



**Orange County
Board of Commissioners**

Agenda

Business Meeting

May 24, 2022

7:00 p.m.

Richard Whitted Meeting Facility

300 West Tryon Street

Hillsborough, NC 27278

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

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

1. Additions or Changes to the Agenda

PUBLIC CHARGE

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

2. Public Comments (Limited to One Hour)

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

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

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

- b. Matters on the Printed Agenda

(These matters will be considered when the Board addresses that item on the agenda below.)

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

4. Proclamations/ Resolutions/ Special Presentations



5. Public Hearings

- a. Public Hearing Regarding Proposed Lease Agreement and Economic Development Incentive Agreement for Well Dot, Inc.

6. Regular Agenda

- a. Longtime Homeowner Assistance (LHA) Additional Information
- b. Manufactured Homes Action Plan

7. Reports

- a. Orange County Facilities Master Planning Presentation

8. Consent Agenda

- Removal of Any Items from Consent Agenda
 - Approval of Remaining Consent Agenda
 - Discussion and Approval of the Items Removed from the Consent Agenda
- a. Minutes
 - b. Advisory Boards and Commissions – Appointments
 - c. Fiscal Year 2021-22 Budget Amendment #11
 - d. First Quarterly Report (2022 Q1) for Orange County’s CDBG-CV Grant
 - e. Community Climate Action Grant (CCAG) FY 2021-22 Project Approval for Chapel Hill Carrboro City Schools “Creating a Solar Future for CHCCS” Application
 - f. Litigation Settlement
 - g. Schools Adequate Public Facilities Ordinance – Approval and Certification of 2022 Report
 - h. Re-affirm Acceptance of Planning Jurisdiction Over Two Parcels from the Town of Chapel Hill to Orange County
 - i. Proposed Sale of 129 East King Street, Hillsborough, NC

9. County Manager’s Report

10. County Attorney’s Report

11. *Appointments

12. Information Items

- May 3, 2022 BOCC Meeting Follow-up Actions List
- Memorandum – Financial Report - Third Quarter FY 2021-22
- Memorandum – Draft FY23 Orange Transit Work Program
- Memorandum – Orange County Receives LEED Gold Certification from U.S. Green Building Council

13. Closed Session

14. Adjournment



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

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

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

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

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

SUBJECT: Public Hearing Regarding Proposed Lease Agreement and Economic Development Incentive Agreement for Well Dot, Inc.

DEPARTMENT: Economic Development,
County Manager's Office,
County Attorney's Office, &
Asset Management Services

ATTACHMENT(S):

- 1) Resolution with Lease Agreement between Orange County & Well Dot, Inc.
- 2) Performance Agreement between Orange County & Well Dot, Inc.
- 3) Company Summary PowerPoint
- 4) Public Hearing Media Notice
- 5) PowerPoint Presentation for the Public Hearing

INFORMATION CONTACT:

Travis Myren, Deputy County Manager,
(919) 245-2308
Steve Brantley, Economic Development
Director, (919) 245-2326
Steve Arndt, Asset Management
Director, (919) 245-2658

PURPOSE: To:

- 1) Receive and hold a public hearing on the proposed lease agreement and issuance of a "performance-based" economic development incentive by the County to a private company; and
- 2) Consider adopting a resolution authorizing approval of the proposed lease agreement and economic incentive agreement, with claw-back provisions, for the expansion of Well Dot, Inc.'s health care IT operations in Orange County, NC.

BACKGROUND: Local and state governments in North Carolina have the goal to promote economic development by encouraging the location of new businesses and the expansion of existing businesses. This activity serves to diversify the local tax base, increase employment opportunities and introduce desired job skills and related benefits to a community, and for the benefit of its residents. The Local Government Act, North Carolina General Statute (NCGS) 158-7.1, outlines the requirements of public hearings, and NCGS 158-7.1(a) specifically addresses the requirement that economic development appropriations *"must be determined by the governing body of the city or county to increase the population, taxable property, agriculture industries, employment, industrial output, or business prospects of the city or county"*. This public hearing has been scheduled in compliance.

Well Dot, Inc. is an early-stage healthcare technology and services company that incorporated in January 2019. The company provides technology-enabled healthcare solutions to consumers via employers through a platform that enables consumers to navigate their health and wellness needs. Well Dot's current client portfolio includes firms such as the Bank of America, LabCorp, Extended Stay Hotels, FEDEX and Walmart. During the second quarter of 2019, Well Dot approached the Town of Chapel Hill and Orange County and expressed a desire to expand operations in either Chapel Hill, NC or Boston, MA, where the company also has an existing presence.

On November 19, 2019, North Carolina Governor Roy Cooper, joined by company representatives and local, county and state elected officials, announced the location of a new operations center in Chapel Hill. The Chapel Hill center will serve as the primary center for clinical and health experts, while also housing software developers, data analysts and corporate personnel. The North Carolina Department of Commerce committed \$3,394,500 over 12 years through a performance-based agreement with the Job Development Invest Grant (JDIG) program. Over the course of the 12-year term of that grant, the project is estimated to grow the state's economy by \$609 million. The North Carolina Community College System also committed to supporting the company with \$480,000 in value through its Customized Training Program.

The Company will create at least 360 new full time jobs, at an annual rate of \$63,665 plus benefits. Well Dot's salary average is higher than the 2022 Orange County average private sector wage of \$59,026 per year. Other economic benefit multipliers to the County include additional daytime workers in downtown Chapel Hill, and enhanced job skills for those employees through customized training to be provided by the Orange County campus of Durham Technical Community College in Hillsborough. Also, construction employment for the facility upfit and remodeling will create additional skilled trade jobs.

On March 4, 2020 the Chapel Hill Town Council approved a performance based incentive agreement with a maximum investment of \$900,000, with \$450,000 tied to job creation and \$450,000 in parking credits, payable over 8 years. The town's incentive program will be awarded based on the company meeting specific targets for new jobs.

Well Dot has an existing office location in Orange County at 419 W. Franklin St., Chapel Hill, highlighted in red on the map below, which will accommodate up to 85 initial employees in senior management. To house an additional 300+ jobs Well Dot plans to hire through 2025, a second location is envisioned nearby in downtown Chapel Hill. Therefore, the Company has identified the County's former Visitors Bureau building and the adjacent space previously occupied by the Skills Development Center as its desired and ideal location. These properties, highlighted in purple on the map below, are located at:

- 501 W. Franklin Street, Chapel Hill, NC 27517 (PIN) 9788151996
- 503 W. Franklin Street, Chapel Hill, NC 27517 (PIN) 9788151829
- 108 S. Roberson Street, Chapel Hill, NC 27517 (PIN) 9788152822



On January 21, 2020 the Board of County Commissioners (BOCC) approved the relocation of both the Skills Development Center and Visitors Bureau from the existing Franklin Street location. In March 2020, the Skills Development Center moved its operations to the Europa Center in Chapel Hill. The BOCC has since approved locating the Skills Development Center into the 203 South Greensboro, Carrboro facility when it is completed. The Visitors Bureau has also relocated its operations to 308 West Franklin Street in Chapel Hill. For these reasons the properties to be leased are not needed for Orange County operations during the term of the Lease.

FINANCIAL IMPACT: The economic development considerations for this project are contained in two agreements. The first is a lease agreement with Well Dot, Inc. that provides favorable short term lease terms to the Company with options to purchase during the course of the lease. The lease relieves the County of any ongoing maintenance or operating expenses during its term. The second is a performance agreement that would provide initial funding to upfit the space based on employment and wage targets.

Lease Agreement

The initial lease is for a term of ten (10) years. The lease allows for an extension for two additional five year periods with mutual consent. The company may exercise an option to purchase the facility each year on the anniversary date of the lease agreement. The purchase price will be determined according to the appraised value of the property at the time of purchase less the value of the initial deposit and rent paid up to the date of closing.

According to the financial terms of the lease, Well Dot would make a non-refundable, initial deposit of \$250,000 to the County. The company would then make monthly rent payments totaling \$404,576.04 annually to the County for the first six years of the lease. Beginning in year seven, the rent would be adjusted to market rate based on prevailing commercial lease rates at that time. This provides an incentive for Well Dot to exercise the option to purchase on or before the seventh year of the lease. Annual rent increase of two percent (2%) would begin in year eight. Any renewal will reflect similar base rental fees and increases.

Year	Payment Due
1	\$250,000 initial deposit
1	\$404,576
2	\$404,576
3	\$404,576
4	\$404,576
5	\$404,576
6	\$404,576
7	Market Rent Established
8	2% Increase
9	2% Increase
10	2% Increase

Based on current commercial rates, the market rent for the facility would total approximately \$850,000 annually. If the company continues to rent the facility for the ten year lease term, the County will have collected approximately \$6.2 million in lease revenue. If the company exercises the option to purchase during the term of the lease, it will pay property taxes starting at approximately \$85,000 annually and increasing according to market value following each revaluation.

Performance Agreement

The performance agreement between Orange County and Well Dot, Inc. offers up to to \$2 million for the company to use to offset facility development and remodeling costs. The payment would be based on actual expenditures incurred by the company and will be paid over a period of not more than two (2) years from the first installment. These funds would be borrowed with an average annual debt service payment of approximately \$137,000. Proceeds from the lease would be used to pay the debt.

As part of the performance agreement, the company agrees to create at least 360 new full time jobs, at an annual salary of \$63,665 plus benefits. If job creation targets are not met, penalties of \$500 per job will accrue annually and will be added to the purchase price of the facility.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this item:

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

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

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

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

- 1) Receive the proposal to consider entering a lease agreement and the issuance of incentives to a private company for the recruitment & expansion of Well Dot, Inc.'s operations in Orange County;
- 2) Open and conduct the Public Hearing and receive BOCC and public comments;
- 3) Close the Public Hearing; and
- 4) Approve the "performance-based" economic development incentive agreement and the lease by adopting the resolution authorizing the lease between Orange County and Well

Dot, Inc., each subject to final review by the County Attorney, and authorize the Chair to sign the resolution, the agreement and the lease on behalf of the County.

**ORANGE COUNTY BOARD OF COMMISSIONERS
RESOLUTION LEASING PROPERTY UP TO TEN YEARS**

Whereas, Orange County owns properties located at 501 W. Franklin Street, Chapel Hill, NC 27517 (PIN 9788 15 1996), 503 W. Franklin Street, Chapel Hill, NC 27517 (PIN 9788 15 1829), 108 S. Roberson Street, Chapel Hill, NC 27517 (PIN 9788 15 2822), (the "Premises"); and

Whereas, Well Dot, Inc., a Delaware Corporation with health care operation facilities in Chapel Hill, North Carolina, desires to lease the Premises to expand its business in North Carolina; and

Whereas, the Premises will not be needed for Orange County operations during the term of such lease; and

Whereas, North Carolina General Statute 160A-272 authorizes the lease of county-owned properties for terms of up to ten years upon resolution of the Board of Commissioners at a regular meeting after thirty (30) days' public notice and North Carolina General Statute 158-7.1 also authorizes the lease of county-owned properties subject to public notice, which public notice has been published; and

Whereas, in consideration of the economic development opportunities including the creation of 360 new full time jobs, at an annual salary of Sixty Three Thousand Six Hundred Sixty Five dollars (\$63,665.00) plus benefits, and new capital investment in Orange County of \$3,493,600, the Board of Commissioners of Orange County desires to lease the Premises to Well Dot, Inc., for a base rental fee of Thirty Three Thousand Seven Hundred Fourteen Dollars and Sixty-seven Cents (\$33,714.67) per month, the fair market value lease rate, for a ten (10) year term with two optional renewal terms of five (5) years, with such renewal subject to additional Board of Commissioner approvals and granting an option to purchase to Well Dot, Inc., as described in the Lease and as authorized by North Carolina General Statute 158-7.1.

THEREFORE BE IT RESOLVED, that Board of County Commissioners of Orange County hereby approves the lease of the county property described above to Well Dot, Inc., for a term of ten (10) years commencing subsequent to a 120 day inspection period with a two potential renewal terms of five years each and directs the execution, recordation, and filing of all necessary instruments accordingly.

This the 24th Day of May, 2022.

Renee Price, Chair
Orange County Board of Commissioners

LEASE PROVISIONS TERM SHEET**TYPE OF LEASE:** New Renewal Expansion Option Change/Adj.**BUSINESS NAME:** WELL DOT, Inc.**TENANT:** WELL DOT, Inc.**ADDRESS:** 419 W. Franklin Street, Chapel Hill NC 27516

(O) (415) 216-8434

(e-mail) jared.sokolsky@well.co

PROPERTY ADDRESS: 501 W. Franklin Street
503 W. Franklin Street
108 S. Roberson Street
Chapel Hill, NC 27517**LANDLORD:** Orange County, a Political Subdivision of the State of North Carolina**NOTICE ADDRESS:** Orange County, Asset Management Services
P.O. Box 8181 Hillsborough, NC 27278**RENT PAYMENTS :** Orange County, Finance and Administrative Services
P.O. Box 8181 Hillsborough, NC 27278**LEASE TERM:** Ten (10) Years **RENT PSF:** \$18.72**RENTABLE SQ. FTG:** ~21,612 **LEASE SIGNED:** _____, 2022**INSPECTION PERIOD:** 120 days.**COMMENCEMENT DATE:** The date of Substantial Completion (as hereinafter defined).**RENT COMMENCES:** Commencement Date **LEASE EXPIRES:** 120 months from Commencement Date**MONTHLY BASE RENT:** \$33,714.67 **ANNUAL BASE RENT:** \$404,576.04**RENT ADJUSTMENTS:** No adjustment for the first six (6) Lease Years (as hereinafter defined). An annual fixed increase of Two percent (2%) to the Base Rent starting with the seventh (7th) Lease Year, subject to the reset of Base Rent provided for in Section 4(b) below.**PRORATION:** Calculation of Rents is based on the annual rent amount divided by a 365-day year.**OPTION TO RENEW:** Provided the Tenant is not in default of any terms of this Lease beyond the expiration of any applicable notice and cure period, at the end of the initial ten-year Lease Term, this Lease may be extended for Two (2) terms of five (5) years each, commencing at the expiration of the initial term or prior extension term, as applicable, with Ninety (90) days prior written notice, and upon mutual consent.**OPTION TO PURCHASE:** Provided the Tenant is not in default of any terms of this Lease beyond the expiration of any applicable notice and cure period, the Tenant shall have the option to purchase the Property, which option may be exercised on any anniversary of the Commencement Date annually during the first 120-month term of the Lease. Should the option on the Property be exercised, the purchase price shall be based on appraisals using income methodology with each party selecting an independent appraiser and negotiating any differences in the appraisals to arrive at a purchase price, but shall also be less the value of the initial \$250,000 deposit and rent paid up to the date of closing. Further, Landlord and Tenant are parties to that certain Performance Agreement dated as of the date hereof (the "Incentive Agreement"). The final purchase price for the Property shall be subject to any adjustments required by Section 2(D) of the Incentive Agreement.**ALL RENTS ARE DUE ON THE 1ST DAY OF EACH MONTH:** Any payment not received by the 5th of the month will incur an automatic late fee of Five (5%) percent.**DEPOSIT:** Tenant shall pay a one-time deposit. The amount of the deposit shall be equal to the full amount expended by Landlord to up-fit the Orange County Skills Development Center up to and not to exceed two hundred fifty thousand dollars (\$250,000.00). Such deposit shall not be refundable and may only be utilized as provided in this paragraph, but shall be applied to the purchase price of the Property in the event that Tenant elects to exercise the option to purchase the Property set forth herein._____
Landlord
Initials_____
Tenant
Initials

PAID BY LANDLORD: N/A

PAID BY TENANT: Property Taxes, Insurance, Exterior \ Maintenance, Parking Area Maintenance, All Utilities including \Electrical, Water & Sewer)\, Security, Management, HVAC Maintenance, Janitorial, Trash Removal and Extermination, Fire & Extended Coverage Insurance for tenant contents, Commercial General Liability Insurance for Tenant, and all telephone, cable, internet, etc. installation costs and monthly service charges. It is the intent of this Lease that all costs related to the Property shall be paid by Tenant.

Landlord
Initials

Tenant
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RENT SUMMARY

(Tenant)

21,612 (Sq. Ft)

Months below measured from Commencement Date

Term Year	# of Months	Start Date	End Date	SF	\$Month	Total \$
1	12	Month 1	Month 12	~21,612	33,714.67	404,576.04
2	12	Month 13	Month 24	~21,612	33,714.67	404,576.04
3	12	Month 25	Month 36	~21,612	33,714.67	404,576.04
4	12	Month 37	Month 48	~21,612	33,714.67	404,576.04
5	12	Month 49	Month 60	~21,612	33,714.67	404,576.04
6	12	Month 61	Month 72	~21,612	33,714.67	404,576.04
7	12	Month 73	Month 84	~21,612	*	*
8	12	Month 85	Month 96	~21,612	*	*
9	12	Month 97	Month 108	~21,612	*	*
10	12	Month 109	Month 120	~21,612	*	*

Term Year	# of Months	Start Date	End Date	SF	\$Month	Total \$
Op 1-1	12	Month 121	Month 132	~21,612	*	*
Op 1-2	12	Month 133	Month 144	~21,612	*	*
Op 1-3	12	Month 145	Month 156	~21,612	*	*
Op 1-4	12	Month 157	Month 168	~21,612	*	*
Op 1-5	12	Month 169	Month 180	~21,612	*	*
	60					

Term Year	# of Months	Start Date	End Date	SF	\$Month	Total \$
Op 2-1	12	Month 181	Month 192	~21,612	*	*
Op 2-2	12	Month 193	Month 204	~21,612	*	*
Op 2-3	12	Month 205	Month 216	~21,612	*	*
Op 2-4	12	Month 217	Month 228	~21,612	*	*
Op 2-5	12	Month 229	Month 240	~21,612	*	*
	60					

* Subject to adjustment based upon Section 4(b) below.

MAKE RENT PAYMENTS TO:

Orange County
Finance and Administrative Services
P.O. Box 8181
Hillsborough, NC 27278

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CONTENTS OF LEASE BY SECTION

SECTION NUMBER AND SUBJECT

	Lease Provisions Information
	Rent Summary
	Contents of Lease
1.	Definitions
2.	Demise
3.	Term
4.	Rent
5.	Late Payment
6.	Deposit
7.	Use of Leased Premises
8.	Signs
9.	Care and Maintenance
10.	Alterations by Tenant
11.	Acceptance of Leased Premises
12.	Delay in Commencement
13.	Subleasing and Assignment
14.	Default
15.	Holding Over
16.	Surrender of Rented Space
17.	Damage to Rented Space or Building
18.	Tenant's Indemnity and Tenant's Insurance
19.	Tenant's Waiver of Claim; Mutual Releases
20.	Eminent Domain
21.	Utilities and Other Services
22.	Covenants of Title and Quiet Enjoyment
23.	Inspection Period
24.	Use of Parking Facilities
25.	Information Concerning Tenant
26.	Authority of Tenant
27.	Estoppel
28.	Right to Relocate
29.	Landlord's Access to Rented Space
30.	Managing Agent
31.	Subordination
32.	Reservation of Rights
33.	Notices
34.	Entire Agreement; Modification
35.	Riders and Exhibits
36.	Section Headings
37.	Number and Gender
38.	Governing Law
39.	Severability
40.	Modification by Mortgagee
41.	Binding Effect
42.	Limitation on Right of Recovery
43.	Brokerage
44.	Memorandum
45.	Force Majeure
46.	Taxes
47.	Counterparts
48.	Miscellaneous

EXHIBITS

- EXHIBIT A – Site of Property
- EXHIBIT B – Sketch of Rented Space
- EXHIBIT C – Memorandum of Lease

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LEASE

This lease (the "Lease") is made as of _____, 2022 by and between Orange County, a political Subdivision of the State of North Carolina ("Landlord") and WELL DOT, Inc. ("Tenant"). In consideration of the reciprocal obligations stated herein, Landlord and Tenant agree as follows:

1. **DEFINITIONS.** When used in this Lease, the terms listed below shall have the meanings stated in this Section 1.

(a) "Building": the office building in which the Rented Space is located.

(b) "Commencement Date": the actual date on which the term of this Lease commences, as provided in Section 3 below.

(c) "CPI" shall mean the Consumer Price Index – U.S. City Averages for Urban Wage Earners and Clerical Workers – All Items (base year 1982-84=100), published by the United States Bureau of Labor Statistics.

(d) "Lease Year": each twelve (12) month period of the Term beginning with the Commencement Date (or anniversary thereof) and ending on the subsequent anniversary of the Commencement Date. The first Lease Year shall begin on the Commencement Date and shall end on the immediately prior to the first anniversary of the Commencement Date.

(e) "Leased Premises": the Property, including the Rented Space.

(f) "Property": those tracts of land located at 501 W. Franklin Street, 503 W. Franklin Street, and 108 S. Roberson Street in Chapel Hill Township, Orange County, North Carolina, described in Exhibit A attached hereto and incorporated herein, and all improvements situated thereon.

(g) "Rentable Square Feet": the useable square feet of any area.

(h) "Rented Space": that office space area shown as the cross-hatched area on Exhibit B attached hereto and incorporated herein, which consists of approximately 21,612 Rentable Square Feet and the entirety of each tract of land making up the Property.

(i) "Term": the term of this Lease as specified in subsection (a) of Section 3 below.

2. **DEMISE.** Subject to the terms and conditions stated in this Lease, Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the Leased Premises from Landlord.

3. **TERM AND OPTION.**

(a) Term. The term of this Lease shall commence on the Commencement Date. The term shall terminate at 11:59 P.M. on the date that is one hundred twenty (120) months following the Commencement Date, if not sooner terminated by Landlord pursuant to the terms of this Lease.

(b) Option to Renew. Provided the Tenant is not in default of any terms of this Lease beyond the expiration of any applicable notice and cure period, at the end of the initial ten-10 year Lease Term, this Lease may be extended for Two (2) terms of Five (5) years each, commencing at the expiration of the initial (or then current) term with Ninety (90) days prior written notice. See Rent Summary for scheduled rent increases for each Option to Renew. Such Option to Renew must be agreed to in writing by both parties and is subject to the terms of North Carolina General Statute 160A-272.

(c) No Reinstatement. No receipt of money by Landlord from Tenant or any other party after the termination of this Lease shall reinstate, continue or extend the Term or affect any notice of termination served on Tenant by Landlord.

(d) Option to Purchase. Provided the Tenant is not in default of any terms of this Lease beyond the expiration of any applicable notice and cure period, the Tenant shall have the option to purchase the Property, which option may be exercised on any anniversary date of the Commencement Date annually during the first 120-month term of the Lease. Tenant shall provide written notice to Landlord of its intent to exercise the option to purchase.

(i) If the option to purchase is exercised, Landlord (seller) shall convey marketable fee-simple title to the described portion of the Property, and this conveyance shall be subject to no exceptions or

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encumbrances of record other than those (i) existing as of the effective date of this Lease, or (ii) which are approved by Tenant, such approval not to be unreasonably withheld. All closing costs related to the transfer of the Property shall be paid by the Tenant (buyer), except that the Landlord shall be responsible for attorneys' fees for any attorneys representing Landlord. Tenant shall be responsible for all funds required to satisfy and cancel any assessments, judgments, liens, deeds of trust, or other financial encumbrances against the Property and the described portion of the Property save and except any such encumbrances incurred by the Landlord.

(ii) If the option to purchase is exercised, Landlord shall credit against the purchase price the amount of the Deposit and the amount of Rent paid by Tenant to Landlord up to the date of the closing.

(iii) This option to purchase is contingent upon and subject to the following terms and conditions: This option to purchase shall commence on the date of the full execution of this Lease and shall continue through the end of the initial 120-month term thereof. The purchase price shall be based on appraisals using income methodology with each party selecting an independent appraiser and negotiating any differences in the appraisals to arrive at a purchase price, but shall also be less the value of the initial \$250,000 deposit and rent paid up to the date of closing. If the option to purchase is exercised by the Tenant the sale of the described portion of the Property shall occur within sixty (60) days after the date of the option to purchase notice.

4. RENT.

(a) Initial Annual Base Rent. Tenant shall pay to Landlord annual base rent in the amounts set forth in the Rent Summary set forth hereinabove (during the first six (6) Lease Years) and pursuant to Section 4(b) below thereafter.

For each succeeding Lease Year of the Term and any optional extensions, Tenant shall pay to Landlord annual base rent as determined pursuant to this schedule and subsection (b) below, payable in equal monthly installments commencing on the first day of each Lease Year. All monthly base rent payments shall be due on the first day of each month in advance, without notice or demand. All rent payments shall be made to Landlord at: **Orange County, Finance and Administrative Services, P.O. Box 8181 Hillsborough, NC 27278**, or at such other place as Landlord may designate from time to time in writing.

(b) Annual Base Rent after Sixth Lease Year. In the event that Tenant has not elected to purchase the Premises pursuant to Section 3(d) above, within one hundred eighty (180) days prior to the commencement of the seventh (7th) Lease Year, Landlord and Tenant shall work together diligently and in good faith to determine the fair market rental value of the Premises for the seventh (7th) Lease Year, with the parties to select a commercial property broker with at least 10 years' relevant experience in the Chapel Hill market area. In the event that the parties cannot agree upon a commercial property broker for such determination, they shall each select a commercial property broker with at least 10 years' relevant experience in the Chapel Hill market area, and the rent shall be the average of the good faith determination made by both such brokers. The parties shall then enter into an amendment to this Lease setting forth the annual base rent for the seventh (7th) Lease Year, which annual base rent shall thereafter escalate by two percent (2%) per annum at the beginning of each further Lease Year thereafter.

(c) Base Rent for Partial Month. Base rent due for any partial month at the beginning of the Term shall be \$1,108.41 per day, payable in advance on the Commencement Date. Base rent due for any partial month at the end of the Term shall be determined on a per diem basis, using the then applicable annual base rent. Calculation of Rents is based on the annual rent amount divided by a 365-day year.

(d) Intentionally omitted.

(e) Intentionally omitted.

(f) Additional Rent. All other charges, costs and sums required to be paid by Tenant to Landlord under this Lease shall be deemed to be additional rent, and shall be collectable by Landlord as such.

(g) Independent Covenant. The obligation to pay any and all rent hereunder is a separate and independent covenant of Tenant, and no breach or alleged breach by Landlord of the terms hereof shall give Tenant any right to withhold or escrow any rental payments when due.

5. LATE PAYMENT. Tenant recognizes and acknowledges that if rent payments are not received when due, Landlord will suffer damages and additional expense. Tenant therefore agrees that a late fee equal to five (5%) percent of the rent which is late may be assessed by Landlord as additional rent if the Landlord has

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not received any monthly installment of annual rent or other rent or additional rent due pursuant to this Lease within five (5) days of its due date. If any check given in payment of rent is not honored when due, Landlord may assess the late fee and may also require that subsequent rent payments be made by certified or cashier's check. Landlord's rights under this Section 5 are in addition to and may be exercised cumulatively with Landlord's rights and remedies under Section 14 below.

6. **DEPOSIT.** Within ten (10) business days following the expiration of the Inspection Period, Tenant shall pay to Landlord the sum of two hundred fifty thousand dollars (\$250,000.00) as a deposit. The deposit, once made, is non-refundable. The equivalent value of such deposit shall be applied to the purchase price for the Property if Tenant exercises its purchase option set forth herein. In the event that Tenant terminates this Lease during the Inspection Period, Tenant shall have no obligation with respect to the deposit.

7. **USE OF LEASED PREMISES AND COMPLIANCE WITH LAW.** The Leased Premises shall be used only for general office purposes, and for no other purposes without the Landlord's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Tenant shall not use the Leased Premises for any unlawful purpose or in any manner that might constitute a nuisance. Tenant shall comply with all land use covenants and all ordinances and regulations of governmental authorities applicable to the Leased Premises.

8. **SIGNS.** Tenant shall be solely responsible for all signage at the Property. This includes, but is not limited to, approvals, cost, installation, maintenance, and repair.

9. **CARE AND MAINTENANCE.** Subject to the provisions of Section 29, Tenant shall, at the Tenant's own expense, keep the Rented Space and Property in good condition and shall pay for the repair of any part of the Property that needs repair due to wear and tear or damages caused by third parties or the Tenant, its agents, employees, invitees, or contractors. Tenant shall make at its sole cost and expense, replacements or restorations, in quality equivalent to or better than the original work, as may be required to maintain the Rented Space in good repair and condition, ordinary wear excepted. Landlord is not responsible for maintenance. Tenant is responsible for all maintenance of interior and exterior spaces, structure and structural areas, walls, floors, roof, plumbing, heating and air, and electrical systems. It is the intent of this Lease that Tenant have full responsibility for all maintenance and care of the Property and all Buildings thereon.

10. **ALTERATIONS BY TENANT.**

(a) **Requirements.** Tenant is responsible for all up-fit costs and construction. The Tenant shall furnish to the Landlord before commencement of the work or delivery of any materials to the Property all of the following:

- (i) all plans and specifications;
- (ii) names and addresses of all contractors;
- (iii) copies of all contracts;
- (iv) all necessary permits;
- (v) an indemnification of Landlord by all contractors in form and amount satisfactory to Landlord; and
- (vi) certificates of insurance from all contractors performing labor or furnishing materials, insuring against any and all claims, costs, damages, liabilities and expenses which may arise in connection with such alterations.

Landlord shall not unreasonably withhold, condition or delay its approval of any alterations, up-fit, or improvements requested by Tenant, and shall respond to Tenant within fifteen (15) days of receipt of any requests for such approval with either its approval or with detailed comments on the reasons for its disapproval, with Tenant being permitted to modify its plans and specifications and re-submit the same for further approval. Notwithstanding the foregoing, without Landlord's consent, Tenant may make interior changes and alterations to the Premises that (i) do not affect the structural integrity of the improvements, (ii) do not materially reduce the market value of the Premises, and (iii) do not cost more than \$100,000.00 in total during any Lease Year.

(b) **Liability.** Regardless of who performs any alterations, up-fit, and remediation and notwithstanding Landlord's consent thereto, Tenant shall hold the Landlord, its agents and employees forever harmless from any and all liabilities of every kind and description which may arise out of or be connected in any way with the alterations, up-fit, and remediation. Any mechanic's lien filed against the Rented Space or the Property for work or materials claimed to have been furnished to the Tenant shall be discharged of record by the Tenant within ten (10) days after filing, at the Tenant's expense. Upon completion of such work, Tenant shall furnish Landlord with contractors' affidavits, full and final waivers of lien and receipted bills covering all labor and materials expended. Should any claim of lien or lien action be filed directly against Landlord Tenant shall indemnify and hold harmless Landlord from such claim or action

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and shall reimburse all costs, including reasonable attorneys' fees, incurred by Landlord in defending said claim or action. Upon completing any alterations, up-fit, and remediation the Tenant shall furnish the Landlord with contractors' affidavits, full and final waivers of lien and receipted bills covering all labor and materials expended and used. All alterations, up-fit, and remediation shall comply with all insurance requirements and with all ordinances and regulations of any applicable public authority. All alterations, up-fit, and remediation shall be performed in a good and workmanlike manner, using first class materials. Liability described herein shall be limited to the term of the Lease, whether or not extended, and shall terminate with the acceptance of the Rented Space upon return by Tenant to Landlord.

(c) Ownership. All alterations and up-fit, made by either party, including without limitation all paneling, walls, decorations, partitions, railings, floors, carpets, galleries, heating or air conditioning equipment, plumbing, electrical machinery and equipment, and any other up-fit shall become the property of Landlord and shall remain upon and be surrendered with the Rented Space and Property as a part of the Rented Space and Property at the end of the Term. Notwithstanding the foregoing, in the event that the Term ends because Tenant has exercised its option to purchase the Property, then all such alterations and upfit shall remain with the Property and shall be conveyed to Tenant at the closing on the Property (by a bill of sale or other appropriate instrument). Furniture, equipment, personal property and movable trade fixtures which are installed by Tenant at its expense, except for those referred to above, shall remain Tenant's property and may be removed at any time prior to the termination of the Term provided Landlord has not asserted a lien against such property and further provided that Tenant promptly repairs any damage caused by such removal. Any such trade fixtures which Tenant has the right to remove under the above provisions, or personal property belonging to Tenant or to any invitee, assignee or subtenant, shall be deemed abandoned by Tenant if not removed prior to termination of the Term (except in the event that the term ends because Tenant has elected to purchase the Property), and shall become the property of the Landlord without any payment or offset for the property, if Landlord so elects. If the Landlord does not so elect, the Landlord may remove any fixtures or property from the Leased Premises and store them at the Tenant's sole risk and expense or dispose of them in any manner, including the sale, scrapping or destruction thereof, and to the extent permitted by law Tenant waives all claims against Landlord therefor. The Tenant shall repair and restore, and save the Landlord forever harmless from, any and all damage to the Leased Premises caused by such removal, whether by the Tenant or by the Landlord. Should Tenant exercise its option to purchase all Alterations and up-fit shall convey with the Property. Tenant hereby agrees that upon its surrender of the Property, it shall assign to Landlord any and all warranties given to Tenant with respect to any work performed pursuant to this Lease.

11. ACCEPTANCE OF LEASED PREMISES. Occupation by Tenant shall constitute acceptance of the Leased Premises AS IS. Landlord makes no representation or warranty, oral or written, as to the condition of the Leased Premises nor as to the use or fitness of the Leased Premises for any particular purpose except for general office use. Landlord shall not be responsible for obtaining any governmental approvals or permits necessary to enable Tenant to occupy or use the Leased Premises. Obtaining all approvals and certificates shall be the sole responsibility of the Tenant. The Landlord shall not be responsible for obtaining any certificate of occupancy or other approvals required in connection with construction work and up-fit done by the Tenant or contractors engaged by the Tenant. Tenant acknowledges it has been notified certain areas of the Property have moisture intrusion and mold growth. Tenant acknowledges and accepts this notification and accepts the Property with this and any other defect, known or unknown, including other potential areas of moisture intrusion or mold growth and Tenant is solely responsible for all costs related to full remediation of such moisture intrusion and mold growth and any other issues arising related to such moisture intrusion, provided that Tenant does not elect to terminate this Lease during the Inspection Period (if Tenant does elect to terminate this Lease during the Inspection Period, Tenant shall have no liability for such costs or for such remediation). Tenant releases Landlord from any further responsibility or obligation to provide further notice of or remediate any moisture intrusion and mold growth and releases, indemnifies, and holds harmless Landlord from any and all claims related to such moisture intrusion, if Tenant does not elect to terminate this Lease during the Inspection Period.

12. COMMENCEMENT. Landlord shall deliver exclusive possession of the Leased Premises to Tenant in its current "as-is" condition upon the full execution of this Lease. Following the expiration of the Inspection Period, Tenant shall commence its upfit of the Leased Premises pursuant to plans and specifications approved by Landlord (such approval not to be unreasonably withheld, conditioned or delayed) (the "Tenant Improvements"). Tenant shall prosecute the Tenant Improvements without delay in a commercially reasonable manner beginning on the date hereof. Upon Tenant's substantial completion of the Tenant Improvements such that Tenant can commence operations in the Premises in accordance with its customary office usage, and Tenant's receipt of a Certificate of Occupancy for the Premises, "Substantial Completion" shall be deemed to have occurred. If not sooner obtained, but subject to delays in Substantial Completion due to events of force majeure, Substantial Completion and the Commencement Date shall be deemed to have occurred on the date that is two hundred seventy (270) days following the expiration of the Inspection Period, even if Tenant has not received a Certificate of Occupancy for the Premises or commenced operations in the Premises by that date. Time is of the essence with regard to the Substantial Completion.

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13. ASSIGNMENT OR SUBLEASE.

(a) Assignment. Tenant may not mortgage, encumber, pledge, or assign this Lease without Landlord's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant may, without Landlord's consent, assign this Lease to (i) an entity controlling, controlled by or under common control with Tenant, (ii) a successor to Tenant by merger or acquisition, or (iii) the purchaser of all (or substantially all) of Tenant's assets at the Premises, provided that Tenant shall remain liable under this Lease.

(b) Subletting. Tenant may not sublet the Leased Premises or any part thereof without Landlord's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

(c) Requirements. In the event of a proposed assignment of this Lease or subletting of all or a substantial part of the Leased Premises, Tenant shall submit to Landlord, in writing, (i) the name of the proposed assignee or subtenant, (ii) current financial statements available to Tenant disclosing the financial condition of the proposed assignee or subtenant (any assignment or subletting being subject to confirmation the assignee or subtenant has the same or similar financial position as Tenant, the absence of which by the proposed assignee or subtenant shall constitute absolute grounds for Landlord's denial of the requested assignment or subletting), (iii) the nature of the business of the proposed assignee or subtenant, and its proposed use of the Leased Premises (any assignment or subletting being subject to restrictions on use contained in this Lease, the violation of which by the proposed assignee or subtenant shall constitute absolute grounds for Landlord's denial of the requested assignment or subletting), and (iv) the proposed commencement date of the assignment or subletting, together with a copy of the proposed assignment or sublease. If approved by Landlord, Tenant shall promptly deliver a copy of the fully executed assignment or sublease to Landlord upon its receipt of same. In no event shall this Lease be assignable by operation of any law except as provided herein, and Tenant's rights hereunder may not become, and shall not be listed by Tenant as an asset under any bankruptcy, insolvency, or reorganization proceedings. Tenant is not, ay not become, and shall never represent itself to be an agent of Landlord, and Tenant acknowledges that Landlord's title is paramount, and that it can do nothing to affect or impair Landlord's title. Tenant shall remain primarily liable for the performance of all terms of this Lease in the event of any assignment or subletting. Tenant shall pay all reasonable costs incurred by Landlord in connection with such assignment or sublease, including without limitation, attorneys' fees, up to a maximum of \$2,000 per request. Tenant shall pay to Landlord fifty percent (50%) of any rental and fees received by Tenant in excess of (y) any amount payable to Landlord hereunder *plus* (z) any amounts expended by Tenant (including brokerage commissions) in procuring such subtenant.

14. DEFAULT BY TENANT AND LANDLORD'S REMEDIES.

(a) Events of Default. In addition to the other occurrences listed elsewhere in this Lease, the occurrence of any one or more of the following shall constitute a default hereunder:

(i) If Tenant fails to pay any rent or other monetary payments as and when provided in this Lease, and such failure continues for more than ten (10) days following Tenant's receipt of written notice of such failure;

(ii) If Tenant breaches any other obligation set forth in this Lease and fails to cure such breach within thirty (30) days after notice thereof; or if cure of the breach would require more than thirty (30) days to effect, if Tenant fails to initiate action necessary to cure such breach within the thirty (30) day period and to pursue such action diligently thereafter until the breach is cured;

(iii) If there is a levy, execution, attachment or taking of property, assets or the leasehold interest of Tenant by process of law or otherwise or in satisfaction of any judgment, debt or claim or if Tenant files, or has filed against it, any petition or action for relief under any debtor's relief law (including bankruptcy, reorganization or similar actions or proceedings) either in state or federal court.

(b) Landlord's Rights and Remedies. In the event of any default, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of default:

(i) Terminate this Lease.

(ii) Without terminating this Lease, terminate Tenant's right to possession of the Leased Premises, enter upon and take possession of the Leased Premises and rent the Leased Premises for a reasonable rental for the account of Tenant, and after paying from rents collected the reasonable costs of

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such entry, reletting and collection and the costs of any necessary repairs made by Landlord which Tenant is obligated to make hereunder, apply the remainder of the rent collected to the amounts due and to become due from Tenant hereunder;

(iii) Pursue any other remedy now or hereafter available to Landlord under this Lease or under the laws of the state of North Carolina.

All rights and remedies of Landlord pursuant to this Section shall be cumulative, and may be exercised singly, successively or, if appropriate, concurrently. In the event Landlord terminates this Lease or terminates Tenant's right to possession of the Leased Premises, then Tenant shall surrender possession of the Premises to Landlord, and Landlord shall have the full and free right to enter into and upon the Rented Space with or without process of law, to repossess the Rented Space, to expel or remove the Tenant and any others who may be occupying or be within the Rented Space, to remove any and all property from the Rented Space and to change the locks on the Rented Space, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer. In any event of default by Tenant, Landlord shall be entitled to recover from Tenant all damage incurred by Landlord by reason of Tenant's default, including but not limited to: any unpaid rent; the cost of recovering possession of the Premises, including reasonable attorney's fees; expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorney's fees, and any real estate commission actually paid; any loss of future rental that would have been due during the then current Term, provided that such amount shall be offset by the fair market rental value of the Premises for such remaining period of the current Term; and a pro rata portion of any leasing commission paid by Landlord based on the number of days of any period for which a commission was paid that remain after the date of Tenant's default. Any rent unpaid when due, including additional rent not paid upon demand, shall bear interest from the date due at the rate of twelve percent (12.00%) per annum.

(c) Treatment of Tenant's Property. Any and all property which may be removed from the Rented Space by the Landlord pursuant to the authority of the Lease or law, to which the Tenant is or may be entitled, may be handled, removed or stored by the Landlord at the risk, cost and expense of the Tenant, and except strictly as required by law the Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. The Tenant shall pay to the Landlord, upon demand, any and all expenses incurred in such removal and all storage charges for such property so long as the property shall be in the Landlord's possession or under the Landlord's control. Any such property of the Tenant not retaken from storage by the Tenant within thirty (30) days after the end of the term, however terminated, may be disposed of by Landlord in any manner whatsoever, including without limitation, the sale, scrapping or destruction of the property without any further obligation to the Tenant, and Tenant shall pay to Landlord promptly on demand the reasonable expenses of such disposal.

(d) Landlord's Lien on Tenant's Property. Tenant hereby grants to Landlord a lien for the payment of rent, additional rent and all other monies to be paid by Tenant to Landlord under this Lease, upon all of the goods, wares, chattels, fixtures, furniture, equipment and other property of Tenant which may be in or upon the Rented Space or the Property. Such lien may be enforced in any lawful manner by the Landlord. Notwithstanding the foregoing, Landlord acknowledges that Tenant may seek financing from a third-party, institutional lender which may require a first priority lien on such goods, wares, chattels, fixtures, furniture, equipment and other property, and in such circumstance, Landlord agrees to enter into and provide a commercially reasonable subordination agreement subordinating Landlord's lien rights in and to such goods, wares, chattels, fixtures, furniture, equipment and other property to the lien rights of such lender.

(e) Landlord's Option to Cure. If Tenant defaults in the performance of any of its obligations under this Lease, including without limitation, its obligations under Section 9 hereof, then Landlord or any mortgagee or ground lessee of Landlord may, at its option, cure such default, and Tenant shall pay to Landlord or such mortgagee or ground lessor, as the case may be, the cost of such cure immediately upon being billed for same.

(f) No Waiver. The failure of Landlord to declare Tenant to be in default at any time or to exercise any of its rights or remedies upon default any by Tenant shall not be deemed to be a waiver by Landlord of any of its rights or remedies hereunder.

(g) Incentive Agreement. Landlord shall be entitled to any rights and remedies provided for in the Incentive Agreement for an event of default under this Lease. However, in the event of a default under the Incentive Agreement, in the absence of an event of default under this Lease, Landlord's rights and remedies shall be limited to those provided in the Incentive Agreement.

Notwithstanding anything to the contrary contained herein, in no event shall Tenant be liable for consequential, punitive, or special damages.

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15. **HOLDING OVER.** In the event the Tenant remains in possession of the Rented Space after the expiration of the Term without the written consent of Landlord (unless Tenant has properly exercised the option to purchase the Leased Premises), then the Tenant shall be a tenant at sufferance from month to month only, and the Tenant shall then be obligated to pay one hundred fifty percent (150%) of the then current Base Rent and all other sums then payable hereunder ("Holding Over Rent"), in equal installments on the first day of each calendar month for so long as Landlord is kept out of possession of the Rented Space. Neither such payment nor the acceptance of such payment shall in any way constitute a waiver of the rights of Landlord to dispossess the Tenant and recover possession of the Rented Space and the just and former estate of the Landlord and to bring any action for damages suffered by Landlord on account of Tenant's failure to vacate the Rented Space.

16. **SURRENDER OF RENTED SPACE.** Upon the expiration or other termination of the Term, Tenant shall quit and surrender to Landlord the Rented Space, broom clean, in good order and condition, ordinary wear excepted, and Tenant shall remove all of its property except as otherwise provided in Section 10.

17. **DAMAGE TO RENTED SPACE OR BUILDING.**

(a) **Tenant's Insurance.** Tenant shall maintain standard fire and extended coverage insurance covering the Building in an amount not less than 80% (or such greater percentage as may be necessary to comply with the provisions of any co-insurance clauses of the policy) of the "replacement cost" thereof as such term is defined in the Replacement Cost Endorsement to be attached thereto, insuring against special causes of loss (including the perils of fire and lighting), such coverages and endorsements to be as defined, provided and limited in the standard bureau forms prescribed by the insurance regulatory authority for the State of North Carolina. Subject to the provisions of Section 19 below, such insurance shall also be for the benefit of Landlord.

(b) **Notice by Tenant.** If the Rented Space is damaged or destroyed by any peril covered by the insurance to be provided by subparagraph (a) above, Tenant shall give immediate written notice thereof to Landlord.

(c) **Extensive Damage.** If the Rented Space is so damaged by any peril covered by the insurance to be provided under subparagraph (a) above that rebuilding or repairs cannot in the estimation of a licensed North Carolina General Contractor selected by Landlord, be completed within one hundred fifty (150) days after the date of such damage, Tenant may elect, in its sole discretion, to terminate this Lease, and the rent shall be abated during the unexpired portion of this Lease, effective upon the date of the occurrence of such damage.

(d) **Repairable Damage.** If the Rented Space is damaged by any peril covered by the insurance to be provided under subparagraph (a) above, but only to such extent that rebuilding or repairs can, in the estimation of a licensed North Carolina General Contractor selected by Landlord, be completed within one hundred fifty (150) days after the date of such casualty, this Lease shall not terminate, and Tenant shall, at its sole cost and expense, thereupon proceed with reasonable diligence to rebuild and repair the Rented Space to substantially the condition in which it existed prior to such damage. There shall be no abatement of rent during any such period of rebuilding and repair.

(e) **Landlord's Option to Terminate.** Notwithstanding any other provision herein, if any portion of the Rented Space is materially damaged or destroyed during the final Lease Year of the initial term or any extension term of this Lease, then Landlord shall have the option to terminate this Lease upon written notice to Tenant delivered within forty-five (45) days of the date of such damage.

18. **TENANT'S INDEMNITY OF LANDLORD AND TENANT'S INSURANCE.**

(a) **Tenant's Indemnity of Landlord.** To the extent authorized by North Carolina law, Tenant shall indemnify and save the Landlord and its agents, officers, and employees harmless against any and all claims, demands, costs, and expenses, including reasonable attorney's fees for the defense thereof, arising directly or indirectly out of or in connection with Tenant's occupancy at the Property or from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or from any act or negligence of Tenant, its agents, servants, employees or invitees, in or about the Property.

(b) **Tenant's Commercial General Liability Insurance.** Tenant shall at all times during the Term, at its sole cost and expense, procure and maintain in force and effect a policy or policies of commercial general liability insurance issued by a company or companies from time to time approved by Landlord, which companies must be authorized to transact business in North Carolina. Such policy or policies shall insure against loss, damage or liability for injury to or death of persons and loss or damage to property occurring

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from any cause whatsoever in, upon or about the Property. Such policies of public liability insurance shall name Landlord as an additional insured and shall be in amounts and afford coverage against perils as reasonably required from time to time by Landlord. Coverage shall initially be in the single limit amount of one million dollars (\$1,000,000.00). Such policy or policies shall include affirmative coverage of Tenant's indemnity of Landlord pursuant to subsection (a) above.

(c) Tenant's Property Insurance. Tenant shall obtain and maintain property insurance upon its furniture, equipment, trade fixtures, and any other personal property of Tenant or of any third parties which may from time to time be located in, on or around the Property. Such insurance shall be maintained in the amount of the full replacement cost of such property. All such policies shall include a waiver of subrogation of any and all claims against the Landlord and name the Landlord as an additional insured. Tenant shall look solely to its insurance policy for recovery of any loss for any such property, and in no event shall it make any claim against the Landlord for any loss to any such property. The Tenant hereby releases Landlord from any such liability, and Tenant shall indemnify and hold the Landlord harmless from and against any claim of Tenant's insurance carrier or arising out of Tenant's failure to maintain such insurance.

(d) Tenant's Business Interruption Insurance. Tenant shall at all times during the Term maintain business interruption insurance, insuring Tenant from loss, damage, cost or expense from any disruption to or interruption to its business resulting from damage to or malfunction of the Rented Space or the Property or any components thereof or any of the systems (heating, plumbing, mechanical or otherwise) or utilities serving them. Such insurance shall cover a continuous period of disruption or interruption of not less than one hundred eighty (180) days per occurrence.

(e) Policies or Certificates of Insurance. At the request of Landlord, the Tenant shall furnish certified copies of policies or certificates of insurance in the form of or on ACORD 27, or equivalent document, bearing notations evidencing the payment of premiums and evidencing the insurance coverage required to be carried by Tenant under this Lease, including but not limited to, the insurance policies required by Section 17(a) and Sections 18 (b) – (d) hereunder. Each policy and certificate shall contain an endorsement or provision requiring not fewer than thirty (30) days written notice to Landlord prior to the cancellation, diminution in the perils insured against or reduction of the amount of coverage of the particular policy in question.

19. TENANT'S WAIVER OF CLAIMS; MUTUAL RELEASES.

(a) Tenant's Waiver of Claims. To the extent permitted by law, the Tenant releases the Landlord and its agents, officers, and employees from, and waives all claims for damage or injury to person or property or disruption to business sustained by the Tenant, any guest, invitee, trespasser, or any occupant of the Property, the Building or the Rented Space, or any part or any of them, resulting from any accident, mishap or other occurrence in or about the Property, whatever the cause. This shall include but not be limited to, the flooding of surface areas, basements or other subsurface areas, and damage caused by refrigerators, sprinkling devices, air conditioning or electrical equipment, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors or noise or the bursting or leaking of pipes or plumbing fixtures, and shall apply equally whether any such damage results from the act or neglect of the Landlord, other tenants, occupants or servants in the Building or any other person, and whether such damage be caused or result from anything or any circumstance above mentioned or referred to, or any other thing or circumstance whether of a like nature or of a wholly different nature.

(b) Tenant's Release. Notwithstanding anything to the contrary contained in this Lease, Tenant hereby releases Landlord from any and all liability for loss or damage coverable by the insurance required to be carried by Tenant in Section 18 above, even if the insured peril shall be brought about by the default, negligence or other action of the Landlord, its agents, employees, tenants, invitees or any of them.

20. **EMINENT DOMAIN**. If all of the Rented Space, or such part thereof as will make the same unusable for the purposes contemplated by this Lease, be taken under the power of eminent domain (or a conveyance in lieu thereof), then this Lease shall terminate as of the date possession is taken by the condemner, and rent shall be adjusted between Landlord and Tenant as of that date. If only a portion of the Rented Space is taken and Tenant can continue use of the remainder, then the Lease will not terminate, but rent shall abate in a just and proportionate amount to the loss of use occasioned by the taking. Tenant shall have no right or claim to any part of any award made to or received by Landlord for any taking and no right or claim for any alleged value of the unexpired portion of this Lease; provided, however, that Tenant shall not be prevented from making a claim against the condemning party (but not against Landlord) for any moving expenses, loss of profits, or taking of Tenant's personal property (other than its leasehold estate) to which Tenant may be entitled. In the event of a temporary taking of ninety (90) days or less, this Lease shall not terminate, but the term of this Lease shall be extended by the period of the taking and the rent shall abate in proportion to the area taken for the period of such taking.

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21. UTILITIES AND OTHER SERVICES.

(a) Standard Services. Tenant is solely responsible for the cost, maintenance, operation, and provision of all utilities including but not limited to electrical, HVAC, plumbing, etc.

(b) Intent. It is the intent of this Lease that Landlord is released from responsibility to provide utilities access on the Property and such responsibility rests solely with Tenant.

22. COVENANT OF TITLE AND QUIET ENJOYMENT. Landlord covenants that it has full right and power to execute this Lease and to grant the estate demised in this Lease. The Landlord's title is and always shall be paramount to the title of the Tenant, and nothing herein contained shall empower the Tenant to do any act which can, shall or may encumber such title. Landlord also covenants that if Tenant promptly and punctually complies with each of its obligations hereunder, it shall peacefully have and enjoy the possession of the Leased Premises during the term of this Lease, provided that no action of Landlord in repairing or restoring the Rented Space or in working in other space in the Building, shall be deemed a breach of this covenant.

23. INSPECTION PERIOD. For a period of one hundred twenty (120) days following the date of the full execution of this Lease (the "Inspection Period"), Tenant may, at Tenant's sole expense, make such inspections of the Premises as it deems necessary, including the taking of soil samples in conjunction with engineering studies, and examining of permitted uses on the Premises. Tenant may obtain an ALTA/ACSM or other form of survey of the Premises during the Inspection Period, and, in the event the legal description of the Premises materially differs from the legal description attached hereto as Exhibit A, this Lease shall be amended to replace Exhibit A with the legal description from Tenant's survey. Tenant may further obtain from a reputable company actively engaged in the business of environmental engineering and testing, such reports as Tenant deems necessary to assess the presence of, and risk caused by, asbestos, petroleum products or other potentially hazardous, toxic or dangerous materials in the Premises. Landlord shall allow Tenant, its agents and representatives, access to the Premises during the Inspection Period for the purposes of the such testing and inspections, and Tenant agrees to leave the Premises in substantially as good of condition as existed prior to such inspections. During the Inspection Period, Tenant shall also be permitted to apply for any and all permits, approvals and licenses for the construction of Tenant's improvements on the Premises, and the operation of Tenant's business therein (collectively, the "Permits"). Landlord agrees to join in any necessary applications for such Permits. At any time during the Inspection Period, Tenant may, in its sole discretion, notify Landlord that the Premises is not suitable for its intended use by Tenant, upon which notice the Lease shall be terminated and of no further force and effect, and neither party shall have any further liability or obligations to the other hereunder. During the Inspection Period, the County shall be permitted to continue to occupy the Premises, provided that (i) the County fully vacates the Premises by the expiration of the Inspection Period, and (ii) the County does not unreasonably interfere with the performance of Tenant's inspections.

24. Intentionally Omitted

25. INFORMATION CONCERNING TENANT. Tenant shall furnish within fifteen (15) days after request from Landlord such current information concerning the financial condition of Tenant as Landlord may reasonably require. Such financial information shall include (but is not necessarily limited to) a financial statement dated not more than twelve (12) months prior to Landlord's request. Such financial statement shall be prepared in accordance with generally accepted accounting principles and, if such request is following the applicable year-end of Tenant's fiscal year, may be certified by a certified public accountant. A general partner or officer or manager of Tenant shall furnish a certification to Landlord to the effect that there either has or has not been any material adverse change in the financial condition of Tenant since the date of the financial statement submitted, and if such certification states that there has been a material adverse change, furnishing such details concerning same as landlord may request. If Tenant does not execute and return such certificate as required above, Tenant hereby irrevocably appoints Landlord as its attorney in fact to execute such certificate on behalf of Tenant.

26. AUTHORITY OF TENANT. Tenant represents and warrants to Landlord that (i) Tenant is duly formed, validly existing and in good standing under the laws of its State of Incorporation or Organization and (ii) the persons executing this Lease on behalf of Tenant are authorized to do so. Tenant shall furnish to Landlord within fifteen (15) days after request from Landlord such corporate or company resolutions, certificates of incumbency, partnership resolutions, partnership agreements, operating agreements, bylaws or legal opinions or other information as Landlord may reasonably request in order to confirm that the execution and delivery of this Lease has been duly authorized by Tenant and that the person(s) executing this Lease on behalf of Tenant were duly authorized to do so. All such company, corporate, or partnership resolutions, certificates or agreements shall be certified as being duly adopted and in full force and effect, without amendment, by an appropriate officer, manager or partner of Tenant.

Landlord
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27. ESTOPPEL. Within ten (10) days after request therefore by Landlord, Tenant agrees to execute and deliver to Landlord a certificate prepared by Landlord to any proposed mortgagee, ground lessee or purchaser of the Property or to Landlord certifying (if such is the case) that this Lease is in full force and effect, that there are no defenses or offsets thereto, or stating those claimed by Tenant, and such other facts related to this Lease, the Leased Premises or Tenant as Landlord may request. If Tenant does not execute and return such certificate as required above, Tenant hereby irrevocably appoints Landlord as its attorney in fact to execute such certificate on behalf of Tenant.

28. RIGHT TO RELOCATE. This Lease is exclusive to the Property. Should the Property become untenable the Tenant shall have no right to relocate to other property owned by the Landlord, nor shall Landlord have any obligation or responsibility to assist Tenant to relocate. Tenant's rights in any event in which the Rented Space becomes untenable are limited to those rights established herein.

29. LANDLORD'S ACCESS TO RENTED SPACE. The Landlord or Landlord's agent shall have the right to periodically enter upon the Rented Space and the Property to inspect them by providing Tenant with at least 48 hours prior notice and the opportunity for Tenant to have a representative accompany Landlord and its agents. Such inspection shall occur during regular business hours and the Tenant shall be personally present to open and permit an entry into the Rented Space and Property. In the event of an emergency the Landlord or Landlord's agents may enter the same by a master key, or may forcibly enter the same, without prior notice and without rendering the Landlord or such agents liable therefore (if during such entry Landlord or Landlord's agents shall accord reasonable care to Tenant's property) and without in any manner affecting the obligations and covenants of this Lease. Nothing herein contained, however, shall be deemed or construed to impose upon the Landlord any obligations, responsibility or liability whatsoever, for the care, supervision or repair of the Building or any part thereof, other than as provided in this Lease. The Landlord shall have the right to show the Rented Space and Property to prospective new tenants during the last 120 days of the Term. The Landlord shall not be liable to the Tenant for any expense, injury, loss or damage resulting from work done in or upon, or the use of, any adjacent or nearby building, land, street or alley.

30. MANAGING AGENT. Landlord reserves the right to designate a Managing Agent and to delegate any or all of Landlord's powers, duties, obligations, or rights under this Lease to the Managing Agent. To the extent Landlord's duties or obligations under this Lease are assumed in writing by the Managing Agent, Landlord shall not be responsible for the assumed duties or obligations. Tenant's rights and obligations under this Lease shall not be affected by designation of a Managing Agent by the Landlord.

31. SUBORDINATION. This Lease is subject and subordinate to all security liens, mortgages, deeds of trust and related financing instruments which may now or hereafter affect the Property or any part thereof, and to all renewals, modifications, consolidations, replacements, amendments and extensions thereof, unless Landlord or any lender secured by a mortgage, deed of trust or similar security instrument elects to make this Lease superior to same, which it may do at its option. Tenant shall execute within ten (10) days after request any certificate, subordination agreement, priority agreement or other form of instrument in confirmation of such subordinate or superior status that Landlord may request, including an agreement to attorn, provided that such agreement contains commercially reasonable non-disturbance language.

Tenant shall have the right at any time to grant a security interest in Tenant's Property. Landlord hereby consents to any such security interest and disclaims any interest of any kind in any such goods and property installed or kept on the Premises. Landlord agrees that it will, within ten (10) days after any written request by Tenant, confirm the foregoing consent and disclaimer in writing in such form as may be requested by Tenant. Further, Tenant may, without the approval of the Landlord, at any time mortgage, encumber, pledge or assign as security its right, title and interest in and to the leasehold estate created hereby. Tenant may, at any time, give the Landlord a notice (hereinafter referred to as a "Mortgage Notice") containing the name and address of a lender (hereinafter referred to as a "Mortgage Lender") to which the leasehold estate created hereby has been or will be mortgaged, encumbered, pledged or assigned as security. Landlord agrees to join in (and cause all other parties whose consent or joinder is required to join in) Tenant's encumbrance of Tenant's leasehold interest to any Mortgage Lender. Provided, however, that any such mortgage, encumbrance, pledge, assignment or security interest may not provide for any liability of Landlord except as may be explicitly provided in this Lease and Landlord shall not be personally liable for any loan secured by any mortgage, encumbrance, pledge, assignment or security interest in Tenant's Leasehold estate created

32. RESERVATION OF RIGHTS. Landlord hereby reserves to itself and its successors and assigns the following rights (all of which are hereby consented to by Tenant):

- (a) to change the street address of the Building.

Landlord may exercise any or all of the foregoing rights without being deemed to be guilty of an eviction, actual or constructive, or a disturbance or interruption of the business of Tenant or Tenant's use or occupancy of the Leased Premises.

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33. NOTICES. Any notices which Landlord or Tenant requires or desires to give to the other relating to this Lease or the Leased Premises must be in writing and shall be deemed sufficiently given and delivered if:

(a) Hand-delivered to the following addresses:

If to Landlord: Orange County
Director, Asset Management Services
Margaret Lane
Hillsborough, NC 27278

If to Tenant: 419 W. Franklin St.
Chapel Hill, NC 27516
Attn: Jared Sokolsky

With a copy to: Moore & Van Allen PLLC
100 North Tryon Street, Suite 4700
Charlotte, NC 28205
Attn: Christopher D. Thompson, Esq.

-AND-

(b) Sent by email transmission to the following:

If to Landlord: ALL_AMS_MANAGEMENT@orangecountync.gov

If to Tenant: jared.sokolsky@well.co
thompsonc@mvalaw.com

(c) Payment made to: Orange County
Finance and Administrative Services
P.O. Box 8181
Hillsborough, NC 27278

Either party may change its designated address or email address for receipt of notice by written notice to the other party pursuant to this Section 33.

34. ENTIRE AGREEMENT; MODIFICATION. Except as otherwise referenced herein this Lease contains the entire agreement of the parties in regard to the Leased Premises. There are no oral agreements existing between them and there shall be no oral changes. Neither Landlord nor any agent of Landlord has made any representations, warranties or promises with respect to the Rented Space, the Building or the Property, or the use of any amenities or facilities, except as expressly set forth in this Lease. Any agreement made after this Lease is signed shall be ineffective to change, waive, modify, discharge, or terminate it in whole or in part unless such agreement is in writing and executed by both Landlord and Tenant.

35. RIDERS AND EXHIBITS. All riders and exhibits attached to this Lease and initialed by the Landlord and the Tenant are hereby made a part of this Lease as though inserted in this Lease. The following Exhibits are attached hereto and incorporated herein:

- Exhibit A Site and Legal Description of Property
- Exhibit B Sketch of Rented Space
- Exhibit C Memorandum of Lease

36. SECTION HEADINGS. The headings of sections are for convenience only and do not limit or alter the contents of the sections.

37. NUMBER AND GENDER. The words "Landlord" and "Tenant" wherever used in the Lease shall be construed to mean plural where necessary, and the necessary grammatical changes required to make the provisions hereof apply either to corporations, partnerships or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

38. GOVERNING LAW AND TENANT'S RELEASE. This Lease shall be governed and construed pursuant to the laws of North Carolina. Any action brought to enforce or contest any term or provision of this

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Lease shall be brought in the North Carolina General Court of Justice sitting in Orange County, North Carolina. The Parties hereto stipulate to the jurisdiction of said court. It is agreed by the Parties that no other court shall have jurisdiction or venue with respect to any claims, complaints, suits, or actions arising out of or related to this Lease. Binding arbitration may not be initiated by either party, however, the Parties may agree to nonbinding mediation of any dispute prior to the bringing of a claim, complaint, suit, or action. Should any court having jurisdiction determine this Lease in whole or in material part is unlawful or the entering thereof is or was outside the scope of Landlord's authority, Landlord may terminate this Lease without further obligation (except as provided herein) and Tenant specifically releases and holds harmless Landlord, its agents, employees, officers and assigns from any loss, liability, claim or damage suffered by Tenant as a result thereof and waives the right to bring any action or complaint against Landlord to recover for same. Notwithstanding the foregoing, in the event of any such termination, Tenant may elect to exercise the option to purchase set forth in Section 3(d) herein by providing Landlord with written notice thereof within sixty (60) days of such termination, and such termination shall not void Tenant's option to purchase so long as Tenant provides such written notice within the aforesaid 60-day period.

39. SEVERABILITY. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby; and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

40. Intentionally Omitted.

41. BINDING EFFECT. Each provision of this Lease shall extend to and shall bind and inure to the benefit of the Landlord and the Tenant and their respective heirs, legal representatives, successors, and assigns.

42. LIMITATION ON RIGHT OF RECOVERY AGAINST LANDLORD. Tenant acknowledges and agrees that the liability of Landlord under this Lease shall be limited to its interest in the Property and any judgments rendered against Landlord shall be satisfied solely out of the proceeds of the sale of its interest in the Property. No personal judgment shall lie against Landlord upon extinguishment of its rights in the Property and any judgment so rendered shall not give rise to any right of execution or levy against Landlord's assets. The provisions hereof shall inure to Landlord's successors and assigns, including any Mortgagee. The foregoing provisions are not intended to relieve Landlord from the performance of any of Landlord's obligations under this Lease, but only to limit the personal liability of Landlord in case of recovery of a judgment against Landlord; nor shall the foregoing be deemed to limit Tenant's rights to obtain injunctive relief or specific performance or to avail itself of any other right or remedy which may be awarded Tenant by law or under this Lease.

43. BROKERAGE. The Tenant and Landlord each represents to the other that it has not dealt directly with any brokers in connection with this Lease, and that no broker procured this Lease or is entitled to any commission in connection with the Lease, and in the event either party has hired a broker such hiring party shall indemnify, defend, and hold forever harmless the other party from and against any claim by such hired broker and from and against any and all costs directly or indirectly arising out of any such hiring.

44. MEMORANDUM. Concurrently with the execution of this Lease, the Landlord and Tenant shall execute and deliver a memorandum of lease in the form provided for on Exhibit C attached hereto and incorporated herein, which memorandum of lease shall reference Tenant's right to purchase the property, and such memorandum of lease may be recorded by Tenant with the Orange County Register of Deeds following the expiration of the Inspection Period.

45. FORCE MAJEURE. Except for the payment by Tenant to Landlord of any sum due under this Lease, neither Landlord nor Tenant shall be considered in default of any of the terms, covenants and conditions of this Lease on such party's part to be performed if such party fails to timely perform same, and such failure is due, in whole or in part, to any strike, lockout, labor trouble, whether legal or illegal, civil disorder, inability to procure materials, failure of power, restrictive governmental laws and regulations, riots, insurrections, war, fuel shortages, accidents, pandemic or epidemic, casualties, Acts of God, acts caused directly or indirectly by the other party or its's agents, employees or invitees, or any other cause beyond the reasonable control of the performing party. Force Majeure does not include failure of the Tenant to secure permitting necessary for the up-fit, occupancy, or other use of the Property.

46. TAXES. Tenant shall be responsible for all ad valorem taxes on the Property (if any) during the Term, taxes on its personal property and on the value of any leasehold improvements.

47. COUNTERPARTS. This Lease may be executed in counterparts. Each fully executed counterpart shall be an original and it shall not be necessary in making proof of this Lease to produce or account for more than one such counterpart. The submission of this Lease by Landlord, its agent or representative, for examination

Landlord
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or execution by Tenant does not constitute an option or offer to lease the Leased Premises upon the terms and conditions contained herein or a reservation of the Property in favor of Tenant. It is intended hereby that this Lease shall only become effective upon the execution hereof by Landlord and delivery of a fully executed counterpart hereof to Tenant.

48. MISCELLANEOUS. All rights and remedies of Landlord under this Lease shall be cumulative and none shall exclude any other rights or remedies allowed by law. In the event this Lease or any term or condition hereof is prohibited by law, it shall be considered null and void and of no further effect. In the event of a conflict between the terms and conditions of this Lease and the Lease Provisions Term Sheet, the terms of the Lease shall govern and control.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease, to be effective as of the date first stated above.

LANDLORD:
Orange County North Carolina
P.O. Box 8181
Hillsborough, North Carolina 27278

w

Attest: _____

Renee Price, Chair

TENANT:
Well Dot, Inc.

Attest: _____

By: _____

Landlord
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Tenant
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EXHIBIT A

SITE AND DESCRIPTION OF THE PROPERTY

Attached to and Made Part of Lease

1

PIN 9788-15-1829 PIN 9788-15-1996 PIN 9788-15-2822
TAX MAP NO. 7.92.F.2A TAX MAP NO. 7.92.F.2 TAX MAP NO. 7.92.F.3

All those certain tracts or parcels of land, together with all improvements thereon situated, lying and being at the Southwestern intersection of West Franklin and South Roberson Streets in the Town of Chapel Hill, North Carolina and more particularly described as:

BEGINNING at a stake in the intersection and running thence along the West property line of South Roberson Street, South 25° 15' 18" East 200 feet to a stake; thence continuing with the West property line of South Roberson Street, South 25° 15' 18" East 85 feet to a stake; thence leaving the West property line of South Roberson Street and following with a northern line of property now or formerly owned by Pecolia Hogan, South 64° 36' 31" West 136.56 feet to a stake; thence South 25° 48' 27" East 65.91 feet to a stake; thence South 65° 16' 21" West 37.70 feet to a stake; thence North 25° 28' 00" West 350.30 feet to a stake in the South property line of West Franklin Street; thence with the South property line of West Franklin Street North 64° 33' 05" East 105.25 feet to a stake; thence continuing with the South property line of West Franklin Street North 64° 33' 05" East 69.67 feet to a stake, the point and place of BEGINNING, according to plat of survey entitled "Physical Survey Prepared For The County of Orange" by Ballentine & Riley Surveyors, dated 7-8-96 and last revised July 17, 1996, and recorded in Plat Book 76, Page 103, Orange County Registry, to which plat reference is hereby made for a more particular description of the property conveyed.

Same being Lots 1-A, 1-B, 2 and 3 as per plat and survey entitled "Property of Forest Hills Shopping Center, Inc., et al." by Robert J. Ayers, Surveyor, dated October 1963, as revised July, 1967, which plat is recorded in Plat Book 16, Page 27, Orange County Registry and also being part of the property shown on the plat entitled "Recombination of the Property of Orville Campbell" by Freeland Surveyors, Inc., dated December 22, 1987 and revised January 14, 1988 and January 21, 1988, which plat is recorded in Plat Book 49, Page 72, Orange County Registry.

Landlord
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Tenant
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EXHIBIT B

SKETCH OF RENTED SPACE

Attached to and Made Part of Lease

Landlord
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Tenant
Initials

Landlord
Initials

Tenant
Initials

EXHIBIT C
FORM OF MEMORANDUM OF LEASE

Mail after Recording to: Steven A. Arndt, P.O. Box 8181 Hillsborough, NC 27278

STATE OF NORTH CAROLINA

MEMORANDUM OF LEASE

ORANGE COUNTY

THIS MEMORANDUM OF LEASE (“Memorandum”), made and entered into as of the last date set forth in the notary acknowledgments below (the “Effective Date”), by and between ORANGE COUNTY, a political subdivision of the State of North Carolina, hereinafter referred to as (“Landlord”) and WELL DOT, Inc., hereinafter referred to as (“Tenant”). Landlord and Tenant may be collectively referred to hereinafter as the “Parties” or individually as the “Party.”

WITNESSETH:

WHEREAS, the Parties executed a Lease Agreement for the Leased Premesis; and

WHEREAS, the Parties desire to record this Memorandum for the purpose of providing record notice of the existence of the Lease and certain of the terms contained therein.

NOW, THEREFORE, for and in consideration of the terms, covenants, and conditions set forth in the Lease and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby acknowledge and declare as follows:

1. **Leased Premises.** 501 W. Franklin Street, 503 W. Franklin Street, and 108 S. Roberson Street Chapel Hill, NC 27517, three parcels situated in Chapel Hill, North Carolina having approximately 21,612 square feet of office space.
2. **Term.** The term of the Lease shall be for a period of 120 months and shall commence on the date of Substantial Completion, as that term is defined in the Lease Agreement (the “Term”). Upon mutual consent the Lease may be extended by Tenant for two additional terms of five years each.
3. **Option.** During the initial 120 month term, the Tenant may exercise an option to purchase the Leased Premises.
4. **Incorporation.** All of the terms, covenants, and conditions contained in the Lease Agreement are incorporated herein by reference. Should the terms, covenants, and conditions contained in this Memorandum conflict with the terms, covenants, and conditions contained the Lease Agreement, the terms, covenants, and conditions of the Lease Agreement shall control.

[signature on following page]

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IN WITNESS WHEREOF the Parties have caused this Memorandum to be duly executed and recorded as of the effective date.

LANDLORD: ORANGE COUNTY

By: _____

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, _____, a Notary Public for _____ County, North Carolina, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal, this the ____ day of _____, 2022.

SEAL

Notary Public
My Commission Expires: _____

TENANT:

By: _____

And: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public for _____ County, North Carolina, do hereby certify that _____ and _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal, this the ____ day of _____, 2022.

SEAL

Notary Public
My Commission Expires: _____

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Attachment 2

**STATE OF NORTH CAROLINA
ORANGE COUNTY**

**PERFORMANCE AGREEMENT BETWEEN ORANGE COUNTY, NORTH CAROLINA, AND
WELL DOT, INC.**

This Performance Agreement (“Agreement”) made and entered into this the 24th day of May, 2022 by and between Orange County, a political subdivision of the State of North Carolina (“County”) and Well Dot, Inc., a Delaware corporation, with facilities to be located in Chapel Hill, Orange County, North Carolina (“Company”), for the purpose of incentivizing Company’s investment in Orange County. County and Company may be jointly referred to as the “Parties.”

Company is a privately-held Delaware corporation situated and doing business in the Town of Chapel Hill, Orange County, North Carolina. Company’s Facility shall serve as the corporate offices and the company’s health care operations center. Company represents it is duly authorized to conduct business in North Carolina. It is understood that the levels of performance required by this Agreement are to be met by Company as a whole at its Facility in Orange County. Accordingly, the term “Company” as used in this Agreement refers to the entire group at such Facility.

W I T N E S S E T H

THAT WHEREAS, the County has offered to the Company an inducement package as hereinafter set forth; and

WHEREAS, the State of North Carolina and the Town of Chapel Hill, North Carolina have offered separate inducement packages to the Company; and

WHEREAS, Pursuant to G.S. Section 153A-449, 158-7.1, and 158-7.2, as construed by the North Carolina Supreme Court in its opinion in Maready v. The City of Winston-Salem, et al, 342 N.C. 708 (1996), and other judicial authority, the County may enter into an agreement with the Company in connection therewith; and

WHEREAS, the County finds that awarding the Company an inducement package based on its Employment Goals and Total Taxable Investment will increase the taxable property base for the County and help create new jobs in the County at the agreed average annual salary, all of which will result in an added and valued benefit to the taxpayers of the County; and

WHEREAS, but for the offer of an inducement package the Company would not be locating its facility within Orange County.

NOW, THEREFORE, the Parties hereto in consideration of these mutual covenants and agreements passing from each to the other do hereby agree as follows:

1. **DEFINITIONS.** As used in this Agreement the terms below will have the following meanings:

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CHAR2\2378371v15

- A. "90% Target." The cumulative number (360) of net new positions filled with full time equivalent employees by year as provided for on Exhibit A.
- B. "Affiliate." A company that the Company controls, controls the Company, or is under common control with the Company.
- C. "Baseline Employment." Number of employees, 17, employed by Company as of the December 31, 2021.
- D. "Baseline Valuation." Current taxable valuation of the Subject Property, excluding 419 West Franklin Street, or the other real property in the County as may used by the Company as applicable at the time of certification by the Company and Personal Property as assessed by the Orange County Tax Administrator as of January 1, 2020 prior to the investment contemplated in this Agreement. Upon revaluation by the County, the Baseline Valuation shall be adjusted as determined by the Orange County Tax Administrator.
- E. "Company." Well Dot, Inc. and includes its Affiliates, successors, and assigns.
- F. "Eligible Property." Includes (a) the Subject Property (as defined in Exhibit D, Legal Description of Real Property), other Company owned real property in Orange County, North Carolina and all improvements the Company or an Affiliate of the Company constructs or installs, or causes to be constructed or installed, at the Subject Property or such other real property, including all buildings, building systems, and building improvements, and (b) all personal property (as defined in Exhibit C, Personal Property) the Company or an Affiliate of the Company purchases or leases and installs, at or relocates to, the Facility or such other real property. Does not include property used or valued for the Baseline Valuation.
- G. "Expansion Inducement Grant." An economic development grant equivalent to seventy-five percent (75%) of the value of the ad valorem property taxes paid on the Eligible Property for which Company shall become eligible as provided for in Section 3.C. of this Agreement.
- H. "Grant." An economic incentive development grant to the County from the State of North Carolina pursuant to Section 2 of this Agreement.
- I. "Inducement Grant." An economic development grant provided to Company for the purpose of securing the Company's location of its facility in Orange County, North Carolina on the Subject Property.
- J. "Job Creation Shortfall Penalty" shall have the meaning provided for in Section 2D of this Agreement.
- K. "Lease." The Lease by and between the Parties for the Subject Property excluding 419 West Franklin Street.

- L. “Minimum Taxable Investment.” The aggregate Qualifying Expenditures made by the Company that Company anticipates will be made annually as reflected in Exhibit B and verified by the Orange County Tax Assessor, which verification may be supplemented by proof of investment from Company at Company’s discretion.
- M. “Orange County Facility” or “Facility.” The Company constructed and/or owned primary and secondary structures, utilities, and operations and service areas situated on the Subject Property or other real property in the Town of Chapel Hill, Orange County, North Carolina in and on which Company conducts its business and/or operations.
- N. “Person.” Any individual, partnership, trust, estate, association, limited liability company, corporation, custodian, nominee, governmental instrumentality or agency, body politic or any other entity in its own or any representative capacity.
- O. “Personal Property.” All personal property the Company or an Affiliate owns or leases located at the Facility, including all (a) machinery and equipment, (b) furniture, furnishings, and fixtures, (c) property that is capitalized for federal or state income tax purposes, (d) all additions to any of the foregoing, and all replacements of any of the foregoing in excess of \$100,000.
- P. “Qualifying Expenditure.” All expenditures the Company, an Affiliate, or lessor to the Company or an Affiliate makes for Eligible Property which is subject to Tax in the County, and is not subject to an exemption or exclusion from Tax, that the Company uses.
- Q. “State.” The State of North Carolina.
- R. “Subject Property.” The property on which Company constructs and/or operates the Orange County Facility located at 419 West Franklin Street, 501 West Franklin Street, 503 West Franklin Street, and 108 South Roberson Street, Chapel Hill, North Carolina.
- S. “Tax” or “Taxes.” *Ad valorem* property tax levied on real and personal property located in the County pursuant to Article 25, Chapter 105 of the North Carolina General Statutes or any successor statute relating to *ad valorem* property tax the County levies on property.
- T. “Term” or “Full Term.” The duration of this Agreement meaning the date first above recorded through and including June 30, 2030, unless otherwise delayed or extended, as may be agreed by the Parties in writing in advance and as permitted by this Agreement and applicable law.
- U. “Total Taxable Investment.” The taxable value of all Qualifying Expenditures made by Company in and to its Orange County Facility as of December 31, 2025.

2. INDUSTRIAL INVESTMENT AND EMPLOYMENT AGREEMENT

A. INVESTMENT

1. The Company anticipates it shall, during the Term of this Agreement, directly invest a Minimum Taxable Investment annually in accordance with the real property investment plan attached as Exhibit B in addition to assessments in taxable business Personal Property also provided on described in Exhibit C.
2. The Company shall achieve the Total Taxable Investment by December 31, 2025.
3. The Baseline Valuation shall be excluded from calculations to determine whether the investment goals have been met.

B. EMPLOYMENT

1. On or before December 31, 2025, at least 400 net new positions filled with full time equivalent employees will be created and maintained at the Facility as reflected in Exhibit A. The number of full time positions shall be evidenced by one or more Quarterly Tax and Wage Reports (Form NCUI 101) filed with the N.C. Employment Security Commission. Except as otherwise provided herein the Company will not be penalized if it reaches at least 360 (the 90% Target) net new positions filled with full time equivalent employees prior to the expiration of this Agreement.
2. During the Term and at the expiration of this Agreement, the Company, and its Affiliates, shall employ, at the Facility in Orange County, new full time equivalent employees equal to at least the 90% Target. Employees counted toward the totals reflected in Exhibit A shall include only new employees of the Company employed and assigned to the Company's Facility in Orange County, North Carolina provided such employees are employed in Orange County on a full time basis and are eligible to participate in Company sponsored health insurance programs. New full time equivalent employees who are assigned to the Company's Facility in Orange County, but who work from a North Carolina based home office may also be counted towards the totals reflected in Exhibit A. For purposes of this Section "full time equivalent employees" shall be defined as actively employed individuals and shall not include vacant positions for which the Company is actively or otherwise recruiting and shall not include positions counted toward the Baseline Employment. It is understood that vacancies occur and that when such occur the Company will immediately, or as soon as is reasonably possible thereafter, fill said vacancies. The average wage of the up to 400 new full time equivalent employees shall be, as of the last day of this Agreement, at the annual rate of Sixty Three Thousand Six Hundred Sixty Five dollars (\$63,665.00).

C. DEVELOPMENT GRANT PARTICIPATION: Should the State of North Carolina agree to provide additional development Grants to the County, the Company agrees to partner, through the commitment to create new jobs, with Orange County and other agencies to apply for development Grants that will improve and/or add water, sewer, road or other necessary infrastructure in order to facilitate the successful completion of this project. The Company agrees to meet with program representatives, and to participate in the grant request process as necessary to secure the required funding.

D. GUARANTEED MINIMUM LEVEL OF PERFORMANCE: The Company agrees that its minimum level of performance pursuant to this Agreement in terms of employment shall be as set out in this Section 2. Company agrees that failure to meet and maintain the 90% Target as

required by Section 2B of this Agreement shall entitle the County to increase the purchase price of the option to purchase as such option to purchase is provided for in the Lease. Such increase in the purchase price of the option to purchase shall be equal to five hundred dollars (\$500) per job in each job creation year in which the 90% Target is not achieved (the “Job Creation Shortfall Penalty”). The Job Creation Shortfall Penalty shall be applied to the purchase price of the option to purchase on a cumulative basis following the year in which the 90% Target is not achieved, as applicable, in accordance with Exhibit A to this Agreement, which is attached hereto and incorporated herein by reference. Notwithstanding the foregoing provisions of this Section 2(D), if the Company believes that it will not meet employment goals that are to be met pursuant to this Agreement by June 1, 2024 and the Company has not yet purchased the property, then the hiring schedule outlined in Exhibit A, and all other applicable dates and deadlines hereunder may be delayed up to one (1) year, at the option of the Company. Written notification of the exercise of this option to delay onset must be received by the County no later than June 15, 2024.

E. STATUTORY COMPLIANCE: The Company understands that the County's participation is contingent upon authority found in North Carolina General Statute 158-7.1 and other relevant North Carolina General Statutes and that should such statutory authority be withdrawn by the State of North Carolina the County may terminate this Agreement without penalty and without further compliance with this Agreement.

3. INDUCEMENT GRANT

A. COUNTY INDUCEMENT GRANT: Subject to the limitations set out herein the County, upon execution of this Agreement and the Lease and subsequent to the Lease Inspection Period, shall provide to the Company an Inducement Grant to offset Facility development, upfit, remodeling, expansion, and acquisition costs in the amount of Two Million Dollars (\$2,000,000.00) payable in not more than four (4) installments equaling the actual eligible expenditures then incurred by the Company to the date of such expenditure over a period of not more than two (2) years from the first installment. Installments shall be paid within thirty (30) days of County's receipt of Company's request for payment and documentation. Such documentation shall demonstrate invoices, purchase orders, and/or receipts describing the anticipated expenditure of funds for upfit, remodeling, and construction on and to Leased Premises have been submitted. The Inducement Grant **SHALL NOT EXCEED** Two Million Dollars (\$2,000,000.00). This is the maximum allowable Inducement Grant amount to be paid in installments to the Company. Should the Company exercise its right to terminate the Lease during the Lease Inspection Period or for any reason, except purchase of the Subject Property, during the Term, the Company shall not be eligible for, and the County shall not be obligated to pay, the Inducement Grant and the County shall be released from all further responsibility except as described in Section 3.C. below.

B. PAYMENT OF INDUCEMENT GRANT: Participation in this Agreement shall not exclude the Company from consideration for additional inducements from the County either during or upon completion of this Agreement.

C. ADDITIONAL COUNTY COMMITMENT: The Company shall be eligible for an annual Expansion Inducement Grant if it either (i) purchases the Subject Property prior to September 30, 2026 or (ii) terminates the Lease during the Inspection Period as described in Section 23 of

the Lease, but locates its Facility in Orange County creating jobs and new taxable investment in the County either through new construction or new upfit to existing developed property. The Company will be eligible to receive Expansion Inducement Grants for up to four (4) years following its first request. The County may provide the Expansion Inducement Grant based on new taxable investment and job creation in excess of the minimum levels outlined in Section 2 above. Any such agreement providing for the annual Expansion Inducement Grant shall require a separate performance agreement, which shall conform to all relevant North Carolina Statutes and Orange County Ordinances, Policies or Resolutions, shall be in writing, and shall be mutually agreed upon by the Parties.

4. PROOF AND CERTIFICATION

The Parties to this Agreement shall furnish the necessary reports and certificates to verify that each party's respective goals are met as may be reasonably requested during the Term hereof. Acceptable forms of proof for taxable investment shall be the records of the County Tax Administrator. Acceptable forms of proof of payment of taxes shall be in the form of cancelled checks and receipts of payment from the County Tax Administrator. Acceptable forms of proof for employment numbers shall be in the form of one or more Quarterly Tax and Wage Reports (Form NCUI 101) filed with the N.C. Employment Security Commission. Company shall provide copies of each NCUI within thirty (30) days of filing the same with the N.C. Employment Security Commission throughout the Term. Acceptable forms of proof of expenditures on upfit, remodeling, and construction on and to the Eligible Property shall be in the form of cancelled checks and receipts.

Until that date which is one (1) year following the date of the final Inducement Grant installment, the Company shall allow representatives of the County to enter the Facility during normal business hours upon forty-eight (48) hours prior notice for the purpose of confirming that the claimed investment and employment goals have been met. Company will not be held liable for injuries to representatives of the County while at the Facility.

5. REMEDY

If the County does not meet and maintain the terms set forth in this Agreement, the Company may terminate this Agreement upon thirty (30) days written notice to the County.

6. EVENT OF DEFAULT AND RIGHT TO CURE.

Notwithstanding anything contained in this Agreement or the Lease to the contrary, if the Company is in default of Section 15 of this Agreement or Section 14 of the Lease, the County shall give the Company written notice of such default. If the default is reasonably capable of being cured within thirty (30) days after the County shall have given the Company written notice of such default, Company shall have such period to effect a cure. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and if Company (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Company shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the County. In no event shall the County be precluded from exercising remedies if the default is not cured within ninety (90)

days after the first notice of default is given. If the Company does not cure said default as provided for herein, the Company shall not receive further Inducement Grant payments and shall not be eligible for Expansion Inducement Grants as provided for in Section 3C of this Agreement.

7. SEVERABILITY

If any term or provision of this Agreement is held to be illegal, invalid, or unenforceable, the legality, validity, or enforceability of the remaining terms, or provisions of this Agreement shall not be affected thereby; and in lieu of such illegal, invalid or unenforceable term or provision, there shall be added by mutually agreed upon written amendment to this Agreement, a legal, valid, or enforceable term or provision, as similar as possible to the term or provision declared illegal, invalid, or unenforceable.

8. COMPLIANCE WITH THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT OF NORTH CAROLINA GENERAL STATUTES

All appropriations and expenditures pursuant to this Agreement shall be subject to the provisions of the Local Government Budget and Fiscal Control Act of the North Carolina General Statutes for cities and counties and shall be listed in the annual report submitted to the Local Government Commission by the County.

9. GOVERNING LAWS, DISPUTE RESOLUTION, & FORUM

This Agreement shall be governed and construed by the Laws of the State of North Carolina. Any action brought to enforce or contest any term or provision of this Agreement shall be brought in the North Carolina General Court of Justice sitting in Orange County, North Carolina. The Parties hereto stipulate to the jurisdiction of said court. It is agreed by the Parties that no other court shall have jurisdiction or venue with respect to any claims, complaints, suits, or actions. Binding arbitration may not be initiated by either party, however, the Parties may agree to nonbinding mediation of any dispute prior to the bringing of a claim, complaint, suit or action.

10. INDEMNIFICATION

The Company hereby agrees to indemnify, protect, and save the County and its officers, directors, and employees harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including reasonable attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the business, construction, maintenance, or operations of the Company or the Facility or any Company activities on or about the Subject Property or the transactions contemplated by or relating to this Agreement, including without limitation, the possession, condition, construction or use thereof, insofar as such matters relate to events subject to the control of the Company and not the County. The indemnification arising under this Section shall continue until the termination of this Agreement, whether by expiration of the Term or by mutual agreement of the Parties to terminate this Agreement. Provided, however, that the indemnification arising under this Section shall apply after the termination of this Agreement if and to the extent that any such liability, obligation,

loss, claim, damage, action, suit, proceeding, cost or expense arises, is connected with, or directly results from the business, construction, maintenance, or operations of the Company or the Facility or any Company activities on or about the Subject Property during the Term of this Agreement. It is the intent of this Section 10 that, to the extent applicable, the Company indemnify the County in an amount not to exceed value of the benefits actually received by the Company from the County under this Agreement. In no event shall the Company be obligated to indemnify the County in an amount in excess of the not to exceed amount in Section 3A.

11. TERMINATION

A. COUNTY: The County shall have the option of terminating this Agreement if the Company ceases substantially all operations at the Facility. Cessation of substantially all operations at the Facility shall be defined as a period in excess often (10) weeks during which the Company's level of full time equivalent employees falls below thirty percent (30%) of the number of target full time equivalent employees as provided on Exhibit A, whether working at the Facility or remotely in North Carolina for the benefit of the Facility. and described in Section 2 of this Agreement. Should the Company be determined to have ceased its operations, the Company will reimburse the County the total amount of the Inducement Grant previously disbursed pursuant to this Agreement. Notwithstanding the foregoing, if the aforesaid decline in the number of full time equivalent employees is attributable to an overall national economic decline (as such may be recognized by the United States Bureau of Labor Statistics) or other Force Majeure, this shall not be deemed a cessation of substantially all operations entitling the County to terminate this Agreement, and the Company shall not be deemed in default. In such event, the Company's and the County's obligations shall be suspended for a period of one (1) year and resume thereafter. If after one year the Company has not returned to the then applicable 90% Target the County may declare substantially all operations ceased at the Facility and proceed as set forth herein. Upon such declaration the Company will reimburse the County the total amount of the Inducement Grant disbursed to Company up to and including the date of the declaration. If Company is in Default of Section 14 of the Lease and has failed to cure such default as provided herein County may terminate this Agreement and shall have no further liability or obligations to the Company under this Agreement.

B. NATURAL: In any event, the above terms notwithstanding, this Agreement shall terminate upon the 30th day of June of the final year of the Term.

C. AUTOMATIC TERMINATION AND SURVIVAL: In the event the Company (defined as the Tenant in the Lease) terminates the Lease during the Inspection Period as described in Section 23 of the Lease, the provisions of this Agreement, except for Section 3C, the definition of "Expansion Inducement Grant" and the definition of "Subject Property" of the Agreement, shall automatically terminate and be of no further force and effect and neither Party shall have further liability or obligations to the other under this Agreement. For the avoidance of doubt, the rights and obligations contained in Section 3C, the definition of "Expansion Inducement Grant" and the definition of "Subject Property" of this Agreement shall survive automatic termination of this Agreement. In the event of such automatic termination the County may suspend the surviving sections of this Agreement until the earlier of (i) the date upon which the Company provides documentation satisfactory to the County verifying that the Company has met all requirements of the surviving sections of this Agreement or (ii) for up to one year from the date of automatic termination in order for the County to determine, in its sole discretion, whether the Company has met all requirements of the surviving sections of this Agreement.

12. LIMITATION OF COUNTY'S OBLIGATION

NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS DELEGATING GOVERNMENTAL POWERS NOR AS A DONATION OR A LENDING OF THE CREDIT OF THE COUNTY WITHIN THE MEANING OF THE STATE CONSTITUTION.

THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE COUNTY'S SOLE DISCRETION FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT SHALL BE IN EFFECT.

NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED TO PLEDGE OR TO CREATE A LIEN ON ANY CLASS OR SOURCE OF THE COUNTY'S MONEYS, NOR SHALL ANY PROVISION OF THE AGREEMENT RESTRICT TO ANY EXTENT PROHIBITED BY LAW, ANY ACTION OR RIGHT OF ACTION ON THE PART OF ANY FUTURE COUNTY GOVERNING BODY.

TO THE EXTENT OF ANY CONFLICT BETWEEN THIS SECTION AND ANY OTHER PROVISION OF THIS AGREEMENT, THIS SECTION SHALL TAKE PRIORITY.

13. LIABILITY OF PUBLIC OFFICERS

No officer, agent, or employee of the County or the Company shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve any such officer, agent, or employee from the performance of any official duty provided by law.

14. MISCELLANEOUS

A. ENTIRE AGREEMENT: This Agreement, including all exhibits attached, constitutes the entire contract between the Parties, and this Agreement shall not be amended except in writing signed by the Parties.

B. BINDING EFFECT: Subject to the specific provisions of this Agreement, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

C. TIME: Time is of the essence in this Agreement and each and all of its provisions.

D. CONSTRUCTION: Nothing in this Agreement shall be construed to the effect that the County has any right to influence the Company's business decisions or to receive business

information from the Company (except as expressly provided in Section 2B and Section 5 hereof).

E. SIGNATURES: This Agreement together with any amendments or modifications may be executed electronically. All electronic signatures affixed hereto evidence the intent of the Parties to comply with Article 11A and Article 40 of North Carolina General Statute Chapter 66.

F. AUTHORITY: The Parties and each person executing this Agreement on behalf thereof represent and warrant that they have the full right and authority to enter into this Agreement, which is binding, and to sign on behalf of the party indicated, and are acting on behalf of themselves, the constituent members and the successors and assigns of each of them. The Parties shall reasonably assist one another and cooperate in the defense (should any defense ever be necessary) of this Agreement and/or the incentives granted hereunder, so as to support and in no way undercut the same.

G. FORCE MAJEURE: Subject to the provisions of Section 6 of this Agreement neither party shall be liable for non-compliance with its contractual obligations hereunder, if and to the extent such non-compliance is directly attributable to events of force majeure. Events of force majeure are events or causes which are not under a party's reasonable control that render the execution of a party's obligations impossible, including, but not limited to: (i) fire; (ii) hurricanes, tornados, floods, and other weather events beyond normal conditions, including any such weather events declared/determined by the National Oceanic and Atmospheric Conditions; (iii) strikes, lockouts or other labor or industrial disturbances; (iv) national emergency, state declaration of emergency, civil disturbance, act of public enemy, war, riot, terrorism sabotage or embargo; (v) earthquake, epidemic, pandemic, or other natural disaster or acts of God; (vi) governmental action or inaction; or (vii) any other similar occurrences or events outside the party's reasonable control. Each party shall forthwith inform the other Parties of the occurrence of a Force Majeure event preventing such party from complying with its contractual obligations. Force Majeure does not include failure of the Company to secure permitting necessary for the project to proceed.

15. COMPLIANCE WITH LAW

A. NON-DISCRIMINATION: Company shall at all times remain in compliance with all applicable local, state, and federal laws, rules, and regulations including but not limited to all state and federal anti-discrimination laws, policies, rules, and regulations and the Orange County Non-Discrimination Policy. Company shall not discriminate against any person based on age, race, ethnicity, color, national origin, religion, creed, sex, sexual orientation, gender, gender identity, gender expression, marital status, familial status, source of income, disability, political affiliation, veteran status, disabled veteran status. Any violation of this requirement is a breach of this Agreement and County may immediately terminate this Agreement without further obligation on the part of the County. This Section is not intended to limit and does not limit the definition of breach to discrimination.

B. E-VERIFY, ISRAEL BOYCOTT, AND IRAN DIVESTMENT: By executing this Agreement Company affirms that Company, and any North Carolina Affiliates of Company, is and shall remain in compliance with Article 2 of Chapter 64 of the North Carolina General Statutes. By executing this Agreement Company certifies that Company, and any North Carolina Affiliates of Company, have not been identified, and have not utilized the services of

any agent or subcontractor, on the list created by the North Carolina State Treasurer pursuant to Articles 6E and 6G of Chapter 147 of the North Carolina General Statutes.

16. NOTICES

Any notices pursuant to and/or required by this Agreement shall be in writing and shall be delivered via United States Mail, certified, return receipt requested:

If to Orange County;

County Manager
P.O. Box 8181
Hillsborough, NC 27278

If to Well Dot, Inc.;

Chief Financial Officer
419 W. Franklin Street
Chapel Hill, NC 27516

Any addressee may designate additional or different addresses for communications by notice given under this Section to the other Party.

AGREEMENT REVIEWED AND ACCEPTED BY:

President

Well Dot, Inc.

Attest:

Chair
Orange County Board of Commissioners

Attest: Lauren Jensen
Clerk to the Board
Orange County Commissioners

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

Chief Financial Officer

Approved as to form and legal sufficiency.

Office of the County Attorney

EXHIBIT A

Year-end Dec. 31	Baseline Employees	New Employees Added in Year	90% of Cumulative New Employee Target Added by Year (the “90% Target”)	Total Cumulative Employees
2021	17	9	8	26
2022	17	81	96	124
2023	17	101	187	225
2024	17	95	272	320
2025	17	97	360	417
Total at Natural Termination of Agreement 6/30/30	17	400	360	417

EXHIBIT B – INVESTMENT GOALS

Year Ended Dec. 31	2022	2023	2024	2025	Total
Real Property	\$1,500,000	\$750,000	\$250,000	\$0	\$2,500,000
Personal Property	\$238,400	\$337,000	\$275,400	\$142,800	\$993,600

EXHIBIT C – BUSINESS PERSONAL PROPERTY

Year Ended Dec. 31	2022	2023	2024	2025	Total
Personal Property*	\$238,400	\$337,000	\$275,400	\$142,800	\$993,600

*The Personal Property provided in this Exhibit C is the same Personal Property provided in Exhibit B and does not constitute additional Taxable Investment.

EXHIBIT D – DESCRIPTION OF REAL PROPERTY

[Legal Description for 419 W Franklin Street to be inserted]

EXHIBIT E – OPTION TO PURCHASE PENALTY

(See attached 501_503 Performance Scenario Worksheet

Reimagining Engagement.

Improving Health.

Reducing Cost.



**Economic Development
Opportunity Update
April 2022**

Opportunity Overview

- Founded in 2019, Well Dot Inc. (“Well”) is a well-funded healthcare technology & services company that continues to rapid expand
- Well’s executive team and the majority of personnel are currently split between Chapel Hill, NC and Newton (Boston), MA
- The Company has committed to building its major operations center in NC
- This major operations center is anticipated to generate over 400 jobs with an average salary of \$65K/year over the next five years
- In conjunction with Orange County, we have been evaluating 501/503 W Franklin St. as a prospective location for this operations center

Company Fact Sheet

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- **Company Overview:** Well is a healthcare technology company that provides technology-enabled solutions to consumers to enable them to navigate their health and wellness needs.
 - Well uses a combination of personalized guidance, motivation and rewards paired with concierge support from Well Guides to engage members in the advancement of their health. The approach is designed to help each member identify and pursue opportunities to improve their health and lower costs.
 - The platform encourages health empowerment for all members, not just those with acute conditions and higher cost of care, and encompasses the full spectrum of healthcare needs, including prevention and wellness, health education, chronic disease and behavioral health management, medication support and healthcare system navigation.
- **Incorporation:** January 2019 / DE Corporation **Website:** <https://well.co/>
- **Financing:**
 - Raised +\$118M (Seed - 2019, Series A - 2020, Series B - 2021)
 - Series B raise of \$72M closed in Dec 2021
 - Key investors include co-founders, Mosaic Health Solutions (BCBS NC), General Catalyst, Hellman & Friedman Partners, Valeas Capital Partners, John Doerr, Tom Nelson, and other strategic healthcare investors
- **Primary Locations:** Chapel Hill, NC; Newton (Boston), MA; New York, NY; and Minneapolis, MN
- **Headcount** (as of March 2022): 138, including 42 in NC

Personalized Health Engagement Platform

well



Trusted

Clinically-robust, on-your-side whole health support



On-Demand

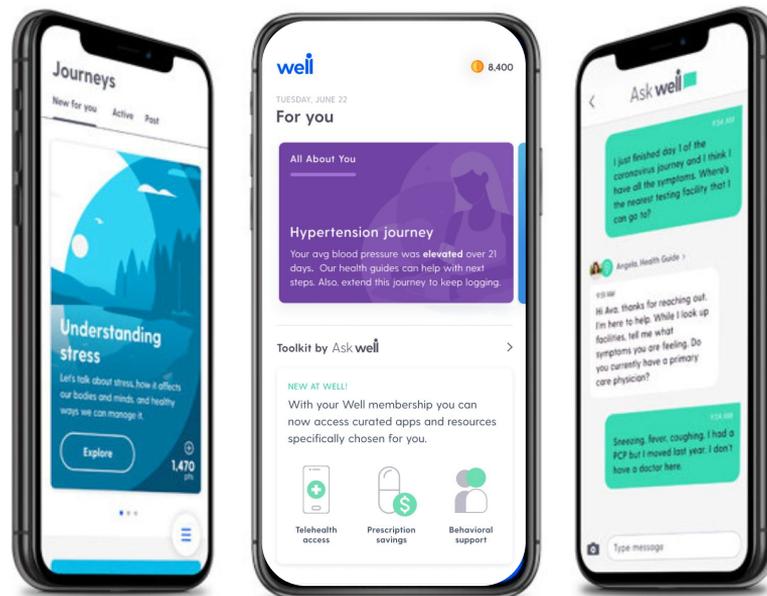
Digital health and concierge experience



Personalized

Proactive interventions and incentives, just for you

Welcome to a New Day for Health



Well Directly Addresses the ⁵⁰ Top Needs Facing Employers



Differentiated Engagement

**Personalized engagement =
Improved retention**

Members receive a fully personalized experience, shared community challenges and ongoing content engaging them in their health and company

Whole Health Improvement

**“Top of funnel” behavioral health =
Reduced burn-out**

We engage significantly more members in behavioral health by offering whole health support, reducing barriers and following the members' health focus areas

Tangible Impact

Well Moments = Health and cost outcomes

We use our AI Health Engine to identify every member's health and cost improvement opportunities. And, we offer personalized digital + human guidance and incentives to empower each member to take action and achieve real outcomes

Differentiated Engagement

"Well is by far my favorite app on my phone" - Well Member

80+ NPS

Up to 80% activation rate

Based on client construct

25%+ daily active user rate

70%+ view Well as at least one of their better health benefits

Whole Health Improvement

"You have no idea how much checking in helps keep me on track" - Well Member

80%+ report improved health or healthy lifestyle habits

Based on health assessment respondents

200+ healthy actions completed per member per year

Including 30+ behavioral health actions for those who screen at-risk for depression

60%+ action conversion rate (including behavioral health)

On key physical condition, behavioral health and benefit referral exploration actions

Tangible Impact

"Making Well available is the best thing [my employer] has ever done" - Well Member

Total savings = \$17.48 PMPM

Including \$11.33 PMPM in direct medical cost savings driven by ~10% lower costs in condition and utilization management value driver categories. Additional indirect savings based on absenteeism productivity drivers, with further analysis ongoing

Savings based on preliminary observational analysis of Well members with claims data in the 2021 calendar year compared to a similar set of 'matched controls' from an external claims data set

10%+ higher employee retention

Activated members compared to non-activated members

Observational analysis based on activated members compared to non-activated members for clients on the platform for 2+ years

Well's Whole Health Engagement Platform

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Well Members
- Access for All



Member
Experience

Omnichannel Engagement



Mobile (Native iOS
and Android)



In-App
Messaging



Phone



Email



Alerts /
Notifications



Web

Platform
Capabilities

Whole Health Improvement

- Whole person health guidance – from goals to evidence-based actions
- Integrated physical and behavioral health, inc. 70+ conditions (from hypertension to anxiety)
- Proprietary and partner intervention & content library

Expert Well Guides On-Demand

(Human Team)

- Health coaching (eg, set & track health goals)
- Personal assistant for health (eg, find & schedule in-network doctor visits, site of care navigation)
- HR-related questions and navigation (eg, benefits offered)

Dynamic Incentives & Engagement

- Personalized incentives for every action
- Community & individual challenges
- Configurable rewards redemption model
- Behavioral economics

Proactive Utilization

- Roster of Well Moments to impact health and cost outcomes
- Coordinated, proactive, omnichannel outreach
- Targeted member communications
- Promotion of your benefits and healthcare services (eg, virtual health, point solutions)

AI / Data /
Analytics /
Insights

Personalization via AI Health Engine

Personalized experience for every member based on an evolving holistic health profile



The Well Member Experience: Meet Jon

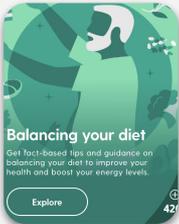
1 Easy to Get Started

- Jon activates Well as part of an employee **team challenge**
- He **chooses to work on his diet** and sets a nutrition-related health goal with a Well Guide
- We also learn he has hypertension



2 Guidance on Your Focus Areas

- Jon receives tips on his diet digitally and from his Well Guide
- He responds to a “Question of the Day” **that he is feeling burnt-out**
- We engage him in stress journeys and actions on work-life balance



3 Make Healthcare Easier

- Well adds incentives for Jon to engage in a “Lower your blood pressure” journey
- Well identifies a way to **save money on his medications**, and a Well Guide helps switch to a mail order 90-day supply
- Jon is prepared to **discuss his blood pressure at his next provider visit**, which was also scheduled for him by his Well Guide



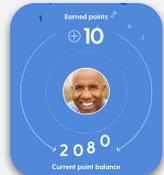
4 Behavioral Health Intervention

- Jon progresses through **Well’s stress-related actions**, which confirms his self-reported high stress levels
- He is routed in real-time to use your therapy benefit and is later diagnosed with depression
- He **completes 6 therapy sessions** and his mood improves



5 Positive Health Lifecycle

- Jon has been using the Well app daily and **earning personalized incentives** for staying engaged in his health
- Post-therapy, Jon continues to engage with Well by participating in emotional wellness actions designed to mitigate depression
- Jon’s blood pressure has also been improving



+ Employee engagement
 + Sense of community
 + Convenience

+ Personal health focus
 + Behavioral health stigma reduction and engagement

+ Health impact / cost reduction (in-network PCP visit, Rx refill)

+ Benefits utilization
 + Health impact / cost reduction (based on BH access and reduction in PHQ-9)

+ Condition outcomes
 + Employee retention
 + Productivity

Impact



Well's History & Progress



Our Beginnings

Well was founded in January 2019 with a world-class leadership team from both consumer and healthcare backgrounds. Scaled to 130+ headcount today.



Customer Ramp

Well has successfully launched with +12 organizations, with multiple implementations underway, across different channels. Our active customer base features Jumbo and Mid-sized businesses that represent over 30,000 initial lives.



First-class Investors

Raised over \$118M from investors including General Catalyst, John Doerr, Mosaic Health Solutions (BCNC), partners from Hellman & Friedman, Valeas Capital Partners, and other prominent healthcare investors.



Product Build

We have rapidly developed and launched the Well platform over the past three years and continue to make significant advancements in product capability. Our solution is proving to be a highly effective and engaging tool with the ability to produce positive health outcomes.

Well's Current Operations Center

Overview

Location: 419 W Franklin St., Chapel Hill, NC

Channels: In-app messaging and phone calls; email support also available

Multi-Disciplinary Team: Well Guide team supported by clinical experts, including behavioral health and pharmacy, to help members navigate healthcare

Languages Supported: English and Spanish



To meet expected demand, Well will need to expand beyond our current facility by Q2 2023

Development Opportunity

- Well is planning for the development of a major operations center that is anticipated to generate over 400 jobs with an average salary of \$65K/year

Job Types / Examples

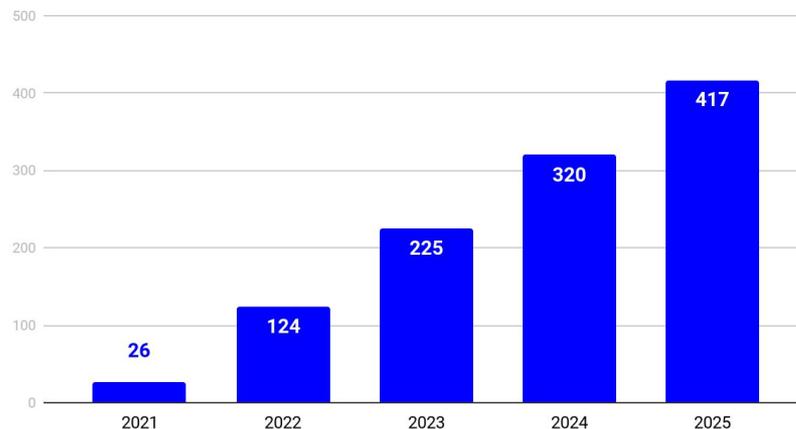
● Operations

- Member Service Operator / Supervisor
- Clinical & Nurse Operator/Supervisor
- Pharmacy Specialist
- Behavioral Health Specialist
- Operations Director

● Corporate

- Executive
- Account Management
- Software Engineer / Developer
- Data Scientist
- Business Analyst
- Administrative Support

FTEs for Well Operations Center



Our Founders



Gary Loveman

Chairman & CEO

Gary was previously the EVP of Consumer Health Services at Aetna where he led transformative efforts in the areas of consumer, data, analytics, marketing, pharmacy and clinical. Before Aetna, Gary was the long-time Chairman & CEO of Caesars Entertainment Company, one of the largest gaming companies in the world, where he pioneered the customer loyalty and rewards program that revolutionized the use of analytics to influence consumer behavior in the hospitality industry.

Gary began his career as an HBS professor after completing his PhD in economics from the Massachusetts Institute of Technology. He serves on the boards of several healthcare companies and the Boston Children's Hospital. Gary is also an owner and Director of the Boston Celtics.



David Werry

President

David was previously the VP of Transformation at Aetna where he oversaw the member-facing capabilities for the enterprise. These areas included Aetna's digital assets, concierge services, Apple partnership, and high-touch clinical services as well as business units in healthcare payments, benefits enrollment and population health management.

Prior to joining Aetna, David was the Head of Biotech at PPD, a global clinical research organization. David began his career at Morgan Stanley and then Hellman & Friedman, a large private equity firm, where he focused on healthcare investing. David was a Morehead Scholar at the University of North Carolina and holds an MBA from Harvard Business School.

Well's Leadership Team

Healthcare & consumer expertise brought together



Ruben Sigala

Chief Marketing &
Analytics Officer



Beth Gullette

Chief People
Officer



Will Aiken

Chief Operating
Officer



Amy Molten

Chief Medical
Officer



Oz Ataman

Chief Technology
Officer



Kathy Howell

Chief Legal
Officer



Alex Vannoni

Chief Product
Officer



Jared Sokolsky

Chief Financial
Officer



Jeff Hortman

Head of
Consumer
Experience



Todd Metzker

Senior Director,
Member Services

Board of Directors



Gary Loveman

Co-Founder,
Chairman and
CEO of Well



David Werry

Co-Founder,
President of Well



Jo Abernathy

Chief Information Officer
of Blue Cross North
Carolina



James I. Cash

Former Professor
of Business at
Harvard Business
School and Board
member of several
prominent
corporations



Todd Pope

CEO of WellAir.
Former President
and CEO of
TransEnterix, Inc. and
Global President of
Johnson & Johnson
Cordis



Katherine Hobbs Knutson, MD

Senior Vice President
of UnitedHealth Group
and CEO of Optum
Behavioral Care

Our mission is to be the world's most effective partner in the advancement of our members' health.





Beaufort Gazette
 Belleville News-Democrat
 Bellingham Herald
 Bradenton Herald
 Centre Daily Times
 Charlotte Observer
 Columbus Ledger-Enquirer
 Fresno Bee

The Herald - Rock Hill
 Herald Sun - Durham
 Idaho Statesman
 Island Packet
 Kansas City Star
 Lexington Herald-Leader
 Merced Sun-Star
 Miami Herald

el Nuevo Herald - Miami
 Modesto Bee
 Raleigh News & Observer
 The Olympian
 Sacramento Bee
 Fort Worth Star-Telegram
 The State - Columbia
 Sun Herald - Biloxi

Sun News - Myrtle Beach
 The News Tribune Tacoma
 The Telegraph - Macon
 San Luis Obispo Tribune
 Tri-City Herald
 Wichita Eagle

AFFIDAVIT OF PUBLICATION

Account #	Order Number	Identification	Order PO	Amount	Cols	Depth
94057	250063	Print Legal Ad - IPL0069555		\$585.00	2	90 L

Attention: Steve Brantley
 Orange County Economic Development
 131 W. Margaret Lane, Suite 205
 Hillsborough, NC 27278



NOTICE OF PUBLIC HEARING REGARDING PROPOSED LEASE AGREEMENT AND ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT FOR WELL DOT, INC.

PUBLIC HEARING
 Tuesday, May 24, 2022 – 7:00 PM
 Whitted Building
 300 W. Tryon Street
 Hillsborough, NC 27278

Notice is hereby given that in accordance with North Carolina General Statute 158-7.1 the Board of Commissioners of Orange County (the "Board") will hold a public hearing on Tuesday, May 24, 2022 at 7:00 PM at the Whitted Building 300 W. Tryon St., Hillsborough, N.C. 27278. This public hearing concerns Orange County entering into two agreements outlined below with Well Dot, Inc. to encourage the company to expand health care IT operations in the County.

LEASE OF COUNTY PROPERTY

Pursuant to an economic development project the Board of County Commissioners of Orange County intends to vote at its meeting on May 24, 2022 on whether or not to enter into a lease of the following county-owned property:

- 501 W. Franklin Street, Chapel Hill, NC 27517 PIN 9788 15 1996
- 503 W. Franklin Street, Chapel Hill, NC 27517 PIN 9788 15 1829
- 108 S. Roberson Street, Chapel Hill, NC 27517 PIN 9788 15 2822

The lease of the property will be made to Well Dot, Inc., a Delaware Corporation with facilities in Chapel Hill, North Carolina, for a term of ten years for the purpose of general office use related to healthcare operations. Upon mutual agreement of the parties the lease may be renewed for two additional five year terms. In consideration of the lease Well Dot, Inc., will pay Orange County an initial deposit of Two Hundred Fifty Thousand Dollars (\$250,000.00) and a base rental fee of Thirty Three Thousand Seven Hundred Fourteen Dollars and Sixty-seven Cents (\$33,714.67) per month for the full term with a two percent (2%) increase beginning in year seven of the Lease. Any renewal will reflect similar base rental fees and increases. On any lease anniversary date during the initial term Well Dot, Inc., may exercise an option to purchase the property. Upon the exercise of the option to purchase, the price shall be based on appraisals using income methodology with each party selecting an independent appraiser and negotiating any differences in the appraisals to arrive at a purchase price, but shall also be less the value of the initial deposit and rent paid up to the date of closing. Additional lease terms are available for review at the office of the Orange County Clerk to the Board of Commissioners.

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

The Board will consider the appropriation of county general funds for the purpose of entering into an Economic Development Incentive Agreement with Well Dot, Inc., a Delaware Corporation with health care operation facilities in Chapel Hill, North Carolina. The amount is not to exceed Two Million Dollars (\$2,000,000) payable in not more than four (4) installments equaling the actual eligible expenditures then incurred by the Company to the date of such expenditure over a period of not more than two (2) years from the first installment. These funds will be used to offset facility development, upfit, remodeling, expansion, and acquisition costs. Location of the current Well Dot, Inc. facility in Orange County will create public benefit for the County including the creation of 360 new full time jobs, at an annual rate of Sixty Three Thousand Six Hundred Sixty Five dollars (\$63,665.00) plus benefits, and new capital investment in Orange County of \$3,493,600.

Anyone interested in the Economic Development Incentive Agreement or the nature of Well Dot, Inc. may appear and be heard at the public hearing. Anyone who wishes to make comments in writing prior to the public hearing may do so via email to ocboc@orangecountync.gov. Interested persons may contact the Orange County Economic Development office at 919-245-2325 with any questions.

IPL0069555
 Apr 22 2022

**STATE OF NORTH CAROLINA
 COUNTY OF WAKE**

Before the undersigned, a Notary Public of Dallas County, Texas, duly commissioned and authorized to administer oaths, affirmations, etc., personally appeared Tara Pennington, who being duly sworn or affirmed, according to law, doth depose and say that he or she is Accounts Receivable Specialist of the News & Observer Publishing Company, a corporation organized and doing business under the Laws of the State of North Carolina, and publishing a newspaper known as The Durham Herald-Sun, Durham and State aforesaid, the said newspaper in which such notice, paper, document, or legal advertisement was published was, at the time of each and every such publication, a newspaper meeting all of the requirements and qualifications of Section 1-597 of the General Statutes of North Carolina and was a qualified newspaper within the meaning of Section 1-597 of the General Statutes of North Carolina, and that as such he or she makes this affidavit; and is familiar with the books, files and business of said corporation and by reference to the files of said publication the attached advertisement for Orange County Economic Development was inserted in the aforesaid newspaper on dates as follows:

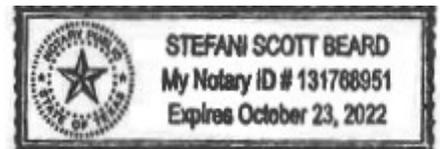
No. of Insertions: 1
 Beginning Issue of: 04/22/2022
 Ending Issue of: 04/22/2022

Tara Pennington

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Stefani Beard

Notary Public in and for the state of Texas, residing in Dallas County



Extra charge for lost or duplicate affidavits.
 Legal document please do not destroy!



Well Dot, Inc. Lease Agreement & Economic Development Incentive

BOCC Public Hearing
May 24, 2022

Company History and Announcement



- Well Dot, Inc. is an early-stage healthcare technology and services company that was incorporated in January 2019.
- The company provides technology-enabled healthcare solutions to consumers via employers through a platform that enables consumers to navigate their health and wellness needs.
- On November 19, 2019, Governor Roy Cooper, joined by company representatives and local, county and state elected officials, announced the location of a new operations center in Chapel Hill.

Job Creation

The Company will create at least 360 new full time jobs, at an annual rate of \$63,665.00 plus benefits.

New Full Time Jobs by Year

2021	2022	2023	2024	2025	Total
8	88	91	85	88	360

Job Types/Examples:

Corporate

- Executive
- Account Management
- Software Engineer/Developer
- Data Scientist
- Business Analyst
- Administrative Support

Operations

- Member Service Operator/Supervisor
- Clinical & Nurse Operator/Supervisor
- Pharmacy Specialist
- Behavioral Health Specialist
- Operations Director

Chapel Hill Office Location



- 419 W. Franklin St. – Existing Well Dot office location highlighted in Red
- 501 & 503 W. Franklin Street and 108 S. Roberson Street - Proposed additional location highlighted in Purple

Lease Agreement

- Initial ten year lease term with option for two additional five year terms.
- Well Dot, Inc., will pay Orange County an initial deposit of \$250,000.00 and then \$404,576.04 in rent payments annually for the first six years.
- Rent will adjust to the market rate in year seven of the lease and begin a 2% annual increase in year eight.
- On any lease anniversary date during the initial term Well Dot, Inc., may exercise an option to purchase the property.

Lease Agreement

Year	Payment Due
1	\$250,000 Initial Deposit
1	\$404,576
2	\$404,576
3	\$404,576
4	\$404,576
5	\$404,576
6	\$404,576
7	Market Rent Established
8	2% Increase
9	2% Increase
10	2% Increase

- Based on current commercial rates, the market rent would total approximately \$850,000 annually.
- If the company continues to rent the facility for the full ten years, the County will have collected approx. \$6.2 million in lease revenue.
- If the company exercises the option to purchase, they will pay approx. \$85,000 annually in property taxes.

Performance Agreement

- Total financial impact not to exceed \$2,000,000 payable in up to four installments equaling the actual eligible expenditures then incurred by the Company over a period of two years from the first installment.
- These funds will be used to offset facility development, upfit, remodeling, expansion, and acquisition costs.

Manager Recommendation

- 1) Receive the proposal to consider entering into a lease agreement and the issuance of incentives to a private company for the recruitment & expansion of Well Dot, Inc.'s operations in Orange County;
- 2) Open and conduct the Public Hearing and receive BOCC and public comments;
- 3) Close the Public Hearing; and
- 4) Approve the “performance-based” economic development incentive agreement and the lease by adopting the resolution authorizing the lease between Orange County and Well Dot, Inc.

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

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

SUBJECT: Longtime Homeowner Assistance (LHA) Additional Information

DEPARTMENT: Housing and Community
Development

ATTACHMENT(S):

INFORMATION CONTACT:

Corey Root, Director, Housing and
Community Development, 919-245-
2492

Nancy Freeman, Tax Administrator,
Orange County Tax Office, 919-245-
2735

Gary Donaldson, Chief Financial Officer,
Orange County Finance, 919-245-
2453

PURPOSE: To receive further information and consider options for the LHA program in 2022.

BACKGROUND: On May 3, 2022, the Board of County Commissioners reauthorized and approved the following changes to the Longtime Homeowner Assistance (LHA) program for 2022:

- Adjust program operation dates to August 1 through December 1, 2022.
- Include an informational insert with the tax assistance application packet and increase awareness about LHA.
- Formalized the LHA policy for heirs' properties where there are more than one person/households listed on the deed.
- Formalized the policy for Family Trust owned properties.
- Require that the applicant provide a copy of the targeted tax bill.
- Reduce the requirement to have owned and lived in the home for 10 years to 5 years to increase access to the program.

Staff plans to add this or a similar clarifying statement to the informational insert: *If you received assistance from this program on your 2021 tax bill, you DO NEED TO APPLY again to qualify for assistance on your 2022 tax bill.*

Staff offers the following information regarding a change program design that would cover more of the amount owed by the taxpayer. Using data from the 2021 LHA program, the American Community Survey, the FY22 Area Median Income for Orange County, staff is providing more detailed estimates for options.

Additional Information:

- Currently 913 properties in Orange County are receiving the Homestead Exemption or another type of low-income assistance.
- The Tax Office found 20,009 owner-occupied residential properties in Orange County that have been owned for 5 or more years who will likely have an increase in the County portion of the tax bill as compared to their 2020 tax bills (base year).
- In comparison, the Tax Office previously identified 9,704 residential properties that have been owned for 10 or more years.

1. Institute a baseline minimum award amount: The award amount would be equal to the difference between the County Tax portion of the 2020 tax bill and the estimated 2022 tax bill, with a minimum award amount of \$300 (note that the average award amount for 2021 was roughly \$190).

- For the 20,009 residential properties owned for 5+ years who will have increases in the County portion of their 2022 tax bill, the average County tax portion is \$2,954.
- The tax increases range from \$0.01 to \$8,940.92
- 17,044 have an estimated increase of under \$300 (average \$110)
- For the remaining 2,935, the average increase is \$569 and the total increase for all 2,935 is \$1,670,143.

- Using income data from the American Community Survey (ACS) 5-Year Estimates Data Profiles and an owner-occupied rate of 63.8% per the 2020 Consolidated Plan, staff estimate the following number of households at the Area Median Income levels:

<i>Income level</i>	<i>Estimated owner-occupied households in OC</i>
Over 80% AMI	9,984
61-80% AMI	3,181
31-60% AMI	3,622
30% AMI and under	3,241
TOTAL 80% AMI and below	10,045

- Using the ACS data for household numbers and owner-occupied rate leads to a slight difference in the total number of households compared with Tax Office data – the ACS total households is 20,029 compared with the Tax Office actual total of 20,009.
- The total liability (100% participation) for instituting a \$300 minimum for 10,045 households would be **\$3,013,355**.
- Program costs decrease as participation decreases:

	Total Liability (100% participation)	25% participation	50% participation	75% participation
\$300 minimum	\$ 3,013,355	\$ 753,339	\$ 1,506,678	\$ 2,260,017

2. Awards cover half of total tax bill: Award would cover half of total tax bill for homeowners earning 80% AMI or under, up to these total amounts:
 \$500 for households with incomes ≤ 61- 80% AMI
 \$750 for households with incomes ≤ 31- 60% AMI

\$1,000 for households with incomes ≤ 30%- below AMI

<i>Income level</i>	<i>Owner-occupied households in OC</i>	<i>% 2021 apps w/County portion of bill over 2x max assistance</i>	<i>Average of tax bill under 2x max assistance</i>	<i>Max Assistance</i>	<i>Total Liability</i>
<i>61-80% AMI</i>	3,181	100%	N/A	\$ 500	\$ 1,590,716
<i>31-60% AMI</i>	3,622	67%	\$1,007	\$ 750	\$ 2,418,645
<i>30% AMI and under</i>	3,241	5%	\$1,083	\$ 1,000	\$ 1,831,465
<i>TOTAL 80% AMI and below</i>	10,045				\$ 5,840,825

- Staff used 2021 LHA program data to calculate the percentage of potential participants with the County portion of their tax bills in excess of double the max assistance proposed.
- For households at 61-80% AMI, all 2021 LHA participants at 61-80% AMI had tax bills in excess of \$1,000 (double the max assistance of \$500); liability for this group was calculated by simply multiplying the number of households (3,181) by the max assistance (\$500) = \$1,590,716
- For households at 31-60% AMI, 67% of the 2021 LHA participants at 31-60% AMI had tax bills in excess of \$1,500 (double the max assistance of \$750); liability for this group was calculated by multiplying the number of households (3,622) by 67% times the max assistance (\$750) and then adding this to the remainder of the group, the number of households (3,622) times 33% times half of the average tax bill for the 2021 LHA participants at 31-60% AMI that did not have tax bills over \$1,500 – this average is \$1,007 = \$2,418,645
- For households at 30% AMI and under, 5% of the 2021 LHA participants at 30% AMI and under had tax bills in excess of \$2,000 (double the max assistance of \$1,000); liability for this group was calculated by multiplying the number of households (3,241) by 5% times the max assistance (\$1,000) and then adding this to the remainder of the group, the number of households (3,241) times 95% time half of the average tax bill for the 2021 LHA participants at 30% AMI and under that did not have tax bills over \$2,000 – this average is \$1083 = \$1,831,465
- The total liability using these calculations is **\$5,840,825**
- Program costs decrease as participation decreases

<i>Income level</i>	<i>Total Liability</i>			
	<i>(100% participation)</i>	<i>25% participation</i>	<i>50% participation</i>	<i>75% participation</i>
<i>61-80% AMI</i>	\$ 1,590,716	\$ 397,679	\$ 795,358	\$ 1,193,037
<i>31-60% AMI</i>	\$ 2,418,645	\$ 604,661	\$ 1,209,322	\$ 1,813,983
<i>30% AMI and under</i>	\$ 1,831,465	\$ 457,866	\$ 915,733	\$ 1,373,599
<i>TOTAL 80% AMI and below</i>	\$ 5,840,825	\$ 1,460,206	\$ 2,920,413	\$ 4,380,619

FINANCIAL IMPACT: The program would expend the remaining \$233,636 in ARPA funding that has been allocated to assist long-term, low-income households affected by the tax revaluation of property. The funding is limited to the available funds consistent with the NC Statutes pre-audit requirements.

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

- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**
The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or ethnic background; age; military service; disability; and familial, residential or economic status.
- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**
The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goal impacts applicable to this item.

RECOMMENDATION(S): The Manager recommends that the Board discuss and consider the design change and options detailed above and provide direction to staff.

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

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

SUBJECT: Manufactured Homes Action Plan

DEPARTMENT: Housing and Community
Development

ATTACHMENT(S):

- Attachment 1 - Manufactured Homes
Action Plan
- Attachment 2 - Map of Manufactured
Home Communities in
Orange County
- Attachment 3 - Map of Manufactured
Home Communities Under
Threat of Redevelopment
- Attachment 4 - Resolution Endorsing the
County-Wide
Manufactured Homes
Action Plan

INFORMATION CONTACT:

Corey Root, Director, Housing and
Community Development, 919-245-
2492

PURPOSE: To consider a Resolution Endorsing the County-Wide Manufactured Homes Action Plan and authorizing County staff to move forward with the towns on implementation.

BACKGROUND: For many years, there has been interest in addressing the vulnerability of residents living in manufactured home communities (MHC) in Orange County. In 2016-2017, the County, Towns, and local housing partners formed a manufactured homes work group to begin to discuss and evaluate opportunities and obstacles to addressing the needs of manufactured home community residents. There are 100 manufactured home communities in Orange County housing over 2,000 households. About half of manufactured homes need minor repairs, and about 28% need major repairs, with only a small percentage, 3.2%, economically infeasible to repair. Most residents are of low-income, making it difficult to fund needed repairs. Also, many of the MHCs are under threat to be redeveloped, in particular the MHCs closer to town centers where market demand is high.

The Manufactured Homes Action Plan is designed to provide a plan to address the redevelopment threats facing manufactured home communities in Orange County. The Plan is a collaborative effort between the Towns of Chapel Hill, Carrboro, Hillsborough, and Orange County that outlines specific objectives, strategies, action steps, partners and resource needs to address the redevelopment threat facing manufactured home communities. The other participating jurisdictions adopted the Action Plan strategies last month – the Town of Carrboro on April 5, 2022, the Town of Hillsborough on April 11, 2022, and the Town of Chapel Hill on April 27, 2022.

Housing and Community Department staff from the local governments will play a leading role in implementing the strategies and action steps listed in the plan, while also collaborating with many Town and County departments and community partners.

This plan recognizes manufactured housing is an important source of naturally occurring affordable housing serving diverse populations, including vulnerable community members. It uses resident engagement as the foundation for the strategies proposed.

FINANCIAL IMPACT: There is no financial impact associated with this item.

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

- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**
The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or ethnic background; age; military service; disability; and familial, residential or economic status.
- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**
The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goal impacts applicable to this item.

RECOMMENDATION(S): The Manager recommends that the Board approve and authorize the Chair to sign the resolution endorsing the county-wide Action Plan and authorize County staff to move forward with the towns on implementation.



County-Wide Manufactured Homes Action Plan

Orange County, North Carolina

Jointly Developed by the Manufactured Home Staff Working Group of the Towns of Carrboro, Chapel Hill, and Hillsborough and Orange County

Introduction

The Manufactured Homes Strategy Action Plan is designed to provide a plan to address the redevelopment threats facing manufactured home communities in Orange County. The Plan is a collaborative effort between the Towns of Chapel Hill, Carrboro, Hillsborough, and Orange County that outlines specific objectives, strategies, action steps, partners and resource needs to address the redevelopment threat facing manufactured home communities. Successful implementation of the action plan will:

1. Preserve manufactured home communities.
2. Minimize resident displacement due to redevelopment.
3. Create a Relocation Assistance Package to provide meaningful relocation assistance options for residents facing displacement.

Housing and Community staff from the local governments will be playing a leading role in implementing the strategies and action steps listed in the plan, while also collaborating with many Town and County departments and community partners.

This plan recognizes manufactured housing is an important source of naturally occurring affordable housing serving diverse populations, including vulnerable community members. It uses resident engagement as the foundation for the strategies proposed.

Guiding Principles

1. Use engagement findings as the foundation for strategy selection and implementation.
2. Include a variety of strategies to fully address the different issues. There is no silver bullet.
3. Manufactured housing is an important source of naturally occurring affordable housing serving diverse populations, including vulnerable community members.
4. The Plan is a living document and open to input and change.

The Challenge

Several manufactured home communities in the county are under threat of redevelopment and resident displacement. Many homes are also in need of repair and rehab assistance. There are unique challenges faced by manufactured home residents, most of whom own the homes they live in but not the land it sits on. This plan provides a framework and strategies to address these challenges while considering the limited authority and resources of local governments and community partners.

County-wide Manufactured Homes Action Plan

Background

For many years, there has been interest in addressing the vulnerability of residents living in manufactured home communities in Orange County. In 2016-2017, the County, Towns, and local housing partners formed a manufactured homes work group to begin to discuss and evaluate opportunities and obstacles to addressing the needs of manufactured home community residents. This work group created an inventory of MHCs and a survey to inform any strategies developed. You can find a copy of the inventory and survey results as attachments to this action plan.

Resident engagement has been the foundation for strategies that have been developed by partners to address the needs of the MHCs and continues to be with this Action Plan. Resident engagement has included in person meetings, focus groups, and surveys to understand the housing needs and preferences of manufactured home residents in the county.

There are many things we have learned from resident engagement and the inventory of MHCs. There are 100 manufactured home communities in Orange County housing over 2,000 households. According to the 2017 Orange County Mobile Home Park Survey, there is a 10% vacancy rate in the parks, with many parks having no vacancy at all.

Many of the homes need repairs or renovations. About half of manufactured homes need minor repairs and about 28% need major repairs, with only a small percentage, 3.2%, economically infeasible to repair. Most residents are of low-income, making it difficult to fund needed repairs.

We also know many of the MHCs are under threat to be redeveloped, in particular the MHCs closer to town centers where market demand is high. The research and engagement show there are many challenges for manufactured home residents finding new housing if displacement were to occur. Few vacancies exist in MHCs in Orange County, most households own their homes, are low income, and do not have many options for finding affordable housing that meets the needs of their family. The human and financial costs to implement a relocation package are significant and will vary depending on the MHC and severity of displacement.

Key Terms

- **Strategic Objective:** The longer-term, wider change needed.
- **Strategy:** The planned actions that will help achieve the strategic objective.
- **Action Step:** The benefit expected to occur.
- **Partners:** Town departments, community organizations, and institutions that will assist with strategy implementation.
- **Resources:** The goods and/or services needed. The figures provided in this document are preliminary estimates and subject to change as we implement the Action Plan.

County-wide Manufactured Homes Action Plan

- **Manufactured Home:** Factory-built housing, constructed on or after June 15, 1976 and subject to construction standards established by the Department of Housing and Urban Development (HUD).
- **Mobile Home:** Built prior to June 15, 1976, most, but not all, adhere to American National Standards Institute (ANSI) standards.
- **Manufactured Home Community (MHC):** Though laws often refer to “mobile home parks”, the term “manufactured home community” is a common industry term. We use it in this Plan to reduce stigma and set aside the idea that mobility is a key feature of the housing, recognize that houses are homes to the individuals who live in them, and these purpose-built places are communities of people.

To find a list of partner agencies, see page 10

County-wide Manufactured Homes Action Plan

Strategic Objective 1: Preserve manufactured home communities.

	Strategy	Action Steps	Lead Entity and Potential Partners	Resources
1a ★	Support efforts to create resident-owned communities (ROCs)	<ul style="list-style-type: none"> Assist ROC USA and CCE in exploring opportunities to form ROCs Provide funding assistance for acquisition Support resident engagement efforts 	Lead: County and Towns <ul style="list-style-type: none"> ROC USA Carolina Common Enterprise MHC Owners MHC Residents Nonprofit Providers 	\$\$\$\$ 1 person icon
1b ★	Pursue acquisition opportunities of manufactured home communities	<ul style="list-style-type: none"> Explore opportunities to preserve MHPs through acquisition Use available funding sources for acquisition 	Lead: County and Towns <ul style="list-style-type: none"> MHC Owners Nonprofit Providers 	\$\$\$\$\$ 2 person icons
1c ★	Explore land use policies that support manufactured home communities	<ul style="list-style-type: none"> Conduct study of effective land use policies to support preservation Consult with policy experts to determine policy recommendations 	Lead: Towns <ul style="list-style-type: none"> Consultants UNC School of Government Planning Departments 	\$ 2 person icons
1d	Work with manufactured homeowners to improve park quality	<ul style="list-style-type: none"> Engage MHP owners in need of infrastructure improvements Provide infrastructure improvement loans to improve quality of MHPs Implement the County's land banking program 	Lead: County <ul style="list-style-type: none"> MHC Owners MHC Residents 	\$\$ 1 person icon
1e	Rehab and repair homes in MHPs	<ul style="list-style-type: none"> Coordinate with the OC Preservation Coalition to facilitate the completion of home repairs Explore aligning rehab programs and policies between jurisdictions to increase homes repaired 	Lead: Partners <ul style="list-style-type: none"> OC Home Preservation Coalition MHC Residents 	\$\$ 2 person icons
1f	Create an early warning system to identify MHPs at highest risk of redevelopment	<ul style="list-style-type: none"> Identify key indicators to include in early warning system 	Lead: Towns <ul style="list-style-type: none"> GIS and Planning Departments MHC Owners 	\$ 2 person icons

\$\$\$ * indicates \$1 million or more

★ = policy or funding decision required by elected body

\$ = level of financial resources needed collectively

1 person icon = level of staff resources needed collectively



County-wide Manufactured Homes Action Plan

Strategic Objective 2: Minimize resident displacement due to redevelopment.

	Strategy	Action Steps	Partners	Resources
2a ★	Pursue on-site and off-site home construction as part of redevelopment	<ul style="list-style-type: none"> Work with developer applicants to explore relocation options within or outside of a proposed redevelopment 	Lead: County and Towns <ul style="list-style-type: none"> Developers 	\$ - \$\$\$\$ 
2b ★	Explore land use and regulatory policies that can be applied to redevelopment of MHPs	<ul style="list-style-type: none"> Conduct study of effective land use policies to minimize displacement Consult with policy experts to determine policy recommendations 	Lead: County and Towns <ul style="list-style-type: none"> Consultants UNC School of Government Planning Departments 	\$ 
2c ★	Implement master planning processes to proactively create development plans that minimize displacement	<ul style="list-style-type: none"> Explore sites that would be good candidates for master planning Engage stakeholders to gauge master planning interest 	Lead: County and Towns <ul style="list-style-type: none"> MHC Owners Planning Departments Consultants 	\$ 

★ = policy or funding decision required by elected body

\$ = level of financial resources needed collectively

 = level of staff resources needed collectively

County-wide Manufactured Homes Action Plan

Strategic Objective 3: Create a Relocation Assistance Package* to provide meaningful relocation assistance options for residents facing displacement.

	Strategy	Action Steps	Partners	Resources
3a	Proactive engagement to connect MH residents with resources	<ul style="list-style-type: none"> Establish partnership with nonprofit providers to structure program Provide funding to create a sustainable program 	Lead: County and Towns <ul style="list-style-type: none"> Nonprofit providers 	\$ 
3b ★	Use publicly owned land to create relocation opportunities	<ul style="list-style-type: none"> Explore the use of publicly owned land to develop affordable housing as an indirect site for relocation Explore publicly owned land for creation of new MHCs 	Lead: County and Towns <ul style="list-style-type: none"> Engineering and design consultants Affordable housing developers MHC owners and experts 	\$\$\$ 
3c	Provide housing search assistance	<ul style="list-style-type: none"> Provide one-on-one housing location assistance 	Lead: Partners <ul style="list-style-type: none"> Nonprofit providers OCPEH 	\$\$ 
3d	Identify manufactured home communities with open lots	<ul style="list-style-type: none"> Engage MHP owners to determine sites with vacancies Create MHP vacancy database 	Lead: County and Towns <ul style="list-style-type: none"> MHC owners OC Housing Helpline Nonprofit providers 	\$ 
3e ★	Provide financial assistance to relocate homes	<ul style="list-style-type: none"> Determine funding needed to relocate homes 	Lead: Partners <ul style="list-style-type: none"> Developers MHC owners and experts Nonprofit providers 	\$\$ 
3f ★	Provide financial assistance for residents to secure new housing	<ul style="list-style-type: none"> Determine type of assistance needed <ul style="list-style-type: none"> EHA Rental Assistance (security/utility deposits, rent) Down payment assistance 	Lead: Partners <ul style="list-style-type: none"> Developers MHC owners and experts Nonprofit providers 	\$\$ 

*A Relocation Assistance Package would include some combination of the strategies included above.

★ = policy or funding decision required by elected body

\$ = level of financial resources needed collectively

 = level of staff resources needed collectively

County-wide Manufactured Homes Action Plan

Dedicated Resources:

Affordable Housing Land Banking (Orange County Capital Investment Plan)

The land banking fund was established during the FY2015-16 budget process to enable acquisition of manufactured home parks and other property for future affordable housing development. The fund has approximately \$1 million currently available.

Displacement Mitigation Assistance Program (Orange County)

The Displacement Mitigation Assistance Program (D-MAP) provides direct assistance to low- and- moderate-income manufactured housing residents facing displacement caused by manufactured home park closure, redevelopment or natural disaster. EmPOWERment, Inc. works with Orange County to coordinate relocation services for D-MAP. Currently, the D-MAP-budget has approximately \$53,000 available.

Potential Resources:

Carrboro

AFFORDABLE HOUSING SPECIAL REVENUE FUND

The goal of the Affordable Housing Special Revenue Fund is to advance the Town's goal of increasing and improving the stock of affordable housing within Carrboro and its planning jurisdiction. Special Revenue Funds may be used for land banking, construction, acquisition, pre-development costs, repair, rehabilitation, and other home preservation activities. The Town Council has approved a penny and a half property tax allocation, approximately \$337,500, which is a dedicated annual revenue source for affordable housing. For more information on the Affordable Housing Special Revenue Fund, visit the [Town's website](#).

Chapel Hill

AFFORDABLE HOUSING FUND (AHF)

In 2002, the Town Council established the AHF to preserve owner-occupied housing in Chapel Hill for affordable housing purposes.

Eligible Uses: The AHF has a variety of eligible uses, including:

1. Preservation of owner-occupied housing

County-wide Manufactured Homes Action Plan

2. Land acquisition
3. Renovation
4. Affordable housing construction
5. Rental and utility assistance

For more information on the Affordable Housing Fund, visit the [Town's website](#).

AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR)

In fiscal year 2014-15, the Town Council allocated over \$688,000 for affordable housing and approved an allocation strategy for this funding, establishing an Affordable Housing Development Reserve (AHDR).

Eligible Uses: The AHDR is dedicated exclusively to the development and preservation of affordable housing. Priority project areas are:

1. Land bank and land acquisition
2. Rental subsidy and development
3. Homeownership development and assistance
4. Future development planning.

For more information on the Affordable Housing Development Reserve, visit the [Town's website](#).

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

The CDBG Program was created by the U.S. Congress in 1974 and is administered by the Department of Housing and Urban Development (HUD). The primary objective of the program is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income peoples.

Eligible Uses: [CDBG eligible activities](#) include, but are not limited to:

1. Acquisition of Real Property
2. Relocation and Demolition
3. Rehabilitation
4. Public Facilities and Improvements, and Public Services.

For more information about the CDBG program, visit the [Federal CDBG website](#) and the [Town website](#).

County-wide Manufactured Homes Action Plan

Orange County

Urgent Repair Program

Orange County administers the Urgent Repair Program (URP) to finance emergency and critical repairs and accessibility modifications for low-income homeowners. Up to 20% of the total housing units repaired or modified may be manufactured housing units that are owned and occupied by eligible homeowners on rented lots. The North Carolina Housing Finance Agency awarded Orange County \$100,000 in program funds and the County committed \$40,000 in local funds for the 2021 program cycle. Funds for the 2020 cycle have all been expended.

HOME Investment Partnerships Program

The HOME Investment Partnerships Program is the largest federal block grant program dedicated to increasing the availability of affordable housing for low-income households. HOME provides flexible financing to states and localities (called “participating jurisdictions”) to use for affordable housing activities that fall into four main categories: rehabilitation of owner-occupied housing; assistance to homebuyers; acquisition, rehabilitation or construction of rental housing; and tenant-based rental assistance. HOME funds may be used to purchase and/or rehabilitate manufactured homes, provided that the owner is low-income and owns the land beneath the manufactured home. The U.S. Department of Housing and Urban Development (HUD) awarded Orange County about \$379,000 in HOME for 2021. In addition, the Towns and the County collectively contribute local matching funds to the program, in an amount equal to 25% of HOME funds to be used for affordable housing activities.

County-wide Manufactured Homes Action Plan

Eligible Funding Sources Overview:

	Strategy	Orange County				Chapel Hill				Carrboro
		CIP	Displacement Mitigation	Urgent Repair	HOME	AHF	AHDR	CDBG	BOND	AHSRF
1a	Support efforts to create resident-owned communities (ROCs)	✓			✓	✓	✓	✓	✓	✓
1b	Pursue acquisition opportunities of manufactured home communities	✓			✓	✓	✓	✓	✓	✓
1d	Work with manufactured home owners to improve park quality	✓			✓	✓	✓	✓	✓	
1e	Rehab and repair homes in MHPs	✓		✓	✓	✓	✓	✓	✓	✓
2a	Pursue onsite and off-site home construction as part of redevelopment	✓			✓	✓	✓		✓	✓
3b	Use publicly owned land to create relocation opportunities	✓			✓	✓	✓		✓	✓
3e	Provide financial assistance to relocate homes	✓	✓		✓	✓	✓			
3f	Provide financial assistance for residents to secure new housing	✓	✓		✓	✓				✓

Partners: Community Organizations

The MHP Implementation Team will partner with these community organizations to carry out the Action Plan. We anticipate that additional partners will be identified as we implement the Action Plan.

Banks & Lending Institutions: There are several local, statewide, and national banks in Chapel Hill. Several partners include: [BB&T](#), [State Employees Credit Union](#), [Latino Credit Union](#) and more.

Carolina Common Enterprise (CCE): CCE is a nonprofit focusing on co-ops that address unemployment, poverty and other issues struggling small, rural and urban communities face across the Southeast, including manufactured homes. CCE is an affiliate of ROC USA.

County-wide Manufactured Homes Action Plan

[Chapel Hill Carrboro City Schools](#) (CHCCS): The local school system. CHCCS has several initiatives related to immigrant and refugees, including the [CHCCS Newcomer Program](#) and the [Social Justice Academy](#) at East Chapel Hill High School.

[CHICLE Language Institute](#): CHICLE offers translation and interpreting services in many languages. They also offer language classes.

[Community Home Trust](#): A local nonprofit organization that strengthens the Chapel Hill community with permanently affordable housing opportunities.

[El Centro Hispano](#): A regional nonprofit organization that works to strengthen the community, build bridges and advocate for equity and inclusion for Hispanics/Latinos in the Triangle Area of North Carolina.

[El Pueblo, Inc.](#): A local nonprofit organization that supports the Latinx community.

[EmPOWERment, Inc.](#): A local nonprofit with work focusing on affordable living options, education, home ownership, community building, and grassroots economic development.

Faith Communities: There are several churches in the Chapel Hill community that serve immigrant and refugee residents. BIC has worked closely and will continue partnering with [St. Thomas More Catholic Church](#), which serves many Latinx residents.

[Family Success Alliance](#) (FSA): A collective impact initiative, FSA partners with low-income families to ensure families have the skills and tools needed for their children to feel successful and be successful.

[Habitat for Humanity](#): A national and international nonprofit organization, with an affiliate in Orange County, NC, that helps families in need build and own quality affordable homes.

[Legal Aid of North Carolina](#): A statewide, nonprofit law firm that provides free legal services in civil matters to low-income people in order to ensure equal access to justice and to remove legal barriers to economic opportunity.

[Orange County Affordable Housing Coalition](#) (OCAHC): A coalition of individuals and organizations working together to provide housing opportunities for all in Orange County, NC. Members include: CASA, Community Empowerment Fund, Community Home Trust, DHIC, EmPOWERment, Inc., Habitat for Humanity of Orange County, Inter-Faith Council for Social Service, Justice United, Marian Cheek Jackson Center for Saving and Making History, Self-Help Credit Union, UNC Partnerships in Aging Program, Weaver Community Housing Association, Family Success Alliance, Triangle J Council of Governments, Orange County Partnership to End Homelessness, and representatives from the Towns of Carrboro, Hillsborough, Chapel Hill and the Orange County government.

County-wide Manufactured Homes Action Plan

Orange County Home Preservation Coalition: A collaborative of organizations that provide home repairs and modifications to Orange County residents. The Preservation Coalition seeks to increase communication and collaboration among organizations to decrease burden on clients and service seekers, many of whom are older adults.

Prosperity Now: For over 15 years, Prosperity Now has been the central partner in the work to promote manufactured housing as a safe, stable, and affordable path to home ownership and wealth creation for low-and moderate-income residents

Refugee Community Partnership: (RCP): A local nonprofit, community-driven organization that aims to build unique, holistic, and comprehensive support infrastructure for relocated families.

ROC USA: ROC USA is a nonprofit social venture whose mission is to make quality resident ownership viable nationwide and to expand economic opportunities for homeowners in manufactured home communities.

tilde: A local language justice cooperative, tilde creates a sustainable livelihood for language workers, and advances language justice by providing high-quality interpreting, translation, training, and consulting in the North Carolina Triangle region and beyond.

University of North Carolina School of Government: As the largest university-based local government training, advisory, and research organization in the United States, the School of Government serves more than 12,000 public officials each year.

Partners: Local Government Departments

Many departments will be involved in the implementation of the Action Plan. The departments listed below are expected to be key partners in the Action Plan.

Housing and Community Departments: The Orange County Housing and Community Development, Town of Chapel Hill Housing and Community, Town of Carrboro Housing and Community Services departments, and the Hillsborough Planning and Economic Development division are anticipated to play a primary role in implementing the Action Plan.

Planning Departments: Planning Departments will assist with land use and zoning related matters.

Geographic and Information Systems (GIS): GIS departments will assist in data visualization and mapping.

Partners: State Organizations

County-wide Manufactured Homes Action Plan

[North Carolina Housing Finance Agency](#): NCHFA's Mission is to create affordable housing opportunities for North Carolinians whose needs are not met by the market.

[North Carolina Affordable Housing Coalition](#): The North Carolina Affordable Housing Coalition has been leading a movement to ensure that every North Carolinian has a home in which to live with dignity and opportunity.



Manufactured Home Park Resident Engagement Report

May 2018

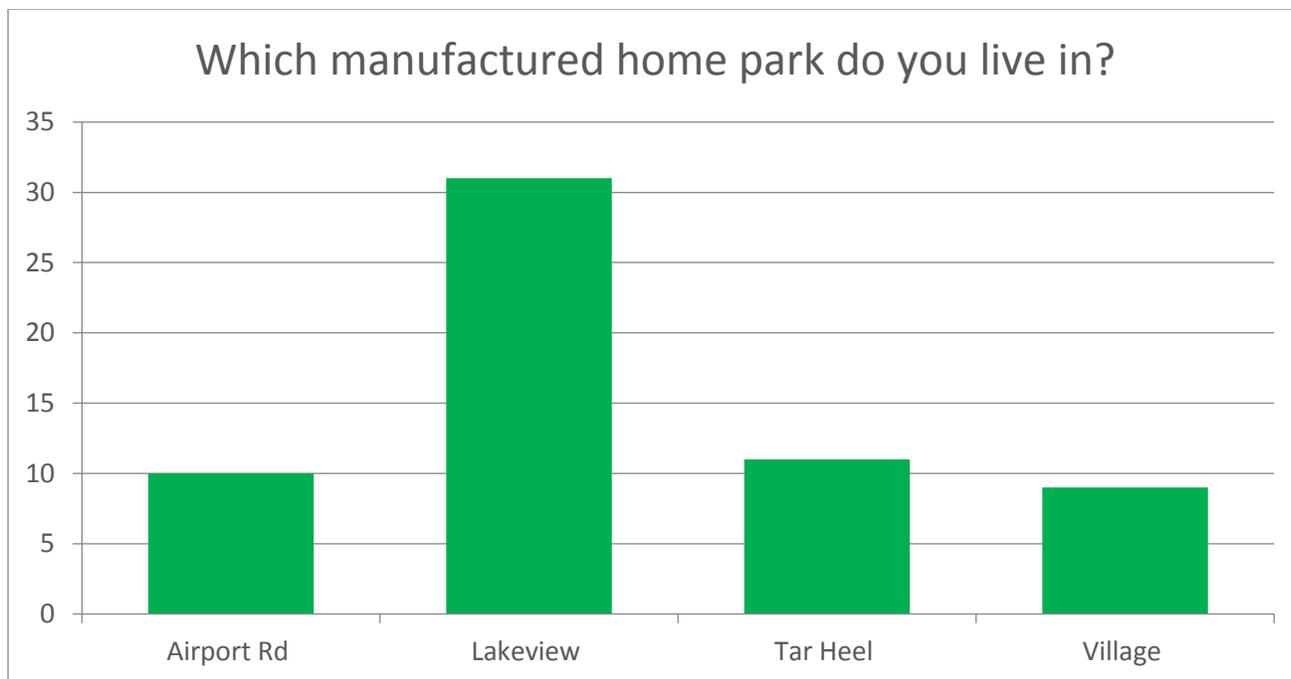
The purpose of this report is to summarize the results from the survey and focus groups conducted by the Town of Chapel Hill Office for Housing and Community of manufactured home park residents in the winter and spring of 2018 on household composition and housing preferences.

SUMMARY OF RESPONSES

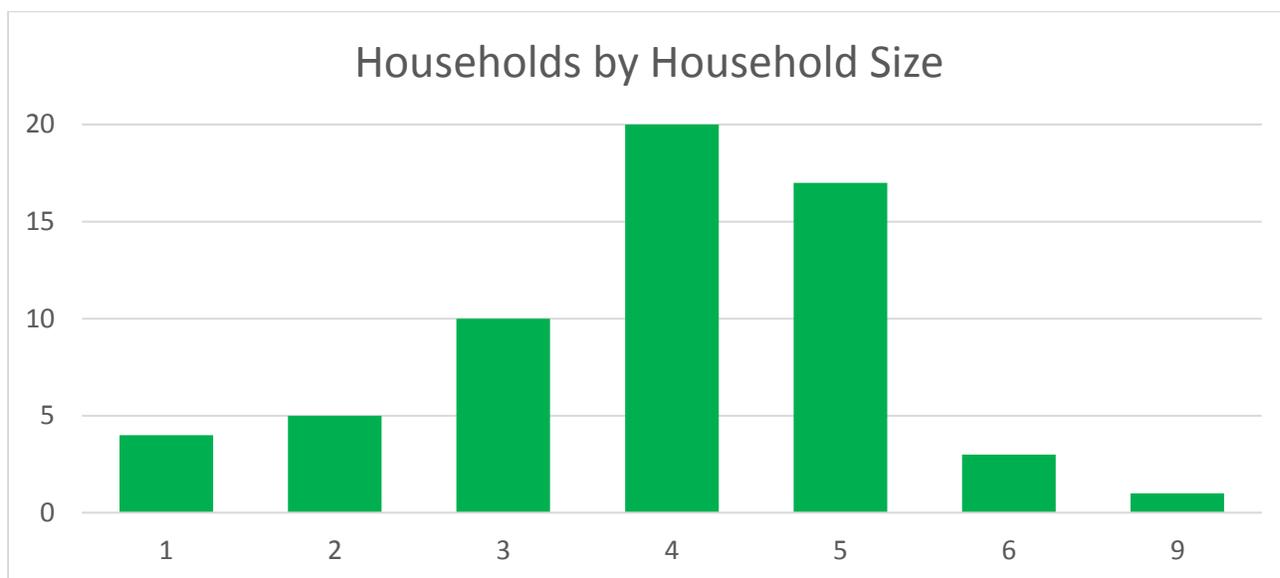
- More than two out of three (68 percent) of households have lived in their home for at least ten years.
- The average household size is four people for surveyed households.
- Surveyed households like most that their current living situation is close to work, safe, affordable, and close to shopping and services.
- The average annual income for surveyed households is \$31,418.
- 90 percent of surveyed households own their manufactured home.
- The average monthly housing cost is \$604 and the median is \$575.
- A majority of surveyed households prefer either an attached or detached single family home as an ideal living situation.
- Regarding potential relocation options respondents would consider, responses vary widely but include: moving to an affordable apartment or house in town, not having an option, and moving to a different park in town.
- If funding was available to move their household and existing manufactured home, a majority of surveyed households indicated they would not apply.

RESPONSE ANALYSIS

To date there have been 62 responses out of 162 homes in Chapel Hill, for a response rate of almost 40%.

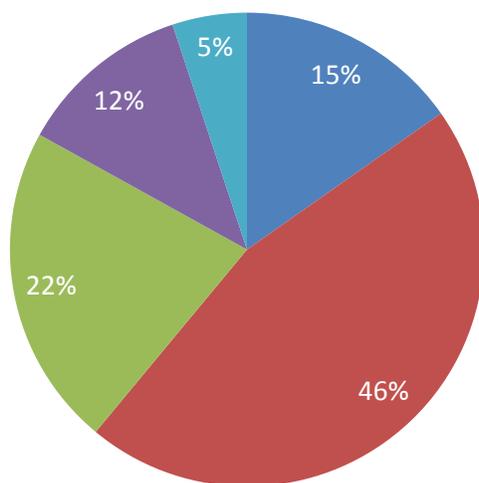


There were 62 responses from four different manufactured home parks.



The average number of people per household of surveyed households is approximately four, with the largest being 9 people.

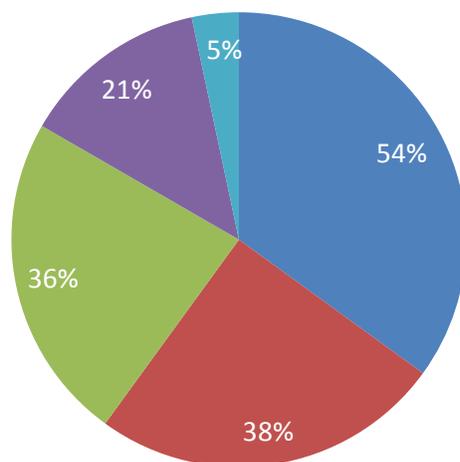
Percent of Households by Household Size - Adults



■ 1 Adult ■ 2 Adults ■ 3 Adults ■ 4 Adults ■ 5 Adults

85 percent of surveyed households have a household including at least two adults. 46 percent of households have two adults.

Percentage of Households by Household Size - Children

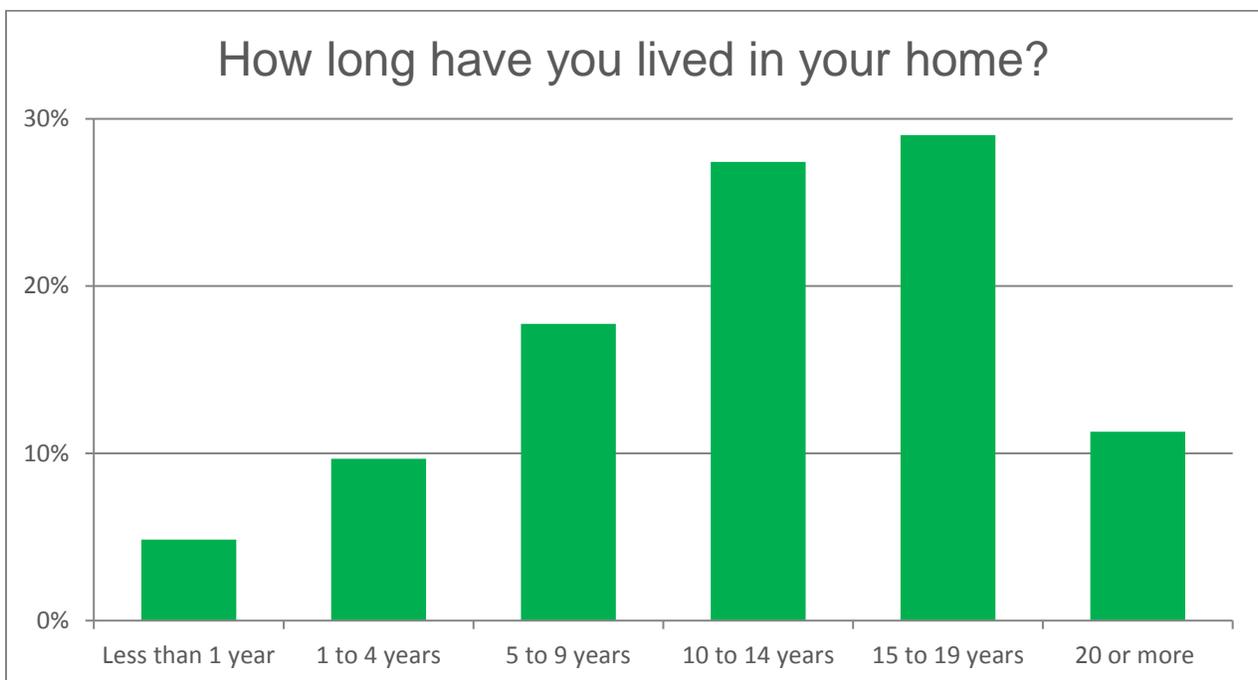


■ 0 Children ■ 1 Child ■ 2 Children ■ 3 Children ■ 4 Children

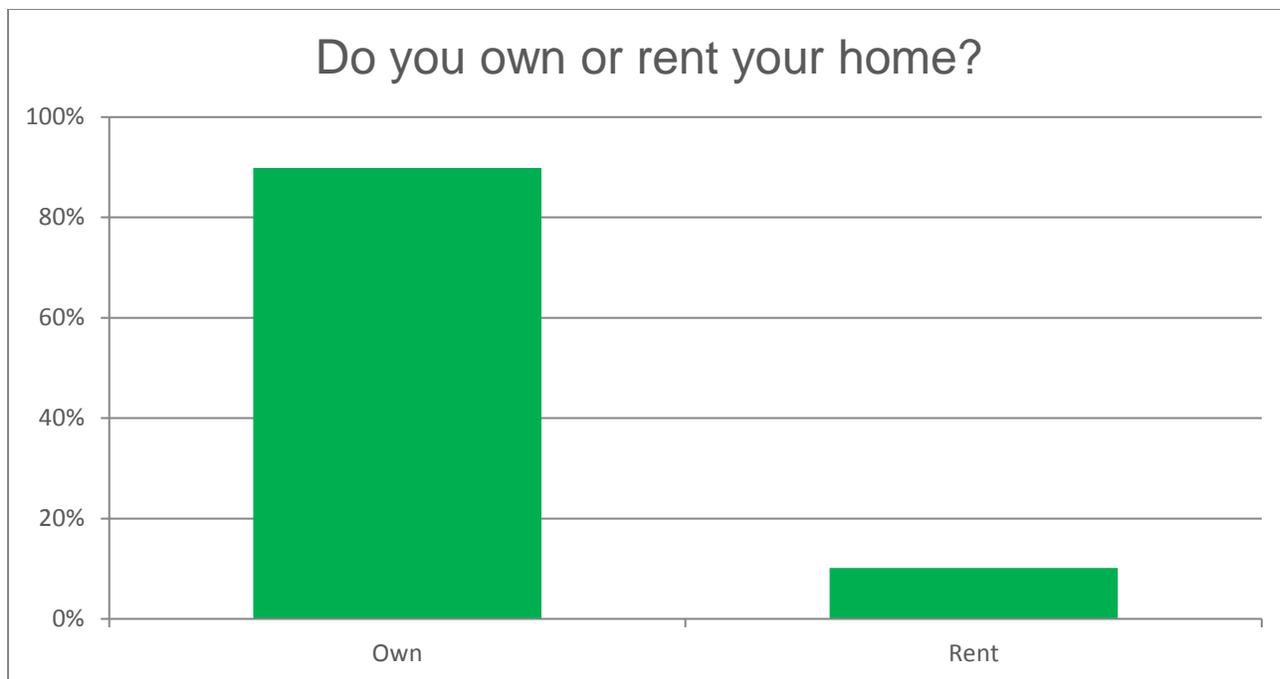
Approximately two out of three (62 percent) surveyed households have children.



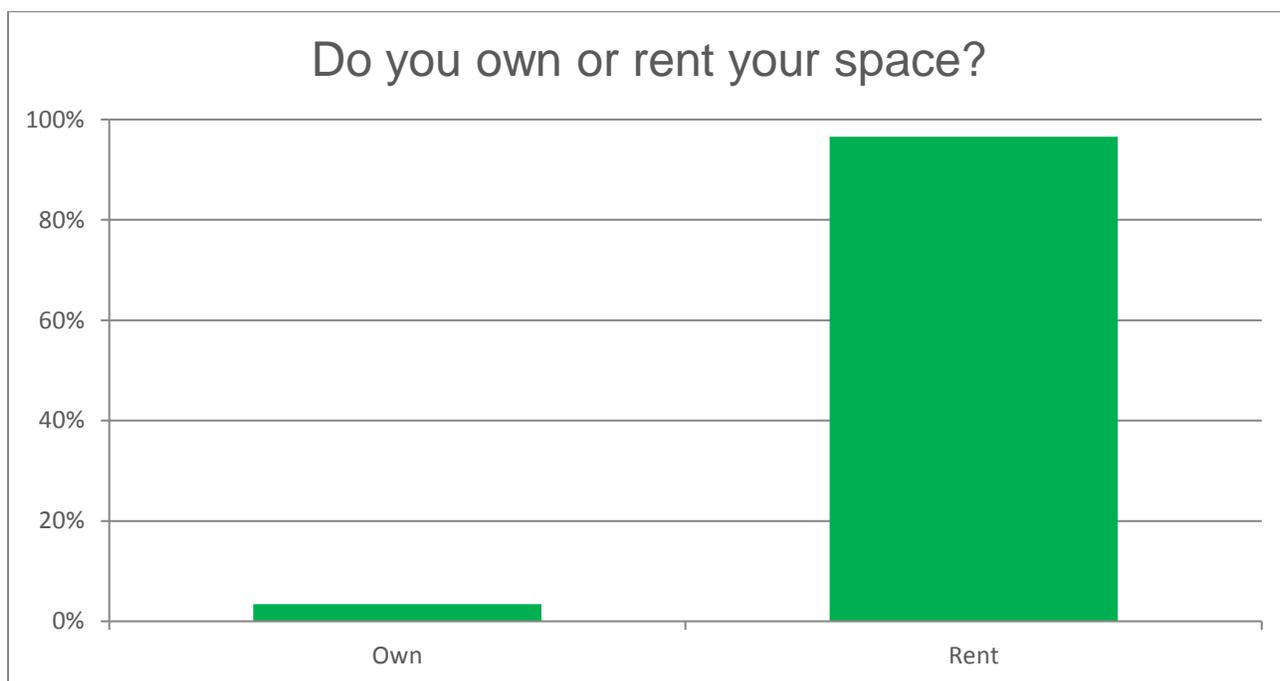
The average annual household income for surveyed households is \$31,418; the median annual household income is \$29,400. Annual household income ranges from \$12,000 to \$86,400.



More than two out of three (68 percent) of households have lived in their manufactured home for at least ten years.



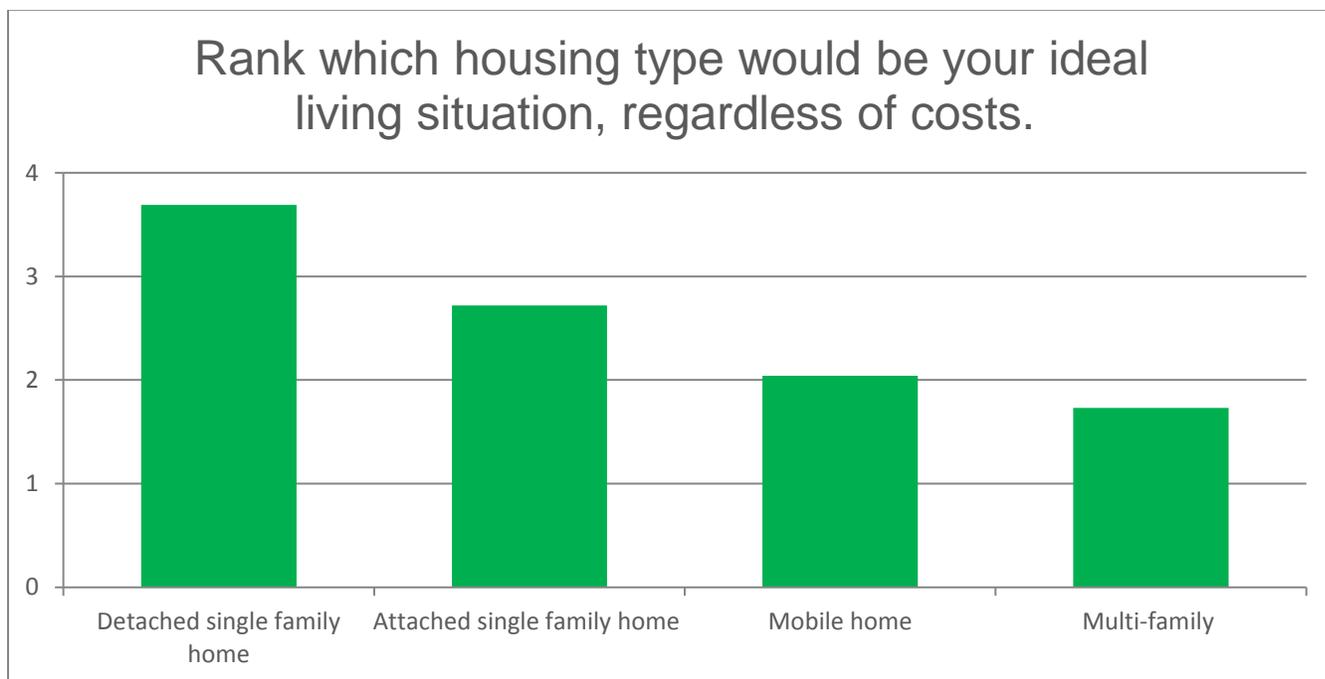
A large majority (90 percent) of surveyed households own their manufactured home.



Almost all of surveyed households indicated they rent their manufactured home space.

What is your total housing cost per month?

- Housing costs typically range from \$450 - \$850. The average monthly housing cost is \$604 and the median is \$575.



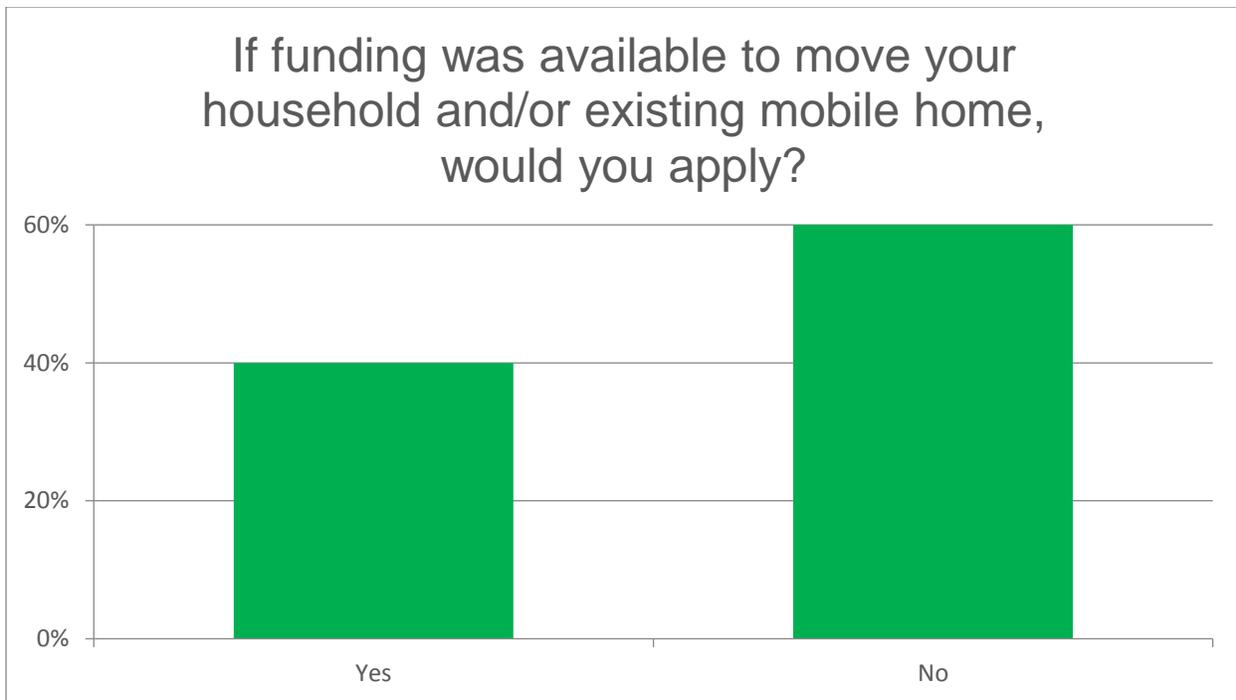
A majority of surveyed households would prefer a detached single family home or attached single family home as their ideal living situation. Some of the primary interests expressed in the focus groups related to residents' preference for a single family home included:

- If residents owned their own home, they would not have to worry about being displaced due to redevelopment or ongoing rent increases.
- Having the ability to pass their homes on to their children, so they can continue to have a home and live in Chapel Hill.
- Having their own space and sense of privacy. One resident said, "Where we live now, the houses aren't far from each other, but we have our own space."
- Not hearing the noise from neighbors if the houses are not connected.
- Having adequate space for children.

Top 5 relocation options you would consider if your park closed.



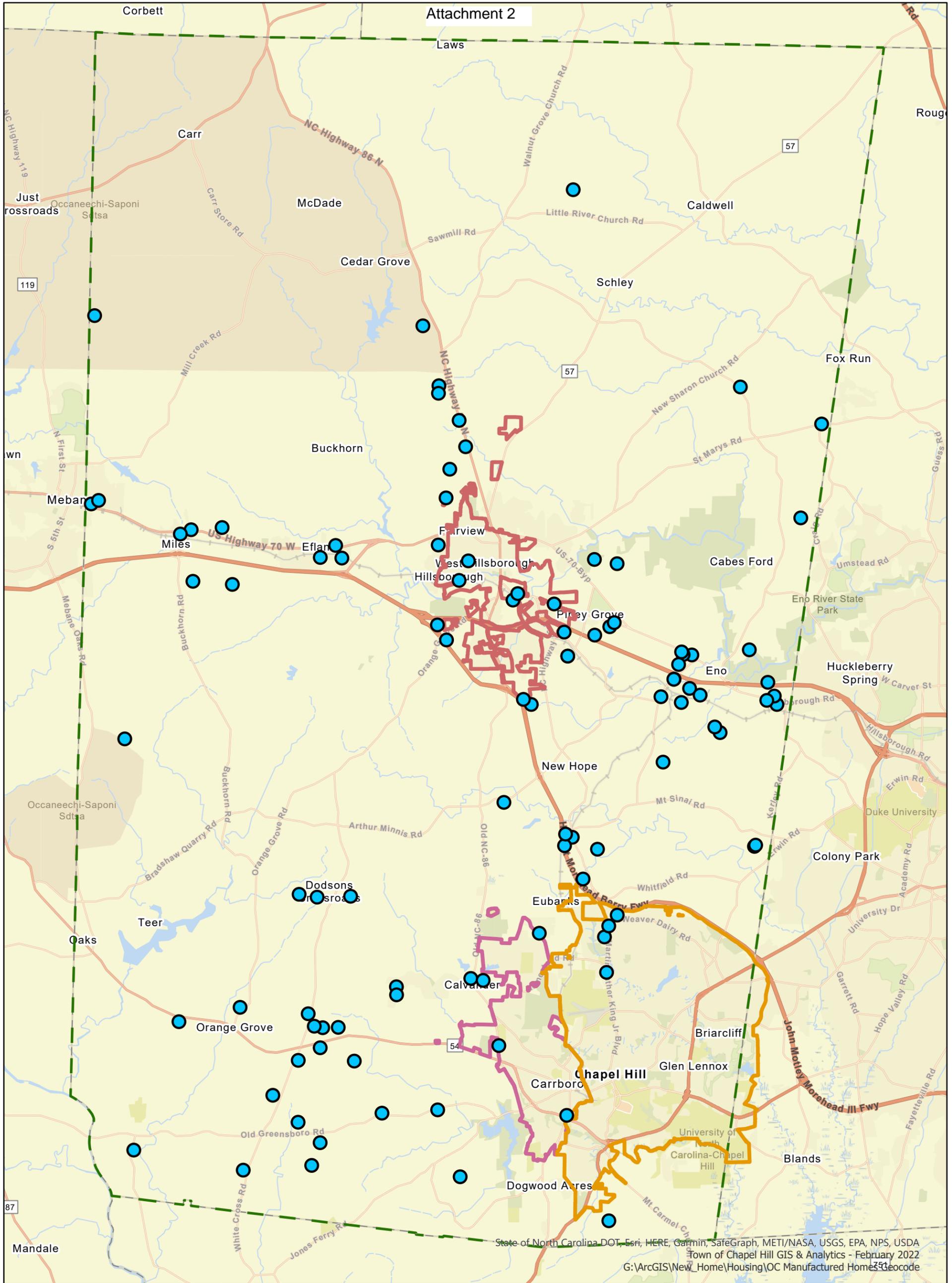
The most preferred potential relocation options that surveyed households would consider include: moving to an affordable apartment or house in town, moving to a different park in town, or moving to a different park in the county. However, many responded that they do not have an option.



A majority (60 percent) of surveyed households would not apply if funding was available to move their household and existing manufactured home. We discussed this question in the focus groups and learned:

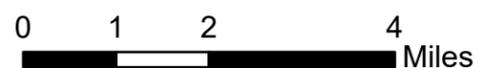
- Residents had concerns about the age and condition of their manufactured homes, which might make moving them to another location prohibitive.
 - Many residents did not see manufactured homes as a permanent housing solution and were concerned if they relocated to another manufactured home park, that park would soon be redeveloped and they would be forced to move again.
 - Some residents expressed an interest in receiving funding, if it was to assist them with finding a single family home.
-

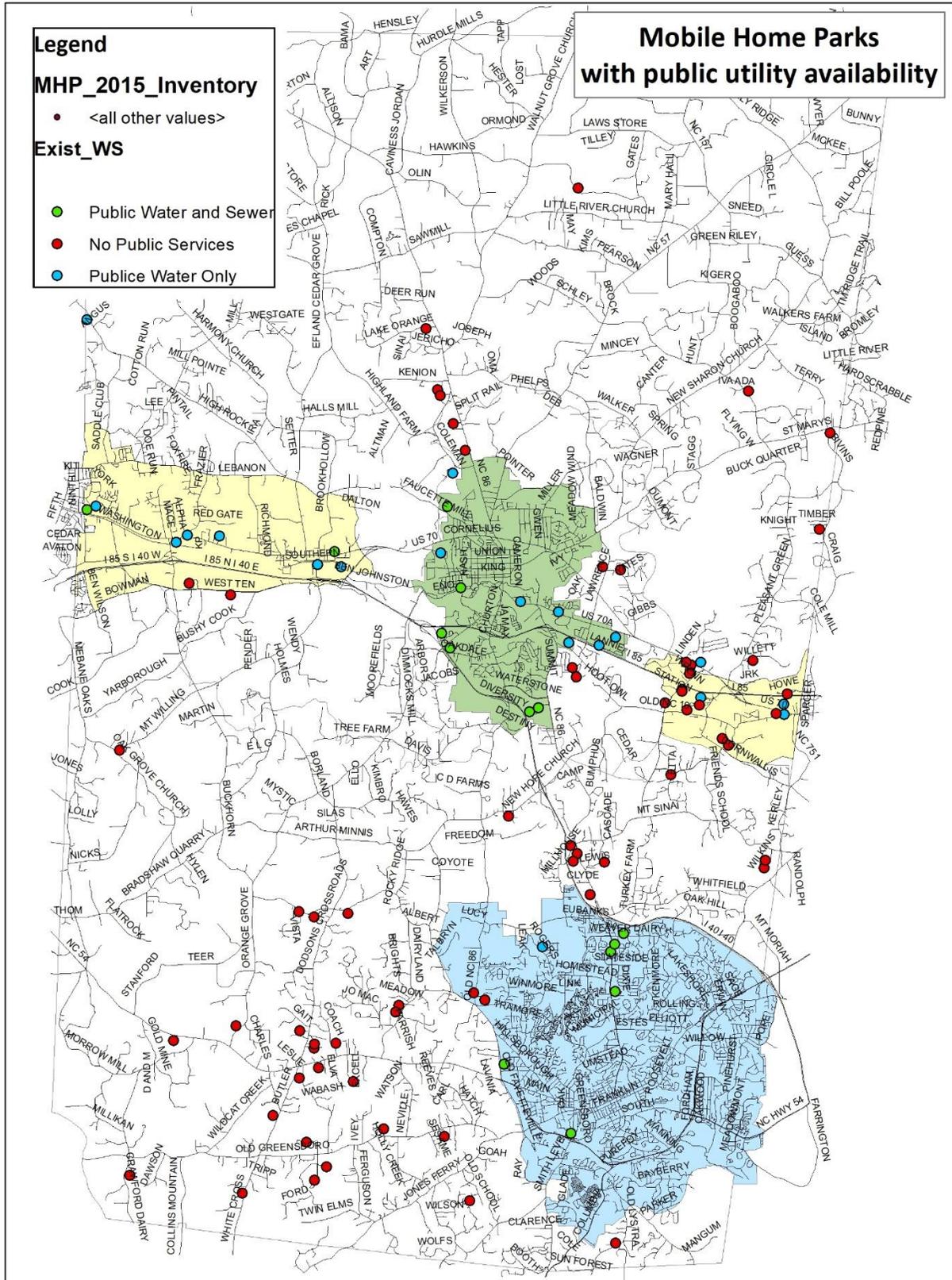
Manufactured Home Communities in Orange County, NC



Legend

- Manufactured Home Communities (100 communities, 2,017 units total)
- Orange County Boundary
- Chapel Hill Corporate Limits
- Carrboro Corporate Limits
- Hillsborough Town Limits





This map represents a very simplistic risk analysis for the existing mobile home parks in Orange County. Each park is represented by a color-coded dot based on current public water and sewer service. The color shaded areas reflect the Primary Service Areas for Orange Water and Sewer Authority, Orange County, and Hillsborough. This shading gives a general indication of availability of services. The map can be displayed to show impacts of current zoning and a basic staff estimation of attractiveness to redevelopment based on utilities and zoning as well.

ORANGE COUNTY BOARD OF COMMISSIONERS

A RESOLUTION ENDORSING THE COUNTY-WIDE MANUFACTURED HOMES ACTION PLAN

WHEREAS, Orange County and the towns of Carrboro, Chapel Hill, and Hillsborough have a long history of collaboration on housing topics; and

WHEREAS, manufactured housing is an important source of naturally occurring affordable housing serving diverse populations and vulnerable community members; and

WHEREAS, in 2016, a number of manufactured home communities in our County were identified for redevelopment by property owners triggering the potential displacement of current residents; and

WHEREAS, the towns and County formed a work group with local housing partners to understand the risks, and potential remedies associated with this redevelopment issue, and strategies for improving and maintaining the quality of the manufactured home communities; and

WHEREAS, the work group generated a report on its findings and an inventory of manufactured housing communities in the County; and

WHEREAS, the environment for redevelopment has not abated and remains a constant threat for manufactured home parks in our community; and

WHEREAS, considering the prior work and continued need for a strategy to preserve manufactured home communities, minimize resident displacement due to redevelopment, and provide meaningful relocation assistance options to be in place moving forward; and

WHEREAS, engagement with residents in communities at risk was conducted to understand their concerns and preferences to guide the creation of the strategies included in the plan; and

WHEREAS, service providers, advocates, residents, and other stakeholders were consulted on development of the plan and staff incorporated feedback from the Orange County Local Government Affordable Housing Collaborative, the Carrboro Affordable Housing Commission, the Chapel Hill Housing Advisory Board, the Orange County Affordable Housing Advisory Board, the Orange County Affordable Housing Coalition, the Manufactured Homes Committee of the Orange County Affordable Housing Coalition;

NOW, THEREFORE, BE IT RESOLVED by Orange County that the Board of Commissioners endorses the Manufactured Homes Action Plan and commits to working cooperatively with the Carrboro, Chapel Hill, and Hillsborough to implement the strategies noted in the plan; and

BE IT FURTHER RESOLVED that the Board authorizes the County Manager to make adjustments to the County-Wide Manufactured Homes Action Plan, as described in the May 24, 2022 meeting materials and as needed as the Towns move into implementation.

Adopted this 24th day of May, 2022.

Renee A. Price, Chair
Orange County Board of Commissioners

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

**Action Agenda
Item No.** 7-a

SUBJECT: Orange County Facilities Master Planning Presentation

DEPARTMENT: Asset Management Services

ATTACHMENT(S):

1. O'Brien Atkins Associates Proposal for Master Planning Services
2. PowerPoint Presentation

INFORMATION CONTACT:

Travis Myren, Deputy County Manager,
919-245-2308
Steven Arndt, Asset Management
Services Director, 919-245-2658

PURPOSE: To receive a presentation on the scope of services to be performed by O'Brien Atkins Associates for the development of the Orange County Facilities Master Plan, and to provide an opportunity for the Board to provide feedback regarding plan development.

BACKGROUND: Orange County issued a request for qualifications (RFQ) and has selected O'Brien Atkins Associates of Durham, NC to help develop a Facilities Master Plan to guide the development of County properties and programs over the next **twenty year** time frame.

The work will include a review of background information, related plans and programs, an inventory and condition analysis of selected facilities, a population growth assessment and program demand analysis, a related gap analysis and action plan, development of program options and recommendations, and preparation and presentation of the final Master Plan Report.

FINANCIAL IMPACT: There is no financial impact associated with the presentation of the Facilities Master Plan scope of services. The O'Brien Atkins contract totaling \$298,216 was previously approved by the Board at the May 3, 2022 Business meeting.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is associated with this item:

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY** The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

ENVIRONMENTAL IMPACT: The following Orange County Environmental Responsibility Goal impacts are associated with this item:

- **ENERGY EFFICIENCY AND WASTE REDUCTION** Initiate policies and programs that: 1) conserve energy; 2) reduce resource consumption; 3) increase the use of recycled and renewable resources; and 4) minimize waste stream.
- **CLEAN OR AVOIDED TRANSPORTATION** Implement programs that monitor and improve local and regional air quality by: 1) promoting public transportation options; 2) decreasing dependence on single-occupancy vehicles, and 3) otherwise minimizing the need for travel.
- **RESULTANT IMPACT ON NATURAL RESOURCES AND AIR QUALITY** Assess and where possible mitigate adverse impacts created to the natural resources of the site and adjoining area. Minimize production of greenhouse gases.

RECOMMENDATION(S): The Manager recommends that the Board receive the presentation on the scope of services to be provided by O'Brien Atkins in the development of the Orange County Facilities Master Plan.

Attachment #1 – O'Brian Atkins Proposal



O'Brien/Atkins Associates, PA
 Architecture | Engineering | Landscape Architecture | Planning | Interiors

April 14, 2022

Steven A. Arndt, MBA, CFM
 Asset Management Services Director
 Orange County Government

Re: Orange County Facilities Master Plan

Dear Steve:

O'Brien Atkins Associates is pleased to present this fee proposal for providing professional planning and design services for the Orange County Government Facilities Master Plan. Our proposal has been organized into the following sections:

1. Scope of Project
2. Proposed Scope of Services
3. Deliverables
4. Proposed Schedule
5. Proposed Team
6. Clarifications
7. Proposed Fees
8. Invoicing & Payments

1. Scope of Project

Base Services: This Facilities Master Plan will evaluate existing Orange County buildings and property and project space needs for a 20-year planning horizon. We will interview the County's 38 departments and determine their space needs and use that information to develop options for both the utilization of existing facilities and new facilities as well. We will prepare phasing plans and cost estimates.

2. Proposed Scope of Services

O'Brien Atkins proposes the following scope of services to meet the intent of this project assignment.

Task 1 - Visioning

- Facilitate a kickoff visioning session with the oversight committee and the County's leadership
 - Describe the County's aspirations for their growth and delivering services to the citizens of Orange County
 - Set goals and direction for work place strategies in County facilities
 - Define strategic goals the Facilities Master Plan should address
 - Review placemaking precedents and identify development opportunities
 - Prioritize the County's goals and aspirations



- Summary report the Counties goals for their growth

Task 2 - Investigation

- Tour the existing County facilities
- Review existing 2021 Facilities Report
- Compile list of current County leases
- Prepare a base map illustrating all facility locations and summary table
- Prepare a physical land analysis of the Counties properties in the Hillsborough area
 - Natural features analysis including terrain, hydrology - flood plains streams and wetlands
 - Buildable area study

Task 3 - Space Needs Analysis

- Department Inventory - The consultant will prepare a department survey instrument for distribution by the County's Project Manager to the department contacts. Data to be requested will include:
 - Departmental mission and function
 - Identification of space driver – staff or equipment
 - Identification of key workload/service demand indicators (i.e., population type served; number of permits, files, calls, requests for services, or other; response time; judicial case filings and detention population)
 - Historic staff counts and workload indicators since 2012
 - Identification of any current staff working remotely and description of in-office space needs
 - Functional space relationships and adjacencies both internally and to other departments
 - Current space allocations and unmet space needs
 - Equipment with significant impact on space needs
 - Use of automation and special communication systems
 - Data/record storage practices
 - Relationship to general public access and visitation
 - Parking needs to include public/visitor, staff, and county/state vehicle totals
 - Staff opinions on any safety, security, or health concerns
 - Staff opinions about functional space problems and deficiencies
 - Staff preference for approach to the department reception area (in- person or remote)



- Department Interviews - Following receipt and review of the survey information, the consultant will conduct in-person and/or virtual interviews with each of the 38 departments. This additional level of information will allow the consultant to:
 - Understand any planned organizational or operational changes
 - Understand the impact of COVID-19 and remote working on existing and future operations
 - Study departmental efficiencies
 - Assess existing operations in terms of function, operational mandates, related service requirements and individual facility and internal unit adjacencies to determine efficiencies via consolidation of functions, improvement of or sharing of space or the use of technology

- Upon completion of all surveys and interviews, the consultant will create a department profile for each physical location. The department profiles will provide a consolidated location for each department's existing conditions, functional characteristics, issues, and any data relevant to developing Personnel and Space Needs Projections. These profiles will be used as tool throughout the master plan to identify:
 - Location or co-location issues
 - Critical adjacencies for optimum efficiency of space, consolidation and technology implementation
 - Historic growth trends and key growth factors
 - How customers access and receive services (in-person versus virtual)
 - How staff provides customer services (in-person versus virtual)

- Space Standards & Benchmarking
 - Applicable industry, state, and/or local space standards will be reviewed and used as a benchmark to assess current space utilization. Attention will be given to the potential space impact of current operational and/or technological trends. The space standards will serve as a benchmark to assess current office, equipment, and parking space utilization for each department.
 - Based on public and private practice and the consultant's professional planning experience, recommended space standards for administrative office, support space, public areas and circulation, equipment and storage unit sizes, and parking will be provided.
 - For a master plan, the size of an individual office or area is not as important as the space-per-person or space-per-equipment standard. Based on the recommended net square foot space standards and the type of department (staff versus equipment driven), the consultant will recommend a space-per-unit (staff or equipment) allocation standard, expressed as department gross square foot (DGSF) per staff, for each department.



- Projections Database
 - Using data obtained from the completed survey instruments and detailed interviews, the consultant will develop a projections database for the County.
 - The first database component will be to prepare a projection of future personnel requirements for each staff-driven department. The projections will quantify changes in personnel in five-year increments up to 20 years. The personnel projections will consider official County population forecasts, historic trends, and agency-specific workload factors indicative of the functions performed. For departments that are not staff-driven, the consultant will identify the impacting growth factor and project the unit need in five year increments for 20 years.
 - Using the unit projection (staff or other) and recommended department space standard (DGSF/unit), the consultant will calculate total DGSF required for each department in five-year increments for 20 years. Space projections will be at a department gross level to develop block space needs for options development.

- Gap Analysis
 - The consultant will identify the gaps between existing facilities and the overall ability to meet current and future space projections. The analysis of the current state to future needs will identify the facility gaps and the opportunities for future development.

Task 4 - Conceptual Planning & Design

- Prepare 3 planning concepts that accommodate the space needs identified
 - Phasing plans for short, mid and long-range plans
 - Refine plans in work sessions with County and select a preferred option
- Real estate broker overview of existing County owned facilities
 - Broker opinion of values for the following County owned facilities identified in the RFP that have been relocated to new facilities or temporarily vacated due to unsafe building conditions (i.e., mold).
 - Dept of Environment & Agricultural Services
 - Detention Facilities
 - Public Defender Building
 - John Link Government Services Center
 - Identification of relocations sites for potential future construction and/or lease.
 - Review status of current leases
 - Cost analysis Pro's & Cons of owned versus leased scenarios
 - Potential remote work strategies
 - Conceptual design of a new County Administration facility

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919.941.9000 | www.obrienatkins.com



- Basic programming of uses and departments
- Blocking diagram of floor plans
- 3D elevations

Task 5 - Communications & Presentations

- Work sessions with the owner's oversight committee
 - 9 work sessions - Once a month over the course of the project
- Monthly reports of the teams completed work, next steps and schedule
- 3 County Commissioners meeting presentations
 - 2 progress updates
 - 1 Final presentation

Task 6 - Documentation

- We will prepare a detailed outline of the master plan report for the team to review
- We will prepare a draft of the master plan report for the County's review and comment
 - Executive summary
 - Space needs analysis
 - Action plan of prioritized list or recommendations
 - Conceptual plans
 - Phasing plans
 - Order of magnitude cost estimates
- We will prepare a final digital master plan report
- We will prepare 3 color renderings that highlight key facilities in the County's growth

3. Deliverables

1. Summary of visioning session
2. Summary of facilities Investigation
3. Space needs analysis
4. Conceptual design plans
5. Phasing and relocation strategies
6. Master plan document

4. Proposed Schedule

We anticipate beginning the project on May 1, 2022 and completing by January 31, 2023. Once we are under contract, we will prepare a detailed schedule of milestones and task.

5. Proposed Team

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O'Brien/Atkins proposes the following team for this project:

Base Services:

O'Brien Atkins will provide the following Master plan services: Project Management, Space Needs, Benchmarking, Space Projections, Leasing and Disposition of Real Estate, Land Planning, Architectural Concept Design and Order of Magnitude Cost Estimating.

- OBA – project lead, Land Planner and Architectural designer
- CGL – Space Planner
- CBRE – Real Estate Lease Evaluations
- Palacio Collaborative – Order of Magnitude Cost Estimating

Supplemental Team members if needed:

- Terracon – Environmental / Mold, Asbestos and Indoor Air Quality

6. Clarifications

- Site surveys are not included
- Site and Building Environmental studies are not included
- Geothermal well evaluation is not included
- Traffic or Transportation analysis and planning is not included
- Detailed design plans or permitting plans are not included

7. Proposed Fees

O'Brien Atkins proposes to provide the Scope of Design Services outlined in this proposal. A summary of the fee by phase is as follows:

Base Services	
Task 1 - Visioning	\$19,490
Task 2 - Investigation	\$21,450
Task 3 - Space Needs Analysis	\$72,805
Task 4 - Conceptual Planning and Design	\$98,170
Task 5 - Communication & Presentations	\$39,720
Task 6 - Documentation	\$46,580
	Total Fee \$298,215

The total fee is **Two Hundred Ninety-Eight Thousand Two Hundred Fifteen Dollars (\$298,215)**. Direct reimbursable expenses are included in the fee named above.



8. Invoicing and Payments

O'Brien Atkins will invoice Orange County on a monthly percent complete basis for services performed. Payments are due within thirty (30) days of receipt of invoices.

Closing

O'Brien Atkins appreciates the opportunity to work with Orange County and looks forward to successfully delivering this project. If the contents and terms are acceptable, please sign below and return a copy for my records – this will serve as our notice to proceed.

Sincerely,
OBRIENATKINS ASSOCIATES, PA

A handwritten signature in black ink, appearing to read 'Jay W. Smith'.

Jay W. Smith, PLA, ASLA, LEED AP
Principal

Director of Landscape Architecture and Planning

cc: Kevin G. Montgomery, FAIA, LEED AP BD+C

John L. Atkins III, FAIA, LEED AP

Accepted

Date



Facilities Master Plan BoCC Meeting 5-24-22



Agenda

Introductions

Overview

Managing for Success

Process and Approach

Representative Projects

Q&A | Discussion



Kevin G. Montgomery
FAIA, LEED AP BD+C
Principal in Charge



Jay W. Smith
PLA, ASLA, LEED AP
Project Manager



Chloe S. Jaco
AICP, LEED AP BD+C
Principal Planner



Timothy Hillhouse
AIA, LEED AP
Senior Architect

Team



PM, Architecture, Site Analysis, Land Planning, Workplace Strategies



Projections, Demand Analysis, Benchmarking, Needs Assessment



Real Estate Lease Evaluations, Property Disposition Evaluation



Cost Estimating



Environmental, Indoor Air Quality, Asbestos, Mold

Managing for Success

Solutions that meet your objectives and needs

On time and in budget

Maximizing communication to minimize problems

Leveraging technology for efficiencies

Master Plan that serves as working tool

Approach Overview

Phase 1

Understand



Visioning
Your Aspirations



Data Forms &
Interactive
Database
Templates

Phase 2

Define



Space Drivers &
Benchmark
Variables Process

Phase 3

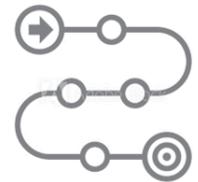
Analyze



Gap Analysis Tools &
Scenario Workshops
Format

Phase 4

Plan



Strategic Plan
Interactive Roadmap
& Implementation
Schedule

Stakeholder Participation

Phase 1: Understand



WHAT WE LEARN

- Identifying policy drivers
- Understanding the stakeholders
- Incorporating holistic approach

- Community Engagement

Information Gathering

Phase 1: Understand

**PASCO COUNTY, FL. COUNTY FACILITIES MASTER PLAN
FUTURE SPACE REQUIREMENTS SURVEY INSTRUMENT**

1. FUNCTION/SERVICE DESCRIPTION
Please describe the mission of your functional area. List major functions, services, activities, or tasks that are performed.

2. Owned/Lease Information
Please indicate if this location is owned or leased: Owned Leased
Square Footage your Dept occupies at this location: _____ Term of Lease Agreement: _____
If leased, annual lease cost: _____

3. REASONS FOR CURRENT LOCATION OF YOUR OPERATION (Check all that apply)
 Need for proximity to neighboring department(s) / division(s) / section(s) / unit(s). (Please specify Dept. below)
 Need for proximity to city/town or outside agency. (Please specify below)

4. HISTORICAL AND ANTICIPATED STAFF
Please indicate the number of full-time equivalent (FTE) personnel in your functional area.

HISTORICAL	2001	2004	2005	2006

4. HISTORICAL AND ANTICIPATED STAFF (continued)
For future years, provide your best estimate of the total number of FTE personnel you may need.

FUTURE NEED	2019	2024	2029	2034

Please explain any projected increase in staff due to new programs, services, etc., below:

5. CURRENT SPACE OCCUPANTS
Please indicate the following for all funded positions/people who physically occupy space in your functional area.

Department Staff/Permanent FTE's	# OF STAFF
Electrical/Officer/Teacher	
Manager/Supervisor	
Professional	
Technical	
Secretary/Clerk	
Line/Field	

Non-Department Staff Located in Your Area
Staff from other Departments / Divisions _____
Volunteers/Interns/Temporary/Contractors _____
* FTE = Full Time Equivalent
* Field = Out of Office > 20 Hours/Week

6. WORKLOAD INDICATORS
From the list below, please indicate the factors that you feel will have the most impact on your functional area over the next 10 years. Please identify any other significant factors (i.e., obsolescence, etc.) that you feel will have the most impact on your functional area over the next 10 years.

INDICATOR	2003	2004

Do you track annual statistics for any "other" factor identified? If yes, please name and provide annual historical workload data:

INDICATOR	2012	2013

7. DATA/RECORD STORAGE
Please specify where all active and inactive files are housed and describe any file or record storage issues or concerns of your functional area, including any off-site storage locations as well as special storage systems/technology used (or anticipated). What types of storage media are used for the records/files? (i.e., paper, microfiche, tape, CD, Optical Discs, other) _____

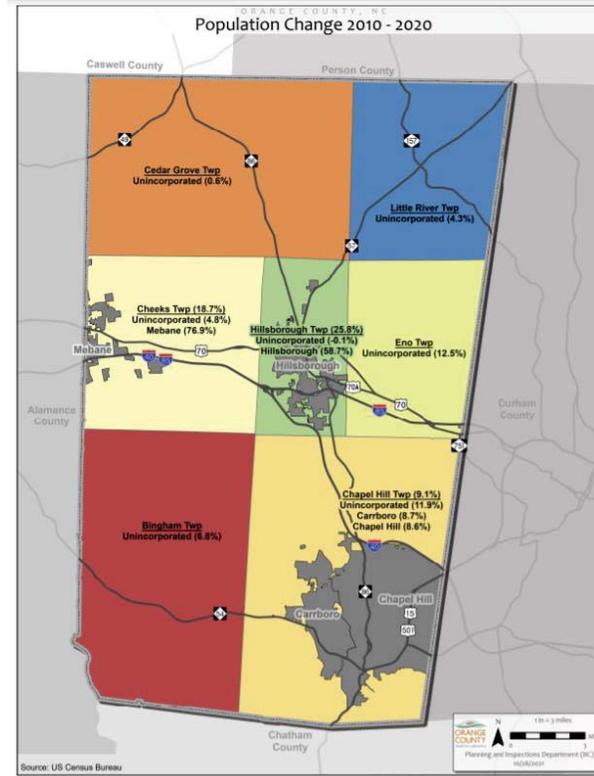
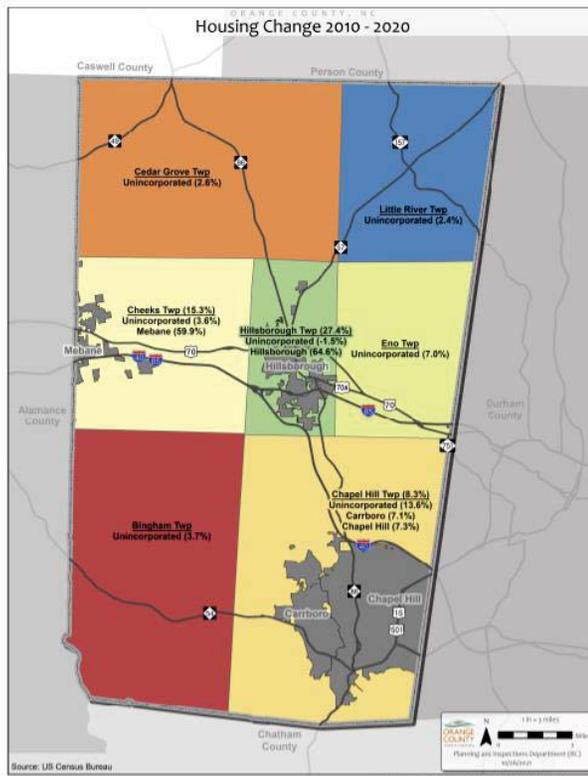
8. TECHNOLOGY/AUTOMATION
Please describe the current or future use of technology/automation other than desktop computers and telephones impacting your area. If the technology impacts space needs, please describe how. What roles/procedures would change as a result of technology? _____

WHAT WE LEARN

- Proven data gathering tools
- Understanding local environment
- Building project database

Trends

Phase 1: Understand



WHAT WE LEARN

- Incorporating projected demographics
- Understanding areas of growth
- Identifying centers of population

Space Drivers

Phase 2: Define



COVID



Population Change



Staff



Space Suitability



Accessibility



Workload



Technology



Equipment

WHAT WE LEARN

- Understanding driver by department
- Gathering relevant data
- Thinking about future impacts

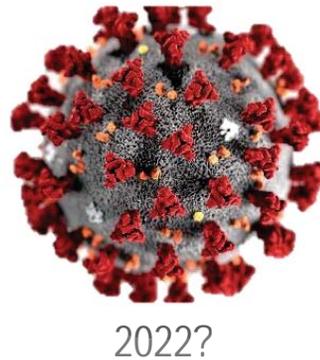
Changing Work Environment

Phase 2: Define



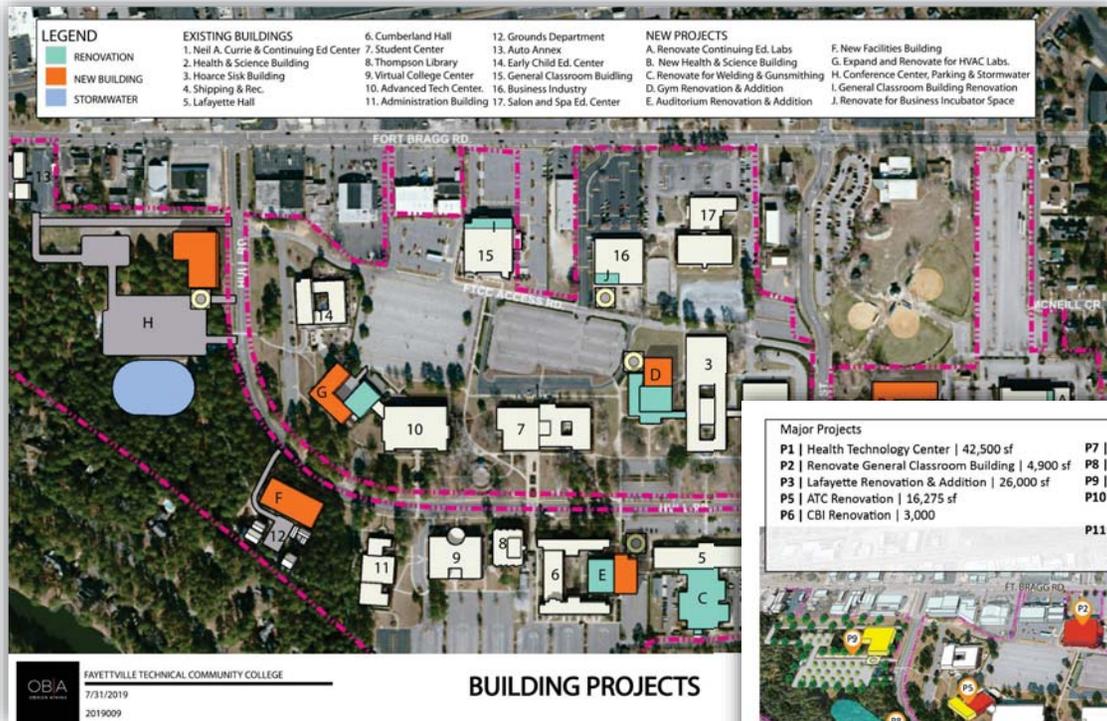
WHAT WE LEARN

- Understanding space trends
- Aligning standards to function
- Impact of Covid



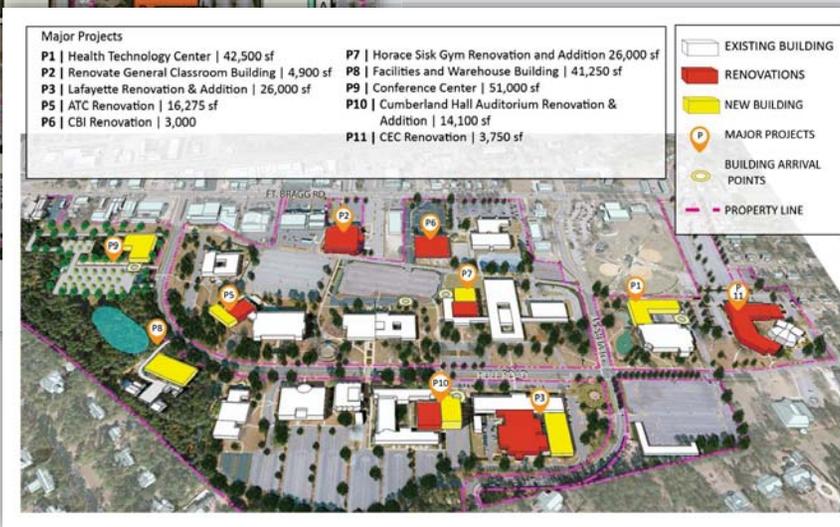
Facility Conditions Assessment

Phase 2: Define



WHAT WE LEARN

- Condition of space
- Facility condition index
- Build upon completed work



Research-Informed Basis

Phase 2: Define

WHAT WE LEARN

- Creating interactive database
- Aligning standards to function
- Impact on capital and operational plan

Process

- Interviewed staff
- Collected historical data
- Calculated existing space
- Projected space driver (staff) using alternative models
- Adopted a space standard
- Applied standard to projected driver (staff)
- Compiled profile sheets for each department

Needs Assessment Phase Space Summary

Category	# Divisions	DGSF ¹ Existing	DGSF 2025	DGSF 2035
General Government	17	59,195	85,910	105,170
Community Services	11	34,571	56,905	68,670
Development Services	2	7,338	13,200	15,075
Judicial	16	89,496	116,430	149,960
Public Safety	10	68,168	94,640	125,805
Public Utilities	5	9,988	21,050	26,990
Public Works	4	27,703	42,595	54,895
Other ²		11,049	9,553	9,553
Unassigned ³		61,600		
Grand Total		369,107	440,283	557,118

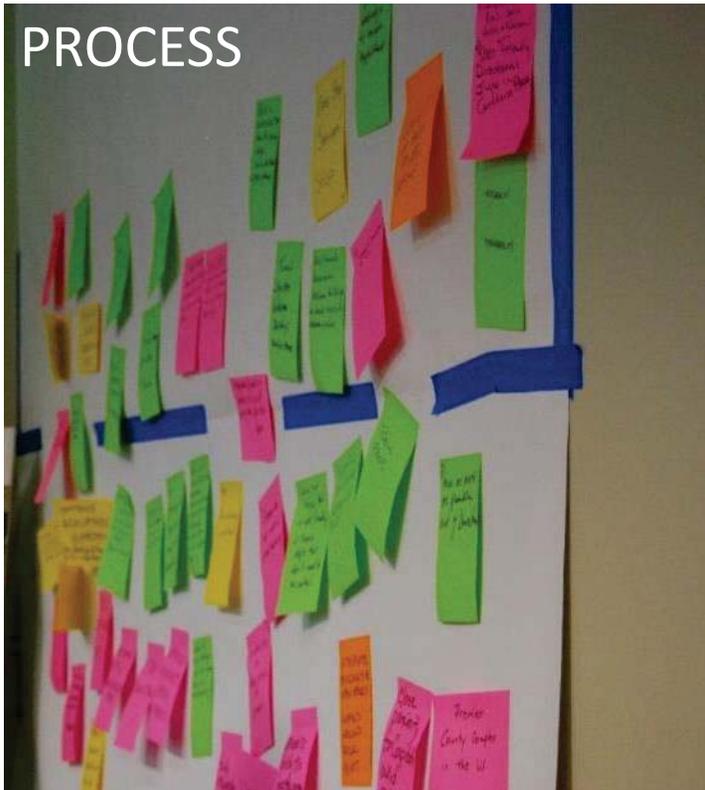
- ¹ DGSF includes the sum of net assignable spaces for a department.
² Other includes various storage sites and CASA.
³ Unassigned includes unoccupied areas in Courthouse, Courthouse Annex, and Sharon Rd.

50%

Operations & Efficiency

Phase 3: Analyze

PROCESS



PEOPLE

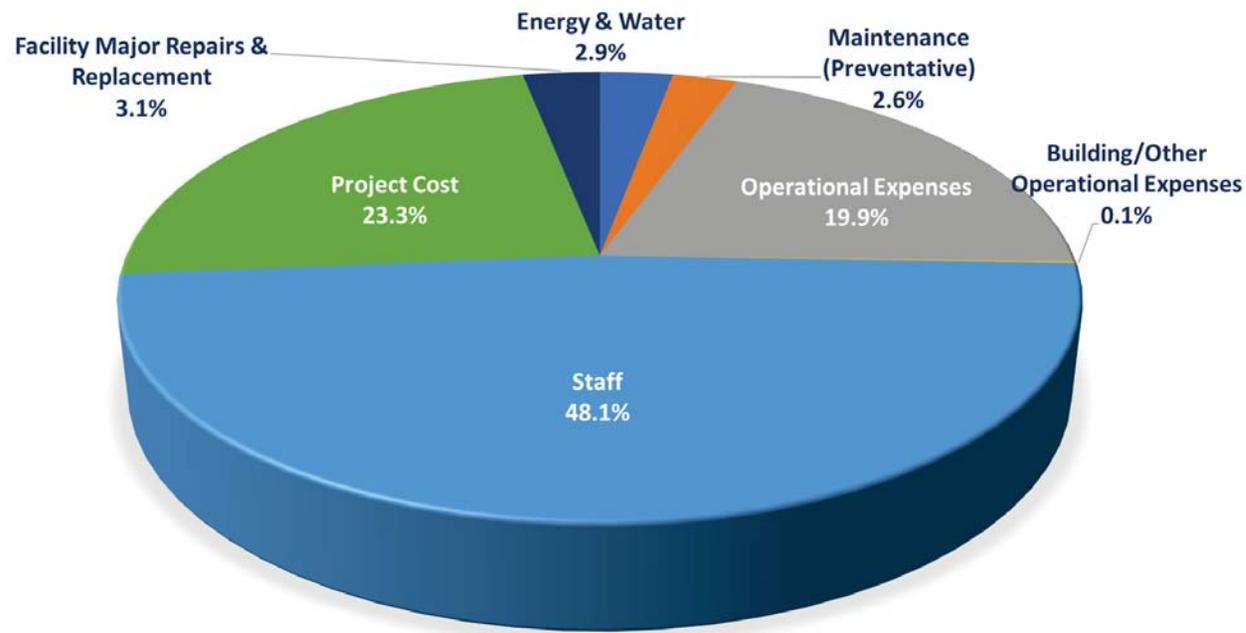


WHAT WE LEARN

- Aligning facilities to function & future land use
- Addressing central/decentralized service
- Addressing public access & employee health

Cost Measurement

Phase 4: Plan

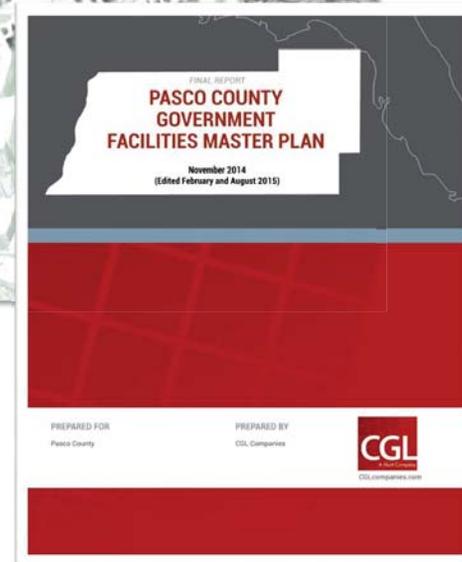
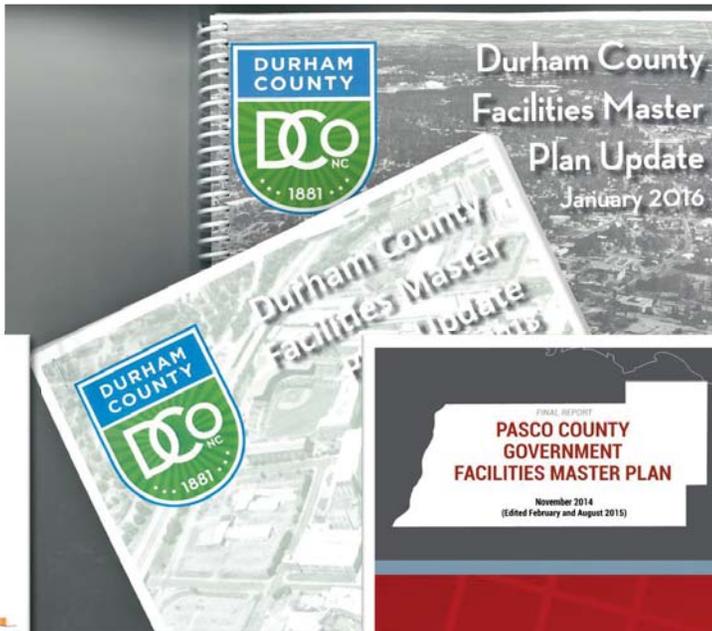
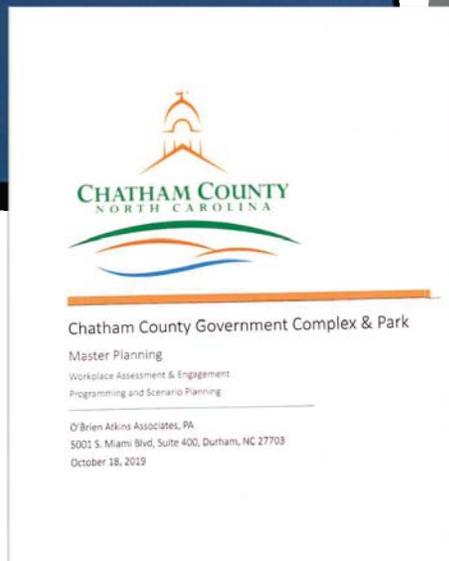
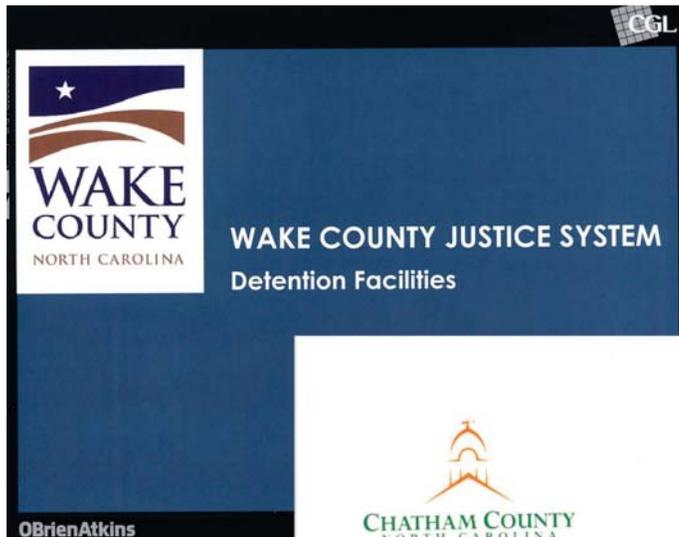


WHAT WE LEARN

- Understanding facility life-cycle & real estate value
- Incorporating operational cost impacts
- Factoring County funding sources & opportunities

A Living Document Deliverable

Phase 4: Plan



WHAT WE LEARN

- Creating versatile master plan
- Delivering interactive tools
- Providing dynamic roadmap to inform decisions

Discussion



**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

**Action Agenda
Item No. 8-a**

SUBJECT: Minutes

DEPARTMENT: Board of County Commissioners

ATTACHMENT(S):
Draft Minutes (Under Separate Cover)

INFORMATION CONTACT:
Laura Jensen, Clerk to the Board, 919-
245-2130

PURPOSE: To correct and/or approve the draft minutes as submitted by the Clerk to the Board as listed below.

BACKGROUND: In accordance with 153A-42 of the General Statutes, the Governing Board has the legal duty to approve all minutes that are entered into the official journal of the Board's proceedings.

Attachment 1: April 14, 2022 Work Session

FINANCIAL IMPACT: There is no financial impact associated with this item.

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

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

RECOMMENDATION(S): The Manager recommends the Board approve minutes as presented or as amended.

1 DRAFT

2 **MINUTES**
3 **ORANGE COUNTY**
4 **BOARD OF COMMISSIONERS**
5 **WORK SESSION**
6 **April 14, 2022**
7 **7:00 p.m.**

8 The Orange County Board of Commissioners met for a Work Session on Thursday, April 14,
9 2022 at 7:00 p.m.

10
11 **COUNTY COMMISSIONERS PRESENT:** Chair Renee Price, Vice Chair Jamezetta Bedford,
12 and Commissioners Amy Fowler, Sally Greene, Jean Hamilton, Earl McKee and Anna
13 Richards

14 **COUNTY COMMISSIONERS ABSENT:** None.

15 **COUNTY ATTORNEYS PRESENT:** John Roberts

16 **COUNTY STAFF PRESENT:** County Manager Bonnie Hammersley, Deputy County Manager
17 Travis Myren, and Clerk to the Board Laura Jensen. (All other staff members will be identified
18 appropriately below)

19
20 Chair Price called the Board of County Commissioners meeting to order at 7:00 p.m.

21
22
23 **1. Boards and Commissions – Annual Work Plan Summaries**

24 The Board provided feedback and/or direction on the second group of boards and commissions'
25 annual work plan summaries with their Chairs (or representatives) in attendance. (A first group
26 of boards and commissions' annual work plan summaries were discussed at the Board's March
27 10, 2022 work session.)

28
29 **BACKGROUND:** In the past, as part of the Board of Commissioners' annual planning and goal
30 setting retreats, the Board requested and reviewed/provided feedback on annual plan
31 summaries from the County's internal advisory boards and commissions. The information
32 provided the Board with a yearly overview of the boards and commissions and their projected
33 goals for the upcoming year. This process ended in 2007. The Board decided at its April 13,
34 2010 meeting to reinstate this process independent of the Board's annual retreats.

35
36 **Boards and Commissions Represented at this meeting:**

37

38 <u>Board Name</u>	39 <u>Representative(s) Presenting</u>
40 Orange County Parks and Recreation Council	Mikki Fleming
41 Historic Preservation Commission	Art Menius
42 Agricultural Preservation Board	Portia McKnight
43 Commission for the Environment	Kim Piracci
44 Arts Commission	Fred Joiner
45 Advisory Board on Aging	Dr. Heather Altman
46 Adult Care Home Community Advisory Committee	Shade Little
47 Nursing Home Community Advisory Committee	Vibeke Talley
48 Board of Health	Bruce Baldwin
49 Board of Social Services	Pat Garavaglia

50

1 Mikki Fleming and David Stancil presented the work plan for the Orange County Parks
2 and Recreation Council.

3 Mikki Fleming said they have been working to expand the diversity of the council. She
4 said they had a presentation on the One Orange Racial Equity Plan from Anita Jones-McNair.
5 She said they have worked with her to create a flier that will be translated into Spanish and
6 Mandarin to encourage diverse applicants to the board from across the county. She said that
7 there was a recommended applicant that is African American for consideration for the
8 Hillsborough seat. She said there is another upcoming vacancy they will recruit for the Chapel
9 Hill seat, and they are hoping to add further diversity. She said they reviewed the applications
10 for funding for outside agencies and they had twice as many applicants this year versus last.
11 She said they had two or three last year and five this year. She said they will be reviewing the
12 progress towards the Comprehensive Plan goals and the midpoint for the Parks and Recreation
13 Master Plan 2030. She said they are continuing to serve as an advisory steering committee on
14 the Mountains to Sea Trail. She said they sponsor the Nature of Orange Photography contest.
15 She said they are also discussing the plans and eagerly awaiting the reopening of Blackwood
16 Farm Park.

17 David Stancil said when the workplan was created back in December, they were talking
18 with Triangle Trails Initiative, and they were considering the idea of creating a county-wide trails
19 plan. He said that at the Intergovernmental Parks Work Group meeting the night before they
20 discussed the towns and county working together to develop a county-wide trails plan for
21 bicyclists and pedestrians during the upcoming fiscal year. He said they would plan to hire a
22 consultant during that time. He said the town representatives at the Intergovernmental Parks
23 Work Group thought it was a good idea. He said the point is that the workplan has evolved
24 since December and that is new information as of last night. He said they want to use the
25 equity lens and framework as they develop a midplane assessment of the Parks and Recreation
26 master plan.

27 Commissioner Fowler said she was glad to hear they were going to work on
28 interconnectivity between bicycle and pedestrian trails because she was going to inquire about
29 the combined work.

30 Commissioner Bedford said they have had good success getting easements for the
31 Mountains to Sea Trail. She said this is good timing for the midpoint for the Parks and
32 Recreation Master Plan review. She said more people are using trails and she thanked the
33 board for working on the issue.

34 Chair Price said she is on the Triangle Trails Initiative. She said there are people on the
35 initiative that can help the county develop the master plan. She said it could save Orange
36 County some money by reaching out for available assistance.

37 David Stancil thanked Chair Price for reminding him of that. He said the plan will take
38 more than just the Orange County Parks and Recreation Council. He said it will take
39 transportation, sustainability, planning, and other agencies to develop a true coordinated plan.

40 Chair Price said there is an app that could be used in the development of the plan to list
41 amenities as people are walking. He said the app could be developed in coordination with the
42 plan.

43 Art Menius and Peter Sandbeck presented the work plan for the Historic Preservation
44 Commission.

45 Art Menius said the commission started a new project to obtain National Register
46 designation for the Ridge Road School. He said the Ridge Road School was built in 1932 and
47 is one of the few surviving examples of a Jim Crow era schoolhouse in Orange County. He said
48 they received two approvals last year. He said one was for the Schley Grange Hall built in 1949
49 and they had a ceremony there in September. He said the grange hall meant a lot to its
50 members. He said the other approval was for Cedar Grove School. He said it was the first
51 modern consolidated black school in 1951 and now is a community center. He said those two

1 are now officially listed on the Federal National Register. He said they are working on new local
2 landmark properties, which will come to the Board of Commissioners for approval. He listed the
3 four properties under consideration: Harvey's Chapel AME Church and its historic cemetery
4 that is set back in the woods; Old Eno Quaker Cemetery, which is one of the few unowned
5 tracts in Orange County and is maintained by the Quaker community; Davis Cotton Gin and
6 Press, which is a rare surviving community cotton gin; and the David Faucette House, one of
7 the best preserved antebellum houses in Orange County. He provided an update on the book
8 project that the commission has been working on for several years. He said the book text is
9 complete and it has been sent to their book advisor. He said they have pushed back the
10 release date many times, but once they have the completed text, they have a contract to print
11 the book. He said they reviewed outside agency funding applications from the Burwell School
12 and from the museum. He said the applications they reviewed were some of the best they have
13 received from these agencies. He said the dendrochronology project received a private grant
14 and they will locate pieces of wood in historic structures to date using dendrochronology. He
15 said they are working on a concept for a county historical marker project. He said the easiest
16 way to accomplish the project is to make virtual markers that can be found using GPS. He said
17 this will cost less than the physical markers. He said that it will be easy to use in the car or at
18 home. He said they are Working to preserve endangered rural historic resources in the county,
19 in particular historic buildings and black burial grounds. He said they want to extend small
20 grants to owners so they can keep up historic sites on their properties. He said they want to
21 research, map, and protect historic black burial grounds. He said they have been planning for
22 the 250th anniversary of the founding of the United States of America. He said they want to
23 improve the diversity of the commission.

24 Commissioner Greene said thanked them for the work. She said she is interested in the
25 county's historic marker program. She asked with the digital marker, how people will know about
26 the virtual marker project.

27 Art Menius said they would need to use the app to locate the properties. He said people
28 can see a property and use GPS to look up the facts about the property.

29 Commissioner Greene said it would be important to use the visitor's center to promote
30 this.

31 Art Menius said that once the app is up and working then they will fully promote it.

32 Chair Price asked about the publication date of the book.

33 Art Menius said 2023.

34 Chair Price asked about Ridge Road School and asked if any of the community
35 members were working on the application.

36 Peter Sandbeck said yes. He said the community is very engaged with the research.
37 He said the community wants to pursue the National Register designation and will consider the
38 county landmark designation later. He said they are contemplating the future of their church
39 and school.

40 Chair Price said she had a conversation with some of the folks at the National Register
41 and they are working hard to preserve black schoolhouses. She said there are grant funds to
42 help preserve black schools. She said the building needs some work.

43 Peter Sandbeck said there is a lot still at the school, such as desks, books, and
44 partitions. He said that once they are on the Historic Register, there will be additional funds for
45 restoration that become available with that designation. He said that the county will pay for the
46 Historic Register designation.

47 Commissioner Richards asked if the commission is optimistic about receiving foundation
48 funding for projects.

49 Peter Sandbeck said there are two avenues. He said one is locating abandoned
50 cemeteries that many people have forgotten about, and they are not even on genealogical
51 maps. He said the state Historic Preservation Office has a federally funded grant program and

1 the state is very interested in pursuing this project with the county. He noted that a formal
2 proposal will be developed for the state during the coming year. He said they will do an
3 archaeological historical assessment and get those mapped out and placed in GIS to be
4 included in the county's planning system. He said these would then show up if people are
5 applying to develop land where the cemeteries and historic structures exist. He said there is
6 very good interest in that program from the state. He said on the preservation side, Ridge Road
7 School, the immediate need is stabilization restoration work. He said there is foundation called
8 the Marion Stedman Covington Foundation in Greensboro that is set up to fund small
9 preservation projects. He believes they will be very interested in funding the Ridge Road
10 School project. He believes they can get start with some structural repairs and then new
11 windows will be placed. He said he believes that same foundation would be interested in
12 partnering with the county to establish a county grant program for preservation of small
13 preservation projects within the county.

14 Chair Price said that she was glad historic preservation has changed its attitude on
15 preserving small, black cemeteries. She said twenty years ago they were in contact with the
16 state, and they said that someone of significance had to be buried there. She said the other
17 challenge is saving them from developers because they are unmarked.

18 Portia McKnight and Peter Sandbeck presented for the Agricultural Preservation Board.

19 Portia McKnight said they have added five farms to the voluntary agricultural district
20 program. She said that is 3,337 acres and that ten years ago there were fifteen farms and today
21 there are 138 farms and 16,845 acres. She said that this has been a successful program to
22 help farmers protect their farmland. She said they have a member on the Orange County Food
23 Council to enhance the local food economy. She said they helped two farms join the century
24 farm program. She said they have two people who review applications from the economic
25 development department agricultural grants. She thanked the Board for their support. She said
26 there is not enough funding to meet the need for protecting active farmland. She said it is an
27 urgent matter than needs action. She said they want to work with planning, Cooperative
28 Extension, Soil and Water and the Board to help preserve farmland. She said North Carolina is
29 second only to Texas in the loss of farmland. She said the land is being subdivided for housing
30 development. She said the second issue of concern is the loss of dairy in the county. She said
31 they would like to find a path to reinvent dairy. She said Orange County has gone from a very
32 strong dairy production county to only having one small dairy. She said a lot of people drink and
33 eat dairy in Orange County, but there are not a lot of producers. She said dairy production is
34 intensive and once we lose infrastructure and knowledge, there is a need to reinvent dairy
35 production and to connect the people who consume dairy with the cows that make the milk.
36 She said there is also a need for a dedicated agricultural trust fund to preserve farmland in
37 Orange County. She said there is an urgent need for money in farming to keep farmland as
38 farmland.

39 Chair Price said thanked Portia McKnight for the presentation and information and said
40 the Board will see what they can do to protect farms.

41 Commissioner Richards asked for clarification on how large lot sizes contribute to the
42 loss of farmland.

43 Portia McKnight said if houses can be clustered in smaller areas, and areas that the
44 county has designated for residential needs, it would preserve larger tracts of farmland. She
45 said it was important that people feel that they are treated fairly in the process. She said that
46 more densely planned residential is needed to preserve the farms.

47 Commissioner McKee said part of the reason we have large lot sizes are due to
48 regulations for storm water runoff and other regulations. He said that it is important to recognize
49 that county regulations affect lot sizes. He said these regulations are related to watershed
50 runoff, impervious surface, and many other reasons that generate a requirement of a minimum
51 lot size of two acres per house for a great part of the county. He said that he is not criticizing

1 looking out for the environment but rather asking that they remain aware that it is county
2 regulations that lead to larger lot sizes. He said that if someone purchases a ten-acre parcel
3 then they are not required to adhere to a lot of those regulations and have a way around it. He
4 said the desire for high end homes also adds to the larger parcels. He said that people want to
5 put large homes on large tracts of land. He said the median income in Orange County allows for
6 people to afford to build large homes and buy those large tracts. He said he would welcome a
7 process to mitigate that. He said he does not see that happening because the county would
8 have to extend water and sewer to encourage smaller lots. He said another factor is the profit
9 potential with farming vs. development. He said from a personal experience, he bought a 26-
10 acre tract and divided it into five separate parcels. He said that in one and a half years, he made
11 more than he had in 19 years farming it. He said that dividing a farm up can result in a profit that
12 is more than decades of farming. He said that the southern portion of the county used to be
13 covered in dairy farms with the northern part tobacco farmed. He said those are all going away.
14 He said that his wife grew up on a dairy farm in the county and he grew up on a tobacco farm
15 and he hates to see the change but that is what is happening, and he does not see it coming
16 back.

17 Chair Price asked Portia McKnight how large her dairy farm is.

18 Portia McKnight said her dairy farm is fifty acres and they have been farming for 20
19 years. She said that is not a very large farm and that they only have 30 cows. She said policies
20 can be written to shift things if they want to. She said the Board is able to do something.

21 Chair Price said they should work with the FFA to get young people interested in
22 farming.

23 Commissioner Greene said the policy decision to not extend water and sewer
24 throughout the county was made over 30 years ago. She said that decision was to protect
25 watersheds and prohibit sprawl. She said she thought there might be a middle ground or an
26 alternative between the status quo large lots - that are necessary to have enough space to perk
27 for a septic tank. She said she would like to better understand the alternatives that are being
28 discussed before breaking the rural buffer. She said one option could be cluster lots with homes
29 built close together and supplied with community septic. She said that once they break the rural
30 buffer, no one will be happy.

31 Commissioner Fowler asked if continuing the Voluntary Agricultural program would help
32 preserve land.

33 Peter Sandbeck said it is only one piece of the puzzle and it is voluntary for only 10
34 years. He said people can walk out at any time. He said the current number of farms is only a
35 small percentage of all the farmland in the county. He said the average age of farmers is
36 around 60 years old. He said they are thinking about the future and what their children might
37 need to with the property to provide for their families. He said they would like to work with all
38 the agencies and then come back at a work session to discuss ideas with the Board.

39 Commissioner Richards said she looked forward to that.

40 Chair Price said she hears about people who move into a new development next to a
41 farm who complain about the smell and the noise. She feels that should be expected. She said
42 they need to work on these issues to preserve farmland. She said that there is work to be done
43 on this.

44 Kim Piracci and Christian Hirni presented for the Commission for the Environment.

45 Kim Piracci said the commission will be working on several projects that align with
46 BOCC goals in the next year. She said they will review applications for the climate grants,
47 review the tree policy for county-owned lands, work with staff to develop a Greene Tract
48 Headwaters preserve, form a joint subcommittee with the Parks and Recreation Council, and
49 support the county's work in water quality issues in the Falls Lake Watershed with the Upper
50 Neuse River Basin Association using the interim alternative implementation approach. She said
51 they would like to review and comment on county rezoning requests. She said they are going to

1 start reviewing the 2024 state of the environment report. She said they want to move to
2 actionable recommendations as opposed to a statement on the environment. She said that
3 there have been recent developments on their workplan. She said just this week, Chris Hirni
4 spoke to them about the roadside wildflower preservation program and that she spoke with
5 Johnnie Randall about this, and he is very enthusiastic about getting it going again. She said
6 that will include many members from lots of different boards and commissions. She said that
7 Johnnie Randall said he felt that they could get a lot more if a county commissioner sat on the
8 committee. She said they are updating their bylaws. She said the biggest update is including
9 climate change in their bylaws. She listed some of their emerging issues. She said they would
10 like to support the commissioners and staff in creating a climate action plan. She said climate
11 change has urgent impacts on public health and they would like to work with the Board of
12 Health on that. She said they would like to expand compost collection. She said they would
13 like to participate in the county's long-term transportation plan. She said they would equity to
14 inform all their recommendations and they look forward to using the tools provided by the racial
15 equity plan. She said they would like to improve the diversity of their commission. She asked
16 that the Board wait for the commission to make a recommendation for filling vacancies so that
17 they can make sure they are filling their diversity goals. She said they are participating in the
18 earth day celebration on April 22 with two tables and the evening event three tables. There will
19 be an outreach table to help recruitment.

20 Chair Price asked for the dates and locations for the Earth Day events.

21 Kim Piracci said the Earth Day celebration is on April 22 from 5:00 P.M. to 7:30 P.M. at
22 the Carrboro Town Commons. She said there will be a children's parade, raffle, activities, and
23 live music. She said there is a lot of interest in the event. She said that the Earth Evening
24 coincides with the Last Friday celebration in Hillsborough on April 29th at 6:00 p.m.

25 Commissioner Richards said she hoped the work on the Greene Tract engages with the
26 community that will be residents there.

27 Christian Hirni said the commission's work is related to the development of the
28 Headwaters Preserve within the Greene Tract.

29 Commissioner Richards said she just wanted it to include the community, whatever that
30 it is.

31 David Stancil said staff understands that it is not quite time for developing the preserve.
32 He said they want to develop a plan to be ready for when the time is right, and that they planned
33 to work with the community. He said there are steps that must happen first but there will
34 certainly be community engagement for that.

35 Chair Price said it would be part of the Greene Tract process.

36 Commissioner Fowler said she was pleased that they included work on the climate.

37 Commissioner McKee said he appreciated the comments about the Board being more
38 deliberative in the process for filling vacancies.

39 Chair Price thanked the commission for moving along with the times and including the
40 climate in their bylaws.

41 Fred Joiner and Katie Murray presented the work plan for the Arts Commission.

42 Fred Joiner read some of the accomplishments by the Arts Commission in the previous
43 year. He said they paid \$68,835 in direct payments to individual artists and programs. He
44 highlighted points from the work plan for the Arts Commission, which was included in the
45 agenda packet. He said the arts programs in Orange County have grown, and as a result, they
46 are operating at capacity. He said they were hoping for increased funding to the arts through
47 hotel occupancy tax, but due to the pandemic their budget is facing an estimated 70%
48 reduction. He said the budget for the arts increased 126% over the last 5 years, but only has
49 one full time employee and two part time employees. He said that staff is not able expand and
50 provide more services that are in demand. He said he is proud of the work the Arts Commission
51 has done and is proud of staff.

1 Chair Price said she wanted to brag on the Home Program, which provides emergency
2 funds for artists that need housing. She said she spoke about it at Americans for the Arts
3 meeting. She said that 20% of the proceeds from the exhibit go to fund housing for artists that
4 need it.

5 Kate Murray said they are working with the Housing department to provide the program.
6 She said the program features fifty-four artists and each piece contains a statement about what
7 it means with the context of home. She said that is one of the most impactful exhibits she has
8 ever seen. She said it is up until May 2nd.

9 Chair Price said there was another exhibit opening at the old courthouse called Our
10 Lens, Our Voice.

11 Commissioner Hamilton asked how the new non-profit is supporting the commission.
12 She asked about the relationship between the non-profit and the commission and if there is
13 anything they must think about legally.

14 Katie Murray said it is a separate entity from the commission. She said it will pursue
15 grants and projects to complement the commission's work.

16 Commissioner Hamilton said that because Katie Murray is involved with both, it is not
17 separate. She said she would like more information on the relationship.

18 Katie Murray said they worked with the County Attorney's office on the non-profit
19 development.

20 John Roberts, County Attorney, said James Bryan worked on the issue and that he
21 would provide more information to the Board.

22 Bonnie Hammersley, County Manager, said that this has been a long-time goal for the
23 county. She said that Orange County is the only county in North Carolina that does not have an
24 independent non-profit Arts Council. She said it is a way to raise money and is like the Friends
25 of the Library and Friends of the Parks. She said that the Arts Commission is a government
26 entity by the way it is established.

27 Commissioner Fowler said she enjoyed hearing about the meaningful collaborations.
28 She also wished Fred Joiner a happy birthday. She asked about the reduction in the budget of
29 70%.

30 Katie Murray said she believes since the work plan was put together more information
31 has emerged that indicates the reduction will not be as severe. She said the gap is larger this
32 year.

33 Bonnie Hammersley said the Arts Commission is funded through the occupancy tax
34 through the Visitor's Bureau. She said they are seeing an increase in occupancy tax and more
35 funds will be available as they see increases.

36 Katie Murray said they receive around 10% of the 3% amount that goes to the Visitor's
37 Center. She said that the budget for FY23 is based on the figures for 2021. She said that is why
38 there is a bigger gap.

39 Dr. Heather Altman and Janice Tyler presented for the Advisory Board on Aging.

40 Dr. Heather Altman said the Orange County Department on Aging and Janice Tyler have
41 done incredible work. She said that last year, she presented virtually during the pandemic. She
42 said that the staff of the Department on Aging continued to work in person at both senior
43 centers and never ceased their operations. She said they provided over one thousand meals via
44 curbside delivery and partnered with law enforcement for some of the home deliveries. She said
45 that it was key that they were not isolating at home. She said the department provided over one
46 thousand virtual events during the pandemic. She said the department developed the master
47 aging plan which the Board will receive in the summer. She said the master aging plan takes
48 place every five years. She said every older person in Orange County should see themselves in
49 the plan. She said the Department on Aging collected surveys from more than one thousand
50 respondents in Orange County with focused outreach to communities of color to ensure
51 representation. She said that the Departments of Aging in Wilmington and Durham just

1 developed their master aging plan and they highlighted the guidance of Orange County's plan in
2 their press release. She said Janice Tyler conducted fifteen interviews within Orange County
3 government leaders and there were seven different workgroups with 33 meetings, and they
4 included over 150 different community members. She thanked Commissioner Greene for
5 representing the Board at the meeting. She said they use the WHO's age friendly community
6 framework in developing the 2017-2022 plan. She said the use of that framework was useful in
7 guiding the plans that they continued this in the current Master Aging Plan. She said it focuses
8 on eight topic areas. She listed the emerging issues that were included in the work plan
9 included in the agenda packet. She said they also want to address the lack of transportation in
10 bringing older adults to the senior center. She said the board is working to recruit applicants to
11 the board that will improve the diversity of the membership.

12 Chair Price asked if there is someone to manage the transportation needs.

13 Janice Tyler said they have a mobility manager, but that this issue is different. She said
14 the issue the mobility manager runs a volunteer driver program. She said they are talking about
15 Orange County Transportation beginning to run their transportation program for seniors again.
16 She said they are planning to resume this service on April 25th.

17 Chair Price asked if Medicare only covers the transportation if they are going to a
18 doctor's appointment.

19 Janice Tyler said only Medicaid does and that Medicare does not cover the cost. She
20 said the cost to ride transportation to the senior center can be high. She said it can be three
21 dollars each way so it would cost six dollars round trip to go to the senior center but if they are
22 further out, it is \$12.75 each way making it \$25.50.

23 Dr. Heather Altman said \$25.50 is a lot to pay for someone to get a free meal and some
24 activities and that these costs are not covered by any program.

25 Chair Price said she is surprised the cost is still that high because this has been a topic
26 of discussion for many years now.

27 Commissioner Fowler asked if the board is communicating with Housing on senior
28 affordable housing needs.

29 Janice Tyler said yes, and that they have made progress, but they have a long way to
30 go. She said they are very involved with the Master Aging Plan work group. She said there is a
31 long way to go for housing for older adults.

32 Chair Price said there was a lot of need from the community for the senior centers to
33 reopen. She thanked them for all their work.

34 Janice Tyler said that they have been reopened in some capacity since July 2021, but
35 they had capacity restrictions.

36 Dr. Heather Altman said the Board of Commissioners serve as ambassadors and asked
37 them to continue to spread the word that they are open.

38 Commissioner Bedford noted that six of seven commissioners are over sixty and that the
39 master aging plan is very impressive. She said she was glad to hear that other communities
40 notice that. She said it was shocking to discover hidden hunger among the senior population.

41 Dr. Heather Altman said that UNC Hospitals ripped the Band-Aid off on that issue and
42 that they are looking more into solutions. She said they have continued to partner with Meals-
43 on-Wheels to provide meals as well.

44 Janice Tyler said the lunch population doubled during the pandemic.

45 Dr. Heather Altman said there really is no reason for anyone in Orange County to go
46 hungry.

47 Commissioner Greene said she was part of a presentation that presented at the
48 Passmore Center. She said it was about a documentary based on Alicia Spencer's life. She
49 there are people in the community that did not even know about the Passmore Center and had
50 never been there or utilized the services. She said that one employee was there voluntarily and
51 not getting paid and that is a testament to the program and Janice Tyler's leadership.

1 Shade Little and Autumn Cox presented virtually for the Adult Care Home Community
2 Advisory Committee.

3 Shade Little said there are no activities for this committee due to the pandemic. He said
4 they are charged to make visits and that due to COVID they have not made any. He said they
5 try to offer suggestions when they can for improving care. He said the people in these homes
6 are most vulnerable to COVID-19. He said they cannot make unannounced visits due to the
7 potential of bringing in infections. He said they are hopeful that issues noticed in the past have
8 not gotten worse.

9 Commissioner Hamilton asked who is keeping the committee from going into the adult
10 care homes.

11 Autumn Cox said that the state ombudsman, Victor Orija, makes that decision. She said
12 that there are numerous groups that are working on reentry plans. She said that ombudsman
13 program has been going into facilities, it is just that the CAC cannot go in.

14 Commissioner Hamilton asked if there is any indication of when they will be allowed
15 back in.

16 Autumn Cox said she heard perhaps August 1st, but that is not official.

17 Commissioner Hamilton said it is important to have more people's eyes on facilities to
18 make sure nothing is going poorly.

19 Autumn Cox said she agrees and that the decision for reentry is being based on the
20 entire state of North Carolina. She said that COVID is still present in some long-term care
21 facilities.

22 Vibeke Talley and Autumn Cox presented for the Nursing Home Advisory Committee.

23 Vibeke Talley said that her committee is in the same boat and have not been able to
24 make the visits, but they have resumed their business meetings. She said that they have been
25 given information about PPE and what they will need to know once they are allowed to reenter
26 facilities. She said that the nursing homes are open to visitors so family and friends can go in.
27 She said that those are eyes on the care, and they will report anything that is amiss. She said
28 that pay has increased for nursing assistants to try to encourage them to stay and to help
29 recruit. She said there are not enough nursing assistants to provide really excellent care in
30 Orange County. She said she did not have much to say because they have not made visits.

31 Commissioner McKee asked what the difference is between Autumn Cox is visiting
32 versus the committee. He said that he has a concern about the lack of oversight in these
33 facilities.

34 Autumn Cox said the committee makes advocacy visits. She said she does complaint
35 management for residents. She said the committee brings general concerns to the manager.

36 Commissioner McKee said he wants to know who is restricting the visits and the
37 reasoning for the decision.

38 Autumn Cox said it is not the facility, but it is the state ombudsman who restricts
39 visitation.

40 Commissioner Bedford said that mask requirements in licensed congregant facilities
41 have not been lifted.

42 Commissioner McKee said his concern is oversight, and these facilities are open to
43 visitors and family and friends. He wonders why they would not be open to a committee that
44 provides oversight.

45 Vibeke Talley said she agreed.

46 Autumn Cox said she could share the contact information for the state ombudsman with
47 the Board.

48 Shade Little said that when his committee visits, they have random conversations with
49 anyone who will talk with them. He said that it is more free range.

1 Commissioner Hamilton said families are in a different position for advocacy. She said
2 families do not always know how to navigate the system. She said the committees are in a
3 different position.

4 Vibeke Talley said that there has been some progress in reducing the isolation by having
5 family members visits, but that her committee would like to go in and visit as well.

6 Commissioner Greene said one of the reasons that the conditions in nursing homes are
7 the low wages for staff. She asked if any of the nursing homes in the county pay a living wage.

8 Vibeke Talley and Janice Tyler said no, except for Carol Woods.

9 Vibeke Talley said they have increased the wages and hourly pay. She said right now it
10 is \$12-\$14/hour for four nursing homes and \$15-\$16/ hour at Carol Woods.

11 Janice Tyler said that is where the General Assembly stepped in and provided those
12 bonuses for longtime care workers.

13 Janice Tyler said that the chair of the Area Agency on Aging (AAA) Board is
14 Commissioner Greene. She said it would be appropriate to go through the AAA board for
15 reentry concerns because it represents seven counties.

16 Commissioner Richards asked about the regulations on safety.

17 Janice Tyler said this has come up in previous years.

18 Commissioner Richards asked who decides the safety expectations.

19 Janice Tyler said the state decides for nursing homes. She said that the Department of
20 Social Services, along with the state Department of Health and Social Services, has authority
21 over adult care homes and assisted living. She said that DSS has a staff person that does the
22 licensure at adult care centers.

23 Commissioner Richards ask for clarification on the distinctions between the care types
24 and centers.

25 Janice Tyler said skilled nursing facilities and long-term care facilities.

26 Commissioner Richards asked where issues go to after a visit is made.

27 Vibeke Talley said they speak with the manager of the facility after a visit and then speak
28 with the ombudsman's office. She said their reports get posted on the Orange County website,
29 which increases transparency.

30 Autumn Cox said any time a state team goes into a building, they always look at most
31 recent CAC report and share what those concerns are. She said they can take those concerns
32 in when they go to survey the site.

33 Commissioner Fowler asked if there is an anonymous tip line for family members to
34 report concerns.

35 Vibeke Talley said the ombudsman's number is always posted in the facility. She said
36 that they ask residents if they can share the information they have learned and if they would like
37 to be anonymous.

38 Janice Tyler said her department also gets the calls on the aging help line and they refer
39 them.

40 Commissioner Bedford thanked Vibeke Talley for serving on the Advisory Board of
41 Aging as well.

42 Vibeke Talley said it has been nice to collaborate and work closely together. She said
43 they also work with the adult care board. She said they have the meetings back-to-back, and
44 they touch base.

45 Commissioner Bedford asked if there was a date for training to begin for new CAC
46 members.

47 Autumn Cox said that the state is waiting for a trainer to be hired. She said that CAC
48 members now need increased number of hours before they can be appointed. She said they
49 have a lot of people who are waiting to take training and they are trying to prepare them so they
50 can get trained quickly and start making visits.

51 Bruce Baldwin and Quintana Stewart presented for the Board of Health.

1 Bruce Baldwin praised the Orange County Public Health Department. He said Orange
2 County was a model for managing a pandemic. He reviewed the makeup of the Board of Health
3 and the rules for serving. He said they meet monthly. He read the general statutes governing
4 the Board of Health. He said almost everything people do is affected by their health and well-
5 being. He said every monthly board meeting has three or four educational presentations. He
6 said some presentations are required by the state of North Carolina as part of the re-
7 accreditation process, and that Orange County will be going through that process soon. He
8 said the new mobile dental clinic is parked at Southern Human Services and sees patients two
9 days a week. He said the plan is for it to be driven around the county when they hire a new
10 dentist. He said Environmental Health remained open for business during the pandemic and
11 added services related to COVID-19. He said the health department was a pilot for an
12 electronic death certificate process. He said the deputy registrar provided over one hundred
13 affidavits of parentage due to state office closures. He said the health staff offered smoking
14 cessation classes to seventy-eight people and provided 261 nicotine replacement therapy kits.
15 He said employees provided well-child checks and family planning appointments through
16 telehealth. He said the health department provided routine immunizations through drive through
17 events. He said there are three permanent subcommittees of the Board of Health. He said the
18 three subcommittees are related to the priorities identified through the community health
19 assessment survey. He said the subcommittees were suspended for a year and a half due to
20 the pandemic but are meeting once again. He said the Health Equity subcommittee has been
21 recently reviewing the need for municipal sewer service in the Gaines Chapel neighborhood.
22 He said they held a forum in a church parking lot recently to provide education and resources to
23 residents. He said the Substance Use Disorder subcommittee is planning to support the work
24 of the opioid task force. He said the Access to Care subcommittee is meeting soon for the first
25 time in a while, and they will be developing a work plan for the next two years.

26 Chair Price said the work on opioids is ongoing. She asked about smoking cessation.
27 She asked if there are any activities for vaping and young people.

28 Bruce Baldwin said just prior to the pandemic they discussed the vaping issue. He said
29 since the pandemic started, vaping has not been discussed. He said they will be discussing it
30 again soon and likely discussing the use of vapes in public spaces.

31 Quintana Stewart said the tobacco coordinator continues to work with the schools to
32 address vaping issues. She said they had discussed similar rules to the tobacco use in public,
33 but they have not proceeded because tobacco could have a \$20 fine and there are no
34 exceptions for vaping and that would lead to violators getting a criminal charge.

35 Chair Price said she was thinking of vaping restrictions for the young people and that
36 she is not seeking to criminalize it.

37 Bruce Baldwin said that the state has discussed vaping being a misdemeanor and they
38 are focusing on education rather than criminalization.

39 Pat Garavaglia and Lindsey Shewmaker presented for the Board of Social Services.

40 Pat Garavaglia said that DSS has accomplished serving an average of 5,076 families
41 per month in food in nutrition and over 8,000 in Medicaid. She said they have also worked with
42 PORCH, Interfaith Council, Orange Congregations and Missions, Friends of DSS, the Foodbank
43 Central and Eastern NC, and the Diaper Bank to help fill in service gaps. She said that they
44 have also managed the new DHHS water assistance program to help people catch up on
45 overdue water bills. She said they have paid over 2,000 utility bills for families in Orange
46 County. She said DSS staff are responsible for managing over \$125 million that does not show
47 up in the county budget. She said there will be changes to DHHS policies and public assistance
48 that will cause many families to lose benefits including food and nutrition and Medicaid. She
49 said many families will need help and staff will be more in demand to answer questions. She
50 said that the work will be focusing on prevention and families that have struggled to recover
51 since COVID. She said DSS staff try to prevent struggling families from falling even further

1 behind. She said that North Carolina has adopted a statewide policy called Safety Organized
 2 Practice and this should create consistency among all one hundred counties. She said this will
 3 require an increase in staff workload to help with transitions and increases to help with staff
 4 recruitment. She said they need help recruiting and retaining qualified staff. She said it is
 5 concerning that DSS lost staff to neighboring counties and other county departments due to
 6 higher wages. She thanked the Board for assistance to the community.

7 Commissioner McKee praised both the Boards of Health and Social Services. He said
 8 these boards put you as close to the needs of Orange County as any board and encouraged
 9 other commissioners to serve on the boards.

10 Commissioner Hamilton thanked the Board of Social Services for their work. She asked
 11 if there is a breakout of the number of older adults versus children or families that receive
 12 Medicaid.

13 Lindsey Shewmaker said she would get that information to the commissioners. She said
 14 their number for total Medicaid enrollment for April was 21,000. She said the number is typically
 15 higher for children.

16 Commissioner Hamilton thanked Lindsey Shewmaker for the information.

17 Lindsey Shewmaker said the criteria to qualify is so limited for older adults that the
 18 greater population tends to be among children.

19 Chair Price said they had a huge budget to manage and thanked them for their work.
 20
 21
 22

23 **2. Discussion on Board Members Voting on County Funding for, or Contracts with, a** 24 **Non-Profit While Serving on a Non-Profit's Governing Board**

25 The Board discussed and considered options for addressing a new state law regarding BOCC
 26 members voting on County funding for, or contracts with, a non-profit while serving on a non-
 27 profit's governing board.
 28

29 **BACKGROUND:** The state adopted a new law last year prohibiting elected public officials from
 30 participating "in making or administering a contract, including the award of money in the form of
 31 a grant, loan, or other appropriation, with any nonprofit with which that public official is
 32 associated." The law describes the covered officials as those who serve on nonprofit boards or
 33 entities that are "organized or operating in the State primarily for religious, charitable, scientific,
 34 literary, public health and safety, or educational purposes and of which the public official is a
 35 director, officer, or governing board member." It further requires covered officials to recuse
 36 themselves from votes on funding for or contracts with these nonprofits. Since outside agencies
 37 are funded by County grants through contracts with those agencies, the determination of how
 38 much funding to give to individual outside agencies is most likely covered by this prohibitive
 39 language. Violation of this law is a Class 1 misdemeanor. The prohibition does not extend to
 40 nonprofits or other entities that are created by the state or a local government.
 41

42 This is a prohibition on individuals engaging in activity while serving as elected officials rather
 43 than a prohibition on the BOCC itself, and ultimately it will be up to covered commissioners to
 44 determine for themselves whether they may be in violation of the statute. As noted above, the
 45 statute requires covered commissioners to recuse themselves from voting on these matters
 46 presumably because each individual commissioner is in the best position to know on what
 47 outside boards that Board member sits.
 48

49 Although there may be other ways to address this issue, four options in order of the ease with
 50 which they may be implemented include:
 51

- 1) BOCC members may resign positions as directors, officers, or governing board members of any nonprofit covered by the new law if that nonprofit receives outside agency funds from or otherwise contracts with the County.
- 2) The BOCC approves 1.2% of general fund county revenue to be awarded to outside agencies and authorizes the County Manager to allocate the funds. If the BOCC does not agree with any allocation, that allocation could be addressed through a budget amendment at which time a commissioner with a conflict could be easily excused or recused. This would eliminate direct involvement in an award by a covered commissioner.
- 3) An alternative suggested by the UNC School of Government is to adopt “a practice of stripping non-profits from (the) general budget ordinance and then including those nonprofits later via budget amendments. That procedure allows conflicted-out board members to vote on the general budget ordinance but recuse themselves from amendment voting.” Similar to the first two options, utilizing this approach would eliminate the risk to individual board members. This could be done at the same meeting at which the budget is adopted because North Carolina General Statute (NCGS) 159-15 allows amendments, with few limitations, at any time after the budget ordinance is adopted.
- 4) Another alternative suggested by the UNC School of Government is to “vote on pieces of the budget in stages prior to adopting the final budget ordinance. While these votes are not binding, they allow the board to make individual policy decisions as they work through the budgeting process. This preliminary vote process offers a potential strategy for handling conflicts arising from a member’s financial interest in a particular budget provision. Under this approach, the Board would take a preliminary (nonbinding) vote on the budget provision that involves the Board member’s interest and excuse the interested member from voting on it. If the matter passes, then it can be incorporated into the final version of the budget ordinance. When the board member later votes on the final version of the budget ordinance, it will be clear from the preliminary vote that the member’s vote was not necessary to approve the provision that involves his or her financial interest.” This approach still carries risk due to the fact that impacted commissioners are still voting on the problematic item even though they earlier recused themselves. The new law prohibits any involvement.

The first three options eliminate risk to covered commissioners. In addition to minimizing or eliminating risk to covered commissioners, options one through three also eliminate even the appearance of impropriety under the new law. As noted above, option four does not eliminate all risk.

John Roberts, County Attorney, introduced the item. He reviewed the materials in the agenda packet. He said that he had previously asked the commissioners to provide a list of the non-profit agencies that they serve on, and he said that most of those were state or local government created. He said those agencies would be exempt from the rule, even if they contract with or receive funding from the county. He said that he only saw three non-profit agencies that may present problems with the upcoming budget: Community Home Trust, Child Care Services Association, and Voices Together. He said it would only affect Chair Price and Commissioner McKee. He said that the commissioners needed to decide how they wanted to approach the issue. He said that they cannot have two separate votes on the budget, and funding for these non-profits is made through the budget. He said that he did not think the

1 commissioners would not want to not vote on the budget to avoid this one issue. He said staff
2 produced four options that are listed in the agenda packet, and he felt that option #2 was the
3 best. He reviewed option 2.

4 Commissioner Fowler asked if a commissioner would have to recuse themselves if the
5 amendment was related to their organization or because they have an issue with any part of the
6 1.2% funding.

7 John Roberts said only if the amendment involved the one board they serve on.

8 Commissioner McKee asked for the percentage of funding they allocate to outside
9 agencies.

10 Bonnie Hammersley said it is 1.2% of the general fund.

11 Commissioner McKee said that option 2 holds the county at the amount currently
12 funded.

13 Bonnie Hammersley said yes.

14 Commissioner McKee said that option 2 does not change the process that it just
15 changes the allocation from a board decision to a manager decision.

16 Bonnie Hammersley described the process for outside agency funding. She said
17 applications are reviewed by advisory boards, less the commissioners that might serve on those
18 boards. She said that she honored the ranking of the outside agency applications. She said
19 based on the ranking, they receive a percentage of their request.

20 Commissioner McKee said that process would remain the same.

21 Bonnie Hammersley said yes.

22 Commissioner McKee said he serves on the Community Home Trust Board. He said he
23 had no issues resigning from the board, but he has held off until this conversation.

24 John Roberts said that resigning is an option.

25 Chair Price said she had no issue resigning from the two boards she serves on.

26 Commissioner Greene said she liked option 2, whether or not commissioners resign
27 from the boards. She said she liked the County Manager's process.

28 Chair Price said she agreed. She said this way, there is not back and forth and no show
29 of favoritism.

30 Commissioner Bedford said she has been very comfortable with the process they have
31 been using for several years now. She clarified that they usually do the budget amendments
32 with the intent to adopt those a week before adoption of the budget. She asked about the
33 timing of the amendments if option 2 is adopted. She asked if the timing would matter even if
34 the commissioner has recused themselves.

35 John Roberts said that process is not legally considered budget amendments, they are
36 just changes to the recommended budget.

37 Commissioner Bedford asked if the commissioner that has a conflict would be allowed to
38 be involved in that.

39 John Roberts said he thought option 2 allows them to approve a 1.2% generic amount
40 and that all of the commissioners could be involved in that. He said the specific allocation would
41 be the role of the manager.

42 Commissioner Bedford asked if it is legal for the commissioners to have the discussion
43 on the manager's recommended budget.

44 Chair Price said she thought option 2 meant that the County Manager would allocate the
45 outside agency funding and the board would not make any amendment to those allocations.

46 Bonnie Hammersley said that is correct. The Board would allow the county manager to
47 take 1.2% of revenue and grant awards based on recommendations made by advisory boards
48 and county staff.

49 Commissioner Bedford said with that information, she supports option 1.

50 Commissioner Greene said that her understanding of the roles is not the same as the
51 legal conflict of interest because they are obligated to vote unless there is a real conflict of

1 interest. She said that when she had an earlier conversation with the manager about this topic,
2 she thought that this amount would be awarded through the county manager's process. She
3 said #2 seems that the BOCC can amend the manager's allocation. She said she is not in
4 support of option #1 and that she is fine with option 2.

5 Commissioner Greene said she understood Commissioner Bedford was concerned
6 about timing, but that she did not think it would be a significant issue.

7 Commissioner Fowler asked if they would know the specific allocations on the date of
8 adoption.

9 Bonnie Hammersley said they will know because it will be listed in the budget. She said
10 the reason they have changed it to a grant system is because it was so political. She said this
11 will take the politics out. She said advisory boards appreciate that the county is taking their input
12 on the applications.

13 Commissioner Richards said that if she understands how decisions are made, she feels
14 a little more comfortable. She said she feels that as a representative of the county she needs to
15 understand the reasoning.

16 Bonnie Hammersley said that each application is ranked and there is information at the
17 end of each application explaining the ranking. She said that some advisory boards rank
18 differently. She said she met with all fifty-eight outside agencies and she has told them all will
19 know their funding as of May 3. She said if they have any questions, they can contact staff to
20 find out why funding was provided.

21 Chair Price asked if Bonnie Hammersley could provide the scoring sheet.

22 Bonnie Hammersley said yes and that is part of the work session.

23 Commissioner Richards said that Community Home Trust is contracted to provide
24 services on behalf of the county, but they have little or no influence over how they deliver that
25 service.

26 Bonnie Hammersley said that Community Home Trust is different because all the local
27 governments have signed an interlocal agreement that they will pay a certain amount of funding
28 to the agency. She said they are part of the outside agency funding, but Community Home
29 Trust does not have to apply. She said that other outside agencies are required to follow
30 performance measures as they submit in their application and that is reviewed by department
31 directors. She said they get paid quarterly only if they submit their information on performance
32 measures.

33 Commissioner Richards asked if there are performance measures in the interlocal
34 agreement for Community Home Trust.

35 Bonnie Hammersley said yes.

36 Commissioner Fowler clarified that Community Home Trust does not have a ranking in
37 the outside agency process but is included in the 1.2% of funding.

38 Commissioner McKee said he supported option 2, but he was still going to resign from
39 the Community Home Trust board. He said that it is clearer that there is no conflict of interest
40 by resigning. He said the process for outside agency funding is better now, and it is clearer how
41 we get to the allocation for outside agency funding. He said option 2 gets the county further to a
42 clean process.

43 Chair Price asked if Community Home Trust requires that elected officials sit on the
44 board.

45 John Roberts said he thought it was in their bylaws, but the bylaws will have to be
46 changed.

47 Commissioner Bedford thought maybe it could be changed to have a staff representative
48 rather than an elected official.

49 Chair Price asked if there is a consensus for option 2 so it can be placed on the agenda
50 at the business meeting.

1 Commissioner Greene said that this option allows for the commissioners to amend the
2 manager's allocation.

3 Chair Price said that would not be done until September.

4 Commissioner Greene said that she just wants to be clear on what they are voting on for
5 Option 2. She said they could remove the middle sentence and simply allow the manager to
6 make the allocation and remove the board's input and she said she is fine with that as an
7 option.

8 Chair Price said that even with that option, the Board could make the budget
9 amendment anytime after the budget is adopted.

10 Commissioner Greene asked why the Board's ability to amend the budget needed to be
11 stated in Option 2.

12
13 Chair Price said it was there for clarity on the process.

14 Bonnie Hammersley said that second sentence could be removed because once a
15 budget is adopted the board automatically has authority to amend it.

16 The Board agreed by consensus to include option 2 in the FY23 budget ordinance,
17 removing the language about budget amendments.

18 Commissioner Fowler asked how long the outside agency funding has been set at 1.2%.

19 Bonnie Hammersley said the 1.2% grows every year because the general fund grows
20 every year. She said that it could say a target of 1.2% but in most cases, it exceeds that slightly.

21 Commissioner Fowler asked what percentage of allocation is compared to the requests.

22 Bonnie Hammersley said this year requests were around \$2.2 million and that the
23 allocations were around \$1.9 million.

24 Commissioner Fowler said these agencies get approval because of specific needs that
25 the county has. She asked if there was a greater or lesser need if the percentage would
26 change.

27 Bonnie Hammersley said they have maintained that percentage for 8 years and it grows
28 every year. She said that the amount increases, because revenue increases. She said it does
29 not address the education side of the budget.

30 Commissioner Fowler asked for clarification on departments that are more conservative
31 in their review of applications.

32 Bonnie Hammersley said that social services is more and that is the nature of their
33 business. She said that every outside agency is great and doing good work and meeting the
34 performance measures.

35 Commissioner Fowler said that the review being harsher by certain departments might
36 be something that the board would want to amend.

37 Bonnie Hammersley said that in those areas, she sees a greater need. She said that is
38 why those departments review more strictly because the level of service provision is critical. She
39 said they also look at the reasonableness of the request.

40 Commissioner Hamilton said commissioners should consider the perception of the public
41 when a commissioner is on an outside agency board. She said commissioners should think
42 about whether it is wise to serve on the board.

43 Chair Price clarified that the commissioners supported option 2 to be included in the
44 budget ordinance.

45 John Roberts said that the elected officials serving on the Community Home Trust board
46 are appointed by the local governments and serve as public representatives. He said that the
47 public representative's definition allows someone that is not elected to be appointed in that
48 position.

49
50
51 **3. Advisory Board on Aging – Appointments Discussion**

1 The Board discussed appointments to the Advisory Board on Aging.

2
3 **BACKGROUND:** The Advisory Board on Aging suggests policy and makes recommendations
4 to the Board of Commissioners and the Department on Aging while acting as the liaison
5 between the older residents of the County and the County government. It is charged with
6 promoting needed services, programs and funding that impacts the older residents.

7
8 The Board of County Commissioners appoints all twelve (12) members.

9
10 The following individuals are recommended for Board consideration:

NAME	SPECIAL REPRESENTATIVE	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Dr. Heather Altman	At-Large	One Year Extension	06/30/2023
Vibeke Talley	At-Large	Second Full Term	06/30/2025
Lucinda Poole	At-Large	Partial Term	06/30/2023

11
12 If the individuals listed above are appointed, the following vacancies remain:

POSITION DESIGNATION	EXPIRATION DATE	VACANCY INFORMATION
At-Large	06/30/2024	Vacant since 03/21/2019
At-Large	06/30/2022	Vacant since 07/01/2019

13
14 Tara May introduced the item.

15 The commissioners agreed by consensus on the recommended applicants.

16 Commissioner Bedford asked about the vacancies on the board.

17 Tara May said that the board is attempting to recruit from different communities to
18 improve diversity on the board.

19 Commissioner Fowler asked about the two applicants that did not receive a
20 recommendation.

21 Tara May said that the advisory board wanted more time to recruit for those vacancies.

22 Commissioner Fowler described some of the attributes of one of the applicants, Sandy
23 Walker. She said she had recruited Ms. Walker to apply. She said she was ok waiting if the
24 board wanted more time.

25 Commissioner Bedford said she thought they should put Ms. Walker forward.

26 Chair Price said she thought they should respect the advisory board's request to wait to
27 recruit more applicants.

28 Chair Price asked for a show of hands for recommending Sandy Walker.

29 The commissioners agreed by consensus recommending Sandy Walker for a vacant
30 position.

31
32
33 **4. Alcoholic Beverage Control Board – Appointment Discussion**

34 The Board discussed an appointment to the Alcoholic Beverage Control Board.

35
36 **BACKGROUND:** The Alcoholic Beverage Control Board has the authority to buy, sell, transport
37 and possess alcoholic beverages for the operation of its stores. This board also adopts rules
38 for the ABC system and has the authority to hire and dismiss employees.

39

1 The Board of County Commissioners appoints all five (5) At-Large members.

2

3 The following individual is recommended for Board consideration:

NAME	SPECIAL REPRESENTATIVE	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Elizabeth Carter	At-Large	Second Full Term	06/30/2025

4

5 If the individual listed above is appointed, no vacancies remain.

6

7 Tara May introduced the item.

8

9 The commissioners agreed by consensus on the recommended applicant.

9

10

11 **5. Animal Services Advisory Board – Appointment Discussion**

12 The Board discussed an appointment to the Animal Services Advisory Board.

13

14 **BACKGROUND:** The charge of the Animal Services Advisory Board is to advise the Board of
 15 County Commissioners on matters of concern regarding animal issues and animals services in
 16 Orange County and to work with the Animal Services Director (or designee) on various policy
 17 concerns and issues regarding County animal services.

18

19 The Board of County Commissioners appoints all thirteen (13) members with representation
 20 from various related fields and municipalities.

21

22

1 The following individual is recommended for Board consideration:

NAME	SPECIAL REPRESENTATIVE	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Paula L. Greeno	Animal Welfare/Animal Advocacy	Partial Term	06/30/2023

2

3

If the individual listed above is appointed, the following vacancies remain:

POSITION DESIGNATION	EXPIRATION DATE	VACANCY INFORMATION
Town of Carrboro	06/30/2024	Vacant since 06/30/2021
Town of Chapel Hill	06/30/2024	Vacant since 06/30/2021
Owner/Manager Retail Pet Services	06/30/2023	Vacant since 01/05/2022

4

5

Tara May introduced the item.

6

The commissioners agreed by consensus on the recommended applicant.

7

The Board agreed to wait to appoint new members to the vacant positions until the advisory board has had a chance to meet.

8

9

10

11

6. Arts Commission – Appointment Discussion

12

The Board discussed an appointment to the Arts Commission.

13

14

BACKGROUND: The Arts Commission recommends strategies to promote the artistic and cultural growth of Orange County, advises the Board of Commissioners on matters involving the arts, and acts as the granting panel for funding programs available to individual artists and non-profit groups sponsoring arts projects in Orange County.

15

16

17

18

19

The Board of County Commissioners appoints all fifteen (15) At-Large members.

20

21

The following individual is recommended for Board consideration:

NAME	SPECIAL REPRESENTATIVE	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Saba A. Jordan	At-Large	First Full Term	03/31/2025

22

23

If the individual listed above is appointed, no vacancies remain.

24

25

Tara May introduced the item.

26

The commissioners agreed by consensus on the recommended applicant.

27

28

29

1 **7. Board of Health – Appointments Discussion**

2 The Board discussed appointments to the Board of Health.

3
4 **BACKGROUND:** The Board of Health makes policy and is charged with protecting and
5 promoting public health in Orange County.

6
7 The Board of County Commissioners appoints all eleven (11) members with representation from
8 specific health-related professions and the public.

9
10 The following individuals are recommended for Board consideration:

NAME	SPECIAL REPRESENTATIVE	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Brian Crandell	Pharmacist	First Full Term (re-appointment)	06/30/2025
Aparna Jonnal	Physician	Second Full Term	06/30/2025

11
12 If the individuals listed above are appointed, no vacancies remain.

13
14 Tara May introduced the item.

15 The commissioners agreed by consensus on the recommended applicants.

16
17
18 **8. Economic Development Advisory Board – Appointments Discussion**

19 The Board discussed appointments to the Economic Development Advisory Board.

20
21 **BACKGROUND:** The Economic Development Advisory Board works cohesively with the
22 County's Economic Development staff and other economic development partners to position
23 Orange County as a competitive location for business opportunities.

24
25 The Board of County Commissioners appoints all ten (10) members, with representation from
26 various fields.

27
28 The following individuals are recommended for Board consideration:

NAME	SPECIAL REPRESENTATIVE	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Kristen Smith Young	UNC Chapel Hill	Second Full Term	06/30/2025
Tom Proctor	Core Business Community	First Full Term (re-appointment)	06/30/2025

29
30 If the individuals listed above are appointed, no vacancies remain.

31
32 Tara May introduced the item.

33 The commissioners agreed by consensus on the recommended applicants.

34
35
36

1 **9. Orange County Housing Authority Board – Appointment Discussion**

2 The Board discussed an appointment to the Orange County Housing Authority Board.

3
 4 **BACKGROUND:** The goal of the Orange County Housing Authority Board is to provide decent,
 5 safe, and sanitary housing for the low- and moderate-income families in the County.

6
 7 The Board of County Commissioners appoints all seven (7) members.

8
 9 The following individual is recommended for Board consideration:

NAME	SPECIAL REPRESENTATIVE	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Alice Mahood	At-Large	First Full Term (re-appointment)	06/30/2027

10
 11 If the individual listed above is appointed, no vacancies remain.

12
 13 Tara May introduced the item.
 14 The commissioners agreed by consensus on the recommended applicant.

15
 16
 17 A motion was made by Commissioner McKee, seconded by Commissioner Bedford to
 18 adjourn the meeting at 10:17 p.m.

19
 20 Roll call ensued

21
 22 **VOTE: UNANMIOUS**

23
 24
 25 Renee Price, Chair

26
 27
 28 Laura Jensen
 29 Clerk to the Board

30
 31 Submitted for approval by Laura Jensen, Clerk to the Board.

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

**Action Agenda
Item No.** 8-b

SUBJECT: Advisory Boards and Commissions - Appointments

DEPARTMENT: Board of Commissioners

ATTACHMENT(S):
No Attachments

INFORMATION CONTACT:
Clerk's Office, 919-245-2130

PURPOSE: To approve the Boards and Commissions appointments as reviewed and discussed during the May 10, 2022 Work Session.

BACKGROUND: The following appointments are for Board approval:

- **Agricultural Preservation Board**

NAME	POSITION DESCRIPTION	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Jeff Sykes	At-Large	Second Full Term	06/30/2025
Beth Myers	At-Large	Second Full Term	06/30/2025
Michael McPherson	Cane Creek/Buckhorn Voluntary Agricultural District	Second Full Term	06/30/2025

- **Animal Services Advisory Board**

NAME	POSITION DESCRIPTION	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Mark J. Solomon	Town of Hillsborough	First Full Term	06/30/2024
Lee Hethcox	Animal Welfare/Advocacy	Partial Term	06/30/2023

- **Arts Commission**

NAME	POSITION DESCRIPTION	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Victoria E. Danielik	UNC Student Representative	One Year Term	06/30/2023

- **Economic Development Advisory Board**

NAME	POSITION DESCRIPTION	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Hasan A. Abdullah	Core Business Community	First Full Term	06/30/2025

- **Orange County Board of Adjustment**

NAME	POSITION DESCRIPTION	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Leon Meyers	At-Large	First Full Term	06/30/2025
Nathan Robinson	At-Large	First Full Term	06/30/2024
Elizabeth Bronson	At-Large	Partial Term	06/30/2023
Roderick Jones	Alternate	First Full Term	06/30/2025
Adam Beeman	Alternate	First Full Term	06/30/2024

- **Orange County Parks and Recreation Council**

NAME	POSITION DESCRIPTION	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Roderick Jones	Hillsborough Town Limits	Partial Term	09/30/2022

- **Orange County Planning Board**

NAME	POSITION DESCRIPTION	TYPE OF APPOINTMENT TERM	EXPIRATION DATE
Steven Kaufmann	Bingham Township	Partial Term	03/31/2024

FINANCIAL IMPACT: There is no financial impact associated with this item.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this item:

- **GOAL: ENABLE FULL CIVIC PARTICIPATION**

Ensure that Orange County residents are able to engage government through voting and volunteering by eliminating disparities in participation and barriers to participation.

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

RECOMMENDATION(S): The Manager recommends that the Board approve the recommended appointments as reviewed and discussed during the May 10, 2022 Work Session.

ORD-2022-016

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

**Action Agenda
Item No.** 8-c

SUBJECT: Fiscal Year 2021-22 Budget Amendment #11

DEPARTMENT: Finance and Administrative Services

ATTACHMENT(S):

Attachment 1. Year-to-Date Budget
Summary

INFORMATION CONTACT:

Rebecca Crawford, (919) 245-2152
Gary Donaldson, (919) 245-2453

PURPOSE: To approve a budget amendment for Fiscal Year 2021-22.

BACKGROUND:

Department on Aging

1. The Department on Aging has received a donation of \$10,000 from UNC Healthcare to be used for wellness supplies in the Senior Health Coordination annual grant fund. This budget amendment provides for the receipt of these funds in the annual grant fund, outside of the General Fund.

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

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

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

Emergency Services

2. Due to ongoing supply chain impacts from the COVID-19 pandemic, ambulance manufacturers are projecting at least a 24 month production/delivery timeframe from the date of order. Manufacturers have recommended emergency medical services agencies consider advance purchasing replacement units for this period of time to ensure delivery. Orange County Emergency Services will require \$1,164,000 in order to purchase three (3) Ambulances as well as required equipment which are due to be replaced in the upcoming years. This amendment will provide funding for these ambulances now to maintain continuity of services in the department. A staff amendment to the Manager's Recommended Capital Investment Plan will be proposed to reduce Emergency Services

Vehicle Replacements in years 1-3 to offset this advanced purchase. This amends the following Capital Project Ordinances in the County Capital Fund.

Vehicle Replacements (\$1,164,000) - Project # 30010

Revenues for this project:

	Current FY 2021-22	FY 2021-22 Amendment	FY 2021-22 Revised
Alternative Financing	\$4,337,398	\$1,164,000	\$5,501,398
Transit Tax Proceeds	\$223,400	\$0	\$223,400
Grant Funding	\$2,613,918	\$0	\$2,613,918
Total Project Funding	\$7,174,716	\$1,164,000	\$8,338,716

Appropriated for this project:

	Current FY 2021-22	FY 2021-22 Amendment	FY 2021-22 Revised
Expenditures	\$7,174,716	\$1,164,000	\$8,338,716
Total Costs	\$7,174,716	\$1,164,000	\$8,338,716

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this item:

- **GOAL: CREATE A SAFE COMMUNITY**

The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.

3. Orange County Emergency Services has received additional grant funds totaling \$18,230 from the N.C. Department of Crime Control and Public Safety related to the Emergency Management Performance Grant awards. The department plans to use these funds to assist in maintaining the comprehensive Emergency Management Program. Specifically, these funds will go towards contract services to revise the Orange County Emergency Operations Plan, training and education to support of emergency management and response personnel, and equipment acquisition to address response gaps. This budget amendment provides for the receipt of these grant funds, outside of the General Fund, and amends the following grant project ordinance:

Emergency Management Performance Grant (\$18,230) - Project # 71049

Revenues for this project:

	Current FY 2021-22	FY 2021-22 Amendment	FY 2021-22 Revised
Grant Funding	\$551,018	\$18,230	\$569,248
Total Project Funding	\$551,018	\$18,230	\$569,248

Appropriated for this project:

	Current FY 2021-22	FY 2021-22 Amendment	FY 2021-22 Revised
EM Performance Grant	\$551,018	\$18,230	\$569,248
Total Costs	\$551,018	\$18,230	\$569,248

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this item:

- **GOAL: CREATE A SAFE COMMUNITY**

The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.

Board of County Commissioners

4. The Clerk to the Board of Commissioners requests to transfer \$1,455 from the Board of County Commissioners Contingency in order to pay for travel and training expenses for Commissioners.

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

Criminal Justice Resource Department (CJRD)

5. The NC Department of Public Safety has awarded the Orange County Local Reentry Council (LRC) in the CJRD new funds in the amount of \$25,000. These direct funds have been deposited pursuant to a legislative mandate in NC Senate Bill 105. These funds are to be used to provide additional support services to LRC clients. This amends the following grant ordinance in the Multi-Year Grant Fund, outside of the General Fund.

Local Reentry Council Grant (\$25,000) - Project # 71375

Revenues for this project:

	Current FY 2021-22	FY 2021-22 Amendment	FY 2021- 22 Revised
Grant Funding	\$600,000	\$25,000	\$625,000
Total Project Funding	\$600,000	\$25,000	\$625,000

Appropriated for this project:

	Current FY 2021-22	FY 2021-22 Amendment	FY 2021- 22 Revised
Local Reentry Council Expenditures	\$600,000	\$25,000	\$625,000
Total Costs	\$600,000	\$25,000	\$625,000

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this item:

- **GOAL: CREATE A SAFE COMMUNITY**

The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.

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

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

Sheriff's Office

6. The Sheriff's Office has received a one-time grant from NC Department of Public Safety for \$84,370 to be used for expenses incurred in enforcing the laws of the state and carrying out other duties set by law. The Sheriff's Office will use this funding to purchase needed, but unbudgeted, medical kits. This amends the following grant ordinance in the Annual Grant Fund, outside of the General Fund.

NC Department of Public Safety (\$84,370) - Project # 71059

Revenues for this project:

	Current FY 2021-22	FY 2021-22 Amendment	FY 2021- 22 Revised
Grant Funding	\$0	\$84,370	\$84,370
Total Project Funding	\$0	\$84,370	\$84,370

Appropriated for this project:

	Current FY 2021-22	FY 2021-22 Amendment	FY 2021- 22 Revised
NCDPS Expenditures	\$0	\$84,370	\$84,370
Total Costs	\$0	\$84,370	\$84,370

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this item:

- **GOAL: CREATE A SAFE COMMUNITY**

The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.

Series 2022 Financing

7. The County will close on the sale of Series 2022 General Obligation Bonds for Schools on June 2, 2022. This budget amendment provides for the Cost of Issuance and Underwriter's Discount (expenses) related to the Series 2022 General Obligation Bonds financing package of \$303,600 in the General Fund to be included in the overall Debt Service budgeted expenditures, and provides for the receipt of the financing proceeds to cover the cost of these expenditures in the General Fund.
8. The County closed on the sale of Series 2022 A&B Limited Obligation Bonds for Schools and County projects on May 11, 2022. This budget amendment provides for the Cost of Issuance and Underwriter's Discount (expenses) related to the Series 2022 A&B Limited Obligation Bonds financing package of \$287,800 in the General Fund to be included in the overall Debt Service budgeted expenditures, and provides for the receipt of the financing proceeds to cover the cost of these expenditures in the General Fund.

Animal Services

9. Animal Services has requested \$12,175 of donated funds to cover the cost of Veterinary Assistance Program and Shelter animal medical care. The donated funds will come from Animal Services Go Fund Me. With this appropriation approximately \$12,052 remains in the total of unallocated funds in the Community Giving Fund. This budget amendment provides the receipt and use of these funds consistent with the intent of the donations.
10. Animal Services has received a \$20,000 grant from Petco for Working Barn Cat Program for life saving purposes. This budget amendment provides for the receipt of the grant funds for the above stated purpose. This amends the following grant ordinance in the Multi-Year Grant Fund, outside of the General Fund.

Petco Grant (\$20,000) - Project # 71380

Revenues for this project:

	Current FY 2021-22	FY 2021-22 Amendment	FY 2021-22 Revised
Petco Grant	\$40,000	\$20,000	\$60,000
Total Project Funding	\$40,000	\$20,000	\$60,000

Appropriated for this project:

	Current FY 2021-22	FY 2021-22 Amendment	FY 2021-22 Revised
Petco Expenditures	\$40,000	\$20,000	\$60,000
Total Costs	\$40,000	\$20,000	\$60,000

SOCIAL JUSTICE IMPACT: There are no Orange County Social Justice Goals associated with this item.

Department of Social Services

11. Social Services has requested 2.00 FTE (full time equivalent) Time Limited Human Services Specialist I positions to be funded using existing salary savings for the remainder of the FY 2021-22 fiscal year. These positions are recommended to be funded in FY 2022-23 using Food and Nutrition Services (FNS) state revenue and Supplemental Nutrition Assistance Program (SNAP) ARPA state revenue. These positions will assist with the anticipated increased work load for reviewing benefit eligibility following the pause in income verification during the pandemic.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this item:

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

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

FINANCIAL IMPACT: Financial impacts are included in the background information above. The General Fund will increase by \$603,575, the Grants Funds will increase by \$157,600, and the County Capital Fund will increase by \$1,189,200.

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goal impacts associated with this item.

RECOMMENDATION(S): The Manager recommends the Board approve the budget amendment for Fiscal Year 2021-22.

Year-To-Date Budget Summary

Fiscal Year 2021-22

Fund Budget Summary	General Fund	Grants Fund	County Capital
Original Budget* (excluding fund balance appropriation)	\$238,794,177	\$552,076	\$0
Additional Revenue Received Through Budget Amendment #11 (May 24, 2022)			
Grant Funds	\$3,549,756	\$424,872	\$1,072,716
Non Grant Funds	\$1,424,034	\$12,767	\$5,841,256
Fund Balance for Anticipated Appropriations (i.e. Encumbrances)			
Fund Balance Appropriated to Cover Anticipated and Unanticipated Expenditures*	\$14,411,089		\$4,454,000
Total Amended Budget	\$258,179,056	\$989,715	\$11,367,972
Dollar Change in 2021-22 Approved Budget	\$19,384,879	\$437,639	\$11,367,972
% Change in 2021-22 Approved Budget	8.12%	79.27%	100.00%

Authorized Full Time Equivalent Positions

Original Approved Full Time Equivalent Positions (includes Permanent and Time Limited)	947.980	5.000	0.000
Changes to Full Time Equivalent Positions	6.625		
Total Approved Full-Time-Equivalent Positions for Fiscal Year 2021-22	954.605	5.000	0.000

* Original fund balance appropriation moved from Original Budget to Fund Balance Appropriated

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

**Action Agenda
Item No.** 8-d

SUBJECT: First Quarterly Report (2022 Q1) for Orange County's CDBG-CV Grant

DEPARTMENT: Housing and Community
Development

ATTACHMENT(S):

Attachment 1: Quarterly Report on Orange
County's CDBG-CV Grant for
Emergency Housing
Assistance

INFORMATION CONTACT:

Corey Root, Director, Housing and
Community Development, (919) 245-
2490

PURPOSE: To receive the first quarterly update for calendar year 2022 on Orange County's Community Development Block Grant – Coronavirus (CDBG-CV) grant from the NC Department of Commerce.

BACKGROUND: On August 25, 2020, Governor Roy Cooper announced the availability of \$28 million from federal Community Development Block Grant – Coronavirus (CDBG-CV) funding to be disbursed to support rental and utility payments and prevent evictions for those with a demonstrated need. The funding will be distributed to eligible community agencies around the state that will work directly with North Carolinians on an application and disbursement process.

Orange County applied for and was awarded CDBG-CV funds to be used with the County's existing Emergency Housing Assistance (EHA) program, which prevents eviction and homelessness by providing financial assistance to help Orange County residents with low incomes secure and maintain stable housing. EHA assistance is available to households in Orange County that earn no more than 30% of the area median income, have an urgent need for housing assistance, and lack resources to cover the cost of their housing need. The County received approval to begin expending CDBG-CV funds on March 17, 2021.

As part of the CDBG-CV grant compliance requirements, Orange County staff must provide quarterly written status reports to the Board of Commissioners on the use of CDBG-CV funds. Each quarterly report must be signed by the Chair and submitted to the NC Department of Commerce. The first quarterly report for the grant for 2022, covering the first quarter of calendar year 2022, covers funds disbursed from January 1 through March 31, 2022 (Attachment 1).

FINANCIAL IMPACT: Review and submission of the quarterly report is required in order to maintain Orange County's \$900,000 CDBG-CV grant.

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

- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**
The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or ethnic background; age; military service; disability; and familial, residential or economic status.
- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**
The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.
- **GOAL: CREATE A SAFE COMMUNITY**
The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goal impacts applicable to this item.

RECOMMENDATION(S): The Manager recommends that the Board review the quarterly report and authorize the Chair to sign the report for submission to the NC Department of Commerce.



Quarterly Report on Orange County's CDBG-CV Grant for Emergency Housing Assistance

Quarter: **2022 Q1**

Amount of Funds Disbursed: **\$90,462.10**

Number of Households Assisted: 53

DEMOGRAPHICS

Applicant Race	Count	% of Total	Applicant Ethnicity	Count	% of Total
White/Caucasian	26	60%	Hispanic and/or Latinx	8	15%
Black/African American	14	26%	Not Hispanic and/or Latinx	47	85%
Multiracial	7	13%			

Household Income	Count	% of Total
30% AMI	30	86.8%
50% AMI	5	9.4%
60% AMI	2	3.8%

ASSISTANCE PROVIDED

Expense Type	Amount	% of Total Funds Disbursed
Rent Payments (current and/or future)	\$40,588.00	44.9%
Rent Arrears	\$28,254.50	31.2%
Utility Payments	\$7,680.84	8.5%
Mortgage Payments	\$1,320.00	1.5%
Mortgage Arrears	\$11,478.42	12.7%
Security Deposit	\$1085.34	1.2%
Application Fees	\$55.00	.01%

This quarterly report was received and reviewed by the Orange County Board of Commissioners on the _____ day of _____, 2021.

Renée Price, Chair
Orange County Board of Commissioners

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

**Action Agenda
Item No.** 8-e

SUBJECT: Community Climate Action Grant (CCAG) FY 2021-22 Project Approval for Chapel Hill Carrboro City Schools "Creating a Solar Future for CHCCS" Application

DEPARTMENT: Asset Management Services

ATTACHMENT(S):

- 1) CCAG FY 2021-22 "Creating a Solar Future for CHCCS" Application Summary
- 2) Memo from CFE with Recommendations and HRC Scoring and Comment

INFORMATION CONTACT:

Amy Eckberg, (919) 245-2626
Steven Arndt, (919) 245-2658

PURPOSE: To:

- 1) Review the application summary submitted by Chapel Hill Carrboro City Schools – "Creating a Solar Future for CHCCS";
- 2) Receive the grant recommendations for the Chapel Hill Carrboro City Schools' "Creating a Solar Future for CHCCS" project from the Commission for the Environment (CFE) and the Human Relations Commission (HRC) for the FY 2021-22 Orange County Community Climate Action Grant Program; and
- 3) Approve funding for the recommended Community Climate Action Grant "Creating a Solar Future for CHCCS" project for FY 2021-22

BACKGROUND: As part of the FY 2019-20 budget, the Board of County Commissioners (BOCC) created the Orange County Climate Action Fund dedicated to accelerating climate change mitigation actions in Orange County. This decision was motivated in part to help the County meet the climate change mitigation goals set by the Board in recent years:

- Reduce greenhouse gas emissions community-wide by 26 percent by 2025 (from 2005 levels).
- Transition to a 100% renewable energy based economy by 2050.

For the FY 2021-22 funding cycle, \$536,665 in funding was budgeted to support climate action projects that will benefit Orange County residents both socially and financially. Following the direction of the Board of Orange County Commissioners (BOCC), the process for soliciting and

selecting projects to receive funding was conducted through a formal Community Climate Action Grant (CCAG) program.

For this grant cycle, the BOCC reserved half of the total funding for the grant program (\$268,332.50) to be awarded to projects submitted by either of Orange County's two public school districts. The remaining half (\$268,332.50) was to be made available to all other eligible general applicants.

Only one project totaling \$68,616 was submitted from either school district, and no funding was recommended for approval. In light of the Board's interest in supporting school climate action projects and the special challenges facing schools as they operate during a pandemic, the current grant deadline for school projects was extended through the end of November 2021. County staff reached back out to the schools to offer direct assistance in generating project proposals for this extended FY2021-22 round of funding as well as the FY2022-23 round of funding set to open later this year. The additional time gave CHCCS an opportunity to create a proposal for a new and different project – "Creating a Solar Future for CHCCS".

Chapel Hill Carrboro City Schools submitted the "Creating a Solar Future for CHCCS" application for \$250,000. A summary of the application is provided in Attachment 1. The Commission for the Environment reviewed the application at its January 10, 2022 meeting and provided a memo (Attachment 2) outlining its recommendations. The Human Relations Commission reviewed the application at its February 22, 2022 meeting. Additional demographic data and more detailed responses to some of the social justice and racial equity questions were requested and subsequently provided by CHCCS. The Human Relations Commission further reviewed the materials submitted at its March 22, 2022 meeting and provided a score and comment on the social justice and racial equity component of the application (Attachment 2).

CHCCS is motivated to move quickly on solar installation to take advantage of incentives through Duke Energy schedule to expire the end of 2022. A unique opportunity exists to explore a joint request for proposals (RFP) with Orange County Schools to combine the previous award of \$150,000 from the FY 2019-20 grant cycle that was awarded to both Orange County Schools and Chapel Hill Carrboro City Schools for solar, thereby increasing the solar purchasing capacity and coordination.

FINANCIAL IMPACT: The Climate Action Tax Grant program received \$536,665 in funds in FY 2021-22, and the Board of Commissioners has already approved six impactful projects totaling \$268,332.50. The remaining \$268,332.50 is recommended to fund the "Creating a Solar Future for CHCCS" project totaling \$250,000.

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

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

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

Social Justice and Racial Equity is the most heavily-weighted factor in scoring projects proposed through this grant program, ensuring that the equitable distribution of funds and the repair of environmental inequities are a central element of each funded project. Local investments in

energy efficiency and renewable energy in Orange County provides direct reduction of monthly energy bills and supports jobs and investments in clean energy technologies.

- **GOAL: ESTABLISH SUSTAINABLE AND EQUITABLE LAND-USE AND ENVIRONMENTAL POLICIES**

The fair treatment and meaningful involvement of people of all races, cultures, incomes and educational levels with respect to the development and enforcement of environmental laws, regulations, policies, and decisions. Fair treatment means that no group of people should bear a disproportionate share of the negative environmental consequences resulting from industrial, governmental and commercial operations or policies.

Reducing energy usage from the electric grid improves air quality impacts. Improving local air quality helps to protect the health of vulnerable populations in Orange County whose health is disproportionately affected by ground-level ozone and other emissions.

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

- **ENERGY EFFICIENCY AND WASTE REDUCTION**

Initiate policies and programs that: 1) conserve energy; 2) reduce resource consumption; 3) increase the use of recycled and renewable resources; and 4) minimize waste stream impacts on the environment.

Investing in local climate change mitigation actions will conserve energy, reduce resource consumption, and increase the use of renewable resources.

- **RESULTANT IMPACT ON NATURAL RESOURCES AND AIR QUALITY**

Assess and where possible mitigate adverse impacts created to the natural resources of the site and adjoining area. Minimize production of greenhouse gases.

The Climate Action Fund will continue to support high-impact projects which will improve local air quality and minimize the local production of greenhouse gases, reducing Orange County's contribution to the adverse impacts of climate change on human and natural resources both inside and outside of the County.

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

- 1) Receive the grant project funding recommendations from the Commission for the Environment and the Human Relations Commission for the FY 2021-22 Orange County Community Climate Action Grant Program project submittal – “Creating a Solar Future for CHCCS”; and
- 2) Approve funding of \$250,000 for the recommended Community Climate Action Grant project – “Creating a Solar Future for CHCCS” – for FY 2021-22.



Attachment 1

Community Climate Action Grant Application Summary: **“Creating a Solar Future for CHCCS”**

Chapel Hill-Carrboro City Schools (CHCCS) paid \$2,107,228 over the last 12 calendar months for energy across all campuses and supporting facilities, one of the largest energy consumers in Orange County. Electrical consumption makes up nearly 82% of energy expenses with natural gas accounting for the remaining 18%.

Total energy consumption equates to 24,838 tons of emitted greenhouse gasses each year. CHCCS is mindful of its role as one of the largest energy consumers and contributors of greenhouse gasses (GHG) in Orange County and seeks to reduce its carbon footprint.

CHCCS currently does not lease or own any photovoltaic (PV) arrays that produce meaningful energy. This is an unrealized opportunity to meet sustainability goals, lower operating expenses, and connect with students and the community more fully while engaging with an energy source that is now financially competitive with other means of energy production on a large scale.

The lease or purchase of three 100kW PV arrays, located at Chapel Hill High School, East Chapel Hill High School, and Carrboro High School would lead to several primary benefits with many ancillary benefits:

1. Reduction in greenhouse gas emissions (332 tons/yr.)
2. Annual electric energy savings (up to \$32,844/yr.)
3. Education and awareness opportunities for students, staff, and community (3,844 students, 400 staff/yr.)

Savings from the proposed arrays would contribute to the lease or purchase of additional PV arrays at other viable CHCCS campuses, pending roof condition assessment at each school, thereby compounding energy savings and GHG reductions once operational.

Each PV array will be net metered and operate for approximately 25 years. Energy production will offset consumption from Duke Energy Carolinas and Piedmont Electric Cooperative according to their service rate schedules. Lifetime avoided costs due to energy savings are an estimated \$651,190 over a 25-year period. This includes an annual 2% performance degradation factor but excludes any utility rate escalation.

Duke Energy is offering an incentive up to \$75,000 per 100kW array which is scheduled to sunset after 2022. This incentive may apply to both Chapel Hill High School and East Chapel Hill High School locations. Carrboro High School is served and metered by Piedmont Electric Cooperative and does not qualify.



Federal incentives may be available up to 30% of the cost of a purchased PV array. Legislation is pending. The 30% credit has not been included in the financial calculation. If realized, the savings will be used exclusively to fund the three proposed PV arrays with any rollover applied to future PV arrays.

CHCCS would like to move quickly on solar installation to take advantage of these incentives. A unique opportunity exists to explore a joint RFP with Orange County schools to combine the previous award of \$150,000 from the FY 2019-20 grant cycle that was awarded to both Orange County Schools and Chapel Hill Carrboro City Schools for solar, thereby increasing their solar purchasing capacity and coordination.

As a trusted resource with over 100 years of experience, CHCCS is poised and ready to educate and inform students and members of the community about the benefits of solar. CHCCS plans to offer a variety of educational opportunities in different formats to the community related to the fundamentals of energy, understanding energy bills, fundamentals of solar PV design, renewable energy, and site considerations.



Attachment 2
 Community Climate Action Grant Scoring and Recommendations:
 “Creating a Solar Future for CHCCS” 2021-22

ORANGE COUNTY COMMISSION FOR THE ENVIRONMENT

MEMORANDUM

TO: Orange County Board of County Commissioners
 FROM: Commission for the Environment
 DATE: January 20, 2022
 RE: FY 2021-22 Community Climate Action Grant Proposal Review

At our Monday January 10th, 2022 meeting, as requested by the Board of County Commissioners (BOCC), the Commission for the Environment (CFE) reviewed a FY 2021-22 Community Climate Action Grant proposal from the Chapel Hill-Carrboro City Schools (CHCCS) titled *Creating a Solar Future at CHCCS*. The proposal calls for the installation of 100kW rooftop photovoltaic arrays at the District’s three high schools (Chapel Hill High School, East Chapel Hill High School and Carrboro High School) to offset energy consumption, reduce greenhouse gas emissions and incorporate sustainability-related educational content for students at CHCCS. Of the \$268,000 currently available for the public school system, CHCCS are requesting \$250,000 for this project.

After robust discussion, the CFE voted to recommend approval of the grant application by CHCCS. The CFE spent considerable time discussing the Renewable Energy Credits (or REC’s) for the project, and how those benefits would or might accrue. To this end, the CFE also recommends that the Board consider the following if the project is approved and pursued:

- *That CHCCS hire an appropriate consultant to manage the design and construction of the projects, to ensure that the schools receive the maximum environmental benefit from this initiative.*



Finally, as part of the discussion at the January 10 meeting, the CFE would like to note that there are substantial resources and additional information available regarding the ultimate arrangements for the REC's, which would be useful to the County and CHCCS.

Thank you for the opportunity to review and make a recommendation. Please let us know if there are any questions.

Copies: Commission for the Environment
 Bonnie Hammersley, County Manager
 Travis Myren, Deputy County Manager
 Laura Jensen, Clerk to the BOCC
 David Stancil, DEAPR Director
 Steve Arendt, Asset Management Services Director
 Christian Hirni, Land Conservation Manager
 Wesley Poole, Water Resources Coordinator

The Human Relations Commission reviewed the "Creating a Solar Future for CHCCS" at their March 22, 2022 meeting and provided a score of 3 out of 5 possible points for the social justice/racial equity criteria of the application and made the following comment: "We recognize there were some limits to the social justice component which is why it was given a score of 3 and some of those limits were due to the challenges of Covid. We are encouraged with their efforts to address this moving forward."

**ORANGE COUNTY
BOARD OF COMMISSIONERS
ACTION AGENDA ITEM ABSTRACT**
Meeting Date: May 24, 2022

**Action Agenda
Item No. 8-f**

SUBJECT: Litigation Settlement

DEPARTMENT: County Attorney

ATTACHMENT(S):

INFORMATION CONTACT:

John Roberts, County Attorney, 245-
2318

PURPOSE: To ratify the settlement of case 22 CV 432 as previously authorized by the Board of Commissioners in closed session.

BACKGROUND: Subsequent to the death of a county employee during the term of employment, the former county employee's estate requested to be paid the value of the former employee's accrued leave. The request was denied and the former employee's estate filed the above cited complaint in Orange County Superior Court seeking full compensation for the value of that leave. Pursuant to negotiations with the Plaintiff, closed session consideration of the Plaintiff's claims and arguments, and discussions with the Board's attorney, the Board determined payment of the value of the claim is appropriate.

North Carolina General Statute 143-318.11(a)(3) provides that when the settlement of litigation is approved or considered in closed session the terms of the settlement will be entered into the minutes of the public body as soon after the settlement is concluded as is reasonable. The terms are payment of \$102,315.35 to the Plaintiff. In return the Plaintiff dismissed the complaint against Defendant Orange County and released and waived any and all future claims against Orange County related to the former employee's employment. The settlement was concluded on May 16, 2022.

FINANCIAL IMPACT: The full payout amount due the plaintiff is \$102,315.35.

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

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

RECOMMENDATION(S): The Manager recommends the Board ratify and adopt the settlement on behalf of Orange County.

**ORANGE COUNTY
BOARD OF COMMISSIONERS
ACTION AGENDA ITEM ABSTRACT
Meeting Date: May 24, 2022**

**Action Agenda
Item No. 8-g**

SUBJECT: Schools Adequate Public Facilities Ordinance – Approval and Certification of 2022 Report

DEPARTMENT: Planning and Inspections

ATTACHMENT(S):

1. Town of Carrboro Resolution
2. 2022 SAPFOTAC Annual Report
3. 11x17 Copies of Student Projection Charts

INFORMATION CONTACT:

Ashley Moncado, Planner II, 919-245-2589

PURPOSE: To approve and certify the 2022 Schools Adequate Public Facilities Ordinance Technical Advisory Committee (SAPFOTAC) Report.

BACKGROUND: At the December 14, 2021 Board of County Commissioners' Business meeting, the Board approved the November 15, 2021 actual membership and capacity numbers for both Chapel Hill-Carrboro City Schools (CHCCS) and Orange County Schools (OCS). Additional approvals/certifications, as outlined in the table below, are required by the SAPFO partners MOUs (Memoranda of Understanding). At the March 15, 2022 BOCC Business meeting, the Board received for transmittal the draft 2022 SAPFOTAC Report. A letter and the Executive Summary of the Report were sent to all SAPFO partners advising them of the availability of the draft Report and inviting comments. Comments were requested for submission by April 18, 2022.

The Carrboro Town Council received the draft 2022 SAPFOTAC Report at its April 12 meeting and approved the Resolution contained in Attachment 1. The Chapel Hill Town Council received the draft report on April 27, and the Town of Hillsborough Board of Commissioners received the report at its April 11 meeting. No comments were transmitted to the County.

The exact pages of the 2022 SAPFOTAC Report that the BOCC will be acknowledging and certifying are listed below. The context (i.e. definitions and standards) of the various SAPFO elements precedes the data to be certified and is within the full report.

Element	Page in SAPFOTAC Report	Certification to be made by BOCC
Building Capacity with Capital Investment Plan (CIP) changes (Change from previous year)	12 through 17	Building capacity and current year membership for OCS and CHCCS were approved at the December 15, 2020 meeting.
Student Membership Projection Methodology	21	Certification that the average of 5 models will be used, as noted in #3 on page 20

(No change from previous year)		
Student Membership Projections	36 and 37	<ul style="list-style-type: none"> ▪ Orange County Elementary, Middle, and High Schools Student Projections (row that notes average only) (p. 36) ▪ Chapel Hill - Carrboro Elementary, Middle, and High Schools Student Projections (row that notes average only) (p. 37)
(Change from previous year)		
Student Membership Growth Rate	38	<ul style="list-style-type: none"> ▪ Orange County Elementary, Middle, and High Schools ▪ Chapel Hill - Carrboro Elementary, Middle, and High Schools
(Change from previous year)		
Student/Housing Generation Rate	41	<ul style="list-style-type: none"> ▪ Orange County Elementary, Middle, and High Schools ▪ Chapel Hill - Carrboro Elementary, Middle, and High Schools
(No change from previous year)		

COVID Impacts

Both school districts are still experiencing impacts from COVID due to a decrease in student membership as a result of students being withdrawn and enrolled in private schools with in-person learning or homeschooled. At this time, staff believes these are temporary impacts and a majority of these students will return when in-person learning commences on a stable basis. However, the loss of students has impacted the SAPFO 10-year projections by decreasing future student growth rates and service levels and pushing building capacity needs beyond the 10-year projection period. Recognizing concerns with these projections not being constructive in planning for the future or when students return to the classroom, Orange County Planning staff drafted hypothetical 2021-22 student membership and grade level numbers in order to generate alternative 10-year student projections. Additional information can be found on page iii of the Executive Summary.

FINANCIAL IMPACT: Current 10-year student growth projections show no future capacity needs for additional schools in the CHCCS District and OCS District.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this item:

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

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

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goal impacts applicable to this item.

RECOMMENDATION(S): The Manager recommends the Board approve the 2022 SAPFOTAC Annual Report and certify those aspects of the Report detailed in the summary table above.

A motion was made by Council Member Haven-O'Donnell, seconded by Council Member Nowell that the following resolution be approved.

A RESOLUTION ACCEPTING THE SCHOOLS ADEQUATE PUBLIC FACILITIES TECHNICAL ADVISORY COMMITTEE (SAPFOTAC) 2022 REPORT

WHEREAS, the Town has had a longstanding interest in the success and excellence of the Chapel Hill – Carrboro City Schools; and

WHEREAS, the Town has participated in the development and implementation of the schools adequate public facilities ordinance provisions since 2003; and

WHEREAS, the annual technical advisory committee report has been prepared and distributed for review.

NOW, THEREFORE BE IT RESOLVED that the Town Council of the Town of Carrboro accepts the report.

NOW, THEREFORE BE IT ALSO RESOLVED that the Town Council of the Town of Carrboro wishes to add the following comments given at the April 12, 2022 Town Council meeting. These comments include: 1) The need for reserving elementary school site at the Greene Tract because projected demand for facilities is longer than 10 years out, 2) School system awareness of the Town of Carrboro's Climate Action Plans, how they relate to transportation choices, and which might encourage re-districting so families could be within school walk zones, and 3) The Pre-K program and whether students should be included in the S APFO membership and what discussions have occurred in the past.

This the 12th day of April in the year 2022.

The motion passed by the following vote:

Ayes: Mayor Pro Tem Susan Romaine, Council Member Barbara Foushee, Council Member Randee Haven-O'Donnell, Council Member Danny Nowell, Council Member Sammy Slade

ORANGE COUNTY, NC
SCHOOLS ADEQUATE PUBLIC
FACILITIES ORDINANCE

**PREPARED BY A STAFF COMMITTEE: PLANNING DIRECTORS,
SCHOOL REPRESENTATIVES, TECHNICAL ADVISORY COMMITTEE
(SAPFOTAC)**

**(PURSUANT TO PROVISIONS OF A MEMORANDUM OF
UNDERSTANDING ADOPTED IN 2002 & 2003)
(ORDINANCES ADOPTED IN JULY 2003)**

Annual Report
2022

(BASED ON NOVEMBER 2021 DATA)

CERTIFIED BY THE BOCC ON MAY 24, 2022

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2022 SAPFOTAC Executive Summary

I. Base Memorandum of Understanding

A. Level of Service(No Change).....Pg. 1

	<i>Chapel Hill/Carrboro School District</i>	<i>Orange County School District</i>
<i>Elementary</i>	105%	105%
<i>Middle</i>	107%	107%
<i>High</i>	110%	110%

B. Building Capacity and Membership(Change).....Pg. 2

	<i>Chapel Hill/Carrboro School District</i>			<i>Orange County School District</i>		
	Capacity	Membership	Change from Prior Year	Capacity	Membership	Change from Prior Year
<i>Elementary</i>	5664	4738	(155)	3361	3023	(24)
<i>Middle</i>	2944	2802	(115)	2166	1656	2
<i>High</i>	3975	3940	8	2939	2472	91

C. Membership Date – November 15.....(No Change).....Pg. 17

II. Annual Update to SAPFO System

A. Capital Investment Plan (CIP)(No Change).....Pg. 18

B. Student Membership Projection Methodology(No Change).....Pg. 19 *The average of 3, 5, and 10-year history/cohort survival, linear and arithmetic projection models.*

C. Student Membership Projections(Change).....Pg. 29

Analysis of 5 Years of Projections for 2021-2022 School Year – Chapel Hill/Carrboro City Schools

(The first column for each year includes the student membership projection made for 2021-2022 in that given year. The second column for each year includes the number of students the projection was off compared to actual membership. An “L” indicates the projection was low compared to the actual, whereas an “H” indicates the projection was high compared to the actual.)

		Year Projection Made for 2021-2022 Membership									
	Actual 2021 Membership	2016-2017		2017-2018		2018-2019		2019-2020		2020-2021	
Elementary	4738	5795	H1057	5488	H750	5474	H736	5357	H619	4808	H70
Middle	2802	2999	H197	2924	H122	2961	H159	3016	H214	2847	H45
High	3940	3897	L43	3934	L6	3981	H41	4021	H81	3904	L36

Analysis of 5 Years of Projections for 2021-2022 School Year – Orange County Schools

(The first column for each year includes the student membership projection made for 2021-2022 in that given year. The second column for each year includes the number of students the projection was off compared to actual membership. An “L” indicates the projection was low compared to the actual, whereas an “H” indicates the projection was high compared to the actual.)

		Year Projection Made for 2021-2022 Membership									
	Actual 2021 Membership	2016-2017		2017-2018		2018-2019		2019-2020		2020-2021	
Elementary	3023	3283	H260	3198	H175	3278	H239	3281	H258	3011	L12
Middle	1656	1748	H92	1709	H53	1731	H75	1719	H63	1634	L22
High	2472	2559	H87	2474	H2	2388	L84	2415	L57	2365	L107

D. Student Membership Growth Rate(Change).....Pg. 37

Projected Average Annual Growth Rate Over Next 10 Years										
	Chapel Hill/Carrboro School District					Orange County School District				
Year Projection Made:	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
<i>Elementary</i>	0.36%	0.56%	0.65%	-0.23%	-0.88%	0.58%	0.91%	0.84%	-0.02%	-0.04%
<i>Middle</i>	0.21%	0.19%	-0.07%	-1.50%	-2.10%	0.13%	0.28%	0.37%	-0.67%	-0.72%
<i>High</i>	0%	0.16%	0.03%	-1.44%	-2.15%	-0.10%	0.21%	0.21%	-0.98%	-1.06%

E. Student / Housing Generation Rate(No Change).....Pg. 40

SCHOOL ADEQUATE PUBLIC FACILITIES ORDINANCE STATUS

(Based on future year Student Membership Projections)

CHAPEL HILL/CARRBORO SCHOOL DISTRICT

Elementary School Level

- A. Does not currently exceed 105% LOS standard (current LOS is 83.7%).
- B. The projected growth rate at this level is expected to decrease over the next 10 years (average ~ -.88% per year compared to -0.74% over the past 10 years).
- C. Similar to last year, projections are not showing a need for an additional Elementary School in the 10-year projection period.

Middle School Level

- A. Does not currently exceed 107% LOS standard (current LOS is 95.2%).
- B. The projected growth rate at this level is expected to decrease over the next 10 years (average ~ -2.10% compared to an average of 0.72% over the past 10 years).
- C. Similar to last year, projections are not showing a need for an additional Middle School in the 10-year projection period.

High School Level

- A. Does not currently exceed the 110% LOS standard (current LOS is 99.1%).
- B. The projected growth rate at this level is expected to decrease over the next 10 years (average ~ -2.15% compared to 0.79% over the past 10 years).
- C. Similar to last year, projections are not showing a need to expand Carrboro High School from the initial capacity of 800 students to the ultimate capacity of 1,200 students in the 10-year projection period.

ORANGE COUNTY SCHOOL DISTRICT

Elementary School Level

- A. Does not currently exceed 105% LOS standard (current LOS is 89.9%).
- B. The projected growth rate at this level is expected to increase, but remain negative over the next 10 years (average ~ -0.04% compared to -0.71% over the past 10 years).
- C. Similar to last year, projections are not showing a need for an additional Elementary School in the 10-year projection period.

Middle School Level

- A. Does not currently exceed 107% LOS standard (current LOS is 76.5%).
- B. The projected growth rate at this level is expected to decrease over the next 10 years (average ~ -0.72% compared to -0.23% over the past 10 years).
- C. Similar to last year, projections are not showing a need for an additional Middle School in the 10-year projection period.

High School Level

- A. Does not currently exceed 110% LOS standard (current LOS is 84.1%).
- B. The projected growth rate at this level is expected to decrease over the next 10 years (average ~ -1.06% compared to 0.72% over the past 10 years).
- C. Capacity has increased by 500 seats due to the Cedar Ridge High School addition. Projections are not showing a need for additional High School in the 10-year projection period.

ADDITIONAL INFORMATION

COVID Impacts

Both school districts are still experiencing impacts from COVID due to a decrease in student membership as a result of students being withdrawn and enrolled in private schools with in-person learning or homeschooled. At this time, staff believes these are temporary impacts and a majority of these students will return when in-person learning commences on a stable basis. However, the loss of students has impacted the SAPFO 10-year projections by decreasing future student growth rates and service levels and pushing building capacity needs far beyond the 10-year projection period. Recognizing concerns with these projections not being constructive in planning for the future or when students return to the classroom, Orange County Planning staff drafted hypothetical 2021-2022 student membership and grade level numbers in order to generate alternative 10-year student projections.

Hypothetical student membership and grade level numbers were drafted based on SAPFO data from previous reports. Similar to last year's report, student membership and growth rates were based on the certified 2020 SAPFO Report. The purpose of this was to draft informal projections which may depict future student growth rates and service levels without the impacts from COVID. Staff believes the 10-year projections will correct themselves when students return to the classroom and student membership numbers increase to regular levels. Due to the requirements in the SAPFO MOUs, these projections cannot be certified, but may be documented in the annual report. Similar to the 2021-2022 SAPFO projections, the alternative projections utilize the same methodology contained in the SAPFO MOUs. The four alternative projections were based on the following scenarios and data:

- Scenario 1: Draft 10-year projections using 2019 SAPFO student membership and grade level numbers for this school year.
- Scenario 2: Draft 10-year projections using the average student membership and grade level numbers from 2015-2019

- Scenario 3: Draft 10-year projections using the average Student Growth Rates from 2010-2020, as certified in the 2020 SAPFO Report.
- Scenario 4: Draft 10-year projections using the average Student Growth Rates for 2021-2031, as certified in the 2020 SAPFO Report

Based on the four alternative projections, no capacity needs were identified in the 10-year projection period for both districts. Outcomes (i.e. projected student membership, service levels, and student growth rates) of the alternative projections are similar to 10-year projections contained in previous SAPFO reports. The following tables provide a summary of the alternative projections for the 2031-32 school year including average student membership numbers and service levels. In addition, average student membership numbers and service levels from the 2021-22 SAPFO projections are provided for comparison purposes. The 2021-22 SAPFO projection sheets, contained on pages 36 and 37 of this report, are certified annually by the Orange County Board of Commissioners. Spreadsheets of the alternative projections can be provided upon request.

Chapel Hill – Carrboro City Schools						
	SAPFO Level of Service (LOS) and Building Capacity					
	Elementary		Middle		High	
	Capacity at 100% LOS	Capacity at 105% LOS	Capacity at 100% LOS	Capacity at 107% LOS	Capacity at 100% LOS	Capacity at 110% LOS
	5,664	5,947	2,944	3,150	3,975	4,373
	2031-32 School Year					
Elementary		Middle		High		
Average Membership	Level of Service	Average Membership	Level of Service	Average Membership	Level of Service	
Scenario 1	5,655	99.8%	3,038	103.2%	3,932	98.9%
Scenario 2	5,453	96.3%	2,904	98.6%	3,868	97.3%
Scenario 3	5,678	100.2%	3,108	105.6%	4,097	103.1%
Scenario 4	5,718	101.0%	3,103	105.4%	4,061	102.2%
2021-22 Projections*	4,333	76.5%	2,264	76.9%	3,169	79.7%

Orange County Schools						
	SAPFO Level of Service (LOS) and Building Capacity					
	Elementary		Middle		High	
	Capacity at 100% LOS	Capacity at 105% LOS	Capacity at 100% LOS	Capacity at 107% LOS	Capacity at 100% LOS	Capacity at 110% LOS
	3,361	3,529	2,166	2,318	2,939	3,233
	2031-32 School Year					
Elementary		Middle		High		
Average Membership	Level of Service	Average Membership	Level of Service	Average Membership	Level of Service	
Scenario 1	3,454	102.8%	1,812	83.7%	2,440	83.0%
Scenario 2	3,165	94.2%	1,665	76.9%	2,313	78.7%
Scenario 3	3,453	102.7%	1,837	84.8%	2,532	86.2%
Scenario 4	3,516	104.6%	1,860	85.9%	2,556	87.0%
2021-22 Projections*	3,011	89.6%	1,539	71.1%	2,222	75.6%

Pre-K Students

In recent years, Pre-K enrollment has been a topic of discussion with both school districts. At this time, SAPFO has not been amended to include Pre-K in the membership and capacity numbers. Pre-K enrollment has been included in discussions regarding changes in class size and school capacity. However, Pre-K numbers and impacts continue to be monitored by the SAPFOTAC. In addition, the annual report will begin to report Pre-K membership beginning with the 2019-20 school year, prior to COVID impacts. Pre-K students for each district is as follows:

	Chapel Hill-Carrboro City Schools	Orange County Schools
School Year	Number of Students	Number of Students
2019-20	267	144
2020-21	208	86
2021-22	222	125

Charter and Private Schools

Currently, there are two Charter Schools located in the Town of Hillsborough. Charter student membership for these two schools is as follows:

	Eno River Academy	The Expedition School
School Year	Number of Students	Number of Students
2017-18	542	326
2018-19	655 (+113)	355 (+29)
2019-20	715 (+60)	365 (+10)
2020-21	747 (+32)	365*
2021-22	751 (+4)	365*

**The Expedition School reached full capacity of 365 students last school year*

Charter and private schools are not included as part of the SAPFO Annual Report and, as a result, their membership and capacity numbers are not included in future projections. SAPFO projections are used for projecting only public school capacity/construction needs. However, the SAPFO Technical Advisory Committee does monitor charter and private schools and their effect on student enrollment in both school districts. If a charter or private school were to close and a spike were to be realized in school enrollment, the student projections would likely accelerate the need for additional capacity in future years, but likely still within an appropriate time for CIP planning. Charter Schools are also monitored by the Department of Public Instruction (DPI) which provides pupil information, based on data received from Charter Schools located in Orange County, to the County for funding purposes. The County budgeted for charter schools as follows:

	Chapel Hill-Carrboro City Schools	Orange County Schools
Fiscal Year	Number of Students	Number of Students
2017-18	162	617
2018-19	155 (-7)	769 (+152)
2019-20	169 (+14)	843 (+74)
2020-21	166 (-3)	885 (+42)
2021-22	156 (-10)	919 (+34)

Although charter and private schools numbers are not collected for SAPFO purposes, impacts due to enrollment at these schools are accounted for in SAPFO process with the annual reporting of student membership and growth rates contained in the 10-year student projections.

Future Residential Development

Proposed growth is not included in the SAPFO projection system until actual students begin enrollment. The Certificate of Adequate Public Schools (CAPS) test is conducted during the approval process at a certain stage. Once students are enrolled in a school year, through annual reporting of student membership numbers, 10-year student projections can be updated to display future capacity needs in time to efficiently plan for future school capacity/construction requests. The SAPFOTAC continue to monitor and evaluate the demand and growth of residential development throughout Orange County as well as its effect on student membership rates. Below is a list of larger residential projects and the potential number of students from these projects which may have an impact in the short term. Please note, the City of Mebane is not a party to the SAPFO agreement and therefore does not require that CAPS (Certificate of Adequate Public Schools) be issued prior to development approvals. As a result, the expected number of students is based on unit type and bedroom count estimates.

Residential Project	Jurisdiction	Proposed Total Units	Expected Number of Students
Collins Ridge Phase 1	Hillsborough	672	Elementary: 84 Middle: 45 High: 57
Weavers Grove	Chapel Hill	235	Elementary: 44 Middle: 18 High: 20
The Meadows	Mebane	167	Elementary: 34 Middle: 18 High: 23
Stagecoach Corner	Mebane	35	Elementary: 9 Middle: 5 High: 6
Bowman Village/ Bowman Place	Mebane	177	Elementary: 48 Middle: 23 High: 30
The Townes of Oakwood Square	Mebane	88	Elementary: 5 Middle: 4 High: 5
Northeast Village (Havenstone Phase 1 & 2)	Mebane	169	Elementary: 46 Middle: 22 High: 29
Tupelo Junction	Mebane	181	Elementary: 49 Middle: 24 High: 31

School Renovation and Expansion

The Schools Adequate Public Facilities Ordinance (SAPFO) student projections illustrate when the adopted level of service capacities are forecasted to be met and/or exceeded in anticipation of CIP planning and the construction of a new school. Both school districts continue planning efforts to renovate and expand existing facilities to address school capacity needs in a more feasible way. Additional capacity resulting from school renovations and expansions will be added to the projection models in stages, once funding is approved, versus the addition of greater capacity when a new school is constructed and completed. The renovation and expansion to existing facilities may delay construction of new schools further into the future, depending on how and how much capacity is added to the system. Decisions on the timing of reconstruction (i.e. capacity additions) funding would be directly linked to the SAPFO model at the appropriate time.

Orange County, NC School Adequate Public Facilities Ordinance

Introduction

The Schools Adequate Public Facilities Ordinance (SAPFO) and its Memorandum of Understanding are ordinances and agreements, respectively. Supporting documents are anticipated to be dynamic to incorporate the annual changing conditions of membership, capacity and student projections that may affect School Capital Investment Plan (CIP) timing. This formal annual report will be forthcoming to all of the Schools Adequate Public Facilities Ordinance partners each year as new information is available.

This updated information is used in the schools capital needs process of the Capital Investment Plan (Process 1) and within elements of the Schools Adequate Public Facilities Ordinance Certificate of Adequate Public Schools (CAPS) spreadsheet system (Process 2).

This report and any comments from the Schools Adequate Public Facilities Ordinance partners will be considered in the first half of each year by the Board of County Commissioners at a regular or special meeting. The various elements of the report are then “certified” and formally considered in the process of the upcoming Capital Investment Plan. The Certificate of Adequate Public Schools system is updated after November 15 when data is received from the school districts with actual membership and pre-certified capacity (i.e. CIP capacity or prior “joint action” capacity changes).

The Schools Adequate Public Facilities Ordinance and Memorandum of Understanding have dynamic aspects. The derivation of the baseline and update to the variables will continue in the future as a variety of school related issues are fine-tuned by technical and policy groups.

The primary facet of this report includes the creation of mathematical projections for student memberships by school levels (Elementary, Middle and High) and by School Districts (Chapel Hill/Carrboro and Orange County). This information is found in Section II, Subsections B, C, D, and E.

In summary, this report serves as an update to the dynamic conditions of student membership and school capacity which affect future projected needs considered in Capital Investment Planning.

Interested parties may make their comments known to the Board of County Commissioners prior to their review of the report and school CIP completion or ask questions of the SAPFOTAC members.

Schools Adequate Public Facilities Ordinance Partners

Annual Report as Outlined in

Schools Adequate Public Facilities Ordinance Memorandum

of Understanding (SAPFO MOU)

Section 1d

Respectfully Submitted to Schools Adequate Public Facilities

Ordinance Partners

Chapel Hill-Carrboro City School District SAPFO	Orange County School District SAPFO
Board of County Commissioners	Board of County Commissioners
Carrboro Town Council	Hillsborough Board of Commissioners
Chapel Hill Town Council	
Chapel Hill-Carrboro School Board	Orange County School Board

**Planning Directors/School Representatives
Technical Advisory Committee
(aka SAPFOTAC)**

Town of Carrboro
Trish McGuire, Planning Director
301 West Main Street
Carrboro, NC 27510

Town of Chapel Hill
Colleen R. Willger, Planning and Development Services Director
405 Martin Luther King, Jr. Blvd.
Chapel Hill, North Carolina 27514

Town of Hillsborough
Margaret Hauth, Assistant Town Manager
P.O. Box 429
Hillsborough, NC 27278

Orange County
Craig Benedict, Planning Director
Ashley Moncado, Special Projects Planner
Gary Donaldson, Director of Finance and Administrative Services
131 W. Margaret Lane
P.O. Box 8181
Hillsborough, NC 27278

Orange County School District
Monique Felder, Superintendent
200 E. King Street
Hillsborough, NC 27278

Chapel Hill-Carrboro City School District
Nyah Hamlett, Superintendent
750 Merritt Mill Road
Chapel Hill, NC 2751

I. Base Memorandum of Understanding

A. Level of Service

1. **Responsible Entity for Suggesting Change** – Change can only be effectuated by amendment to Memorandum of Understanding (MOU) by all SAPFO partners.
2. **Definition** – Level of Service (LOS) means the amount (level) of students that can be accommodated (serviced) at a certain school system grade group [i.e., Elementary level (K-5), Middle Level (6-8), High School Level (9-12)].

3. Standard for:			Standard for:		
Chapel Hill-Carrboro City School District			Orange County School District		
Elementary	Middle	High School	Elementary	Middle	High School
105%	107%	110%	105%	107%	110%

- | | |
|--|--|
| 4. Analysis of Existing Conditions: | Analysis of Existing Conditions: |
| Chapel Hill-Carrboro City School District | Orange County School District |
| These standards are acceptable at this time. | These standards are acceptable at this time. |

- | | |
|--|--------------------------------------|
| 5. Recommendation: | Recommendation: |
| Chapel Hill-Carrboro City School District | Orange County School District |
| No change from above standard. | No change from above standard. |

B. Building Capacity and Membership

1. **Responsible Entity for Suggesting Change** – The Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) will receive requested changes that are CIP related and adopted in the prior year. CIP capacity changes will be updated along with actual membership received in November of each year. Other changes will be sent to a ‘Joint Action Committee’ of the BOCC and Board of Education, as noted in the MOU, who will make recommendations and forward changes (on the specific forms with justification) to the full Board of County Commissioners for review and action. These non-CIP changes would be updated in the upcoming November CAPS system recalibration and included in the SAPFOTAC report.
2. **Definition** – For purposes of this Memorandum, "building capacity" will be determined by reference to State guidelines and the School District guidelines (consistent with CIP School Construction Guidelines/policies developed by the School District and the Board of County Commissioners) and will be determined by a joint action of the School Board and the Orange County Board of Commissioners. As used herein the term "building capacity" refers to permanent buildings. Mobile classrooms and other temporary student accommodating classroom spaces are not permanent buildings and may not be counted in determining the school districts building capacity.

3. **Standard for:**

Chapel Hill-Carrboro City School District

The original certified capacity for each of the schools was certified by the respective superintendent and incorporated in the initialization of the CAPS system (Chapel Hill-Carrboro School District April 29, 2002 - Base) Capacity changes were made each year as follows:

- 2003:** Increase of 619 at Rashkis Elementary.
2004: No changes at Elementary, Middle, or High School levels.

Standard for:

Orange County School District

The original certified capacity for each of the schools was certified by the respective superintendent and incorporated in the initialization of the CAPS system (Orange County School District April 30, 2002 - Base) Capacity changes were made each year as follows:

- 2003:** No net increase in capacity at Elementary level. No changes at Middle School level.
 Increase of 1,000 at Cedar Ridge High School.

Section I

2005: No changes at Elementary, Middle, or High School levels.

2006: No changes at Elementary, Middle, or High School levels.

2007: An increase of 800 at the High School level with the opening of Carrboro High School.

2008: An increase of 323 at the Elementary School level due to the opening of Morris Grove Elementary School and the implementation of the 1:21 class size ratio in grades K-3

2009: No changes at Elementary, Middle, or High School levels.

2010: An increase in capacity of 40 students at the High School level with Phoenix Academy High School becoming official high school within the district

2011: No changes at Elementary, Middle, or High School levels.

2012: No changes at Elementary, Middle, or High School levels.

2013: An increase in capacity of 585 students due to the opening of Northside Elementary School.

2014: An increase in capacity of 104 students due to the opening of the Culbreth Middle School addition.

2015: No changes at Elementary, Middle, or High School levels.

2016: No changes at Elementary, Middle, or High School levels.

2004: No net increase in capacity at Elementary level. No changes at Middle or High School levels.

2005: An increase in capacity of 100 at Hillsborough Elementary with the completion of renovations.

2006: An increase in capacity of 700 at the Middle School level with the completion of Gravelly Hill Middle School and an increase of 15 at the High School level with the temporary location of Partnership Academy Alternative School. An increase of 2 at the Elementary level due to a change in the capacity calculation for each grade at each school.

2007: No changes at Elementary, Middle, or High School levels.

2008: A decrease of 228 at the Elementary School level due to the implementation of the 1:21 class size ratio in grades K-3 and an increase of 25 at the High School level with the completion of the new Partnership Academy Alternative School.

2009: No changes at Elementary, Middle, or High School levels.

2010: No changes at Elementary, Middle, or High School levels.

2011: No changes at Elementary, Middle, or High School levels.

2012: No changes at Elementary or Middle School levels. A decrease of 119 at High School level as a result of a N.C. Department of Public Instruction (DPI) study.

Section I

2017: A decrease in capacity of 165 students due to the implementation of the 1:20 class size ratio in grades K-3.

2018: No changes at Elementary, Middle or High School levels.

2019: No changes at Elementary, Middle, or High School levels.

2020: Increase of 100 seats at the High School level due to renovations at Chapel Hill High School. No changes at Elementary or Middle School levels.

2021: No changes at Elementary, Middle, or High School levels.

2013: No changes at Elementary, Middle, or High School levels.

2014: No changes at Elementary, Middle, or High School levels.

2015: No changes at Elementary, Middle, or High School levels.

2016: No changes at Elementary, Middle, or High School levels.

2017: A decrease in capacity of 333 students due to the implementation of the 1:20 class size ratio in grades K-3.

2018: No changes at Elementary, Middle, or High School levels.

2019: No changes at Elementary, Middle, or High School levels.

2020: No changes at the Elementary, Middle, or High School levels.

2021: Increase of 500 seats at the High School level due to the Cedar Ridge High School addition. No changes at Elementary or Middle School levels.

4. Analysis of Existing Conditions:

Chapel Hill-Carrboro City School District

The Schools Facilities Task Force developed a system to calculate capacity. Any changes year to year will be monitored, reviewed, and recorded by the SAPFOTAC on approved forms distributed to SAPFO partners and certified upon approval by the Board of County Commissioners each year. The requested 2021-2022 capacity is noted on Attachment I.B.4

Analysis of Existing Conditions:

Orange County School District

The Schools Facilities Task Force developed a system to calculate capacity. Any changes year to year will be monitored, reviewed, and recorded by the SAPFOTAC on approved forms distributed to SAPFO partners and certified upon approval by the Board of County Commissioners each year. The requested 2021-2022 capacity is noted on Attachment I.B.3

*Section I***5. Recommendation:****Chapel Hill-Carrboro City School District**

Accept school capacities at all levels, as reported by CHCCS and shown in Attachment I.B.4.

Recommendation:**Orange County School District**

Accept school capacities at all levels, as reported by OCS and shown in Attachment I.B.3.

**Attachment I.B.1 Orange County School Capacity (Elementary, Middle, & High)
(2020-21)
(Page 1 of 3)**

**Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and
Change Request Form**

School District: Orange County Schools
 SAPFO CAPS Year: November 13, 2020 - November 14, 2021
 Capacity and Membership Submittal Date: November 13, 2020

Elementary School	Square Feet	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
Cameron Park	70,812	565	565	502	502	502		567	112.9%
Central	52,492	455	455	428	428	428		268	62.6%
Efland Cheeks	64,316	497	497	455	455	455		499	109.7%
Grady Brown	74,016	544	544	490	490	490		405	82.7%
Hillsborough	51,106	471	471	420	420	420		427	101.7%
New Hope	100,164	586	586	526	526	526		533	101.3%
Pathways	85,282	576	576	540	540	540		348	64.4%
Total	498,188	3,694	3,694	3,361	3,361	3,361		3,047	90.7%

Special Note(s): 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

Justification:

Capacity and Membership Certification:

Mary G. Felde
 Superintendent Date 11/14/20

Renee A. Price
 BOCC Chair Date 1-19-21

Attachment I.B.1 Orange County School Capacity (Elementary, Middle, & High)
(2020-21)
(Page 2 of 3)

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

School District: Orange County Schools
 SAPFO CAPS Year: November 13, 2020 - November 14, 2021
 Capacity and Membership Submittal Date: November 13, 2020

Middle School	Square Feet	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
A.L. Stanback	136,000	740	740	740	740	740		627	84.7%
C.W. Stanford	107,620	726	726	726	726	726		583	80.3%
Gravelly Hill	123,000	700	700	700	700	700		444	63.4%
Total	366,620	2,166	2,166	2,166	2,166	2,166		1,654	76.4%

Special Note(s): 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

Justification:

Capacity and Membership Certification:

Morgan Fielder 11/16/20
 Superintendent Date

Renée A. Price 1-19-21
 BOCC Chair Date

**Attachment I.B.1 Orange County School Capacity (Elementary, Middle, & High)
(2020-21)
(Page 3 of 3)**

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

School District: Orange County Schools
 SAPFO CAPS Year: November 13, 2020 - November 14, 2021
 Capacity and Membership Submittal Date: November 13, 2020

High School	Square Feet	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
Cedar Ridge	206,900	1,000	1,000	1,000	1,000	1,000		1,035	103.5%
Orange	213,509	1,399	1,399	1,399	1,399	1,399		1,317	94.1%
Partnership	6,600	40	40	40	40	40		29	72.5%
Total	427,009	2,439	2,439	2,439	2,439	2,439		2,381	97.6%

Special Note(s): 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

Justification:

Capacity and Membership Certification:

[Signature] _____
 Superintendent Date

[Signature] _____
 BOCC Chair Date

Attachment I.B.2 Chapel Hill-Carrboro City School Capacity (Elementary, Middle, & High)
 (2020-21)
 (Page 1 of 3)

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

School District: Chapel Hill-Carrboro City Schools
SAPFO CAPS Year: November 13, 2020 - November 14, 2021
Capacity and Membership Submittal Date: November 13, 2020

Elementary School	Square Feet	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
Carrboro	60,832	533	518	518	518	518*		478	92.3%
Ephesus	66,952	448	436	436	436	436		342	78.4%
Estes Hills	56,299	527	516	516	516	516		380	73.6%
FP Graham	66,689	538	522	522	522	522		564	108.0%
Glenwood	50,764	423	412	412	412	412		433	105.1%
McDougle	98,000	564	548	548	548	548		488	89.1%
Morris Grove	90,221	585	568	568	568	568		492	86.6%
Northside	99,500	585	568	568	568	568		402	70.8%
Rashkis	95,729	585	568	568	568	568		437	76.9%
Scroggs	90,980	575	558	558	558	558		474	84.9%
Seawell	52,896	466	450	450	450	450		403	89.6%
Total	828,862	5,829	5,664	5,664	5,664	5,664		4,893	86.4%

Special Note(s): 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

Justification: Waiting for the Schools Joint Action Committee reductions for class size changes.

Capacity and Membership Certification:

 11/15/2020
 Superintendent Date

 1-19-21
 BOCC Chair Date

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

School District: Chapel Hill-Carrboro City Schools
SAPFO CAPS Year: November 13, 2020 - November 14, 2021
Capacity and Membership Submittal Date: November 13, 2020

Middle School	Square Feet	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
Culbreth	122,467	774	774	774	774	774		737	95%
McDougle	136,221	732	732	732	732	732		751	103%
Phillips	109,498	706	706	706	706	706		694	98%
Smith	128,764	732	732	732	732	732		735	100%
Total	496,950	2,944	2,944	2,944	2,944	2,944		2,917	99.1%

Special Note(s): 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

Justification:

Capacity and Membership Certification:


11/15/2020

 Superintendent Date


1-19-21

 BOCC Chair Date

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

School District: Chapel Hill-Carrboro City Schools
SAPFO CAPS Year: November 13, 2020 - November 14, 2021
Capacity and Membership Submittal Date: November 13, 2020

High School	Square Feet	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
Carrboro	148,023	800	800	800	800	800		838	105%
Chapel Hill	278,508	1,520	1,520	1,520	1,520	1,620	*	1,529	94%
East Chapel Hill	259,869	1,515	1,515	1,515	1,515	1,515		1,516	100%
Phoenix Acad.	5,207	40	40	40	40	40		49	123%
Total	691,607	3,875	3,875	3,875	3,875	3,975		3,932	98.9%

Special Note(s): 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

Justification: 100 seats added to CHHS for the 2020-21 school year. Total square feet 278,508.

Capacity and Membership Certification:

 11/15/2020
 Superintendent Date

 1-19-21
 BOCC Chair Date

Attachment 1

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

School District: Orange County Schools
 SAPFO CAPS Year: November 15, 2021 - November 14, 2022
 Capacity and Membership Submittal Date: November 15, 2021

Elementary School	Square Feet	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	2021-2022 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
River Park	70,812	565	565	502	502	502		557	111.0%
Central	52,492	455	455	428	428	428		299	69.9%
Efland	64,316	497	497	455	455	455		482	105.9%
Grady Brown	74,016	544	544	490	490	490		411	83.9%
Hillsborough	51,106	471	471	420	420	420		422	100.5%
New Hope	100,164	586	586	526	526	526		533	101.3%
Pathways	85,282	576	576	540	540	540		319	59.1%
Total	498,188	3,694	3,694	3,361	3,361	3,361		3,023	89.9%

Special Note(s): 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC. 2. During the 2021-2022 school year, the Orange County Schools opened the OCS Online Academy as alternative learning option for students in grades K-12 as a result of the COVID-19 global pandemic. The membership counts for November 15, 2021 include the online students who are still assigned a base physical school within the district as these students have the opportunity to return to their assigned school during the school year. Physical classroom capacities must be reserved in order to ensure these students are able to return to their assigned school without space limitations. The membership counts for these online students as of November 15, 2021 are: Total 173 students in Elementary (68), Middle (48), and High (57).

Justification:

Capacity and Membership Certification:

Margaret Felder
 Superintendent Date

Renee A. Price 12/14/21
 BOCC Chair Date

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

School District: Orange County Schools
 SAPFO CAPS Year: November 15, 2021 - November 14, 2022
 Capacity and Membership Submittal Date: November 15, 2021

Middle School	Square Feet	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	2021-2022 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
A.L.	136,000	740	740	740	740	740		654	88.4%
Orange	107,620	726	726	726	726	726		540	74.4%
Gravelly Hill	123,000	700	700	700	700	700		462	66.0%
Total	366,620	2,166	2,166	2,166	2,166	2,166		1,656	76.5%

Special Note(s): 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC. 2. During the 2021-2022 school year, the Orange County Schools opened the OCS Online Academy as alternative learning option for students in grades K-12 as a result of the COVID-19 global pandemic. The membership counts for November 15, 2021 include the online students who are still assigned a base physical school within the district as these students have the opportunity to return to their assigned school during the school year. Physical classroom capacities must be reserved in order to ensure these students are able to return to their assigned school without space limitations. The membership counts for these online students as of November 15, 2021 are: Total 173 students in Elementary (68), Middle (48), and High (57).

Justification:

Capacity and Membership Certification:

Maureen Felder 11/15/21
 Superintendent Date

Renée A. Price 12/14/21
 BOEC Chair Date

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

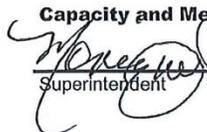
School District: Orange County Schools
 SAPFO CAPS Year: November 15, 2021 - November 14, 2022
 Capacity and Membership Submittal Date: November 15, 2021

High School	Square Feet	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	2021-2022 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
Cedar Ridge	256,900	1,000	1,000	1,000	1,000	1,500	3	1,065	71.0%
Orange	213,509	1,399	1,399	1,399	1,399	1,399		1,373	98.1%
Partnership	6,600	40	40	40	40	40		34	85.0%
Total	477,009	2,439	2,439	2,439	2,439	2,939		2,472	84.1%

Special Note(s): 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.
 2. During the 2021-2022 school year, the Orange County Schools opened the OCS Online Academy as alternative learning option for students in grades K-12 as a result of the COVID-19 global pandemic. The membership counts for November 15, 2021 include the online students who are still assigned a base physical school within the district as these students have the opportunity to return to their assigned school during the school year. Physical classroom capacities must be reserved in order to ensure these students are able to return to their assigned school without space limitations. The membership counts for these online students as of November 15, 2021 are: Total 173 students in Elementary (68), Middle (48), and High (57).

Justification: 3. The capacity at Cedar Ridge High School has increased from 1,000 students to 1,500 students due to the opening of a new 50,000 square foot classroom addition. This increases the total square footage from 206,900 to 256,900 square feet.

Capacity and Membership Certification:


 Superintendent
 Date 11/18/21


 BOCC Chair
 Date 12/14/21

Section 1 Attachment I.B.4 Chapel Hill-Carrboro City School Capacity (Elementary, Middle, & High)
 (2021-22)
 (Page 1 of 3)

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

School District: Chapel Hill-Carrboro City Schools
 SAPFO CAPS Year: November 15, 2021 - November 14, 2022
 Capacity and Membership Submittal Date: November 15, 2021

Elementary School	Square Feet	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	2021-2022 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
Carrboro	60,832	533	518	518	518	518		494	95.4%
Ephesus	66,952	448	436	436	436	436		341	78.2%
Estes Hills	56,299	527	516	516	516	516		353	68.4%
FP Graham	66,689	538	522	522	522	522		507	97.1%
Glenwood	50,764	423	412	412	412	412		422	102.4%
McDougle	98,000	564	548	548	548	548		462	84.3%
Morris Grove	90,221	585	568	568	568	568		461	81.2%
Northside	99,500	585	568	568	568	568		380	66.9%
Rashkis	95,729	585	568	568	568	568		419	73.8%
Scroggs	90,980	575	558	558	558	558		395	70.8%
Seawell	52,896	466	450	450	450	450		504	112.0%
Total	828,862	5,829	5,664	5,664	5,664	5,664		4,738	83.7%

Special Note(s): 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

Justification:

Capacity and Membership Certification:

N. H. ... 11/15/2021
 Superintendent Date

Leticia A. Price 12/14/21
 BOCC Chair Date

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

School District: Chapel Hill-Carrboro City Schools
 SAPFO CAPS Year: November 15, 2021 - November 14, 2022
 Capacity and Membership Submittal Date: November 15, 2021

Middle School	Square Feet	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	2021-2022 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
Culbreth	122,467	774	774	774	774	774		668	86%
McDougle	136,221	732	732	732	732	732		754	103%
Phillips	109,498	706	706	706	706	706		661	94%
Smith	128,764	732	732	732	732	732		719	98%
Total	496,950	2,944	2,944	2,944	2,944	2,944		2,802	95.2%

Special Note(s): 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

Justification:

Capacity and Membership Certification:

[Signature]
 Superintendent Date 11/15/2021

[Signature] 12/14/21
 BOCC Chair Date

Section I Attachment I.B.4 Chapel Hill-Carrboro City School Capacity (Elementary, Middle, & High)
 (2021-22)
 (Page 3 of 3)

Schools Adequate Public Facilities Ordinance (SAPFO) Capacity, Membership and Change Request Form

School District: Chapel Hill-Carrboro City Schools
 SAPFO CAPS Year: November 15, 2021 - November 14, 2022
 Capacity and Membership Submittal Date: November 15, 2021

High School	Square Feet	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	2020-2021 Requested Capacity	2021-2022 Requested Capacity	Justification Footnote #	Membership (referenced school year)	Percentage of Capacity/Level of Service
Carrboro	148,023	800	800	800	800	800		849	106%
Chapel Hill	241,111	1,520	1,520	1,520	1,620	1,620		1,515	94%
East Chapel Hill	259,869	1,515	1,515	1,515	1,515	1,515		1,484	98%
Phoenix Acad.	5,207	40	40	40	40	40		92	230%
Total	654,210	3,875	3,875	3,875	3,975	3,975		3,940	99.1%

Special Note(s): 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

Justification: At Phoenix Academy, 57 of the 90 students are in our Virtual Learning Academy; only 33 students attend in person; 33/40 is 82.5%.

Capacity and Membership Certification:

 11/15/2021
 Superintendent Date

 12/14/21
 BOCC Chair Date

C. Membership Date

1. ***Responsible Entity for Suggesting Change*** – Change can be effectuated only by amendment to Memorandum of Understanding (MOU) by all SAPFO partners. The Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) may advise if a change in date would improve the reporting or timeliness of the report.
2. ***Definition*** – The date at which student membership is calculated. This date is updated each year and also serves as the basis for projections along with the history from previous years. “For purposes of this Memorandum, the term "school membership" means the actual number of students attending school as of November 15 of each year. The figure is determined by considering the number of students enrolled (i.e. registered, regardless of whether a student is no longer attending school) and making adjustments for withdrawals, dropouts, deaths, retentions and promotions. Students who are merely absent from class on the date membership is determined as a result of sickness or some other temporary reason are included in school membership figures. Each year the School District shall transmit its school membership to the parties to this agreement no later than five (5) school days after November 15.
3. ***Standard for:***

Chapel Hill-Carrboro City School District November 15 of each year	Standard for: Orange County School District November 15 of each year
--	--
4. ***Analysis of Existing Conditions:***
 This will be analyzed in the future years to determine if it is an exemplary date.
5. ***Recommendation:***

Chapel Hill-Carrboro City School District No change at this time.	Recommendation: Orange County School District No change at this time.
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II. Annual Update to Schools Adequate Public Facilities Ordinance System

A. Capital Investment Plan (CIP)

1. **Responsible Entity for Suggesting Change** – The updating of this section will be conducted by the Board of County Commissioners (BOCC) after review of the CIP requests from the School Districts. Action regarding CIP programs usually occurs during the BOCC budget Public Hearing process in the winter and spring of each year. The development of the CIP considers the conditions noted in the SAPFOTAC report released in the same CIP development year including LOS (level of service), capacity, and membership projections.
2. **Definition** – The process and resultant program to determine school needs and provide funding for new school facilities through a variety of funding mechanisms.
3. **Standard for:**

Chapel Hill-Carrboro City School District	Orange County School District
Not Applicable	Not Applicable
4. **Analysis of Existing Conditions:**

The MOU outlines a system of implementing the SAPFO, including issuing Certificates of Adequate Public Schools (CAPS) to new development if capacity is available. The Requests for CAPS will be evaluated using the most recently adopted Capital Investment Plan. A new Capital Investment Plan is currently under development for approval prior to June 30, 2022.
5. **Recommendation:**

Not subject to staff review

B. Student Membership Projection Methodology

1. **Responsible Entity for Suggesting Change** – This section is reviewed and recommended by the Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) to the BOCC for change, if necessary.
2. **Definition** – The method(s) by which student memberships are calculated for future years to determine total membership at each combined school level (Elementary, Middle, and High School) which take into consideration historical membership totals at a specific time (November 15) in the school year. These methods are also known as ‘models’.

3. **Standard for:**

Chapel Hill-Carrboro City School District

Standard for:

Orange County School District

Presently, the average of five models is being used: namely 3, 5, and 10-year history/cohort survival methods, Orange County Planning Department Linear Wave, and Tischler Linear methods. Attachment II.B.1 includes a description of each model.

4. **Analysis of Existing Conditions:**

Performance of the models is monitored each year. The value of a projection model is in its prediction of school level capacities at least three years in advance of capacity shortfalls so the annual Capital Investment Plan (CIP) updates can respond proactively with siting, design, and construction. Attachment II.B.1 includes a description of each model. Attachment II.B.3 shows the performance of the models for the 2021-22 school year from the prior year projection.

5. **Recommendation:**

Analysis on the accuracy of the results is showing that some models have better results in one district while others have better results in the other district. The historic growth rate is recorded by the models, but projected future growth is more difficult to accurately quantify. In all areas of the county, proposed growth is not included in the SAPFO projection system until actual students begin enrollment. The system is updated in November of each year, becoming part of the historical projection base.

STUDENT MEMBERSHIP PROJECTIONS

PROJECTION TYPE	DESCRIPTION / CHARACTERISTICS	FORMULA	ASSUMPTIONS
Tischler Linear (OCS & CHCCS)	Mathematical formula; straight line projection	$y = ((c * b)^x) + b$ y=projected population; c=historical annual change; b=base year; x= projection years	Historical growth is reflected in projected growth
OCP Linear Wave (OCS)	Mathematical linear with percent variation among school levels; reflects progressing waves of membership	$BYM + (BYI + 5(n)) = EYM \quad EYM * \%SL = EYM/SL$ BYM= base year 2nd month membership; BYI=year student membership increment base; EYM=ensuing year membership; n=projection year; %SL=% of total membership per school level (i.e. elementary, middle, high); EYM/SL=ensuing year member by school level	Base year growth reflects 10-year average; increase in BYI of 5 every other year reflects increases in housing growth; reflects buildout constraints
OCP Linear Wave (CHCCS)	Mathematical linear with percent variation among school levels; reflects progressing waves of membership	$BYM + (BYI - 15(n)) = EYM \quad EYM * \%SL = EYM/SL$ BYM= base year 2nd month membership; BYI=year student membership increment base; EYM=ensuing year membership; n=projection year; %SL=% of total membership per school level (i.e. elementary, middle, high); EYM/SL=ensuing year member by school level	Base year growth reflects 10-year average; decrease in BYI of 15 until school year 2010-2011 reflects decreases in housing growth; reflects buildout constraints
3-Year Cohort (OCS & CHCCS)	Mathematical formula that computes the average advancement rate over the previous 3 years for each grade level and then uses each rate to calculate projected membership by school level; an assumed kindergarten membership is based on birth records and/or historical growth rates	$K_n = k_{n-1} + (k_{n-1} * 0.01)$ $n=1$ $a = (\sum G_n / g_{n-1}) / 3$ $n=3$ $b = g_{n-1} (a)$ K=kindergarten membership; n=given school year; G=given grade's membership(other than kindergarten); g= previous grade's membership; a=average advancement rate; b=projected membership	Assumes a 1% annual growth rate for the kindergarten grade level; assumes the same percentage of students in each grade level graduate to the next level each year
5 year Cohort (OCS & CHCCS)	Mathematical formula that computes the average advancement rate over the previous 5 years for each grade level and then uses each rate to calculate projected membership by school level; an assumed kindergarten membership is based on birth records and/or historical growth rates	$K_n = k_{n-1} + (k_{n-1} * 0.01)$ $n=1$ $a = (\sum G_n / g_{n-1}) / 5$ $n=5$ $b = g_{n-1} (a)$ K=kindergarten membership; n=given school year; G=given grade's membership(other than kindergarten); g= previous grade's membership; a=average advancement rate; b=projected membership	Assumes a 1% annual growth rate for the kindergarten grade level; assumes the same percentage of students in each grade level graduate to the next level each year
10 year Cohort (OCS & CHCCS)	Mathematical formula that computes the average advancement rate over the previous 10 years for each grade level and then uses each rate to calculate projected membership by school level; an assumed kindergarten membership is based on birth records and/or historical growth rates	$K_n = k_{n-1} + (k_{n-1} * 0.01)$ $n=1$ $a = (\sum G_n / g_{n-1}) / 10$ $n=10$ $b = g_{n-1} (a)$ K=kindergarten membership; n=given school year; G=given grade's membership(other than kindergarten); g= previous grade's membership; a=average advancement rate; b=projected membership	Assumes a 1% annual growth rate for the kindergarten grade level; assumes the same percentage of students in each grade level graduate to the next level each year

**Orange County School District
School Membership 2020-2021 School Year (November 13, 2020)**

	11/15/19 Actual 2019-20	2020 Report Projection for 2020-21	11/13/20 Actual 2020-21	Change between actual Nov 2019 - Nov 2020
Elementary	3232		3047	- 185
Model			Projection is	
T		3241	H194	
OCP		3248	H201	
10C		3275	H228	
5C		3285	H238	
3C		3286	H239	
Average		3267	H220	
	11/15/19		11/13/20	
Middle	1763		1654	- 109
Model			Projection is	
T		1768	H114	
OCP		1773	H119	
10C		1709	H55	
5C		1702	H48	
3C		1686	H32	
Average		1728	H74	
	11/15/19		11/13/20	
High	2397		2381	- 16
Model			Projection is	
T		2404	H23	
OCP		2412	H31	
10C		2398	H17	
5C		2389	H8	
3C		2401	H20	
Average		2401	H20	
Totals	11/15/19		11/13/20	
Elementary	3232		3047	
Middle	1763		1654	
High	<u>2397</u>		<u>2381</u>	
Total	7392		7082	- 310
Model			Projection is	
T		7413	H331	
OCP		7433	H351	
10C		7382	H300	
5C		7376	H294	
3C		7373	H291	
Average		7396	H314	

H means High
L means Low

**Orange County School District
School Membership 2020-2021 School Year (November 13, 2020)**

Statistical Findings

<i>PROJECTION TYPE ABBREVIATIONS</i>	
'TISCHLER' LINEAR (T) ORANGE COUNTY PLANNING (OCP)	10-YEAR COHORT (10C) 5-YEAR COHORT (5C) 3-YEAR COHORT (3C)

Elementary School Level

- Projections were all high, ranging from 194 students to 239 students above actual membership. On average, the projections were 220 students higher than the actual membership.
- The membership actually decreased by 185 students between November 16, 2019 and November 13, 2020.

Middle School Level

- Projections were all high, ranging from 32 students to 119 students above actual membership. On average, the projections were 74 students higher than the actual membership.
- The membership actually decreased by 109 students between November 16, 2019 and November 13, 2020.

High School Level

- Projections were all high, ranging from 8 students to 31 students above actual membership. On average, the projections were 20 students higher than the actual membership.
- The membership actually decreased by 16 students between November 16, 2019 and November 13, 2020.

TOTAL

- The totals of all school level projections were all high, ranging from 291 students to 351 students above actual membership. On average, the projections were 314 students higher than the actual membership.
- The membership decreased in total by 310 students, which is the sum of -185 at Elementary, -109 at Middle, and -16 at High.

**Chapel Hill-Carrboro City School District
 School Membership 2020-2021 School Year (November 13, 2020)**

	11/15/19 Actual 2019-20	2020 Report Projection for 2020-21	11/13/20 Actual 2020-21	Change between actual Nov 2019 - Nov 2020
Elementary	5363		4893	- 470
Model			Projection is	
T		5398	H505	
OCP		5378	H485	
10C		5349	H456	
5C		5331	H438	
3C		5322	H429	
Average		5356	H463	
	11/15/19		11/13/20	
Middle	3044		2917	- 127
Model			Projection is	
T		3064	H147	
OCP		3055	H138	
10C		3031	H114	
5C		3033	H116	
3C		3042	H125	
Average		3045	H128	
	11/15/19		11/13/20	
High	3940		3932	- 8
Model			Projection is	
T		3966	H34	
OCP		3959	H27	
10C		3981	H49	
5C		3998	H66	
3C		4022	H90	
Average		3985	H53	
Totals	11/15/19		11/13/20	
Elementary	5363		4893	
Middle	3044		2917	
High	<u>3940</u>		<u>3932</u>	
Total	12,347		11,742	- 605
Model			Projection is	
T		12,428	H686	
OCP		12,392	H650	
10C		12,361	H619	
5C		12,362	H620	
3C		12,386	H644	
Average		12,386	H644	

H means High
 L means Low

**Chapel Hill-Carrboro City School District
School Membership 2020-2021 School Year (November 13, 2020)**

Statistical Findings

<i>PROJECTION TYPE ABBREVIATIONS</i>	
'TISCHLER' LINEAR (T) ORANGE COUNTY PLANNING (OCP)	10-YEAR COHORT (10C) 5-YEAR COHORT (5C) 3-YEAR COHORT (3C)

Elementary School Level

- Projections were all high ranging from 429 students to 505 students above actual membership. On average, the projections were 463 students higher than the actual membership.
- The actual membership decreased by 470 students between November 16, 2019 and November 13, 2020.

Middle School Level

- Projections were all high, ranging from 114 students to 147 students above actual membership. On average, the projections were 128 students higher than the actual membership.
- The actual membership decreased by 127 students between November 16, 2019 and November 13, 2020.

High School Level

- Projections were all high, ranging from 27 students to 90 students above actual membership. On average, the projections were 53 students higher than the actual membership.
- The actual membership decreased by 8 students between November 16, 2019 and November 13, 2020.

TOTAL

- The totals of all school level projections were all high, ranging from 619 students to 686 students above actual membership. On average, the projections were 644 students higher than the actual membership.
- The membership decreased in total by 605 students, which is the sum of -470 at Elementary, -127 at Middle, and -8 at High.

Orange County School District
School Membership 2021-2022 School Year (November 15, 2021)

	11/13/20 Actual 2020-21	2021 Report Projection for 2021-22	11/15/21 Actual 2021-22	Change between actual Nov 2020 - Nov 2021
Elementary	3047		3023	- 24
Model			Projection is	
T		3036	H13	
OCP		3128	H105	
10C		2968	L55	
5C		2966	L57	
3C		2960	L63	
Average		3011	L12	
	11/13/20		11/15/21	
Middle	1654		1656	+2
Model			Projection is	
T		1648	L 8	
OCP		1683	H27	
10C		1630	L 26	
5C		1613	L 43	
3C		1598	L 58	
Average		1634	L 22	
	11/13/20		11/15/21	
High	2381		2472	+91
Model			Projection is	
T		2372	L100	
OCP		2306	L166	
10C		2387	L85	
5C		2372	L100	
3C		2389	L83	
Average		2365	L107	
Totals	11/13/20		11/15/21	
Elementary	3047		3023	
Middle	1654		1656	
High	<u>2381</u>		<u>2472</u>	
Total	7082		7151	+69
Model			Projection is	
T		7056	L95	
OCP		7117	L34	
10C		6985	L166	
5C		6951	L200	
3C		6947	L204	
Average		7010	L141	

H means High
L means Low

**Orange County School District
 School Membership 2021-2022 School Year (November 15, 2021)**

Statistical Findings

<i>PROJECTION TYPE ABBREVIATIONS</i>	
'TISCHLER' LINEAR (T)	10-YEAR COHORT (10C)
ORANGE COUNTY PLANNING (OCP)	5-YEAR COHORT (5C)
	3-YEAR COHORT (3C)

Elementary School Level

- Projections were mixed, ranging from 63 students below to 105 students above actual membership. On average, the projections were 12 students below actual membership.
- The membership actually decreased by 24 students between November 15, 2020 and November 14, 2021.

Middle School Level

- Projections were mixed, ranging from 58 students below to 27 students above actual membership. On average, the projections were 22 students below actual membership.
- The membership actually increase by 2 students between November 15, 2020 and November 14, 2021.

High School Level

- Projections were all low, ranging from 166 students to 83 students below actual membership. On average, the projections were 107 students below actual membership.
- The membership actually increased by 91 students between November 15, 2020 and November 14, 2021.

TOTAL

- The totals of all school level projections were all low, ranging from 34 to 204 students below actual membership. On average, the projections were 141 students below actual membership.
- The membership increased in total by 69 students, which is the sum of -24 at Elementary, +2 at Middle, and +91 at High.

**Chapel Hill-Carrboro City School District
School Membership 2021-2022 School Year (November 15, 2021)**

	11/13/20 Actual 2020-21	2021 Report Projection for 2021-22	11/15/21 Actual 2021-22	Change between actual Nov 2020 - Nov 2021
Elementary	4893		4738	- 155
Model			Projection is	
T		4885	H147	
OCP		5085	H347	
10C		4732	L6	
5C		4695	L43	
3C		4644	L94	
Average		4808	H70	
	11/13/20		11/15/21	
Middle	2917		2802	-115
Model			Projection is	
T		2912	H110	
OCP		2890	H88	
10C		2860	H58	
5C		2859	H57	
3C		2846	H44	
Average		2874	H72	
	11/13/20		11/15/21	
High	3932		3940	+ 8
Model			Projection is	
T		3926	L14	
OCP		3796	L144	
10C		3925	L15	
5C		3939	L1	
3C		3933	L7	
Average		3904	L36	
Totals	11/13/20		11/15/21	
Elementary	4893		4738	
Middle	2917		2802	
High	<u>3932</u>		<u>3940</u>	
Total	11,742		11,480	- 262
Model			Projection is	
T		11,723	H243	
OCP		11,771	H291	
10C		11,517	H37	
5C		11,493	H13	
3C		11,423	H57	
Average		11,586	H106	

H means High
L means Low

**Chapel Hill-Carrboro City School District
School Membership 2021-2022 School Year (November 15, 2021)**

Statistical Findings

<i>PROJECTION TYPE ABBREVIATIONS</i>	
'TISCHLER' LINEAR (T)	10-YEAR COHORT (10C)
ORANGE COUNTY PLANNING (OCP)	5-YEAR COHORT (5C)
	3-YEAR COHORT (3C)

Elementary School Level

- Projections were all mixed ranging from 94 students below to 347 students above actual membership. On average, the projections were 70 students higher than the actual membership.
- The actual membership decreased by 155 students between November 15, 2020 and November 14, 2021.

Middle School Level

- Projections were all high, ranging from 44 students to 110 students above actual membership. On average, the projections were 72 students higher than the actual membership.
- The actual membership decreased by 115 students between November 15, 2020 and November 14, 2021.

High School Level

- Projections were all low, ranging from 1 students to 144 students below actual membership. On average, the projections were 36 students below actual membership.
- The actual membership increased by 8 students between November 15, 2020 and November 14, 2021.

TOTAL

- The totals of all school level projections were all high, ranging from 13 students to 291 students above actual membership. On average, the projections were 106 students higher than the actual membership.
- The membership decreased in total by 262 students, which is the sum of -155 at Elementary, -115 at Middle, and +8 at High.

C. Student Membership Projections

1. **Responsible Entity for Suggesting Change** – The updating of this section will be conducted by the Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) and referred to the BOCC for annual report certifications. Projections will be distributed to SAPFO partners for review and comments to the BOCC prior to certification.

2. **Definition** – The result of the average of the five student projection models represented by 10 year numerical membership projections by school level (Elementary, Middle, and High) for each school district (Chapel Hill-Carrboro City School District and Orange County School District).

3. **Standard for:**

Chapel Hill-Carrboro City School District

The 5 model average discussed in Section II.B (Student Projection Methodology). See Attachment II.C.4

Standard for:

Orange County School District

The 5 model average discussed in Section II.B (Student Projection Methodology). See Attachment II.C.3

4. **Analysis of Existing Conditions**

The membership figures and percentage growth on the attachments show a decrease and negative growth rate for all three school levels for both districts in the 10-year projection period. Attachment II.C.3 and Attachment II.C.4 show year-by-year percent growth and projected level of service (LOS). The projection models were updated using current (November 15, 2021) memberships. Ten years of student membership were projected thereafter.

Chapel Hill-Carrboro City School District

Elementary

The previous year (2020-21) projections for November 2021 at this level were overestimated by 70 students. The actual membership decreased by 155 students. Over the previous ten years, this level has shown varying increases and decreases in growth rates. Following a significant increase (168 students) in 2011-12, this level has experienced a decrease in six out of the following nine school years. The level experienced a significant decrease in 2020-21 due to impacts from COVID. Growth rates during the past ten years have ranged from -8.76% to

Section II

+3.17%. The district's eleventh elementary school, Northside Elementary School, opened in 2013. Capacity was decreased in 2017-18 due to changes in class size averages for kindergarten to third grade by the North Carolina State Legislature. The need for an additional elementary school is not anticipated in the 10-year projection period. This is similar to last year's projections.

Although not included in SAPFO school capacity or membership numbers, Pre-K programs continue to impact operations at District elementary schools where Pre-K programs exist. CHCCS reported 222 Pre-K students for the 2021-22 school year. Specific impacts of Pre-K programs at the elementary school level continue to be reviewed and discussed .

Middle

The previous year (2020-21) projections for November 2021 for this level were overestimated by 72 students. The actual membership decreased by 115 students. Over the previous ten years, this level has shown varying increases before experiencing decreases in 2015-16 and 2016-17. Following these decreases, membership increased the last three school years before experiencing a decrease in 2020-21 due to impacts from COVID. Growth rates during this time period have ranged from -4.17% to +3.78%. Capacity was increased in 2014-15 with the opening of the Culbreth Middle School science wing. The need for an additional middle school is not anticipated in the 10-year projection period. This is similar to last year's projections.

High School

The previous year (2020-21) projections for November 2021 for this level were underestimated by 36 students. The actual membership increased by 8 students. Over the previous ten years, growth has been variable with decreases in membership in only four of the last ten years. Growth rates during this time period have ranged from -0.90 to +4.39%. The need for additional high school capacity at Carrboro High School is not anticipated in the 10-year projection period. This is similar to last year's projections.

Additional Information for Chapel Hill-Carrboro City School District

Following the economic downturn (2011-14), there has been an increase in residential projects, specifically multifamily development, in the Town of Chapel Hill. As previously stated, proposed growth is not directly and immediately included in the SAPFO projection system until actual students begin enrollment. However, proposed student growth resulting from new

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development is directly accounted for through the CAPS test. The CAPS test is conducted during the approval process at a certain stage and this step does project development impacts against rated capacity. Once students are enrolled in a school year, through annual reporting of student membership numbers, 10-year student projections can be updated to display future capacity needs in time to efficiently plan for future school construction requests. SAPFOTAC will continue to monitor and evaluate the demand and growth of residential development in Chapel Hill and Carrboro as well as its effect on student membership rates.

Orange County School District

Elementary

The previous year (2020-21) projections for November 2021 at this level were underestimated by 12 students. Actual membership decreased by 24 students. Over the previous ten years, this level experienced positive growth before experiencing decreases in 2014-15, 2016-17, and 2017-18. Following these decreases, this level experienced increases before experiencing a decrease in 2020-21 due to impacts from COVID. Growth rates during this period have ranged from -5.72% to +1.92%. Capacity was decreased in 2017-18 due to changes in class size averages for kindergarten to third grade by the North Carolina State Legislature. The need for an additional Elementary School is not anticipated in the 10-year projection period. This is similar to last year's projections.

Although not included in SAPFO school capacity or membership numbers, Pre-K programs continue to impact operations at District elementary schools where Pre-K programs exist. OCS reported 125 Pre-K students for the 2021-22 school year. Specific impacts of Pre-K programs at the elementary school level continue to be reviewed and discussed.

Middle

The previous year (2020-21) projections for November 2021 for this level were underestimated by 22 students. The actual membership increased by 2 students. Over the previous ten years, growth has varied widely with decreases in student membership in five of the ten school years. Growth rates during this period have ranged from -6.18% to +3.74%. The need for an additional Middle School is not anticipated in the 10-year projection period. This is similar to last year's projections.

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High School

The previous year (2020-21) projections for November 2021 for this level were underestimated by 107 students. The actual membership increased by 91 students. This school level has experienced decreases in five out of the ten previous school years. Growth rates during this period ranged from -3.93% to 4.58%. In 2012-13 student membership increased by 32 while capacity decreased by 119 at Orange County High School as a result of a N.C. Department of Public Instruction (DPI) study. Due to renovations at Cedar Ridge High School, this level experienced an increase in capacity of 500 seats. The need for an additional high school is not anticipated in the 10-year projection period.

Additional Information for Orange County School District

The City of Mebane lies partially within Orange County and students within the Orange County portion of Mebane attend Orange County Schools. However, the City of Mebane is not a party to the SAPFO agreement and therefore does not require that CAPS (Certificate of Adequate Public Schools) be issued prior to development approvals. Following the economic downturn (2011-14), there has been an increase in approved and undeveloped residential development in the City of Mebane and the Town of Hillsborough. However, the residential growth that has occurred in the recent past within Mebane's and Hillsborough's jurisdiction has yet to be seen with OCS student membership numbers and fully realized into the historically based projection methods due to the recession, charter schools, and possibly new family dynamics affecting family size. SAPFOTAC will continue monitoring and evaluating the demand and growth of residential development in Mebane and Hillsborough as well as its effect on student membership rates.

Currently, there are two Charter Schools located in the Town of Hillsborough, which continue to have an effect on OCS membership numbers. Charter schools are not included as part of the SAPFO Annual Report and, as a result, their membership and capacity are not included in future projections. However, the SAPFOTAC does monitor charter schools and their effect on student enrollment at both school districts.

5. Recommendation:

Use statistics as noted in 3 above

OCS Student Projections (1) (4)

Elementary

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	
Actual	3,211	3,295	3,348	3,403	3,433	3,389	3,318	3,293	3,183	3,200	3,221	3,047	3,036	3,024	3,013	3,002	2,990	2,979	2,967	2,956	2,945	2,933	
Tischler (2)													3,128	3,144	3,156	3,168	3,180	3,192	3,205	3,217	3,230	3,244	
OC Planning													2,888	2,843	2,927	2,897	2,881	2,910	2,939	2,968	2,998	3,028	
10 Year Growth													2,866	2,938	2,917	2,883	2,863	2,891	2,920	2,949	2,978	3,009	
5 Year Growth													2,850	2,923	2,897	2,858	2,831	2,859	2,888	2,917	2,945	2,976	
3 Year Growth													3,011	2,994	2,982	2,962	2,949	2,966	2,984	3,002	3,019	3,039	
Average													2,850	2,923	2,897	2,858	2,831	2,859	2,888	2,917	2,945	2,976	
Annual Change - Increase (Decrease) in Actual & Projected Membership	46	74	63	65	30	(124)	59	(20)	(110)	22	27	(165)	(26)	(47)	(112)	(25)	(19)	17	18	18	18	20	
Capacity - 100% Level of Service	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361
Number of Students, Actual and Projected, Over (Under) 100% LOS	(463)	(409)	(346)	(291)	(261)	(435)	(376)	(401)	(170)	(155)	(129)	(344)	(250)	(87)	(279)	(359)	(412)	(395)	(377)	(359)	(342)	(322)	
105% Level of Service	3,979	3,979	3,979	3,979	3,979	3,979	3,979	3,979	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629
Number of Students, Actual and Projected, Over (Under) 105% LOS	(663)	(604)	(531)	(476)	(446)	(820)	(651)	(686)	(246)	(224)	(207)	(452)	(316)	(636)	(647)	(655)	(690)	(663)	(645)	(626)	(610)	(490)	
Actual - % Level of Service	86.9%	88.9%	90.6%	92.1%	92.9%	89.2%	89.9%	89.1%	88.1%	84.7%	85.4%	90.7%	89.6%	89.1%	89.7%	89.1%	87.7%	89.3%	89.9%	89.3%	89.9%	89.8%	90.4%
Average - % Level of Service													89.6%	89.1%	89.7%	89.1%	87.7%	89.3%	89.9%	89.3%	89.9%	89.8%	90.4%
Annual Student Growth Rate (3)	1.45%	2.30%	1.92%	1.64%	0.86%	-5.07%	1.81%	-0.76%	-3.34%	0.69%	0.84%	-5.72%	-1.17%	-0.66%	-0.42%	-0.64%	-0.42%	0.59%	0.59%	0.59%	0.60%	0.65%	

Capacity decrease due to change in class size ratios per House Bill 11 (3-3 average class size ratios are 1:20 as directed by State legislative action)

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in by the School Adequacy Public Facilities Ordinance.
 (2) The Tischler Model provided for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHC.
 (3) Annual growth rate calculated using actual membership for year 2009-10 through 2020-21 and average membership for years 2021-22 through 2030-31.
 (4) Class sizes for grades K-3= 1:20 for school years 2000 through 2007-08. In accordance with 2008 School Collaboration Work Group Decision, effective the 2008-2009 school year with the opening of CHCCS Elementary #10, K-3 class size are 1:21 as directed by past State legislative action.

OCS Student Projections(1)

Middle

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Actual	1,665	1,698	1,704	1,684	1,747	1,782	1,739	1,724	1,730	1,778	1,763	1,654	1,648	1,642	1,635	1,629	1,623	1,617	1,611	1,605	1,598	1,592
Tischler (2)													1,863	1,839	1,715	1,730	1,746	1,752	1,775	1,781	1,781	1,783
OC Planning													1,630	1,595	1,602	1,595	1,571	1,540	1,494	1,493	1,478	1,493
10 Year Growth													1,613	1,569	1,570	1,536	1,542	1,507	1,459	1,424	1,439	1,453
5 Year Growth													1,698	1,548	1,541	1,507	1,510	1,471	1,419	1,379	1,393	1,407
3 Year Growth													1,634	1,611	1,613	1,593	1,598	1,679	1,652	1,630	1,638	1,645
Average													1,634	1,611	1,613	1,593	1,598	1,679	1,652	1,630	1,638	1,645
Annual Change - Increase (Decrease) in Actual & Projected Membership	64	33	6	(20)	63	15	(23)	(15)	6	49	(15)	(109)	(20)	(24)	2	(19)	5	(19)	(27)	(22)	8	8
Capacity - 100% Level of Service	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166
Number of Students, Actual and Projected, Over (Under) 100% LOS	(501)	(468)	(462)	(482)	(419)	(404)	(427)	(442)	(436)	(387)	(403)	(512)	(532)	(655)	(653)	(673)	(668)	(697)	(614)	(636)	(626)	(621)
107% Level of Service	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318
Number of Students, Actual and Projected, Over (Under) 107% LOS	(653)	(620)	(614)	(634)	(671)	(656)	(679)	(694)	(688)	(639)	(655)	(664)	(663)	(707)	(705)	(724)	(719)	(739)	(765)	(787)	(790)	(772)
Actual - % Level of Service	76.9%	78.4%	78.7%	77.7%	80.7%	81.3%	80.3%	79.6%	79.9%	82.1%	81.4%	76.4%	76.5%	74.4%	74.4%	73.0%	73.0%	72.9%	71.7%	70.6%	71.0%	71.4%
Average - % Level of Service													76.5%	74.4%	74.4%	73.0%	73.0%	72.9%	71.7%	70.6%	71.0%	71.4%
Annual Student Growth Rate (3)	4.00%	1.98%	0.35%	-1.17%	3.74%	0.66%	-1.31%	-0.66%	0.35%	2.63%	-0.90%	-6.16%	-1.16%	-1.46%	0.13%	-1.16%	0.31%	-1.20%	-1.17%	-1.42%	0.60%	0.60%

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in by the School Adequacy Public Facilities Ordinance.
 (2) The Tischler Model provided for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHC.
 (3) Annual growth rate calculated using actual membership for year 2009-10 through 2020-21 and average membership for years 2021-22 through 2030-31.

OCS Student Projections (1)

High

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Actual	2,217	2,222	2,283	2,315	2,421	2,502	2,469	2,446	2,445	2,349	2,387	2,381	2,372	2,363	2,354	2,345	2,337	2,328	2,318	2,310	2,301	2,292
Tischler (2)													2,306	2,310	2,318	2,326	2,334	2,342	2,350	2,357	2,365	2,373
OC Planning													2,387	2,408	2,319	2,325	2,248	2,212	2,232	2,188	2,149	2,119
10 Year Growth													2,372	2,369	2,242	2,233	2,149	2,101	2,115	2,077	2,034	2,001
5 Year Growth													2,389	2,387	2,266	2,237	2,135	2,081	2,089	2,051	2,000	1,962
3 Year Growth													2,365	2,367	2,301	2,293	2,239	2,213	2,221	2,200	2,176	2,157
Average													2,365	2,367	2,301	2,293	2,239	2,213	2,221	2,200	2,176	2,157
Annual Change - Increase (Decrease) in Actual & Projected Membership	(25)	5	61	32	106	81	(23)	(23)	(1)	(95)	48	(16)	(16)	2	(66)	(7)	(64)	(26)	8	(21)	(24)	(19)
Capacity - 100% Level of Service	2,658	2,658	2,658	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939
Number of Students, Actual and Projected, Over (Under) 100% LOS	(441)	(436)	(375)	(124)	(18)	63	30	7	6	(90)	(42)	(68)	(67)	(67)	(63)	(64)	(700)	(726)	(716)	(739)	(763)	(782)
110% Level of Service	2,814	2,814	2,814	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233
Number of Students, Actual and Projected, Over (Under) 110% LOS	(697)	(682)	(631)	(368)	(262)	(181)	(214)	(237)	(238)	(334)	(286)	(302)	(668)	(666)	(632)	(639)	(694)	(1,020)	(1,012)	(1,033)	(1,067)	(1,076)
Actual - % Level of Service	86.7%	86.9%	89.2%	94.9%	99.3%	102.6%	101.2%	100.3%	100.2%	86.3%	88.3%	87.6%	80.5%	80.5%	78.3%	78.0%	78.2%	75.3%	75.6%	74.9%	74.0%	73.4%
Average - % Level of Service													80.5%	80.5%	78.3%	78.0%	78.2%	75.3%	75.6%	74.9%	74.0%	73.4%
Annual Student Growth Rate (3)	-1.12%	0.23%	2.76%	1.40%	4.66%	3.35%	-1.32%	-0.93%	-0.04%	-3.92%	2.04%	-0.67%	-0.66%	0.09%	-2.80%	-0.32%	-2.36%	-1.16%	0.37%	-0.94%	-1.10%	-0.66%

Orange High capacity decreased, per DFI study

Orange Ridge High School adding 100 seats

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in by the School Adequacy Public Facilities Ordinance.
 (2) The Tischler Model provided for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHC.
 (3) Annual growth rate calculated using actual membership for year 2009-10 through 2020-21 and average membership for years 2021-22 through 2030-31.

CHCCS Student Projections (1) (4)

Table with columns for School Year (2009-10 to 2030-31) and rows for Elementary metrics including Actual, Teacher, OC Planning, 10 Year Growth, 5 Year Growth, 3 Year Growth, Average, Annual Change, Capacity, Number of Students, and Annual Student Growth Rate.

Secondary School #11 opens with 550 seats.

Capacity decrease due to change in class size ratios per House Bill 11-8-3 average class size ratios are 1:20 as directed by State legislative action.

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in the Statewide Adequate Public Facilities Ordinance. It does not include CHCCS students attending the Hospital Site.
(2) The Teacher Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHC.
(3) Annual growth rate calculated using actual membership for years 2009-10 through 2020-21 and average membership for years 2021-22 through 2030-31.
(4) Class size for grades K-3 = 1:20 for school years 2020 through 2027-28. In accordance with 2008 School Collaboration Work Group direction, effective the 2009-2010 school year with the opening of CHCCS Elementary #10, K-3 class size are 1:21 as directed by past State legislative action.

CHCCS Student Projections (1)

Table with columns for School Year (2009-10 to 2030-31) and rows for Middle metrics including Actual, Teacher, OC Planning, 10 Year Growth, 5 Year Growth, 3 Year Growth, Average, Annual Change, Capacity, Number of Students, and Annual Student Growth Rate.

Additional 104 new seats at C/Dreth Middle School

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in the Statewide Adequate Public Facilities Ordinance. It does not include CHCCS students attending the Hospital Site.
(2) The Teacher Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHC.
(3) Annual growth rate calculated using actual membership for years 2009-10 through 2020-21 and average membership for years 2021-22 through 2030-31.

CHCCS Student Projections (1)

Table with columns for School Year (2009-10 to 2030-31) and rows for High metrics including Actual, Teacher, OC Planning, 10 Year Growth, 5 Year Growth, 3 Year Growth, Average, Annual Change, Capacity, Number of Students, and Annual Student Growth Rate.

Phoenix Academy High School becomes official high school starting 2010-11 school year with 40 student capacity

100 seats added to G+6 for the 2020-2021 school year

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in the Statewide Adequate Public Facilities Ordinance. It does not include CHCCS students attending the Hospital Site.
(2) The Teacher Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHC.
(3) Annual growth rate calculated using actual membership for years 2009-10 through 2020-21 and average membership for years 2021-22 through 2030-31.

OCS Student Projections (1) (4)

Elementary	School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Actual		3,211	3,285	3,348	3,403	3,433	3,259	3,318	3,283	3,183	3,305	3,222	3,047	3,023	3,012	3,001	2,990	2,978	2,968	2,957	2,945	2,934	2,923	2,912	
Teacher (2)															3,015	2,993	2,947	2,898	2,872	2,869	2,857	2,850	2,861	2,864	
OC Planning															2,997	2,988	2,957	2,941	2,970	2,959	2,978	2,980	3,000	3,121	
10 Year Growth															2,995	2,982	2,944	2,929	2,953	2,983	3,012	3,043	3,073	3,104	
5 Year Growth															2,983	2,955	2,908	2,898	2,906	2,935	2,964	2,994	3,024	3,054	
3 Year Growth															3,000	2,982	2,948	2,926	2,934	2,949	2,962	2,977	2,994	3,011	
Average															(23)	(19)	(24)	(22)	8	15	13	15	17	17	
Annual Change - Increase (Decrease) in Actual & Projected Membership		48	74	63	55	30	(174)	59	(29)	(119)	22	27	(195)	(24)	(23)	(19)	(24)	(22)	8	15	13	15	17	17	
Capacity - 100% Level of Service		3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261
Number of Students, Actual and Projected, Over (Under) 100% LOS		(483)	(409)	(345)	(291)	(261)	(435)	(376)	(401)	(178)	(156)	(129)	(214)	(238)	(361)	(378)	(413)	(435)	(427)	(412)	(396)	(384)	(367)	(350)	
100% Level of Service		3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629	3,629
Number of Students, Actual and Projected, Over (Under) 105% LOS		(688)	(624)	(521)	(475)	(448)	(820)	(661)	(638)	(248)	(224)	(207)	(422)	(500)	(629)	(647)	(661)	(660)	(646)	(631)	(617)	(602)	(582)	(568)	
Actual - % Level of Service		89.9%	89.2%	89.9%	92.1%	93.2%	89.2%	89.2%	89.1%	89.1%	84.7%	85.4%	86.2%	89.4%	89.3%	88.7%	87.7%	87.1%	87.3%	87.1%	88.1%	88.6%	89.1%	89.6%	
Average - % Level of Service		1.45%	2.30%	1.92%	1.64%	0.88%	-5.07%	1.81%	-0.75%	-3.34%	0.69%	0.84%	-6.72%	-0.79%	-0.74%	-0.62%	-1.14%	-0.74%	0.29%	0.51%	0.45%	0.52%	0.67%	0.58%	
Annual Student Growth Rate (S)																									

Capacity decrease due to change in class size ratios per House Bill 13 0-3 average class size ratios are 1.30 as directed by State legislative action

(1) Not important to note that the November 15, 2020 date of membership as reflected in the Schools Adequacy Public Facilities Database.
 (2) The Teacher Model provides for the "Class Method" of projection for both OCS's and OCS. Original projections used in prior years projection models included the "Class Method" for OCS.
 (3) Annual growth rates calculated using actual membership for years 2010-11 through 2020-21 and average membership for years 2021-22 through 2030-31.
 (4) Class size for grades K-3 = 1:25 for school years 2009 through 2007-08. In accordance with 2008 Education Work Group decision, effective the 2009-2009 school year with the opening of OCS's Elementary #10, K-3 class size are 1:21 as directed by past State legislative action.

OCS Student Projections(1)

Middle	School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Actual		1,665	1,698	1,704	1,694	1,747	1,782	1,739	1,724	1,730	1,770	1,763	1,654	1,658	1,650	1,644	1,638	1,632	1,628	1,620	1,614	1,607	1,601	1,595
Teacher (2)															1,652	1,642	1,631	1,611	1,607	1,614	1,615	1,610	1,608	1,601
OC Planning															1,613	1,604	1,599	1,598	1,578	1,575	1,498	1,512	1,527	1,543
10 Year Growth															1,598	1,591	1,580	1,570	1,547	1,494	1,485	1,475	1,469	1,504
5 Year Growth															1,597	1,578	1,556	1,551	1,518	1,495	1,420	1,426	1,440	1,454
3 Year Growth															1,622	1,610	1,599	1,592	1,575	1,541	1,522	1,526	1,523	1,529
Average															(24)	(12)	(11)	(8)	(18)	(23)	(19)	3	7	6
Annual Change - Increase (Decrease) in Actual & Projected Membership		64	33	6	(20)	63	15	(23)	(19)	6	49	(16)	(109)	2	(24)	(12)	(11)	(8)	(18)	(23)	(19)	3	7	6
Capacity - 100% Level of Service		2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166
Number of Students, Actual and Projected, Over (Under) 100% LOS		(501)	(465)	(462)	(482)	(419)	(404)	(424)	(442)	(436)	(387)	(403)	(512)	(510)	(544)	(556)	(567)	(574)	(591)	(625)	(644)	(640)	(623)	(627)
100% Level of Service		2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318
Number of Students, Actual and Projected, Over (Under) 107% LOS		(623)	(620)	(614)	(634)	(671)	(658)	(673)	(654)	(658)	(629)	(655)	(654)	(662)	(695)	(709)	(716)	(726)	(742)	(778)	(795)	(792)	(784)	(778)
Actual - % Level of Service		76.9%	78.4%	78.7%	77.7%	80.7%	81.2%	80.2%	79.4%	79.6%	82.1%	81.4%	76.4%	76.3%	74.9%	74.9%	73.9%	73.5%	72.7%	71.7%	71.2%	70.3%	70.4%	70.9%
Average - % Level of Service		4.00%	1.99%	0.25%	-1.17%	3.74%	0.89%	-1.31%	-0.86%	0.35%	2.83%	-0.90%	-6.18%	0.12%	-2.04%	-0.74%	-0.71%	-0.39%	-1.11%	-1.21%	-1.23%	0.23%	0.47%	0.41%
Annual Student Growth Rate (S)																								

(1) Not important to note that the November 15, 2020 date of membership as reflected in the Schools Adequacy Public Facilities Database.
 (2) The Teacher Model provides for the "Class Method" of projection for both OCS's and OCS. Original projections used in prior years projection models included the "Class Method" for OCS.
 (3) Annual growth rates calculated using actual membership for years 2010-11 through 2020-21 and average membership for years 2021-22 through 2030-31.

OCS Student Projections (1)

High	School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Actual		2,217	2,222	2,283	2,316	2,421	2,502	2,489	2,446	2,445	2,349	2,397	2,381	2,412	2,483	2,454	2,445	2,438	2,427	2,418	2,409	2,400	2,391	2,381
Teacher (2)															2,489	2,436	2,406	2,383	2,340	2,330	2,341	2,359	2,382	
OC Planning															2,526	2,488	2,423	2,330	2,275	2,269	2,275	2,238	2,209	2,183
10 Year Growth															2,527	2,480	2,415	2,294	2,228	2,238	2,208	2,172	2,143	2,095
5 Year Growth															2,554	2,511	2,480	2,370	2,302	2,309	2,260	2,214	2,169	2,109
3 Year Growth															2,508	2,466	2,428	2,368	2,315	2,321	2,297	2,272	2,254	2,222
Average															36	(42)	(28)	(79)	(44)	6	(24)	(25)	(18)	(22)
Annual Change - Increase (Decrease) in Actual & Projected Membership		(25)	5	61	32	106	81	(23)	(23)	(1)	(89)	48	(16)	91	36	(42)	(28)	(79)	(44)	6	(24)	(25)	(18)	(22)
Capacity - 100% Level of Service		2,558	2,558	2,558	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,929	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939
Number of Students, Actual and Projected, Over (Under) 100% LOS		(341)	(236)	(275)	(124)	(119)	62	30	7	6	(80)	(42)	(86)	(467)	(431)	(473)	(501)	(581)	(624)	(618)	(642)	(667)	(665)	(717)
100% Level of Service		2,814	2,814	2,814	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	3,223	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233
Number of Students, Actual and Projected, Over (Under) 110% LOS		(687)	(662)	(631)	(568)	(562)	(491)	(414)	(327)	(238)	(234)	(296)	(292)	(713)	(725)	(747)	(796)	(874)	(918)	(912)	(936)	(941)	(919)	(1,011)
Actual - % Level of Service		89.7%	89.0%	89.2%	94.9%	93.2%	103.6%	101.2%	100.2%	100.2%	96.2%	98.2%	91.6%	94.1%	85.9%	83.9%	82.9%	80.2%	78.9%	79.0%	78.1%	77.3%	76.7%	75.6%
Average - % Level of Service		-1.12%	0.22%	2.75%	1.40%	4.68%	3.35%	-1.32%	-0.92%	-0.04%	-3.93%	2.04%	-0.67%	3.82%	1.48%	-1.69%	-1.14%	-3.25%	-1.85%	0.27%	-1.05%	-1.07%	-0.80%	-1.43%
Annual Student Growth Rate (S)																								

Orange High capacity decreased, per DPI study

Coast Ridge High School adding 500 seats

(1) Not important to note that the November 15, 2020 date of membership as reflected in the Schools Adequacy Public Facilities Database.
 (2) The Teacher Model provides for the "Class Method" of projection for both OCS's and OCS. Original projections used in prior years projection models included the "Class Method" for OCS.
 (3) Annual growth rates calculated using actual membership for years 2010-11 through 2020-21 and average membership for years 2021-22 through 2030-31.

CHCCS Student Projections (1) (4)

Elementary

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Actual	9,210	9,208	9,204	9,243	9,254	9,254	9,261	9,267	9,272	9,271	9,269	9,269	9,273										
Teacher (2)														4,710	4,859	4,824	4,877	4,828	4,811	4,743	4,615	4,481	4,345
DC Planning														4,019	4,052	4,073	4,038	4,021	4,015	4,020	4,189	4,175	4,136
10 Year Growth														4,607	4,488	4,365	4,325	4,244	4,269	4,279	4,416	4,402	4,402
5 Year Growth														4,820	4,452	4,310	4,159	4,144	4,189	4,228	4,270	4,312	4,352
3 Year Growth														4,486	4,377	4,232	4,122	4,049	4,289	4,130	4,171	4,213	4,255
Average														4,682	4,605	4,411	4,221	4,271	4,281	4,282	4,304	4,322	4,333
Annual Change - Increase (Decrease) in Actual & Projected Membership	(60)	77	158	79	11	(12)	(60)	64	(62)	(103)	(62)	(159)	(159)	(159)	(159)	(159)	(159)	(159)	(159)	(159)	(159)	(159)	(159)
Capacity - 100% Level of Service (LOS)	5,244	5,244	5,244	5,244	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239
Number of Students Actual and Projected, Over (Under) 100% LOS	(60)	42	220	298	(275)	(298)	(229)	(67)	(142)	(102)	(77)	(62)	(62)	(1,082)	(1,159)	(1,282)	(1,343)	(1,363)	(1,363)	(1,363)	(1,363)	(1,363)	(1,363)
Capacity - 100% Level of Service (LOS)	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586
Number of Students Actual and Projected, Over (Under) 100% LOS	(207)	(210)	(63)	27	(658)	(679)	(619)	(673)	(423)	(676)	(664)	(655)	(620)	(1,286)	(1,442)	(1,620)	(1,620)	(1,620)	(1,620)	(1,620)	(1,620)	(1,620)	(1,620)
Actual - % Level of Service	98.5%	101.2%	104.2%	105.7%	99.2%	98.1%	94.4%	95.5%	97.5%	98.5%	99.7%	99.4%	99.4%	98.9%	98.5%	97.9%	97.9%	97.9%	97.9%	97.9%	97.9%	97.9%	97.9%
Average - % Level of Service														100.8%	99.5%	97.9%	97.9%	97.9%	97.9%	97.9%	97.9%	97.9%	97.9%
Annual Student Growth Rate (2)	-1.57%	1.49%	3.17%	1.48%	0.20%	-0.22%	-0.72%	1.20%	0.81%	0.92%	-1.97%	-0.78%	-2.17%	-1.68%	-2.10%	-2.03%	-1.16%	0.24%	0.26%	0.29%	0.40%	0.27%	

(1) 1% Represents only the percentage of membership as defined by the School Age Population Database. It does not include CHCCS students attending the Chapel Hill School. (2) The Teacher Model provides the "Linear Method" of projections for CHCCS and CHCCS. Original projections and the previous year's projections include the "Linear Extrapolation Method" for CHCCS. (3) Annual growth rate calculated using actual membership for years 2009-10 through 2020-21 and average membership for years 2021-22 through 2031-32. (4) Over three year period 2019-20 through 2021-22, in accordance with 2009 School Capitalization Study findings, reduce the 2020-21 enrollment with the opening of CHCCS Elementary #3 (to be closed by year 2021-22) in proportion.

Secretary School #11 opens with 500 seats

CHCCS Elementary #3 to be closed by year 2021-22 (to be closed by year 2021-22) in proportion

CHCCS Student Projections (1)

Middle

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Actual	2,733	2,722	2,723	2,753	2,759	2,761	2,764	2,763	2,763	2,763	2,763	2,763	2,763	2,768	2,768	2,763	2,738	2,720	2,703	2,687	2,670	2,654	2,637	
Teacher (2)														2,768	2,768	2,763	2,738	2,720	2,703	2,687	2,670	2,654	2,637	
DC Planning														2,763	2,657	2,618	2,650	2,655	2,657	2,657	2,610	2,585	2,565	2,545
10 Year Growth														2,738	2,628	2,614	2,610	2,608	2,566	2,566	2,522	2,528	2,511	2,502
5 Year Growth														2,729	2,614	2,622	2,642	2,619	2,578	2,540	2,560	2,566	2,566	
3 Year Growth														2,761	2,673	2,648	2,619	2,610	2,587	2,571	2,541	2,541	2,541	
Average														2,742	2,654	2,681	2,618	2,644	2,685	2,298	2,298	2,298	2,298	
Annual Change - Increase (Decrease) in Actual & Projected Membership	(1)	14	31	32	73	78	(107)	(110)	4	109	111	(107)	(118)	(80)	(80)	(79)	(81)	(81)	(81)	(81)	(81)	(81)	(81)	
Capacity - 100% Level of Service	2,840	2,840	2,840	2,840	2,840	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	
Number of Students Actual and Projected, Over (Under) 100% LOS	(107)	(118)	(87)	(85)	18	(83)	(100)	(115)	(111)	100	(27)	(142)	(202)	(202)	(202)	(202)	(202)	(202)	(202)	(202)	(202)	(202)	(202)	
100% Level of Service	3,039	3,039	3,039	3,039	3,039	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	
Number of Students Actual and Projected, Over (Under) 100% LOS	(231)	(217)	(259)	(254)	(181)	(288)	(306)	(321)	(317)	(217)	(109)	(232)	(248)	(489)	(489)	(479)	(469)	(469)	(469)	(469)	(469)	(469)	(469)	
Actual - % Level of Service	96.4%	96.5%	96.8%	96.9%	100.0%	98.0%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	
Average - % Level of Service														95.2%	95.2%	97.7%	97.7%	97.7%	97.7%	97.7%	97.7%	97.7%	97.7%	
Annual Student Growth Rate (2)	-0.41%	0.52%	-1.44%	1.18%	2.62%	0.95%	-0.59%	-0.53%	0.14%	3.52%	3.78%	-4.17%	-3.94%	-2.13%	-3.22%	-2.77%	-2.48%	-1.29%	-3.88%	-3.78%	-2.16%	0.42%	0.39%	

(1) 1% Represents only the percentage of membership as defined by the School Age Population Database. It does not include CHCCS students attending the Chapel Hill School. (2) The Teacher Model provides the "Linear Method" of projections for CHCCS and CHCCS. Original projections and the previous year's projections include the "Linear Extrapolation Method" for CHCCS. (3) Annual growth rate calculated using actual membership for years 2009-10 through 2020-21 and average membership for years 2021-22 through 2031-32.

Additional 100 new seats at Chapel Hill Middle School

CHCCS Student Projections (1)

High

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Actual	3,819	3,640	3,714	3,728	3,781	3,730	3,701	3,762	3,821	3,802	3,690	3,620	3,647										
Teacher (2)														3,817	3,894	3,870	3,847	3,824	3,818	3,778	3,755	3,731	3,707
DC Planning														3,810	3,753	3,861	3,871	3,892	3,818	3,788	3,783	3,782	3,784
10 Year Growth														3,816	3,877	3,824	3,753	3,877	3,876	3,811	3,812	3,885	3,885
5 Year Growth														3,940	3,927	3,849	3,728	3,878	3,851	3,802	3,886	3,948	3,926
3 Year Growth														3,924	3,878	3,811	3,810	3,818	3,784	3,784	3,817	3,885	3,885
Average														3,908	3,980	3,801	3,723	3,898	3,876	3,439	3,439	3,258	3,268
Annual Change - Increase (Decrease) in Actual & Projected Membership	(44)	34	74	62	(22)	(60)	(26)	61	165	8	8	(8)	8	(22)	(88)	(89)	(78)	(158)	(79)	(161)	(80)	(84)	
Capacity - 100% Level of Service	3,836	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876
Number of Students Actual and Projected, Over (Under) 100% LOS	(229)	(235)	(161)	(79)	(111)	(145)	(174)	(113)	62	67	86	(43)	(39)	(87)	(115)	(282)	(282)	(282)	(282)	(282)	(282)	(282)	(282)
100% Level of Service	4,239	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283	4,283
Number of Students Actual and Projected, Over (Under) 100% LOS	(81)	(82)	(69)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)	(68)
Actual - % Level of Service	94.2%	91.2%	92.5%	93.0%	92.1%	90.3%	90.5%	92.1%	101.3%	101.7%	99.0%	99.1%	99.1%	98.3%	98.7%	98.7%	98.7%	98.7%	98.7%	98.7%	98.7%	98.7%	98.7%
Average - % Level of Service														98.3%	97.1%	95.0%	93.7%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Annual Student Growth Rate (2)	-0.68%	0.94%	2.03%	2.21%	-0.84%	-0.96%	-0.78%	1.66%	4.39%	0.13%	0.20%	-0.20%	0.20%	-0.62%	-1.22%	-1.63%	-2.66%	-3.89%	-1.87%	-2.17%	-2.97%	-2.40%	-2.74%

(1) 1% Represents only the percentage of membership as defined by the School Age Population Database. It does not include CHCCS students attending the Chapel Hill School. (2) The Teacher Model provides the "Linear Method" of projections for CHCCS and CHCCS. Original projections and the previous year's projections include the "Linear Extrapolation Method" for CHCCS. (3) Annual growth rate calculated using actual membership for years 2009-10 through 2020-21 and average membership for years 2021-22 through 2031-32.

From: Academy High School (closed) official High School starting 2021-22 school year. High School capacity

DC Planning 2020-21 to 2026-27 for the 2020-2021 school year.

D. Student Membership Growth Rate

1. **Responsible Entity for Suggesting Change** – The updating of this section will be conducted by the Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) each year and referred to the BOCC for annual report certification. Projections will be distributed to SAPFO partners for review and comments to the BOCC prior to certification.
2. **Definition** – The annual percentage growth rate calculated from the projections resulting from the average of the five models represented by 10-year numerical membership projections by school level for each school district. This does not represent the year-by-year growth rate that may be positive or negative, but rather the average of the annual anticipated growth rates over the next 10 years.

3. Standard for:

Chapel Hill-Carrboro City School District

See Attachment II.D.2

4. Analysis of Existing Conditions:

Chapel Hill-Carrboro City School District

The membership figures and percentage growth on the attachments show continued growth at each school level within the system. Projected Average Annual Growth Rate over next ten years:

Standard for:

Orange County School District

See Attachment II.D.2

Analysis of Existing Conditions:

Orange County School District

The membership figures and percentage growth on the attachments show continued growth at each school level within the system. Projected Average Annual Growth Rate over next ten years:

School Level	Year Projection Made				
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Elementary	0.36%	0.56%	0.65%	-0.23%	-0.88%
Middle	0.21%	0.19%	-0.07%	-1.50%	-2.10%
High	0%	0.16%	0.03%	-1.44%	-2.15%

School Level	Year Projection Made				
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Elementary	0.58%	0.91%	0.84%	-0.02%	-0.04%
Middle	0.13%	0.28%	0.37%	-0.67%	-0.72%
High	-0.10%	0.21%	0.21%	-0.98%	-1.06%

5. Recommendation:

Chapel Hill-Carrboro City School District

Use statistics as noted.

Recommendation:

Orange County School District

Use statistics as noted.

2020-2021

Orange County Student Projections

Elementary

School Year	2020-2021 (actual)	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Membership	3,047	3,011	2,994	2,982	2,962	2,949	2,966	2,984	3,002	3,019	3,039
Average % Increase		-1.17%	-0.56%	-0.42%	-0.68%	-0.42%	0.59%	0.59%	0.59%	0.60%	0.65%

Middle

School Year	2020-2021 (actual)	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Membership	1,654	1,634	1,611	1,613	1,593	1,598	1,579	1,552	1,530	1,538	1,545
Average % Increase		-1.18%	-1.46%	0.13%	-1.18%	0.31%	-1.20%	-1.71%	-1.42%	0.50%	0.50%

High School

School Year	2020-2021 (actual)	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Membership	2,381	2,365	2,367	2,301	2,293	2,239	2,213	2,221	2,200	2,176	2,157
Average % Increase		-0.66%	0.09%	-2.80%	-0.32%	-2.36%	-1.18%	0.37%	-0.94%	-1.10%	-0.86%

Chapel Hill/Carrboro Student Projections

Elementary

School Year	2020-2021 (actual)	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Membership	4,893	4,808	4,708	4,685	4,655	4,634	4,666	4,698	4,731	4,759	4,782
Average % Increase		-1.73%	-2.09%	-0.48%	-0.65%	-0.45%	0.69%	0.69%	0.69%	0.59%	0.49%

Middle

School Year	2020-2021 (actual)	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Membership	2,917	2,874	2,830	2,747	2,671	2,601	2,558	2,511	2,473	2,489	2,505
Average % Increase		-1.49%	-1.52%	-2.94%	-2.76%	-2.61%	-1.68%	-1.83%	-1.51%	0.65%	0.65%

High School

School Year	2020-2021 (actual)	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Membership	3,932	3,904	3,915	3,906	3,893	3,844	3,721	3,641	3,557	3,438	3,401
Average % Increase		-0.72%	0.28%	-0.21%	-0.35%	-1.27%	-3.20%	-2.15%	-2.29%	-3.35%	-1.10%

Attachment II.D.1 – Orange County and Chapel Hill-Carrboro City Student Growth Rates (Chart dates from 2021-2031 based on 11/13/20 membership numbers) (2020-21)

2021-2022

Orange County Student Projections

Elementary

School Year	2021-2022 (actual)	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Membership	3,023	3,000	2,982	2,948	2,926	2,934	2,949	2,962	2,977	2,994	3,011
Average % Increase		-0.74%	-0.62%	-1.14%	-0.74%	0.26%	0.51%	0.45%	0.52%	0.57%	0.56%

Middle

School Year	2021-2022 (actual)	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Membership	1,656	1,622	1,610	1,599	1,592	1,575	1,541	1,522	1,526	1,533	1,539
Average % Increase		-2.04%	-0.74%	-0.71%	-0.39%	-1.11%	-2.12%	-1.23%	0.23%	0.47%	0.41%

High School

School Year	2021-2022 (actual)	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Membership	2,472	2,508	2,466	2,438	2,358	2,315	2,321	2,297	2,272	2,254	2,222
Average % Increase		1.46%	-1.69%	-1.14%	-3.25%	-1.85%	0.27%	-1.05%	-1.07%	-0.80%	-1.43%

Chapel Hill/Carrboro Student Projections

Elementary

School Year	2021-2022 (actual)	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Membership	4,738	4,582	4,505	4,411	4,321	4,271	4,281	4,292	4,304	4,322	4,333
Average % Increase		-3.30%	-1.66%	-2.10%	-2.03%	-1.15%	0.24%	0.25%	0.29%	0.40%	0.27%

Middle

School Year	2021-2022 (actual)	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Membership	2,802	2,742	2,654	2,581	2,516	2,484	2,385	2,296	2,246	2,256	2,264
Average % Increase		-2.13%	-3.22%	-2.77%	-2.48%	-1.29%	-3.98%	-3.75%	-2.15%	0.42%	0.38%

High School

School Year	2021-2022 (actual)	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Membership	3,940	3,908	3,860	3,801	3,723	3,586	3,515	3,439	3,338	3,258	3,169
Average % Increase		-0.82%	-1.22%	-1.53%	-2.05%	-3.69%	-1.97%	-2.17%	-2.93%	-2.40%	-2.74%

Attachment II.D.2 – Orange County and Chapel Hill-Carrboro City Student Growth Rates (Chart dates from 2022-2032 based on 11/15/21 membership numbers) (2021-22)

E. Student / Housing Generation Rate

1. ***Responsible Entity for Suggesting Change*** – The updating of this section will be conducted by Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) and referred to the BOCC for certification.
Projections will be distributed to SAPFO partners for review and comments to the BOCC prior to certification.
2. ***Definition*** – Student generation rate refers to the number of public school students per housing unit constructed in each school district, as defined in the Student Generation Rate Study completed by TisherBise on October 28, 2014. Housing units include single-family detached, single family attached/duplex, multifamily, and manufactured homes.
3. ***Standard for:***

Chapel Hill-Carrboro City School District See Attachment II.E.1	Standard for: Orange County School District See Attachment II.E.1
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4. ***Analysis of Existing Conditions:***
At the January 2014 SAPFOTAC meeting, members discussed the increased number of students generated in both school districts from new development, particularly multifamily housing. The SAPFOTAC recommended further evaluation of the adopted Student Generation Rates and the impacts the number of bedrooms a particular housing type may have on student generation rates. As a result, Orange County entered into a contract with TischlerBise to update the student generation rate analysis. The new student generation rates were approved on May 19, 2015 and are shown in Attachment II.E.1. New rates from the 2014 Student Generation Rates for Orange County Schools and Chapel Hill-Carrboro School District Report are based on an inventory of recently built units from January 1, 2004 to December 31, 2013.

It should be noted that students are generated from new housing as well as from existing housing where new families have moved in. The CAPS system estimates new development impacts and associated student generation, but it is important to understand that student increases are a composite of both of these factors. This effect can be dramatic and can vary greatly between areas and districts where either new

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housing is dominant or new families move into a large inventory of existing housing stock.

5. *Recommendation:*

No change at this time.

TischlerBise Student Generation Rates – 2014

Chapel Hill/Carrboro Schools				
	0-3 Bedrooms	4 Bedrooms	5+ Bedrooms	Weighted Average
Single-Family Detached	0.61	0.84	1.13	0.84
	0-2 Bedrooms	3+ Bedrooms		Weighted Average
Single-Family Attached	0.27	0.42		0.38
Multifamily/Other	0.11	0.47		0.18
Manufactured Home	0.268	0.86		0.78
Weight Average for Chapel Hill/Carrboro School District				0.49

Orange County Schools				
	0-3 Bedrooms	4 Bedrooms	5+ Bedrooms	Weighted Average
Single-Family Detached	0.35	0.57	0.57	0.44
	0-2 Bedrooms	3+ Bedrooms		Weighted Average
Single-Family Attached	0.07	0.17		0.15
Multifamily/Other	0.08	0.67		0.17
Manufactured Home	0.67	0.47		0.52
Weight Average for Orange County School District				0.37

Source: Student Generation Rates for Orange County School District and Chapel Hill-Carrboro School District, TischlerBise, October 28, 2014
Revised May 7, 2015

III. Flowchart of Schools Adequate Public Facilities Ordinance Process

Abstract: The Schools Adequate Public Facilities Ordinance process has two distinct components:

A. Capital Investment Plan (CIP) (Process 1)

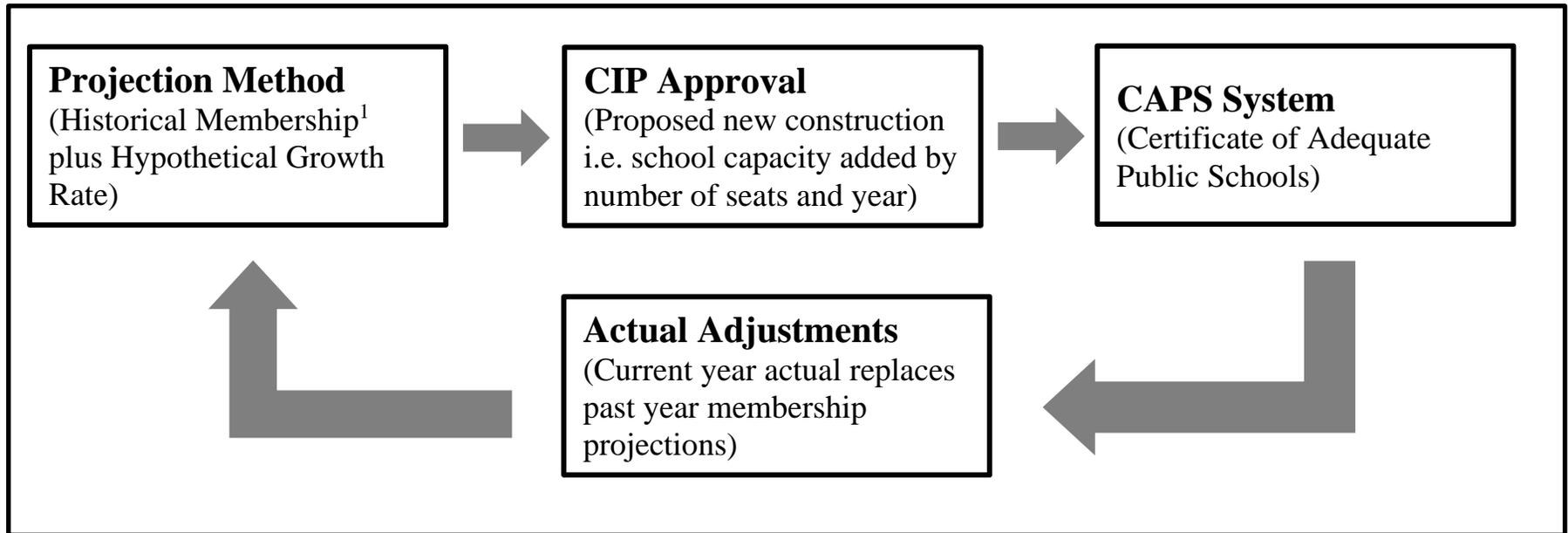
Timeframe: In November of each year, Student Membership and Building Capacity is transmitted from the school districts to the Orange County Board of Commissioners for consideration and approval and used in the following years CIP (e.g. November 15, 2021 membership numbers used to develop a CIP to be considered for adoption in June 2022).

Process Framework

1. SAPFOTAC projects future student membership from historical data, current membership and hypothetical growth rates from established methodologies.
2. School Districts and BOCC compare projections to existing capacity and proposed Capital Investment Plan.
3. SAPFOTAC forwards data and projections to all SAPFO partners.
4. School Districts develop Capital Investment Plan Needs Assessment during this process
5. The Capital Investment Plan work sessions and Public Hearings are conducted by the BOCC in the spring of each year.
6. The adoption of CIP that sets forth monies and timeframe for school construction (future capacity) by BOCC.

School Adequate Public Facilities Ordinance

Process 1 - Capital Investment Planning (CIP)



¹Historical Membership is a product of students generated from: (1) pre-existing/approved undeveloped lots where new housing is built, (2) existing housing stock with new families/children, and (3) newly approved housing development (in the future this component will be known as CAPS approved development).

²The only part of the CAPS System (i.e., computer spreadsheet subdivision tracking) that receives data from the Process 1 CIP includes the actual membership (November 15 of preceding CIP year) and new school capacity amount (seats) in a specific year pursuant to the CIP.

B. Schools Adequate Public Facilities Ordinance Certificate of Adequate Public Schools (CAPS) Update (Process 2)

Timeframe: The CAPS system is updated approximately November 15 of each year when the school districts report actual membership and ‘pre-certified’ capacity, whether it is CIP associated or prior ‘joint action’ agreement. ‘Joint action’ determinations of changes in capacity due to State rules or other non-construction related items are anticipated to be done prior to the November 15 capacity and membership reporting date. This update may reflect the Board of County Commissioners action on the earlier year Capital Investment Plan (CIP) as it affects capacity and addition of new actual fall membership. The Schools Adequate Public Facilities Ordinance Certificate of Adequate Public Schools (CAPS) stays in effect until the following year – (e.g.: November 15, 2005 to November 14, 2006).

New development is originally logged for a certain year. As the CAPS system is updated, each CAPS projection year is ‘absorbed’ by the actual estimate of a given year. Later year CAPS projections of the same development remain in the future year CAPS system accordingly. For example, if a 50-lot subdivision is issued a CAPS, 15 lots may be assigned to “Year 1,” 10 lots to “Year 2,” 10 lots to “Year 3,” 10 lots to “Year 4,” and 5 lots to “Year 5.” When “Year 1” is updated, the students generated from the 15 lots are absorbed by the actual estimate. The students generated in “Years 2, 3, 4, and 5” are held in the CAPS system and added to the appropriate year when the CAPS system is updated.

As previously noted in Section II.C, The City of Mebane is not a party to the SAPFO and does not require that CAPS be issued prior to approving development activities. Increasing development within this area of the county has the potential to encumber a significant portion of the available capacity within the Orange County School District. Although the SAPFO system is not formally regulated in Mebane, staff monitors development activity and when students enter the school system their enrollment is calculated and used in future school projection needs.

Please note that the two processes (CIP and CAPS) are on separate, but parallel tracks. However, the CIP does create a crossover of capacity information between the two processes. For example, the SAPFO system for both school districts that will be established / initiated /

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certified each year in November and is based on prior year created and/or planned CIP capacity and current school year membership. The SAPFOTAC report including new current year membership and projections are to be used for upcoming CIP development as noted in Process 1.

CIP Process 1 (for CIP 2022 - 2032)

November 2020 – June 2021 (using 2021 SAPFOTAC Report)

SAPFO CAPS Process 2 (for SAPFO System 2022 – 2023)

November 2021 - November 2022

School Adequate Public Facilities Ordinance

Process 2 - Certificate of Adequate Public Schools (CAPS) Allocation

2022 CAPS system is effective November 15, 2021 through November 14, 2022.

The system is updated with new membership, CIP capacity changes, and any other BOCC/School District joint action approved capacity prior to November 15, 2021. This information is received within 5 days of November 15 and posted within the next 15 days. This CAPS system recalibration is retroactive to November 15, 2021.

CAPS Allocation System

1. Certified Capacity
2. LOS Capacity
3. Actual Membership
4. Year Start Available Capacity
5. Ongoing Current Available Capacity (includes available capacity decreases from approved CAPS development by year)
6. CAPS approved development
 - a. Total units
 - b. Single Family¹
 - c. Other Housing¹

CAPS System²

$$AC = SC - (ADM + ND1 + ND2 + \dots)$$

$AC \geq 0$ - Issue CAPS

$AC < 0$ - Defer CAPS to later date

¹ Student Generation Rates from CAPS housing type create future membership estimate. Please note that this CAPS membership future estimate is different than the projection based on historical data and projection models used in the CIP process 1. This estimate only captures new development impact, which is the component that the SAPFO can regulate.

² AC – Available Capacity - Starts at Annual Update Capacity and reduces as CAPS approved development is entered into the system.
 SC – Certified School Level Capacity
 ADM – Average Daily Membership
 ND – New Development; ND1 means first approved CAPS approved development

Attachment 3

CHCCS Student Projections (1) (4)

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Actual	5,219	5,296	5,464	5,543	5,554	5,541	5,501	5,567	5,522	5,471	5,363	4,893	4,738											
Tischler (2)														4,710	4,682	4,654	4,627	4,599	4,571	4,543	4,515	4,487	4,459	
OC Planning														4,619	4,550	4,473	4,396	4,321	4,275	4,231	4,193	4,170	4,136	
10 Year Growth														4,557	4,486	4,385	4,285	4,244	4,286	4,329	4,373	4,416	4,460	
5 Year Growth														4,526	4,432	4,310	4,195	4,144	4,186	4,228	4,270	4,313	4,356	
3 Year Growth														4,496	4,377	4,232	4,102	4,049	4,089	4,130	4,171	4,213	4,255	
Average														4,582	4,505	4,411	4,321	4,271	4,281	4,292	4,304	4,322	4,333	
Annual Change - Increase (Decrease) in Actual & Projected Membership	(83)	77	168	79	11	(13)	(40)	66	(45)	(51)	(108)	(470)	(155)	(156)	(76)	(95)	(90)	(50)	10	11	12	17	12	
Capacity - 100% Level of Service	5,244	5,244	5,244	5,244	5,829	5,829	5,829	5,829	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664
Number of Students, Actual and Projected, Over (Under) 100% LOS	(25)	52	220	299	(275)	(288)	(328)	(262)	(142)	(193)	(301)	(771)	(826)	(1,082)	(1,159)	(1,253)	(1,343)	(1,333)	(1,333)	(1,372)	(1,360)	(1,342)	(1,331)	
Capacity - 105% Level of Service	5,506	5,506	5,506	5,506	6,120	6,120	6,120	6,120	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	
Number of Students, Actual and Projected, Over (Under) 105% LOS	(297)	(210)	(42)	37	(86)	(679)	(619)	(553)	(425)	(476)	(584)	(1,054)	(1,209)	(1,366)	(1,442)	(1,536)	(1,626)	(1,676)	(1,666)	(1,655)	(1,643)	(1,626)	(1,614)	
Actual - % Level of Service	99.5%	101.0%	104.2%	105.7%	95.3%	95.1%	94.4%	95.3%	97.5%	96.6%	94.7%	86.4%	83.7%	80.9%	79.5%	77.0%	76.5%	75.4%	75.8%	75.8%	76.0%	76.3%	76.5%	
Average - % Level of Service																								
Annual Student Growth Rate (3)	-1.67%	1.48%	3.17%	1.45%	0.20%	-0.23%	-0.72%	1.20%	-0.81%	-0.92%	-1.97%	-8.76%	-3.17%	-3.30%	-1.66%	-2.10%	-2.03%	-1.18%	0.24%	0.25%	0.29%	0.40%	0.27%	

Elementary School #11 opens with 585 seats

Capacity decrease due to change in class size ratios per House Bill 13 (K-3 average class size ratios are 1:20 as directed by State legislative action)

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance. It does not include CHCCS students attending the Hospital School.
 (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCCS.
 (3) Annual growth rate calculated using actual membership for years 2011-12 through 2020-21 and average membership for years 2021-22 through 2030-31.
 (4) Class sizes for grades K-3 + 1-23 for school years 2009 through 2007-08. In accordance with 2005 School Collaboration Work Group direction, effective the 2008-2009 school year with the opening of CHCCS Elementary #10, K-3 class sizes are 1:21 as directed by past State legislative action.

CHCCS Student Projections (1)

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Actual	2,708	2,722	2,753	2,785	2,858	2,861	2,844	2,820	2,833	2,933	3,044	2,917	2,802										
Tischler (2)														2,786	2,769	2,753	2,736	2,720	2,703	2,687	2,670	2,654	2,637
OC Planning														2,753	2,687	2,618	2,550	2,485	2,437	2,410	2,387	2,388	2,385
10 Year Growth														2,736	2,628	2,544	2,478	2,468	2,344	2,222	2,159	2,181	2,202
5 Year Growth														2,720	2,614	2,522	2,442	2,419	2,276	2,140	2,088	2,098	2,109
3 Year Growth														2,709	2,573	2,465	2,375	2,330	2,167	2,021	1,948	1,968	1,987
Average														2,742	2,654	2,581	2,516	2,484	2,385	2,296	2,246	2,256	2,264
Annual Change - Increase (Decrease) in Actual & Projected Membership	11	14	31	32	73	76	(17)	(15)	4	100	111	(127)	(115)	(60)	(68)	(74)	(64)	(32)	(89)	(89)	(49)	9	8
Capacity - 100% Level of Service	2,840	2,840	2,840	2,840	2,840	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944
Number of Students, Actual and Projected, Over (Under) 100% LOS	(132)	(118)	(87)	(55)	18	(83)	(100)	(115)	(111)	(11)	100	(27)	(142)	(202)	(290)	(363)	(428)	(460)	(559)	(648)	(698)	(688)	(680)
107% Level of Service	3,039	3,039	3,039	3,039	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150
Number of Students, Actual and Projected, Over (Under) 107% LOS	(331)	(317)	(286)	(254)	(181)	(289)	(305)	(321)	(317)	(217)	(106)	(233)	(348)	(408)	(496)	(670)	(634)	(666)	(765)	(854)	(904)	(894)	(885)
Actual - % Level of Service	95.4%	95.8%	96.9%	98.1%	100.6%	97.2%	96.6%	96.1%	96.2%	99.6%	103.4%	99.1%	95.2%	93.2%	90.2%	87.7%	85.5%	84.4%	81.0%	78.0%	76.3%	76.6%	76.9%
Average - % Level of Service																							
Annual Student Growth Rate (3)	0.41%	0.52%	1.14%	1.16%	2.62%	0.10%	-0.59%	-0.53%	0.14%	3.53%	3.78%	-4.17%	-3.94%	-2.19%	-3.22%	-2.77%	-2.48%	-1.29%	-3.98%	-3.78%	-2.15%	0.42%	0.38%

Additional 104 new seats at Culbreth Middle School

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance. It does not include CHCCS students attending the Hospital School.
 (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCCS.
 (3) Annual growth rate calculated using actual membership for years 2011-12 through 2020-21 and average membership for years 2021-22 through 2030-31.

CHCCS Student Projections (1)

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Actual	3,606	3,640	3,714	3,796	3,764	3,730	3,701	3,762	3,927	3,932	3,940	3,932	3,940										
Tischler (2)														3,917	3,894	3,870	3,847	3,824	3,801	3,778	3,755	3,731	3,708
OC Planning														3,840	3,753	3,661	3,571	3,482	3,419	3,338	3,263	3,242	3,234
10 Year Growth														3,918	3,877	3,824	3,753	3,577	3,501	3,426	3,311	3,212	3,093
5 Year Growth														3,940	3,901	3,849	3,768	3,576	3,491	3,402	3,296	3,146	3,006
3 Year Growth														3,924	3,876	3,801	3,678	3,470	3,364	3,252	3,097	2,959	2,803
Average														3,908	3,860	3,801	3,723	3,586	3,515	3,439	3,338	3,258	3,169
Annual Change - Increase (Decrease) in Actual & Projected Membership	(24)	34	74	82	(32)	(65)	(29)	61	165	5	8	(8)	8	(32)	(48)	(59)	(78)	(138)	(70)	(76)	(101)	(80)	(89)
Capacity - 100% Level of Service	3,835	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875
Number of Students, Actual and Projected, Over (Under) 100% LOS	(229)	(235)	(161)	(79)	(111)	(145)	(174)	(113)	52	57	65	(43)	(35)	(67)	(115)	(174)	(252)	(389)	(460)	(536)	(637)	(717)	(805)
110% Level of Service	4,219	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,373	4,373	4,373	4,373	4,373	4,373	4,373	4,373	4,373	4,373
Number of Students, Actual and Projected, Over (Under) 110% LOS	(613)	(623)	(549)	(467)	(499)	(533)	(562)	(501)	(336)	(331)	(323)	(441)	(433)	(465)	(512)	(571)	(649)	(787)	(857)	(933)	(1,034)	(1,114)	(1,204)
Actual - % Level of Service	94.0%	93.9%	95.8%	98.0%	97.1%	96.3%	95.5%	97.1%	101.3%	101.5%	101.7%	98.9%	99.1%	98.3%	97.1%	95.6%	93.7%	90.2%	88.4%	86.5%	84.0%	82.0%	79.7%
Average - % Level of Service																							
Annual Student Growth Rate (3)	-0.66%	0.94%	2.03%	2.21%	-0.84%	-0.90%	-0.78%	1.65%	4.39%	0.13%	0.20%	-0.20%	0.20%	-0.82%	-1.22%	-1.53%	-2.05%	-3.69%	-1.97%	-2.17%	-2.93%	-2.40%	-2.74%

Phoenix Academy High School becomes official high school starting 2010-11 school year with 40 student capacity

100 seats added to CHHS for the 2020-2021 school year

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance. It does not include CHCCS students attending the Hospital School.
 (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCCS.
 (3) Annual growth rate calculated using actual membership for years 2011-12 through 2020-21 and average membership for years 2021-22 through 2030-31.

OCS Student Projections (1) (4)

Elementary	School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Actual		3,211	3,285	3,348	3,403	3,433	3,259	3,318	3,293	3,183	3,205	3,232	3,047	3,023											
Tischler (2)															3,012	3,001	2,990	2,979	2,968	2,957	2,945	2,934	2,923	2,912	
OC Planning															3,015	2,983	2,947	2,896	2,872	2,869	2,857	2,855	2,861	2,864	
10 Year Growth															2,997	2,988	2,952	2,941	2,970	2,999	3,029	3,060	3,090	3,121	
5 Year Growth															2,995	2,982	2,944	2,929	2,953	2,983	3,012	3,043	3,073	3,104	
3 Year Growth															2,983	2,955	2,906	2,886	2,906	2,935	2,964	2,994	3,024	3,054	
Average															3,000	2,982	2,948	2,926	2,934	2,949	2,962	2,977	2,994	3,011	
Annual Change - Increase (Decrease) in Actual & Projected Membership		46	74	63	55	30	(174)	59	(25)	(110)	22	27	(185)	(24)	(23)	(19)	(34)	(22)	8	15	13	15	17	17	
Capacity - 100% Level of Service		3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361
Number of Students, Actual and Projected, Over (Under) 100% LOS		(483)	(409)	(346)	(291)	(261)	(435)	(376)	(401)	(178)	(156)	(129)	(314)	(338)	(361)	(379)	(413)	(435)	(427)	(412)	(399)	(384)	(367)	(350)	
105% Level of Service		3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529
Number of Students, Actual and Projected, Over (Under) 105% LOS		(668)	(594)	(531)	(476)	(446)	(620)	(561)	(586)	(346)	(324)	(297)	(482)	(506)	(529)	(547)	(581)	(603)	(595)	(581)	(567)	(552)	(535)	(518)	
Actual - % Level of Service		86.9%	88.9%	90.6%	92.1%	92.9%	88.2%	89.8%	89.1%	94.7%	95.4%	96.2%	90.7%	89.9%	89.3%	88.7%	87.7%	87.1%	87.3%	87.7%	88.1%	88.6%	89.1%	89.6%	
Average - % Level of Service		1.45%	2.30%	1.92%	1.64%	0.88%	-5.07%	1.81%	-0.75%	-3.34%	0.69%	0.84%	-5.72%	-0.79%	-0.74%	-0.62%	-1.14%	-0.74%	0.26%	0.51%	0.45%	0.52%	0.57%	0.56%	
Annual Student Growth Rate (3)																									

Capacity decrease due to change in class size ratios per House Bill 13 (K-3 average class size ratios are 1:20 as directed by State legislative action)

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance
 (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHC
 (3) Annual growth rate calculated using actual membership for years 2011-12 through 2020-21 and average membership for years 2021-22 through 2024.
 (4) Class sizes for grades K-3 = 1:23 for school years 2009 through 2007-08. In accordance with 2005 School Collaboration Work Group direction, effective the 2008-2009 school year with the opening of CHCCS Elementary #10, K-3 class sizes are 1:21 as directed by past State legislative action.

OCS Student Projections(1)

Middle	School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Actual		1,665	1,698	1,704	1,684	1,747	1,762	1,739	1,724	1,730	1,779	1,763	1,654	1,656										
Tischler (2)															1,650	1,644	1,638	1,632	1,626	1,620	1,614	1,607	1,601	1,595
OC Planning															1,652	1,642	1,631	1,611	1,607	1,614	1,615	1,610	1,608	1,601
10 Year Growth															1,613	1,604	1,599	1,599	1,576	1,525	1,498	1,512	1,489	1,543
5 Year Growth															1,598	1,581	1,569	1,570	1,547	1,494	1,465	1,475	1,489	1,504
3 Year Growth															1,597	1,579	1,556	1,551	1,518	1,455	1,420	1,425	1,440	1,454
Average															1,622	1,610	1,599	1,592	1,575	1,541	1,522	1,526	1,533	1,539
Annual Change - Increase (Decrease) in Actual & Projected Membership		64	33	6	(20)	63	15	(23)	(15)	6	49	(16)	(109)	2	(34)	(12)	(11)	(6)	(18)	(33)	(19)	3	7	6
Capacity - 100% Level of Service		2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166
Number of Students, Actual and Projected, Over (Under) 100% LOS		(501)	(468)	(462)	(492)	(419)	(404)	(427)	(442)	(436)	(387)	(403)	(512)	(510)	(544)	(556)	(567)	(574)	(591)	(625)	(644)	(640)	(633)	(627)
107% Level of Service		2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318
Number of Students, Actual and Projected, Over (Under) 107% LOS		(653)	(620)	(614)	(634)	(571)	(556)	(579)	(594)	(588)	(539)	(555)	(664)	(662)	(695)	(708)	(719)	(725)	(743)	(776)	(795)	(792)	(784)	(778)
Actual - % Level of Service		76.9%	78.4%	78.7%	77.7%	80.7%	81.3%	80.3%	79.6%	79.9%	82.1%	81.4%	76.4%	76.5%	74.9%	74.3%	73.8%	73.5%	72.7%	71.2%	70.3%	70.4%	70.8%	71.1%
Average - % Level of Service		4.00%	1.98%	0.35%	-1.17%	3.74%	0.86%	-1.31%	-0.86%	0.35%	2.83%	-0.90%	-6.18%	0.12%	-2.04%	-0.74%	-0.71%	-0.39%	-1.11%	-2.12%	-1.23%	0.23%	0.47%	0.41%
Annual Student Growth Rate (3)																								

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance
 (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHC
 (3) Annual growth rate calculated using actual membership for years 2011-12 through 2020-21 and average membership for years 2021-22 through 2024.

OCS Student Projections (1)

High	School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Actual		2,217	2,222	2,283	2,315	2,421	2,502	2,469	2,446	2,445	2,349	2,397	2,381	2,472										
Tischler (2)															2,463	2,454	2,445	2,436	2,427	2,418	2,409	2,400	2,391	2,381
OC Planning															2,469	2,436	2,406	2,363	2,343	2,340	2,330	2,341	2,359	2,362
10 Year Growth															2,526	2,468	2,433	2,330	2,275	2,299	2,275	2,234	2,209	2,163
5 Year Growth															2,527	2,460	2,415	2,294	2,226	2,239	2,209	2,172	2,143	2,095
3 Year Growth															2,554	2,511	2,490	2,370	2,302	2,309	2,290	2,214	2,169	2,108
Average															2,508	2,466	2,438	2,358	2,315	2,321	2,297	2,272	2,254	2,222
Annual Change - Increase (Decrease) in Actual & Projected Membership		(25)	5	61	32	106	81	(33)	(23)	(1)	(96)	48	(16)	91	36	(42)	(28)	(79)	(44)	6	(24)	(25)	(19)	(32)
Capacity - 100% Level of Service		2,558	2,558	2,558	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939
Number of Students, Actual and Projected, Over (Under) 100% LOS		(341)	(336)	(275)	(124)	(18)	63	30	7	(90)	(42)	(58)	(467)	(431)	(473)	(501)	(581)	(624)	(618)	(642)	(667)	(685)	(717)	
110% Level of Service		2,814	2,814	2,814	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233
Number of Students, Actual and Projected, Over (Under) 110% LOS		(597)	(592)	(531)	(368)	(262)	(181)	(214)	(237)	(238)	(334)	(286)	(302)	(761)	(725)	(767)	(795)	(874)	(918)	(912)	(936)	(961)	(979)	(1,011)
Actual - % Level of Service		86.7%	86.9%	89.2%	94.9%	99.3%	102.6%	101.2%	100.3%	100.2%	96.3%	98.3%	97.6%	84.1%	85.3%	83.9%	82.9%	80.2%	78.8%	79.0%	78.1%	77.3%	76.7%	75.6%
Average - % Level of Service		-1.12%	0.23%	2.75%	1.40%	4.58%	3.35%	-1.32%	-0.93%	-0.04%	-3.93%	2.04%	-0.67%	3.82%	1.46%	-1.69%	-1.14%	-3.25%	-1.85%	0.27%	-1.05%	-1.07%	-0.80%	-1.43%
Annual Student Growth Rate (3)																								

Orange High capacity decreased, per DPI study

Cedar Ridge High School adding 500 seats.

(1) It is important to note that this reflects the November 15, 2020 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance
 (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHC
 (3) Annual growth rate calculated using actual membership for years 2011-12 through 2020-21 and average membership for years 2021-22 through 2024.

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

**Action Agenda
Item No.** 8-h

SUBJECT: Re-affirm Acceptance of Planning Jurisdiction Over Two Parcels from the Town of Chapel Hill to Orange County

DEPARTMENT: Planning & Inspections

ATTACHMENT(S):
Resolution to Accept Planning Jurisdiction

INFORMATION CONTACT:
Perdita Holtz, Special Projects & GIS
Supervisor, (919) 245-2578

PURPOSE: To re-affirm, by adoption of a Resolution, previous action taken by the Board of County Commissioners on March 1, 2022 to accept planning jurisdiction over two parcels from the Town of Chapel Hill.

BACKGROUND: On March 1, 2022 the Board of County Commissioners (BOCC) voted to accept planning jurisdiction over two parcels from the Town of Chapel Hill. Meeting materials, including the petition, maps of the parcels, and other information can be viewed at: <http://server3.co.orange.nc.us:8088/WebLink/0/doc/66941/Page1.aspx>.

In order to ensure that the requirements of North Carolina General Statutes (NCGS) 160D-203 are followed, staff is recommending that the BOCC adopt the attached Resolution so that it can be recorded with the Register of Deeds within 14 days of adoption. The required process was not adhered to earlier this year.

FINANCIAL IMPACT: There is no financial impact associated with accepting the assignment of planning jurisdiction. If a development proposal is subsequently submitted, existing Orange County Planning staff will review the proposal for compliance with applicable development regulations and fees would be charged in accordance with the adopted fee schedule.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this item:

- **GOAL: ESTABLISH SUSTAINABLE AND EQUITABLE LAND-USE AND ENVIRONMENTAL POLICIES**

The fair treatment and meaningful involvement of people of all races, cultures, incomes and educational levels with respect to the development and enforcement of environmental laws, regulations, policies, and decisions. Fair treatment means that no group of people should bear a disproportionate share of the negative environmental consequences resulting from industrial, governmental and commercial operations or policies.

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goals applicable to this item.

RECOMMENDATION(S): The Manager recommends the Board re-affirm its previous March 1, 2022 action by adopting and authorizing the Chair to sign the attached Resolution.

**RESOLUTION OF THE
ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS**

A RESOLUTION ACCEPTING THE ASSIGNMENT OF THE EXCLUSIVE PLANNING AND DEVELOPMENT REGULATION JURISDICTION OVER TWO PARCELS FROM THE TOWN OF CHAPEL HILL

WHEREAS, on November 17, 2021, Paul Dubbeling on behalf of Mendall, LLC petitioned the Town of Chapel Hill Council to assign planning and development regulation jurisdiction over two parcels to Orange County; and

WHEREAS, recent changes to the North Carolina General Statutes 160D-203, allows that when a parcel lies within the planning and development jurisdictions of more than one local government, those governments may agree to assign that parcel to the exclusive jurisdiction of one of them; and

WHEREAS, the assignment of jurisdictional review as per 160D-203 does not change the jurisdictional boundaries; and

WHEREAS, the petitioner represents the owner of two parcels that straddle the jurisdiction limits of the Town of Chapel Hill and Orange County; and

WHEREAS, the petitioner requests that Orange County accept the exclusive planning and development regulation jurisdiction for parcels identified as Parcel Identifier Numbers (PIN) 9787-32-6186 and 9787-42-0000; and

WHEREAS, the property owner has consented in writing to this assignment; and

WHEREAS, the Town of Chapel Hill adopted Resolution 2022-01-12/R-2 to assign exclusive planning and development regulation jurisdiction to Orange County; and

WHEREAS, the property owner has expressed interest in pursuing a subdivision under Orange County’s regulations;

NOW, THEREFORE, BE IT RESOLVED by the Orange County Board of Commissioners that Orange County accepts the exclusive planning and development regulation jurisdiction for PINs 9787-32-6186 and 9787-42-0000 from the Town of Chapel Hill.

Adopted by the Orange County Board of Commissioners this 24th day of May, 2022.

By:

Attest:

Renee Price, Chair
Orange County Board of Commissioners

Laura Jensen, Clerk to the Board

[SEAL]

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 24, 2022

**Action Agenda
Item No.** 8-i

SUBJECT: Proposed Sale of 129 East King Street, Hillsborough, NC

DEPARTMENT: Asset Management Services

ATTACHMENT(S):

1. Offer for the Purchase and Sale of Improved Property
2. Appraisal Cover Letter of 129 East King Street, Hillsborough, NC
3. North Carolina General Statute 160A-269 Negotiated Offer, Advertisement, and Upset Bids
4. Resolution Authorizing the Sale and Upset Bid Process for 129 East King Street

INFORMATION CONTACT:

Travis Myren, Deputy County Manager,
919-245-2308
Steven Arndt, Asset Management
Services Director, 919-245-2658

PURPOSE: To consider the approval of the sale of County-owned property located at 129 East King Street, Hillsborough, NC, and the approval of a resolution authorizing the sale of the property through a negotiated offer, advertisement, and upset bid process.

BACKGROUND: The County-owned property at 129 East King Street consists of a .24 acre site with a 7,100 gross square foot facility that was originally constructed in 1947 for use as a retail furniture store. Orange County acquired the property in 2001 and renovated it for use as an office. It is located near the center of Hillsborough, close to the Historic Courthouse. The facility is in poor condition, with numerous structural and environmental issues, and has been vacant since late 2018.

After touring the facility, Miller Property Management, LLC, located in Durham, NC, presented the County with an unsolicited offer to purchase the property for \$178,000 on May 16, 2022 (*Attachment 1*). The County previously received an unsolicited offer of \$150,000 on April 25, 2022 for the property. However, the County is required by statute to consider the highest legal offer for the sale of any asset. The property was recently appraised in February 2022 at \$160,000 (*Attachment 2*).

In accordance with North Carolina General Statute 160A-269, public property may be sold through a negotiated offer, advertisement, and upset bid process (*Attachment 3*). A resolution authorizing the sale of the property through this upset bid process is also included (*Attachment 4*). Should the Board approve the sale of this property in this manner, a notice of sale will immediately be placed in a local paper and on the County's Purchasing web page. The notice shall contain a general description of the property, the amount and terms of the offer, and a notice that within ten days

any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars, and five percent (5%) of the remainder. When a bid is raised, the bidder shall deposit with the County five percent (5%) of the increased bid, and the County shall re-advertise the offer at the increased bid amount for an additional ten days. This procedure shall be repeated until no further qualifying upset bids are received, at which time the Board may accept the offer and sell the property to the highest bidder. The final offer will be brought back to the Board for consideration and approval.

FINANCIAL IMPACT: The property is currently sitting vacant and there are no plans to renovate or re-occupy the site. Due to the extremely poor condition of the facility, the appraised value of the property is based upon the value of the land only. Sale of 129 East King Street will convert a non-productive capital asset into at least \$178,000 that may be re-allocated to other County needs.

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

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goal impacts associated with this item.

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

- 1) Approve the sale of 129 East King Street, Hillsborough, NC through a negotiated offer, advertisement and upset bid process, in accordance with North Carolina General Statute 160A-269; and
- 2) Approve and authorize the Chair to sign the resolution authorizing the sale through this process.

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

OFFER TO PURCHASE ORANGE COUNTY REAL PROPERTY

This offer is being made as a negotiated offer, pursuant to N.C. Gen. Stat. 160A-269, and other applicable sections of the North Carolina General Statutes. The terms of the offer are as follows:

1. **OFFER:** The undersigned Offeror hereby offers to purchase the property described below from Orange County for the price of \$178,000⁰⁰ (one hundred seventy eight thousand)
2. **PROPERTY:** The property upon which an offer is being made is that certain lot of parcel of land including all improvements thereon, situated in Hillsborough Township, Hillsborough, North Carolina,
129 East King St.

3. **"AS IS" CONDITION; TITLE:** The Offeror acknowledges that this offer is for the purchase of the property described above in its "as is" condition. Title will be conveyed by special warranty deed, free and clear of all liens or encumbrances.
4. **DEPOSIT:** With this offer the undersigned has deposited 5% of the proposed purchase price with the county as required by law (refundable if the offer is not accepted).
5. **PROPERTY TAX:** It is understood that the property is currently tax exempt, but that pursuant to N.C. Gen. Stat. 105-29(d) the property may become taxable for the fiscal year beginning July of the calendar year in which it is acquired, in which case, the property taxes will be the responsibility of the Offeror.
6. **UPSET BID PROCEDURE:** It is understood that the this offer is subject to upset bid procedures pursuant to N.C. Gen. Stat. 160A-269, and that no final action will be taken on acceptance of this offer until the upset period has expired. It is also understood that by law, the County Board of Commissioners may reject this offer and any upset bid offers at any time.
7. **ADVERTISING COSTS:** Upon closing, the Offeror agrees to reimburse the advertising fees for all legal notice required under N.C. Gen. Stat. 160A-269.
8. **WITHDRAWAL:** The County reserves the right to withdraw the property from sale at any time before the bid or any upset bids are accepted.

[Signature Page to Follow]

Date: 5-16-22
Initial: J.M.

OFFER TO PURCHASE ORANGE COUNTY REAL PROPERTY

P. 2

This the 16th day of May, 2022.

(If a corporate Offeror)

(If Individual)

Name of Entity

Miller Property Management, LLC

Offeror: _____

(Print Name) _____

By:

J Miller (Jesse Miller)

Offeror: _____

(Print Name) _____

Title:

owner

Attest:

JH (Justin Head)
Corporate Secretary (Affix Corporate Seal)

Attachment #2

Appraisal Cover Letter for 129 East King Street

RESTRICTED APPRAISAL OF:

OFFICE BUILDING
129 E. KING STREET
HILLSBOROUGH, ORANGE COUNTY
NORTH CAROLINA 27278

FOR:

ALAN DORMAN
ASSISTANT DIRECTOR
ASSET MANAGEMENT SERVICES
ORANGE COUNTY
HILLSBOROUGH, NC 27278

DATE OF REPORT:

FEBRUARY 11, 2022

BY:

ANALYTICAL CONSULTANTS
125 KINGSTON DRIVE, SUITE 206
CHAPEL HILL, NC 27514

PREPARED BY:

PAUL L. SNOW, MAI
CERTIFIED GENERAL APPRAISER NC #A4499

CHERI L. DEROSIA
CERTIFIED GENERAL APPRAISER NC #A6345



Analytical Consultants
125 Kingston Drive
Suite 206
Chapel Hill, NC 27514
Phone: 919-929-9539
Fax: 919-929-9543

February 11, 2022

Alan Dorman
Assistant Director
Asset Management Services
Orange County
Hillsborough, NC 27278

Re: Office Building, 129 E. King Street, Hillsborough, North Carolina 27278

Dear Mr. Dorman:

In response to your engagement letter of November 19, 2021, we have prepared a Restricted Appraisal of the above referenced property. We have examined the physical property, inspected the neighborhood and analyzed the market for similar properties in Hillsborough and the surrounding area. The purpose of this appraisal is to provide an opinion of the As Is Market Value of the subject property.

The subject of this report is a 0.240-acre parcel improved with an office and warehouse building located on the north side of E. King Street in downtown Hillsborough. The property is zoned CC, Central Commercial.

According to information provided by Orange County as well as other sources, the improvements on the subject were constructed in 1947 as a furniture store. Orange County acquired it in 2000 and renovated it, and in 2009 the Office of the Public Defender moved in. It is approximately 7,100 square feet in size with 4,700 square feet at the front of the building upfit as office space, and an additional 2,400 square feet of warehouse space at the back. The office area is on a crawl space, while the warehouse is on a slab. The exterior walls of the office are brick, and the exterior walls of the warehouse are concrete block. Most of the roof is metal, although a small area at the front is shingle.

The site has relatively little street frontage compared to its depth – it is approximately 40 feet wide and 270 feet deep. The building sits back from the street approximately 25 feet, but has no setback on either side from the adjacent properties. Even though there is a roll-up door at the back of the warehouse, there is no vehicular access to that door.

The subject site slopes down from back to front, and it has been reported that stormwater has regularly flooded the building from the higher ground to the north. In 2013 or 2014, remediation was conducted to address flooding and handle the stormwater, but it flooded again in 2016. The crawlspace has consistently been damp, and mold was identified inside the office building. According to a May 1, 2019 report by SEA Consulting, "The apparent fungal growth and discolored and deteriorated floor framing within the crawl space, as well as the reported mold growth within the building's interior, was consistent with elevated humidity within the crawl space and the building's interior as a result of surface water intrusion and/or deficiencies in the stormwater control measures on, and around, the property." Orange County concluded that the building was unsafe to occupy, and the Public Defender's office moved out of it.

It is our opinion that the most likely buyer of the subject would demolish the building and construct a new one, taking the site's stormwater challenges into account in its design. Therefore, it is our opinion that the highest and best use of the subject is for redevelopment. We use the Sales Comparison Approach to estimate the value of the subject land As Vacant, and then subtract the estimated cost to demolish the building to calculate the value of the subject As Is.

Subject to the conditions and explanations contained in the following report, and based on our analysis of the subject and the market, together with our experience appraising properties similar to the subject, we have concluded the value below. The value concluded is the Market Value of the Fee Simple Interest in the subject parcel As Is as of January 13, 2022, the date of our site visit:

Value Summary	Total	Acres	Per Square Foot
Land Value - As Vacant	\$210,000	0.24	\$20.09
Demolition Cost	<u>-\$50,000</u>		
Land Value - As Is	\$160,000		

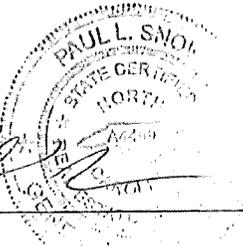
The following report presents the data, analyses and other materials that give support to our value conclusions. Within the report we provide a definition of *Market Value, Fee Simple Estate, Highest and Best Use*, and other appraisal terms used. Please note that our opinion is not based on a requested minimum value, a specific valuation, or the approval of a loan amount.

The appraisal analysis, opinions and conclusions were developed and this appraisal report has been prepared in conformance with (and the use of this report is subject to) all regulations issued under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation in Washington DC. Under USPAP, this is a Restricted Appraisal Report.

This letter of transmittal precedes this Appraisal Report, further describing the property and containing the reasoning and most pertinent data leading to the final opinion of value. Your attention is directed to the "Certificate of Appraisal," "Hypothetical Conditions," "Extraordinary Assumptions," "General Assumptions," and "General Limiting Conditions" which are considered usual for this type of assignment and have been included within the text of this report.

It was a pleasure preparing this appraisal for you. Please contact us if you have unanswered questions regarding our appraisal or if we can be of further assistance in the interpretation of our findings and opinions.

Respectfully submitted,

Paul L. Snow, MAI
President, Analytical Consultants
Certified General Appraiser NC #A4499




Cheri L. DeRosia
Certified General Appraiser NC #A6045

Attachment #3

§ 160A-269. Negotiated offer, advertisement, and upset bids.

A city may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bids. When an offer is made and the council proposes to accept it, the council shall require the offeror to deposit five percent (5%) of his bid with the city clerk, and shall publish a notice of the offer. The notice shall contain a general description of the property, the amount and terms of the offer, and a notice that within 10 days any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. When a bid is raised, the bidder shall deposit with the city clerk five percent (5%) of the increased bid, and the clerk shall readvertise the offer at the increased bid. This procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder. The council may at any time reject any and all offers. (1971, c. 698, s. 1; 1979, 2nd Sess., c. 1247, s. 25.)

Attachment #4

Resolution Authorizing Upset Bid Process for 129 East King Street

WHEREAS, Orange County owns certain property, .24 acres of land and 7,100 square feet of building improvements located at 129 East King Street, Hillsborough, NC; and

WHEREAS, North Carolina General Statute 160A-269 permits the County to sell property by upset bid, after receipt of an offer for the property; and

WHEREAS, Orange County has received an offer to purchase the property described above, in the amount of \$178,000 submitted by **Miller Property Management**, LLC, Durham, NC; and

WHEREAS, **Miller Property Management** has paid the required five percent (5%) deposit on its offer;

THEREFORE, we, the Orange County Board of County Commissioners resolve that:

1. The Orange County Board of County Commissioners authorizes the sale of the property described above through the upset bid procedure of North Carolina General Statute 160A-269.
2. The Orange County Purchasing Agent shall cause a notice of the proposed sale to be published. The notice shall describe the property and the amount of the offer, and shall state the terms under which the offer may be upset.
3. Persons wishing to upset the offer that has been received shall submit a sealed bid with their offer to the office of the Purchasing Agent, located at 405 Meadowlands Drive, Hillsborough, NC, within 10 days after the notice of sale is published. At the conclusion of the ten-day period, the Purchasing Agent shall open the bids, if any, and the highest such bid will become the new offer. If there is more than one bid in the highest amount, the first such bid received will become the new offer.
4. If a qualifying higher bid is received, the Purchasing Agent shall cause a new notice of the upset bid to be published, and shall continue to do so until a 10-day period has passed without any qualifying upset bids having been received. At that time, the amount of the final high bid shall be reported to the Orange County Board of County Commissioners.
5. A qualifying higher bid is one that raises the existing offer by not less than ten percent (10%) of the first \$1,000 of that offer and five percent (5%) of the remainder of that offer.
6. A qualifying higher bid must also be accompanied by a deposit in the amount of five percent (5%) of the bid; the deposit may be made in cash, cashier's check, or certified check. The County will return the deposit on any bid not accepted, and will return the deposit on an offer subject to upset if a qualifying higher bid is received. The County will return the deposit of the final high bidder at closing.

7. The terms of the final sale are that:
 - The County must approve the final high offer before the sale is closed, which it will do within 30 days after the final upset bid period has passed, and
 - The buyer must pay with cash at the time of the closing.
8. The County reserves the right to withdraw the property from sale at any time before the final high bid is accepted and the right to reject at any time all bids.
9. If no qualifying upset bid is received after the initial public notice, the offer set forth above is hereby accepted. The County Manager is authorized to execute the instruments necessary to convey the property to **Miller Property Management, LLC**.

This 24th day of May, 2022.

Renee Price, Chair
Orange County Board of Commissioners

Laura Jensen
Clerk to the Board

BOCC Meeting Follow-up Actions

(Individuals with a * by their name are the lead facilitators for the group of individuals responsible for an item)

Meeting Date	Task	Target Date	Person(s) Responsible	Status
5/3/22	Review and consider request by Commissioner Hamilton that staff investigate the status of inspection access for the Nursing Home and Adult Care Home advisory boards, and if that access has not been reinstated, draft a letter for the Board to send to the State outlining the County's concerns and requesting that access be reinstated	6/2022	Chair/Vice Chair/Manager Janice Tyler	Overcome by Events Access has been restored
5/3/22	In follow-up to the Board's discussion and initial decisions related to the Longtime Housing Assistance Program, provide the Board with additional statistical information on prior applications and participation, and on projected future applications and participation and the financial impacts associated with the alternatives detailed under option #1 in the agenda materials	5/2022	Corey Root Nancy Freeman	DONE Included as part of agenda item on the Board's May 24, 2022 Business meeting
5/3/22	Schedule the Board's follow-up discussion on the Longtime Housing Assistance Program for the May 24, 2022 Business meeting	5/2022	Corey Root Nancy Freeman	DONE Follow-up discussion included on the agenda for the Board's May 24, 2022 Business meeting
5/3/22	Schedule a presentation from the consultant and staff prior to the summer break on the County's Facilities Master Planning effort	6/2022	Steve Arndt	DONE Presentation included on the Board's May 24, 2022 Business meeting



FINANCE and ADMINISTRATIVE SERVICES

Gary Donaldson, CTP, Chief Financial Officer | gdonaldson@orangecountync.gov | PO Box 8181, Hillsborough, NC 27278 | 919.245.2453

MEMORANDUM

To: Board of County Commissioners
 From: Gary Donaldson, Chief Financial Officer
 Date: May 24, 2022
 Re: Financial Report- Third Quarter FY 2021-22

This Third Quarter Financial Report provides an updated status of Revenue and Expenditure of the County’s Operating Funds as compared with the prior fiscal year. Following a review of the first nine months of FY 2021-22. The revenue performance through the third quarter of the fiscal year reflects lifting of COVID restrictions.

Table 3: General Fund Summary

	GENERAL FUND	FY 2022				FY 2021		FYs 2022 vs 2021	
		Original Budget	Revised Budget	YTD Actual*	Percentage	YTD Actual*	Percentage	YTD	% Variance ⁺
Revenue	Property Tax	\$177,661,825	\$177,661,825	\$176,343,430	99.26%	\$164,375,915	98.02%	\$11,967,515	1.24%
	Sales & Use Tax	\$28,952,047	\$28,952,047	\$24,924,864	86.09%	\$20,554,026	80.36%	\$4,370,838	5.73%
	Licenses and Permits	\$274,550	\$274,550	\$128,652	46.86%	\$136,322	49.65%	-\$7,670	-2.79%
	Charges for Services	\$12,478,132	\$12,977,191	\$9,442,318	72.76%	\$7,029,219	55.59%	\$2,413,099	17.17%
	Intergovernmental	\$18,226,773	\$21,772,439	\$11,366,341	52.21%	\$14,920,894	59.71%	-\$3,554,553	-7.50%
	Transfers In	\$74,504	\$95,337	\$20,833	21.85%	\$0	0.00%	\$20,833	21.85%
	Miscellaneous	\$1,126,346	\$1,537,500	\$767,532	49.92%	\$732,951	41.45%	\$34,581	8.47%
	Appropriated Fund Balance	\$1,968,184	\$14,411,090	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total	\$240,762,361	\$257,681,979	\$222,993,970	86.54%	\$207,749,326	84.36%	\$15,244,644	2.18%
Expenditure	Community Services	\$13,621,295	\$14,261,710	\$9,278,402	65.06%	\$9,804,102	64.89%	-\$525,700	0.17%
	General Government	\$10,277,361	\$10,380,822	\$7,843,196	75.55%	\$7,904,647	70.84%	-\$61,451	4.71%
	Public Safety	\$28,528,552	\$28,827,819	\$19,882,405	68.97%	\$21,454,129	75.39%	-\$1,571,724	-6.42%
	Human Services	\$40,547,146	\$45,206,734	\$28,070,968	62.09%	\$27,049,977	61.59%	\$1,020,991	0.50%
	Education	\$93,834,876	\$95,583,514	\$69,835,741	73.06%	\$68,971,146	73.52%	\$864,595	-0.46%
	Support Services	\$12,881,850	\$15,282,833	\$11,410,106	74.66%	\$12,562,715	87.26%	-\$1,152,609	-12.60%
	Debt Service	\$40,027,279	\$40,208,373	\$38,896,234	96.74%	\$32,745,297	98.01%	\$6,150,937	-1.27%
	Transfers Out	\$1,044,002	\$7,930,174	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total	\$240,762,361	\$257,681,979	\$185,217,052	71.88%	\$180,492,013	72.92%	\$4,725,039	-1.04%

Notes:

- * - Actual amounts include Encumbrances.
- + - Based on percentage.
- 1 - Sales tax performance reflects opening of economy from COVID restrictions.
- 2 - Positive variance attributed to Register of Deeds Excise Fees, EMS Charges and Medicaid revenue.
- 3 - FY 2021 included \$4 million in COVID State Grants. This variance is not a Performance variance.
- 4 - Represents a transfer from the County Capital Fund.
- 5 - Miscellaneous includes Donations and Leases.
- 6 - Not a Performance variance; expenses are non-Congregate care now budgeted in COVID Emergency Fund instead of General Fund.
- 7 - FY 2021 included One-Time IT Equipment Purchases for Hybrid Remote Work and Software Licenses.

General Fund revenues are 86.5% of budgeted revenues compared to 84.4% the prior fiscal year.

General Fund Revenues

- Property Tax collections are 99.2% of the total Property tax budget compared to 98% the prior fiscal year. Real and personal taxes collections peaked at the end of December prior to the January assessment of penalties and interest. The remaining property taxes include delinquent taxes and the last three months of motor vehicle tax revenues.
- Sales Tax for Articles 39, 40, 42 and Hold Harmless are 86% of the budget as compared to 80.3% in the prior fiscal year. This sales tax distribution reflects the State easing public health protocols, sustained online sales and the impact of inflation which indicates an 8.5% CPI increase from March 2021 through March 2022.

Note: Article 39, 40 and 42 sales tax are applied to food purchases.

- Though actual sales tax is projected to exceed the budget, there will be additional taxpayer refund adjustments that the NC Department of Revenue will make by mid-August. As previously noted, there is a three-month lag in sales tax revenue. Therefore the County will receive its last sales tax revenue for this fiscal year by mid-September.
- Charges for services are 72.7% of the budget as compared to 55.5% lower the prior fiscal year. The increase is attributed to increased Register of Deeds Excise Fees associated with increased real estate transfer activities. Additionally, there has been an increase in Ambulance Charges Medicaid Reimbursements.
- Miscellaneous revenue includes Facility Leases and Donations.

General Fund expenditures are 71.8% of budgeted expenditures as compared to 72.9% the prior fiscal year. The variance is attributed to debt service, emergency services COVID-related contracted services and reclassified non-departmental retiree health care benefits previously paid from the Health and Dental Fund.

General Fund Expenditures

General Government third quarter expenditures represented 75.5% of the total general government as compared to 70.8% the prior fiscal year. This variance reflects additional Cyber-Security insurance and a timing variance in the payment for insurance premiums.

- Human Services third quarter expenditures represented 62% of total human services expenditures as compared to 61.5% the prior fiscal year. This category consists of Department of Social Services expenditures for Foster Care Board, Adoption Assistance Permits and OPC Mental Health.
- Public Safety expenditures represented 68.9% of total public safety expenditures as compared to 75% the prior fiscal year. The decrease is attributed primarily to reclassification of Emergency Service expenditures for non-congregate care housing, food insecurity, vaccine support and other emergency related expenditures to the COVID Emergency Fund.
- Support services expenditures represented 74.6% of total support service as compared to 87.2% the prior fiscal year. The decrease reflects a reduction in COVID grant funded expenditures as compared to the prior fiscal year. In FY 2020-21 \$1.3 million in Round 2 CARES funds were paid out of a Non-Departmental to the towns. In addition, FY 2020-21 had one-time costs for Information Technology Equipment and Software associated with deployment of Hybrid Remote Work.
- Education expenditures represented 73% of its budget as compared with 73.5% the prior fiscal year. School appropriations are paid to both School systems by the 15th of each month. The remaining Education budget includes School Health and Safety Contracts, Deferred Maintenance, Durham Tech Current Expense and Recurring Capital.
- Third Quarter debt service represents 96% of total debt service compared to 98% in the prior fiscal year. The County has remaining April 1, May 1, and June 1 debt service payments for the remainder of the fiscal year.
- The remaining Functional Leadership teams are consistent with historical spending rates and compliance with the County's proactive measures in response to the COVID related economic crisis.

The following table provides an overview of the other County operating funds.

Summary of Other Funds

OTHER FUNDS		FY 2022				FY 2021		FYs 2022 vs 2021		
		Original Budget	Revised Budget	YTD Actual*	Percentage	YTD Actual*	Percentage	YTD	% Variance*	
Revenue	29 - Annual Grants Project Fund	\$153,943	\$153,943	\$38,365	24.92%	\$10,405	6.98%	\$27,960	17.94%	
	30 - Multi-Year Grant Projects Fund	\$552,076	\$789,986	\$687,553	87.03%	\$729,858	64.22%	-\$42,305	22.81%	
	32 - Multi-Year Community Development Fund	\$948,056	\$2,813,557	\$1,858,068	66.04%	\$3,054,805	30.05%	-\$1,196,737	35.99%	
	33 - Housing Fund	\$4,501,584	\$4,628,077	\$3,930,459	84.93%	\$3,209,834	69.45%	\$720,625	15.48%	
	35 - Emergency Telephone Fund	\$759,757	\$759,757	\$506,507	66.67%	\$503,647	66.67%	\$2,860	0.00%	
	37 - Visitor's Bureau Fund	\$1,432,667	\$2,500,585	\$1,308,841	52.34%	\$911,073	45.77%	\$397,768	6.57%	
	38 - Spay/Neuter Fund	\$71,350	\$75,651	\$36,076	47.69%	\$47,997	58.28%	-\$11,921	-10.60%	7
	50 - Solid Waste Enterprise Fund	\$11,690,750	\$12,545,384	\$11,045,065	88.04%	\$10,543,813	87.19%	\$501,252	0.85%	
	53 - Sportsplex Fund	\$3,690,656	\$4,556,562	\$2,943,935	64.61%	\$1,805,920	47.56%	\$1,138,015	17.05%	
	70 - Employee Health & Dental Fund	\$12,336,336	\$12,343,842	\$8,270,361	67.00%	\$9,594,159	68.12%	-\$1,323,798	-1.12%	
Expenditure	29 - Annual Grants Project Fund	\$153,943	\$153,943	\$84,892	55.15%	\$57,688	38.69%	\$27,204	16.45%	7
	30 - Multi-Year Grant Projects Fund	\$552,076	\$789,986	\$490,937	62.15%	\$501,879	44.16%	-\$10,942	17.98%	7
	32 - Multi-Year Community Development Fund	\$948,056	\$2,813,557	\$2,325,351	82.65%	\$5,665,876	55.74%	-\$3,340,525	26.91%	7
	33 - Housing Fund	\$4,501,584	\$4,628,077	\$3,709,021	80.14%	\$3,403,934	73.46%	\$305,087	6.68%	7
	35 - Emergency Telephone Fund	\$759,757	\$759,757	\$349,011	45.94%	\$662,961	87.75%	-\$313,950	-41.82%	8
	37 - Visitor's Bureau Fund	\$1,432,667	\$2,500,585	\$1,554,925	62.18%	\$1,671,323	82.28%	-\$116,398	-20.10%	
	38 - Spay/Neuter Fund	\$71,350	\$75,651	\$34,388	45.46%	\$73,706	70.34%	-\$39,318	-24.89%	
	50 - Solid Waste Enterprise Fund	\$11,690,750	\$12,545,384	\$7,137,318	56.89%	\$7,051,237	55.87%	\$86,081	1.02%	
	53 - Sportsplex Fund	\$3,690,656	\$4,556,562	\$2,056,965	45.14%	\$2,111,497	48.53%	-\$54,532	-3.39%	
	70 - Employee Health & Dental Fund	\$12,336,336	\$12,343,842	\$8,787,179	71.19%	\$9,118,427	64.70%	-\$331,248	6.48%	

Notes:

* - Actual amounts include Encumbrances.

+ - Based on percentage.

7 - Finance monitoring these funds with management to achieve breakeven results.

8 - Timing variance; for payment of Hardware and Telephone charges.

Sportsplex Fund

Sportsplex revenues are 64.6% of budget as compared to 47.6% the prior fiscal year due to the lifting of the public health restrictions. Sportsplex expenditures are 45.5% of budget as compared to 48.5% the prior fiscal year. The Sportsplex Fund is projected to finish the fiscal year with revenues exceeding expenses. The resumption in pre-COVID revenue levels (Wellness and Membership and Ice Rink fees) are key factors for the positive financial results for this fiscal year. FY 2021-22 revenues of \$2,943,935 compare to expenditures of \$2,056,965 through the third quarter. FY 2020-21 revenues of \$1,805,920 compared to expenditures of \$2,111,497 through the third quarter.

Visitors Bureau Fund

Visitors Bureau revenues are 52.3% of FY 2021-22 budget as compared to 45.7% the prior fiscal year due to the lifting of public health restrictions at the County's lodging facilities which collect a 3% occupancy tax. Visitors Bureau expenditures are 62.2% of FY 2021-22 budget as compared to 82.3% the prior fiscal year. FY 2021-22 revenues are \$1,308,341 and expenditures are \$1,544,925 through the third quarter. FY 2020-21 revenues were \$911,073 and expenditures were \$1,671,323 through the third quarter. The fund is projected to finish in a breakeven position reflecting price escalations as measured by the Average Daily Room (ADR) price attributed to inflation and post-COVID demand.

Solid Waste Fund

Solid Waste revenues are 88% of the total revenues as compared to 87% the prior fiscal year. The solid waste program fee of \$142 is billed as a line item on the Property Tax bill. As noted previously, peak collections occur by the end of December. Solid waste expenditures are 57% of total expenditures as compared to 55.8% the prior fiscal year through the third quarter.

Functional Leadership Teams by Department

Community Services - Animal Services, NC Cooperative Extension, DEAPR, Economic Development, Orange Public Transportation, Planning and Inspections.

General Government - Board of Elections, Clerk to the Board, County Attorney, County Manager, Register of Deeds and Tax Administration

Public Safety – Courts, Emergency Services, Criminal Justice Resource Department, and Sheriff's Office

Human Services – Department on Aging, Child Support, Housing, Human Rights, and Community Development, Library, Public Health and Social Services

Support Services - Asset Management Services, Community Relations, Finance, Human Resources, and Information Technology

Thanks to the Budget Division for their support in the preparation of this quarterly report.

cc: Bonnie Hammersley, County Manager
Travis Myren, Deputy County Manager
Department Directors

**MEMORANDUM**

TO: Board of County Commissioners
Bonnie Hammersley, Orange County Manager
Travis Myren, Orange County Deputy Manager

FROM: Tom Ten Eyck, Transportation/Land Use Planner

CC: Tom Altieri, Comprehensive Planning Supervisor
Nishith Trivedi, Interim Director, Orange County Transportation Services

DATE: May 17, 2022

SUBJECT: Draft FY23 Orange Transit Work Program

ATTACHMENT(S): DCHC MPO Staff Working Group Administrator Memo; Public Comment Sheet as of 5/17/22

BACKGROUND: Each year, the Staff Working Group (SWG) reviews projects included in the *Orange County Transit Plan* and recommends a specific, annual Work Plan to implement those projects. Like the Capital Investment Plan (CIP), the *Orange County Transit Plan* serves as the long-range framework for transit investments while the annual Work Plan identifies the specific projects and funding amounts budgeted for those projects in the upcoming fiscal year. The SWG is composed of staff from each of the three parties to the Interlocal Implementation Agreement (ILA)—Orange County, GoTriangle, and the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHC MPO)—who work with transit providers, municipalities, and counties to incorporate the region’s transit needs.

The [FY23 Orange County Work Program](#) was released by DCHC MPO for a 21-day public comment on April 19, 2022; the public comment period formally ended on May 10, 2022, though the website is still taking comments as of May 17, 2022. Please see the memo ([Attachment 1](#)) from the SWG Administrator, Aaron Cain, which provides an overview of the process for FY23. [Attachment 2](#) provides a page of public comments that were received between April 19, 2022 and May 17, 2022.

With the formal conclusion of the public comment period, subsequent Work Plan adjustments are underway, and the SWG will soon make a recommendation to the GoTriangle Board of Trustees, which administers the Transit Tax District Funds and adopts the Work Plan as a part of the GoTriangle Annual Budget. While this is the process for the FY23 Work Plan, it is anticipated that the Orange County Board of County Commissioners (BOCC) will become more involved in the Work Plan approval process as a function of the revised ILA. This determination will be finalized in the updated Governance Study.

Please communicate any feedback or questions to Tom Ten Eyck, Transportation/Land Use Planner (tteneck@orangecountync.gov) by close of business on Monday, May 23, 2022. Comments may also be recorded directly on the [2022 Orange County Go Forward website](#).

**DURHAM • CHAPEL HILL • CARRBORO
METROPOLITAN PLANNING ORGANIZATION**101 City Hall Plaza • Durham, NC 27701 • Phone (919) 560-4366 • dchcmpto.org

May 4, 2022

To: Orange County Board of Commissioners
From: Aaron Cain, Staff Working Group Administrator, Durham-Chapel Hill-Carrboro MPO
Re: Draft FY23 Orange Transit Work Program

Summary. As part of the appropriations process for the Orange Transit Plan, an annual Work Program is developed which produces a budget and selects projects for funding for the upcoming year. The FY23 Orange Work Program was released for public comment on April 19, 2022; public comment will be taken until May 10, 2022. The comments received as of May 3, 2022 are attached.

Per the Interlocal Implementation Agreement (ILA), only the GoTriangle Board of Trustees approves the annual work programs. Prior to a final review by the Orange Staff Working Group (SWG), governing boards are given an opportunity to provide comment on the work programs. MPO staff welcomes comments from the Orange County Board of Commissioners until May 25, 2022.

Background. Each year, the SWG develops an annual Work Program that includes a selection of projects to be funded for the next fiscal year, a budget for those projects, and a description of each project. The SWG is made up of staff from each of the three parties to the ILA: Orange County, GoTriangle, and the DCHC MPO. The SWG works with all of the transit providers, municipalities, and counties to incorporate the region's transit needs while remaining within budget constraints in the drafting of the Work Program.

On April 14, 2022, the Orange SWG authorized the release of the draft FY23 Work Program for public comment. The documents were released to the public on April 19, 2022, and were available for public comment through May 10, 2022, in accordance with the DCHC MPO Public Involvement Plan (PIP).

The draft Work Program is attached for your review. The SWG will address the comments received from the public and boards and adjust the FY23 Work Program accordingly. The SWG will then forward a recommended work programs to the GoTriangle Board of Trustees for approval. The ILA states that the work program is approved by the GoTriangle Board of Trustees as part of the adoption of their FY23 budget.

Recommended Action. Provide input on the FY23 work programs by May 25, 2022.

Contact. Aaron Cain, Planning Manager, DCHC MPO, 919-560-4366 x36443, aaron.cain@durhamnc.gov

Attachments.

Work Program Public Comments dated May 17, 2022

FY23 Orange Annual Transit Work Program Public Comments as of 5/17/22

There is no choice of 0 on number of cars available the household. Do better!!

Busses are great but safer bike lanes with barriers should be a top priority for our "Bicycle Friendly" town.

These improvements are all good and needed. Rural Orange county needs more services, especially to the senior center, shopping and medical appointments

A monorail system throughout the triangle is a must! Like what Houston has. The counties and state keep building condos, townhouses, chatham park etc. and you don't have the roadways to accommodate. Alleviation of roadway congestion should be on the top of the list!

There should be a category for number of bikes used for transportation.

We want to see high-speed commuter rail and dedicated bus lanes! We need buses that don't get delayed due to car traffic. Very excited to see the North-South Bus Rapid Transit project in Chapel Hill. More projects like this will make it possible to live car-free!

Very excited to see increased frequency of some of the key bus routes in town. A wonderful next step would be improving connectivity of routes, and updates to the bus shelters - many of the bus stops in Chapel Hill are not accessible for people with disabilities or other mobility...See More

Plan looks reasonable. I like that frequency is increasing on some routes, making public transit more practical. I think there is unmet need in the more rural areas to help people age in place.

Very pleased with what I see. Would love to see a rail component. No complaints. Just make sure you have enough people in place. Don't over promise.

I am excited about the Plan. The resources requested to move things forward look reasonable.

BRT and intercity connection routes are essential to making transit a more viable transportation option for more people. I'd love to see plans for how Chapel Hill/Carrboro can leverage connectivity with the upcoming Hillsborough Amtrak station -- I've long felt our area is inconveniently cut-off from the cross-state rail route.

A bicycle friendly path from the northern transition area into downtown carborro should be a high priority. Right now we're fairly disconnected unless you have a car

I see that a regional transit center for buses is being built in Durham, and a train station is being built in Hillsborough. It seems like there are no plans to add any kind of regional transit center in Chapel Hill that could be a nexus for buses etc. that go to other places in the Triangle. As it stands, buses such as the CRX stop at seemingly random places, and it is not easy to connect to those stops. Please PLEASE start planning some kind of regional bus transit center in Chapel Hill, either at I40 with corresponding bus connections to other parts of town, or more preferably downtown. It feels like the rest of the Triangle is growing up and Chapel Hill is being passed by.

Also, there is not good way to get from North Chapel Hill to East Chapel Hill, or to Carrboro. As it stands, I would need to take a bus down MLK to downtown, and connect to another bus going where I want. We can only afford one car, so this is a real problem for us; only one member of the household can commute on any given day without having to spend far too long on the bus. One of us works near the Wegmans, and we have calculated that it takes an hour to get from MLK

over there, so we just don't wind up taking the bus. We really want to not have a car, but we need one just to survive in this town. Chapel Hill has stated that they want BRT going up and down MLK, but this NEEDS to come with an accompanying East-West route that is not only along Franklin street, otherwise we will still be driving everywhere.

There is a need to decrease car dependency further and allow for safer use of alternatives. Better protection/separation of bike lanes could have a significant impact on these moving forward.

The plan for busses and rail are great. I would love to see road dieting in favor of protected bike lanes along high traffic areas (Franklin St, MLK, 15-501, and Raleigh Rd). Pedestrianization of the main Franklin St block would discourage downtown gridlock and allow for a safer experience downtown. These changes would help for the future integration with the Triangle Bikeway Project and encourage/allow alternatives to transportation by car.

There was a time years decades ago when rural Orange had bus service. Now you see people without cars walking or riding scooters miles into town. Reliable and accessible public transit for rural residents would decrease parking and traffic pressures on downtown areas and make the trip possible and safe for those who cannot drive.

I live in the corporate limits of Carrboro. We had regular CH Transit bus service on a daily basis before the pandemic hit. We now have only a couple of runs a day to our area of town (Old Hillsborough/ McDougale school area). I would like to know when or if we are ever going to get regular bus service back in our area. We are paying a transportation tax subsidy but getting nothing in return.

INFORMATION ITEM**ORANGE COUNTY
DEPARTMENT OF ASSET MANAGEMENT SERVICES****Memorandum**

To: Board of County Commissioners
Bonnie Hammersley, County Manager

From: Steven Arndt, Director, Asset Management Services
Amy Eckberg, Sustainability Programs Manager

Date: May 24, 2022

Subject: Orange County Receives LEED Gold Certification from U.S.
Green Building Council

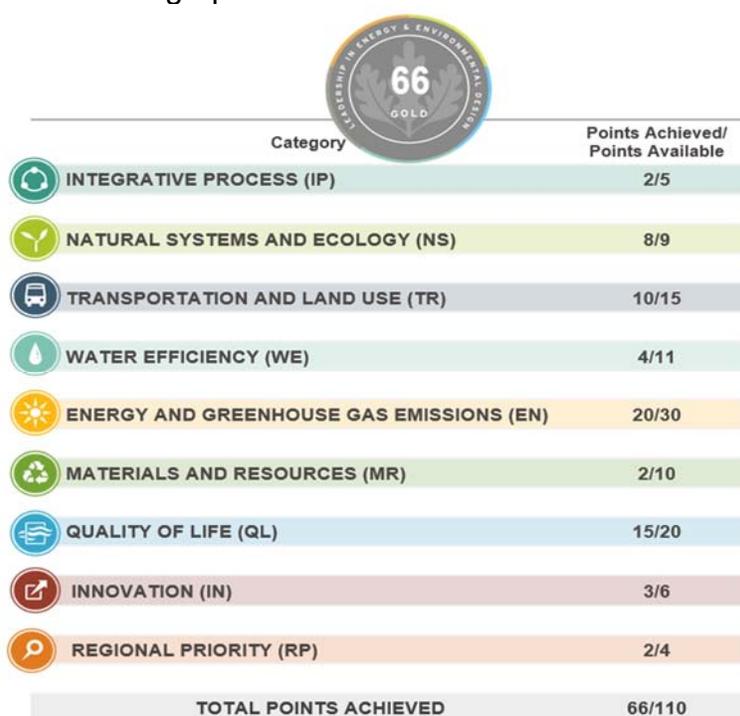
On April 19, 2022, Orange County received word from the U.S. Green Building Council (USGBC) that it had earned Leadership in Energy and Environmental Design (LEED) Certification for Cities and Communities at the Gold level. LEED for Cities and Communities is the leading global rating system and certification program for evaluating the sustainability and quality of life in a city or community. Community sustainability is about the integrated system of a community supporting a robust environment and vibrant economies, while equitably serving residents. As such, the LEED program emphasizes social, economic, and environmental performance indicators that allow communities to gauge and compare their progress and identify opportunities for growth in achieving sustainability goals.

Orange County first embarked on the LEED certification process in 2019 when it applied and received a technical and financial assistance grant supported by Bank of America. Despite the distractions and demands of responding simultaneously to a pandemic, County staff and invaluable supporters remained dedicated to the certification process which included gathering and verifying performance data across departments, Towns and the County.

Cities and Communities can earn points towards certification for performance in the following categories.

- Integrative Process
- Natural Systems and Ecology
- Transportation and Land Use
- Water Efficiency
- Energy and Greenhouse Gas Emissions
- Materials and Resources
- Quality of Life
- Innovation
- Regional Priority

Some measures are prerequisites, while others are optional credits. The total point score determines the certification level received. With Orange County's 66 awarded points, we received Gold certification! The breakdown of points awarded for each category are depicted in the graph below.



Orange County's certification reflects the combined actions our local jurisdictions have taken to steward our natural assets, improve energy efficiencies, provide innovative services and transportation options and very importantly, give residents a strong quality of life. Some examples of how we do this include:

- Social justice and racial equity goals, high education and low unemployment rates, and a focus on inclusive community engagement
- Regional resiliency planning
- Energy efficiency upgrades such as geothermal well installations and energy efficient building practices

- A variety of regional fixed route public transit and accessible on demand transportation options in addition to a commuter options program designed to facilitate alternatives to single occupancy commuting
- Innovative programs such as the Community Climate Action Tax Grant program, food policy programs, and inter-jurisdictional climate action collaborations
- Abundant green spaces that allow the majority of County residents access within a ½ mile walk of their residence

Orange County's LEED for Cities and Communities certification provides a consistent performance measure to benchmark progress both internally and in comparison with other communities. This enables us to evaluate where we stand in our commitment to sustainability and to identify the opportunities that will help us make more progress with climate action, resiliency and our transition to clean, renewable energy.

This certification also acknowledges the hard work of our amazing staff, advisory boards and partnerships that work together to achieve the County's outstanding progress in instituting programs and policies aimed at promoting sustainability, social equity, economic resilience and quality of life. Celebrating our success and the progress we've made is important and will help fuel our continued efforts towards advancing and achieving our sustainability goals.

Orange County is excited to join the nearly 200 cities and communities represented in almost 180 countries and territories across the globe participating in LEED.

Orange County staff are working together with the Towns on a press release and a joint announcement which will be planned for late Spring.

FINAL REVIEW REPORT

LEED v4.1 Cities: Existing

Name: **Orange County, North Carolina**

Project ID

1000113500

Certification Level

LEED GOLD®

Date

April 19, 2022





LEED Certification Review Report

This report contains the results of the technical review of an application for LEED® certification submitted for the specified project. LEED certification is an official recognition that a project complies with the requirements prescribed within the LEED rating systems as created and maintained by the U.S. Green Building Council® (USGBC®). The LEED certification program is administered by Green Business Certification Inc. (GBCI®).

Orange County, North Carolina

Project ID: 1000113500
 Rating System & version: LEED v4.1 Cities: Existing
 Project Registration Date: December 13, 2018



Gold Certified

CERTIFIED: 40-49, SILVER: 50-59, GOLD: 60-79, PLATINUM: 80+

LEED v4.1 CITIES: EXISTING

ATTEMPTED: 66, NOT AWARDED: 0, PENDING: 0, AWARDED: 66 OF 110 POINTS

Category	Points	Category	Points
INTEGRATIVE PROCESS	2 OF 5	ENERGY AND GREENHOUSE GAS EMISSIONS	20 OF 30
Integrative Planning and Leadership	1/1	Power Access, Reliability and Resiliency	Y
Green Building Policy and Incentives	1/4	Energy and Greenhouse Gas Emissions Management	14/14
		Energy Efficiency	NA
		Renewable Energy	NA
		Low Carbon Economy	4/4
		Grid Harmonization	2/2
NATURAL SYSTEMS AND ECOLOGY	8 OF 9	MATERIALS AND RESOURCES	2 OF 10
Ecosystem Assessment	Y	Solid Waste Management	Y
Green Spaces	2/2	Waste Performance	2/4
Natural Resources Conservation and Restoration	2/2	Special Waste Streams Management	NA
Light Pollution Reduction	NA	Responsible Sourcing for Infrastructure	NA
Resilience Planning	4/4	Material Recovery	NA
		Smart Waste Management Systems	NA
TRANSPORTATION AND LAND USE	10 OF 15	QUALITY OF LIFE	15 OF 20
Transportation Performance	5/6	Demographic Assessment	Y
Compact, Mixed Use and Transit Oriented Development	NA	Quality of life performance	4/6
Access to Quality Transit	1/1	Trend Improvement	3/4
Alternative Fuel Vehicles	NA	Distributional Equity	2/4
Smart Mobility and Transportation Policy	2/2	Environmental Justice	1/1
High Priority Sites	2/2	Housing and Transportation Affordability	2/1
		Civic and Community Engagement	2/2
		Civil and Human Rights	1/1
WATER EFFICIENCY	4 OF 11	INNOVATION	3 OF 6
Water Access and Quality	Y	Innovation	3/6
Water Performance	2/6		
Integrated Water Management	NA	REGIONAL PRIORITY	2 OF 4
Stormwater Management	2/2	Regional Priority	2/4
Smart Water Systems	NA		

USGBC POPULATION CALCULATOR

11/29/2021 **EXISTING PRELIMINARY REVIEW**

The documentation sufficiently describes the population of the county.

CREDIT DETAILS



Integrative Process

Integrative Planning and Leadership

Awarded: 1

POSSIBLE POINTS: 1

ATTEMPTED: 1, NOT AWARDED: 0, PENDING: 0, AWARDED: 1

11/29/2021 EXISTING PRELIMINARY REVIEW

Awarded

Green Building Policy and Incentives

Awarded: 1

POSSIBLE POINTS: 4

ATTEMPTED: 1, NOT AWARDED: 0, PENDING: 0, AWARDED: 1

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 03: Building Performance Disclosure

Buildings owned and/or operated by the local government or development authority: Awarded.



Ecosystem Assessment

Awarded

11/29/2021 **EXISTING PRELIMINARY REVIEW**

Awarded.

Green Spaces

Awarded: 2

POSSIBLE POINTS: 2

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

11/29/2021 **EXISTING PRELIMINARY REVIEW**

Awarded.

Note the following:

I. Since the supporting narrative indicates that about 60% of the county's population (out of the 67% residing in the 3 biggest cities) has a green space within ½ mile (800 meters) walking distance and remaining population is residing in areas are surrounded by green vegetation as visible when looking at the Map 5 in document 'NS Prerequisite Ecosystem Assessment, Attachment 1.pdf' for NS Prerequisite and Figure 2 indicating population spread in 'NS Credit Green Spaces.pdf', this is being accepted for considering over 70% of county's population is residing within ½ mile of green space.

Natural Resources Conservation and Restoration

Awarded: 2

POSSIBLE POINTS: 2

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

11/29/2021 **EXISTING PRELIMINARY REVIEW**

Option 1. Natural Resource Acreage:

Awarded

Light Pollution Reduction

Not Attempted

POSSIBLE POINTS: 1

Resilience Planning

Awarded: 4

POSSIBLE POINTS: 4

ATTEMPTED: 4, DENIED: 0, PENDING: 0, AWARDED: 4

11/29/2021 EXISTING PRELIMINARY REVIEW

Vulnerability and capacity assessment:

Awarded.

Resilience Plan

Awarded.



Transportation and Land Use

Transportation Performance

Awarded: 5

POSSIBLE POINTS: 6

ATTEMPTED: 5, NOT AWARDED: 0, PENDING: 0, AWARDED: 5

11/29/2021 EXISTING PRELIMINARY REVIEW

Awarded with a Transportation Performance Score of 85.

Compact, Mixed Use and Transit Oriented Development

Not Attempted

POSSIBLE POINTS: 2

Access to Quality Transit

Awarded: 1

POSSIBLE POINTS: 1

ATTEMPTED: 1, NOT AWARDED: 0, PENDING: 0, AWARDED: 1

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 2. Intermodal Connectivity:

Awarded

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 2. Intermodal Connectivity

1. It is unclear from the supporting documentation whether the project is referring to any particular transit station or a transit hub with a 15-minute walkshed to demonstrate compliance with the credit requirements. To comply with the requirements under Option 2. Intermodal Connectivity, the project team must identify one transit station that meets the requirement.

Provide updated narrative identifying one transit station that meets the requirement as mentioned under Option 2. Intermodal Connectivity.

Alternative Fuel Vehicles**Not Attempted**

POSSIBLE POINTS: 2

Smart Mobility and Transportation Policy**Awarded: 2**

POSSIBLE POINTS: 2

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

11/29/2021 EXISTING PRELIMINARY REVIEW

Awarded.

High-Priority Site**Awarded: 2**

POSSIBLE POINTS: 2

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 1. Historic Preservation:

Awarded.



Water Efficiency

Water Access and Quality

Awarded

11/29/2021 EXISTING PRELIMINARY REVIEW

Water and Sanitation Access

Awarded

Drinking water Quality

Awarded

Treated Wastewater Quality

Awarded

Storm-water Quality

Awarded

Water Performance

Awarded: 2

POSSIBLE POINTS: 6

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

04/14/2022 EXISTING FINAL REVIEW

Awarded with a water performance of 53.

Note the following:

I. The project has been able to provide documentation for 97.0% of the total county population. Given that the potential impact of water consumption from remaining population (3.0%) would not impact the points based

on score generated at the time of this certification, this is being accepted for this submission only. For future submissions, ensure that data for entire population is submitted.

11/29/2021 EXISTING PRELIMINARY REVIEW

1. The supporting documentation describes the total annual domestic water supplied only for the two utilities in Orange County- Orange Water and Sewer Authority (OWASA) and the Town of Hillsborough. However, information on the total annual domestic water supplied from the other two water systems of City of Mebane, Orange-Alamance and public water wells (if any) as mentioned in the WE Prerequisite: Water Access and Quality couldn't be found in the supporting documentation.

Provide updated documentation describing the total annual domestic water supplied from all the public water systems within the Orange County. Provide the revised calculation for daily per capita domestic water consumption. Revise values in ARC, if necessary.

Integrated Water Management

Withdrawn

POSSIBLE POINTS: 1

Stormwater Management

Awarded: 2

POSSIBLE POINTS: 2

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

04/14/2022 EXISTING FINAL REVIEW

Awarded

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 2: Green Stormwater Infrastructure

1. Report or other documentation on strategies adopted for inspection and maintenance of stormwater facilities couldn't be found in the supporting documentation.

Provide narrative describing the strategies adopted for inspection and maintenance of stormwater facilities.

Smart Water Systems

Not Attempted

POSSIBLE POINTS: 2



Energy and Greenhouse Gas Emissions

Power Access, Reliability and Resiliency

Awarded

11/29/2021 EXISTING PRELIMINARY REVIEW

Access

Case 1: Awarded

Reliability Performance Monitoring

Awarded

Power Surety and Resiliency:

Awarded.

Energy and Greenhouse Gas Emissions Management:

Awarded: 14

POSSIBLE POINTS: 14

ATTEMPTED: 14, NOT AWARDED: 0, PENDING: 0, AWARDED: 14

11/29/2021 EXISTING PRELIMINARY REVIEW

Awarded with an energy performance score of 97.

Energy Efficiency

Not Attempted

POSSIBLE POINTS: 4

Renewable Energy

Not Attempted

POSSIBLE POINTS: 6

Low Carbon Economy**Awarded: 4**

POSSIBLE POINTS: 4

ATTEMPTED: 4, NOT AWARDED: 0, PENDING: 0, AWARDED: 4

04/14/2022 EXISTING FINAL REVIEW

Option 1. Greenhouse Gas Emissions Intensity

Awarded

Option 2. Reduction in Greenhouse Gas Emissions Intensity

Awarded

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 1. Greenhouse Gas Emissions Intensity

1. The 2017 GDP value (7,615,147) for the county based on [United States Bureau of Economic Analysis for all industries in Orange County](#) in thousands of chained 2012 US dollar doesn't match with the GDP value (7,341,967) indicated in the supporting documentation 'EN Credit Low Carbon Economy, Attachment 1.pdf'.

Provide updated GHG emissions intensity calculation for the county. Include relevant extracts from documents/whole documents and/or links to websites, as necessary.

Note the following:

I. That the total annual GHG emissions value (1,612,993 MT) used for the calculation of GHG emissions intensity for the year 2017 is slightly different from the total GHG emission value (1,634,869 MT) mentioned as per EN Prerequisite Energy and Greenhouse Gas Emissions Performance. Given that this difference in GHG emissions value doesn't affect the overall credit compliance, it is being accepted only for this submission. For future submissions, ensure that all data provided is consistent and correct.

Option 2. Reduction in Greenhouse Gas Emissions Intensity

1. The GDP values used for the calculation of GHG intensity for the three consecutive years (2016, 2017 and 2018) based on [United States Bureau of Economic Analysis for all industries in Orange County](#) in thousands of

chained 2012 US dollar do not match with the GDP values indicated in the supporting documentation 'EN Credit Low Carbon Economy, Attachment 1.pdf' for the three consecutive years.

Provide updated calculations demonstrating a reduction in the Greenhouse Gas Intensity of the economy over a period of three consecutive years. Include relevant extracts from documents/whole documents and/or links to websites, as necessary.

Grid Harmonization

Awarded: 2

POSSIBLE POINTS: 2

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 2: Demand Response

Awarded.



Materials and Resources

Solid Waste Management

Under Review

04/19/2022 **EXISTING FINAL REVIEW**

Awarded.

11/29/2021 **EXISTING PRELIMINARY REVIEW**

1. The C&D waste generation and diversion data for all infrastructure works, and the strategies adopted for C&D waste diversion could not be found in the supporting documentation.

Provide updated documentation including C&D waste generation and diversion data for all infrastructure works (new, renovation, repair or demolition) undertaken by the local authority for one full calendar year), and the strategies adopted for C&D waste diversion.

Waste Performance

Awarded: 2

POSSIBLE POINTS: 4

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

04/14/2022 **EXISTING FINAL REVIEW**

Awarded with a waste performance score of 59.

11/29/2021 **EXISTING PRELIMINARY REVIEW**

1. The C&D waste data has been deducted from total MSW generation data; however, it has not been deducted while calculating waste diversion value.

Provide updated waste diversion calculation using correct total MSW generation data. Update values in arc, if necessary.

Special Waste Streams Management

Withdrawn

POSSIBLE POINTS: 1

Responsible Sourcing for Infrastructure

Not Attempted

POSSIBLE POINTS: 2

Material Recovery

Withdrawn

POSSIBLE POINTS: 1

Smart Waste Management Systems

Not Attempted

POSSIBLE POINTS: 2



Quality of Life

Demographic Assessment

Awarded

11/29/2021 **EXISTING PRELIMINARY REVIEW**

Awarded

Quality of Life Performance

Awarded: 4

POSSIBLE POINTS: 6

ATTEMPTED: 4, NOT AWARDED: 0, PENDING: 0, AWARDED: 4

11/29/2021 **EXISTING PRELIMINARY REVIEW**

Awarded with a quality of life performance score of 80.

Trend Improvements

Awarded: 3

POSSIBLE POINTS: 4

ATTEMPTED: 3, NOT AWARDED: 0, PENDING: 0, AWARDED: 3

11/29/2021 **EXISTING PRELIMINARY REVIEW**

1. Population (25 years and more) with a High School Degree:

Awarded

2. Graduation Rate:

Awarded

3. Unemployment Rate:

Awarded.

Note the following:

I. The credit requires that the stated thresholds are achieved in the most recent reporting year, which is 2020 for the project as mentioned in the Quality-of-Life Performance prerequisite. The COVID-19 pandemic impacted the global economy to a great extent therefore the strategy has been awarded despite the increase in unemployment in 2020, which is outside the acceptable threshold of 3%-4% .

Distributional Equity

Awarded: 2

POSSIBLE POINTS: 4

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 2b. Graduation Rate Equity

Awarded

Option 4. Access & Proximity

Awarded

Environmental Justice

Awarded: 1

POSSIBLE POINTS: 1

ATTEMPTED: 1, NOT AWARDED: 0, PENDING: 0, AWARDED: 1

11/29/2021 EXISTING PRELIMINARY REVIEW

Awarded

Housing and Transportation Affordability

Awarded: 2

POSSIBLE POINTS: 2

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 1. Comprehensive Housing Policy

Awarded

Option 4. Affordable Rental Housing Preservation

Awarded

Civic and Community Engagement

Awarded: 2

POSSIBLE POINTS: 2

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 1. Diversity in Appointment to Local Advisory Board

Awarded

Option 2. Conduct Survey on Community Impact

Awarded

Civil and Human Rights

Awarded: 1

POSSIBLE POINTS: 1

ATTEMPTED: 1, NOT AWARDED: 0, PENDING: 0, AWARDED: 1

11/29/2021 EXISTING PRELIMINARY REVIEW

Awarded



Innovation**Awarded: 3**

POSSIBLE POINTS: 6

ATTEMPTED: 3, NOT AWARDED: 0, PENDING: 0, AWARDED: 3

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 1: Innovation

1. Inter-Jurisdictional Climate Action:

Awarded

2. Climate tax:

Awarded

3. Food policy programs:

Awarded

Note the following:

I. That projects can achieve a maximum of 6 points under the Innovation credit category. Project team may choose to attempt fresh innovation strategies. However, please do remember that any new credit submissions will be reviewed only once during the final review.



Regional Priority

Regional Priority

Awarded: 2

POSSIBLE POINTS: 4

ATTEMPTED: 2, NOT AWARDED: 0, PENDING: 0, AWARDED: 2

11/29/2021 EXISTING PRELIMINARY REVIEW

Option 2. Innovative Regional Priority

1. Regional transit and mobility:

Awarded

2. Local agriculture preservation and economic development:

Awarded

Note the following:

I. That projects can achieve a maximum of 4 points under the Regional Priority credit category. Project team may choose to attempt fresh regional priority strategies. However, please do remember that any new credit submissions will be reviewed only once during the final review.



Orange County, North Carolina

United States of America

HAS FULFILLED THE REQUIREMENTS OF LEED CERTIFICATION
ESTABLISHED BY THE U.S. GREEN BUILDING COUNCIL AND VERIFIED BY GREEN BUSINESS CERTIFICATION INC.

LEED v4.1
CITIES AND COMMUNITIES: EXISTING

GOLD

April 2022

A handwritten signature in black ink that reads "Peter Templeton".

PETER TEMPLETON, PRESIDENT & CEO
U.S. GREEN BUILDING COUNCIL & GREEN BUSINESS CERTIFICATION INC.