns to expend public funds to fund the construction of a building on land the county does not own, under circumstances where the building would then be leased to a private organization that would use the facility to run programs of its choosing. The county could, of course, construct a community center on land it owned or leased, but it would have to put the project out for bids in accordance with applicable statutes. The operation of a community center would require annual appropriations. The county could provide staffing through its own employees or it could contract with an organization such as RENA to run programs, but these would have to be open to the general public. In short, there are many options for legally accomplishing the objective of providing a community center that would benefit the residents of Rogers Road, but the current proposal is not one of them.

2. Orange County, Carrboro, and Chapel Hill, as owners of the Greene Tract, and the County, as owner of other property used for solid waste disposal, could petition Chapel Hill to annex any properties owned by these governmental entities within the portion of the Rogers Road area that is located in Chapel Hill's ETJ or Joint Planning Area, and Chapel Hill could do so (subject to the possible exception that, if the area to be annexed was not contiguous to the existing town limits, than no lots within a subdivision could be annexed unless the entire subdivision was annexed). However, this would enable Chapel Hill to extend sewer lines only to those areas so annexed.

3. The \$900,000 that Chapel Hill, Carrboro, and Orange County agreed to pay to the Landfill Fund for the 100+ acres of the Greene Tract that were not conveyed to Orange County cannot be used to pay for either the construction of a community center or the extension of sewer lines to the Rogers Road area. The Greene Tract was acquired using landfill funds, and the \$900,000 is being paid back to this enterprise fund. Such funds can only be expended to cover the costs associated with the operation and maintenance of the landfill.

4. Proceeds from the sale of the 100+ acre portion of the Greene Tract now owned jointly by OC, CB, and CH can be used in the same manner as other unrestricted general funds. Thus, Carrboro could use these funds to extend sewer lines to unserved areas within Carrboro's corporate limits.

5. The towns and the county could appropriate funds to subsidize the cost of actually connecting homes to a sewer line, once that line has been constructed. In order to be able to point to specific statutory authority to provide such subsidies, it would be preferable to limit the availability of such subsidies to low and moderate income property owners. The attorneys do not recommend that the contractor engaged by the county and/or the towns to extend the lines be directed to construct lines connecting individual properties to the public lines because this work involves actually getting into the plumbing systems within individual homes and poses significant risks of unexpected complications and claims of damages.

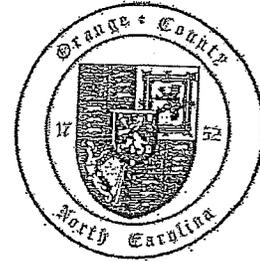
6. The managers propose that a "County Sewer District" be created for the Rogers Road area as well as adjoining areas that do not have sewer, and that the district use the special assessment process to recoup some of the costs of extending sewer service to these areas. Presumably, the proposal is referring to a County Water and Sewer District created pursuant to Article 6 of G.S. Chapter 162A. Such a district would be a legally separate municipal corporation, but the governing body of the district would be the Orange County Board of Commissioners. Such a district could issue its own bonds to raise the capital to cover the cost of extending the lines. Assessments could be based on various criteria listed in G.S. 153A-186, including "the area of land served...at an equal rate per unit of area," which would mean that properties with greater development or redevelopment potential would pay more than smaller properties, but the statute does not provide a way to exempt from the assessments specific properties based on criteria not listed in the statute. Thus, if the objective is to extend sewer lines at little or no cost to the longstanding owners of properties in the Rogers Road area, but to recapture some of the cost of extending the lines when properties in this area are developed or redeveloped, the special assessment process appears to be a useful tool.

An alternative might be to establish the District and have the District issue its bonds to raise the cost of extending the lines. Carrboro could contract with the District to pay for the cost of extending the lines to serve properties that are within the town. The District would contract with OWASA to operate and maintain the lines and to bill the customers in the same manner as other OWASA customers. (An amendment to the WSMFPA would probably be needed). Then the District could establish a fee -- call it a service line extension fee -- that would be designed to recoup some of the costs incurred by the District in extending the lines. (OWASA has an "availability fee" that is designed to recoup the cost of the treatment plant and major outfalls, but

this fee does not cover the service lines because those are typically installed at the developer's expense). This fee would be paid at the same time as OWASA's availability fee - when a connection is made. The District's policy could provide that the service line extension fee would be waived for the first connection made to any property existing as of a specified date.

Office of the County  
Attorney

ORANGE COUNTY  
P.O. BOX 8181  
200 S. CAMERON STREET  
HILLSBOROUGH, NC 27278



To: Bernadette Pelissier, Chair  
Pam Hemminger, Vice Chair  
Valerie Foushee  
Alice M. Gordon  
Barry Jacobs  
Earl McKee  
Steve Yuhasz

CC: Frank Clifton, County Manager  
Donna Baker, Clerk to the Board

From: John Roberts

Date: November 12, 2012

Re: Rogers Road Area Improvement Funding

I met with the attorneys for Chapel Hill and Carrboro on November 6<sup>th</sup> to discuss various proposals to extend sanitary sewer lines into, and the construction of a community center in, the Rogers Road area (the "Neighborhood"). I will address the various proposals separately.

#### **USE OF THE \$900,000 LANDFILL RESERVES TO FUND SEWER LINE EXTENSION**

By law enterprise fund dollars cannot be used for purposes other than the direct and indirect costs of operating and maintaining the landfill. It is highly unlikely landfill operations could be tied to septic system failures in the Neighborhood. It is my understanding the \$900,000 was generated through tipping fees rather than reimbursable contributions. Assuming that is the case the \$900,000 is a part of the enterprise fund and may not be used for non-landfill operations related purposes. For these reasons the Town attorneys and I are in agreement the \$900,000 cannot be used for the extension of sewer lines.

#### **CONTRIBUTIONS TO SEWER EXTENSION COSTS BY THE TOWNS OF CARRBORO AND CHAPEL HILL**

The primary issue for contributions by the Towns to sewer line extension appears to be the limitation of Town expenditures to their own jurisdictions. Both Town attorneys agreed that in order for the Towns to fund some portion of the cost of sewer line extensions the sections of sewer lines funded must be within the Town limits. For this reason annexation of some areas may be necessary. An additional issue is the requirement that if a part of a planned subdivision is to be annexed the entire subdivision must be annexed. Because annexation is not a county issue I will rely on the Town attorneys to further explain other restrictions related to annexation.

Once annexation concerns are addressed one source of funds for these extensions could be proceeds from a sale of the Greene tract. Should the decision be made to sell this property proceeds could be used for any statutorily authorized purpose.

### **SUBSIDIZING THE COST OF CONNECTING HOMES TO EXTENDED SEWER LINES**

The Town attorneys and I are in agreement that the County and Towns have limited statutory authority to pay for or subsidize connection costs. Additionally, without adequate upgrades connecting older home plumbing systems to modern water and sewer systems could result in internal damage to the connected structure. This represents a substantial exposure of liability to the County and Towns. For that reason the Town attorneys and I are in agreement that direct connections to the system should not be provided by the County or Towns.

NCGS 153A-376 authorizes counties to engage in health and welfare programs for the benefit of low and moderate income persons. Pursuant to this authority a program could be established whereby grants or loans are issued to persons who meet designated criteria to assist those persons with paying the costs of connecting to a water or sewer system. The qualifying criteria would apply county-wide and could not be limited to residents of the Neighborhood. So if an individual with access to a sewer line in Efland or Mebane met the criteria they also could participate in the program. A program of this nature would not work to connect every home to a sewer system but it would be legally defensible.

### **CONSTRUCTION AND OPERATIONS OF A NEIGHBORHOOD COMMUNITY CENTER**

The current proposal appears to be that the County and/or Towns pay Habitat for Humanity ("Habitat") approximately \$650,000 to construct a community center ("Center") in the Neighborhood that, once constructed, Habitat would contract with the Rogers Eubanks Neighborhood Association to operate, and the County would help fund through some master lease agreement. The Town attorneys and I concur that this method of funding the Center is not legally defensible.

One method the Town attorneys and I are in agreement on is for Habitat to donate the land for the Center or lease the land to the County, the County could then, through the bidding process, bid out construction of the facility and enter into various agreements for the operation of the Center. We also agree there may be several other options for getting the Center constructed and operating.

Another method that occurred to me after my meeting with the other attorneys is the possibility of a community development grant or loan. Just as with the sewer connection program discussed above through NCGS 153A-376 counties have authority to issue grants and loans. Those grants and loans may be made for the restoration or preservation of older neighborhoods. Counties may contract with corporations for carrying out this restoration or preservation of older neighborhoods and such contracts may be for the purpose of providing recreation facilities. As it relates to the construction of the facility I believe the NC bidding statutes would still apply. Should this option be given consideration additional research would be needed to fully determine the process whereby it is accomplished.

Regardless of the manner in which the Center is funded it must be open to the general public.

**Appendix B****Historic Rogers Road Neighborhood Task Force Report  
December 6, 2012****Prepared by the Historic Rogers Road Neighborhood Task Force**

## TABLE OF CONTENTS

<b><i>Introduction</i></b>	1
Charge of the Historic Rogers Road Neighborhood Task Force	2
Boundaries of the Historic Rogers Road Neighborhood	3
<b><i>Sewer Service</i></b>	3
Assessment of Septic System Service in Rogers Road Neighborhood	4
OWASA Sewer Concept Plan	4
Grant Opportunities for Sewer Infrastructure	7
<b><i>Neighborhood Community Center</i></b>	9
Hogan-Rogers House	9
Construction of a New Facility	10
<b><i>Financial Impact and Costs Sharing Options</i></b>	11
<b><i>Recommendations to the Assembly of Governments</i></b>	14

### APPENDICES

- A. Report of the Rogers-Eubanks Area Survey Well and Septic System Assessment
- B. Hogan-Rogers House Preservation Project
- C. Habitat for Humanity Letter Dated May 14, 2012



## INTRODUCTION

In 1972, the north side of Eubanks Road became the site of a solid waste landfill operated by the Town of Chapel Hill. Orange County assumed operational control of the landfill as the result of an August 17, 1999 agreement between the Towns (Chapel Hill, Carrboro, and Hillsborough) and the County. The Historic Rogers Road Community has lived with this landfill for 40 years. Over many years, residents representing the Rogers Road area have voiced concerns about various operational elements associated with the landfill and the impact on the Rogers Road Neighborhood. The Neighborhood is geographically split by the Orange County and Carrboro. Orange County, as the current owner of the landfill, is taking the lead to make remediation improvement to the Historic Rogers Road Community.

A number of local government initiatives have been implemented to improve the quality of life in the Rogers Road Community and they are as follows:

1. The Solid Waste Fund paid \$650,000 to extend public water service by the Orange Water and Sewer Authority (OWASA) to the Rogers Road area.
2. Solid Waste installed gas flares to reduce odors.
3. The Town of Chapel Hill initiated bus service on Rogers Road.
4. Orange County initiated a no-fault well policy to deal with failing drinking water wells remaining in the adjoining neighborhoods.
5. Orange County approved the appropriation of \$750,000 from the Solid Waste Fund Balance to establish a Rogers Road Remediation Reserve Fund.
6. On July 1, 2011 Orange County established a \$5.00 tipping fee surcharge and a plan to incrementally increase the tipping fee each fiscal year by a minimum \$2 per ton as long as the landfill is operational to fund the Rogers Road Remediation Reserve Fund.
7. A partnership with Orange County and the University of North Carolina created a Landfill Gas to Energy Project that commenced operation on January 6, 2012 and will have an immediate and noticeable impact on the odor created by the operation of the landfill. The project will further provide a long-term renewable energy source to UNC, reducing dependence on increasingly expensive fossil fuels, and reduce carbon emissions.
8. On October 4, 2011 the Orange County Board of County Commissioners authorized staff to proceed with a "one-time" effort to clean-up illegal dump sites within three-fourths of one mile of the landfill boundary, at no cost to the individual property owners.

At the January 26, 2012 Assembly of Governments meeting, the Orange County Board of Commissioners and the Town Boards discussed the extension of sewer service and a community center for the Rogers Road Community. County and Town Attorneys have concluded that use of Solid Waste reserves to extend sewer service to the Rogers Road Community is not consistent with North Carolina General Statutes and would subject the local governments to legal challenges. As such, a community center does not have a relationship to Solid Waste and could not be funded from Solid Waste reserves.

Therefore, funding for either the extension of sewer services and/or a community center will have to come from the County's and Towns' other general revenue sources. There was also significant discussion on January 26 regarding the creation of a task force to address the issues.

On February 21, 2012 the Orange County Board of Commissioners authorized the creation of a new Historic Rogers Road Task Force to address sewer service and a community center. The composition of the Task Force was to include two members appointed by each Town (Chapel Hill and Carrboro); two members appointed from the County; and two members appointed from Rogers Eubanks Neighborhood Association (RENA).

**Appointed Task Force Members:**

David Caldwell:	RENA
Robert Campbell:	RENA
Valerie Foushee:	Orange County
Pam Hemminger:	Orange County
Michelle Johnson:	Carrboro
Sammy Slade:	Carrboro
Penny Rich:	Chapel Hill
James Ward:	Chapel Hill

**Charge of the Historic Rogers Road Neighborhood Task Force:**

The Charge for the Historic Rogers Road Neighborhood Task Force is to investigate and make recommendations to the Board of County Commissioners, the Chapel Hill Town Council and the Carrboro Board of Aldermen for neighborhood improvements including funding sources and the financial impact to the County & Towns, for the following:

1. Sewer Service to the Historic Rogers Road Neighborhood as defined by the previously approved public water connections in the area.
2. A Neighborhood Community Center.

The Task force is also directed to:

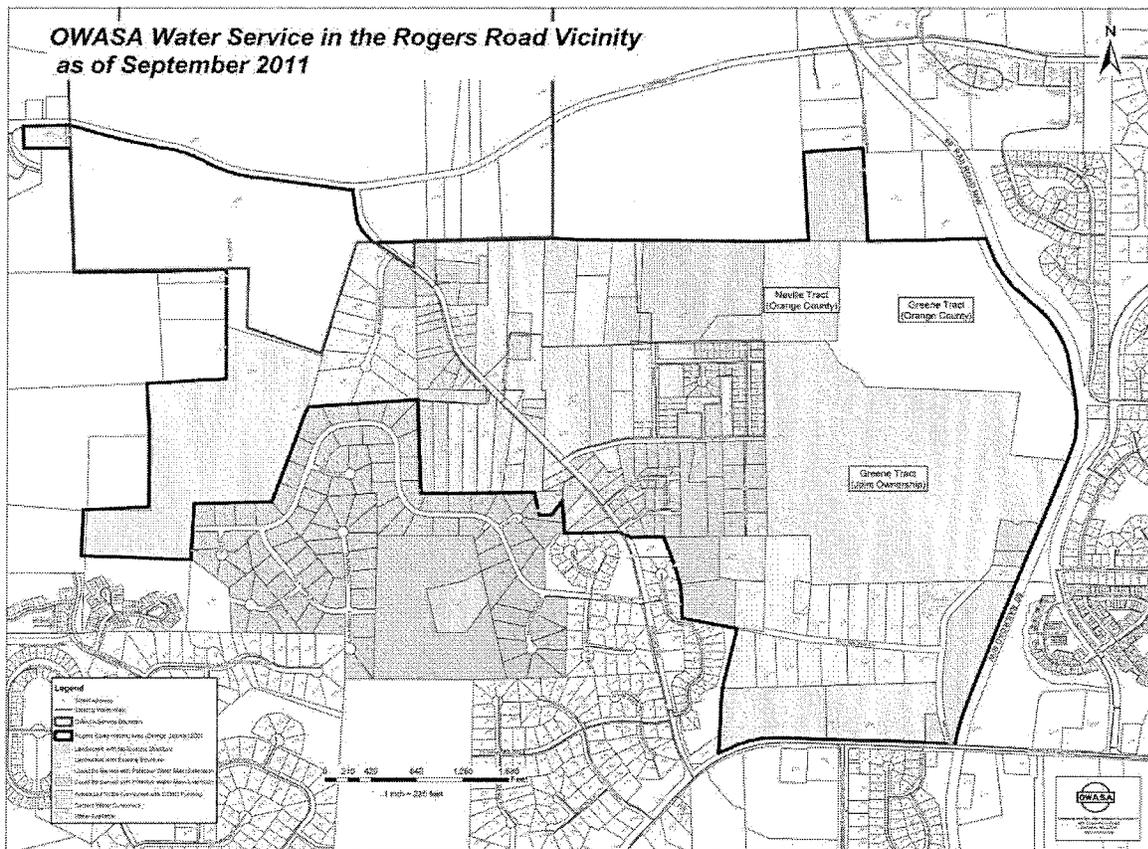
- a. Submit an Interim Report back to the County and the Towns by the end of August, 2012 and;
- b. Submit a Final Report to the Assembly of Governments on December 6, 2012.

Approved by the Board of County Commissioners on February 21, 2012

## Boundaries of the Historic Rogers Road Neighborhood:

For the purposes of the Historic Rogers Road Neighborhood Task Force, the Neighborhood will be defined as the area identified by the September, 2011 map identifying available water service and approved for water service improvements by the Orange County Board of Commissioners on October 4, 2011. **See below, Exhibit 1, OWASA Water Service in Rogers Road Vicinity as of September, 2011 Map.**

### Exhibit 1



## SEWER SERVICE

The first task of the Historic Rogers Road Neighborhood Task Force is to investigate the possibility of providing sewer service to the Historic Rogers Road Neighborhood as defined by the previously approved public water connections in the area.

### Assessment of Septic System Service in the Rogers Road Neighborhood:

The County completed a survey of the Rogers Road Neighborhood in February, 2010. **See Appendix A.** The Orange County Health Department, along with RENA, the UNC School of Public Health, and Engineers Without Borders, participated in a survey of

wells and septic systems. There were forty-five (45) septic systems included in the survey, and twelve (12) were failing at that time. Of the twelve malfunctioning septic systems, seven (7) were further classified as maintenance-related failures, while five (5) were found to be end-of-life failures. Further investigation revealed that for the five end-of-life failures, there was no suitable soil for an on-site repair.

The Environmental Health Division of the Health Department revisited the five properties and discovered that two of the properties are vacant, two are seasonal failures, and one has had patchwork done on it, but not a long-term solution. All of the five septic systems identified would benefit from the installation of a public sewer system.

In 2011, Orange County received \$75,000 in Community Development Block Grant (CDBG) funds for the infrastructure hookups in the Rogers Road Neighborhood. In order to receive connection, the homes had to be close enough to an existing water and/or sewer line so that no extension of service lines would be required for connection. Additionally, homeowners had to meet certain income eligibility requirements. There have been five homes connected to Orange Water and Sewer Authority (OWASA) sewer as a result of this grant.

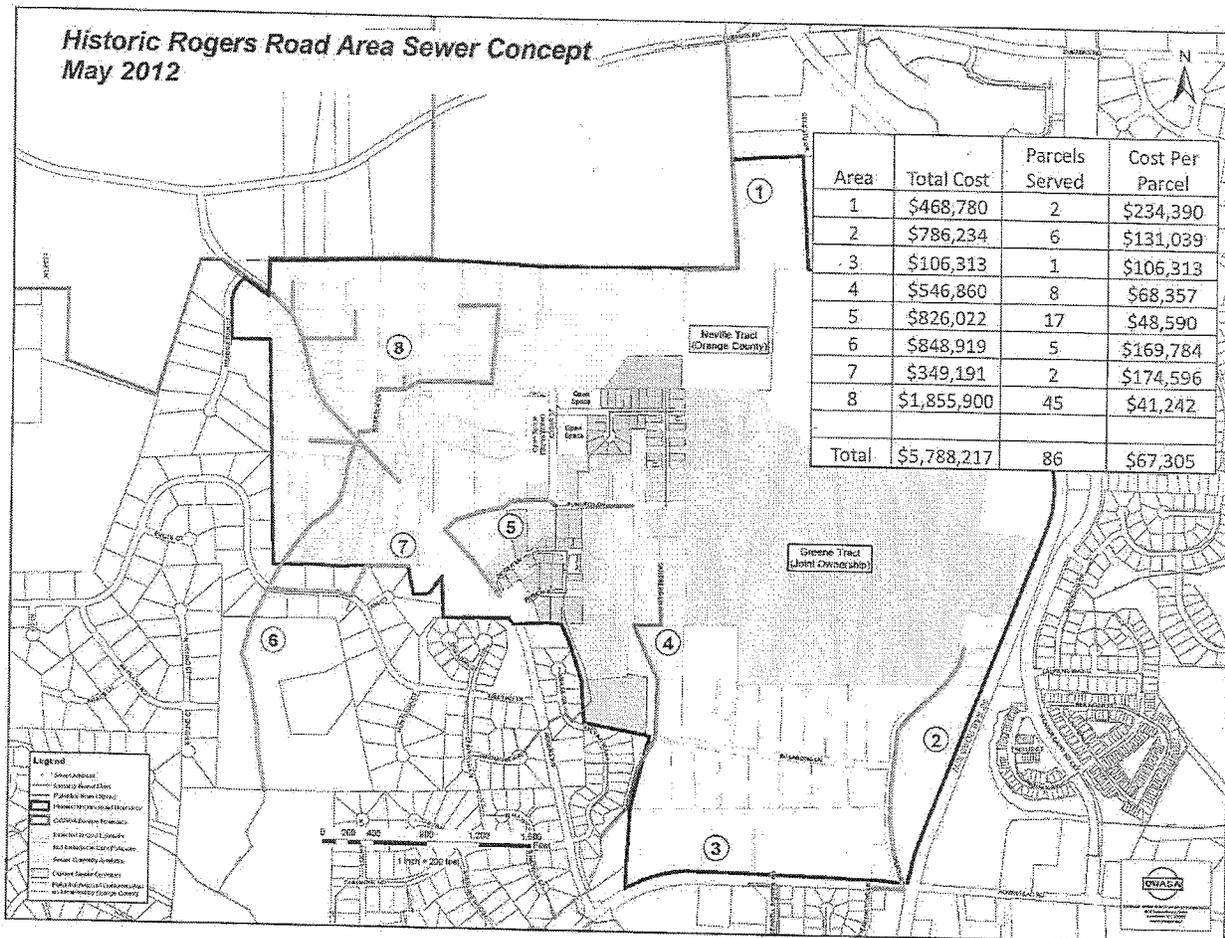
#### **OWASA Sewer Concept Plan:**

OWASA is the water & sewer utility for the area and as such, it investigated the concept of providing sewer service as part of the Town of Chapel Hill's Rogers Road Small Area Plan. On February 8, 2011 OWASA provided an updated concept plan and cost estimate, for the Rogers Road Small Area Plan Study Area for \$3.4 million. This early concept plan was completed based on the Chapel Hill Small Area Plan which is a geographically different area than the Historic Rogers Road Neighborhood sewer concept. There is also some difference in routing some of the main outfalls. In the current estimate, OWASA needed to avoid the area of contamination coming out from the Carrboro section that required more line with deeper excavation. Most importantly, in the earlier estimates neither the availabilities fees were included nor cost of extending a lateral from the main line to the properties.

OWASA provided a concept plan, layout, and cost estimate for providing sewer service to the area that was delineated by the Rogers Road Neighborhood Task Force at the April 30, 2012 meeting. The concept plan is the most efficient way to serve the defined Rogers Road Neighborhood and does not consider adjoining neighborhoods. **See below, Exhibit 2, the Historic Rogers Road Area Sewer Concept Map, 2012 Map.** All the green areas show where sewer service is already available. The dark green areas are parcels that have connected to the OWASA service. The light green areas

have not connected. The 86 parcels in yellow are the properties that would be served by the conceptual sewer layout. The concept map also breaks down the sewer service into 8 sub-areas with the number of parcels served and cost per parcel. The 8 red lines represent the possible sub-areas of the sewer infrastructure that could be considered, if the entire concept project is not feasible. The sewer infrastructure routing was estimated based on the topography taken from maps rather than from any field work. In order to get to a greater level of detail or certainty on the cost, some field work would be required. There are two brown areas on the map that the County has identified as some subsurface disposal or some suspected contamination. Without any further investigation, the sewer line has been routed no closer than 100 feet of that margin.

**Exhibit 2**



The total construction and installation cost for the sewer concept is current estimated to be \$5.8 million. **See the table below.** It would serve 86 additional parcels of land. The concept costs include construction, engineering design, administration and contingency

for possible rock. The topography of the neighborhood is complex and the land falls in several different directions. This concept plan does not include the costs of any property acquisitions or easement acquisitions. The availability hookup charge for each of the parcels is based on an assumed average house size of 2,500 square feet. When a customer connects to the OWASA water and sewer system, there is a one-time fee that is estimated to be \$4,300 per parcel for the concept plan.

Cost estimate Summary:

Engineering , Design and Permitting	376,350
Construction Cost	3,763,506
Construction Administration	188,175
Construction Inspection	188,175
20% Contingency	903,241
Sub Total	5,419,447
Service Availability Fees	368,768
Total	5,788,215

The concept does not include the cost to actually connect individual homes to the sewer system. Those costs will vary depending on the configuration of the lot and the distance from the house to the main sewer line. Those costs are typically the costs of the homeowner and are estimated to be about \$20/foot. The connections to an individual house would be provided by a private plumbing contractor.

### **Grant Opportunities for Sewer Infrastructure:**

The Task Force explored several grant opportunities to fund the sewer improvement for the Rogers Road Neighborhood. The Task Force was furnished a list of possible grant opportunities from RENA including the following:

- Community Development Block Grants
- Department of Health and Human Services
- Department of Housing and Urban Development
- Environmental Protection Agency
- Federal Highway Funds
- Clean Water Trust Fund
- Bernard Allen Fund

These are mostly federal grant opportunities which are administered through the State. After reviewing all of the grant opportunities the Task Force was able to identify only two possible grants to fund sewer infrastructure, a Community Development Block Grant or a Clean Water Trust Fund Grant.

### ***Community Development Block Grant***

Orange County has to access Community Development Block Grant (CDBG) dollars through the State of North Carolina. That is a competitive process. Within the CDBG grant program, there is a category known as "Infrastructure Program". In that category, funding is available up to \$1 million to communities that have infrastructure needs. The operative word is "need". To access those funds, because they are competitive, any application will have to be able to demonstrate need. Another issue is that the State has focused on water projects, which it considers to be a priority over sewer. Where it does fund sewer projects there has to be a demonstrated need for connection to a public sewer system. Someone would have to document that need in the community. The State primarily looks to the local environmental health department to make that assessment. When talking about sewer projects, normally there is some documentation of a major problem such as with failing septic systems.

To qualify to compete for CDBG funds, a letter of interest will be due in early February 2013. The letter must include the engineering report and project documentation defining the needs of the community. That letter, along with a list of committed local government funding sources to complete the project, are necessary before submitting the CDBG application. The amount of local government matching funds required varies from county to county. The CDBG process evaluates the local government's perceived

ability to pay. A low-wealth county would have a lower ability to pay versus what the state perceives to be a high-wealth county. The county's employment rate and the per capita income are important components in a highly competitive grant process. However, early information from CDBG for the coming grant year is that individual grants of up to \$750,000 dollars may be available.

Last year, Orange County applied for and received funds for individual residential hookups in the Rogers Road Neighborhood (\$75,000). Since that time, some water and sewer connections were completed, but the County was able to do that only because water and sewer infrastructure was already in place. There were a few houses in the community that were adjacent to existing water or sewer lines that were connected, and the occupants were low-income. (They had an income of less than 50% of area median income). It will be difficult for Orange County to compete for these resources; resources will depend on the completion in any given year and the pool of funding available funds. All other things equal, Orange County would have difficulty competing with other areas because the County is considered a wealthy county and is not economically distressed.

To qualify today, the families or individuals that live in this area have to meet an income standard which is 50% of the median family income. (For example: the median annual income for a family of four is around \$64,000, so to qualify a family in this area would have to have an annual income of no more than \$32,000). The County has basically funded most of the individuals that meet that standard, and have already connected them to water and sewer. Finding additional property owners that meet that income cutoff would be difficult. There are not that many home owners in the Rogers Road Neighborhood that are going to meet that income qualification.

The Task Force is looking at a total project cost of \$5.8 million. A CDBG could cover roughly twelve percent of the total estimated costs. The CDBG of \$750,000 will require 5% matching funds of \$37,500. In the community development criteria, the areas that CDBG's are willing to fund are water first and sewer second. A CDBG is much more inclined to fund a collaborative effort between units of local government, such as this project. This collaboration would have a higher priority than any one government acting independently. There are some pre-grant application costs that would be incurred on the front end of the process. The Task Force is searching for local funding of \$5 million even if the project could qualify for a CDBG.

***Clean Water Trust Fund Grant:***

The North Carolina General Assembly has expressed an interest in funding more water and sewer projects, and has designated \$17 million for infrastructure projects. The maximum grant amount per project is \$750,000. There will likely be some consideration to raising that limit for future years because most projects cost a million dollars or more, although this year it remains at \$750,000. The priorities will be for projects that have the severest need. The State looks at percent of low/moderate income benefit in a project area; with the minimum benefit being 70%. At least 70% of the residents in any designated area must be low or moderate income. The residents living in the Rogers Road Neighborhood that need public sewer service will not likely meet the income requirements to qualify for this grant.

***Dedicated Federal Funding:***

Congressman David Price's office has been contacted about a possible Economic Development Incentive (EDI) grant or a Stag Grant. Orange County utilized such a grant for the Efland sewer project. Several years ago, the County was eligible to apply for \$500,000 dollars or more through that type of process. At this time, however, the rules have changed and EDI grants are not allowing for infrastructure projects. These grants can no longer be earmarked for a specific project, which was done for the Efland sewer project.

**NEIGHBORHOOD COMMUNITY CENTER:**

The second task of the Historic Rogers Road Neighborhood Task Force is to investigate the possibility of providing a Neighborhood Community Center to the Historic Rogers Road Neighborhood.

**Hogan-Rogers House:**

The Preservation Society of Chapel Hill compiled a report telling the story of the historic Hogan-Rogers House as a potential Neighborhood Community Center for the Historic Rogers Road Neighborhood.

The St. Paul A.M.E. Church has purchased the Hogan-Rogers House and property surrounding it in order to build a new church complex on the site. Plans call for demolition of this historic house in late 2012. The Preservation Society began working with the Rogers-Eubanks Neighborhood Association, St. Paul Church, and Habitat for Humanity to relocate and restore this home that holds over 170 years of history for Chapel Hill's white and black community. Currently, the house is listed on the North Carolina State Historic Preservation survey conducted in 1999. Habitat for Humanity has graciously donated two lots to relocate the home, but funding for the home's

relocation and restoration is dependent on funds allocated to the Rogers Road Neighborhood as part of the overall remediation plan.

Blake Moving Company, Inc. presented an estimate of \$740,499 to relocate the Hogan-Rogers home to Purefoy Drive. Habitat has determined that the first two lots in the Phoenix Place subdivision, which are at the corner of Purefoy Drive and Edgar Street, would be the best site for the relocation of the structure. Blake presented examples of historical structures that the company has successfully moved.

Blake's assessment of the historic home is that the structure is sound, some repairs need to be made after it is moved, and there will not be any issues with the relocation of the home. An architect/engineer will have to be engaged to design the foundation of the relocated structure and remodeling of the interior of the home.

St. Paul A.M.E. Church is completing the permitting and compliance phase of the project and anticipates getting through that process by late fall. The Church will go through the bidding process to select a site work contractor probably in late August/early September. The site work would start the latter part of the year depending on the weather. The phasing for building and construction for the buildings will not start until the first of the next year.

The Church will work with the Rogers Road Neighborhood to relocate the Hogan-Rogers House. Gloria Shealy, Project Manager has requested a timeline to relocate to the adjacent site. Because the Church is anxious to begin construction as soon as possible, time is of the essence to relocate the Hogan-Rogers House.

#### **Construction of a New Facility:**

If it is not feasible or practicable to move and restore the Hogan-Rogers House, the Historic Rogers Road Neighborhood Task Force is investigating the possibility of constructing a new Community Center on the two lots donated by Habitat for Humanity. Habitat will support the construction of a new facility if the facility is used as a center for neighborhood programs and activities. The donated site could support a facility of up to 4,000 Sq. Ft. with an estimated construction budget of \$750,000. Habitat's support for the community center will be contingent on a commitment of funding allocated to the Rogers Road Neighborhood to complete the project.

A proposed community center must meet NC State Building Code and obtain a Building Permit. The Town of Chapel Hill advises consulting an architect/design professional on the cost and specific code requirements. In addition, the site layout must receive zoning approval and meet the Chapel Hill Land Use Management Ordinance requirements regarding site layout and process.

## **FINANCIAL IMPACT AND COSTS SHARING OPTIONS**

The Task Force has consensus that there are needs in the Rogers Road Neighborhood that should be addressed by the Task Force. The Task Force has investigated two possible solutions in the Rogers Road Community and the estimated costs are as follows:

***Installing sewer infrastructure for 86 defined parcels in the Rogers Road Neighborhood***

**\$ 5,788,215**

***Estimated Cost to construct a new 4,000 sq. ft. Neighborhood Community Center***

**\$ 700,000**

**Total Financial Impact                    \$6,488,215**

The Task Force initially investigated and evaluated five different cost sharing options for the Rogers Road Neighborhood as outlined below:

1. The first option is based on the Municipal Solid Waste (tonnage) delivered to the Landfill by each municipality during Fiscal 2010/11.
2. The second option is based on the original Landfill Agreement between the Towns and the County dated November 30, 1972.
3. The third possible solution is based on County and Town populations. This is the method the Board of County Commissioners has selected to distribute Sales Tax revenues between the County and the Towns.
4. The fourth option is based on County and Town Ad Valorem Property Taxes Levied by each municipality for Fiscal 2011/12. This is an alternative method the Board of County Commissioners could consider to distribute Sales Tax revenues between the County and the Towns.
5. The fifth possible solution is based on County and Town populations. This method is not weighted.

**See the Spreadsheet Below:**

Rogers Road Neighborhood Task Force  
 Cost Sharing Options  
 8/22/2012

	1 Fiscal 2010/11 MSW Volume		2 1972 Landfill Agreement	
	Tons/Yr.	Percent	Annual Payment	Percent
Carrboro	6,650	19%	\$ 29,524	14%
Chapel Hill	15,008	42%	\$ 90,549	43%
Hillsborough	3185	9%		
Orange County	<u>10,497</u>	<u>30%</u>	<u>\$ 90,549</u>	<u>43%</u>
<b>Total</b>	<b>35,340</b>	<b>100%</b>	<b>\$ 210,622</b>	<b>100%</b>

	3 County Population Est. Sales Tax Distribution Method		4 Fiscal 2012/13 Ad Valorem Property Tax	
	Population	Percent	Property Tax Levy	Percent
Carrboro	19,665	9%	11,611,958	5%
Chapel Hill	54,582	25%	34,116,234	16%
Special Districts			235,387	0%
Durham	30	0%	49,416	0%
Hillsborough	6,113	3%	4,705,799	2%
Mebane	1,801	1%	1,114,495	1%
Orange County	134,325	62%	136,382,728	64%
School District			19,260,309	9%
Fire Districts	-	-	<u>3,979,116</u>	<u>2%</u>
<b>Total</b>	<b>216,516</b>	<b>100%</b>	<b>211,455,442</b>	<b>100%</b>

	5 County Population Est. Fiscal 2012/13	
	Population	Percent
Carrboro	19,665	15%
Chapel Hill	54,582	41%
Durham	30	0%
Hillsborough	6,113	5%
Mebane	1,801	1%
Orange County	<u>52,134</u>	<u>39%</u>
<b>Total</b>	<b>134,325</b>	<b>100%</b>

6. The Town of Carrboro presented an alternative costs share option based on equal weights for Municipal Solid Waste and Population.

**See the Spreadsheet Below:**

<b>MSW Volume</b>		
Carrboro	6,650	19%
Chapel Hill	15,008	42%
Hillsborough	3,185	9%
Orange County	10,497	30%
<b>Total</b>	<b>35340</b>	<b>100%</b>

<b>Population for Sales Tax Distribution</b>		
Carrboro	19,665	9%
Chapel Hill	54,582	25%
Durham	30	0%
Hillsborough	6,113	3%
Mebane	1,801	1%
Total Incorporated	82,191	
Total County	134,325	62%
<b>Sales Tax Population</b>	<b>216,516</b>	

<b>Ad Valorem Value</b>		
Carrboro	\$ 11,611,958	5%
Chapel Hill	\$ 34,116,234	16%
CH Special District	\$ 235,387	0%
Durham	\$ 49,416	0%
Hillsborough	\$ 4,705,799	2%
Mebane	\$ 1,114,495	1%
Orange County	\$ 136,382,728	64%
CH-C School District	\$ 19,260,309	9%
Fire Districts	\$ 3,979,116	2%
<b>Total Ad Valorem</b>	<b>\$ 211,455,442</b>	<b>100%</b>

<b>Weight Assumption</b>	
MSW Input (Responsibility)	0.5
Sales Tax Revenue (Population)	0.5
Ad Valorem Value (Ability to Pay)	

<b>Cost Distribution</b>	<b>Normalized</b>	
Carrboro	13.95%	14.06%
Chapel Hill	33.84%	33.94%
Hillsborough	5.92%	6.02%
Orange County	45.87%	45.98%
	99.58%	100.00%

Cost of Sewer Project	\$ 5,788,215
Community Center	\$ 500,000
Carrboro	\$ 883,843
Chapel Hill	\$ 2,134,475
Hillsborough	\$ 378,777
Orange County	\$ 2,891,120

### **Carrboro Cost Sharing Option**

## RECOMMENDATIONS TO THE ASSEMBLY OF GOVERNMENTS

### **Historic Rogers Road Neighborhood Task Force December 6, 2012**

#### **Recommendations:**

1. That the costs of both a New Community Center and Sewer Improvements be shared by the local governments, at the same costs sharing percentages as outlined in the 1972 Landfill Agreement, 43% for Orange County, 43% for The Town of Chapel Hill and 14% for The Town of Carrboro.
2. That the Managers and Attorneys originate a Memorandum of Understanding between Habitat, Orange County, the Town of Carrboro, and the Town of Chapel Hill for the construction of a new Rogers Road Community Center. The budget will not exceed \$700,000 and the project will be bid in compliance with North Carolina public bidding requirements. Orange County will finance the project with reimbursement from the Towns as outlined in (1) above.
3. That the governing boards continue to appropriate funds, as previously budgeted, to reimburse the Solid Waste fund for the purchase of the Greene Tract, for both a New Community Center and Sewer Improvements. Funds budgeted in Fiscal 2012/2013 for the Greene Tract are as follows; \$90,549 for Orange County, \$90,549 for The Town of Chapel Hill and \$29,524 for The Town of Carrboro. The governing boards are also encouraged to locate other funding sources for a New Community Center and Sewer Improvements.
4. That the Hogan-Rogers House no longer be considered as an option for a Neighborhood Community Center. The St Paul's AME Church is working with the Chapel Hill Preservation Society to save the structure.
5. That the Task Force continue to meet, to address the Charge of the Task Force, for an additional 6 months with the original composition of the Task Force. The composition of the Task Force originally included two members appointed by each Town (Chapel Hill and Carrboro); two members appointed from the County; and two members appointed from Rogers Eubanks Neighborhood Association (RENA).

**Recommendations, Never Finalized:****Rogers Road Neighborhood Community Center:**

That the County create Memorandum of Understanding for the operations of the Community Center with the County, Habitat, and the Rogers Eubanks Neighborhood Association all being a party to the agreement. The agreement shall provide for the operation & maintenance of a new Rogers Road Neighborhood Community Center including services, programs & activities to be provided in the Center.

**County Sewer District:**

1. That the Managers explore the creation of a County Sewer District for all property owners in the Historic Rogers Road Neighborhood that are not currently served by a municipal sewer system and would benefit from the installation of sewer infrastructure to serve the Rogers Road Neighborhood.
  - a. That the towns participate with the possible creation of a County Sewer District, which could overlap town boundaries.
  - b. That a County Sewer District would make special assessments against benefited property within the district to cover the costs of constructing, extending or improving sewage disposal system. The basis of any special assessment would be determined at a later date after investigating development potential and the number of possible dwelling units. A special assessment would share the costs of the sewer system with current benefited property (homeowners) and undeveloped land for future development.
  - c. That the Managers work with the Attorneys to create criteria that would enable homeowners, that have lived in the Historic Rogers Road Neighborhood before 1972, to connect from the sewer system free of charge and recommend a sliding scale fee structure for homeowners that moved to the Neighborhood between 1972 and 2012.

## Appendix C

### MEMORANDUM

**TO:** Chapel Hill, Carrboro and Orange County Elected Officials  
**FROM:** Chapel Hill, Carrboro and Orange County Managers  
**SUBJECT:** Collaborative Approach to Rogers Road  
**DATE:** February 25, 2013

### PURPOSE

The purpose of this memorandum is to describe the collaborative approach the Managers of Chapel Hill, Carrboro and Orange County are pursuing to ensure an inclusive process for determining how best to address the identified needs of the Rogers Road area, particularly those related to the extension of water and sewer service and the potential creation of a utilities service district.

### BACKGROUND

As stated in a memo to the Orange County BOCC dated January 24, 2013:

“Sewer service to the Historic Rogers Road Neighborhood, as defined by the previously approved public water connections in the area, has proven to be an expensive and complicated issue to resolve. The creation of a County Sewer District for all property owners in the Historic Rogers Road Neighborhood that are not currently served by a municipal sewer system is being investigated. Participation by the Towns in a Sewer District located outside of the Towns jurisdictions presents legal challenges for both the Town of Chapel Hill and Town of Carrboro. The Orange Water and Sewer Authority (OWASA) could be the service provider for the creation of a County Sewer District. Contract terms and policy standards for governmental projects would have to be discussed before a Sewer District could be established.”

To that end, the Managers of Chapel Hill, Carrboro and Orange County have held meetings with their key staffs and each other to discuss these issues and address them collaboratively. The Managers have also met with leaders from other local organizations to develop strategic partnerships as we move forward in the decision making process.

### DISCUSSION

Planning staff from the Towns of Chapel Hill and Carrboro met several times in late 2012 and early 2013 to share information on the area in order to gain a better understanding of the potential for development of the jointly-owned public land in the area, including options for water and sewer extensions. The Planning staffs then met with the Managers to present their findings and discuss some options for moving forward, including creation of a utilities service district.

During the same time period, the Managers identified other potential stakeholder organizations and met with their leadership independently to discuss prospects for strategic partnerships moving forward. These organizations included OWASA, Chapel Hill-Carrboro City Schools, Self-Help Credit Union and the Jackson Center.

**OWASA** was identified because of their role as water and sewer service provider, and for their assistance in developing a business model to establish a utilities service district. OWASA is envisioned as a contract service provider in the establishment of the district. Eventually the infrastructure would become part of OWASA's system and managed directly by them.

**Chapel Hill-Carrboro City Schools** was identified as strategic partner in light of their plans to build a new school in the vicinity of the Roger Road area, which will be a major component of how the area is developed in the future. The school administration has an interest in partnering with the other local governments to integrate the planning for the school with our planning for the community.

**Self-Help Credit Union** has been a critical partner in the Town's efforts to think differently about the Northside neighborhood. Because of the direct and indirect connections between the two neighborhoods, they are interested in partnering in this effort to seek ways to maximize the publicly-owned land into new solutions for community space and infrastructure.

**The Jackson Center** has used its community-building experience in Chapel Hill's Northside Neighborhood to make a difference in the communications with landowners in the area. They are also attracted by the historical connections between the Rogers Road community and Northside.

The Managers plan to continue meeting regularly with each other to share information and strategize how best to address the water and sewer needs of the Rogers Road area and community. We will also continue to work with the identified strategic partners to ensure an inclusive and innovative process moving forward.

### **RECOMMENDATION**

That the Town of Chapel Hill Council, Town of Carrboro Board of Alderman and Orange County Board of Commissioners receive this memorandum, jointly drafted by their Managers.

**Appendix D**

## Part 5. Community Development.

**§ 153A-376. Community development programs and activities.**

(a) Any county is authorized to engage in, to accept federal and State grants and loans for, and to appropriate and expend funds for community development programs and activities. In undertaking community development programs and activities, in addition to other authority granted by law, a county may engage in the following activities:

- (1) Programs of assistance and financing of rehabilitation of private buildings principally for the benefit of low and moderate income persons, or for the restoration or preservation of older neighborhoods or properties, including direct repair, the making of grants or loans, the subsidization of interest payments on loans, and the guaranty of loans;
- (2) Programs concerned with employment, economic development, crime prevention, child care, health, drug abuse, education, and welfare needs of persons of low and moderate income.

(b) Any board of county commissioners may exercise directly those powers granted by law to county redevelopment commissions and those powers granted by law to county housing authorities. Any board of county commissioners desiring to do so may delegate to redevelopment commission or to any housing authority the responsibility of undertaking or carrying out any specified community development activities. Any board of county commissioners and any municipal governing body may by agreement undertake or carry out for each other any specified community development activities. Any board of county commissioners may contract with any person, association, or corporation in undertaking any specified community development activities. Any county or city board of health, county board of social services, or county or city board of education, may by agreement undertake or carry out for any board of county commissioners any specified community development activities.

(c) Any board of county commissioners undertaking community development programs or activities may create one or more advisory committees to advise it and to make recommendations concerning such programs or activities.

(d) Any board of county commissioners proposing to undertake any loan guaranty or similar program for rehabilitation of private buildings is authorized to submit to its voters the question whether such program shall be undertaken, such referendum to be conducted pursuant to the general and local laws applicable to special elections in such county.

(e) No state or local taxes shall be appropriated or expended by a county pursuant to this section for any purpose not expressly authorized by G.S. 153A-149, unless the same is first submitted to a vote of the people as therein provided.

(f) All program income from Economic Development Grants from the Small Cities Community Development Block Grant Program may be retained by recipient "economically distressed counties", as defined in G.S. 143B-437.01 for the purposes of creating local economic development revolving loan funds. Such program income derived through the use by counties of Small Cities Community Development Block Grant money includes but is not limited to: (i) payment of principal and interest on loans made by the county using Community Development Block Grant Funds; (ii) proceeds from the lease or disposition of real property acquired with Community Development Block Grant Funds; and (iii) any late fees associated with loan or lease payments in (i) and (ii) above. The local economic development revolving loan fund set up by the county shall fund only those activities eligible under Title I of the federal Housing and Community Development Act of 1974, as amended (P.L. 93-383), and shall meet at least one of the three national objectives of the Housing and Community Development Act. Any expiration of G.S. 143B-437.01 or G.S. 105-129.3 shall not affect this subsection as to designations of economically distressed counties made prior to its expiration.

(g) Any county may receive and dispense funds from the Community Development Block Grant Section 108 Loan Guarantee program, Subpart M, 24 CFR 570.700 et seq., either through application to

the North Carolina Department of Commerce or directly from the federal government, in accordance with State and federal laws governing these funds. Any county that receives these funds directly from the federal government may pledge current and future CDBG funds for use as loan guarantees in accordance with State and federal laws governing these funds. A county may implement the receipt, dispensing, and pledging of CDBG funds under this subsection by borrowing CDBG funds and lending all or a portion of those funds to a third party in accordance with applicable laws governing the CDBG program.

Any county that has pledged current or future CDBG funds for use as loan guarantees prior to the enactment of this subsection is authorized to have taken such action. A pledge of future CDBG funds under this subsection is not a debt or liability of the State or any political subdivision of the State or a pledge of the faith and credit of the State or any political subdivision of the State. The pledging of future CDBG funds under this subsection does not directly, indirectly, or contingently obligate the State or any political subdivision of the State to levy or to pledge any taxes. (1975, c. 435, s. 2; c. 689, s. 2; 1987 (Reg. Sess., 1988), c. 992, s. 1; 1995, c. 310, s. 2; 1995 (Reg. Sess., 1996), c. 575, s. 2; 1996, 2nd Ex. Sess., c. 13, s. 3.8; 2006-259, s. 27(a).)

## Part 8. Miscellaneous Powers.

**§ 160A-456. Community development programs and activities.**

(a) Any city is authorized to engage in, to accept federal and State grants and loans for, and to appropriate and expend funds for community development programs and activities. In undertaking community development programs and activities, in addition to other authority granted by law, a city may engage in the following activities:

- (1) Programs of assistance and financing of rehabilitation of private buildings principally for the benefit of low and moderate income persons, or for the restoration or preservation of older neighborhoods or properties, including direct repair, the making of grants or loans, the subsidization of interest payments on loans, and the guaranty of loans;
- (2) Programs concerned with employment, economic development, crime prevention, child care, health, drug abuse, education, and welfare needs of persons of low and moderate income.

(b) Any city council may exercise directly those powers granted by law to municipal redevelopment commissions and those powers granted by law to municipal housing authorities, and may do so whether or not a redevelopment commission or housing authority is in existence in such city. Any city council desiring to do so may delegate to any redevelopment commission or to any housing authority the responsibility of undertaking or carrying out any specified community development activities. Any city council and any board of county commissioners may by agreement undertake or carry out for each other any specified community development activities. Any city council may contract with any person, association, or corporation in undertaking any specified community development activities. Any county or city board of health, county board of social services, or county or city board of education, may by agreement undertake or carry out for any city council any specified community development activities.

(c) Any city council undertaking community development programs or activities may create one or more advisory committees to advise it and to make recommendations concerning such programs or activities.

(d) Any city council proposing to undertake any loan guaranty or similar program for rehabilitation of private buildings is authorized to submit to its voters the question whether such program shall be undertaken, such referendum to be conducted pursuant to the general and local laws applicable to special elections in such city.

(d1) Any city may receive and dispense funds from the Community Development Block Grant Section 108 Loan Guarantee program, Subpart M, 24 CFR 570.700 et seq., either through application to the North Carolina Department of Commerce or directly from the federal government, in accordance with State and federal laws governing these funds. Any city that receives these funds directly from the federal government may pledge current and future CDBG funds for use as loan guarantees in accordance with State and federal laws governing these funds. A city may implement the receipt, dispensing, and pledging of CDBG funds under this subsection by borrowing CDBG funds and lending all or a portion of those funds to a third party in accordance with applicable laws governing the CDBG program.

Any city that has pledged current or future CDBG funds for use as loan guarantees prior to the enactment of this subsection is authorized to have taken such action. A pledge of future CDBG funds under this subsection is not a debt or liability of the State or any political subdivision of the State or a pledge of the faith and credit of the State or any political subdivision of the State. The pledging of future CDBG funds under this subsection does not directly, indirectly, or contingently obligate the State or any political subdivision of the State to levy or to pledge any taxes.

(e) Repealed by Session Laws 1985, c. 665, s. 5.

(e1) All program income from Economic Development Grants from the Small Cities Community Development Block Grant Program may be retained by recipient cities in "economically distressed counties", as defined in G.S. 143B-437.01, for the purposes of creating local economic development revolving loan funds. Such program income derived through the use by cities of Small Cities

Community Development Block Grant money includes but is not limited to: (i) payment of principal and interest on loans made by the county using Community Development Block Grant Funds; (ii) proceeds from the lease or disposition of real property acquired with Community Development Block Grant Funds; and (iii) any late fees associated with loan or lease payments in (i) and (ii) above. The local economic development revolving loan fund set up by the city shall fund only those activities eligible under Title I of the federal Housing and Community Development Act of 1974, as amended (P.L. 93-383), and shall meet at least one of the three national objectives of the Housing and Community Development Act. Any expiration of G.S. 143B-437.01 or G.S. 105-129.3 shall not affect this subsection as to designations of economically distressed counties made prior to its expiration. (1975, c. 435, s. 1; c. 689, s. 1; c. 879, s. 46; 1983, c. 908, s. 4; 1985, c. 665, s. 5; 1987, c. 464, s. 10; 1987 (Reg. Sess., 1988), c. 992, s. 2; 1995, c. 310, s. 3; 1995 (Reg. Sess., 1996), c. 13, s. 3.9; c. 575, s. 3; 2006-259, s. 27(b).)

## Appendix E

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF ORANGE

THIS LEASE AGREEMENT ("Lease"), made and entered into as of the last date set forth in the notary acknowledgments below (the "Effective Date"), by and between HABITAT FOR HUMANITY, ORANGE COUNTY, N.C., INC., a nonprofit corporation registered in North Carolina, hereinafter referred to as "Lessor" and ORANGE COUNTY, a political subdivision of the State of North Carolina, hereinafter referred to as "Lessee." Lessor and Lessee are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

WITNESSETH:

WHEREAS, the board of directors of Habitat for Humanity, Orange County NC, Incorporated ("Habitat") has authorized and approved the execution of this Lease for the purposes herein specified; and

WHEREAS, the execution of this Lease for and on behalf of Lessor has been duly approved by Habitat at a meeting held in the City of \_\_\_\_\_ North Carolina, on the \_\_\_\_ day of \_\_\_\_\_, 2013; and

WHEREAS, the Parties have mutually agreed to the terms of this Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of the Premises, as described herein, and the promises and covenants contained in the terms and conditions hereinafter set forth, Lessor does hereby rent, lease and demise unto Lessee, for and during the term and under the terms and conditions hereinafter set forth, that certain Premises, with all rights, privileges and appurtenances thereto belonging.

## THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Premises. The "Premises" shall consist of that certain parcel or tract of land lying and being in the \_\_\_\_\_ Township, Orange County, North Carolina, containing \_\_\_\_ acres, more or less, being more particularly shown and described on Exhibit A, attached hereto and incorporated herein by this reference and having PINs \_\_\_\_\_ and \_\_\_\_\_.
2. Term. The term of this Lease shall commence on the Effective Date, and unless sooner terminated, extended, or renewed as provided herein, shall expire on the twentieth (20<sup>th</sup>) anniversary of the Effective Date at 2400 hours (the "Term").
3. Rent. Lessee shall pay to Lessor as rental for the Premises the sum of ONE DOLLAR (\$1.00) for the Term.

4. Condition of Premises. Lessor agrees to deliver the Premises to Lessee in its present condition. Except as otherwise expressly provided herein, Lessee acknowledges that the Premises is being delivered "as is", that Lessee has performed preliminary investigations and reviews and has concluded on its own judgment that the Premises are suitable for the purposes intended, without any representations or warranties of any kind (including, without limitation, any express or implied warranties of merchantability, fitness or habitability) from Lessor or any agent of Lessor. Lessee's entry into possession shall constitute conclusive evidence that as of the date thereof the Premises were in good order and satisfactory condition. Lessee further acknowledges that this Lease is subordinate to all existing easements and rights of way encumbering the Premises, including any easements benefiting adjacent land owned by Lessor.

5. Use of Premises and Leasehold Improvements. The Premises shall be used by Lessee for the construction, maintenance and operation of a public community and recreation facility together with other accessories and appurtenances related thereto, as said facility is more particularly described in Exhibit B attached hereto and incorporated herein by this reference (said facility and all fixtures, accessories and appurtenances constructed or installed on the Premises in connection therewith are collectively referred to herein as the "Leasehold Improvements"). If Lessee ceases to use the Premises for the purposes herein described or makes other uses of the Premises without the express written consent of Lessor, Lessor may terminate this Lease and reenter and take possession of the Premises.

6. Construction of Leasehold Improvements. The Premises shall be developed and the Leasehold Improvements shall be constructed by Lessee, at its sole cost and expense, in compliance with all the applicable governmental laws and regulations. Construction of the Leasehold Improvements shall be deemed to have commenced when Lessee begins site grading or site preparation. All such Leasehold Improvements shall be and remain the property of Lessee.

7. Maintenance and Repair. During the Term, Lessee, at its sole cost and expense, shall maintain in thorough repair and in good and safe condition the Premises and the Leasehold Improvements. Lessee's maintenance obligations shall include, without limitation, such stormwater system(s) on the Premises as may be required by local or state ordinances and regulations.

8. Utilities. Lessee shall be responsible for all charges, fees and expenses associated with the provision of utilities necessary for its construction and use of the Leasehold Improvements and for its occupancy and possession of the Premises.

9. Insurance and Liability.

9.1 Lessee Insurance. Lessee shall obtain adequate insurance coverage in accordance with all applicable laws for (i) general liability, (ii) automobile liability, and (iv) fire and extended coverage with regard to the Lessee's operations on or about Premises and the Leasehold Improvements located thereon. Lessee shall require any of its contractors or agents entering the Premises to obtain and keep in place with well rated insurers, authorized to do business in the State of North Carolina, adequate insurance coverage, as applicable, for (i) statutory workers' compensation including, employers' liability; (ii) comprehensive general

liability including, personal injury, broad form property damage, independent contractor, XCU (explosion, collapse, underground) and products/completed operations; (iii) automobile liability; and (iv) fire and extended coverage insurance. Evidence of compliance with the insurance requirements set out in this provision shall be provided to Lessor prior to commencement of improvements on the Premises.

9.2 Insurance Requirements. All policies maintained by Lessee shall be purchased only from insurers who are authorized to do business in the State of North Carolina, who comply with the requirements thereof, and who carry an A.M. Best Company rating of "A" or "A+."

9.3 Lessee's Liability. As between Lessee and Lessor, Lessee, subject to the terms of this Lease, shall be primarily liable for the negligent or intentional acts or omissions of its agents, contractors or employees. As to third parties, Lessee agrees to save Lessor harmless from and against any and all loss, damage, claim, demand, liability, or expense, including reasonable attorney fees, by reason of damage to person or property on or about the Premises, which may arise or be claimed to have arisen as a result of the possession, occupation, use or operation of the Premises by Lessee, its agents or employees, except where such loss or damage arises from the willful or negligent misconduct of Lessor, its agents or employees. It is the intent of this section that Lessee shall hold Lessor harmless and indemnify Lessor to the extent allowed under North Carolina law.

10. Casualty. In the event the Premises and the Leasehold Improvements, or a substantial part thereof, shall be damaged by fire or other casualty, Lessee may, at its option, terminate this Lease or cause the Premises and the Leasehold Improvements to be repaired or renovated. If Lessee determines to make the necessary repairs or renovations, any proceeds from fire or casualty insurance shall belong to Lessee. In such event, Lessee, at its sole cost and expense, shall cause the repairs and renovations to be made in a good and workmanlike manner, without unreasonably delay, and in compliance with all applicable governmental laws and regulations and the Approved Plans. If Lessee determines not to make the necessary repairs or renovations, then this Lease shall terminate and Lessee, at Lessor's option, shall cause the Premises to be restored to a condition reasonably approximating that existing at the Effective Date and any proceeds from fire or other casualty insurance, less payment for any permitted indebtedness thereon, payment to Lessee for its personal property located on the Premises and any payment necessary to restore the Premises, shall belong to Lessor. Lessee's determination concerning repair as stated in this Section shall be given to Lessor in writing within ninety (90) days of the fire or casualty causing the damage.

11. Hazardous Materials.

11.1 Definitions. For purposes of this Lease: (i) "Hazardous Material" or "Hazardous Materials" means and includes, without limitation, (a) solid or hazardous waste, as defined in the Resource Conservation and Recovery Act of 1980, or in any applicable state or local law or regulation, (b) hazardous substances, as defined in the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), or in any applicable state or local law or regulation, (c) gasoline, or any other petroleum product or by-product, (d) toxic substances, or rodenticides, as defined in the Federal Insecticide, Fungicide, and Rodenticide Act of 1975, or in any applicable state or local law or regulation, as each such Act, statute, or regulation may be

amended from time to time; (ii) "Release" shall have the meaning given such term, in Environmental Laws, including, without limitation, CERCLA; and (iii) "Environmental Law" or "Environmental Laws" shall mean "Super Fund" or "Super Lien" law or any other federal, state, or local statute, law, ordinance, or code, regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Materials as may now or at any time hereafter be legally in effect, including, without limitation, the following, as same may be amended or replaced from time to time, and all regulations promulgated and officially adopted thereunder or in connection therewith: Super Fund Amendments and Reauthorization Act of 1986 ("SARA"); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"); The Clean Air Act ("CAA"); the Clean Water Act ("CWA"); the Toxic Substance Control Act ("TSCA"); the Solid Waste Disposal Act ("SWDA"), as amended by the Resource Conservation and Recovery Act ("RCRA"); the Hazardous Waste Management System; and the Occupational Safety and Health Act of 1970 ("OSHA"). All obligations and liabilities arising under this Section 14 which arise out of events or actions occurring prior to the expiration or termination of this Lease shall survive the assignment of this Lease and the expiration, termination, cancellation or release of record of this Lease.

11.2 Lessee Not Liable for Hazardous Materials. Lessee shall not be responsible for any damage, loss, or expense resulting from the prior existence on the Premises of any Hazardous Material. Lessee shall be responsible for any damage, loss, or expense resulting from the existence on the Premises of any Hazardous Material generated, stored, disposed of or transported to or over the Premises resulting from Lessee's improvements made to the Premises.

11.3 Lessee's Obligations. Lessee shall give Lessor immediate written notice of any problem, Release, threatened Release or discovery of any Hazardous Materials on or about the Premises or claim thereof. If such problem, Release, threatened Release or discovery was caused by Lessee, its employees, agents, contractors, invitees or licensees, this notice shall include a description of measures taken or proposed to be taken by Lessee to contain and/or remediate the Release of Hazardous Materials and any resultant damage to or impact on property, persons and/or the environment (which term includes, without limitation, soil, surface water or groundwater) on, under or about the Premises. In the event of a Release caused solely by Lessee and at Lessee's own expense, Lessee shall promptly take all steps necessary to clean up or remediate any Release of Hazardous Materials, comply with all Environmental Laws and otherwise report and/or coordinate with Lessor and all appropriate governmental agencies.

11.4 Liability. To the extent allowed by North Carolina law Lessor agrees to save Lessee harmless from and against any and all liens, demands, defenses, suits, proceedings, disbursements, liabilities, losses, litigation, damages, judgments, obligations, penalties, injuries, costs, expense (including, without limitation, attorneys' and experts' fees) and claims of any and every kind of whatsoever paid, incurred, suffered by, or asserted against Lessee with respect to, or as a direct or indirect result of the violation of any Environmental Laws applicable to the Premises, to the extent that such violation is caused by the activities of Lessor or any predecessor in interest to Lessor. To the extent allowed by North Carolina law Lessee agrees to save Lessor harmless from and against any and all liens, demands, defenses, suits, proceedings, disbursements, liabilities, losses, litigation, damages, judgments, obligations, penalties, injuries, costs, expense (including, without limitation, attorneys' and experts' fees) and claims of any and

every kind of whatsoever paid, incurred, suffered by, or asserted against Lessor with respect to, or as a direct or indirect result of the violation of any Environmental Laws applicable to the Premises, to the extent that such violation is caused by the activities of Lessee.

12. Waste / Interference. Lessee shall not use the Premises in any manner that will constitute waste.

13. Compliance. Lessee agrees to comply, at Lessee's sole cost and expense, with all governmental laws, rules, ordinances and regulations applicable to the Premises or Lessee's use and occupancy thereof.

14. Liens. Lessee agrees to pay all lawful claims associated with the construction of the Leasehold Improvements on a timely basis and shall save Lessor harmless from and against any and all claims by third parties and contractors arising out of the construction of the Leasehold Improvements. Lessee shall not encumber the Premises with any mortgages or permit any mechanic's, materialman's, contractor's, subcontractor's or other similar lien arising from any work of improvement performed by or on behalf of Lessee, however it may arise, to stand against the Premises. In the event the Premises are encumbered by any such lien, Lessee may in good faith contest the claim underlying such lien

15. Events of Default. The occurrence of any of the following shall constitute a material default and breach of this Lease by Lessee (an "Event of Default"):

15.1 Vacation / Abandonment. Lessee ceases to occupy, abandons or vacates the Premises for the purposes of this Lease before the expiration of the Term.

15.2 Unlawful Purpose. If Lessee allows the Premises to be used for any unlawful purpose.

15.3 Use by Habitat Homeowners. Lessee causes the Premises to be unavailable for the use and enjoyment of Habitat for Humanity Homeowners residing in Orange County, North Carolina, and their families and invitees.

16. Lessor's Remedies. Upon the occurrence of any Event of Default or failure by Lessee to perform any obligation of Lessee under this Lease, which failure is not cured within the specific time periods provided in this Lease or if no specific time period is provided, then within one hundred eighty (180) days after written notice to Lessee (or if such failure cannot be cured within one hundred eighty (180) days, then within a reasonable period of time, provided Lessee proceeds promptly and diligently to cure such breach), whichever occurs first, then Lessor, at its option may (i) terminate Lessee's right to possession of the Premises at any time by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor; and/or (ii) pursue any other remedy now or hereafter available to Lessor under North Carolina law.

17. Right of Lessor to Re-Enter. In the event of any termination of this Lease by Lessor or

the enforcement of any other remedy by Lessor under this Lease, Lessor shall have the immediate right to enter upon and repossess the Premises and remove or store Lessee's personal property and Leasehold Improvements in accordance with the terms of Section 19. Lessee hereby waives all claims arising from Lessor's re-entering and taking possession of the Premises and removing and storing the property of Lessee as permitted under this Lease and will save and hold Lessor harmless from all losses, costs or damages occasioned Lessor thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

18. Legal Costs. In the event of any breach each Party shall be solely responsible for that Party's own legal costs and expenses including reasonable attorney's fees. .

19. Ownership of Leasehold Improvements; Surrender of Premises. During the Term, ownership of the Leasehold Improvements shall be in Lessee. At the expiration of the Term or the earlier termination of this Lease, Lessee shall promptly quit and surrender the Premises in good order, condition and repair, ordinary wear and tear excepted. The Leasehold Improvements shall remain the property of Lessee for a period of ninety (90) days. The Parties shall work together to remove such Leasehold Improvements from the premises within a reasonable time with such removal being at the sole expense of the Lessee. At the termination of this Lease, Lessee shall remove any and all of Lessee's personal property, trade fixtures and equipment from the Premises. All leasehold improvements and such personal property, trade fixtures and equipment not so removed by Lessee and remaining on the Premises ninety (90) days after the termination of this Lease shall, at Lessor's option, become the property of Lessor or Lessor may have the property removed or stored, at Lessee's expense.

20. Holdover. In the event Lessee remains in possession of the Premises after the expiration of the Term and without an extension, renewal, or the execution of a new lease, Lessee shall occupy the Premises as a tenancy at sufferance subject to all of the conditions of this Lease insofar as consistent with such a tenancy. However, either Party shall give not less than sixty (60) days written notice to terminate the tenancy.

21. Miscellaneous.

21.1 Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the Parties, their successors and permitted assigns.

21.2 Authority. Each person executing this Lease on behalf of Lessee does hereby represent and warrant that that this Lease was duly approved by the governing body of Lessee, that this Lease is the act and deed of Lessee, that Lessee has full lawful right and authority to enter into this Lease and to perform all of its obligations hereunder, and that each person signing this Lease on behalf of Lessee is duly and validly authorized to do so. Each person executing this Lease on behalf of Lessor does hereby represent and warrant that that this Lease was duly approved by the governing body of Lessor, that this Lease is the act and deed of Lessor, that Lessor has full lawful right and authority to enter into this Lease and to perform all of its obligations hereunder, and that each person signing this Lease on behalf of Lessor is duly and validly authorized to do so.

21.3 Relationship Between Parties. Nothing in this Lease shall be construed to render

the Lessor in any way or for any purpose a partner, joint venturer, or associate in any relationship with Lessee other than that of Lessor and Lessee, nor shall this Lease be construed to authorize either to act as agent for the other.

21.4 Applicable Law. This Lease shall be governed by, construed under and interpreted and enforced in accordance with the laws of the State of North Carolina, regardless of conflict of law principles.

21.5 Entire Agreement. This instrument contains the entire agreement between the Parties, and no statement, promise, inducement, representation or prior agreement which is not contained in this written Lease shall be valid or binding.

21.6 Amendment. No amendment, modification, alteration, renewal, extension, or revision of this Lease shall be valid and binding unless made in writing and signed by Lessee and Lessor.

21.7 Construction of Language. The terms "lease," "lease agreement" or "agreement" shall be inclusive of each other, and also shall include renewals, extensions, or modifications of this Lease. Words of any gender used in this Lease shall be held to include any other gender, and words of the singular shall be held to include the plural and the plural to include the singular when the sense requires. The section or paragraph headings and the titles are not a part of this Lease and shall have no effect upon the construction and interpretation of any part hereof.

21.8 Terms. Capitalized terms used in this Lease shall have the meanings ascribed to them at the point where first defined, irrespective of where their use occurs, with the same effect as if the definitions of such terms were set forth in full and at length every time such terms are used.

21.9 Effect of Waiver or Forbearance. No covenant or condition of this Lease can be waived except by written consent of the Parties. A waiver of any covenant or condition on one occasion shall not be deemed a waiver of said covenant or condition on any subsequent occasion unless such fact is specifically stated in the waiver. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of any covenant or condition to be performed by Lessee, and until Lessee has completely performed all covenants and conditions of this Lease, Lessor shall be entitled to invoke any remedy available to Lessor under this Lease or any law or equity despite such forbearance or indulgence.

21.10 Survival. All obligations accruing prior to expiration of the term of this Lease shall survive the expiration or other termination of this Lease.

21.11 Lessor's Remedies Cumulative. The rights and remedies of Lessor specified in this Lease shall be cumulative and in addition to any other rights and/or remedies otherwise available, whether or not specified in this Lease.

21.12 Severability. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity,

illegality or unenforceability shall not affect any other provision hereof and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

21.13 Construction. No provision of this Lease shall be construed against or interpreted to the disadvantage of any Party by any court or other governmental or judicial authority by reason of such Party's having or being deemed to have prepared or imposed such provision.

21.14 Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

21.15 Renewal. At the option of Lessee this Lease may be renewed for up to four (4) twenty (20) year terms.

21.16 Memorandum of Lease for Recording. At the request of either Party, Lessor and Lessee shall execute a memorandum of this Lease for recording in the public records at the requesting Party's sole cost and expense. The memorandum of Lease shall set forth the Parties, provide a description of the Premises, specify the Term and incorporate this Lease by reference.

21.17 Notices. All notices herein provided to be given, or to which may be given, by either Party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed as follows:

To Lessor:     Habitat for Humanity, Orange County, N.C., Inc.  
                   Attn: Susan Levy, Executive Director  
                   88 Vilcom Center Drive, L110  
                   Chapel Hill, NC 27514

To Lessee:     Orange County  
                   Attn: County Manager  
                   Post Office Box 8181  
                   Hillsborough, NC 27278

The address to which notices shall be mailed as aforesaid to either Party may be changed by written notice.

**[signatures begin on following page]**

IN TESTIMONY WHEREOF, Lessor has caused this instrument to be executed in its name by \_\_\_\_\_, attested by \_\_\_\_\_, and its corporate seal affixed hereto, by authority duly given; and Lessee has caused this instrument to be executed in its name by its Chair of the Board of Commissioners or County Manager, attested, by its Clerk and its County seal hereto affixed by authority duly given, all as of the dates set forth in the notary acknowledgments below.

**LESSEE:**

ORANGE COUNTY

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Clerk (Seal)

STATE OF NORTH CAROLINA  
COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public in and for the aforesaid County and State do hereby certify that \_\_\_\_\_ personally came before me this day and acknowledged that he/she is Clerk of the Orange County and that by authority duly given and as an act of the Orange County, the foregoing instrument was signed by \_\_\_\_\_, its \_\_\_\_\_, attested by himself/herself as Clerk and sealed with the common seal.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

My Commission Expires: \_\_\_\_\_  
Notary Public  
Print Name: \_\_\_\_\_

**LESSOR:**

HABITAT FOR HUMANITY, ORANGE COUNTY, N.C., INC.

By: \_\_\_\_\_  
Director

ATTEST:

\_\_\_\_\_

STATE OF NORTH CAROLINA  
COUNTY OF ORANGE

I, \_\_\_\_\_, a Notary Public in and for Orange county and State of North Carolina, do hereby certify that \_\_\_\_\_, personally came before me this day and acknowledged that she is \_\_\_\_\_, and that by authority duly given and as the act of Habitat for Humanity, Orange County, N.C., Inc., the foregoing instrument was signed in its name by \_\_\_\_\_, sealed with the corporate seal, and attested by herself as \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Print Name: \_\_\_\_\_

**EXHIBIT A**

## Description of Premises

Lying and being in Town of Hillsborough, Orange County, North Carolina and being more particularly described as follows:

**EXHIBIT B**

Leasehold Improvements

## Appendix F

### OPERATIONS AGREEMENT: ROGERS ROAD COMMUNITY CENTER

This Operations Agreement (the "Agreement") for the operation of the community and recreation center at \_\_\_\_\_ (hereinafter the "Center") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2013, between Rogers Eubanks Neighborhood Association, Incorporated, a North Carolina Nonprofit Corporation (hereinafter "RENA") and Orange County (hereinafter the "County") referred to jointly hereafter as "Parties".

The Parties hereby agree as follows:

#### 1. Term

The term of this Agreement shall be from the day and date first recorded above and shall continue for a period of five (5) years. The Agreement may be renewed as provided herein.

#### 2. Use and Operations

##### a) Rena Shall:

- i. Provide a full schedule and updates, as they become available, of all activities and programs at the Center.
- ii. Operate and staff the Center Monday through Friday 10:00 a.m. to 7:00 p.m. and Saturday from 10:00 a.m. to 6:00 p.m.
- iii. Immediately notify County of the closure, delayed opening, or early closing of the Center for any reason.
- iv. Provide quarterly analysis report to Center on enrollment, trends, and timing for RENA class, program, and activity sessions.
- v. Enforce County policies, including but not limited to the no smoking policy, while using and operating the Center.
- vi. Maintain worker's compensation insurance covering its personnel working at the Center.
- vii. Maintain general liability insurance coverage as outlined in Section 4 of this Agreement.
- viii. Appoint a liaison to communicate with the County regarding all matters related to this Agreement.
- ix. Maintain the Center facilities in a clean and orderly state. RENA may arrange furniture as may be needed to provide for the orderly operation of the Center.
- x. At the conclusion of each day clean and restore the Center kitchen, bathrooms, and activity rooms to the same state and condition in which they existed prior to use by RENA's volunteers and employees or the public.
- xi. Reimburse County promptly for any damage caused to Center facilities, including but not limited to furniture, kitchen furnishings and/or utilities, computers and other technology equipment, by RENA staff, customers, guests, or invitees.
- xii. The Center shall be used for the operation of a community and recreation center open to the general public and all other uses reasonably related thereto.
- xiii. Comply with all applicable federal, state, and local laws, ordinances, rules, or regulations.
- xiv. May, upon receiving appropriate permitting, serve meals as part of designated programs.

- xv. May, upon receiving appropriate permitting and authorization as required by law and written authorization from the County Manager, serve alcohol as part of approved events.
- b) RENA and Orange County hereby covenant and agree that in conjunction with the operation and use of the Center:
- i. RENA shall operate the Center in accordance with County policies, including facility access, without discrimination and regardless place of residence, to all residents of Orange County;
  - ii. RENA shall not enact policies that have the effect of denying use of the Center by any Orange County residents;
  - iii. RENA shall continuously operate the Center during the term of this Agreement subject to closures due to County-recognized holidays, casualty, condemnation, events of force majeure, or closures caused by any act or omission by County, its agents, employees, contractors, or subcontractors;
  - iv. RENA shall provide janitorial service to the Center and shall maintain the Center in a clean and safe condition free from hazard;
  - v. RENA shall maintain records related to the operations of the Center including accounting and operations records and all such Center records shall remain the property of County and shall be subject to the disclosure provisions of applicable federal and state statutes and regulations and shall be furnished to Orange County upon request;
  - vi. Any and all fixtures purchased by RENA from Center operations funds for use or consumption at the Center are and shall remain property of the County. For purposes of this section the term fixtures includes any kitchen or other appliances. Personal property purchased by RENA shall remain the property of RENA;
  - vii. RENA may charge fees for programs and services at or involving the Center. Any such fees shall not exceed the cost of providing such programs and services.
  - viii. RENA is responsible for any and all repairs that amount to less than two hundred dollars (\$200) per repair or incident. County is responsible for any and all repairs that amount to two hundred dollars (\$200) or more per repair or incident.
  - ix. RENA shall contract with a private hauler for the provision of roll out carts and/or other individual containers for municipal solid waste and recycling. RENA may not seek dumpster infrastructure and service through Chapel Hill or Orange County.
  - x. Orange County shall provide appropriate screening for such roll out carts or other individual containers.
  - xi. RENA shall maintain such roll out carts or other individual containers in the appropriate screened location and shall at due times deliver the roll out carts or individual containers to the curb for collection and return them to their screened locations after collection.
  - xii. RENA shall incorporate standard municipal solid waste and recycling rules and procedures within its operations protocols.

### 3. Facility Use Guidelines

By this Agreement, the County authorizes the use of the Center only to the extent permitted by the terms of this Agreement. The County does not incur any liability to RENA or any member of the public for RENA's operation and/or use of County property under this agreement and RENA shall defend, indemnify and hold harmless the County from and against any and all claims

related to RENA's operation, use of, or presence at Center facilities. RENA staff and members of the public will abide by County policies while on County property.

The County's facility use policy will serve as the guiding document for operations of the Center. Smoking is prohibited. No staff or visitor shall be permitted under any circumstances to use tobacco products in or on the grounds of any County property including the Center. The use of open flames, gambling, and alcoholic beverages are also prohibited unless appropriately permitted and/or approved in writing by the County Manager as may be required by law. Absolutely no weapons of any kind are allowed on the Center premises.

#### **4. Insurance Requirements**

RENA shall provide evidence of general liability insurance to the County by way of a certificate prior to operation and use of the Center. Orange County shall be named as additional insured to RENA's general liability endorsed policy. RENA shall maintain combined single limits not less than \$1,000,000 per occurrence with aggregate limits not less than \$2,000,000 per year. RENA shall provide notice to the County not less than 30 days prior to any cancellation or reduction of any liability coverage and annually provide the County with an updated certificate of insurance on or before each policy renewal date. RENA shall secure liability insurance suitable for any kitchen operations. All such insurance policies and coverages must be approved by the Orange County Risk Manager. The certificate of liability insurance shall be addressed and sent to:

Orange County  
 Attention: Director of Risk Management Services  
 200 S. Cameron Street  
 Hillsborough, NC 27278

#### **5. Access to County Facilities**

RENA shall provide a list of volunteers and employees who will be assigned to the Center to the County within five days of the date of signing of this agreement or prior to the employee's or volunteer's first day of work at the Center. County reserves the right to prohibit any individual employee or volunteer of RENA from accessing or providing services on County property, including the Center, or at County events if County determines, in its sole discretion, that such employee poses a threat to the safety or well-being of County employees, guests, customers, or invitees.

RENA shall conduct criminal background checks on each of its employees who will be employed or volunteering at the Center. RENA shall provide documentation that criminal background checks were conducted on each of its employees and/or volunteers prior to assigning them to the Center, and shall refuse employment or volunteer positions in its Center programs to any person convicted of a felony or any other crime that indicates the person poses a threat to the physical safety of County employees, guests, customers, or invitees. Such check shall include an annual check of the State Sex Offender and Public Protection Registration Program, the State Sexually Violent Predator Registration Program, and the National Sex Offender Registry. RENA shall not assign any employee or volunteer to staff the Center pursuant to this Agreement if (1) said worker appears on any of the listed registries; (2) said worker has been convicted of a felony; (3) said worker has been convicted of any felony involving sexual misconduct, violence, or drugs; (4) any misdemeanor involving sexual misconduct; or (5) said worker has engaged in any crime or conduct indicating that the worker may pose a threat to the safety or well-being of County employees, guests, customers, or

invitees. Notwithstanding the foregoing, RENA may allow nonviolent juvenile misdemeanants required to perform community service by a court of law or other state mandated program to volunteer at the Center.

## **6. Observation and Documentation**

County staff may observe, photograph, videotape, or audiotape any RENA volunteers or employees, County employees, guests, customers, or invitees. RENA shall secure necessary releases, which authorize County to publish such photographs, videotapes, or audiotapes. Any media coverage of RENA operations of the Center must receive prior authorization from the County Manager. RENA agrees to indemnify and hold County harmless for the failure by RENA to secure necessary releases pursuant to the terms of Section 8 herein.

## **7. Evaluation**

Both RENA and County agree to hold annual evaluation review meetings to assess the success and direction of the operation of the Center.

## **8. Indemnification**

RENA shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from and against all claims, actions, demands, costs, damages, losses and/or expenses of any kind whatsoever, in whole or in part, resulting from or connected with any acts of RENA employees or program participants or from the omission or commission of any act, lawful or unlawful, by RENA, its agents and/or employees, including but not limited to court costs and attorney's fees incurred by County in connection with the defense of said matters.

## **9. Rental Rate and Administrative Fees**

Rental rates and administrative fees shall be consistent with the Orange County Facilities Use Policy. County shall designate which, if any, rooms within the Center may be available for rent to the public or to local community groups. Any such rental shall comply with the Orange County Facilities Use Policy and shall be approved by the Orange County Facilities Management Director. RENA shall pay the County an annual \$25.00 administrative fee.

## **10. Termination and Renewal**

Upon the expiration of the initial term this Agreement may be renewed for up to four (4) additional five (5) year terms only by joint written agreement of both Parties. This Agreement may be terminated by mutual agreement of the Parties. At any time, County may terminate this Agreement and any renewal thereof immediately and without prior notice to RENA if County determines in its sole discretion that the health, safety, or well-being of County employees, guests, customers, or invitees are jeopardized by RENA's operation of the Center.

## **11. Reorganization or Dissolution**

Should RENA undergo a corporate reorganization, restructuring, or voluntary or involuntary dissolution this Agreement shall immediately terminate and RENA will vacate the Center premises.

## **12. Relationship of the Parties**

RENA is a contractor of County. RENA is not a partner, agent, employee, or joint venture of County and neither Party shall hold itself out contrary to these terms by advertising or otherwise. Neither Party shall be bound by any representation, act, or omission whatsoever of the other.

**13. Approvals, Amendments, Notices.**

Any approval or notice required by the terms of this Agreement shall be in writing and executed by the appropriate party. This Agreement may be amended only by written amendments duly executed by and between both Parties.

**14. North Carolina Law.**

North Carolina law will govern the interpretation and construction of this Agreement.

**15. Entire Agreement.**

This Agreement constitutes and expresses the entire agreement and understanding between the Parties concerning the subject matter of this Agreement. This document and any other document incorporated in this Agreement by reference supersede all prior and contemporaneous discussions, promises, representations, agreements and understandings relative to the subject matter of this Agreement.

**16. Severability.**

If any provision of this Agreement shall be declared invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect.

SIGNATURE PAGE TO FOLLOW

Signers for RENA and the County certify that they are authorized to enter this agreement.

\_\_\_\_\_  
RENA-President

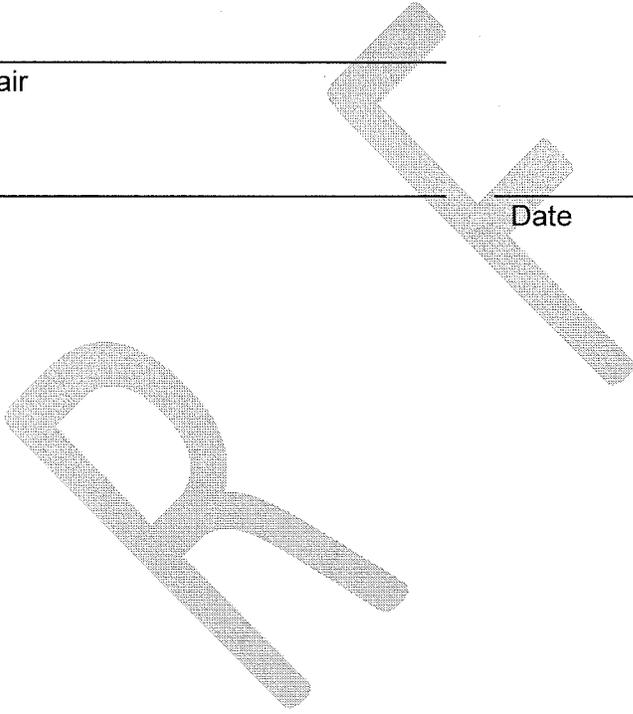
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Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Orange County-Chair

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date



**ATTACHMENT B**

A motion was made by Alderman Johnson, seconded by Alderman Slade, that this resolution be approved.

**A RESOLUTION TO PROVIDE COMMENT ON ALTERNATIVES DISCUSSED BY THE  
HISTORIC ROGERS ROAD NEIGHBORHOOD TASK FORCE**

**WHEREAS**, for more than 40 years, the people of Orange County have burdened the Rogers Road community by disposing of municipal solid waste in the nearby landfill; and

**WHEREAS**, the Board of Aldermen believes that Orange County, the Town of Carrboro, and the Town of Chapel Hill should work in partnership to equitably, and in proportion to their responsibility, share the costs of providing a community center and sewer improvements in the Historic Rogers Road Neighborhood, just as the partners share the privilege of owning, operating, and using the landfill; and

**WHEREAS**, on November 14, 2012, the Historic Rogers Road Neighborhood Task Force unanimously recommended to the Assembly of Governments "that the costs of both a New Community Center and Sewer Improvements be shared by the local governments, at the same costs sharing percentages as outlined in the 1972 Landfill Agreement, 43% for Orange County, 43% for The Town of Chapel Hill and 14% for The Town of Carrboro"; and

**WHEREAS**, 14% of the estimated cost of providing a community center and sewer improvements in the Historic Rogers Road Neighborhood is approximately \$900,000; and

**WHEREAS**, on September 18, 2012, the Board of Aldermen unanimously adopted the following statement: "The Town of Carrboro has the intention of contributing not more than \$900,000 for the town's portion of the community center and cost of the sewer project. The town manager shall research funding sources. Town staff shall also investigate how the town can recoup the sewer line investment costs from developers. The board expresses its appreciation to the county for their commitment to the project and requests that the Town of Chapel Hill consider their share of the contribution"; and

**WHEREAS**, on June 12, 2013, the Historic Rogers Road Neighborhood Task Force discussed two alternative plans for sewer improvements in the neighborhood and requested comment on those plans from the Board of Aldermen, the Chapel Hill Town Council, and the Orange County Board of Commissioners; and

**WHEREAS**, alternative 1 involves construction of a sewer project to serve 78% of the parcels in the Historic Rogers Road Neighborhood (segments 5, 6, and 8 on the Historic Rogers Road Area Sewer

Concept May 2012 Map) at an estimated cost of approximately \$3.7 million. Under this alternative, the Town of Carrboro would contribute \$900,000 toward the cost of the sewer project, and Orange County would contribute the remaining \$2.8 million. The Town of Chapel Hill would not contribute to the sewer project but would reimburse Orange County for the cost of constructing the community center (estimated at \$650,000); and

**WHEREAS**, alternative 2 involves construction of a sewer project to serve 100% of the parcels in the Historic Rogers Road Neighborhood (segments 1 through 8 on the Historic Rogers Road Area Sewer Concept May 2012 Map) at an estimated cost of approximately \$5.8 million. Under this alternative, the Town of Carrboro would contribute up to \$900,000 toward the cost of the community center and the sewer project, and Orange County and the Town of Chapel Hill would contribute the remaining amount. This alternative would require the Town of Chapel Hill to initiate a request for extraterritorial jurisdiction and Orange County to approve the request so that the Town of Chapel Hill can contribute funds for its share of the community center and the sewer project in proportion to its responsibility; and **WHEREAS**, the attachment to this resolution shows the costs and potential cost sharing associated with each of the alternatives;

**NOW, THEREFORE, BE IT RESOLVED:**

**SECTION 1.** The Board of Aldermen prefers alternative 2 for two reasons. First, this alternative will provide sewer improvements to the entire Historic Rogers Road Neighborhood. Second, this alternative will enable all of the partners—Orange County, the Town of Carrboro, and the Town of Chapel Hill—to equitably share the costs of the community center and sewer improvements in proportion to their responsibility.

**SECTION 2.** If the Orange County Board of Commissioners and the Chapel Hill Town Council do not favor pursuing alternative 2, the Board of Aldermen is willing to explore alternative 1 and remains committed to contributing not more than \$900,000 for the town's portion of the community center and sewer improvements.

**SECTION 3.** The clerk is directed to send a copy of this resolution to the chair of the Orange County Board of Commissioners, the mayor of the Town of Chapel Hill, and the members of the Historic Rogers Road Neighborhood Task Force.

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**ATTACHMENT TO THE RESOLUTION**

**Alternative 1**

Costs

- Sewer: \$3,700,000
- Community center: \$650,000
- Total: \$4,350,000

Cost Share Among the Partners

- Carrboro: \$900,000 (20.7%)
- Chapel Hill: \$650,000 (14.9%)
- Orange County: \$2,800,000 (64.4%)

**Alternative 2**

## Costs

- Sewer: \$5,800,000
- Community center: \$650,000
- Total: \$6,450,000

## Cost Share Among the Partners

- Carrboro: \$900,000 (14.0%)
- Chapel Hill: share to be determined (\$2,775,000 [43.0%])
- Orange County: share to be determined (\$2,775,000 [43.0%])

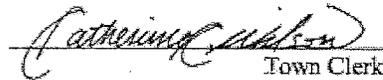
This the 18<sup>th</sup> day of June, 2013.

The motion carried by the following vote:

Aye: Mayor Chilton, Alderman Gist, Alderman Haven-O'Donnell, Alderman Johnson, Alderman Lavelle, Alderman Slade and Alderman Seils

I, Catherine C. Wilson, Town Clerk for the Town of Carrboro, NC do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Carrboro Board of Aldermen.



  
Town Clerk

**ORANGE COUNTY BOARD OF COMMISSIONERS  
CARRBORO BOARD OF ALDERMEN**

**JOINT MEETING AGENDA ITEM ABSTRACT**

**Meeting Date:** October 17, 2013

**Action Agenda  
Item No. 2**

**SUBJECT:** Chapel Hill ETJ Expansion Process

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**DEPARTMENT:** Planning & Inspections

**PUBLIC HEARING: (Y/N)**

No

**ATTACHMENT(S):**

Proposed Extraterritorial Jurisdiction  
Boundary Map

**INFORMATION CONTACT:**

Craig Benedict, 919-245-2592

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**PURPOSE:** To discuss the extraterritorial jurisdiction (ETJ) expansion process near the Historic Rogers Road Community.

**BACKGROUND:** Please see the following link regarding action by the Orange County Board of Commissioners on September 5, 2013: <http://orangecountync.gov/occlerks/130905.pdf>

Orange County has sent a letter to Chapel Hill acknowledging the Town's interest to expand its ETJ. Orange County will await actions by the Chapel Hill Council and then act early next year.

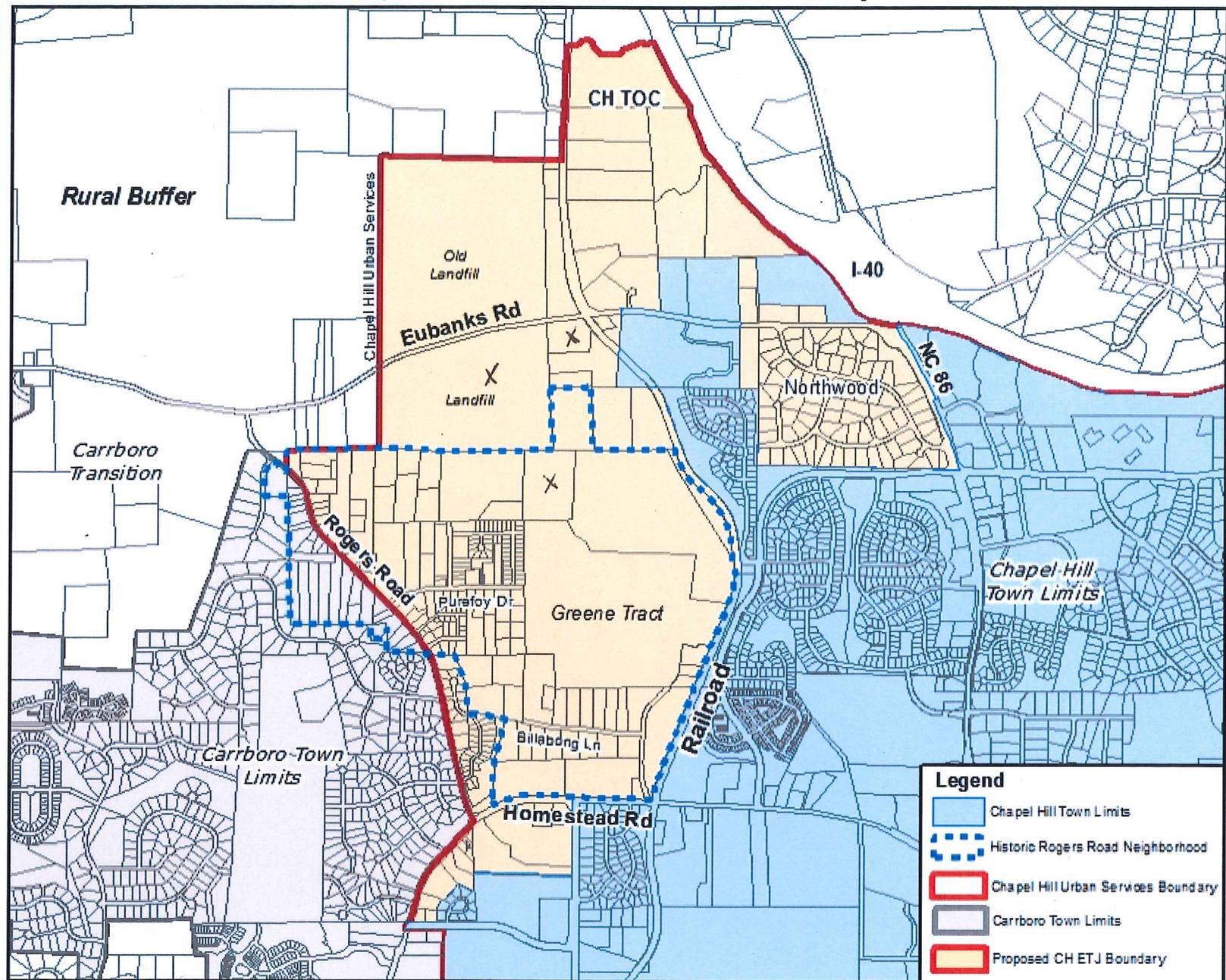
Below is a summary of the Chapel Hill and Orange County timeline:

- Chapel Hill is scheduling a Public Hearing on October 21st - a mailing has been sent to all property owners as well as legal ads were published on October 6 & 13th.
- Chapel Hill staff anticipates returning to the Town Council on January 13, 2014 for action and then the request will be sent to the County for approval. Orange County will put a placeholder on the Board of Commissioners agenda calendar after that date.
- Chapel Hill is talking about scheduling a Public Hearing on the rezoning on the January 13, 2014 date as well, but the specifics are not yet available. Chapel Hill would need to pursue review by the Town Planning Board for its recommendation in December and get an additional mailing and legal notices published.

**FINANCIAL IMPACT:** None at this time, but ETJ expansion could expand funding opportunities for Chapel Hill.

**RECOMMENDATION(S):** The Interim County Manager recommends that the Boards discuss this topic and provide any comments and/or direction to staff as necessary.

### Proposed Extraterritorial Jurisdiction Boundary



GIS Map prepared by  
Chapel Hill Planning Dept.  
July, 2013



**ORANGE COUNTY BOARD OF COMMISSIONERS  
CARRBORO BOARD OF ALDERMEN**

**JOINT MEETING AGENDA ITEM ABSTRACT**

**Meeting Date:** October 17, 2013

**Action Agenda**

**Item No.** 3

**SUBJECT:** Southern Branch Library Siting Criteria, Process Update

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**DEPARTMENT:** Library, Asset Management  
Services (AMS), Planning

**PUBLIC HEARING: (Y/N)**

No
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**ATTACHMENT(S):**

- A. 9/12/13 Site Selection Criteria Update and Accompanying Attachments
- B. 10/1/13 Letter to Town Manager David Andrews - Request for Additional Information

**INFORMATION CONTACT:**

Lucinda Munger, (919) 245-2528  
Jeff Thompson, (919) 245-2625  
Michael Harvey, (919) 245-2597

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**PURPOSE:** To receive an update on the Southern Library analysis process and provide feedback to the Town Manager and Interim County Manager on potential next steps.

**BACKGROUND:** On September 18, 2012 the Orange County Board of Commissioners (BOCC), in conjunction with the Carrboro Board of Aldermen, approved a set of guiding principles and a comprehensive site selection criterion for locating the new Southern Branch of the Orange County Library (hereafter "the Branch"). Over the past year the Town has recommended a number of possibilities for a future Branch site for BOCC review.

At the September 18, 2013 BOCC work session (agenda materials provided at Attachment A), staff was authorized to commence with the second level of Phase 1 for review on the following 3 sites:

1. 1128 Hillsborough Road, commonly referred to as the Shetley property,
2. 401 Fidelity Street, commonly referred to as the Town of Carrboro cemetery property, and
3. 120 Brewer Lane, commonly referred to as the Butler Farm property.

These sites, part of a comprehensive list of seven (7) total sites provided by the Town of Carrboro for evaluation, are all located within the Town's planning jurisdiction and subject to applicable local land use regulations and permitting.

At the request of the BOCC for additional information on the three (3) above noted sites, Interim County Manager Michael Talbert sent a letter to Town Manager David Andrews (Attachment B) requesting the specific information from the Town in order for County staff to begin the required due diligence. If possible, County staff has requested a response by October 21<sup>st</sup> in order to present to the BOCC for its review and comment.

On October 10, 2013 the Town Manager and the Interim County Manager and staff met to discuss next steps regarding this process. Details from the meeting will be shared with the Boards as part of the staff presentation.

**FINANCIAL IMPACT:** There is no financial impact associated with the discussion of the library siting efforts. There are sufficient funds available for the in-depth study of for the original two properties recommended (401 Fidelity Street and 1128 Hillsborough Street) as well as for the 120 Brewer Lane property. Each in-depth study is estimated to cost \$10,000 to \$15,000.

**RECOMMENDATION(S):** The Interim County Manager recommends that the Boards receive the update on the Southern Library site analysis, discuss as necessary, and provide any feedback on the next steps.

**COPY****ORANGE COUNTY  
BOARD OF COMMISSIONERS****ACTION AGENDA ITEM ABSTRACT****Meeting Date:** September 12, 2013**Action Agenda  
Item No. 2****SUBJECT:** Southern Branch Library Siting Criteria, Process Update**DEPARTMENT:** Library, Asset Management  
Services (AMS), Planning**PUBLIC HEARING: (Y/N)**

No

**ATTACHMENT(S):**

- A. September 18, 2012 Site Selection  
Criteria Abstract
- B. May 10, 2013 Carrboro Additional Sites  
Letter
- C. Southern Library Site Locator
- D. Additional Site Partial Phase 1 Analysis
- E. Sample Lease Cost Illustration

**INFORMATION CONTACT:**

Lucinda Munger, (919) 245-2528  
 Jeff Thompson, (919) 245-2625  
 Michael Harvey, (919) 245-2597

**PURPOSE:** To receive an update on additional Southern Branch Library site analysis and provide feedback to the Manager on potential next steps.

**BACKGROUND:****Purpose and Overview of the Site Selection Process**

On September 18, 2012, the BOCC approved a set of guiding principles and a comprehensive site selection criteria for locating the Southern Branch library, contemplated for operation during fiscal year 2016-17 within the Capital Investment Plan (note Attachment A, "September 18, 2012 Site Selection Criteria Abstract"). The criteria and its related processes is a guide for staff examination, evaluation and recommendations to the BOCC for final site selection. The criteria and process was crafted over several months with public input as well as that of the Carrboro Board of Aldermen.

The criteria focus on a process providing two tiers of analysis. The first level ("Phase 1") focuses on technical considerations for the site, including location, broad geographic attributes, jurisdiction land use requirements, site constraints, access, and general cost considerations. Preliminary staff evaluation of selected sites would lead to recommendation to the BOCC for more in-depth technical study of a given parcel(s) requiring the engagement of third party professional services firms in the areas of soils, topography, environmental, and cultural characteristics, utility capacity, access, transportation, and title issues. These in-depth studies for would require an estimated \$10,000 to \$15,000 investment for each selected site to determine the full viability and support of a Southern Branch library.

Upon the receipt of these results, staff may recommend a site (or sites) to the Board that would matriculate to the second phase of analysis involving the receipt of public comment of the sites.

At the conclusion of this process, the Manager may recommend a final site for the BOCC's approval for the complete development, construction, and operation of the Southern Branch library.

**Original sites nominated for examination by the Carrboro Board of Aldermen**

The BOCC approved site selection criteria in September of 2012 and authorized staff to send a letter to the Town of Carrboro soliciting sites for evaluation using said criteria. The Town of Carrboro offered three sites in a letter submitted in December, 2012. These sites include: 1) 301 West Main Street—Carrboro Town Hall; 2) 1128 Hillsborough Street, Carrboro; and 3) 401 Fidelity Street, Carrboro. The County Manager directed staff to evaluate these three sites in accordance with the site selection criteria.

On March 19, 2013, staff presented to the BOCC its partial Phase 1 analysis of these three sites. Staff recommended the elimination 301 West Main Street site (i.e. the Town Hall) from consideration due to significant constraints, most notably the condition of the building, limitation on usable space for the library, limitations on future expansion, and potential parking conflicts. Staff recommended 1128 Hillsborough and 401 Fidelity Street as candidates for further Phase 1 "in-depth" analysis; the summary is as follows:

1128 Hillsborough Road	401 Fidelity Street
<b>1. VISUAL APPEAL:</b> Existing power lines to the west running through an existing easement and a community garden. Property has vegetation scattered throughout and is surrounded by single-family residential developments and a property slated for development as a park.	<b>1. VISUAL APPEAL:</b> Property is partially developed as a cemetery with significant trees on the western portion of the property. Property is surrounded by non-residential and multi-family developments.
<b>2. REVIEW/APPROVAL PROCESS:</b> Project would require a heightened permit review process (i.e. Conditional Use Rezoning, text amendment, etc.)	<b>2. REVIEW/APPROVAL PROCESS:</b> Project would require a heightened permit review process (i.e. Conditional Use Rezoning, text amendment, etc.)
<b>3. ALIGNMENT WITH PLANNING TOOLS:</b> Property appears to satisfy various 'goals' with respect to the location of a library from both the County and Carrboro's standpoint. There are enhanced opportunities for synergy between a park and a library.	<b>3. ALIGNMENT WITH PLANNING TOOLS:</b> There is no clear synergy between uses (i.e. cemetery and library) allowing them to be developed together in accordance with local land use policies and regulations.
<b>4. SERVICE TO EXISTING/FUTURE POPULATION:</b> Property can serve existing and anticipated future populations in the region.	<b>4. SERVICE TO EXISTING/FUTURE POPULATION:</b> Property lends itself to serving existing, local, population.
<b>5. DEFEATS OBSOLESCENCE:</b> Sufficient space exists for development of a library facility that can morph over time to accommodate the needs of southern Orange County residents.	<b>5. DEFEATS OBSOLESCENCE:</b> There is a limited development window on this property with limited opportunities for expansion.
<b>6. SITE CONDITIONS, ALLOWANCES, AND CONSTRAINTS:</b> The site has a significant utility easement that will need to be negotiated. The parcel also lacks significant road frontage. An existing NCDOT drainage easement could complicate access.	<b>6. SITE CONDITIONS, ALLOWANCES, AND CONSTRAINTS:</b> The site has significant visible rock outcroppings as well as wet areas and tree cover, all of which will need to be confirmed with further analysis. The proximity of the cemetery poses unique challenges to the development of the property.

The BOCC received staff analysis and directed the Manager to defer any additional Phase 1 in-depth analysis on any of the three sites. The BOCC supported 1) analysis of additional sites should they be presented to the Manager; 2) continuing honoring the Carrboro partnership; 3) consideration of multiple use facilities; 4) consideration of sites within proximity to lower/middle income neighborhoods; 5) emphasis on sites with adequate parking; and 5) better understanding and projected uses of rural and urban populations. The BOCC also supported topical analysis of in context of the library strategic plan involving long term vision, and the relationship with the Chapel Hill library.

**Additional sites nominated for examination by the Carrboro Board of Aldermen**

On May 10, 2013, the Town of Carrboro offered four additional sites in a letter submitted to the County Manager. These sites include: 1) 120 Brewer Lane, Carrboro (Butler Property); 2) 300 East Main Street, Carrboro; 3) 203 S. Greensboro Street, Carrboro (Town owned property); and 4) 201 N. Greensboro Street (CVS Property). The County Manager directed staff to evaluate these additional sites in accordance with the site selection criteria.

This letter is represented in Attachment B, entitled “May 10, 2013 Carrboro Additional Sites Letter”. A site locator is represented by Attachment C, entitled “Southern Library Site Locator”, which illustrates the original three sites proposed in addition to the four presented for evaluation within the May 7, 2013 letter.

Staff has completed a partial Phase 1 analysis of these three sites; the full analysis is Attachment D, entitled “Additional Site Partial Phase 1 Analysis”.

Staff recommends that 203 S. Greensboro Street be eliminated due to the extremely small site and severely limited parking availability should any structure be built on the site. Staff also recommends that 300 E. Main be eliminated due to its probable cost prohibitive base lease rate in excess of \$25 per square foot (note Attachment E, Sample Lease Cost Illustration). Staff recommends that 201 North Greensboro Street be eliminated due to site constraints, the probable high acquisition cost of the property, and the probable requirement to acquire more property adjacent to the site.

The summary site analysis is as follows:

120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
<b>1. Visual Appeal:</b> Building to house proposed library is located within a mixed use development comprised of residential and non-residential land uses as well as a parking deck. Rear of the property looks over wooded area. An existing, unused, building is to be demolished.	<b>1. Visual Appeal:</b> Property has direct frontage along Main Street with a view of surrounding non-residential land uses.	<b>1. Visual Appeal:</b> Property has direct frontage along S. Greensboro Street, Roberson Street, E. Carr Street, and Maple Avenue with a view of surrounding residential and non-residential land uses.	<b>1. Visual Appeal:</b> Property has direct frontage along N. Greensboro Street and W. Weaver Street with a view of surrounding non-residential land uses. There is existing landscaping on adjoining lots.
<b>2. REVIEW/APPROVAL PROCESS:</b> Project would require a heightened permit review process and amending a previously approved ‘master plan’ by	<b>2. REVIEW/APPROVAL PROCESS:</b> Project would require a heightened permit review process and amending a previously approved ‘master plan’ by the Town of Carrboro.	<b>2. REVIEW/APPROVAL PROCESS:</b> Project would require a heightened permit review process (i.e. Conditional Use Rezoning, text amendment, etc.)	<b>2. REVIEW/APPROVAL PROCESS:</b> Project would require a heightened permit review process (i.e. Conditional Use Rezoning, text amendment, etc.)

the Town of Carrboro.			
<p><b>3. ALIGNMENT WITH PLANNING TOOLS:</b> This property appears to satisfy various 'goals' with respect to the location of a library from both the County and Carrboro's standpoint.</p>	<p><b>3. ALIGNMENT WITH PLANNING TOOLS:</b> This property appears to satisfy various 'goals' with respect to the location of a library from both the County and Carrboro's standpoint.</p>	<p><b>3. ALIGNMENT WITH PLANNING TOOLS:</b> This property appears to satisfy various 'goals' with respect to the location of a library from both the County and Carrboro's standpoint.</p>	<p><b>3. ALIGNMENT WITH PLANNING TOOLS:</b> This property appears to satisfy various 'goals' with respect to the location of a library from both the County and Carrboro's standpoint..</p>
<p><b>4. SERVICE TO EXISTING/FUTURE POPULATION:</b> Site would provide access to existing and future, local, population. County residents will have parking available to make use of the facility.</p>	<p><b>4. SERVICE TO EXISTING/FUTURE POPULATION:</b> Site would provide access to existing and future, local, population. County residents will have parking available to make use of the facility.</p>	<p><b>4. SERVICE TO EXISTING/FUTURE POPULATION:</b> Site would provide access to existing and future, local, population. County residents will have parking available to make use of the facility.</p>	<p><b>4. SERVICE TO EXISTING/FUTURE POPULATION:</b> Site would provide access to existing and future, local, population. County residents will have parking available to make use of the facility.</p>
<p><b>5. DEFEATS OBSOLESCENCE:</b> Unsure at this time as the overall size will depend on lease area. Expansion will be limited to available space to lease/purchase to expand into. Potentially assisting in building and space design is helpful in managing this criteria.</p>	<p><b>5. DEFEATS OBSOLESCENCE:</b> Unsure at this time as the overall size will depend on lease area. Expansion will be limited to available space to lease/purchase to expand into. Potentially assisting in building and space design is helpful in managing this criteria.</p>	<p><b>5. DEFEATS OBSOLESCENCE:</b> There is a limited development window for a library/parking on this property given its size and frontage on 4 streets. There will also be limited opportunities for expansion.</p>	<p><b>5. DEFEATS OBSOLESCENCE:</b> There is a limited development window for a library/parking on this property given its size. There will also be limited opportunities for expansion.</p>
<p><b>6. SITE CONDITIONS, ALLOWANCES, AND CONSTRAINTS:</b> As indicated herein this site offers more opportunities than constraints.</p>	<p><b>6. SITE CONDITIONS, ALLOWANCES, AND CONSTRAINTS:</b> As indicated herein this site offers more opportunities than constraints. Lease market for frontage along E. Main probably cost prohibitive; highest and best use from a Landlord standpoint is probably not a non-retail use. The cost, however, will be 2 to 3 times more than 120 Brewer Lane (part of same development)</p>	<p><b>6. SITE CONDITIONS, ALLOWANCES, AND CONSTRAINTS:</b> Development challenges due to size of property and frontage on 4 streets outweigh development potential of the site for a library.</p>	<p><b>6. SITE CONDITIONS, ALLOWANCES, AND CONSTRAINTS:</b> Development challenges due to size of property outweigh development potential of the site for a library. Also purchase price of property is anticipated to be significant.</p>

**FINANCIAL IMPACT:** There are sufficient funds available for the in-depth study for the original two properties recommended (401 Fidelity Street and 1128 Hillsborough Street) as well as for the 120 Brewer Lane property. Each in-depth study is estimated to cost \$10,000 to \$15,000.

**RECOMMENDATION(S):** The Manager recommends that the Board receive the update on additional Southern Branch Library site analysis and provide feedback to the Manager on next steps.

# COPY

## ORANGE COUNTY BOARD OF COMMISSIONERS

### ACTION AGENDA ITEM ABSTRACT

Meeting Date: September 18, 2012

Action Agenda

Item No. 7-a

**SUBJECT:** Siting Criteria for Southern Branch Library – Final Recommendation

**DEPARTMENT:** Asset Management Services  
(AMS), Library

**PUBLIC HEARING: (Y/N)**

No

**ATTACHMENT(S):**

Southern Branch Library Locational  
Criteria  
Map Denoting Southwestern Orange  
County

**INFORMATION CONTACT:**

Lucinda Munger, (919) 245-2528  
Michael Harvey, (919) 245-2597  
Michael Talbert, (919) 245-2308

**PURPOSE:** To approve the siting and locational criteria governing the review and site selection process for the southern branch of the Orange County library.

**BACKGROUND:** At the June 14, 2012 BOCC work session, staff presented the DRAFT copy of the siting criteria for the southern branch library for review and discussion. During this meeting, the BOCC reviewed and discussed comments from the Carrboro Board of Aldermen and subsequent staff suggested modifications. The attached criteria incorporate(s) these revisions.

It should be noted that in a recent article printed within *The Chapel Hill News*, dated Sept 5, 2012, the Town of Carrboro has already begun an internal process of evaluating possible sites for the library based on compliance with local development regulations and processes.

Designation of library: In past memoranda, staff has consistently referred to this project as the 'southwestern branch of the Orange County library'. The term was coined in the 2004 Library Task Force Report where the Carrboro Library Workgroup recommended a '*southwest regional branch library*' be established by combining existing services and staff into a new library '*centered in the Town of Carrboro*'.

At the June 14, 2012 BOCC work session, staff was tasked with defining what 'southwest' Orange County referred to in the context of this project. In reviewing the matter, staff determined the 'southwest' quadrant of the County did not necessarily correspond to the highest concentration of population density in the area and did not properly identify all County residents intended to be served by the project.

Staff suggests it would be more appropriate to refer to this project, in current and future discussion and correspondence, as the 'southern branch of the Orange County library'. The

change in nomenclature is intended to properly identify the population base the project will serve and eliminate confusion over the anticipated location of the facility.

**FINANCIAL IMPACT:** There are no financial impacts associated with the adoption of the library siting criteria. The review of potential library locations, within Phase 1, would be conducted by County staff within adopted budgetary parameters.

Phase 2 of the process may require a financial investment to secure development rights for selected properties. Funds for the previously considered 210 Hillsborough Street properties in Carrboro were allocated from the \$215,000 set aside for future property acquisition. The County invested approximately \$60,000 for examination of the 210 Hillsborough Road site in Carrboro. This included \$25,000 in earnest money and \$10,000 for the 120 day extension (Note: The County received the \$25,000 in earnest money back). Any further 'investment' will vary depending on the individual property. The remaining balance of \$436,000 would be debt financed. There is funding totaling \$7,525,000 in the 2016-17 Capital Investment Plan (CIP) (page 21) for building construction and design services. This phase may also include the need for the County to incur 'initial due diligence' costs to ensure the viability of selected properties.

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

1. Approve the attached Southern Branch Library Locational Criteria; and
2. Authorize the Chair to send a letter to the Town of Carrboro that:
  - a. Transmits the Board-approved locational and site selection criteria to the Town, and
  - b. Requests that the Town initiate public solicitation and review of properties for the southern branch of the Orange County library property based on the approved criteria.

## ORANGE COUNTY SOUTHERN BRANCH LIBRARY LOCATIONAL CRITERIA

### Guiding Principles

When selecting a site for a new or expanded library, the Library system takes into account three fundamental factors:

- The Library System recognizes that as a regional service provider, the location of libraries must provide for optimal service to the most number of residents within the entire System service area. This takes precedence over political boundaries or undeveloped neighborhoods.
- The Board is committed to providing an equitable level of service throughout the entire County.
- The placement of a library in a manner that maximizes its use will be more valuable over the long term than the original investment made in land or building. Typically, the original cost of a new building is exceeded in just three years by its cumulative operating costs.

*\*\* As amended by the BOCC at its June 14, 2012 work session*

### PRELIMINARY PHASE–TECHNICAL SITE REVIEW AND ASSESSMENT

#### **Visibility:**

- Visible from the street
- Classification of street where property will be accessed from (i.e. private, local, arterial, collector, major thoroughfare, etc.).
- Visual appeal

#### **Site Capacity:**

- Able to provide comprehensive library services to all the residents of southern Orange County.
- Meets minimum acreage (urban services vs. rural services)
- Space for building and on-site parking
- Adequate utilities and availability
- Space for future expansion (building to allow for additional library services, parking, etc.) to serve all the residents of southern Orange County.
- Space to accommodate the necessary setbacks, road expansions and other site amenities.

#### **Access:**

- Accessibility for pedestrians

<ul style="list-style-type: none"> <li>• Accessibility for vehicles</li> <li>• Accessibility for public transportation</li> <li>• Design capacity and existing traffic load of roadway proposed to access site.</li> </ul>
<p><b>Alignment with Planning Tools (Comprehensive Plan):</b></p> <p>Alignment with planning tools applicable for the subject property (County Comprehensive Plan, adopted Small Area Plans, Strategic Plans, etc.)</p>
<p><b>Lease versus Purchase:</b></p> <ul style="list-style-type: none"> <li>• Analysis of the long term viability of the site</li> <li>• Availability of property for lease</li> </ul>
<p><b>Centrality of Location:</b></p> <ul style="list-style-type: none"> <li>• Existing and potential future population in a given area</li> <li>• Growth and development opportunities/constraints in a given area (i.e. what is future development, as embodied in applicable plans, going to look like and how will it impact the proposed library)</li> <li>• Proximity to schools</li> <li>• Proximity to retail</li> <li>• Proximity to other libraries</li> </ul>
<p><b>Site Conditions, Allowances, and Constraints:</b></p> <ul style="list-style-type: none"> <li>• The cost-benefit conclusions of physical, legal, and land-use allowances/constraints</li> <li>• Technical and environmental assessments (planning/zoning, jurisdictional processes, etc.)</li> <li>• Environmentally sustainable (C&amp;A, storm water mgt, buffers, energy “net zero” capacity)</li> <li>• Operationally sustainable</li> <li>• Defeats obsolescence</li> </ul>
<p><b>Cost and Availability:</b></p> <ul style="list-style-type: none"> <li>• Cost for site acquisition</li> <li>• Availability of property for lease</li> <li>• Analysis of long term viability of site</li> <li>• Timeframe for development of the site</li> <li>• Terms for site control necessary for development process</li> </ul>

**ORANGE COUNTY SOUTHERN BRANCH LIBRARY LOCATIONAL CRITERIA:**

\*\* As amended by the BOCC at its June 14, 2012 work session

**PRIMARY PHASE –PUBLIC INPUT AND ASSESSMENT****Community Preference**

- Input from elected officials
- Input from a board cross-section of the area to be served
- Orange County & Carrboro Friends of the Library

**Partnerships**

- Co-location with other private or public entity
- Mutually beneficial joint development
- Enhances service possibilities

**MAP DENOTING  
SOUTHWESTERN ORANGE COUNTY**

NORTH

WEST

EAST

**SOUTH WEST QUADRANT  
OF ORANGE COUNTY**

Approximate  
Center Point

Town of Hillsborough

Town of Chapel Hill

Town of Carrboro

SOUTH

Data shown on this map is obtained from Orange County GIS and is for reference only. Exact locations and boundaries should be verified. Map prepared by Orange County Planning & Inspections.

- USGS Water Feature
- Soils Survey Water Feature
- OC Updated Water Feature
- Water Body
- River Basins
- Watershed
- Parcels
- Township
- School System Boundary
- Contours
- County Boundary
- Soils
- Zoning
- City Limits
- ETJ
- Conservation Easements Held by Others
- Orange County Conservation Easements
- 100 YR Floodplain (Effective 02/02/07)
- Floodway (Effective 02/02/07)
- 500 YR Floodplain (Effective 02/02/07)
- Buildings
- Water and Sewer Boundary



1 inch = 16,299.149 feet



**TOWN OF CARRBORO**NORTH CAROLINA  
WWW.TOWNOFCARRBORO.ORG

May 10, 2013

Mr. Frank Clifton, Manager  
Orange County  
Delivery via email: fclifton@orangecountync.gov

RE: Town of Carrboro Additional Sites for the Southern Branch of the Orange County Library

Dear Frank,

At their May 7, 2013 meeting, the Carrboro Board of Aldermen reviewed four additional optional sites for the Southern Branch of the Orange County Library. The Board has asked that Orange County consider these sites in addition to the three sites that were previously submitted. The Board is enthusiastic about the library's potential at the following additional sites:

- 120 Brewer Lane (Butler Property)
- 300 E. Main Street
- 203 S. Greensboro St. (Town-owned property)
- 201 N. Greensboro Street (CVS Property)

Out of these four properties, the Board of Aldermen expressed a preference for the 120 Brewer Lane property and discussed the positive economic development potential the site brings for both the town of Carrboro and Orange County. As we have discussed, the Board is still interested in the Hillsborough Road and Fidelity Street sites that were previously forwarded to your staff. I have also included materials that were presented to the Board on May 7 that I think will be very helpful to you and your staff for review of the sites.

I look forward to continuing this discussion and am available to answer any questions you or your staff may have regarding the sites.

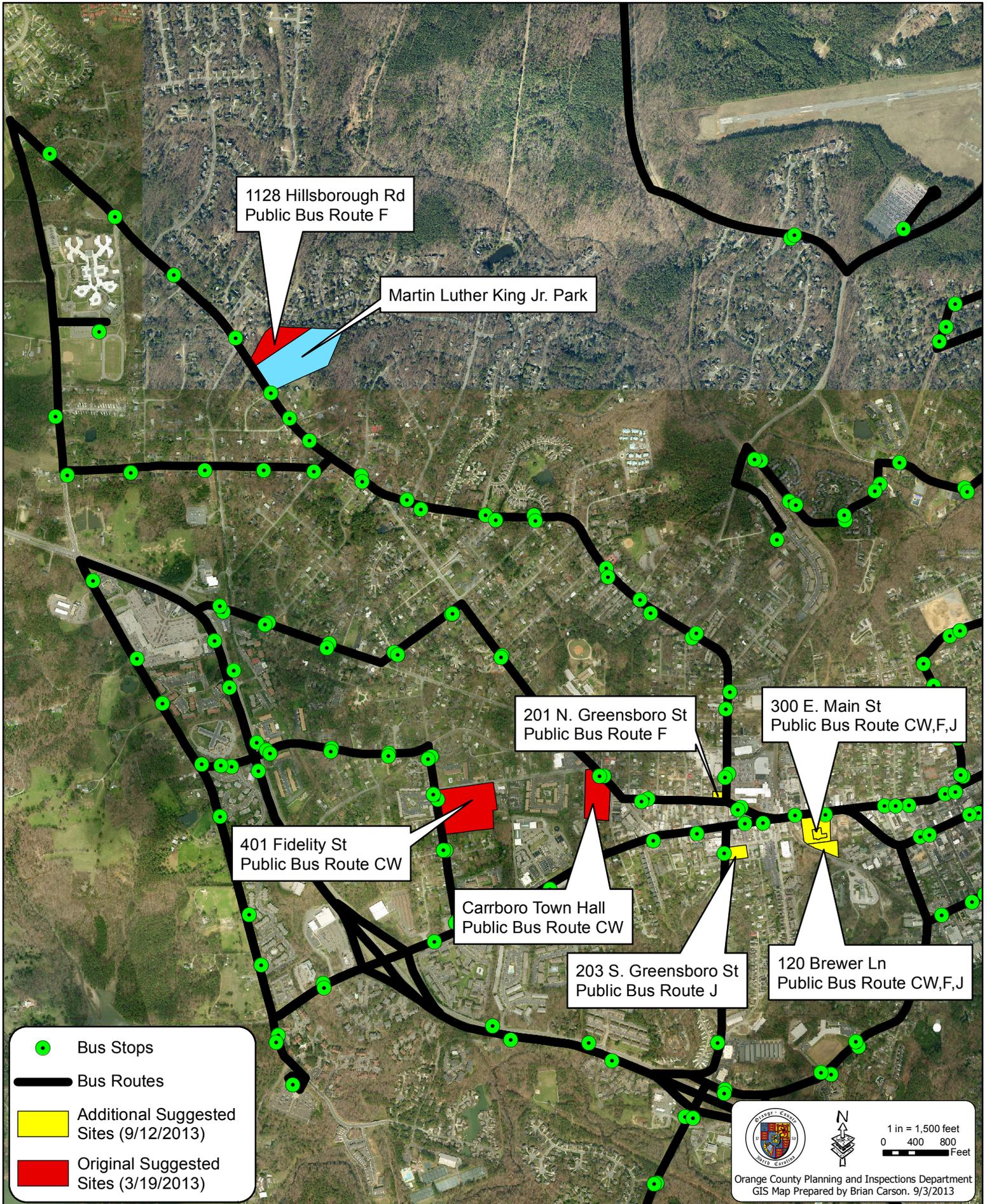
Sincerely,

David Andrews

CC: Mayor Chilton and Carrboro Board of Aldermen, via email  
Matt Efird, Assistant to the Town Manager, via email  
Trish McGuire, Planning Director, via email  
Lucinda Munger, Orange County Library Director, via email  
Michael Talbert, Assistant County Manager, via email

Enclosures

# Southern Library Site Locator



**SITE EVALUATION CRITERIA:**

**PHASE 1 - PRELIMINARY ASSESSMENT**

**VISIBILITY**

*Italicized words denote Town of Carrboro Comments*

	120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
Visible From Street	Based on current conceptual layout of building location, library would not be directly visible from Main Street or other major roadway. Significant off-site directional signage will be necessary directing motorists and pedestrians to the site.	Based on current conceptual layout of building location, property location/orientation would allow a library to be visible from identified arterial street.	This property is currently utilized as a Town of Carrboro parking lot. Property location/orientation would allow a library to be visible from identified arterial street.	This property was/is proposed for development by CVS pharmacy. Property location/orientation would allow a library to be visible from identified arterial street.
Classification of Street where property will be access from	<i>TOC COMMENT: Arterial</i>	<i>TOC COMMENT: Arterial</i>	<i>TOC COMMENT: Arterial</i>	<i>TOC COMMENT: Arterial</i>
Visual Appeal	Building to house proposed library is located within a mixed use development comprised of residential and non-residential land uses as well as a parking deck. Rear of the property looks over wooded area. An existing, unused, building is to be demolished.	Property has direct frontage along Main Street with a view of surrounding non-residential land uses.	Property has direct frontage along S. Greensboro Street, Roberson Street, E. Carr Street, and Maple Avenue with a view of surrounding residential and non-residential land uses.	Property has direct frontage along N. Greensboro Street and W. Weaver Street with a view of surrounding non-residential land uses. There is existing landscaping on adjoining lots.

SITE CAPACITY				
	120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
Able to provide comprehensive library services to all the residents of southern Orange County	Yes	Yes	Yes	Yes
Meets minimum acreage	Yes	Yes	Property is .89 acres in area. There may be difficulty in developing building and parking on the property without constructing a parking deck or multi-story building in combination with a deck.	Property is .32 acres in area. There may be difficulty in developing building and parking on the property without constructing a parking deck or multi-story building in combination with a deck.
Space for building and on-site parking	Yes	Yes	See above	See above
Adequate utilities and availability	<i>TOC COMMENTS: Yes</i>	<i>TOC COMMENTS: Yes</i>	<i>TOC COMMENTS: Yes</i>	<i>TOC COMMENTS: Yes</i>
Space for future expansion (building to allow for additional library services, parking, etc.) to serve the residents of southern Orange County.	Based on available information from developer there will be sufficient space.	Based on available information from developer there will be sufficient space.	See above regarding meeting minimum acreage	See above regarding meeting minimum acreage
Space to accommodate the necessary setbacks, road expansions, and other site amenities	Yes	Yes	In staff's opinion there will be challenges in designing this site given its size and frontage on 4 streets.	In staff's opinion there will be challenges in designing this site given its size.

ACCESS				
	120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
Accessibility for Pedestrians	Property is downtown and will be adjacent to a proposed parking deck as well as an existing sidewalk system affording pedestrian access off of Main Street. The property is part of a master planned development with internal access points for various and diverse residential/non-residential uses located on-site.	Property is downtown and will be adjacent to a proposed parking deck as well as an existing sidewalk system affording pedestrian access off of Main Street. The property is part of a master planned development with internal access points for various residential/non-residential uses located on-site.	Property is downtown and is adjacent to existing sidewalk systems affording pedestrian access directly from S. Greensboro Street.	Property is downtown and is adjacent to existing sidewalk systems affording pedestrian access from both N. Greensboro Street and W. Weaver Street.
Accessibility for Vehicles	Access would be off of Main Street and Brewer Lane.	Access would be off of Main Street and Boyd Street	Access would more than likely be off of a side street rather than a new driveway onto S. Greensboro Street.	Access would more than likely be off of W. Weaver Street in order to avoid access issues off of N. Greensboro Street.
Accessibility for public transportation	Public transportation access will be possible	Public transportation access will be possible	Public transportation access will be possible	Public transportation access will be possible
Design capacity and existing traffic load of roadway proposed to access site	<i>TOC COMMENT: 3000 (est cap)/ 2000 (est vol) COUNTY STAFF IS STILL TRYING TO VERIFY</i>	<i>TOC COMMENT: 27400 (cap) / 17000 (vol) COUNTY STAFF IS STILL TRYING TO VERIFY</i>	<i>TOC COMMENT: 13700 (cap) / 12000 (vol) COUNTY STAFF IS STILL TRYING TO VERIFY</i>	<i>TOC COMMENT: 13700 (cap) / 11000 (vol) COUNTY STAFF IS STILL TRYING TO VERIFY</i>

**ALIGNMENT WITH PLANNING TOOLS (COMPREHENSIVE PLAN)**

	120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
Alignment with planning tools applicable for the subject property (County Comprehensive Plan, adopted Small Area Plans, Strategic Plans, etc.)	This property appears to satisfy various 'goals' with respect to the location of a library from both the County and Carrboro's standpoint.	This property appears to satisfy various 'goals' with respect to the location of a library from both the County and Carrboro's standpoint.	This property appears to satisfy various 'goals' with respect to the location of a library from both the County and Carrboro's standpoint.	This property appears to satisfy various 'goals' with respect to the location of a library from both the County and Carrboro's standpoint.

**LEASE VERSUS PURCHASE**

	120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
Analysis of long-term viability of site	No apparent environmental or physical impediments to development identified.	No apparent environmental or physical impediments to development identified.	No apparent environmental impediments to development identified. The property size, however, will create challenges to developing a library and supporting infrastructure on the property.	No apparent environmental impediments to development identified. The property size, however, will create challenges to developing a library and supporting infrastructure on the property.
Availability of property for lease	This will be a lease/purchase situation for the County as part of an agreement with the developer	This will be a lease/purchase situation for the County as part of an agreement with the developer	Property is owned by the Town of Carrboro where a lease/purchase agreement would have to be discussed.	There is no information indicating the property is for sale

CENTRALITY OF SITE				
	120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
Existing and potential future population in given area	Site would provide access to existing and future, local, population. County residents will have parking available to make use of the facility.	Site would provide access to existing and future, local, population. County residents will have parking available to make use of the facility.	Site would provide access to existing and future, local, population. County residents will have parking available to make use of the facility.	Site would provide access to existing and future, local, population. County residents will have parking available to make use of the facility.
Growth and development opportunities/constraints in a given area	The size of the 'space' for the library will be limited to a lease/purchase agreement with the developer. Expansion will be viable only if there are vacancies in other proposed 'store fronts' allowing the County to lease/purchase for expansion. Building isn't built yet, so there are advantages in structure of lease agreement and space utilization.	The size of the 'space' for the library will be limited to a lease/purchase agreement with the developer. Expansion will be viable only if there are vacancies in other proposed 'store fronts' allowing the County to lease/purchase for expansion. Building isn't built yet, so there are advantages in structure of lease agreement and space utilization.	Development and expansion will be limited on this property given its size and orientation (i.e. surrounded by street right-of-ways).	Development and expansion will be limited due to the overall size of the property (i.e. .32 acres). Expansion/development will require purchase of additional, adjacent, property.
Proximity to schools	<i>TOC COMMENT: 0.2 miles from Community Schools for People under Six, 1.2 miles from Northside Elementary</i>	<i>TOC COMMENT: 1.0 miles from Northside Elementary</i>	<i>TOC COMMENT: 0.6 miles from Carrboro Elementary, 0.7 miles from Frank Porter Graham Elementary</i>	<i>TOC COMMENT: 0.5 miles from Carrboro Elementary</i>
Proximity to retail	Will be in the heart of a retail/residential mixed use development.	Will be in the heart of a retail/residential mixed use development.	Property is surrounded by existing retail and residential land uses.	Proeprty is surrounded by retail and professional (i.e. office) land uses
Proximity to other libraries	<i>TOC COMMENT: Existing branch library at Carrboro Cybrary (0.6 miles) County Staff Comment - Approximately 3.2 miles from Town of Chapel Hill library</i>	<i>TOC COMMENT: Existing branch library at Carrboro Cybrary (0.3 miles) County Staff Comment - Approximately 3.2 miles from Town of Chapel Hill library</i>	<i>TOC COMMENT: Existing Branch Library at Carrboro Cybrary (&lt; 0.1 miles) County Staff Comment - Approximately 3.7 miles from Town of Chapel Hill library</i>	<i>TOC COMMENT: Existing branch library at Carrboro Cybrary (&lt; 0.1 miles) County Staff Comment - Approximately 3.6 miles from Town of Chapel Hill library</i>

SITE CONDITIONS, ALLOWANCES, AND CONSTRAINTS				
	120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
The cost-benefit conclusions of physical, legal, and land use allowances/constraints	As indicated herein this site offers more opportunities than constraints.	As indicated herein this site offers more opportunities than constraints. (lease? Price?) Lease market for frontage along E. Main probably cost prohibitive; highest and best use from a Landlord standpoint is probably not a non-retail use. The cost, however, will be 2 to 3 times more than 120 Brewer Lane (part of same development)	Development challenges due to size of property and frontage on 4 streets outway development potential of the site for a library.	Development challenges due to size of property outway development potential of the site for a library. Also purchase price of property is anticipated to be significant.
Technical and environmental assessments (Planning/Zoning, jurisdictional process, etc.)	Library would require a heightened permit process (i.e. Conditional Use Rezoning, text amendment, etc.). Existing permit for project would have to be amended to allow for library	Library would require a heightened permit process (i.e. Conditional Use Rezoning, text amendment, etc.). Existing permit for project would have to be amended to allow for library	Library would require a heightened permit process (i.e. Conditional Use Rezoning, text amendment, etc.). Existing permit for project would have to be amended to allow for library	Library would require a heightened permit process (i.e. Conditional Use Rezoning, text amendment, etc.). Existing permit for project would have to be amended to allow for library
Environmentally Sustainable (C and A, stormwater management, buffers, energy, 'net zero capacity')	Yes.	Yes.	Probably not, given size of property.	Probably not, given size of property.
Operationally Sustainable	Yes.	Yes.	Probably not, given size of property.	Probably not, given size of property.
Defeats obsolescence	Unsure at this time as the overall size will depend on lease area. Expansion will be limited to available space to lease/purchase to expand into. Potentially assisting in building and space design is helpful in managing this criteria.	Unsure at this time as the overall size will depend on lease area. Expansion will be limited to available space to lease/purchase to expand into. Potentially assisting in building and space design is helpful in managing this criteria.	There is a limited development window for a library/parking on this property given its size and frontage on 4 streets. There will also be limited opportunities for expansion.	There is a limited development window for a library/parking on this property given its size. There will also be limited opportunities for expansion.

**COST AND AVAILABILITY**

	120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
Cost for site acquisition	Developer has indicated a strong desire to discuss lease/purchase options for a space to house the library.	Developer has indicated a preference for the County to use 120 Brewer Lane for a library project. Developer states that 300 Main is not optimal for non-retail uses.	Owned by Town of Carrboro	Information available to staff at this time indicates the property is not for sale.
Availability of property for lease	Developer has indicated a strong desire to discuss lease/purchase options for a space to house the library.	Developer has indicated a preference for the County to use 120 Brewer Lane for a library project. Developer states that 300 Main is not optimal for non-retail uses.	Yes	Unknown but assumed no.
Analysis of long-term viability of the site	Property offers potential for reasonable expansion , assuming willingness of developer and vacancies, and partnership opportunities to support long-term provision of library services.	Property offers potential for reasonable expansion , assuming willingness of developer and vacancies, and partnership opportunities to support long-term provision of library services.	Existing development surrounding property (i.e. 4 streets) limits opportunities for expansion. Development of diverse partnerships to promote use/development of the property may still be achievable.	Existing size of parcel limits opportunities for expansion or the development of diverse partnerships to promote use/development of the property to meet the needs of southern Orange County.
Timeframe for development of site				
Terms of site control necessary for the development of the site				

**PHASE 2 - PUBLIC INPUT AND ASSESSMENT**  
**COMMUNITY PREFERENCE**

	120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
Input from Elected officials	Pending	Pending	Pending	Pending
Input from a broad cross-section of the area to be served	Pending	Pending	Pending	Pending
Orange Couty and Carrboro Friends of the Library	Pending	Pending	Pending	Pending

<b>PARTNERSHIPS</b>
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	120 Brewer Lane	300 East Main Street	203 S. Greensboro Street	201 N. Greensboro Street
Co-location with other private or public entity				
Mutual beneficial joint development				
Enhances service possibilities				

## Attachment E

**Sample Lease Cost Illustration, 10,000 Square Foot Library Facility, 5 year term****Assumptions:**

<b>Rentable Square Footage:</b>	10,000	square feet	<b>Base 5 Year Lease Cost:</b>	\$1,250,000
<b>Base Annual Lease Rate:</b>	\$25	per square foot		
<b>Term:</b>	5	years		
<b>Escalator:</b>	none			
<b>Real Estate Taxes:</b>	\$2	per square foot	<b>Real Estate Taxes Paid:</b>	\$100,000
<b>Insurance:</b>	\$0.50	" " "	<b>Insurance Paid:</b>	\$25,000
<b>Common Area Maintenance ("CAM")</b>	\$6	" " "	<b>CAM Paid:</b>	\$300,000
<b>Utilities:</b>	\$1	" " "	<b>Utility Costs:</b>	\$50,000
<b>Solid Waste Removal:</b>	\$0.05	" " "	<b>Solid Waste Removal:</b>	\$2,500
<b>Lease Total:</b>	<b>\$34.55</b>	per square foot		<b>\$1,727,500</b>
			annualized cost:	<b>\$345,500</b>

**One Time Costs:**

<b>Interior Upfit</b>	\$45	per square foot	\$450,000
<b>Furniture, Fixtures, and Equipment</b>	\$45	" " "	\$450,000
<b>One Time Cost Total:</b>	<b>\$90</b>		<b>\$900,000</b>

**Notes:**

1. Assumptions reflect reasonable market rates for cost categories.
2. Personnel costs and library book inventory not included in illustration.
3. Real estate taxes are paid to Orange County.
4. Potential purchase option structure for leased space not illustrated

ORANGE COUNTY  
NORTH CAROLINA  
COUNTY MANAGER'S OFFICE

200 South Cameron Street  
Post Office Box 8181  
Hillsborough, North Carolina 27278

Michael S. Talbert, Interim County Manager

Phone (919) 245-2300  
Fax (919) 644-3004

October 1, 2013

Mr. David Andrews, Manager  
Town of Carrboro  
301 W Main Street  
Carrboro, NC 27510

RE: Sites for Southern Branch of the Orange County Library

Dear David,

On September 18, 2012 the Orange County Board of Commissioners (BOCC), with assistance and approval from the Carrboro Board of Alderman, approved a set of guiding principles and a comprehensive site selection criterion for locating the new Southern Branch of the Orange County Library (hereafter "the Branch"). Over the past year the Town has recommended a number of possibilities for a future Branch site for BOCC review. We are now pleased to inform the Town that on September 12, 2013 the BOCC selected 3 sites for continued processing and review as part of the site location project.

The criteria focus on a process providing two tiers of analysis. The first level ("Phase 1") focuses on technical considerations for the site, including location, broad geographic attributes, jurisdiction land use requirements, site constraints, access, and general cost considerations. Preliminary staff evaluation of selected sites would lead to recommendation to the BOCC for more in-depth technical study of a given parcel(s) requiring the engagement of third party professional services firms in the areas of soils, topography, environmental, and cultural characteristics, utility capacity, access, transportation, and title issues. These in-depth studies would require an estimated \$10,000 to \$15,000 investment for each selected site to determine the full viability and support of a Southern Branch library.

At the September BOCC work session, staff was authorized to commence with the second level of Phase 1 for review on the following 3 sites:

1. 1128 Hillsborough Road, commonly referred to as the Shetley property,

2. 401 Fidelity Street, commonly referred to as the Town of Carrboro cemetery property, and
3. 120 Brewer Lane, commonly referred to as the Butler Farm property.

These sites, part of a comprehensive list of 7 total sites provided by the Town of Carrboro for evaluation, are all located within the Town's planning jurisdiction and subject to applicable local land use regulations and permitting.

Before staff can begin the initiation of the next phase of review, and the required due diligence, there are questions we need the Town to respond to, specifically:

- A. Shetley property: County staff has indicated since the start of this process that the only viable manner, in our opinion, the Shetley property could be developed as a library is through a cooperative agreement with the Town of Carrboro. Specifically we recommended initiating a 'trade' of property, with the County purchasing the Shetley property and allowing for the development of a library on an adjacent parcel, owned by the Town, designated for development as a park.

As part of our initial due diligence on this site, the County needs a formal response to the following:

- i. Is the Town willing to 'swap' property in a manner suggested by staff thereby allowing for the development of the library on Town property.
- ii. Can you provide all environmental studies/determinations on the Town park property for evaluation as part of the library siting process in the event you are amenable to the swap,
- iii. Information related to the presence of streams, water bodies, and other environmentally sensitive areas on the park property with a breakdown of local regulations governing their protection (i.e. stream buffers, setback requirements, disturbance limits in/around environmentally sensitive areas, etc.)

- B. Town of Carrboro Cemetery: With respect to this property the County would erect a library on an approximately 2 acre portion of property adjacent to the cemetery. Access would be through an existing drive off of Fidelity Street.

As part of our initial due diligence on this site, the County needs a formal response to the following:

- i. Can the Town provide traffic data on the use of local streets, specifically Fidelity and Davie Street, including:
  1. Peak flow time traffic counts for both streets
  2. Breakdown of parking issues/concerns identified by the Town in the area which could impact the development of the library.
  3. Analysis on the availability of on-street parking

- ii. All available studies (i.e. environmental studies/determinations, soils analysis, studies on existing rock formations, etc.) on the property for evaluation as part of the library siting process,
  - iii. A response from your legal department addressing potential liability issues associated with a County concern over potential impacts on interment (SP) as the result of excavating/blasting activity on the property.
- C. Brewer property: As County staff understands the situation the property is encumbered under a Conditional Use site plan/permit approval allowing for the development of the site.

As part of our initial due diligence on this site, the County needs a formal response to the following:

- i. A copy of the approved site plan and permit for our review,
- ii. An explanation on the process necessary to modify the permit to allow for governmental uses (i.e. library, offices, meeting spaces, etc.) on the property including a timeline and cost breakdown of the process.

In the interim County staff will begin the process of identifying firms who can assist with the completion of our next, technical, phase of property review. We will, however, await your response to ensure we have a full understanding of the Town's position on several issues, as well as, the availability of necessary data, in an effort to avoid unnecessary allocation of resources.

If possible, the staff would like to have a response by October 21<sup>st</sup> in order to present the BOCC at their November 5 meeting for their review and comment. As always, we look forward to moving forward in the collaborative process and we are available to answer any questions you or your staff may have regarding these next steps.

Regards,



Michael S. Talbert  
Interim County Manager

Cc: Chair Barry Jacobs and Board of Orange County Commissioners  
John L. Roberts, Orange County Attorney  
Lucinda M. Munger, Library Director  
Jeff Thompson, Asset Management Services Director  
Michael D. Harvey, Current Planning Supervisor- Planner III,  
Orange County Planning Department

**ORANGE COUNTY BOARD OF COMMISSIONERS  
CARRBORO BOARD OF ALDERMEN**

**JOINT MEETING AGENDA ITEM ABSTRACT**

**Meeting Date:** October 17, 2013

**Action Agenda**

**Item No.** 4

**SUBJECT:** Update on Roberson Street/Main Street Sewer Line Replacement Project

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**DEPARTMENT:** Economic Development

**PUBLIC HEARING: (Y/N)**

No

**ATTACHMENT(S):**

- A) Original MOA Between Orange County and Town of Carrboro for Repairs to the Main Street Sewer Line - October 22, 2012
- B) State of North Carolina CDBG Award Letter to Town of Carrboro - June 25, 2012
- C) Letter from Carrboro Town Manager to Orange County Manager - April 17, 2012
- D) Letter from Orange County Manager to Carrboro Town Manager – April 26, 2012
- E) E-mail from Town of Carrboro's Economic Development Staff to Orange County Economic Development - August 27, 2013
- F) Summary of Joint Annual Meeting Between Orange County & Town of Carrboro - October 1, 2012

**INFORMATION CONTACT:**

Steve Brantley, Economic Development,  
Director, (919) 245-2325  
Michael Talbert, Interim County  
Manager, (919) 245-2300

**PURPOSE:** To update the Boards on the Roberson Street/Main Street sewer line replacement project.

**BACKGROUND:** In April 2012 the Town of Carrboro contacted the County about a privately owned sewer line located in the downtown business district. The sewer line, which initially failed on August 26, 2011, serves 22 businesses with 140 total employees. Anticipating another eventual failure to this sewer line, and the resulting disruption to one of Carrboro's key business areas, the Town approached the County for financial assistance to help fund the repair cost through use of the County's one-quarter (1/4) cent sales tax for infrastructure improvements.

Based on an initial \$258,500 total project repair cost estimate that Carrboro had received, a joint funding arrangement was established wherein the Town would apply to the State of North Carolina for a "Community Development Block Grant" (CDBG) to receive 70% funding (\$183,500), and the Town and County would contribute a 50/50 co-share for the required 30%

local match (\$75,000). The BOCC authorized the County Manager to proceed with a Memorandum of Agreement (MOA) with the Town of Carrboro, which was subsequently drafted. At that time, the County's co-share of the estimated sewer line repair cost was thought to be approximately \$37,500 and would not exceed \$40,000. The MOA stated the County would reimburse the Town once the sewer line repair work was completed. Orange Water and Sewer Authority (OWASA) had already approved the work.

On June 25, 2012 the North Carolina Department of Commerce awarded the Town of Carrboro a \$171,700 Community Development Block Grant to cover 70% of the repair cost, with the Town and County providing the remaining funds through the required 30% co-pay. Orange County Economic Development assisted the Town in its successful CDBG application by making a direct petition to the Secretary of the N.C. Department of Commerce and the Community Development Division.

On October 22, 2012 the Memorandum of Agreement (MOA) between Orange County and the Town of Carrboro was signed.

As the project moved forward, Carrboro received new contractor bids on the actual repair of the sewer line, and the revised repair estimate indicated an unexpected shortfall of at least \$56,000 compared to initial repair estimates. Considering a 25% contingency and added administrative consulting costs to re-bid the project, the Town anticipated facing an increase of \$80,000 in overall repair costs.

The Town requested that Orange County increase its financial participation in the Roberson Street/Main Street sewer line repair due to higher than expected repair bids being received from contractors. Based on the Board's previous authorization for the Manager to proceed, and also on the Manager's signature authority, the Interim Manager recently signed an amended MOA agreeing to reimburse Carrboro for 50% of the additional costs, up to an additional \$40,000. County funds would come from "Article 46" 1/4 cent sales tax economic development funds (for infrastructure improvements) to pay one half of the actual local match necessary to complete the project. The Town of Carrboro would pay the remaining costs.

**FINANCIAL IMPACT:** The County's "Article 46" 1/4 cent sales tax for economic development, specifically for utility infrastructure development, will be used to fund the County's portion, or, one-half of the actual local match for the project. The County's portion includes the original estimate ranging from \$37,500 to \$40,000 (as outlined in the October 22, 2012 MOA), plus the additional increase of up to an additional \$40,000 to cover the increased repair estimate.

**RECOMMENDATION(S):** The Interim County Manager recommends that the Boards receive the update, discuss as necessary, and provide any comments and/or direction.

**MEMORANDUM OF AGREEMENT BETWEEN ORANGE COUNTY, NORTH  
CAROLINA AND THE TOWN OF CARRBORO, NORTH CAROLINA  
For  
REPAIRS TO THE MAIN STREET SEWERLINE**

This Memorandum of Agreement (“Agreement”) is hereby made and entered into this the 2nd day of October, 2012, by and between ORANGE COUNTY, hereinafter referred to as (“County”), and the TOWN OF CARRBORO, hereinafter referred to as (“Town”) pursuant to N.C. Gen. Statute 160A-460 et seq., 158-7.1 and other applicable laws.

WHEREAS, County and Town desire to support local businesses and to further economic development within Orange County and within the Town of Carrboro; and

WHEREAS, County and Town desire to repair and upgrade the sewerline serving the businesses located on East Main Street, Carrboro, North Carolina (hereinafter referred to as the “Main Street Sewerline”); and

WHEREAS, the Town has received a the Community Development Block Grant awarded by the North Carolina Department of Commerce to fund the repairs to the Main Street Sewerline; and

WHEREAS, the parties desire to enter into this Agreement to supplement the grant and providing additional funding necessary for completing the construction and repairs to the Main Street Sewerline;

NOW THEREFORE, the following Agreement is hereby entered into by the County and the Town.

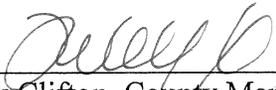
1. Funding. The North Carolina Department of Commerce has awarded the Town a Community Development Block Grant (hereinafter the “Grant”) in the amount One Hundred and Seventy One Thousand and Seven Hundred Dollars (\$171,700) to fund the repairs to the Main Street Sewerline. The Grant is expected to cover 70% of the estimated costs of repair to the Main Street Sewerline. Town and the County shall each provide one-half of the funding for the remaining 30% of the estimated costs of repair. County shall reimburse the Town after construction of the sewerline has been completed and the work has been approved by the Orange Water and Sewer Authority (OWASA). County’s share of the estimated costs of repair shall not exceed Forty Thousand Dollars (\$40,000) and shall be paid out of the quarter cent sales tax proceeds for FY 2012-13.
2. Construction and Repairs. Town shall be responsible for the construction of the sewerline including but not limited to the engineering, bidding, permitting, construction supervision, and for the providing the necessary connections to the businesses served by the Main Street Sewerline. The County agrees to cooperate with the Town, as requested to secure the necessary permits and approvals to complete the repairs. All repairs shall be constructed to the applicable state and local engineering standards.

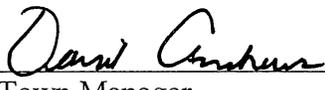
- 3. Term. The term of this Agreement shall commence the year and date first above recorded and shall continue for the life of the grant.
- 4. Maintenance. Upon completion of the construction and repairs described above, the Town shall transfer the utilities to OWASA for upkeep, operation and maintenance of the sewerlines and associated infrastructure. Such upkeep, maintenance and repair or replacement shall be at the sole cost and expense of OWASA.
- 5. Sewer Connections. New and existing individual connections to the Main Street Sewerline shall be subject to the approval of the Town. The Town shall install stub-outs for the each property owner requesting a connection to the Main Street Sewerline during construction. The individual property owners shall be responsible for installing the laterals and all costs associated with connecting their businesses to the Main Street Sewerline. All future connections to the Main Street Sewerline after project completion shall be the sole responsibility of the individual property owners.
- 6. Additional Documentation. The parties agree to and hereby authorize the County Manager, County Attorney and Town Manager and Town Attorney to prepare and execute all such other and further documentation or agreements as shall be necessary or desirable in effectuating this agreement. This Agreement contains the entire understanding of the parties and shall not be altered, amended or modified, except in writing executed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Interlocal Agreement to be executed as of the day and year first written above.

FOR AND ON BEHALF OF:  
ORANGE COUNTY, NC

FOR AND ON BEHALF OF:  
TOWN OF CARRBORO, NC

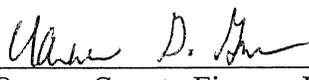
By:   
Frank Clifton, County Manager

By:   
Town Manager

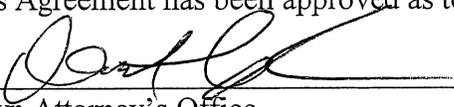
This Agreement has been approved as to form and legal sufficiency.

      10/24/12  
County Attorney's Office      Date

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

      10/23/12  
Orange County Finance Director      Date

This Agreement has been approved as to form and legal sufficiency.

      10/22/12  
Town Attorney's Office      Date

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

John L. McQueen 10/18/2012  
Town of Carrboro Finance Director      Date



**North Carolina  
Department of Commerce  
Community Investment and Assistance**

**Beverly Eaves Perdue, Governor  
J. Keith Crisco, Secretary**

**Henry C. McKoy, Assistant Secretary  
Vickie L. Miller, Director**

June 25, 2012

The Honorable Mark Chilton, Mayor  
Town of Carrboro  
301 W. Main Street  
Carrboro, NC 27510

Dear Mayor Chilton:

It is my pleasure to notify you officially that the Town of Carrboro has been awarded a \$171,700 Community Development Block Grant (CDBG) of 2011 Small Business and Entrepreneurial Assistance funds. We are happy to support small business expansion and entrepreneurial advancement efforts for the citizens in your community.

A staff member of Community Investment and Assistance (CI), which administers the CDBG Program, will contact you about certain grant conditions that must be met before funds may be obligated. We look forward to working with you and other officials.

If you have any questions regarding this grant, please contact Vickie L. Miller, Director, Community Investment and Assistance, at (919) 571-4900.

Sincerely,

A handwritten signature in black ink, appearing to read "H.C. McKoy".

Henry C. McKoy

CC: J. Keith Crisco  
Dale Carroll  
Annette Stone  
Vickie Miller



**TOWN OF CARRBORO**  
NORTH CAROLINA  
WWW.TOWNOFCARRBORO.ORG

Attachment C

17 April 2012

Frank Clifton, Manager  
Orange County  
200 S. Cameron St.  
Hillsborough, NC 27278

**SENT VIA ELECTRONIC MAIL**

Re: Request for Local Match Assistance from Orange County

Mr. Clifton,

In conversations with Steve Brantley, Town staff has been asked to sketch out an overview of the proposed CDBG Small Business Entrepreneurial Grant Assistance request the Town of Carrboro is making to the State for CDBG funding. This grant request is related to an August 26, 2011 sewer failure that occurred at the 100 block of Main Street in Downtown Carrboro. It was at that time that the volatile nature of the existing shared private sewer line that serves this block of businesses was revealed. After a great deal of discussion and thought among local town officials, county health department staff and the property owners, it was determined that the most feasible long term solution for this important block of businesses was to extend a public sewer line from Maple Street over to Roberson Street in order to serve these businesses and prevent future closure.

This block of buildings includes 22 businesses, 140 employees, and is a critical element to the total synergy that is Downtown Carrboro. In addition to securing the future of the existing businesses and job retention of 140 employees, access to sewer in this location will make re-development of the rear of these properties feasible and create opportunities for a whole new line of storefronts on Roberson Street.

The total anticipated project cost is \$258,500, including \$3,500 for project administration and a requirement that \$5,000 of the grant funds be used to "create/nurture an entrepreneurial environment". We are working on an innovative series of workshops for "fourth sector" enterprises to accomplish this portion of the grant requirements. The Town is proposing a project funded 70% from CDBG funding (\$183,500) and 30% from a local match of \$75,000. The Town is requesting that Orange County partner with the Town of Carrboro to assist in this economic redevelopment investment and split the local match with the County and the Town both participating at \$37,500 each.

Please let me know if you need additional information.

Sincerely,

David Andrews  
Town Manager

CC: Carrboro Board of Aldermen  
Annette Stone, Carrboro Economic & Community Development Director

## Attachment D

**ORANGE COUNTY**  
HILLSBOROUGH  
NORTH CAROLINA*Manager's Office*

April 26, 2012

*Established 1752*

David L. Andrews  
Town Manager  
Town of Carrboro  
301 W. Main Street  
Carrboro, NC 27510

Re: Orange County Participation with the Town of Carrboro Regarding  
CDBG Small Business Entrepreneurial Grant Assistance

Mr. Andrews:

I am pleased to report that on April 17, 2012, the Orange County Board of Commissioners approved a joint participation with the Town of Carrboro to cost share the local portion match of the CDBG application. This State application seeks funding for infrastructure upgrades to one of Carrboro's vital business districts. Our Board is extremely pleased to partner with Carrboro in your CDBG application with the North Carolina Department of Commerce's Community Investment and Assistance Division, and has approved funding our portion of the 50/50 share of the 30% local match being proposed. Orange County desires to cap our estimated split at half the local share, up to \$40,000 to allow some flexibility. We will jointly develop an M.O.U. to formalize this commitment.

With the overall goal to repair a critical sewer line that is failing along the 100 E. Main Street area of downtown Carrboro, and thereby retain the vital employment of 140 employees and the 22 businesses located there, Orange County is enthusiastic to assist the Town of Carrboro in this funding partnership. Our Board understands that without these grant dollars for public sewer to this vital area of your downtown, these business may have to close and the existing jobs lost, given the uncertainty of this failing sewer line's continued service.

As the Town of Carrboro's CDBG Small Business Entrepreneurial Grant Assistance application moves forward with the State review, I offer any assistance from our Orange County Economic Development department, and its director, Steve Brantley. In conclusion, Orange County looks forward to working closely with you and your staff to seek a favorable funding resolution to this sewer line issue.

Best wishes,



Frank W. Clifton, Jr.  
Orange County Manager

## Attachment E

"In dreams begins responsibilities – U2."

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**From:** Steve Brantley [mailto:[harley-davidson@nc.rr.com](mailto:harley-davidson@nc.rr.com)]  
**Sent:** Tuesday, August 27, 2013 12:18 AM  
**To:** Frank Clifton  
**Cc:** John Roberts  
**Subject:** Fwd: Cost Overruns on Roberson Street Sewer Extension

Carrboro's economic developer called last week and now just sent a written summary of their failing sewer line on Roberson Street. You will recall the County agreed last year to a 50/50 cost share on the required 25% co-pay for the CDBG grant our office helped Carrboro receive from Commerce. I think the contract at that time limited our payment to no more than approx \$37,000. The County would pay our share from Article 46 funds. Carrboro now reports that their initial estimate to repair the failing sewer line was inaccurate and the new cost estimate is much higher, as outlined below in Annette Stone's email. Carrboro is now asking the County to step up with additional assistance.

Steve Brantley

Orange County Economic Development

Begin forwarded message:

**From:** Annette Stone <[astone@townofcarrboro.org](mailto:astone@townofcarrboro.org)>  
**Date:** August 26, 2013, 3:42:58 PM EDT  
**To:** "Steve Brantley ([harley-davidson@nc.rr.com](mailto:harley-davidson@nc.rr.com))" <[harley-davidson@nc.rr.com](mailto:harley-davidson@nc.rr.com)>  
**Subject:** Cost Overruns on Roberson Street Sewer Extension

Dear Steve,

Per our conversation on Thursday, I am writing you to request that the Orange County Board of Commissioners consider assisting the Town of Carrboro with additional local economic development funds to complete the Roberson Street Sewer Project. The Town of Carrboro received bids for the Roberson Street Sewer Project in July with only 2 contractors submitting a bid. In addition, the low bid was \$56,000 over budget for this project. The Public Works Director has been working closely with the Town's Engineer and the Engineers at OWASA to determine why the estimates were too low. The Town has decided to reject these bids and will re-bid the project in September with Board approval, in hopes of improving our position and reducing cost.

For the immediate budgeting purposes based on the most recent bids received, we are projecting a \$56,000 shortfall plus 25% contingency and the added administrative consulting cost to re-bid the project. We are anticipating an additional \$80,000 in expenses, so therefore, we may need as much as \$40,000 in additional funds. However, ultimately the Town would only ask for reimbursement for ½ of the actual local match necessary to complete this project. We would appreciate Orange County Board of

Commissioners consideration in assisting the Town with completing this important project.

Thanks for your help Steve. Please let me know if you need any additional information.

Annette

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Town of Carrboro, NC Website - <http://www.townofcarrboro.org> E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties.

## Attachment F

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**SUMMARY OF JOINT ECONOMIC DEVELOPMENT ACTIVITIES: OCTOBER 2011 – OCTOBER 2012  
ORANGE COUNTY & TOWN OF CARRBORO**

Prepared by Orange County Economic Development  
October 1, 2012

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**INFRASTRUCTURE SUPPORT FOR BUSINESS RETENTION****Interlocal Agreement to Fund Repair of the Main Street Sewer Line:**

On June 25, 2012 the North Carolina Department of Commerce responded to a Community Development Block Grant (CDBG) application by awarding Carrboro a \$171,700 CDBG grant to fund necessary repairs to the Town's failing Main Street sewer line. As this privately owned sewer line is failing, it jeopardizes the various downtown businesses and employees that could be impacted in the event of a shutdown. Earlier in the year, Orange County Economic Development assisted the Town with the CDBG grant application process, and the Orange County Board of County Commissioners authorized a Memorandum of Understanding proposing a 50/50 co-share of the local match requirement. The CDBG grant award is expected to cover 70% of the estimated costs of repair to the sewer line, with Carrboro and the County each agreeing to provide one-half of the funding for the remaining 30% local match of the estimated costs of repair.

The County shall reimburse the Town after construction of the sewer line has been completed, and the work has been approved by OWASA. The County's share of the estimated costs of repair shall not exceed \$40,000 and will be paid out of the quarter cent sales tax proceeds for FY 2012-13. Carrboro is responsible for the construction of the sewer line including, but not limited to the engineering, bidding, permitting, construction supervision, and for the providing the necessary connections to the businesses served by the Main Street sewer line. The County agrees to cooperate with the Town, as requested, to secure the necessary permits and approvals to complete the repairs.

**MARKETING SUPPORT****Marketing & Sponsorship – Joint Support:**

The Orange County Economic Development office has participated in both direct sponsorship (banners) and marketing support (Carrboro Citizen Newspaper ad) for two recent Carrboro cultural events, as follows:

- Carrboro Music Festival
- Carrboro Film Festival

**ORANGE COUNTY BOARD OF COMMISSIONERS  
CARRBORO BOARD OF ALDERMEN**

**JOINT MEETING AGENDA ITEM ABSTRACT**

**Meeting Date:** October 17, 2013

**Action Agenda**

**Item No.** 5

**SUBJECT:** Update on Development Adjoining Twin Creeks

**DEPARTMENT:** Carrboro Planning, Orange  
County DEAPR

**PUBLIC HEARING: (Y/N)**

No

**ATTACHMENT(S):**

- A) Approved CUP Amendment Document for Ballentine AIS
- B) Site Plan Rendering for Ballentine AIS

**INFORMATION CONTACT:**

Trish McGuire, 919-918-7324  
David Stancil, 919-245-2510

**PURPOSE:** To update the Boards on the status of the Ballentine development by MI Homes, located south of and adjacent to the County's Twin Creeks (Moniese Nomp) Park and Educational Campus property.

**BACKGROUND:** In 2007, MI Homes received development approval from the Town of Carrboro for the Ballentine development. Ballentine's conditional use permit (CUP) project consists of 96 units (60 single-family homes and 36 townhomes) on a little more than 52 acres of land. The property is located on the east side of Old NC 86, north of Lake Hogan Farms subdivision and The Legends subdivision (old Harmony Farms Horse Farm site), and immediately south of Orange County's Twin Creeks (Moniese Nomp) Park and Educational Campus site.

The applicant subsequently sought and received PUD zoning designation (R-10 / B-3 PUD) for the property. The applicant then began preparing a CUP application in accordance with the new zoning designation. Meanwhile, construction of both townhomes and single-family homes in Phase 1 began and is now nearing completion. Staff has met with the developer on several occasions since that time, but the new CUP application and associated materials have not been formally submitted to date.

A few issues were identified during the concept review for the new application, including whether a stream crossing for a road will be required in the northeast corner of the site. Staff and the applicant have met and discussed this particular issue on multiple occasions. Elected officials, as well, discussed the matter during the October 2012 joint meeting.

During the October 2012 meeting, it was noted that Orange County had previously approved \$600,000 in capital funds to go toward a possible shared road project with MI Homes to be constructed in June 2013. Work on the shared road agreement is now on hold pending the

environmental assessment and planned analysis of the Town's road network in this area. Town staff has begun scoping out the environmental assessment, as it relates to streets within both this project and the future development of Moniese Nomp Park.

The applicant currently still has an approved CUP plan and could choose to move forward accordingly. A copy of a CUP amendment document and site plan rendering for the already-approved project are attached.

**FINANCIAL IMPACT:** There is no financial impact associated with the update in this report.

**RECOMMENDATION(S):** The Interim County Manager recommends the Boards receive the status update, discuss as necessary, and provide any comments and/or direction.



20101028000082370 PRMIT  
 Bk:RB5045 Pg:104  
 10/28/2010 02:38:56 PM 1/3

9860-93-2325 RB

FILED Deborah B. Brooks  
 Register of Deeds, Orange Co., NC  
 Recording Fee: \$20.00  
 NC Real Estate TX: \$.00

RB

DB

Return to Town Clerk, Town of Carrboro, 301 W. Main Street, Carrboro, N.C. 2710

## TOWN OF CARRBORO

### CONDITIONAL USE PERMIT – AMENDMENT (Ballentine Architecturally Integrated Subdivision)

THIS DOCUMENT IS FILED TO AMEND THE ORIGINAL CONDITIONAL USE PERMIT DATED JUNE 26, 2007 AND AUGUST 28, 2007 THAT IS ON FILE IN THE ORANGE COUNTY REGISTRY IN BOOK RB4407, PAGE 340. (Tax Map 7.23.C.3, PIN NO. 9860932325)

The Board of Aldermen granted the minor modification to the conditional use permit requested by M/I Homes on June 22, 2010. The modification will allow the project to be converted from a two-phase project into a four-phase project. This modification also replaces Conditions 5, 6, 7, 8, 11, 16, 17, 18 and 24 of the original Conditional Use Permit with the following conditions:

5. That, prior to final plat approval for Phase 3, the applicant provides to the Town, in accordance with applicable LUO provisions, a financial security sufficient to construct their portion of the remaining, uncompleted road and stream crossing, from the eastern terminus of Street A, as shown on plans, to the property line directly to the east. The value of said security shall be determined by the Consulting Engineer with approval by the Town Engineer and shall be retained until the road segment and stream crossing is constructed or until an alternate stream crossing is constructed. Furthermore, the estimate shall be renewed annually and adjusted for inflation via the Consumer Price Index. The security shall be returned to the applicant if (1), the Town determines that the road and crossing will not be constructed, or (2), a period of ten years has passed from the date of initial posting of the financial security with the Town.
6. That prior to construction plan approval for Phase 3 the applicant provide to the Town evidence of a shared-access easement (or equivalent) agreed upon by Orange County so as to allow for the construction of Street A, as shown on the approved CUP plans.
7. That prior to construction plan approval for Phase 1 the applicant provide to the Town evidence that the portion of property owned by the Lake Hogan Farms Homeowner's Association necessary to allow Street B2 to connect to the Hogan Hills Road R/W has been substantially secured.
8. That prior to construction plan approval, the applicant receive a driveway permit from NCDOT in accordance with any conditions imposed by such agency including but not limited to encroachment/maintenance agreements for lighting and sidewalks.
11. That prior to final plat approval for Phase 1, an offer of dedication of the open space areas on the east side and adjacent to the Lake Hogan Farm road extension be made to the Town.
- ~~16. That an "alternate" stormwater management facility be constructed as part of Phase 1 (West Side of Buckhorn Branch) of the development if, 10 months after Phase 1 final plat approval, either a) the Buckhorn Branch CLOMR is not received or, b) an approval for a bond extension to cover the construction of the stormwater management facility to treat Street 'A', is not obtained. (This condition was deleted.)~~

- 17. That the Buckhorn Branch CLOMR be received prior to Phase 3 final plat approval.
- 18. That a LOMR be received prior to granting building permits for the final 50% of Phase 3 lots unless a bond is posted covering a LOMR approval and any potential infrastructure modifications deemed necessary as a result of the LOMR approval process for Buckhorn Branch.
- 24. That prior to construction plan approval for Phase 3, the applicant provide evidence to the Town that the project meets the recreation facility requirements in accordance with Section 15-196 of the Town of Carrboro Land Use Ordinance. Payment in lieu of recreation points for Phase 3 may require approval by the Board of Aldermen.
- 28. That prior to Phase 3 approval that Town staff and the Consulting Engineer meets with NCDOT District Engineer to further pursue the reduction in speed along Old NC 86 in the vicinity of the project. If NCDOT reduces the speed limit, the intersection could be moved to the original access easement location (subject to NCDOT approval). If not, the intersection would remain as shown on the CUP plans.

The following additional condition is added to the original Conditional Use Permit:

- That prior to authorizing commencement of framing for buildings in Phases One or Two that the emergency access infrastructure (including secondary emergency access) is constructed for these phases in conformity with the state fire code subject to the approval by the Town Fire Department.

**NORTH CAROLINA  
ORANGE COUNTY**

IN WITNESS WHEREOF, the Town of Carrboro has caused this permit to be issued in its name, and the undersigned being all of the property above described, do hereby accept this Conditional Use Permit Modification, together with all its conditions, as binding upon them and their successors in interest.

THE TOWN OF CARRBORO

ATTEST:

BY *Steve Stewart*  
Town Manager

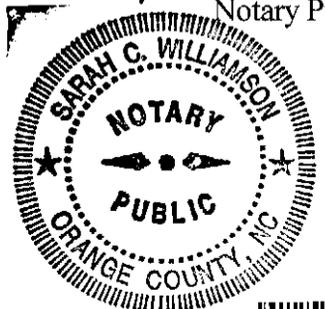
*Catherine Wilson* (SEAL)  
Town Clerk

I, Sarah C. Williamson, a Notary Public in and for said County and State, do hereby certify that Catherine Wilson, Town Clerk for the Town of Carrboro, personally came before me this day and being by me duly sworn says each for himself that she knows the corporate seal of the Town of Carrboro and that the seal affixed to the foregoing instrument is the corporate seal of the Town of Carrboro, that Steven E. Stewart, Town Manager of said Town of Carrboro and Catherine Wilson, Town Clerk for the Town of Carrboro subscribed their names thereto; that the corporate seal of the Town of Carrboro was affixed thereto, all by virtue of a resolution of the Board of Aldermen, and that said instrument is the act and deed of the Town of Carrboro.

IN WITNESS THEREOF, I have hereunto set by hand and notarial seal this the 7<sup>th</sup> day of October, 2010.

*Sarah C. Williamson* (SEAL)  
Notary Public

My Commission Expires: 7-22-2015





**M/I HOMES OF RALEIGH, LLC,**  
a Delaware limited liability company

By: *Edward F. Kristensen*  
Edward F. Kristensen, Area President

Durham County, North Carolina

I certify that the following person personally appeared before me this day and acknowledged to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:  
Edward F. Kristensen.

Date: October 1st, 2010

My Commission Expires:

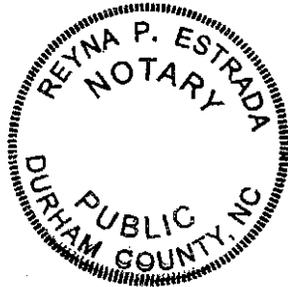
May 14th, 2014

*Reyna P. Estrada*

Notary Public

Print Name: Reyna P. Estrada

[Affix Notary Stamp or Seal]



M  
DB

MM



2007110900325200 PRMIT  
BK:RB4467 Pg:340  
11/09/2007 03:23:11 PM 1/6

FILED Joyce H. Pearson  
Register of Deeds, Orange Co., NC  
Recording Fee: \$29.00  
NC Real Estate TX: \$8.00

DB



Return to: TOWN OF CARRBORO  
301 WEST MAIN STREET  
CARRBORO, NC 27510



**ORANGE COUNTY  
NORTH CAROLINA**

**TOWN OF CARRBORO  
CONDITIONAL USE PERMIT GRANTED  
Ballentine Property AIS**

On the date(s) listed below, the Board of Aldermen of the Town of Carrboro met and held a public hearing to consider the following application:

APPLICANT: <b>M/I Homes</b>
OWNERS: <b>M/I Homes</b>
PROPERTY LOCATION (Street Address): <b>8110 Old NC 86</b>
TAX MAP, BLOCK, LOT(S): <b>7.23.C.31 9800-93-2325</b> <i>JW.</i>
PROPOSED USE OF PROPERTY: <b>Major subdivision consisting of the following uses: 1.111 (single-family detached), 1.321 (multi-family, townhomes (no greater than 20% of the units may have more than three (3) bedrooms))</b>
CARRBORO LAND USE ORDINANCE USE CATEGORY: <b>26.100, 1.111, 1.321</b>
MEETING DATES: <b>June 26, 2007 and August 28, 2007</b>

Having heard all the evidence and arguments presented at the hearing, the Board finds that the application is complete, that the application complies with all of the applicable requirements of the Carrboro Land Use Ordinance for the development proposed, and that therefore the application to make use of the above-described property for the purpose indicated is hereby approved, subject to all applicable provisions of the Land Use Ordinance and the following conditions:

1. The applicant shall complete the development strictly in accordance with the plans submitted to and approved by this Board, a copy of which is filed in the Carrboro Town Hall. Any deviations from or changes in these plans must be submitted to the

