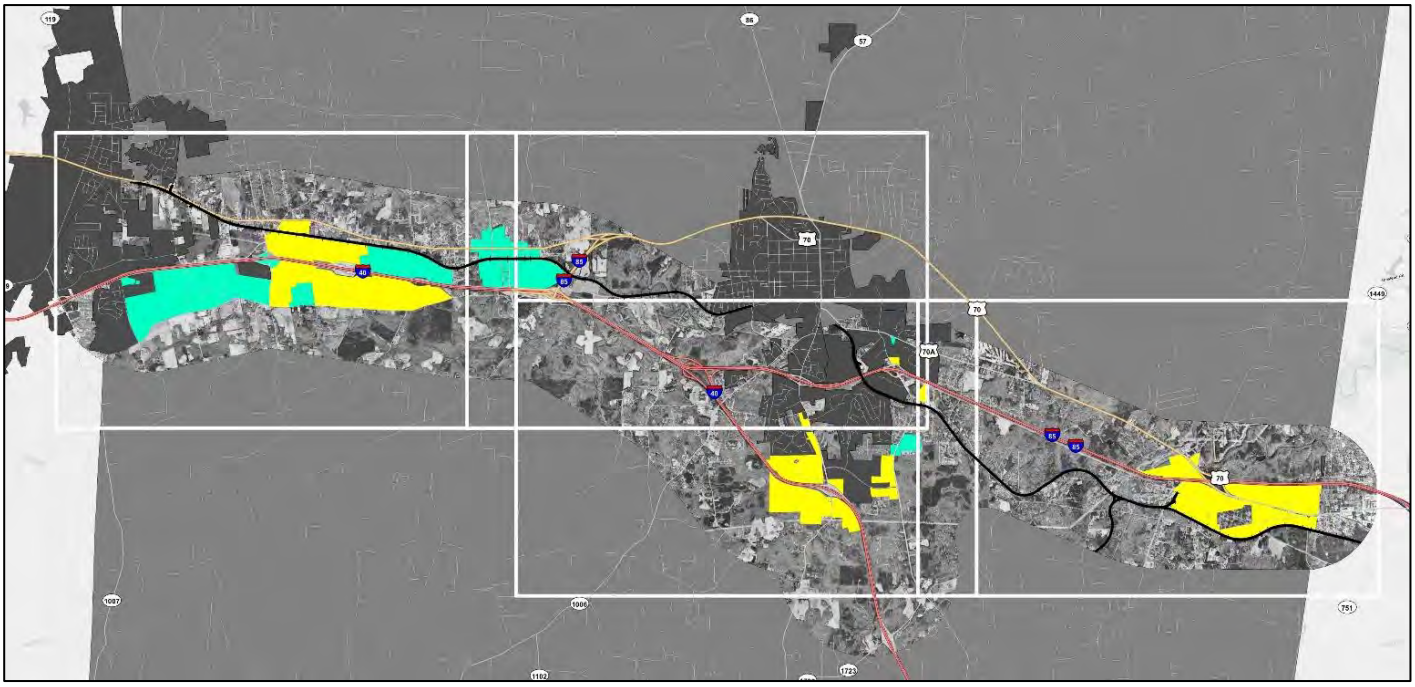
ORANGE COUNTY SWOT ANALYSIS FINAL REPORT

Orange County, NC

ORANGE COUNTY
NORTH CAROLINA



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TIMMONS GROUP
YOUR VISION ACHIEVED THROUGH OURS.

NAI Carolantic Realty
Commercial Real Estate Services, Worldwide.

For
Orange County Economic Development

February 2018

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EXECUTIVE SUMMARY

Orange County has seen a significant rise in prospect activity in recent years, but has had limited success getting projects to "land" in Orange County due to a multitude of reasons. As such, Orange County Economic Development hired the team of Timmons Group, Britt Nance Collaborative and NAI Carolantic Realty in May 2017 to complete an Economic Development Site Related SWOT Analysis of Economic Development Districts (EDD's) and Commercial-Industrial Transition Activity Nodes (CITAN's) located along the Interstate 40 and Interstate 85 corridor. This report includes a summary of the findings and recommended next steps for Orange County.

Orange County currently has eight (8) CITAN's and EDD's that were established in 1986 (over 30 years ago). These include the following:

EDD / CITAN	Size
Eno EDD	776 acres
Hillsborough EDD	703 acres
Buckhorn EDD	900 acres
Buckhorn CITAN	719 acres
West Efland CITAN	242 acres
East Efland CITAN	433 acres
Hillsborough CITAN	4 acres
Hillsborough CITAN	46 acres

Geographic Advantage

Orange County is in an excellent location in North Carolina and Southeastern United States to take advantage of the current economic upswing and have long-term sustainable and responsible economic development growth. Conveniently located in central North Carolina at the intersection of I-40 and I-85, just west of the Research Triangle Park and to the east of the Piedmont Triad, Orange County is the "gateway" from Southeastern to Northeastern United States and Eastern North Carolina.

With eleven (11) Interstate interchanges located in Orange County, and eight (8) Interstate interchanges within the CITAN's and EDD's, the I-40 and I-85 traffic counts reveal a significant opportunity for Orange County to further leverage their geographic position along the east coast and as this potential "gateway".

A review of the 2015 NCDOT traffic counts (see below) indicates traffic consistent with other large metropolitan areas throughout North Carolina, such as Charlotte, Raleigh or Greensboro.

Interstate	2015 Traffic Counts
I-40	58,000 to 73,000
I-85	43,000 to 47,000
I-40 & I-85	98,000 to 103,000

This represents a significant "revenue" and growth opportunity for the County on multiple fronts. Each vehicle that passes through the County is a potential customer for a local business or could represent an opportunity for an economic development prospect to take advantage of the transportation infrastructure to locate a business convenient to global markets.

Orange County Economic Development Opportunities Missed

Over the last several years, Orange County Economic Development staff has been tracking prospect opportunities (RFI's, RFP's, etc.). A review of the data indicates that Orange County has been missing out on some significant economic development opportunities, of which if the County had "ready to go" sites and/or the appropriate water and sewer infrastructure, could have landed in the County. We've summarized these missed opportunities below:

Manufacturing Sector: Between April 2015 and June 2017, Orange County missed out on approximately $1.3 billion to $1.6 billion in manufacturing opportunities that could have created between 2,400 and 2,555 "living wage" and executive level jobs in Orange County. The requested water & sewer demands ranged from 2.4 to 2.8 MGD (water) and 2.2 to 2.6 MGD (sewer) respectively, often times exceeding the available capacity within their service territories.

Initiation Date	Industry	Industry Type	Investment (million)	Jobs	Site Size (Acres)	Water (GPD)	Sewer (GPD)
April 2015	Italian Specialty Meat Mfgr	Food Processing	$50	300		30,000 - 60,000	30,000 - 60,000
June 2015	Manufacturing Lab	Biopharmaceutical	$450-600	275 - 300	30	100,000 - 160,000	80,000 - 130,000
Aug 2015	Manufacturing	Pharmaceutical	$325	500	15 - 20	636,000	636,000
Sep 2015	Manufacturing	Air Separation	$35	15 - 25	5 - 10	72,000 - 122,000	11,500 - 21,600
Nov 2015	Manufacturing	Food Processing	$20-$25	100	30	100,000	100,000
Jan 2016	Manufacturing, Processing	Food	$35	150	20 - 40	52,800 - 264,000	52,800 - 264,000
Sep 2016	Manufacturing	Chemicals	$65 - $75	60 - 70	40 - 100	300,000 - 400,000	300,000 - 400,000
Oct 2016	Manufacturing	Textile	$30 - $70	175 - 260	25 - 35	500,000	470,000
Feb 2017	Manufacturing	Biopharmaceutical	$150 - $200	150	10	133,000	107,000
Mar 2017	Manufacturing	Medical	$180	600	50 - 75	200,000	200,000
June 2017	Manufacturing	Food Processing		75 - 100	30	250,000	200,000
		Totals	***$1.34 to $1.6 Billion***	***2,400 to 2,555***	***5 to 100 acres***	***2.37 to 2.83 MGD***	***2.19 to 2.59 MGD***

Economic Development Projects that went to Alamance County: Between September 2012 and November 2017, Alamance County announced six (6) economic development projects, mostly in the logistics / distribution sector, with investments totaling $392.8 million, that created 1,304 jobs with average annual wages ranging from $35,374 to $80,000 per job on sites ranging from 10 to 186 acres. It's important to note that Orange County had a legitimate opportunity to recruit and potentially land these same projects in Orange County, but didn't have either adequate sites or adequate incentives to close the deal.

Announced Date	Company	Site Location	Investment (million)	Jobs Announced	Site Size (acres)	Building Size (SF)
Sep-12	Sheetz Distribution Center	Burlington (1737 White Kennel Rd.)	$52	254	44	250,000
Dec-13	Wal-Mart Distribution Center	Mebane - NC Commerce Park	$100	550	186	450,000
Jul-15	Lidl Distribution Center	Mebane - NC Commerce Park	$125	80 full time 120 hourly	90	850,000
Aug-16	Prescient	Mebane - NC Commerce Park	$18.8	205	20	135,000
Nov-16	Lotus Bakeries	Mebane - NC Industrial Center	$50	60	20	160,000
Nov-17	Airgas	Mebane - NC Industrial Center	$47	35	10	
		Totals	***$392.8***	***1,304***	***370***	***1.845 Million SF***

Project Sky: Project Sky, currently an active project as of the date of this report, is a large grocery distribution center project that represents a $328 million investment with 1,100 jobs at an annual average wage of $41,000 per year. The project has not been announced, however, as of the date of this report Orange County has had four (4) site visits to the County and the Board has met in closed session to pre-authorize local incentives.

When you combine these opportunities with the current Project Sky Distribution Center, then Orange County has missed out on approximately $2.0 to $2.3 billion of opportunities with the potential for over 4,800 jobs to be created.

Missed Opportunities from 2012 – 2017	Potential Investment	Potential Jobs
Manufacturing	$1.3 to $1.6 Billion	2,400 to 2,555
Distribution / Alamance	$393 Million	1,304
Project Sky	$328 million	1,100
Totals	***$2.0 to $2.3 Billion***	***4,804 to 4,959***

Potential Annual Tax Revenue

These potential Economic Development investments can generate significant annual tax revenue for Orange County. Below is a summary table based upon the 2017 Real Estate tax rate of $0.8377 per $100 real estate value, with a potential corresponding Capital Investment that could be made due to this potential Annual Tax Revenue.

Real Estate Investment	Annual Tax Revenue ($0.8377 per $100)	Capital Investment (20 yrs @ 4%)
$100,000,000	$837,700	$11,520,000
$200,000,000	$1,675,400	$23,040,000
$300,000,000	$2,513,100	$34,560,000
$400,000,000	$3,350,800	$46,080,000
$500,000,000	$4,188,500	$57,600,000
$600,000,000	$5,026,200	$69,120,000
$700,000,000	$5,863,900	$80,640,000
$800,000,000	$6,701,600	$92,160,000
$900,000,000	$7,539,300	$103,680,000
$1,000,000,000	$8,377,000	$115,200,000

Water & Sewer Capacity Relative to Target Industries

As we evaluated the utility infrastructure serving these sites, we identified very limited water and sewer capacity. In addition, the Buckhorn CITAN and EDD were being served by City of Mebane utilities, which also serves Alamance County. Below is a summary table with the available capacities:

EDD or CITAN	Water Provider	Water Capacity (MGD) 1	2016 Avg. Daily Water Demand (MGD) 1	Water Available to the Site (GPD)	Sewer Provider	Existing Sewer Capacity (GPD) 1
Buckhorn EDD	Mebane	6	1.58	200,000	Mebane	250,000
Eno EDD	Durham	37.9	27.7	1,000,000	Durham	100,000 (Avail. Oct 2019)
Hillsborough EDD	Hillsborough	3.09	1.47	200,000	Hillsborough	108,000 (Avail. Aug 2019)
Buckhorn CITAN	Mebane	6	1.58	200,000	Mebane	250,000
West Efland CITAN	Orange-Alamance	2.05	0.6	0	Mebane	250,000 (Avail. 2020)
East Efland CITAN	Orange-Alamance	2.05	0.6	0	Mebane	250,000 (Avail. Dec 2019)
Hillsborough CITAN	Hillsborough	3.09	1.47	200,000	Hillsborough	<200,000

Hillsborough CITAN	Hillsborough	3.09	1.47	200,000	Hillsborough	<200,000
US 70 / Cornelius	Hillsborough	3.09	1.47	200,000	Hillsborough	<200,000

Unfortunately, the current water & sewer infrastructure lines up with industrial projects that only use minimal water, such as retail, office, commercial or logistics / distribution and there is a direct correlation to $/SF investment. Below is summary table with an equivalent size facility to Morinaga (categorically in the food & beverage industry) which had a $48 million investment for a 120,000 SF facility (or $400 per SF investment) and the corresponding investment for industries being targeted by Orange County, NC. The property next to Morinaga can accommodate three (3) similar size facilities, or another 360,000 SF of Economic Development "build-out". As such, we estimated the potential annual tax revenue that could be generated from the various industry types.

Industry Type	$/SF Investment	Facilities SF	Potential Investment ($/SF x Facilities SF)	Potential Annual Tax Revenue*	Existing W&S Capacity?
Retail / Office / Commercial	$150	360,000	$54,000,000	$452,358	***Yes***
Logistics/Distribution	$200	360,000	$72,000,000	$603,144	***Yes***
Food & Beverage	$400	360,000	$144,000,000	$1,206,288	***Marginal***
Advanced Mfgr	$600	360,000	$216,000,000	$1,809,432	***Marginal***
IT/Data Center	$1,200	360,000	$432,000,000	$3,618,864	***No***

* Based upon $0.8377 per $100

Land Prices Relative to the Market:

Based upon market research completed by NAI, it appears that the land prices on a per acre bases listed in Orange County are significantly higher than land prices in neighboring Alamance and Durham Counties. Below is a summary for comparative purposes:

County	High ($ per Acre)	Low ($ per Acre)	Average ($ per Acre)	Average Relative to Orange County
Orange	$85,000	$27,512	$51,681	
Alamance	$51,563	$12,138	$33,809	***Orange is 53% higher***
Durham	$62,758	$23,056	$40,774	***Orange is 27% higher***

While Orange County does not have specific control over the listing prices for the property owners, it's important to note that this is an item that will need to be addressed with property owners that the County will help market for economic development purposes.

Based upon our team's analysis, we have developed the following Study Conclusions and Recommendations for Orange County:

Study Conclusions:

1. Data Indicates Orange County has legitimate prospect activities and opportunities to close significant deals and needs to align the sites and infrastructure with the market needs.
2. There is less developable acreage than originally anticipated in the EDD's and CITAN's.
3. Water & Sewer capacity is a major issue and impediment for recruiting high investment ($ per SF) industries such as Food & Beverage, Manufacturing/Bio or IT/Data Centers.
4. Orange County has some legitimate properties that can be developed, however, the County needs to be thinking beyond the existing CITAN's and EDD's (i.e. adjusting the CITAN / EDD boundaries as well as water & sewer boundaries).
5. Economic Development opportunities can generate significant tax revenues to help pay for Infrastructure, Schools and other key County Services in addition to creating "living wage" jobs.
6. Land pricing is an issue that needs to be addressed within the private development community.

Immediate Study Recommendations:

1. Enter discussions with Mebane to increase available water & sewer capacity within the current agreement.
2. Have the Planning Department interact with the Economic Development Department on a regular (monthly) basis and during infrastructure planning stages.
3. Work with the Towns and revisit Intergovernmental Agreements to make sure they are conducive to the needs of Economic Development in today's market.
4. Approach property owners about willingness to sell key properties within the Buckhorn, Efland and Hillsborough EDD's / CITAN's.
5. Align zoning in the CITAN's to be consistent with development
6. Prioritize development of the top sites in EDD's / CITAN's
    a. Buckhorn CITAN: Property on Ben Wilson Road
    b. Buckhorn EDD: Rohl / Collins Property, Flea Market Property, Clark Property
    c. East Efland CITAN: 304 Mt Willing Road – Rezone to align with development goals
    d. Hillsborough EDD: Approach property owner on NW quadrant of intersection of I-40 and Old 86 to gauge willingness to sell. Closely watch or monitor the (Sagefield Business Park)

development currently underway in the southwest quadrant of the EDD to identity potential opportunities.

7. Complete necessary due diligence to achieve Tier 4 status on top sites.
    a. Geotechnical, Wetland Delineations, Topographic & ALTA Boundary Surveys, etc.

BUDGET: Site dependent but generally $1,000 to $1,500 per acre with Infrastructure already in place (significantly increases the value of the property on a per acre basis)

8. Consider adjusting boundaries of EDD's and CITAN's and the Water & Sewer Districts to include large tracts adjacent to these districts with low cost of development (minimal utility extensions, etc.). ***BUDGET: $10,000 to $15,000 consultant time to evaluate parcels as well as Staff Time***

Overall Study Recommendations

1. Complete a countywide water & sewer study to identify options to increase water & sewer capacities. ***BUDGET $75,000 to $100,000***
2. Complete a GIS Site Selection Study to identify sites with greatest development potential near or adjacent to development corridors. ***BUDGET $15,000 to $25,000***
3. Consider gaining "control" of properties (i.e. option agreements) with high development potential. These sites would be identified with the GIS Site Selection Study. ***BUDGET: Generally $100 to $200 per acre for options, however, property specific***
4. Consider advantages of developing "Ready to Go" product. Could form a Public-Private Partnership to accomplish this task.
    a. Shovel / Pad Ready Sites
    b. Spec Buildings

BUDGET: Site and Building dependent, but generally $50 to $100 per SF for Spec Buildings and $50,000 to $100,000 per acre for Shovel/Pad Ready Sites

5. Reinitiate discussions and explore developing a research park with UNC-Chapel Hill and taking advantage of the research and entrepreneurial culture of the Research Triangle Park (RTP).

As the County continues advancing its Economic Development initiatives, we wanted to note the following items that would further enhance the County's position in the marketplace:

Other Considerations

1. The County should re-evaluate and potentially reallocate funds for existing water and sewer projects that appear to have minimal ROI.
2. Evaluate and enhance the "express" review process to make sure it is consistent with "fast-track" permitting in the site selection market.
3. Pursue grant opportunities for the County's top sites. This will require obtaining property "control" in order to obtain grants from the following entities:
    a. Gold Leaf
    b. Duke Energy Site Readiness Program
4. Evaluate underdeveloped interchanges in the county (Exit 263 & 266 in particular).
5. Consider changing the names of the EDD's and CITAN's to "Economic Development Corridors" such as to reduce confusion in the industry.

Acknowledgements

The Timmons Group, Britt Nance and NAI team would like to thank and recognize the contribution of the following individuals towards the development of this Economic Development Study. It has been an honor and privilege working with the Orange County Economic Development Staff, Economic Development Advisory Board and Board of Commissioners to complete this study. Our team looks forward to assisting the County as they move forward with implementation of their Economic Development vision for Orange County.

In particular, our team would like to thank the following Orange County staff members for their input into our report as well as the County Commissioners and the Economic Development Advisory Board:

Orange County Commissioners

- Mark Dorosin, Chair
- Penny Rich, Vice-Chair
- Mia Day Burroughs
- Barry Jacobs
- Mark Marcoplos
- Earl McKee
- Renee Price

Economic Development Advisory Board

- Jim Kitchen, Chair
- Paige Zinn, Vice-Chair
- Mark N. O'Neal, Secretary
- John Anderson
- Delores Bailey
- D.R. Bryan
- Anthony Carey
- Keith Coleman
- Sharon Hill
- James Watts

Orange County Staff

- Travis Myren, Orange County Deputy County Manager
- Steve Brantley, Director – Orange County Economic Development
- Amanda Garner, Business Recruitment Economic Developer
- Mike Ortosky, Agriculture Economic Developer
- Yvonne Scarlett, Business Retention Economic Developer
- Craig Benedict, Planning & Inspections Director

Project Team

The Timmons Group, Britt Nance Collaborative and NAI team consisted of the following professionals:

- Lee Anne Nance, Principal, Britt Nance Collaborative
- Bob Lewis, CCIM, SIOR, Broker, NAI
- Mike Solomon, PE, NC Economic Development Director, Timmons Group
- Blake Hall, PE, PLA, LEED AP, Principal - Project Manager, Timmons Group
- Joe Hines, PE, MBA, Principal – Director of Economic Development, Timmons Group

Limitation of Liability

Timmons Group, Britt Nance Collaborative and NAI have provided the best advice and utilized best professional judgment based upon the available information provided by Orange County for this study and report. As such, should there be any significant changes to the information, our team will be glad to re-evaluate the information and update our recommendations accordingly.

STUDY RECOMMENDATIONS FOR EACH SPECIFIC EDD AND CITAN

Buckhorn EDD

- Work with Flea Market property owner on land price vs comparable land sales
- Complete due diligence items for available properties
- Work with the City of Mebane to increase water and sewer capacity availability

Hillsborough EDD

- Meet with land owner for property on northwest quadrant to determine willingness to sell
- Extend sewer south of Interstate 40
- Complete Due Diligence items such in order to achieve Tier 4 status

Eno EDD

- Investigate willingness of key property owners to sell large tracts on western side of district, properties leased to PSNC and former driving range. Although these do not have sewer, long term goals show providing sewer to this area.
- Look at reducing size of the EDD to minimize residential
- Work to develop option to make the US 70 / I-85 interchange more user friendly

Buckhorn CITAN

- Work to rezone parcels to protect them from development that is not in the best interest of Orange County and Economic Development staff.
- Secure the land south of Morinaga to prevent from residential development.
- Look to expand water and sewer boundary in the agreement and extend water and sewer boundary south of Bowman Road
- Look for opportunities to extend water service within the district.

West Efland CITAN

- Study options to provide transportation access to sites in the CITAN north of I-40 and I-85
- Determine feasibility of providing rail service to the sites within the CITAN
- Complete a wetlands delineation with US Army Corp of Engineers (USACE) confirmation to determine if streams and buffers are correct.
- If the above can be accommodated look to extend sewer service to the properties.

East Efland CITAN

- Work to provide access from Exit 160 at Ben Johnson Road to extend to the large pod to the west.
- Work with Orange-Alamance Water to expand water availability and service for new users in the area
- Complete due diligence for Tier 4 status for the largest developable properties
- Look into options to support one large user (may require relocation new sewer)

Hillsborough CITAN

- Look for site options to expand the existing facilities should Piedmont Electrical Membership Cooperative (PEMC) want to remain on site
- On the smaller 4 acre parcel to the north, work with residents to determine willingness to sell. This is a small parcel with heavy environmental constraints that will make this site challenging for development.

Cornelius

- Look to market vacant properties for redevelopment
- Improve aesthetics within the district.
- Add sidewalks and bus shelters at bus stops
- Improve main intersections
- Focus on creating pedestrian connections from neighborhoods to Cornelius Street
- Look for grant opportunities for redevelopment

PROJECT BACKGROUND

Orange County is in North Carolina. According to the 2015 census QuickFacts, the population was estimated at 141,354. Its county seat is Hillsborough. Orange County is included in the Durham-Chapel Hill, NC Metropolitan Statistical Area, which is also included in the Raleigh-Durham-Chapel Hill, NC combined Statistical Area, which had a 2015 estimated population of 2,117,103.

This study primarily focused on the three Orange County Economic Development Districts (EDDs) that were established March 1, 1984 and five Commercial Industrial Transition Activity Nodes (CITAN). The EEDs consist of:

Eno EDD

The Eno Economic Development District is comprised of approximately 776 acres located in the eastern portion of the County, adjacent to the Durham County line, along the Interstate 85/Highway 70 corridor. This area has been targeted to include a mix of light manufacturing, commercial and service industries.

Hillsborough EDD

The Hillsborough Economic Development area encompasses all four corners of the Interstate 40 exchange exit 261 south of Hillsborough. This 703-acre area includes the Waterstone Business Park, home to UNC Hospitals" Hillsborough Campus and Durham Technical Community College's Orange County campus, and has been targeted to include a mix of health care and service industries.

Buckhorn EDD

The Buckhorn Economic Development area is in the western portion of Orange County just off exit 157 from Interstate 85/40, and includes approximately 900 acres of developable land. The Buckhorn area has been targeted to include a variety of manufacturing, wholesale, distribution, retail and service uses.

The purpose of the Orange County EDDs is to provide locations for a wide range of light industrial, distribution, flex, office, service, and retail uses. In choosing the location of these districts, the following major factors were considered:

- Adjacent and with access to an Interstate highway by way of a major arterial or collector street;
- Adjacent to rail facilities for the movement of goods and which offer transit service potential;
- Public water and sewer service is available or capable of being extended; and
- Large, buildable tracts are available for development or division into a range of building site sizes.

Along with the designated EDDs, the county has identified Commercial-Industrial Transition Activity Nodes (CITAN.) Current zoning within these areas varies, but it is land focused on designated road intersections that within either 10-year or 20-year transition areas is appropriate for retail, commercial, manufacturing and other industrial uses.

- CITAN Buckhorn – 719 acres
- CITAN West Efland – 242 acres
- CITAN East Efland – 433 acres
- CITAN Hillsborough – 4 acres
- CITAN Hillsborough – 46 acres

An area north of Hillsborough along highway 70 (Cornelius Street) between the intersections of North Churton Street and Holiday Park Road was also included as part of the study however a full SWOT analysis was not developed for this area. The consultant team reviewed the previous reports generated along this corridor and completed site assessments for the focus area.

Like many areas, Orange County seeks to grow its economy and diversify its non-residential tax base. Outside of the town limits of Chapel Hill, Carrboro, and Hillsborough, the above outlined Economic Development Districts are the primary areas designated for this growth to take place. Since the EDDs were established, steps have been taken to make these areas more attractive for investment including zoning changes and formal listings of available land with real estate professionals. Also, with the passage of a quarter-cent sales tax in 2011, the extension of utility lines is taking place on some available sites.

While economic development is a process, and developing sites that are “ready to go” can take time, this SWOT analysis will help to evaluate the progress that has been made and help to inform the road map for future investment and development within the Orange County EDDs & CITANs.

The study was completed in four parts: A SWOT analysis was completed for each of the Economic Development Districts and the Commercial-Industrial Transition Activity Nodes by using the criteria indicated below

- Physical land attributes looking at existing land use, general environmental features, topography, and land constraints;
- Transportation connection with I-40/I-85, railroad and roadway access to individual sites;
- Current/proposed electric, natural gas, water, sewer and telecommunication availability and capacity;
- Current/proposed commercial and residential development happening within/surrounding the EDDs & CITANs;

- Inventory of available land and comparison of asking prices versus comp land prices for sale within the EDDs & CITANs;
- Current zoning and allowable uses;

Based on the findings of the SWOT analysis, a "Proposed Next Steps Outline" was developed that included specific strategies to maximize development potential within each of the current EDDs and CITANs. Strategies were related to additional infrastructure, land control, targeted industries, public-private partnerships, etc. We identified development challenges that exist with the land currently located inside the EDDs and CITANs, and recommended alternative development strategies.

After completion of the "Proposed Next Steps Outline," the consultant team presented findings to staff, the Economic Development Advisory Board, and the Orange County Board of County Commissioners.

- A summary of the SWOT findings for each of the evaluated areas.
- An overview of the proposed next steps for each of the EDD and CITAN areas.
- Lead the groups in a prioritization process to provide a clear guide for how to proceed forward with plans for each of the EDDs and CITANs.

After all the information had been gathered and the prioritization exercise had been completed, the consultant team prepared a final report that specifies, by Economic Development District and Commercial-Industrial Transition Activity Node, an overview of the SWOT analysis findings and the proposed strategies with the feedback and prioritization of the Economic Development Advisory Board and Board of County Commissioners incorporated.

GIS SITE INVENTORY

EXISTING DATA COLLECTION

Before analysis could begin, all relevant data was collected from various sources and consolidated into a single database. Orange County, and regional service providers were contacted and asked to provide any pertinent data. Data was also collected from state and national databases. Among the data collected from the county and various other sources were the following:

- Parcels
- Zoning
- Roads
- Railroads
- Contours
- Spot Elevation Points
- Easements
- Primary Service Area
- Resource Protection Area
- Agricultural Forested District
- Durham Water and Sewer
- City of Mebane Water and Sewer
- Hillsborough Water and Sewer
- Duke Energy
- Piedmont Electric Membership Corp

Supplemental data was aggregated from state and national databases to ensure accuracy and currency of the data used to analyze sites. Among the data collected were the following:

- National Wetlands Inventory
- Digital Elevation Models from the National Map Viewer, provided by the United States Geological Survey
- National Hydrology Dataset
- NCDOT Traffic County Data
- Aerial Photography

DATABASE DEVELOPMENT & DESIGN

Parcel data was loaded into a new data model specifically designed to store all relevant site development information, such as owner, developable acreage, zoning, future land use, etc. Remaining data was converted from shapefiles, into feature classes, and loaded into one geodatabase. The data generated from state and national databases also required minor adjustments, such clipping to the extent of the region. The elevation models were created from the 2 ft. contours from NCDOT Lidar. Slope was

estimated from this data. After the homogenization and formatting of the data, a new county database was created. Data was grouped into the following datasets:

- Environmental
- Reference
- Sewer
- Water
- Transportation

General Site Analysis Approach

Parcels were evaluated on acreage, proximity to major roads, environmental features, and developable acreage. Developable acreage, as defined in this study, is an estimation of land suitable for development. For example, if a parcel is 100 acres, but 30 acres are covered by slope greater than 20%, and another 10 acres are covered by a waterbody, the developable acreage equates to 60 acres. In addition, local and state stream buffers were included in the development acreage estimation as it is pertinent to this region. For the purposes of our study within the EDD's and CITAN's we removed parcels lots see below for a table further defining developable acreage.

Developable Acreage Defined as	Example
Total Acreage	200 ac.
Less Wetlands	(10 ac.)
Less Floodplains	(10 ac.)
Less Streams and Buffers	(5 ac.)
Less Easements and Landscape Buffers	(20 ac.)
Less Slope > 20%	(10 ac.)
Less Waterbodies	(5 ac.)
Developable Acreage	140 ac. (70% Developable)

We ran this analysis for the entire county and the within the EDD's and CITAN's and along the Cornelius corridor. The tables below outline the findings.

Summary of Parcels within Orange County

Description	Parcels	% of Total
Total Parcels (Orange County)	58,828	100%
Greater than 10 Acres	5,808	9.87%
Greater than 50 Acres	591	1.00%
Greater than 100 Acres	262	0.45%

Summary of Parcels within the EDD's

Description	Parcels	% of Total
Total Parcels (EDD's)	261	100%
Greater than 10 Acres	28	10.18%
Greater than 50 Acres	12	4.36%
Greater than 100 Acres	2	0.72%

Summary of Parcels within the CITAN's

Description	Parcels	% of Total
Total Parcels (CITAN's)	288	100%
Greater than 10 Acres	33	10.82%
Greater than 50 Acres	2	0.66%
Greater than 100 Acres	0	0.00%

Summary of Parcels within along the Cornelius Corridor

Description	Parcels	% of Total
Total Parcels (Cornelius)	64	100%
Greater than 10 Acres	0	0.00%
Greater than 50 Acres	0	0.00%
Greater than 100 Acres	0	0.00%

Overall Summary of developable area within the EDD's and CITAN's

EDD and CITAN totals				
Description	**Parcels**	**Total Acres**	**Environmental coverage / constraints**	**RAW Developable Acres***
Parcels Less than 5 Acres	425	589	87	502
Parcels Greater than 5 Acres with Structures	65	1,094	238	856
Available Parcels and Parcels Greater than 5 Acres without Structures	59	1,326	290	1,037
Totals	***549***	***3,010***	***615***	***2,396***
ACTUAL Developable Acreage of PODs = 668 Acres or 22%				

Over all Summary of Development Pods and Limitation per District

EDD/CITAN	Potential Sites	Development Pod Size Range (AC)	Comments / Issues
Buckhorn CITAN	6	5 to 49	Inconsistent zoning, limited access
Buckhorn EDD	9	6 to 98	Limited access north of Interstate, asking prices too high, adjacent to schools, fields & residential
West Efland CITAN	1	52	Limited access, Zoned AR
East Efland CITAN	1	79	Limited water / limited access to east
Hillsborough EDD	2	39 to 44	Sagefield Business Park
Eno EDD	4	8 to 11	No sewer, limited access & environmental constraints

Next a windshield tour was conducted to glean further information that could not be assessed from GIS data. This classification was based on several factors, including:

- Owner
- Situation of environmental features
- Expansion potential
- Visibility
- Proximity to residential development
- Aesthetics and Marketability

SITE ASSESSMENT STUDY

The site assessment portion of the project completed an analysis of the current sites' readiness level based on the TG Tier System©. This evaluation was completed with all readily available information as provided or acquired in this study and should not be considered an *official* certification of a site's level of readiness.

In evaluating the subsequent sites for their level of readiness, Timmons Group utilized the recently adopted definitions of "Tier Levels" as laid out in the Virginia Business Ready Sites Program (VBRSP). According to this legislation, the program was established pursuant to § 2.2-2238 C. of the Code of Virginia of 1950, as amended, to identify and assess the readiness of potential industrial or commercial sites in Virginia for the purposes of: marketing; industrial economic development; and commercial economic development. The first step in determining each site's readiness began with a quantifying the existing level of development and due diligence. Following this, recommendations were given to increase each site's level of readiness for industrial or commercial economic development.

Timmons Group relied on industry-leading civil engineers and economic development professionals to carry out strategic and complex evaluations of each site to determine the appropriate Tier Level Ranking in accordance with the same criteria adopted by VBRSP and reiterated below:

The results of the analysis yielded a current *preliminary* Tier Level assignment and a road map identifying next steps for the site.

A summary of the results is below, along with a summary of all information gathered for this analysis.

Information Used in preliminary Tier Analysis:

- Acreage/Developable Acreage*
- Potential Development Yield
- Location/Accessibility
- Rail Accessibility
- Ownership
- Zoning/Land Use
- Topography
- Restricted Land Coverage
- Resource Protection Area
- Wetlands
- Floodplains
- Waterbodies
- Streams

- Wet Utility Access (i.e. Water, Sewer)
- Dry Utility Access (i.e. Natural Gas, Power)
- Prior studies / master plans, as provided or readily available

**Developable Acreage was approximated for this study with available GIS information. This information was created by aggregating the total approximated area of 'undevelopable' land and removing this area from the total acreage of the site. All methods are for approximate and comparative use only and may vary significantly from field conditions. Additionally, the definition of 'undevelopable' land may vary from region to region. Engineering judgment was used to select parameters for this particular study.*

ECONOMIC DEVELOPMENT CORRIDOR FINDINGS

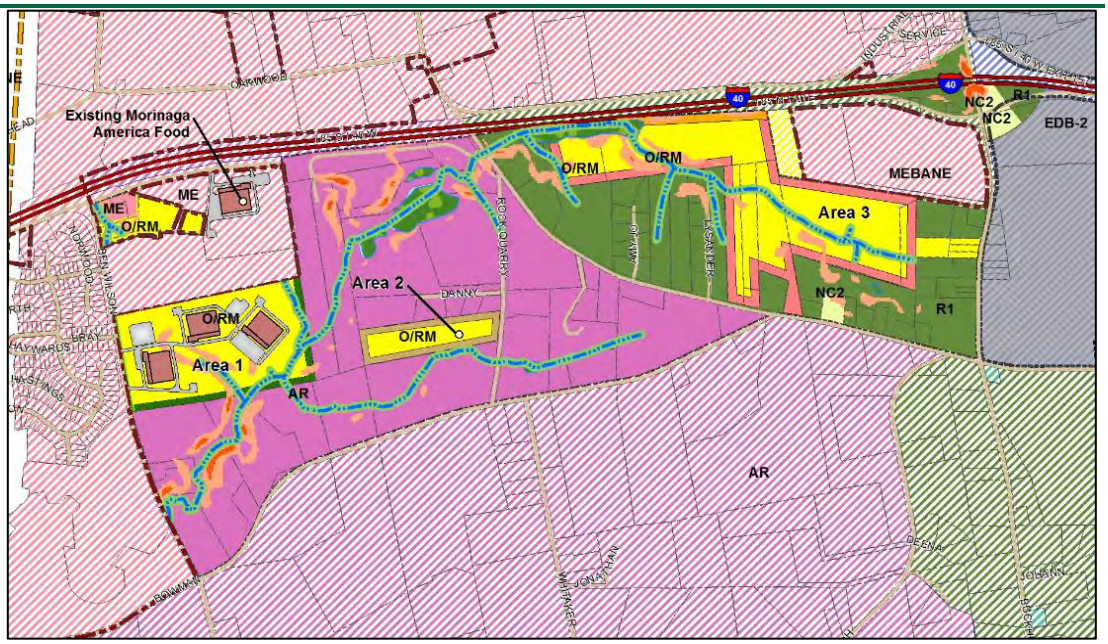
The Interstate 85/40 corridor is one of the more heavily traveled corridors in the state. There are 11 interchanges along the two Interstate corridors spread across the county. Traffic counts along this corridor is one of the highest in the state as shown in the table.

County (City)	Interstate	2015 NCDOT Traffic Counts
Durham (Durham)	I-85	46,000 to 96,000
	I-40	90,000 to 181,000
Wake (Raleigh)	I-40	109,000 to 119,000
Alamance (Burlington)	I-40 & I-85	96,000 to 106,000
Guilford (Greensboro)	I-40 & I-85	98,000 to 135,000
Mecklenburg (Charlotte)	I-85	108,000 to 178,000
	I-77	84,000 to 182,000
Forsyth (Winston-Salem)	I-40	52,000 to 103,000
	I-40 Bus	50,000 to 77,000
Orange	***I-85***	***58,000 to 73,000***
	I-40	***43,000 to 48,000***
	I-40 & I-85	***99,000 to 103,000***

In general, the lands set aside for economic development in the mid 1980's are ideal; however, there are several key factors that have slowed growth. Up until 2011 funds to improve the districts were not readily available. In 2011 a half cent tax was established to direct funds to economic development. Since that time improvements are starting to be made. Water and sewer infrastructure projects have been design, approved, and some constructed to provide public water and sewer availability to areas that were not previously available. The funds need to be directed to the highest and best use for the county overall. Utility projects have been prioritized the quantity of available water and sewer is limited based on capacities of downstream treatment plants and agreements in place with neighboring utility providers.

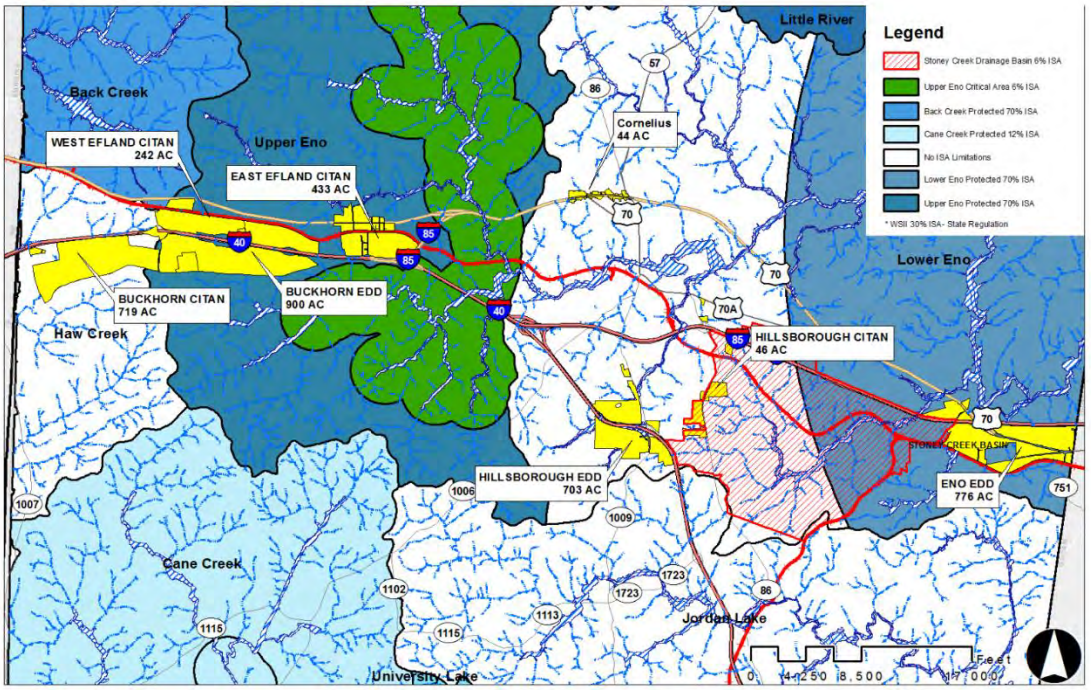
Although the zoning within the EDD's is consistent, there are not many restrictions in place to protect lands prohibit some uses such as schools, recreation fields, solar farms, and residential. Many of these non- and low tax paying users have taken up lands within the district which is limiting land for future high paying tax users. Zoning within the CITAN's was not modified when the areas were developed. Zoning in these areas consists of a hodgepodge of zoning from residential to industrial. The unified development ordinance defines buffers and setbacks from zoning classifications. When an industrial site is located adjacent to a

residential zoning, buffers and setbacks can extend to 100 feet which cuts down on the developability of parcels within the district. The illustration highlights the impacts of buffers and zoning on the developability within the CITAN's. The setbacks and buffers account for 26% of the total parcel area. The environmental constraints such as wetlands, streams, and buffers cover another 12.5% of the property, in many cases bisecting parcels that could otherwise be easily developed.



Specific to Orange County, local restrictions for development have been established that exceed state requirements for stormwater management and stream buffers. Built upon surface area for new projects is restricted to 6% within the Upper Eno Critical area, just to the east of East Efland; whereas the state limits built upon area to 30%. Within the certain overlay districts, required stream buffers per the Unified Development Ordinance can reach up to 250 feet which is 150 feet larger than what is required per state regulations.

The acreage shown within the EDD's and CITAN's is a little misleading. After reviewing GIS parcel data there is an approximate 15% reduction in land areas based on the removal of the right of ways that have been included within the boundary limits. For purposes of the study, our team reviewed the total number of parcels and came up with average parcel size for each district. In reviewing the restrictions on setbacks and buffers from residential properties, we excluded parcels that were 5 acres and less from our initial consideration. For example, a square 5-acre parcel is approximately 460' x 460'. If 100' landscape buffers are applied on all sides, the development area would then shrink to 260' x 260' or 1.6 acres, excluding any environmental constraints that may be present on the site. Furthermore, when considering developable area, we excluded parcels that were greater than 5 acres that had existing structures on them. In some cases, the property was known to be available for sale; however, included structures. In these cases, we included the parcel as part of the potential developable area as indicated in green within the individual site summaries contained later in the report. After weeding out the built upon and less than five-acre sites and after applying environmental and physical development constraints, we could develop "pods" with the highest development potential based on all findings within our analysis. If all lands identified as yellow were to become available and all existing structures were removed (i.e. school, soccer complex, solar farm, residential properties) the total buildable area indicated in our findings would double; however, without knowing the willingness of land owners to sell at a fair price they have been excluded. We recommend that the County take priority within the district to define which parcels are truly available by going door to door and discussing with land owners.



near the Interstate but lack direct access causing a need for users to access the site through residential areas and school zones. The elevated traffic associated with new facilities could have a negative impact to the surrounding properties that would need to be evaluated on a case by case basis for any particular business.

Land prices and taxes within Orange County are significantly higher than the neighboring counties. The average sales price for land in Alamance county for industrial type land sold between 2014-2016 average around $34,000 per acre. Over the same period, sales prices for land in Durham County averages closer to $41,000 per acre; whereas sales in Orange exceeded $51,000 per acre. Our team was informed that list prices for land within the EDD's and CITAN was as high

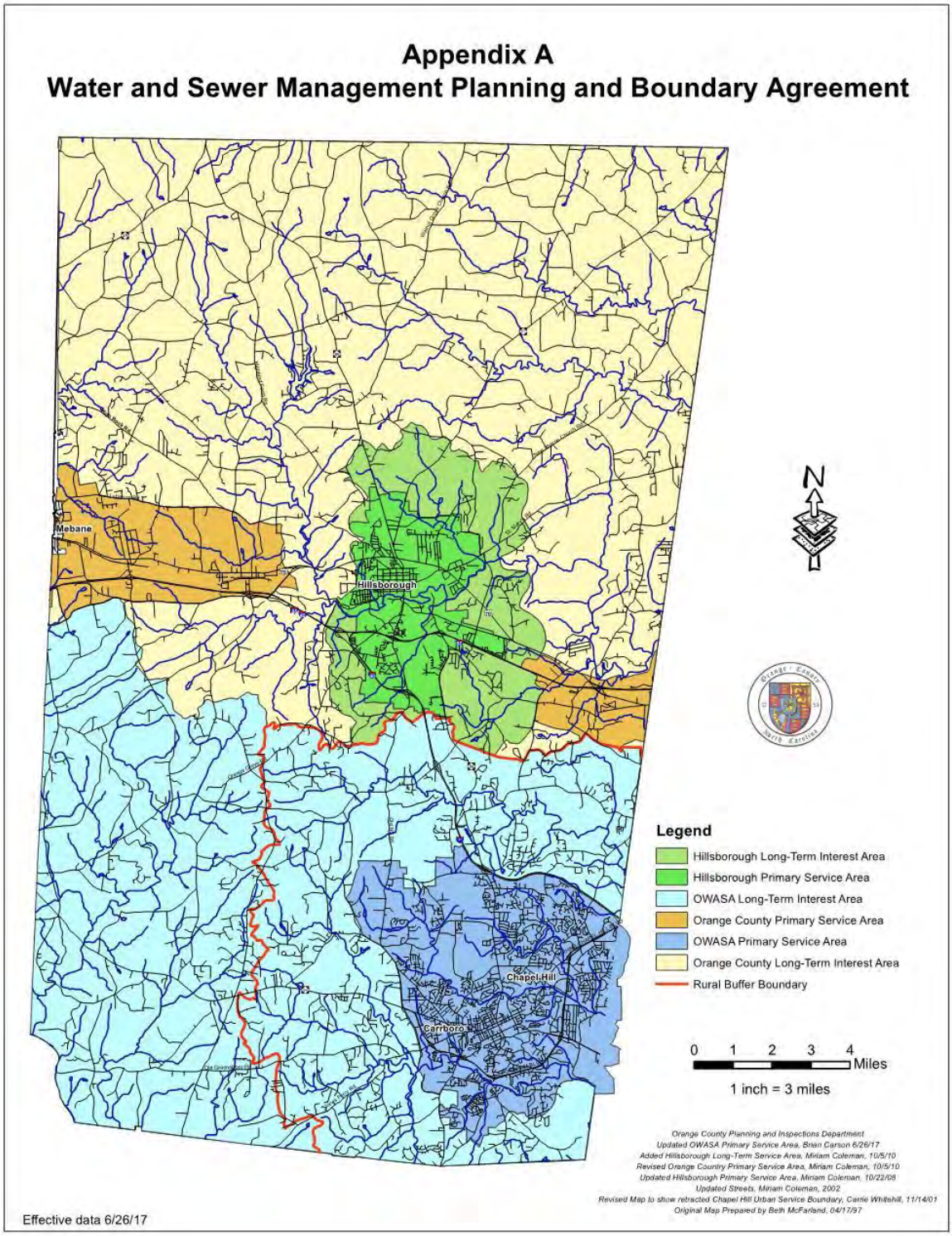
County	High ($ per Acre)	Low ($ per Acre)	Average ($ per Acre)	Average Relative to Orange
Orange	$85,000	$27,512	$51,681	
Alamance	$51,563	$12,138	$33,809	Orange is 53% higher
Durham	$62,758	$23,056	$40,774	Orange is 27% higher

as $85,000 to $100,000 per acre which is much higher than comps indicate and much higher than surrounding, competing counties.

The rural buffer consists of approximately 38,000 acres of land that was established in 1986. At the time Chapel Hill and Carrboro wanted to prevent urban sprawl and came together to create the urban growth boundary. The area is preserved for low-density residential uses of 1-2 dwellings per acre. This boundary separates Chapel Hill and Carrboro from Hillsborough and the EDD's and CITAN's to the north.

Since the mid-1980's, several attempts to define water and sewer service boundaries for Orange County and the municipalities of Chapel Hill, Carrboro and Hillsborough have been undertaken. In 1994, a Task Force was formed consisting of elected officials from Carrboro, Chapel Hill, Hillsborough and Orange County, as well as two members of the Orange Water and Sewer Authority Board of Directors. The Purpose of Water and Sewer Boundary Agreement was to provide a comprehensive, county-wide system of service areas for future utility development and interest areas for dealing with private water and wastewater system problems in areas without public water and sewer service. To complement growth management objectives, land use plans and annexation plans in existing agreements, such as the Orange County-Chapel Hill-Carrboro Joint Planning Agreement and Joint Planning Area Land Use Plan; to resolve in advance and preclude future conflicts about future service areas and annexation areas, to provide for predictable long-range water and sewer capital improvement planning and financing, and to provide for limitations on water and sewer service in certain areas, as defined. Primary and Long-Term Interest service areas have been established and that dictate which service providers can serve certain areas within the county. Any proposed adjustments to these areas requires a lengthy process and signatures from all parties on the agreement.

WATER SEWER MANAGEMENT PLANNING AND BOUNDARY AGREEMENT MAP



General County Utility Background

Timmons Group worked with the existing utility service providers that provide water and sewer services to Orange County to assess the current conditions relative to serving the EDD's and CITAN's. Following is a summary of these investigations. Please note the summary was developed from information provided by the service providers and open public sources.

Town of Hillsborough

- The team met with Kenny Keel, former Town Engineer. Regarding the Hillsborough EDD, a report completed by McAdams Engineering that had been provided showed 700,000 gallons per day sewer flow for the sewer improvements currently under design to cross I-40 at Old NC Hwy 86. However, this number represents the amount of flow that can be carried in the 16" interceptor that will receive the flows from the Hillsborough EDD area. Due to other allocations, and somewhat limited treatment capacity, the Town would have concerns over any new flows greater than 200,000 gallons per day. This is a similar number for water capacity.
- Also, Mr. Keel felt that the smaller sites throughout Hillsborough would be able to handle smaller flows, and water and sewer utilities were present either at, or adjacent to, each site.
- Hillsborough has limitations, especially regarding sewer treatment capacity, that would require additional evaluation to determine whether true capacity is available for a "wet" type industry.

City of Mebane

- The team met with Franz Holt, City Engineer. Like Hillsborough, sewer treatment capacity will be a constraint. Mebane is a high growth area, and with current and pending sewer allocations, sewer treatment capacity is becoming more limited. The City would have concerns over any proposed flows greater than 200,000 gallons per day. Water may have less of a constraint, but we assumed a similar number for water capacity for this analysis. A new pump station is going to be under construction on W. Ten Road which will provide additional capacity near Efland. A flow tracking spreadsheet from the City was provided that lists existing station capacities near the Buckhorn EDD.
- Orange County currently has an agreement in place with the City of Mebane that allows a 250,000 gpd capacity. It is unclear if the flows associated with Morinaga need to be subtracted from the total capacity.
- Mebane has water mains that extend near or on the Buckhorn EDD and CITAN sites. Orange-Alamance Water System has water mains near Efland, but the system is not pursuing adding high-usage customers. Water main extensions from Mebane may be required for the Efland sites, particularly for fire flows.

City of Durham DWM

- The team met with Bryant Greene, an Engineer with Durham DWM. When the Eno Outfall is upgraded, the City of Durham will have significant sewer capacity adjacent to the Eno EDD. Soon, significant water capacity will be available once a SCADA improvement project has been completed.

Water Supply

- 12" water main interconnection between Durham and Hillsborough
- Water supply is not a concern – primary purpose for interconnection is emergency supply
- The interconnection does have a few customers so there is water turnover in the main
    - Interconnection is in the Durham water system high pressure (700') zone
    - SCADA integration project for fire flow will increase flow
    - Existing Hillsborough interconnection station

Sewer Capacity

- Not setting any meters in Eno EDD (and vicinity) until December 2018 due to pending Eno Outfall improvements
    - ENO Outfall in design – 90% plans nearly complete
    - Current Eno EDD sewer improvements are only 8" dia.
    - Planned improvements will provide approximately 200,000-gallon capacity
        - Anticipated bid in Spring (March) 2018
- Projects in the Eno EDD can be designed, permitted, etc.; just cannot set meter until Dec. 2018
- WTP & WWTP will have plenty of capacity for 1 MGD water/sewer
- Durham would probably request detailed information above 500,000 gpd for flows
- The sewer mains that flow to the Eno outfall are 8" which will not handle 500,000 gpd – new infrastructure would be needed
- Will likely need to bypass existing pump station(s) upstream of the Eno Outfall, by installing a new regional station if 1 MGD capacity is required. Flows currently go to Cedar PS then to Sparger PS, then to Rivermont PS then Eno Outfall.
- Existing pump stations do not have capacity for flow for full buildout of Eno EDD (est. 1MGD) ~ likely about 200,000 gpd.

Orange Water and Sewer Authority (OWASA)

- OWASA's systems are not adjacent to the EDD/CITAN sites. However, OWASA may have available water and sewer capacity that may warrant additional evaluation should the County move forward with a Countywide Water and Sewer study. Based on open public sources (http://www.owasa.org/), OWASA's plant capacities are as follows:
- Jones Ferry WTP: 20 MGD Capacity with usage of approximately 6.5 MGD as of the date of this report
- WWTP: 14.5 MGD

UTILITY SUMMARY TABLE

EDD	Water Provider	Water Capacity (MGD)[1]	2016 Avg. Daily Water Demand (MGD)[1]	Available Capacity to the Site (MGD)	Sewer Provider	Existing Sewer Capacity
Buckhorn EDD	City of Mebane	6	1.584	0.2	City of Mebane	250,000 GPD*
Eno EDD	City of Durham	37.9	27.707	1.0	City of Durham	100,000 GPD**
Hillsborough EDD	Town of Hillsborough	3.093	1.468	0.2	Town of Hillsborough	108,000 GPD***

* Current agreement, could possibly be increased

** Final Design Approved - Construction Scheduled for March 2018 - complete by Oct 2019

*** Preliminary Design Phase - Construction Scheduled for September 2018 - Complete August 2019

1 Permitted water and sewer capacity and 2016 average daily water demand per NC Local Water Supply Plan, actual availability to specific sites are still being determined.

CITAN	Water Provider	Water Capacity (MGD)[1]	2016 Avg. Daily Water Demand (MGD)[1]	Available Capacity to the Site (MGD)	Sewer Provider	Existing Sewer Capacity
Buckhorn CITAN	City of Mebane	6	1.584	0.2	City of Mebane	2.5
West Efland CITAN	Orange-Alamance Water	2.0492[2]	[2]	-[5]	Efland Sewer	
East Efland CITAN	Orange-Alamance Water	2.0492[2]	[2]	-[5]	Efland Sewer	*
Hillsborough CITAN	Town of Hillsborough	3.093	1.468	0.2	Town of Hillsborough	3.0
Hillsborough CITAN	Town of Hillsborough	3.093	1.468	0.2	Town of Hillsborough	3.0
US 70 / Cornelius	Town of Hillsborough	3.093	1.468	0.2	Town of Hillsborough	3.0

*Construction to start August 2018 - Construction Finished December 2019

1 Permitted water and sewer capacity and 2016 average daily water demand per NC Local Water Supply Plan, actual availability to specific sites is still being determined.

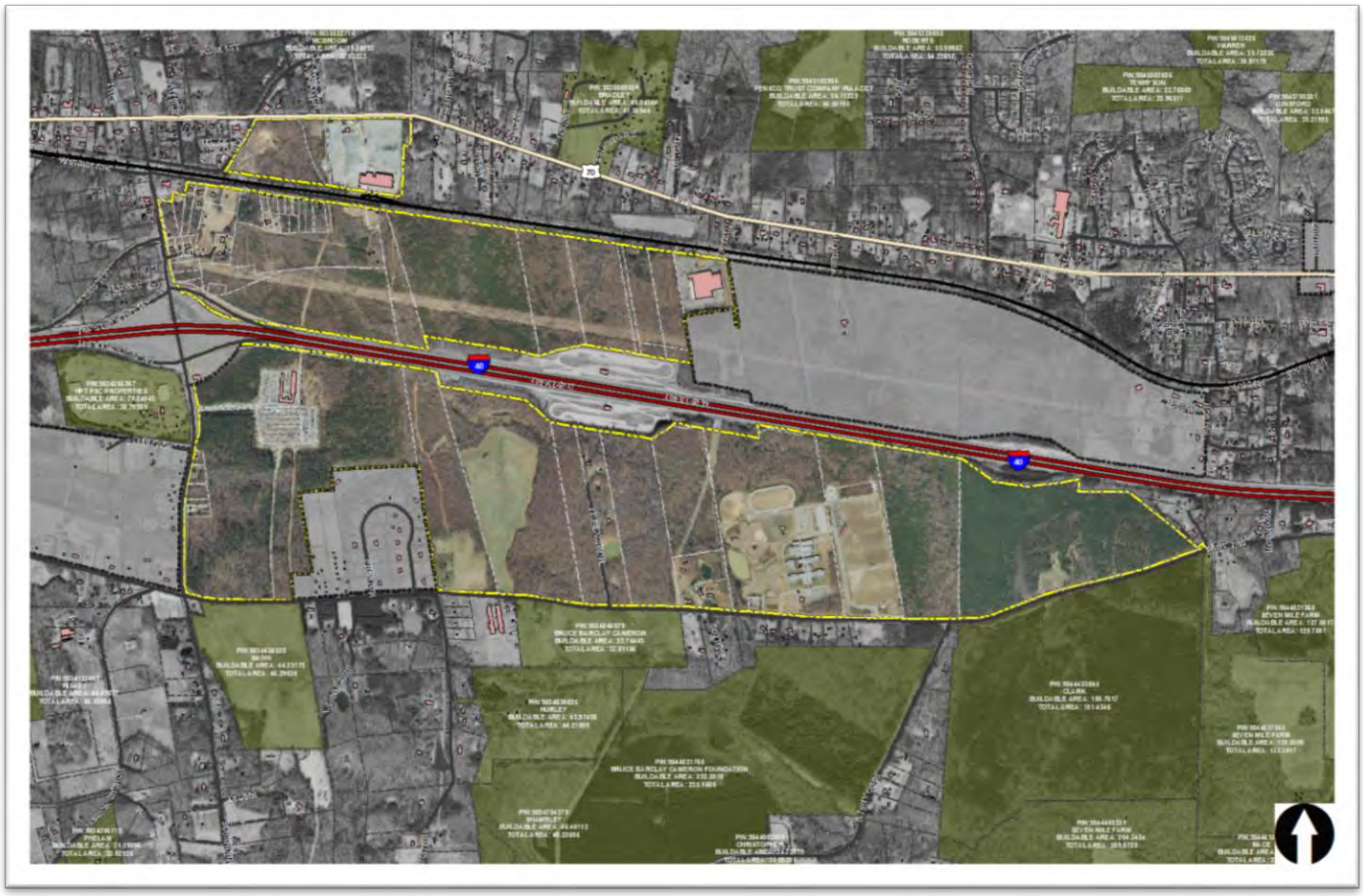
2 Capacity per NC Local Water Supply Plan; Plan also states that "any growth area Orange-Alamance might have had at one time, the cities of Mebane, Graham and Town of Swepsonville would now supply with water and sewer".

SITE SUMMARY TABLE

	Total Area (Ac)	Total Parcels	Largest Parcel (Ac)	Developable Area (Ac)**	Zoning	Watershed Restrictions	Road Dist to Interstate Interchange (#)
Buckhorn EDD	900	89	108.33	298	EDB-2	None	I-85, Exit 157
Eno EDD	776	129	51.65	35	EDE-1, EDE-2	70% ISA	I-85, Exit 163
Hillsborough EDD	703	56	106.41	83	EDH-1,2,4,5	None	I-40, Exit 261
Buckhorn CITAN	719	144	55.3	83	AR, O/RM, R1, PDHR1	70% ISA	I-85, Exit 157
West Efland CITAN	242	17	48.32	52	R1	70% ISA	I-85, Exit 157
East Efland CITAN	433	152	91	79	R1, R3, AR, I1, I2, O/RM, NC2, LC1	70% ISA	I-85, Exit 161
Hillsborough CITAN	4	1	4	2	R1	50% ISA	0.4 Miles to I-85
Hillsborough CITAN	46	3	32	30	PD-0I, GC4	50% ISA	0.8 Miles to I-85
US 70 / Cornelius	44	64	5.87	30	GC, R-10, MF, R-20	None	3 Miles to I-85

** Developable area based on vacant and or known available lands greater than 5 acres without environmental constraints,

BUCKHORN EDD SUMMARY



Area Summary

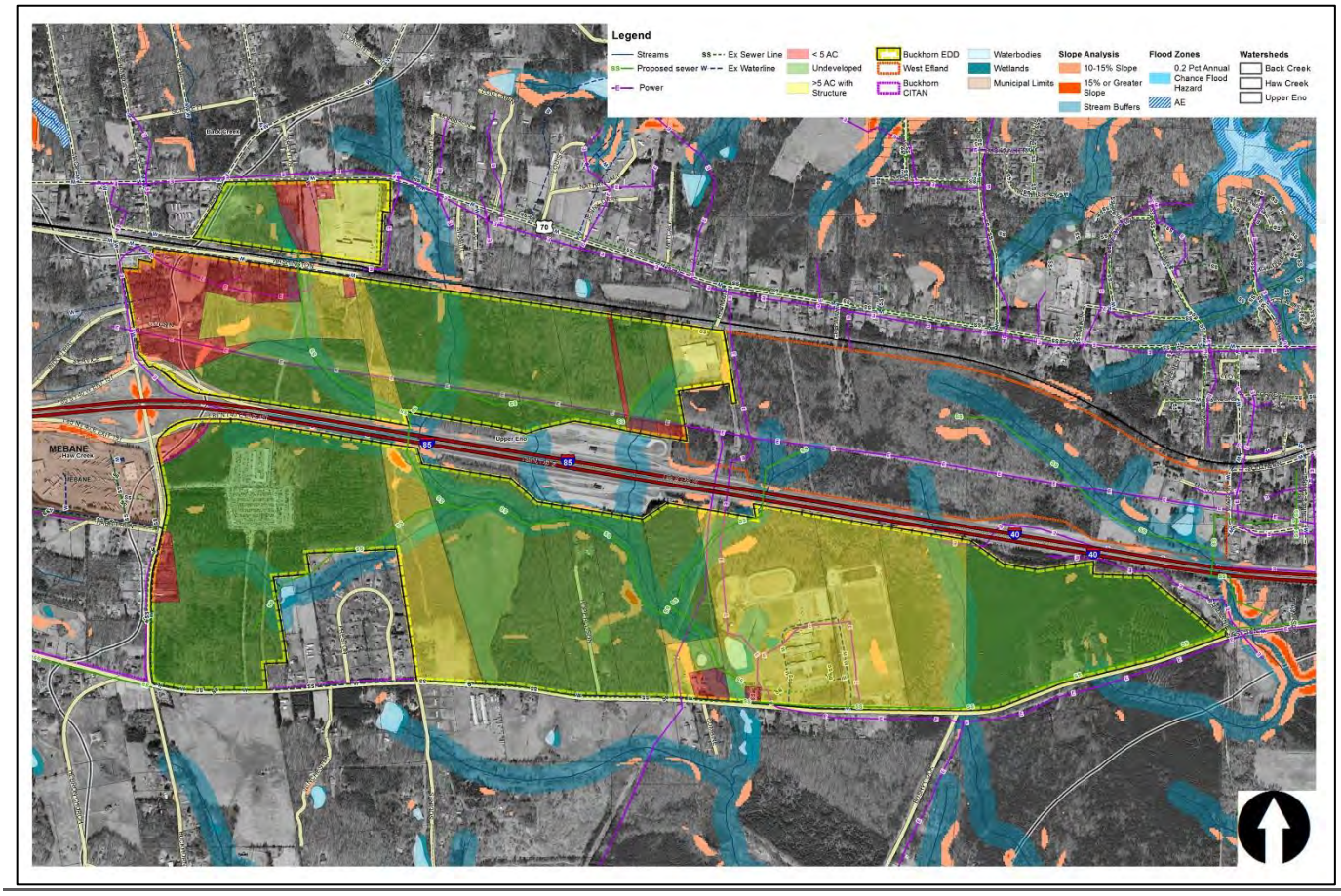
The Buckhorn EDD is located along the western portion of the county east of exist 157 on Interstate 85/40. Approximately 70% of the land area within the district is on the south side of the Interstate with the other 30% located north of the intersection. Norfolk Southern operates a section of rail that crosses through the parcels north of the Interstate. The sites appear to able to be rail served however a detailed study would need to be conducted to verify that proper grades and slopes can be maintained.

From an industrial development perspective, the Buckhorn EDD site has good overall size, and has mild slopes and medium environmental constraints. However, the area does include several residential properties, a school, and soccer facility. The largest tract and best area for future development appears to be the flea market site however the price per acre exceed that of comparable land costs making financial models difficult to absorb.

Buckhorn EDD				
Description	Parcels	Total Acres	Environmental coverage	Dev. Acres
Parcels Less than 5 Acres	49	57.32	6.89	50.43
Parcels Greater than 5 Acres with Structures	9	234	46.63	187.37
Available Parcels and Parcels Greater than 5 Acres without Structures	15	483.66	88.18	395.48
Totals	73	774.98	141.7	633.28
Total Developable Acres (POD) = 298 Acres				

Summary of Wet Utility Infrastructure

The City of Mebane provides water and sewer service within the Buckhorn EDD. Phase I and II infrastructure improvements completed by Orange County brought water and sewer service down West Ten Road to connect to Mebane's water and sewer system. The improvements follow via a gravity system to the



Gravelly Hill Pump Station. Phase II extensions have been designed and approved to extend the service further east to a new Stephanie Creek Pump station which will tie back to the west via a new 10" force main. Sewer service for the parcels north of the Interstate are proposed with Phase III and IV improvements in the 2016-2021 CIP. Water service runs along West Ten Road and along Buckhorn Road and Highway 70.

Summary of Dry Utility Infrastructure

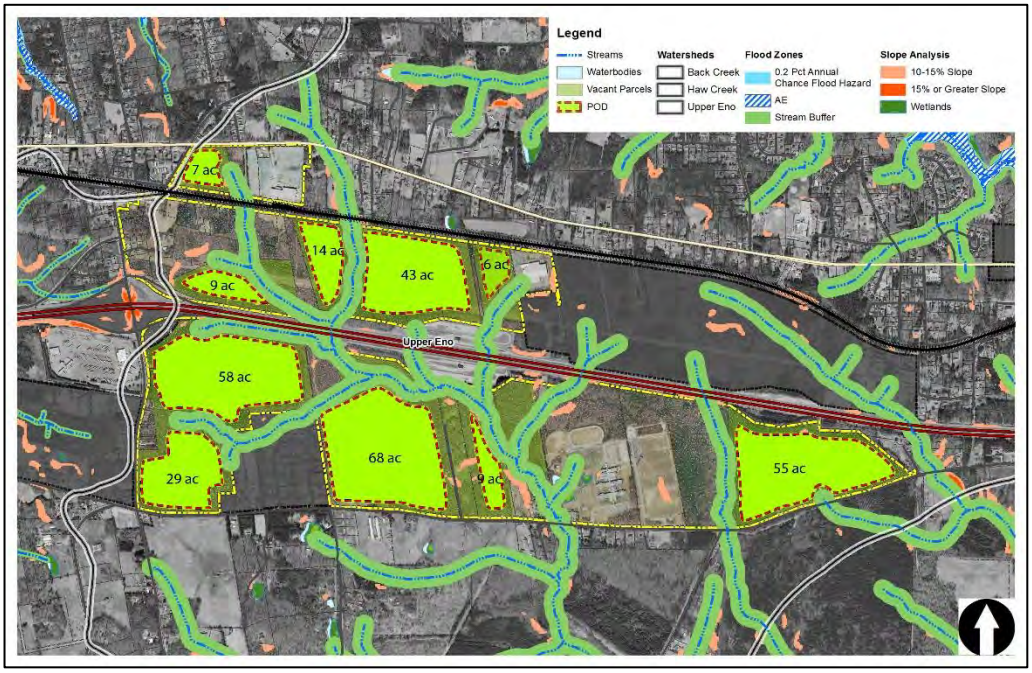
Currently, the site is serviced by Duke Energy and PEMC. There is a large 44Kv transmission line along the north side of the Interstate that bisects many of the sites. PEMC offers many lines along West Ten Road

and Buckhorn Road. PSNC Energy has natural gas lines running north to south across the flea market property. PSNC Energy at the time of application utilizes tariffs, rules & regulations, and project feasibility model (PFM) to determine if any cost in aid of construction (CIAC) is required of the customer. Telecommunication is provided by Cogent, Time Warner and EarthLink.

Summary of Transportation and Access

The primary access to the site would be from Exit 157 off Interstate 85/40 onto Buckhorn Road. The current structural integrity of this road is unknown and may require upgrades to the road for long-term development; however, the road appears to be in good condition. The southern parcels are accessed from West Ten Road whereas the northern sites are difficult to access from Highway 70 because of the rail corridor that bisects the sites from 70. A future access from Buckhorn Road could provide better access to most of the parcels in this area.

Road Map

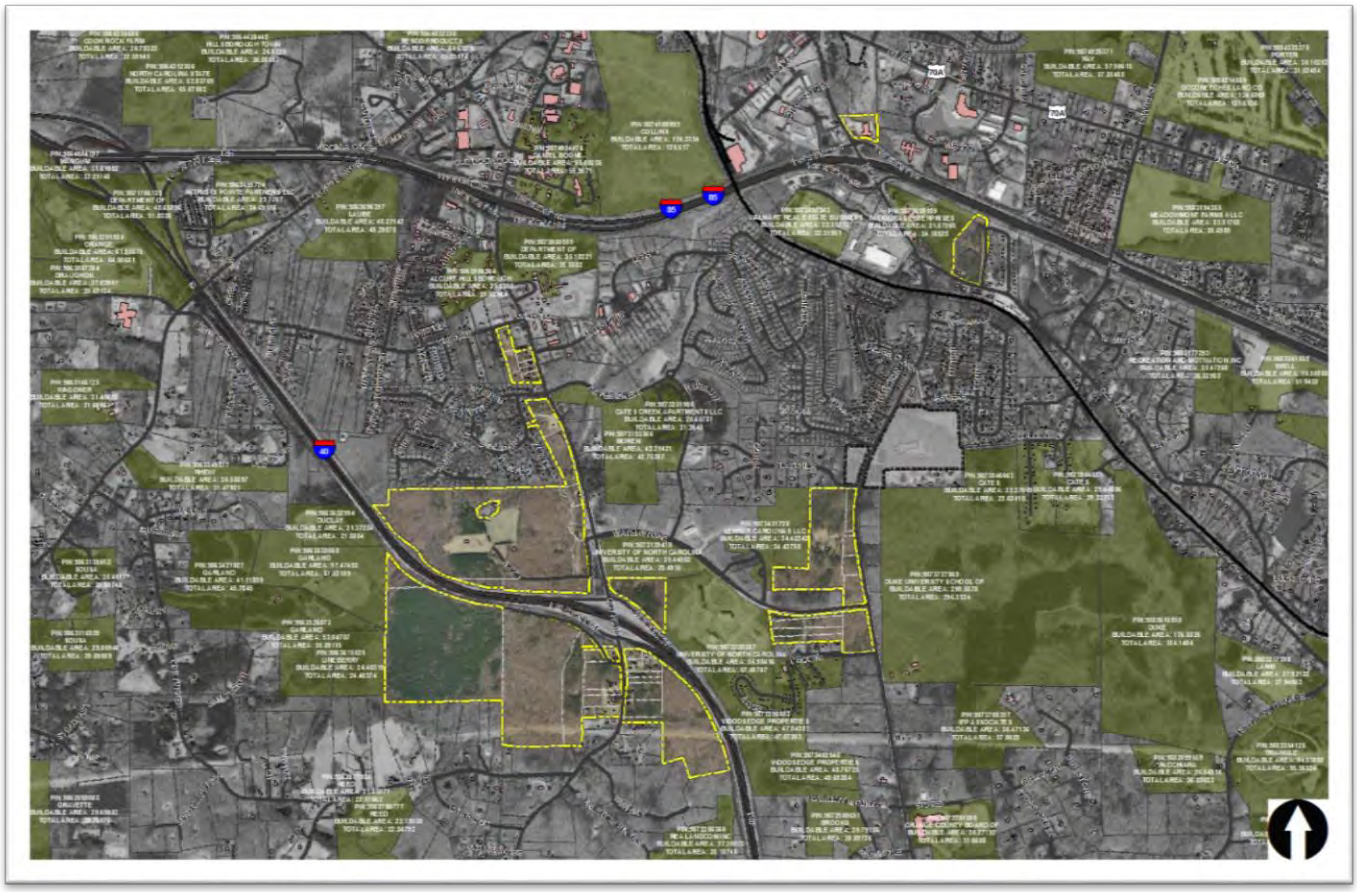


This area appears to be the best opportunity for growth as the amount of larger and available parcels exceed that of the other districts. We strongly recommend a comprehensive preliminary engineering report be performed to assess the following on the site: the current and future developability of this site; the possible state of the existing infrastructure and any necessary upgrades, or due diligence for the future use of the site.

NEXT STEPS:

- Work with Flea Market property owner on land price vs comparable land sales
- Complete due diligence items for available properties
- Work with the City of Mebane to increase water and sewer capacity availability

HILLSBOROUGH EDD



Area Summary

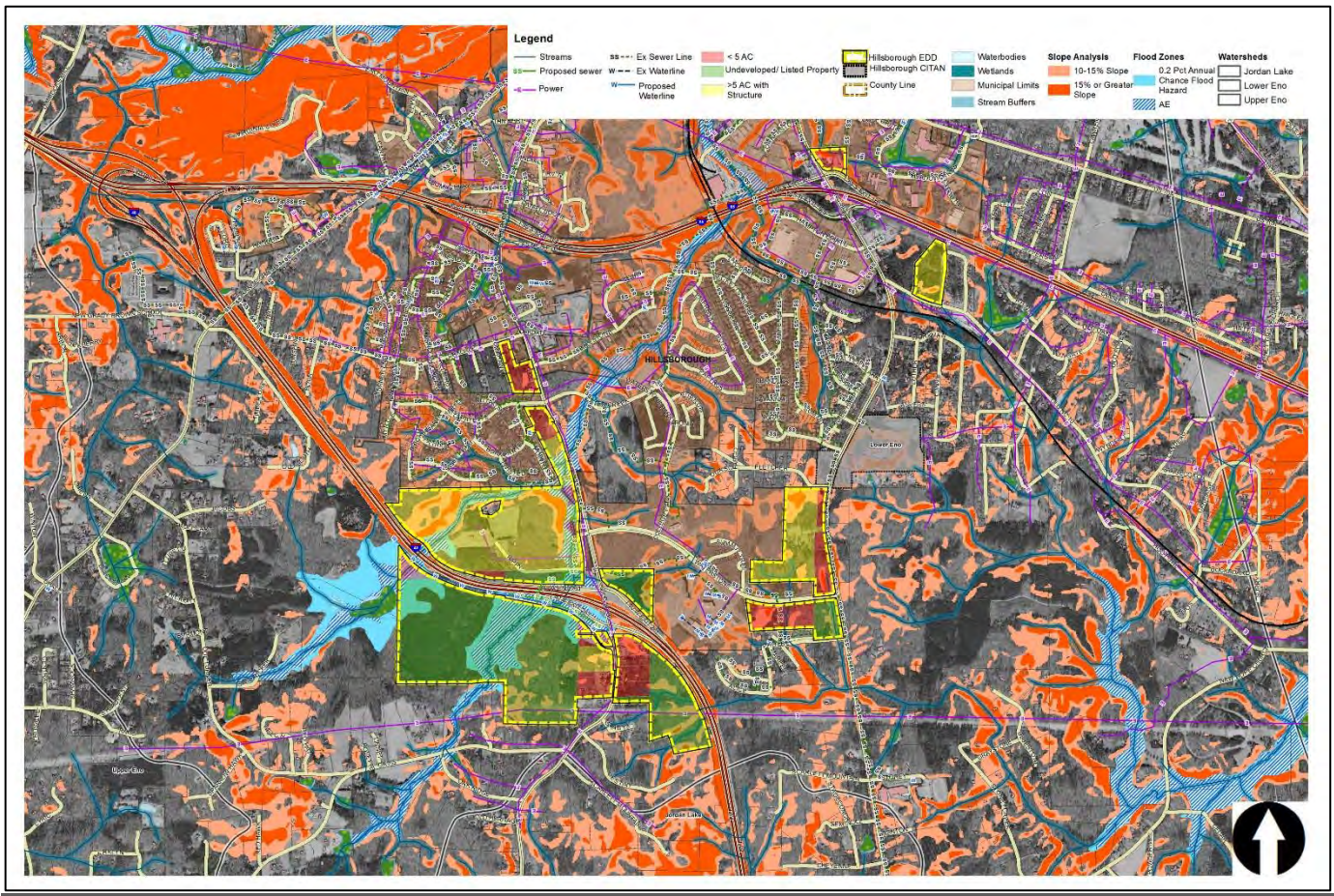
The Hillsborough EDD is in the central portion of the county. The parcels that make up Hillsborough EDD are primarily located along both sides of Exit 261 on Interstate 40. There are a few parcels scattered north along Old NC 86, off Waterstone Dr and off of Exit 165 on Interstate 85. Approximately 50% of the land area within the district is on the south side of Interstate 40 with the other 50% located north of Interstate 40. A section of rail runs just south of the parcels off Exit 165 on Interstate 85. The sites do not appear to be able to be rail served.

From an industrial development perspective, the Hillsborough EDD has good overall size, and has mild slopes and medium environmental constraints. The larger parcels contain flood plains and streams. The area does include several residential properties along Old NC 86 which is the main access to the larger buildable tracts. The largest tract north of Interstate 40 provides the best area for future development but appears to be residential. Waterstone Drive could be extended to provide access and a grand entrance.

Hillsborough EDD				
Description	Parcels	Total Acres	Environmental coverage	Dev. Acres
Parcels Less than 5 Acres	43	83.48	25.77	57.71
Parcels Greater than 5 Acres with Structures	6	170.49	63.9	106.59
Available Parcels and Parcels Greater than 5 Acres without Structures	7	225.45	82.34	143.11
Totals	56	479.42	172.01	307.41
Total Developable Acres (POD) = 83 Acres				

Summary of Wet Utility Infrastructure

The Town of Hillsborough provides water and sewer service within the Hillsborough EDD. There is a 16” waterline that runs down Old NC highway 86 and crosses under Interstate 40 that can provide service to the sites south of the Interstate. A 12” waterline supplies water down Waterstone Drive and along many of the parcels north of the Interstate. Gravity sewer exists north of Interstate 40 that flows to the treatment



plant to the north. Plans have been developed to bore and jack an extension of the sanitary sewer system by installing a 16" sewer service to serve sites south of the Interstate. This is critical in getting sewer service for the larger tracts on the southwest quadrant of the intersection.

Summary of Dry Utility Infrastructure

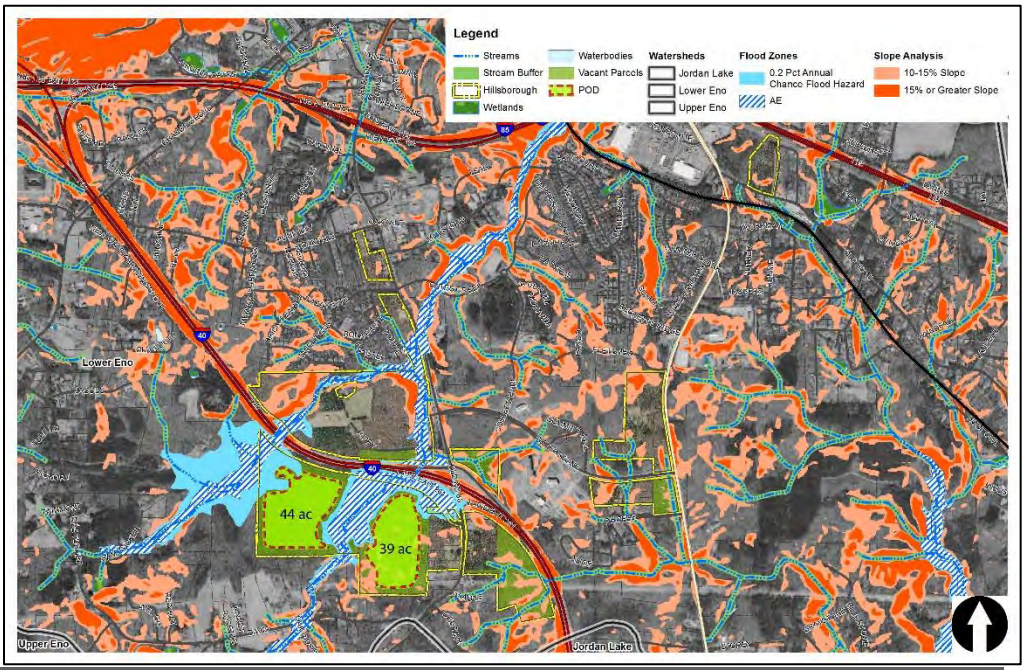
Currently, the site is serviced by Duke Energy and PEMC. Duke operates a 12Kv line along Old NC 86 and a 12Kv line along Waterstone Drive. PEMC has several services throughout the sites north and south of the Interstate. PSNC Energy has natural gas lines running through or near the district. PSNC Energy at the time of application utilizes tariffs, rules & regulations, and project feasibility model (PFM) to determine if any cost in aid of construction (CIAC) is required of the customer. Telecommunication is provided by Cogent, Time Warner and Level 3.

Summary of Transportation and Access

The primary access to the sites would be from Exit 261 off Interstate 40 onto Old NC 86. The current structural integrity of this road is unknown and may require upgrades to the road for long-term development; however, the road appears to be in good condition. The parcels south of Interstate 40 will require access through existing residential sites. The large parcel north of Interstate 40 can be accessed by extending Waterstone Dr, making a grand entrance.

Road Map

The extension of sewer to the south side of Interstate 40 will provide a great opportunity and open service to approximately 80 acres of buildable land that is split by the existing floodplain. The residential property on the northwest quadrant should be an area of focus as to the availability of the property to be considered for future development. With existing water and sewer service along Old NC 86, minimal site constraints, and the

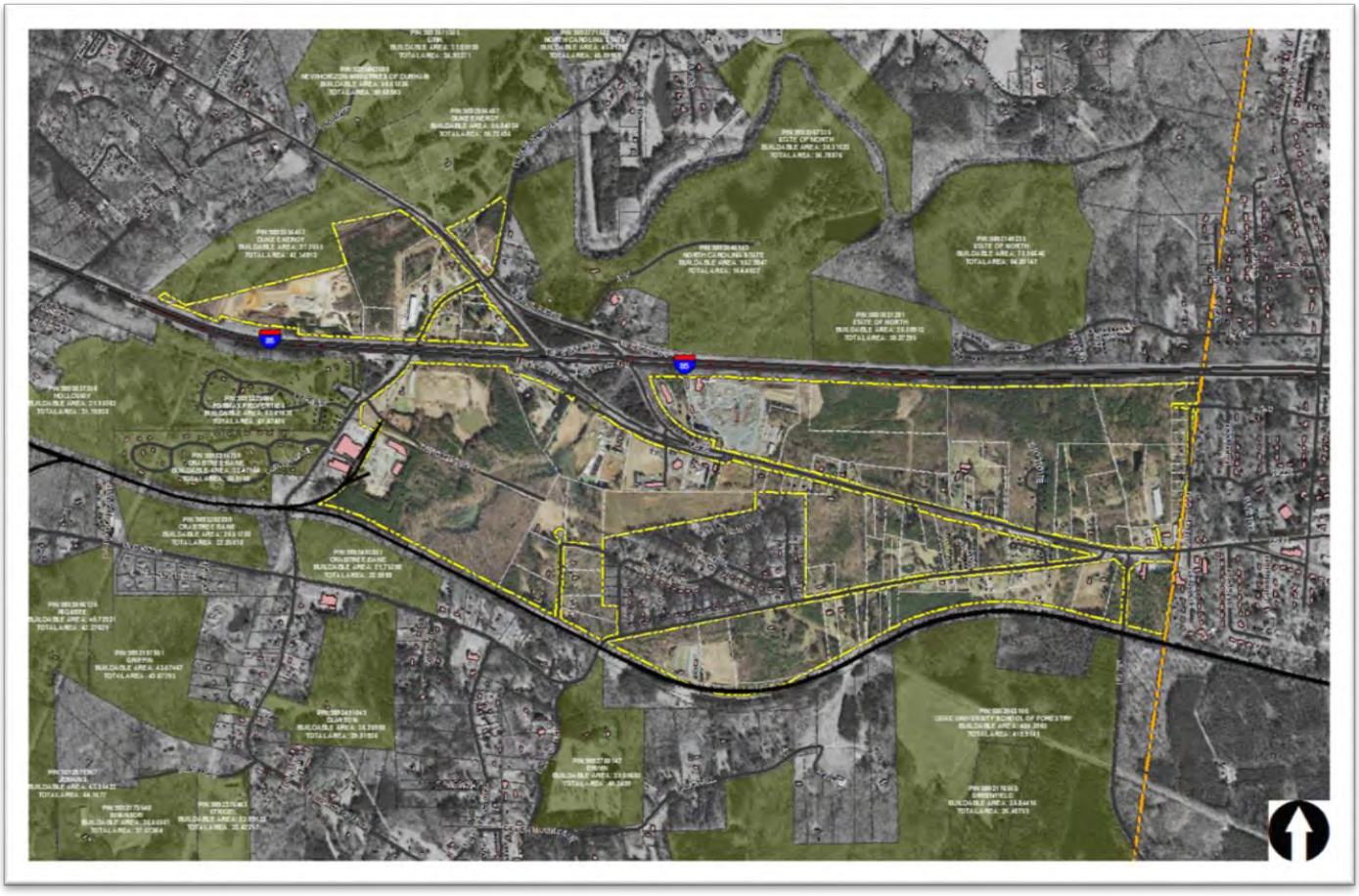


aesthetic appearance being located across the street from Waterstone, we see this as a nice opportunity that needs to be further explored. With the location of the stream and floodplain along 86, next steps would be to complete an environmental investigation if the owner is willing to consider future opportunities.

NEXT STEPS:

- Meet with land owner for property on northwest quadrant to determine willingness to sell
- Extend sewer south of Interstate 40
- Complete Due Diligence items such in order to achieve Tier 4 status

ENO EDD



Area Summary

The ENO EDD is located along the eastern portion of the county south of Exit 170 on Interstate 85. Approximately 85% of the land area within the district is on the south side of the Interstate with the other 15% located north of the Interstate. Norfolk Southern operates a section of rail that runs along the southern boundaries of the parcels south of the Interstate. There are a few sites along the rail that appear to able to be rail served however a detailed study would need to be conducted to verify that proper grades and slopes can be maintained.

From an industrial development perspective, the ENO EDD parcels are smaller in size compared to the other sites, and has mild slopes and many environmental constraints. The area is more densely developed with residential, commercial and industrial properties than the other two EDD's. The largest tract and best area for future development appears to be vacant however the streams along the Highway 70 frontage makes it difficult to access the rest of the site. The aesthetic appearance of this district is a lot different than that of the other EDD's and with the small site size this area may be best suited for smaller scale commercial and industrial users.

ENO				
Description	Parcels	Total Acres	Environmental coverage	Dev. Acres
Parcels Less than 5 Acres	96	141	20.84	120.16
Parcels Greater than 5 Acres with Structures	23	338.33	64.5	273.83
Available Parcels and Parcels Greater than 5 Acres without Structures	10	122.48	19.68	102.8
Totals	129	601.81	105.02	496.79
Total Developable Acres (POD) = 35 Acres				

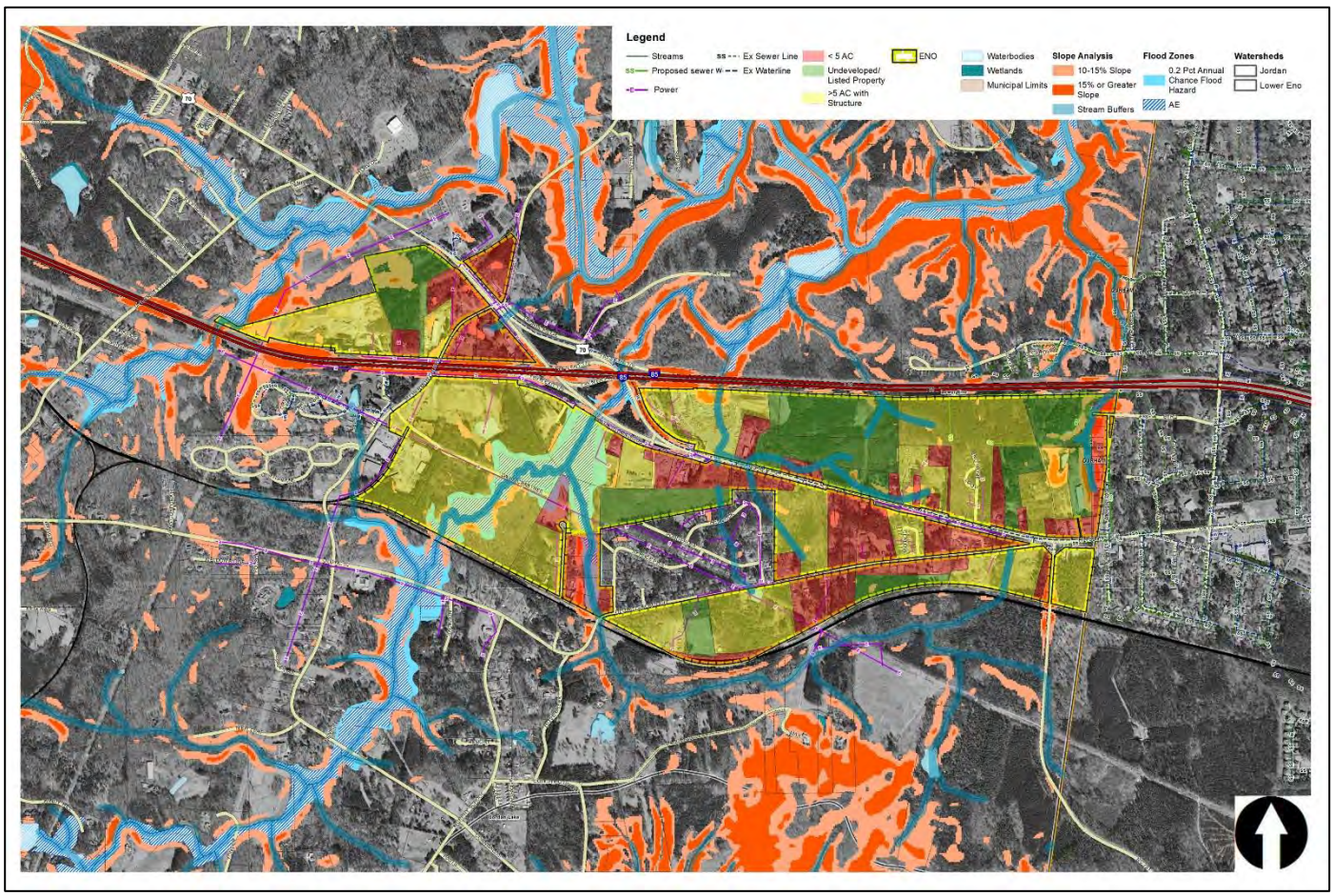
Summary of Wet Utility Infrastructure

There is an existing 12" and 16" water main along US 70 through the entire length of the district. Flow tests provided by others indicates that the fire flows appear to be in the range of 1500 and 2000 gallons per minute per 20 psi which can typically support buildings if they are contain fire suppression systems. Fire pumps and storage tanks could be an option where fire flow demands can't be met. Currently, the only sanitary sewer located near the district is at the southeast on US 70. There are plans that have been designed and permitted by others that will extend the existing gravity service to provide sewer service to

approximately 100 acres on the northeast corner of the district. Of the 100 acres approximately 15 acres are covered with environmental features leaving approximately 85 acres of buildable land; however, many of the lands are not for sale or have been previously built upon. A plan prepared by CDM Smith proposed a wastewater system both gravity and force main to be installed along US 70 to provide service to the entire district. This extension would help to serve the larger tracts of land in the western portion of the district that has rail and less residential therefore may be the best options within the district.

Summary of Dry Utility Infrastructure

Currently, the site is serviced by Duke Energy and PEMC. There is a large 44Kv transmission line that bisects a portion of the district running from east to west. Duke also operates a 24Kv line along US 70. PEMC offers service to some of the residents on the south side of the district as well as some of the larger parcels on the western part of the district. PSNC Energy has natural gas lines running through or near the district. PSNC Energy at the time of application utilizes tariffs, rules & regulations, and project feasibility



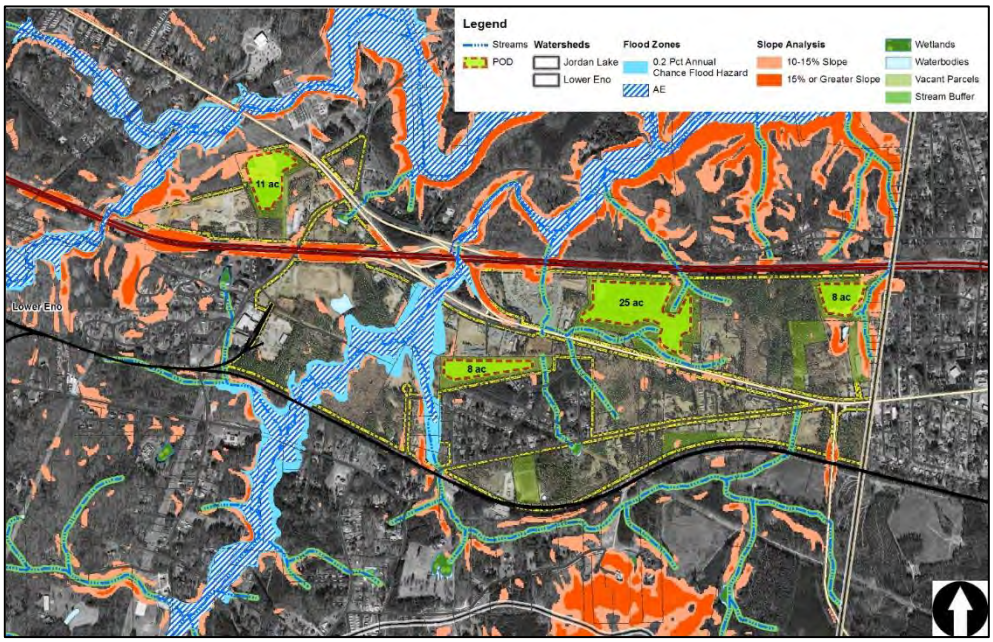
model (PFM) to determine if any cost in aid of construction (CIAC) is required of the customer. Telecommunication is provided by Piedmont EMC, Time Warner and EarthLink.

Summary of Transportation and Access

The primary access to the site would be from Exit 170 off Interstate 85 onto Highway 70. The current structural integrity of this road is unknown and may require upgrades to the road for long-term development; however, the road appears to be in good condition. Vehicles entering the district from Interstate 85 may need to make a U-Turn to access the district as the Interstate exit is not designed in such a way to provide a smooth exit to NC 70. The southern sites may be difficult to access from Highway 70 because of the streams that run along Highway 70.

Road Map

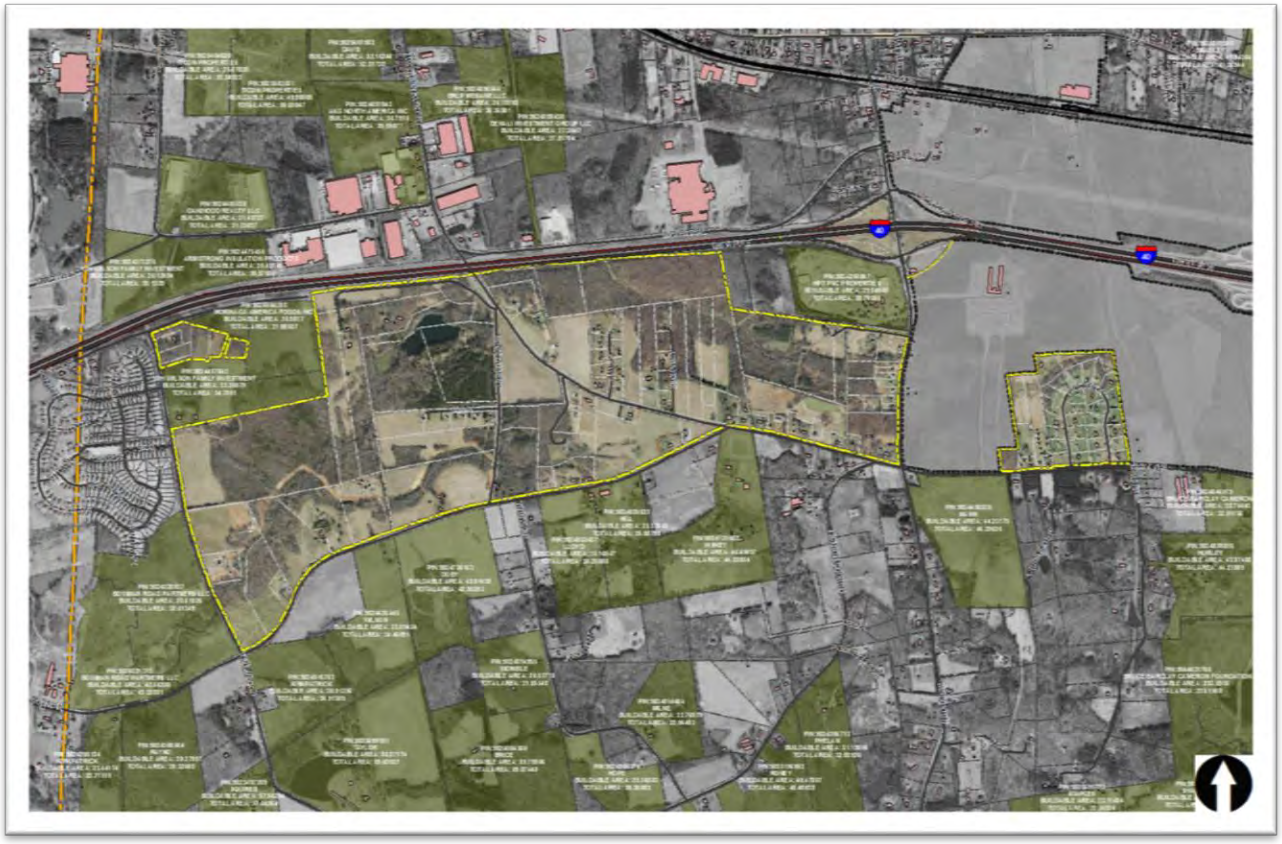
Of all three of the EDD's the ENO EDD has the highest concentration of residential properties within the district. The floodplain and difficulty to access in Interstate presents another challenge to this area. With plans to extend sewer service to the parcels on the northeast the county needs to work with land owners to see if they are willing to sell and relocate residential units if this area is truly going to be considered for economic development.



NEXT STEPS:

- Investigate willingness of key property owners to sell large tracts on western side of district, properties leased to PSNC and former driving range. Although these do not have sewer, long term goals show providing sewer to this area.
- Look at reducing size of the EDD to minimize residential
- Work to develop option to make the US 70 / I-85 interchange more user friendly

BUCKHORN CITAN



Area Summary

The Buckhorn CITAN is located along the western portion of the county between Exits 157 and 154 on Interstate 85/40. The 900 acres tract is located south of Interstate 85/40 along Bowman Rd and W Ten Rd. Approximately 50% of the land area is west of W Ten Rd and 50% of the land area is east of W Ten Rd. The tract does not appear to be able to be rail served.

From an industrial development perspective, the Buckhorn CITAN site has good overall size, and has mild slopes and several environmental constraints. However, the area does include several residential properties and streams runs through much of the site. The largest tract (49 acres) and best area for future development is off Ben Wilson Rd and appears to be vacant. It is located across from the Collington Farms neighborhood.

Buckhorn CITAN				
Description	Parcels	Total Acres	Environmental coverage	Dev. Acres
Parcels Less than 5 Acres	94	142.48	18.27	124.21
Parcels Greater than 5 Acres with Structures	18	230.93	35.19	195.74
Available Parcels and Parcels Greater than 5 Acres without Structures	16	238	49.68	188.32
Totals	128	611.41	103.14	508.27
Total Developable Acres (POD) = 83 Acres				

Summary of Wet Utility Infrastructure

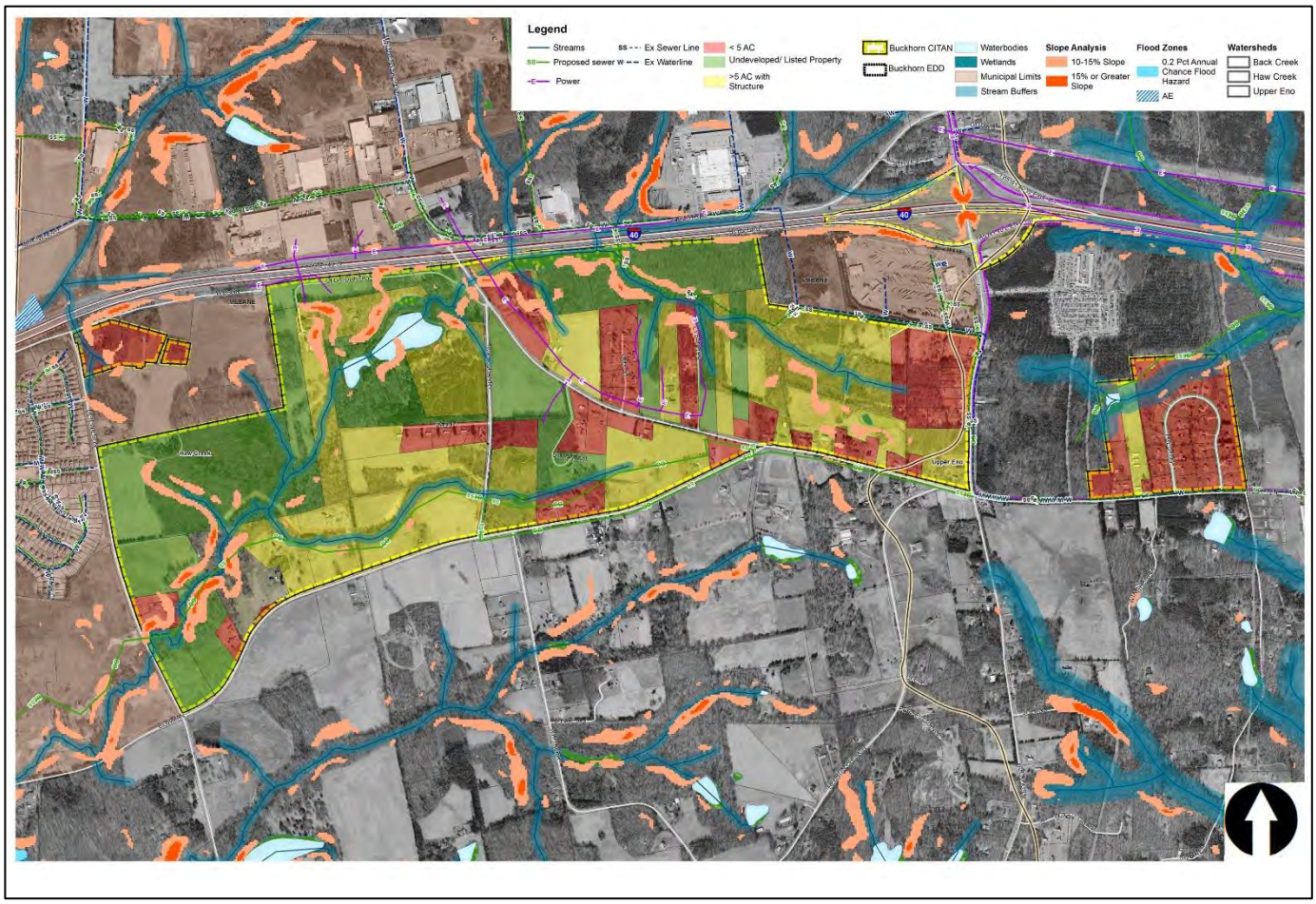
Phase I and II infrastructure improvements completed by Orange County brought water and sewer service down West Ten Road to connect to Mebane's water and sewer system. The improvements follow via a gravity system to the Gravelly Hill Pump Station. Phase II extensions have been designed and approved to extend the service further east to a new Stephanie Creek Pump station which will tie back to the west via a new 10" force main. Water service on the northwest corner of the district was constructed to serve Morinaga, this line could possibly be extended to provide service to other parcels within the district. The residential development on the west side of Bew Wilson road does have water service however there is no current service on the east side of Ben Wilson Road. Water service is also provided to the Petro off Buckhorn Road along the northeast corner of the district.

Summary of Dry Utility Infrastructure

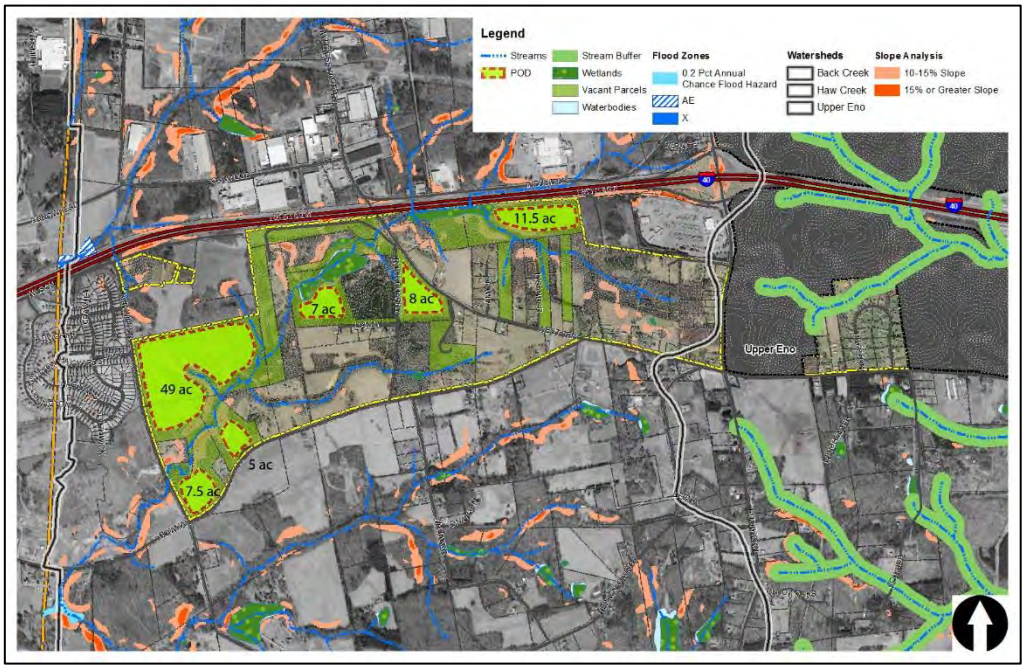
Currently, the site is serviced by Duke Energy and PEMC. There is a 12Kv transmission line along the north side West Ten Road to the west of the intersection with Bowman Road. PEMC offers service along the eastern portion of West Ten Road and along Bowman Road. PSNC Energy has natural gas lines running through or near the district. PSNC Energy at the time of application utilizes tariffs, rules regulations and project feasibility model (PFM) to determine if any cost in aid of construction (CIAC) is required of the customer. Telecommunication is provided by Cogent, Time Warner and EarthLink.

Summary of Transportation and Access

The primary access to the site would be from Ben Wilson Rd or W Ten Rd. The current structural integrity of these roads is unknown and may require upgrades to the road for long-term development; however, the roads appear to be in good condition. The western parcels are accessed from Ben Wilson Road, whereas the eastern sites are difficult to access from W Ten Road because of environmental constraints.



Road Map

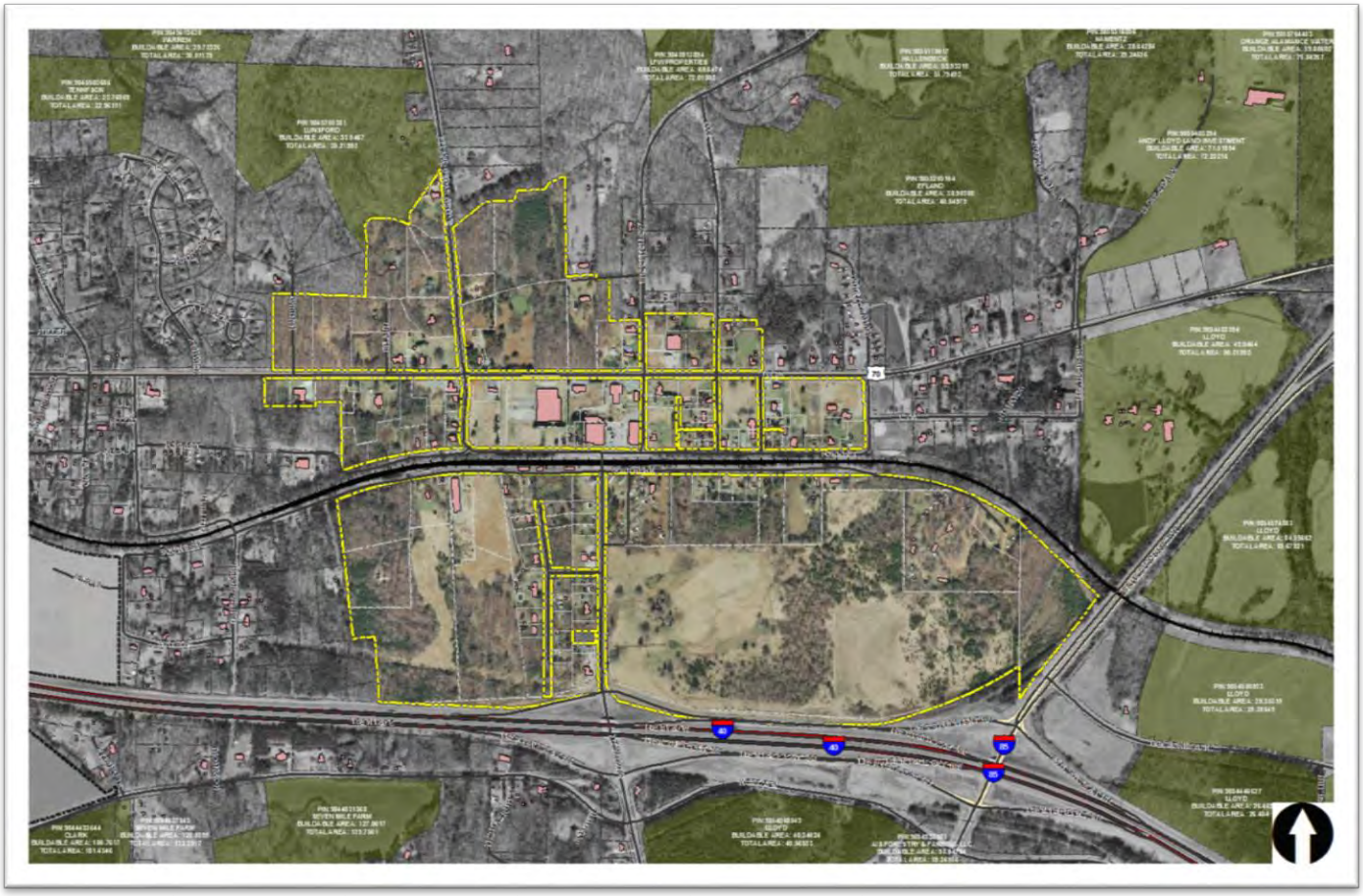


The encroaching residential properties within Alamance County on the west side of Ben Wilson Road appears to be threatening the largest availible tract within the district. Steps need to be taken to prevent this area as well as others from becoming residential development, further limiting tax diversification. Haw Creek limits development footprint size along Bowman Road therefore in order to provide a room to accomidate larger users, the county should consider extending the district boundries to maximize development potential.

NEXT STEPS:

- Work to rezone parcels to protect them from development that is not in the best interest of Orange County and Economic Development staff.
- Secure the land south of Morinaga to prevent from residential development.
- Look to expand water and sewer boundary in the agreement and extend water and sewer boundary south of Bowman Road
- Look for opportunities to extend water service within the district.

EAST EFLAND CITAN



Area Summary

The East Efland CITAN is located along the western portion of the county just east of Exit 160 on Interstate 85/40. Norfolk Southern operates a section of rail that bisects the parcels. The sites appear to be able to be rail served however a detailed study would need to be conducted to verify that proper grades and slopes can be maintained.

From an industrial development perspective, the East Efland CITAN site has good overall size, and has mild slopes and medium environmental constraints. However, the area does include several residential and commercial properties. The largest tract and best area for future development appears to be vacant however the price per acre exceeds that of comparable land costs making financial models difficult to absorb.

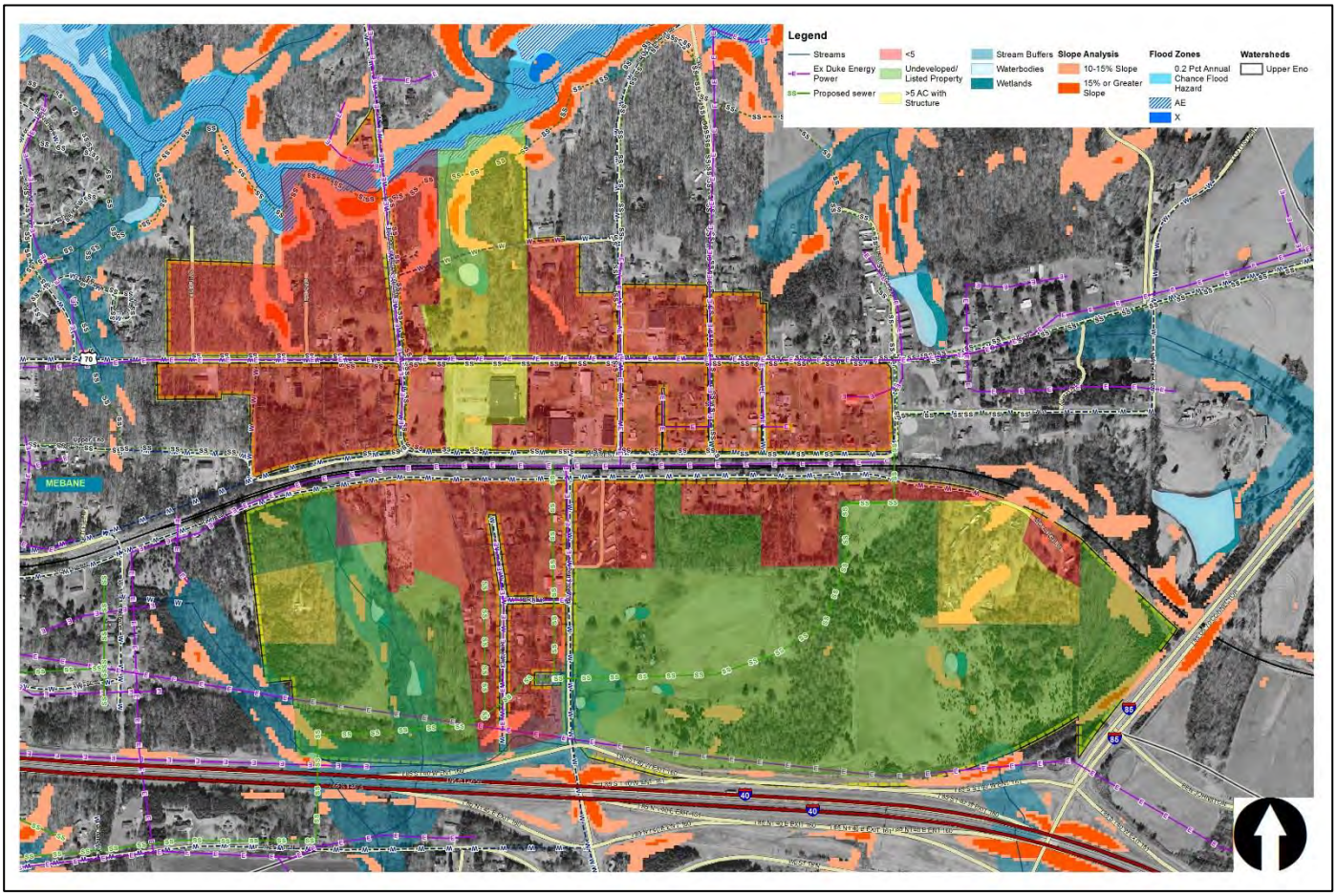
East Efland				
Description	Parcels	Total Acres	Environmental coverage	Dev. Acres
Parcels Less than 5 Acres	135	152.3	14.7	137.6
Parcels Greater than 5 Acres with Structures	5	43.36	9.22	34.14
Available Parcels and Parcels Greater than 5 Acres without Structures	6	142	22.12	119.88
Totals	146	337.66	46.04	291.62
Total Developable Acres (POD) = 79 Acres				

Summary of Wet Utility Infrastructure

Phase II wastewater extensions have been designed and approved to extend the service further east to a new Stephanie Creek Pump station which will tie back to the west via a new 10" force main. Once complete gravity sewer will be installed back to the new pump station, crossing under Interstate 85/40 to provide sewer service within the East Efland CITAN. Currently Orange-Alamance Water provides water service to the district. Orange-Alamance water does not have a desire to grow its service and many of the lines are smaller and do not provide for adequate fire suppression. There have been past discussion of Mebane taking over this system and connecting back to Mebane's system; however, nothing is in place to make this official.

Summary of Dry Utility Infrastructure

Currently, the site is serviced by Duke Energy and PEMC. There is a large 44Kv transmission line along the north side of the Interstate that runs along the frontage. Duke Energy also operates a 12Kv line along US 70 and Mount Willing Road. PEMC offers service along the east side of the district. PSNC Energy has natural gas lines running through or near the district. PSNC Energy at the time of application utilizes tariffs, rules & regulations, and project feasibility model (PFM) to determine if any cost in aid of construction (CIAC) is required of the customer. Telecommunication is provided by Cogent, Time Warner, Level 3, and EarthLink.



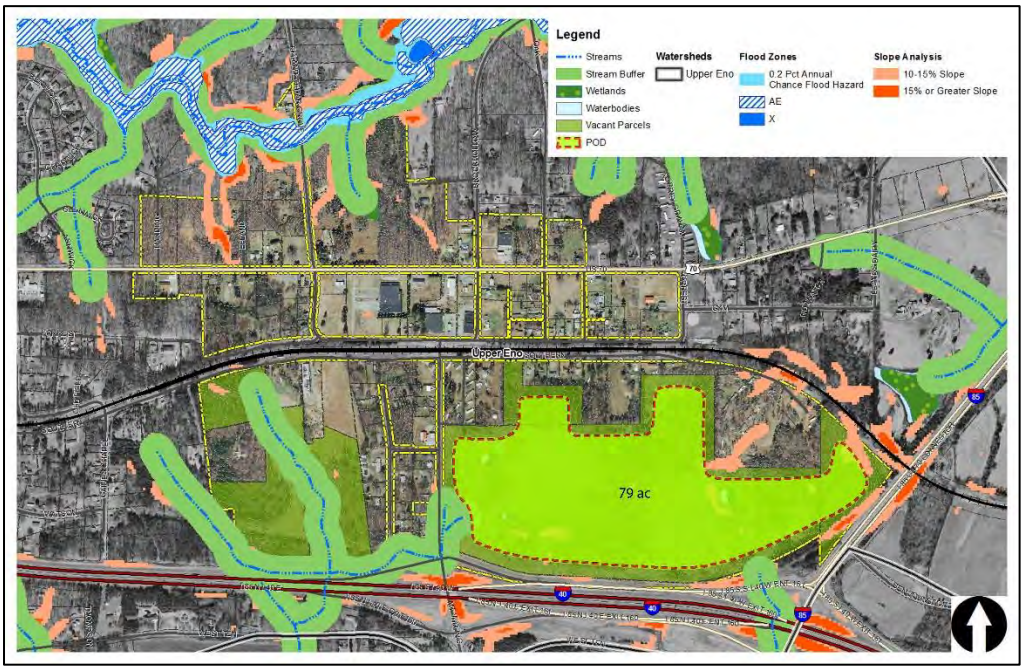
Summary of Transportation and Access

The primary access to the site would be from Exit 160 from Interstate 85/40 onto Mt. Willing Road. The current structural integrity of this road is unknown and may require upgrades to the road for long-term development; however, the road appears to be in fair condition. The northern parcels are difficult to access because of the rail corridor that bisects the sites from 70.

Road Map

The district appears to have one of the largest single land owner opportunities that allows for a buildable area of approximately 80 acres with great Interstate visibility and access. There is a possibility that the site could be served by rail however additional studies would need to be completed to verify if this is possible and feasible. With sewer service extending to this district a discussion needs to be had with

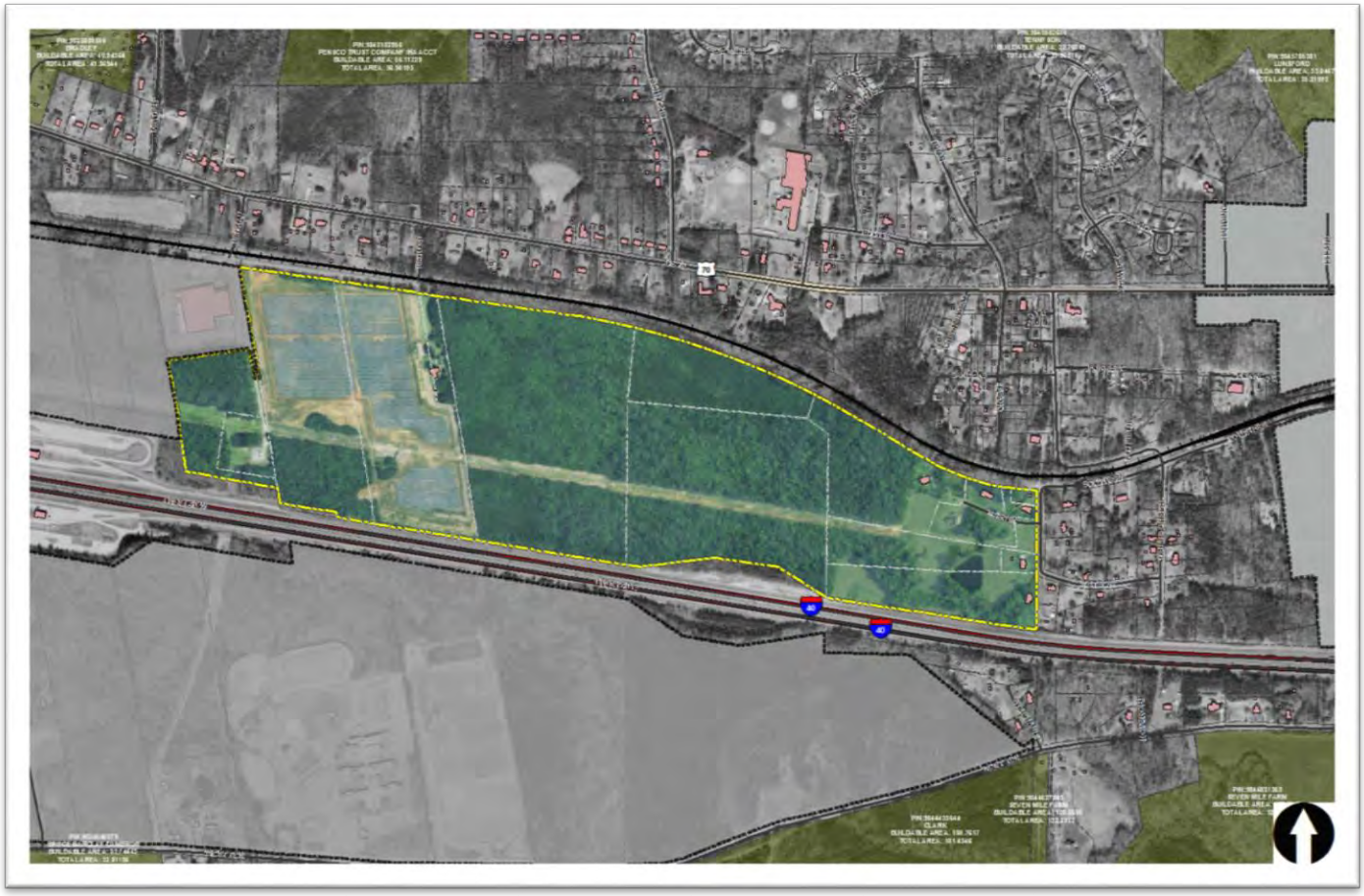
Orange-Alamanece Water to determine available water service. There are several residential properties within the area that could potentially be recombined to create lots large enough to support some good smaller opportunites as the access and visibility within this district is great.



NEXT STEPS:

- Work to provide access from Exit 160 at Ben Johnson Road to extend to the large pod to the west.
- Work with Orange-Alamance Water to expand water availability and service for new users in the area
- Complete due diligence for Tier 4 status for the largest developable properties
- Look into options to support one large user (may require relocation new sewer)

WEST EFLAND CITAN



Area Summary

The West Efland CITAN is located along the western portion of the county east of Exit 157 on Interstate 85/40. Norfolk Southern operates a section of rail that runs along the north of the parcels. The sites appear to be able to be rail served however, a detailed study would need to be conducted to verify that proper grades and slopes can be maintained.

From an industrial development perspective, the West Efland CITAN site has good overall size, and has mild slopes and medium environmental constraints. However, the area does include several residential properties and a solar farm. The largest tract and best area for future development appears to be vacant however the price per acre exceed that of comparable land costs making financial models difficult to absorb.

West Efland				
Description	Parcels	Total Acres	Environmental coverage	Dev. Acres
Parcels Less than 5 Acres	8	12.75	0.37	12.38
Parcels Greater than 5 Acres with Structures	4	77.28	18.76	58.52
Available Parcels and Parcels Greater than 5 Acres without Structures	5	114.77	27.5	87.27
Totals	17	204.8	46.63	158.17
Total Developable Acres (POD) = 52 Acres				

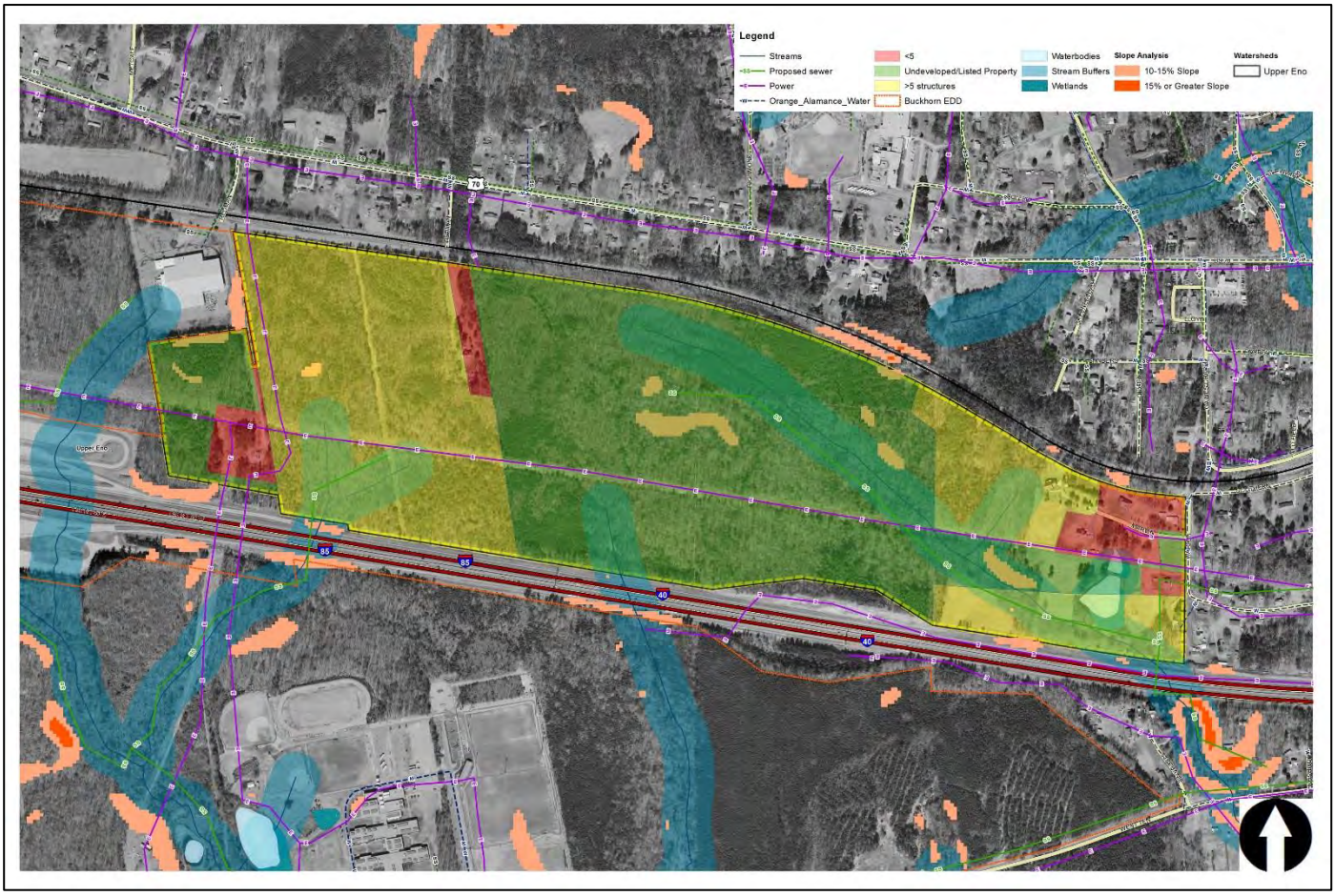
Summary of Wet Utility Infrastructure

Phase I and II infrastructure improvements completed by Orange County brought water and sewer service down West Ten Road to connect to Mebane's water and sewer system. The improvements follow via a gravity system to the Gravelly Hill Pump Station. Phase II extensions have been designed and approved to extend the service further east to a new Stephanie Creek Pump station which will tie back to the west via a new 10" force main. Sewer service for the parcels north of the Interstate are proposed with Phase III and IV improvements in the 2016-2021 CIP. Until these Phase III and IV improvement have been made sewer will not be available to the district. Currently Orange-Alamance Water provides water service to the district. Orange-Alamance water does not have a desire to grow its service and many of the lines are smaller and do not provide for adequate fire suppression. There has been past discussion of Mebane taking over this system and connecting back to Mebane's system; however, nothing is in place to make this official.

Summary of Dry Utility Infrastructure

Currently, the site is serviced by Duke Energy. There is a large 44Kv transmission line along the north side of the Interstate that bisects many of the sites. Duke Energy also has a 12Kv line running along US 70. PSNC Energy has natural gas lines running north to south across the flea market property. PSNC Energy at the time of application utilizes tariffs, rules & regulations, and project feasibility model (PFM) to

determine if any cost in aid of construction (CIAC) is required of the customer. Telecommunication is provided by Cogent, Time Warner and EarthLink.



Summary of Transportation and Access

The primary access to the site would be from Exit 157 off Interstate 85/40 onto Buckhorn Road. The current structural integrity of this road is unknown and may require upgrades to the road for long-term development; however, the road appears to be in good condition. The parcels are difficult to access from Highway 70 because of the rail corridor that bisects the sites from 70.

Road Map

There are two large tracts on the western half of the district that have been developed as a solar farm however they are not shown in the below areas therefore they have been hatched as yellow in the above map. The largest potential for development is the large parcels in the center however road access becomes the challenge. To extend a road in from the east, a stream and buffer would need to be impacted and residential properties may be affected. To access the site from the north from US 70 a rail crossing would be necessary. The Duke Energy transmission line bisects the site however parking could possibly be provided in the easement as long as properly design to provide access to the easement.

NEXT STEPS:

- Study options to provide transportation access to sites in the CITAN north of I-40 and I-85
- Determine feasibility of providing rail service to the sites within the CITAN
- Complete a wetlands delineation with US Army Corp of Engineers (USACE) confirmation to determine if streams and buffers are correct.
- If the above can be accommodated look to extend sewer service to the properties.

HILLSBOROUGH CITAN

Area Summary

The Hillsborough CITAN is located along the center portion of the county. It consists of one 46-acre tract located on both sides of NC 86 and one 4-acre tract located off Highway 70A. The sites do not appear to be able to be rail served.

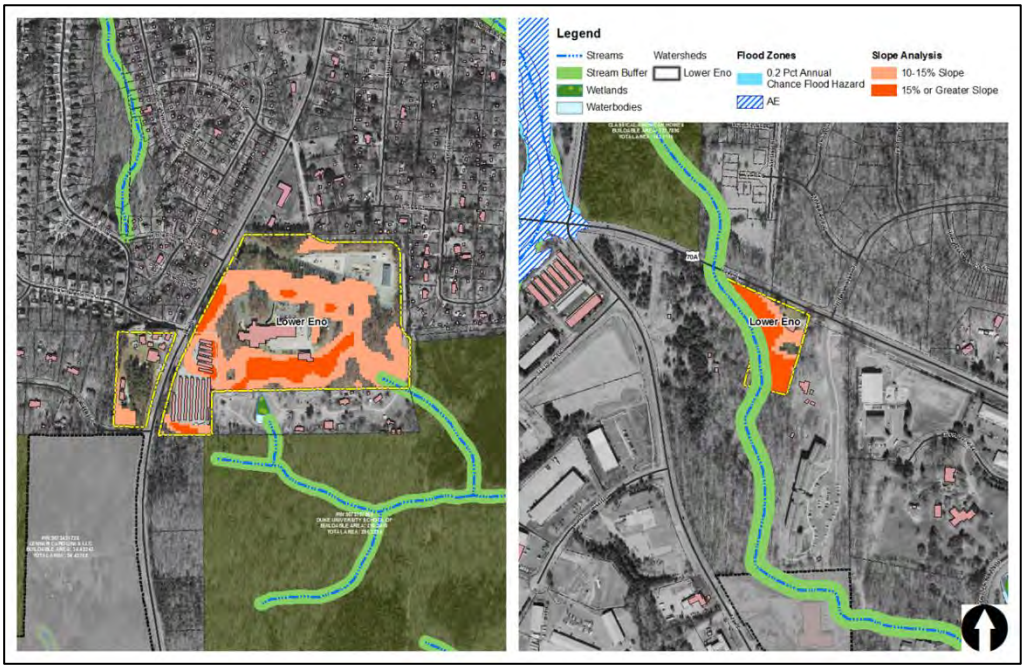
From an industrial development perspective, the Hillsborough CITAN sites are not ideal due to steep slopes and environmental factors. The existing 4-acre tract is a residential property and has a stream running along the western property line. The existing 46-acre tract is a storage business and Piedmont Electric Company. There is a stream on the southeastern corner of the tract and NC 86 runs through western side of the tract.

Summary of Wet Utility Infrastructure

There is currently water and sewer available from The Town of Hillsborough that serves both sites.

Summary of Dry Utility Infrastructure

Currently, the larger site is serviced by Duke Energy and PEMC. There is a large 44Kv transmission line between the two sites. Duke Energy operates a 12Kv line along US 70A serving the smaller parcel to the north. PEMC has it office located on the larger parcel and offers many lines along 86. PSNC Energy has natural gas lines running through or near the sites. PSNC Energy at the time of application utilizes tariffs, rules & regulations, and project feasibility model (PFM) to determine if any cost in aid of construction (CIAC) is required of the customer. Telecommunication is provided by Piedmont EMC, Level 3, Time Warner and EarthLink.



Summary of Transportation and Access

The primary access to the 46-acre tract would be from Exit 165 off Interstate 85 south onto Old NC 86. The primary access to the 4-acre tract would be from Highway 70. The current structural integrity of these roads is unknown and may require upgrades to the road for long-term development; however, the roads appear to be in good condition.

Road Map

These sites are already developed and offer opportunities for expansion on the southern properties. The property to the north is residential with lots of steep slopes and a stream buffer; however, with the construction of Forest Ridge and the road improvements recently made, these areas aesthetic appearance has improved.

NEXT STEPS:

- Look for site options to expand the existing facilities should Piedmont Electrical Membership Cooperative (PEMC) want to remain on site
- On the smaller 4 acre parcel to the north, work with residents to determine willingness to sell. This is a small parcel with heavy environmental constraints that will make this site challenging for development.

CORNELIUS

Area Summary

The Cornelius site is in the center of the county off Highway 70 between Revere Rd and N Churton St. Approximately 50% of the land area is on the south side of the Highway with the other 50% located north of the Highway. The site does not appear to be able to be rail served.

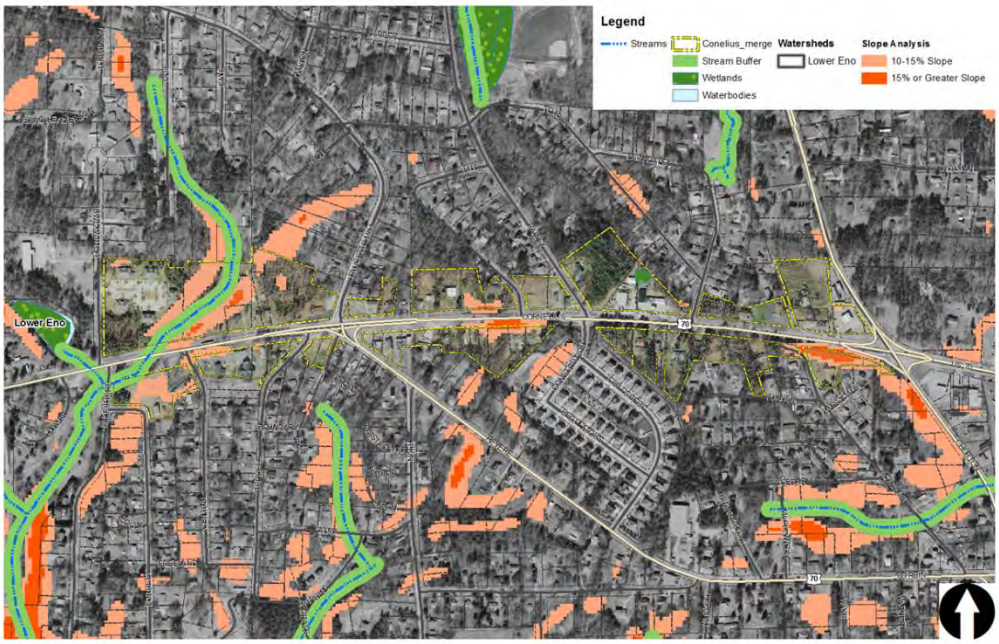
From an industrial development perspective, the Cornelius site is small compared to the other sites, and has mild slopes and few environmental constraints. However, the area does include several residential and commercial properties.

Summary of Wet Utility Infrastructure

The Town of Hillsborough provides water and sewer service along the US 70 corridor. As many of the parcels are already developed, many of the service and flows associated for each of these uses have been

allocated allowing for redevelopment opportunities that would not put extra burden on the wastewater capacities unless a denser development occurred.

Summary of Dry Utility Infrastructure



Currently, the site is serviced by Duke Energy. There is a large 12Kv service that runs along the US 70 corridor. PSNC Energy has natural gas lines running through or near the area. PSNC Energy at the time of application utilizes tariffs, rules & regulations, and project feasibility model (PFM) to determine if any cost in aid of construction (CIAC) is required of the customer. Telecommunication is provided by Time Warner and Level 3.

Summary of Transportation and Access

The primary access to the site is Highway 70. The current structural integrity of this road is unknown and may require upgrades to the road for long-term development; however, the road appears to be in good condition.

Road Map

The area contains some vacant and underdeveloped properties. There are two main intersections within the district (Cornelius Street and North Curton Street) and (Cornelius Street and Revere Road/Faucette Mill Road) that provide opportunities for redevelopment. The alignment of intersections is with Cornelius Street not perpendicular which creates additional pavement to accommodate large trucks which can be unsightly. There is evidence that this area is heavily used by pedestrians as there are paths warn in the grass and warn out bus stops.

NEXT STEPS:

- Look to market vacant properties for redevelopment
- Improve aesthetics within the district.
- Add sidewalks and bus shelters at bus stops
- Improve main intersections
- Focus on creating pedestrian connections from neighborhoods to Cornelius Street
- Look for grant opportunities for redevelopment

SWOT Analysis Summary

The Timmons Group and Britt Nance Collaborative team conducted a work session on August 23, 2017 with the Orange County Commissioners, Economic Development Advisory Board, Orange County Economic Development staff, local Economic Development officials and EDPNC representatives to develop a SWOT analysis. Below are the Strengths, Weaknesses, Opportunities and Threats as identified during this work session:

Strengths

- Rural Character/Amenities
- Workforce (focus also on availability of entry level training and trades)
- Transportation/Location
- Diverse Economy
- Sustainable Agricultural Node in Place
- Commitment to Value Chain of Labor
- Piedmont Triad/RDU airport access
- Progressive Community Values
- Path of Progress
- Dedicated funds for economic development from Article 46 (exhibits county commitment to Economic Development)
- Schools are #1 in North Carolina
- Access to global markets (proximity to ports and highways)
- Partnership with Durham Tech
- Proximity to RTP (biotechnology, software, IT, IoT, cleantech)
- AND proximity to Piedmont Triad's manufacturing workforce and strengths
- UNC Chapel Hill's highly educated workforce who are driving out of county and would like to work inside the county
- Alliance with UNC Chapel Hill (need to do a better job selling the value of this strength)

Opportunities

- Focus on Markets/Industry that Existing Sites can serve
- Develop businesses locally to consume sites
- Evaluate expanding the properties in EDD/CITAN
- Collaborative efforts with neighboring counties, municipals
- Value-add in Food Market/Node
- Image/Perception to a friendlier Pro-Business attitude
- Can you leverage existing facilities help educate/dialogue for property owners?
- Dialogue on changing the yellow parcels to green parcels
- Reevaluate/Collaborate on waste water/sewer capacity
- Reevaluate the EDD's
- Evaluate professionally managed properties/developers

- College/University sponsored or owned research parks
- Concerted effort to public owned/controlled sites
- Clarity on who to target
- Public/Private Partnerships
- Collaborate with UNC/Duke
- Re-evaluate sites in corridors for growth
- Re-evaluate incentives
- Business R & E
- Clarify on opportunities
- Use sales tax for ED
- Better job telling story
- Re-evaluate tax infrastructure
- Evaluate can Orange compete
- Consider Rezoning
- Leverage recycle (spec space) other sites are selling out
- Path of Progress
- Distribution (spec builders)
- Clean Recycling
- Partner with Stratus
- Look @Mebane/Orange Partnership Political & Limiting Approval
- Create “your vision” for next 20, 30 to 50 yrs.
- Talk to Wilson NC-help “define”
- Look @expanding boundaries/other sites
- Look at how the county could have control or options on property

Weaknesses

- Access to current sites
- Lack of large sites
- Image/Perception
- Under developed properties in the EDD/CITAN
- Sewer Capacity (waste water)
- Price @ Acre
- CITANS not zoned
- Taxes (500,000/year for 1 prospect)
- Zoning for companies such as strata
- Get rid of risk (unknowns)
- Multi-jurisdiction approvals don’t work
- Residential encroachment
- The best site is not affordable (flea market site)
- Water and sewer construction plans may not be going to the optimal sites
- Broadband in certain parts of the county

Threats

- Climate Change
- Competition
- Disconnect:
    - Cool Factor and its relations to Industrial Sites on the Interstate
    - Existing EDD's versus Quality Sites
- Price @ Acre
- Alamance/Bio, tech, Wake, Durham
- Displacement of existing residents in economic districts
- Understand who we want to locate here to make sure there is compatibility
- NC Legislature
- Downturn

RECOMMENDATIONS PRIORITIZED

● *(high priority);* ● *(neutral);* ● *(low priority)*

Immediate Recommendations

1. *Recommendation added during group discussion:*
   Have the Planning Department interact with the Economic Development Staff during infrastructure planning stages.

   This allows all departments to work together for the common good of the county. There have been many cases where the parties were working separately without knowledge. There are many benefits to working together to make sure everyone is on the same page (i.e. Volkert Report on Transportation)

   BUDGET: Staff Time & Political Capital

2. Consider adjusting boundaries of EDD's/CITAN's to include large tracts adjacent to these districts with low cost of development (utility extensions, etc.).

   ● ● ● ● ●

   Significant property within the EDD's and CITAN's have been lost to Non- or Minimal Tax Paying entities such schools, soccer fields, solar farms, etc. To potentially gain that area back there may be opportunities to expand or redraw the boundaries of the EDD's and or CITAN's. There are a few larger tracts with minimal environmental impacts located near or adjacent to the existing EDD's/CITAN's that could be explored; however, this may mean adjusting the water sewer agreements.

   BUDGET: $10,000 to $15,000 in Consultant time to evaluate parcels as well as Staff Time & Political Capital

3. Complete necessary due diligence to achieve Tier 4 status on top sites.
   a. Geotechnical, Wetland Delineations, Topographic & ALTA Boundary Surveys, etc.

   ● ● ● ● ● ●

   Tier 4 is considered "Certifiable" status and has eliminated any UNKNOWNS or RISKS regarding site or infrastructure development that could negatively impact timeline for development. Generally, 9-12 months of development timeline.

   BUDGET: Site dependent but generally $1,000 to $1,500 per acre with infrastructure already in place (significantly increases value of property on a per acre basis)

4. Prioritize development of sites (CITAN's and EDD's) with high probability of development success.

   ● ● ● ● ● ●

   a. Buckhorn

b. East Effland
c. Hillsborough (North & South of the Interchange)

(Focus future economic development funds to areas that have the best existing potential. Create a clear path forward so that funds are not spent providing opportunities to areas that may not have good development potential)

BUDGET: Staff Time & Political Capital

5. Complete a countywide water and sewer study to identify options to increase water and sewer capacities.

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(A countywide water and sewer study would identify opportunities to increase and expand water and sewer capacities within each service area. A full study would help the county to better understand the limiting factors and what the cost and timelines are needed to increase the availability. The ED staff is losing opportunities weekly based on not being able to meet the demands for water and or sewer.
This needs to be completed on behalf of the county, and not the jurisdictions or authorities who own and manage the water & sewer systems.)

BUDGET: $75,000 to $100,000

6. Complete a GIS site selection study to identify sites with greatest development potential.

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(A GIS selection study is a non-bias computer based site selection study that can look over all parcels within a county or selected area to determine developability based on selection criteria defined. For example, if the parameters were to identify all parcels with 50 acres of developable acres adjacent to rail within 1 mile of the Interstate, quarries would be run to find the best parcels available. Once the data is assembled running quarries can be run quickly)

BUDGET: $15,000 to $25,000

7. Re-evaluate and potentially reallocate funds for existing water and sewer projects that appear to have minimal ROI.

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(Instead of constructing the sewer improvements within the northeast corner of the Eno EDD, consider diverting funds to pay for some of these other short and long-term goals. Our team feels based on site constraints, parcel size, quantity of residential, and known available lands that funds for the improvements within this district could be utilize for what we see as better opportunities)

BUDGET: Staff Time & Political Capital

8. Evaluate and enhance the “express” review process to make sure it is consistent with “fast-track” permitting in the site selection market.

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(Express and fast-track permitting allows developers to navigate through the permitting process faster than the typical review cycle. There is usually an additional fee to submit for approvals using an express process. When the express process is used the review, staff would give the project priority over other projects and review staff would hold meetings with the designer of record to review comments so everyone knows what is needed for early approvals. The state has an express process defined for erosion and sediment control plans. This sometimes allows the early clearing and grading for sites that helps expedite timelines to construction)

BUDGET: Staff Time & Political Capital

9. Consider obtaining "Control" of property for the top sites.
    a. Property Acquisition or Option Agreements
    b. Approach Property Owners to determine willingness to sell

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(Property control can occur by purchasing property although that can be very costly for a county considering the ideal scenario could be finding 100 acres of developable contiguous lands and asking prices are $75,000-$90,000 per acre. A second, less expensive option is to develop land option agreements. These deals can be negotiated for short or long term for a negotiated fee and land cost. Long term land options allow for opportunities for grants and give developers cost certainty on land values)

BUDGET: Negotiated Percentage for Options. Land cost approximately $60,000 per acre

10. Pursue grant opportunities for top sites (this will most likely require "control").
    a. Gold Leaf
    b. Duke Energy Site Readiness Program

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(Grants opportunities are available for some sites but often require some sort of control. Gold Leaf can fund up to 3 million dollars to extend roads and utility infrastructure however they require a minimum of a three-year land option. Other grant opportunities could be similar to Duke Energy where they come in and help offset funds for some of the due diligence investigation to help the site progress up the tiering ladder.)

BUDGET: Staff Time & Political Capital, may require control of land

11. Evaluate underdeveloped interchanges in the county (Exit 263 & 266 in particular).

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(These interchanges are located within the rural buffer. Evaluating these interchanges could happen as part of a GIS site selection study or could be run independently. The purpose of reviewing intersections is they have great Interstate access and could be managed in a way to maintain the rural buffer and could provide additional lands for economic development)

BUDGET: Staff Time & Political Capital, $8,000 to $10,000 for study.

12. Reevaluate development constraints (impervious and buffers) to make sure they are consistent with current State of North Carolina standards and to maximize development potential for sites.
    a. 6% impervious vs. 30% impervious
    b. 150-foot buffers vs. 50-foot buffers
    c. Landscape buffers

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    (Orange County has set development restrictions that are over and above the regulations imposed by the state. For example, in the Upper Eno watershed there are buffer restrictions on streams that could extend 250 feet on streams whereas the state restricts to a maximum 100 feet depending on the stream type. If the stream buffers were in line with state requirements, the developable area on some available sites could be increased. Furthermore, there are landscape buffers imposed to protect the Interstate corridor and residential properties. These buffers extend to 100 feet. With the quantity of residential in the CITAN's the buffers further restrict on the buildable area within the districts. The 100-foot buffer could be a deterrence for some users that see visibility as an important site selection item. The current buffers are designed to screen views from the Interstate. Lastly, although outside of the current districts, there are impervious restrictions in the Upper Eno critical watershed that limit built upon area to six percent whereas the state limits this watershed to thirty percent. If these restrictions were lifted, it could open new opportunities for development within the county.)

    BUDGET: Staff Time & Political Capital

Long-term Recommendations

1. Consider developing Public-Private Partnerships for development of large sites or industrial parks in the county.

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    Public Private Partnerships allows for development of tracts of land and or building speculative buildings with a shared financial risk.

    Approximately 60-70% of all inquiries come in for "ready to go" sites or existing buildings. There are several large developers who would consider developing large parks and/or speculative space along this corridor.

    BUDGET: Staff Time Investigating Opportunities & Meeting with Potential Development Partners

2. Consider development of "Ready to Go" product.
    a. Shovel / Pad Ready Sites
    b. Spec Buildings

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    Approximately 60-70% of inquiries come in for Shovel / Pad Ready Sites and/or Existing Buildings. Shovel ready and speculative building has some risk based on the financial investment needed to

develop sites; however, it is best way to reduce development timelines and has proven to be a successful model in other locations throughout the state.

BUDGET: $50 to $100 per SF for Spec Buildings (including site work)
$50,000 to $100,000 per acre for Shovel / Pad Ready Sites

3. Explore developing a research park with UNC-Chapel Hill and taking advantage of the research and entrepreneurial culture of the Research Triangle Park (RTP).

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Developing a relationship with UNC and developing a common goal to create a research park could be an easy step to help the county and university attract talent and industry to the region similar to the Centennial Campus at NCSU and other similar universities.

BUDGET: Staff Time & Political Capital

4. Reevaluate the effectiveness of the Rural Buffer (appears several the parcels are already subdivided in the Rural Buffer).

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(The rural buffer consists of approximately 38,000 acres of land that was established in 1986. At the time Chapel Hill and Carrboro wanted to prevent urban sprawl and came together to create the urban growth boundary. The area is preserved for low-density residential uses of 1-2 dwellings per acre. This boundary separates Chapel Hill and Carrboro from Hillsborough and the EDD's and CITAN's to the north. With the limited lands in the EDD's and CITAN's there may be future needed to open portions of the rural buffer to allow for higher tax users in some areas such as interchanges while still protecting the integrity of the rural buffer)

BUDGET: Staff Time & Political Capital

5. Start a marketing campaign to establish Orange County as the crossroads or intersection for access to global markets (I-85, I-40 & I-95, Virginia Ports, NC Ports & Charleston Ports) and research (RTP).

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(A marketing campaign could be as minimal or as large scale as desired; however, the more that is put out there about a region the better the chances are for success. Currently the region can be marketing about its location to I85/40, Raleigh and Greensboro airports, regional ports, rail service, proximity to universities and workforce, quality of life, RTP. Etc. Now all property options for green field development is in the Tier 1 status therefore they are not ready to market as their timeline to development is too long)

BUDGET: $100,000