

**ORANGE COUNTY  
BOARD OF COMMISSIONERS  
ACTION AGENDA ITEM ABSTRACT  
Meeting Date: October 6, 2009**

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

**SUBJECT:** Schools Adequate Public Facilities Ordinance (SAPFO) Effects on Chapel Hill-Carrboro Elementary #11

**DEPARTMENT:** Manager/Planning/Finance

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

No
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**ATTACHMENT(S):**

1. Lisa Stuckey, Chair of Chapel Hill-Carrboro Board of Education Letter
2. Elementary #11 Estimate
3. Orange County Development Summary from Chapel Hill-Carrboro Chamber of Commerce

**INFORMATION CONTACT:**

Planning - Craig Benedict, 245-2592  
Finance - Gary Humphreys, 245-2453  
Manager – Frank Clifton, 245-2300

**PURPOSE:** To explain the relationship between SAPFO and the timing of Chapel Hill-Carrboro Elementary #11.

**BACKGROUND:** The SAPFO is a Capital Investment Plan (CIP) planning tool and a development management system. The student projections within the SAPFO Technical Advisory Committee (TAC) report identify new school capacity construction needs at a future date. These projection models are based on historical conditions and can hypothetically indicate when future increases in enrollment approach over capacity school level conditions. Usually this foresight of 4-5 years permits adequate time to find an appropriate site, secure financing, design and build the school.

However, each year new enrollment data are entered into the projection models to refine the student projection numbers and create a comparison tool to analyze whether a future school project need is on target from previous CIP proposals or appears to be moving forward or back in the CIP timeline. Case in point, the 2009 SAPFO report is based on November 2008 enrollment. The report states for:

<b>Chapel Hill-Carrboro Schools Elementary Level</b>					
			20 <sup>th</sup> day*	Projection from 08-09	
	2008-09		2009-10	2009-10	2010-11
Actual Enrollment	5302		5225**		
Projection				5406**	5533
Capacity 100%	5244		5244	5244	5244
Capacity 105%	5506		5506	5506	5506
Capacity	204		281	101	-26
Actual LOS	101.1%		100.4%	103.1	105.5

\* Unofficial; SAPFO uses enrollment per November 15, 2009.

\*\* Italics show 20<sup>th</sup> day 2009 actual versus November 2008 projection of November 15, 2009.

This November 2008 projection showed the need for additional capacity (i.e., Elementary School #11) by 2010-11 by indicating proposed conditions could be over 26 students if projections were consistent (i.e., on-line) with the comparison of actual enrollment in November 2009 with projected enrollment from the prior year. This comparison (noted in column 2 above), although not with the official November 15, 2009, show 20<sup>th</sup> day enrollment at this school level of 5,225 students versus 5,406 which was projected, a decrease of 181 students below projections. Again, although this number is not official, this is an appreciable decrease below the projection that mathematically would make ensuing year student projections and complementary capacity needs more moderate. In other words, the hypothetical need for a new school in 2010-11 would likely move to later years. New projections will be part of the 2010 SAPFO TAC Report (based on November 2009 enrollment).

The Certificate of Adequate Public Schools (CAPS) system does not run on projections of future years. The system is based on actual enrollment in current year versus actual capacity and/or programmed capacity. In this manner, each year the system is reset to show the actual remaining capacity. New growth is certified against remaining capacity, so if the 20<sup>th</sup> day numbers were used, 281 student stations would be available which could equate to possible approval of 1,068 single family homes.

$$(281 \times 1/.263 = 1,068)$$

Note: .263 students generated for elementary schools per single-family detached, 2007

The new student generation rates are more realistic and would provide a better gauge of the student impact of new growth. Higher student generation rates equate to less potential growth approvals.

### Class Size

In 2008-09, upon the opening of Morris Grove Elementary, the SAPFO ordinance changed the elementary capacity of schools based on prior state legislation to reduce class size from 1:23 to 1:21 for K-3 classes. SAPFO, as reported by the prior County Attorney, does not necessarily have to conform to DPI rules, nonetheless these class size standards were put into effect. The impacts of this change were realized in both school districts. However, in the Chapel Hill-Carrboro School District, the opening of Elementary School #10 in 2008-09 did not create 585 new student capacity school level wide but only 323 because class size reductions decrease school capacity.

The impact of implementing 'mandated' new class size ratios therein relates to a loss in school level capacity of 262 seats or the equivalent of 45% of a new school or in capital cost terms roughly \$14 million. This implementation also made the new capacity added by Elementary School #10 not go as far before the projections showed the need for Elementary School #11. Depending on annual growth rates of elementary students (100 per year estimated), new schools typically would be needed after 4-5 years instead of the two-year CIP turnaround created by implementing class size.

**FINANCIAL IMPACT:** Project cost estimate is between \$31-32 million closer to \$32 million including engineering. Lottery funds totaling \$974,000 are already in place toward funding engineering costs. Using \$31 million as the financing amount, the financial impact would be as follows:

Assumptions - Issuance late calendar year 2010 with first debt service in FY 2011-12

- Bank Qualified Direct Placement Loan at a 4.75% rate for 15 years
- Maximum Debt Service in FY 2011-12 would be \$3.335 million declining to \$2.318 million in the final year (FY2025-26).

**RECOMMENDATION(S):** The Interim Manager recommends the Board discuss the matter and conceptually determine the timing of the need for Elementary School #11.



TO: Valerie Foushee, Chair  
Orange County Board of Commissioners

FROM: Lisa Stuckey, Chair  
Board of Education

RE: Status of Elementary Eleven

DATE: September 14, 2009

In June 2008 the Orange County Board of Commissioners appropriated \$974,000 in funding for the architectural design and the approval process for Elementary School #11. This has allowed the project design and the Town of Chapel Hill approval process to continue despite the uncertainty concerning full project funding.

Our architects and design advisory committee have been working since last year to develop design and construction drawings for the new school. Concurrently, we have been seeking the necessary permits from the Town of Chapel Hill. Presentations to the Town's advisory boards have been made and the Special Use Permit (SUP) application process with the Town of Chapel Hill is near completion. A public hearing is being held on September 21, 2009 and we are hopeful for approval at a Town Council meeting soon thereafter. Once approved, the SUP will be valid for a period of 5 years.

Current SAPFO projections indicate that the new school should be opened in the fall of 2010. With the current delay in funding, construction would not be able to begin until that date at the earliest. If it started next fall, it is estimated that the project completion would be in August 2012, two years past the SAPFO projection date. By that time it is projected that our elementary schools will be 459 students over capacity and the Level of Service will be 108.8%. The timing of the school's completion affects decisions we need to make with respect to district level programs, students' school assignments, and plans for making arrangements for classes for which we have no classrooms. In addition, we may soon reach the point that we must deny Certificate of Adequate Public Schools (CAPS) applications.

As such, we feel that it is important to discuss with you the status of this project with respect to the timing of funding and construction. We respectfully request that the Orange County Board of Commissioners place this item on an upcoming agenda. Please let me know if you have any questions or would like to discuss this request.

Cc: Orange County Board of Commissioners  
CHCCS Board of Education

Exhibit A Direct Bank Placement Bank Qualified  
 Elementary 11  
 Issue Date Dec 2010

Loan Amt 30,000,000  
 Interest rate 4.75%  
 period rate 0.003958333  
 Years 15

Period	Principal	Interest	Balance	Fiscal Year Payment	Total Fiscal Yr Payments	Growth New Value	Projected Value of 1cent	Proj Tax Impact cents
<u>Dec-10</u>	<u>Issuance</u>		<u>30,000,000.00</u>		<u>Actual Value&gt;</u>		<u>1,505,352</u>	
Aug-11		950,000.00	30,000,000.00			1.4%	1,526,427	
Feb-12	1,550,000.00	712,500.00	28,450,000.00	3,212,500.00	3,212,500.00	2.0%	1,556,955	2.06
Aug-12		675,687.50	28,450,000.00					
Feb-13	1,850,000.00	675,687.50	26,600,000.00	3,201,375.00	3,201,375.00	2.5%	1,595,879	2.01
Aug-13		631,750.00	26,600,000.00					
Feb-14	1,850,000.00	631,750.00	24,750,000.00	3,113,500.00	3,113,500.00	2.5%	1,635,776	1.90
Aug-14		587,812.50	24,750,000.00					
Feb-15	1,850,000.00	587,812.50	22,900,000.00	3,025,625.00	3,025,625.00	2.5%	1,676,671	1.80
Aug-15		543,875.00	22,900,000.00					
Feb-16	1,850,000.00	543,875.00	21,050,000.00	2,937,750.00	2,937,750.00	2.5%	1,718,588	1.71
Aug-16		499,937.50	21,050,000.00					
Feb-17	2,101,000.00	499,937.50	18,949,000.00	3,100,875.00	3,100,875.00	2.5%	1,761,552	1.76
Aug-17		450,038.75	18,949,000.00					
Feb-18	2,101,000.00	450,038.75	16,848,000.00	3,001,077.50	3,001,077.50	2.5%	1,805,591	1.66

Aug-18	400,140.00	16,848,000.00	2,901,280.00	2,901,280.00	2.5%	1,850,731	1.57
Feb-19	400,140.00	14,747,000.00	2,901,280.00	2,901,280.00	2.5%	1,850,731	1.57
Aug-19	350,241.25	14,747,000.00	2,801,482.50	2,801,482.50	2.5%	1,896,999	1.48
Feb-19	350,241.25	12,646,000.00	2,801,482.50	2,801,482.50	2.5%	1,896,999	1.48
Aug-20	300,342.50	12,646,000.00	2,701,685.00	2,701,685.00	2.5%	1,944,424	1.39
Feb-20	300,342.50	10,545,000.00	2,701,685.00	2,701,685.00	2.5%	1,944,424	1.39
Aug-21	250,443.75	10,545,000.00	2,601,887.50	2,601,887.50	2.5%	1,993,035	1.31
Feb-21	250,443.75	8,444,000.00	2,601,887.50	2,601,887.50	2.5%	1,993,035	1.31
Aug-22	200,545.00	8,444,000.00	2,502,090.00	2,502,090.00	2.5%	2,042,860	1.22
Feb-22	200,545.00	6,343,000.00	2,502,090.00	2,502,090.00	2.5%	2,042,860	1.22
Aug-23	150,646.25	6,343,000.00	2,402,292.50	2,402,292.50	2.5%	2,093,932	1.15
Feb-23	150,646.25	4,242,000.00	2,402,292.50	2,402,292.50	2.5%	2,093,932	1.15
Aug-24	100,747.50	4,242,000.00	2,302,495.00	2,302,495.00	2.5%	2,146,280	1.07
Feb-24	100,747.50	2,141,000.00	2,302,495.00	2,302,495.00	2.5%	2,146,280	1.07
Aug-25	50,848.75	2,141,000.00	2,242,697.50	2,242,697.50	2.5%	2,199,937	1.02
Feb-25	50,848.75	0.00	2,242,697.50	2,242,697.50	2.5%	2,199,937	1.02
Aug-26	50,848.75	0.00	2,242,697.50	2,242,697.50	2.5%	2,199,937	1.02
Feb-26	50,848.75	0.00	2,242,697.50	2,242,697.50	2.5%	2,199,937	1.02

30,000,000.00 12,048,612.50 42,048,612.50 42,048,612.50

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## Orange County Development Summary

Thank you for attending the 2009 Orange County Development Briefing. A primary goal of the Chamber is to provide you with practical information that helps you make smart business decisions. This briefing will provide particulars about residential and commercial market trends and new economic development initiatives in the community.

Attached is a document detailing residential and commercial development projects in Orange County and its municipalities. Major proposed and approved projects are listed according to municipality.

A few statistics about approved projects that are underway or not yet built in Orange County:

- ❖ In Carrboro, 737 residential units and 490,241 sq ft of commercial space has been approved.
- ❖ In Hillsborough, 993 residential units and 1,192,000 sq ft of commercial space has been approved (figure includes Waterstone project).
- ❖ In Chapel Hill, 1,161 residential units and 917,056 sq ft of commercial space has been approved (figure does not include Carolina North).
- ❖ In total, if all approved projects in Orange County are built, 2,891 residential units and 3,699,297 sq ft of commercial space will be added to the County.



## Residential Projects

CUP=Conditional Use Permit, SUP=Special Use Permit

	Name and Location	Developer	Specs	Stage in Process
Proposed	Carolina Commons 1500 Claymore Rd	UNC-Chapel Hill	166 units	Plans submitted, comments returned to applicant
	Litchfield AIS 900 Homestead Rd	Homestead Partners	31 single-family units	Plans submitted, comments returned to applicant
	Lloyd Harbor AIS 201 Quail Roost Dr	Layton Wheeler and Mary Aquero Wheeler	17 single-family units	Revised plans submitted, likely move forward with public meetings
Approved	Ballentine North of Harmony Farms E of Old NC 86	M/I Schottenstein Homes, Inc	60 single-family and 36 townhomes	Approved—CUP extended to Feb 2010
	Claremont AIS 1018 Homestead Rd	Parker Louis LLC	79 units	Approved—23 certificates of occupancy issued
	Claremont II 1001 Homestead Rd	Parker Louis LLC	68 single-family and 26 duplex units	CUP granted—construction plans not submitted
	Legends at Lake Hogan Farms 8112 Old NC 86	1st American Land	64 Units	Approved—11 certificates of occupancy issued
	Rose's Walk at University Lake Old Fayetteville Rd	Jim Brandewine	64 townhomes	Approved—46 certificates of occupancy issued
	Bellevue Mill 202 S. Nash St	Eddie Belk	104 multi-family units	SUP approved
	Corbinton Commons U.S. 70	EYC Companies	47 single-family units, 200 multi-family units, 15,000 sq ft wellness center	SUP approved
	Eno Haven U.S. 70 East	Eno Haven, LLC	76 multi-family affordable rental units	SUP approved
	Kenion Grove Revere Rd	KB Home Inc.	55 single-family units	SUP approved, construction underway
	Willowbend N.C. 57	Hopper Construction	16 single-family units	SUP approved, construction underway



**CHAPEL HILL  
CARBORO**  
*Chamber of Commerce*

Chapel Hill	Proposed	Murray Hill 201 Meadowmont Ln	Scott Murray Land Planning, Inc	15 units	SUP application submitted, public information meeting underway
	Approved	Residences at Grove Park 425 N Hillsborough St	RAM Development	346 units	SUP approved, construction not yet underway
		Homestead Twin Towns Homestead Rd and Seawell School Rd	Capkov Ventures, Inc	72 units	SUP approved, construction not yet underway
		Chapel Watch Village S of Eubanks Rd across from Park and Ride	Crosland	120 units	SUP approved, construction underway



**CHAPEL HILL  
CARBORO**  
*Chamber of Commerce*

## Commercial/Mixed Use Projects

CUP=Conditional Use Permit, SUP=Special Use Permit

	Name and Location	Developer	Specs	Stage in Process		
Carboro	Proposed	400 Roberson Street 400 Roberson St	69,787 sq ft—one commercial building and one residential	Plans submitted, comments returned to applicant		
	Approved	Roberson Square 201 S. Greensboro St	Darcon of NC, Inc	18 residential units, 26,381 sq ft of retail and office	CUP granted, construction plans not yet submitted	
		Shoppes at Jones Ferry 102 Barnes St	Northwest Properties Inc	77,700 sq ft of retail	CUP granted, currently in litigation, construction plans not yet submitted	
		The Alberta 201 Maple Ave	Carr Mill Investment Limited Partnership	23 residential units, 6,772 sq ft of commercial	CUP granted, construction not yet underway	
		The Butler 120 Brewers Ln	Downtown Urban Ventures LLC	57 residential units, 22,170 sq ft of commercial	CUP granted, construction plans not yet submitted	
		Winmore VMU 1318 Homestead Rd	Kovens Construction	242 residential lots, 18,418 sq ft commercial	Approved, construction underway	
		300 East Main 300 E Main St	Main Street Partners LLC	338,800 sq ft of office, retail, apartments; another 168,700 sq ft for parking deck	CUP approved, Phase A construction plans submitted, comments returned to applicant	
		Proposed	Hillsborough	Skimmerland S side of Dimmocks Mill Rd	16,429 sq ft manufacturing	Plans submitted, public hearing continued
				UNC Hospitals Hillsborough EDD	UNC Hospitals	Master plan amendment approved, next step is public hearing
				Waterstone Old NC 86 and I-40	Stratford Land Development	134 single-family units, 128 multi-family units, 1.08 million commercial sq ft
Oakdale Village South Churton Street and Oakdale Drive				Granite Development	57,500 sq ft commercial space, including UNC Primary Care Office	Plan approved, construction underway
Approved	Hillsborough	Gateway Center 228 S Churton St	30,000 sq ft of retail and government office	Plan approved, construction complete		
		Forest Ridge U.S. 70-A East	Withers & Ravenel	233 single-family units, 25,000 sq ft commercial	SUP approved, construction documents to be submitted	



**CHAPEL HILL  
CARRBORO**  
*Chamber of Commerce*

Chapel Hill		Proposed		Approved	
	Timberlyne Office Park Lot 6 111 Old University Station Rd	CAI Group VII, LLC	10,673 sq ft medical office building	Site Plan review	
	Timberlyne Commerce Park Lot 8 151 Old University Station Rd	CAI Group VII, LLC	8,435 sq ft medical office building	Site Plan review	
	Paul J. Rizzo Conference Center Phase III Meadowmont	UNC	90,000 sq ft to include guest rooms, a residence center, conference center, and dining area	Concept plan review	
	Bridgepoint 2214 and 2312 Homestead Rd	The Design Response	49,000 sq ft of office and retail and 32 townhomes	Revised concept plan submitted	
	Walgreens 1500 E Franklin St	The Design Response	13,284 sq ft retail	Postponed—SUP modification application submitted	
	UNC Hospitals Medical Imaging and Outpatient Center 350 Raleigh Rd	UNC Hospitals	30,000 sq ft clinical	SUP approved, construction not yet underway	
	Cosgrove Hill 1735 US 15-501 South	Crosland	120 units, 50,000 sq ft office	SUP approved, construction complete	
	1609 E Franklin St Office Bldg 1609 E Franklin St	Madison Partners	17,318 sq ft office	SUP approved, construction not yet underway	
	140 West Franklin 140 W Franklin St	RAM Development	140 residential units, 30,690 sq ft retail	SUP approved, construction not yet underway	
	Greenbridge 601 W Rosemary St	Greenbridge Development	90 residential units, 15,731 sq ft office, 22,116 retail	SUP approved, construction underway	
	East 54 NC 54	East West Partners	203 residential units, 120,214 sq ft office, 128,487 retail	SUP approved, construction nearing completion	
	Woodmont NC 54	Capital Associates	60 residential units, 427,000 sq ft office, 23,500 sq ft retail	SUP approved, construction not yet underway	
	Castalia at Meadowmont Meadowmont	Lundy Group	10 residential units, 52,000 sq ft office	SUP approved, construction nearing completion	
	UNC Innovation Center Horace Williams Airport	UNC	70,000 sq ft commercial	SUP approved, construction not yet underway	
	Carolina North (First 8 years) Horace Williams Airport	UNC	200,000 sq ft residential, 600,000 sq ft university/commercial	Development agreement approved, construction not yet underway	
O	Buckhorn Village Buckhorn Rd	Buckhorn Road Associates	1.1 million sq ft commercial	Approved, construction not yet underway	