



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Meeting Agenda Board of Aldermen



Tuesday, December 2, 2014

7:30 PM

Board Chambers - Room 110

7:30-7:35

- A. REQUESTS FROM VISITORS AND SPEAKERS FROM THE FLOOR
- B. RESOLUTIONS, PROCLAMATIONS, AND ACKNOWLEDGEMENTS

7:35-7:40

C. CONSENT AGENDA

- 1. [14-0339](#) Approval of Previous Meeting Minutes
- 2. [14-0329](#) Online Travel Companies and Occupancy Taxes

PURPOSE: The purpose of this agenda item is to consider adoption of an agreement between Orange County and other municipalities regarding payment of room occupancy taxes when travelers make reservations and payments for accommodations via online travel companies.

Attachments: [ORANGE COUNTY RESOLUTION AGREEMENT RE ONLINE TRAVEL COMPANIES - 10-7-14](#)

- 3. [14-0331](#) Request-to-set a public hearing on Land Use Ordinance Amendments Relating to Affordable Housing

PURPOSE: The purpose of this item is for the Board of Aldermen to consider setting a public hearing on potential text amendments to the Land Use Ordinance relating to affordable housing. A draft ordinance has been prepared for the Board's consideration. A resolution setting a hearing date for January 27, 2015 has also been prepared. Advisory board review would be needed prior to the public hearing.

Attachments: [Attachment A Resolution](#)
[Attachment B Memo Board of Aldermen 9-24-14copy.pdf](#)
[Attachment C Draft LUO amendment on affordable housing 11-12-14](#)

- 4. [14-0332](#) Donation of Surplus Property to the Town of Wallace
PURPOSE: The purpose of this item is for the Board of Aldermen to consider donation of K9 vehicle kennel (surplus property) to the Town of

Wallace, pursuant to NCGS §160A-280.

Attachments: [Attachment A - Kennel Resolution.docx](#)

[Attachment B - Notice of Donation of Property](#)

5. [14-0345](#) Update on Community Conversation Regarding Development of Properties at 201 N. Greensboro Street

PURPOSE: The purpose of this item is to update the Board of Aldermen on a process and schedule for community-sponsored conversations related to development of the properties previously proposed for redevelopment as a new CVS location in downtown Carrboro.

Attachments: [Resolution 12-2-2014.docx](#)

6. [14-0341](#) Permit Extension Request for Previously Issued Conditional Use Permit for Litchfield AIS CUP

PURPOSE: The Board is asked to review a request for an extension of the date when a Conditional Use Permit would otherwise expire for Litchfield AIS CUP. The Town Staff recommends approval of the request

Attachments: [Litchfield CUP-PermitExtensionRequest-resolution](#)

[Litchfield CUP Extension 3 Attachments](#)

7. [14-0344](#) A call for public hearing on the issue of a proposed new Arts and Innovation Center

PURPOSE: The purpose of the agenda item is to set a public hearing where the Board of Aldermen could hear the public comments on a proposal for a new Arts and Innovation Center that would replace the current ArtsCenter.

Attachments: [Resolution to hold a public hearing on proposal for the CAIC](#)

[Draft Notice of Public Hearing](#)

D. PUBLIC HEARING

7:40-7:45

1. [14-0334](#) Close Out Public Hearing on CDBG Small Business Entrepreneurial Assistance Grant

7:45-8:00

2. [14-0335](#) Public Hearing on lease of town owned property located at 110 East Main Street

PURPOSE: The purpose of this agenda item is for the Board to take

public comment on a proposed lease for town property located at 110 East Main Street.

Attachments: [Draft Resolution](#)
[Perch Studios 110 E Main St](#)
[Perch Lease](#)

E. OTHER MATTERS

8:00-8:20

1. [14-0325](#) Creative Arts District Options for Establishment and Tools to Support the Creative Economy

PURPOSE: The purpose of this agenda item is for the UNC Public Policy Capstone students to share a presentation encompassing feedback and research findings about cultural arts districts.

Attachments: [CarrboroWorkPlan2014 09 17 \(3\)](#)

8:20-8:40

2. [14-0333](#) Proposed Carrboro Mural Project - Jones Ferry Road and Highway 54

PURPOSE: The purpose of this item is for Michael Adamson to present additional information in regard to the proposed Carrboro Mural on the existing retaining wall at the intersection of Jones Ferry Road and Highway 54.

Attachments: [Presentation2](#)
[Resolution 12-2-14 Meeting](#)

8:40-8:50

3. [14-0328](#) Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ended June 30, 2014

Attachments: [Board Resolution of CAFR Acceptance 12-2014](#)
[SAS 114 Letter 2014](#)

8:50-9:00

4. [14-0336](#) El Centro Hispano Modifications for a Day Laborer Center

PURPOSE: For the Board of Aldermen to consider modifying the Town's current agreement with El Centro Hispano to include a one-time allocation up to \$5,000.

Attachments: [Attachment A- Resolution](#)
[Attachment B- Costs and Donations](#)

9:00-9:10

5. [14-0327](#) A Resolution Setting the Date for the 2015 Legislative Breakfast and Discussing the NCLM Proposed Advocacy Goals

PURPOSE: The purpose of this item is to request that the Board of Aldermen set the date for the 2015 Legislative Breakfast and highlight any areas of concern or disagreement with the proposed NCLM Advocacy Goals.

Attachments: [Attachment A - A RESOLUTION SETTING THE LEGISLATIVE BREAKFAST AND THE 2014 SHORT SESSION LEGISLATIVE ISSUES FOR THE CARRBORO BOARD OF ALDERMEN.docx](#)
 [Attachment B - Proposed 2015 Advocacy Goals Packet.pdf](#)

- F. **MATTERS BY TOWN CLERK**
- G. **MATTERS BY TOWN MANAGER**
- H. **MATTERS BY TOWN ATTORNEY**
- I. **MATTERS BY BOARD MEMBERS**



Town of Carrboro

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301 W. Main St.
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Agenda Item Abstract

File Number: 14-0329

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

Online Travel Companies and Occupancy Taxes

PURPOSE: The purpose of this agenda item is to consider adoption of an agreement between Orange County and other municipalities regarding payment of room occupancy taxes when travelers make reservations and payments for accommodations via online travel companies.

DEPARTMENT: Town Manager and Finance

CONTACT INFORMATION: David Andrews, 918-7315; Arche McAdoo, 918-7439

INFORMATION: Some travelers make hotel room accommodations through online travel companies (OTC), such as Expedia, Orbitz and Travelocity. The OTC's, however, have not been collecting and remitting room occupancy taxes to Orange County and municipalities within Orange County. Based on past litigation and other settlements in North Carolina, Orange County has proposed the attached agreement between the County and the Towns of Chapel Hill, Carrboro and Hillsborough to collect occupancy taxes from OTC's. Under this agreement, the OTC's will elect either to pay directly, or pay partially and have the local hotel (accommodation provider) pay the remainder; or not pay at all and have the entire responsibility for payment of the occupancy tax fall on the accommodation provider. The OTC's will notify jurisdictions in advance of the option they select.

FISCAL & STAFF IMPACT: The cost of entering into this agreement will not result in any direct costs to the Town. Some additional occupancy tax revenues are expected; however, it is difficult to estimate the dollar amount of the additional revenues.

RECOMMENDATION: That the Board of Aldermen adopt the attached agreement to collect room occupancy taxes from online travel companies.

RESOLUTION AGREEMENT

This Resolution Agreement (“Agreement”) is entered into by and between Orbitz, LLC, Trip Network, Inc., Travelocity.com LP, Expedia, Inc., Hotels.com L.P., and Hotwire, Inc. (individually “OTC” and collectively “OTCs”), and the County of Orange and towns of Chapel Hill, Hillsborough and Carrboro (collectively “the Taxing Jurisdictions”), effective the 1st day of January 2015.

WHEREAS, the OTCs contend that amendments to N.C. Gen. Stat. §§ 105-164.4(a)(3), 153A-155(c), and 160A-215(c) enacted by Session Law 2010-31, § 31.6 (“the Amendments”) are unconstitutional under the United States Constitution and the North Carolina Constitution and in violation of the federal Internet Tax Freedom Act, as amended;

WHEREAS, the Taxing Jurisdictions contend that the Amendments are lawful and that they have the right to collect occupancy taxes under the terms of the Amendments;

WHEREAS, the parties desire to resolve their dispute without litigation;

WHEREAS, the parties further desire to resolve all past potential occupancy tax liability of the OTCs since 1 January 2011 to the Taxing Jurisdictions and to adopt a mutually agreeable reporting and remittance methodology on a prospective basis; and

WHEREAS, the parties desire to enter into this Agreement to accomplish the above.

NOW IT IS HEREBY DETERMINED AND AGREED:

1. This Agreement will resolve the OTCs’ dispute with the Taxing Jurisdictions regarding the Amendments and all past potential occupancy tax liability to the Taxing Jurisdictions for occupancy of accommodations facilitated by any OTC commencing between 1 January 2011 and 31 December 2014 and for occupancy of accommodations facilitated by any OTC commencing thereafter pursuant to reservations made between 1 January 2011 and 31 December 2014.
2. The Taxing Jurisdictions acknowledge that this Agreement contains Tax Information, as defined in N.C. Gen. Stat. § 105-259, and its provisions are therefore subject to the disclosure prohibitions of N.C. Gen. Stat. § 105-259, N.C. Gen. Stat. § 153A-148.1, and N.C. Gen. Stat. § 132-1.1.
3. Registering for occupancy tax purposes or payment of occupancy tax does not constitute a concession that the OTCs are engaging in business within any locality in North Carolina or a concession that the OTCs are subject to any other tax or license in North Carolina.
4. For occupancy of accommodations facilitated by any OTC pursuant to reservations made on or after January 1, 2015 that are subject to the occupancy tax of any of the Taxing

Jurisdictions (“Orange County/City Occupancy Taxes”), as last amended prior to the date of this Agreement, each OTC will remit Orange County/City Occupancy Taxes on the gross receipts derived from such rentals, as defined in N.C. Gen. Stat. § 105-164.4(a)(3), as last amended. Each OTC will report and remit all such Orange County/City Occupancy Taxes through the following methods, at the option of each OTC:

(i) Accommodation Provider Remit: All Orange County/City Occupancy Taxes will be reported and remitted to the providers of the accommodations in accordance with N.C. Gen. Stat. § 153A-155(c) and N.C. Gen. Stat. § 105-164.4(a)(3), as last amended.

(ii) Partial Direct Remit: All Orange County/City Occupancy Taxes will be partially reported and remitted to the providers of the accommodations for further remittance to the Taxing Jurisdictions and partially reported and remitted directly to the Taxing Jurisdictions. Specifically, the portion of the Orange County/City Occupancy Taxes not reported and remitted to the providers of the accommodations in accordance with N.C. Gen. Stat. § 153A-155(c) and N.C. Gen. Stat. § 105-164.4(a)(3), as last amended prior to the date of this Agreement, must be reported and remitted directly by the OTC to the Taxing Jurisdictions.

(iii) Full Direct Remit: All Orange County/City Occupancy Taxes not reported and remitted to the providers of the accommodations in accordance with N.C. Gen. Stat. § 153A-155(c) and N.C. Gen. Stat. § 105-164.4(a)(3), as last amended prior to the date of this Agreement, will be directly remitted by the OTC to the Taxing Jurisdictions.

(iv) Each OTC will give advance notice to the Taxing Jurisdictions of its selected option(s) in each instance.

(v) If registering for occupancy tax purposes or paying occupancy tax, each OTC will use its best efforts to do so by February 20, 2015.

5. N.C. Sess. Laws 2013-414, § 9 applies to the reporting and remittance obligations for Orange County/City Occupancy Taxes and governs all amounts required to be reported and remitted under this Agreement until and unless amended.
6. The Taxing Jurisdictions will not issue any assessments to any OTC for Orange County/City Occupancy Taxes for occupancy of accommodations facilitated by any OTC commencing between 1 January 2011 and 31 December 2014 or for occupancy of accommodations facilitated by any OTC commencing thereafter pursuant to reservations made between 1 January 2011 and 31 December 2014.
7. The OTCs agree that the Taxing Jurisdictions have the authority and jurisdiction to audit for purposes of Orange County/City Occupancy Taxes. Upon request, each OTC will

provide to the Taxing Jurisdictions data and documents, or reasonable access to records, for audit purposes.

8. The parties acknowledge that each side takes a different view of the facts and law related to the matters encompassed by this Agreement. The parties agree that this Agreement is based on the parties' desire to compromise their disputes and is not an indication that either side has expressed agreement with the other side's view of the facts or law. This Agreement does not constitute a concession, agreement or admission by any of the parties as to the correctness or applicability of any legal or factual contention by any other party.
9. The parties agree that the Agreement is for the benefit of, and an agreement expressly between, the parties hereto. This Agreement may only be amended by written agreement by all parties hereto. Any such amendment shall be attached hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
10. This Agreement shall be governed by the laws of North Carolina. Each party has cooperated in the drafting and preparation of this Agreement, and it shall be construed according to the plain meaning of its language and not for or against any party.
11. By signing this Agreement, all parties certify that they have read and agreed to all the terms hereof and that they have authority to enter into this Agreement.
12. This Agreement (including each of the rights and obligations set forth herein) shall be binding upon, and inure to the benefit of, the respective present or former, successor, direct or indirect family members, parents, subsidiaries, affiliates, agents, representatives, officials, insurers, employees, officers, directors and shareholders of the undersigned parties. Additionally, any reference in this Agreement to any of the parties shall be a reference to the present or former, successor, direct or indirect, family members, parents, subsidiaries, affiliates, agents, legal representatives, insurers, employees, officers, directors, and shareholders of those entities.
13. Each of the Taxing Jurisdictions and each OTC acknowledge that they: (a) have consulted with legal counsel about the Agreement; (b) they are entering into the Agreement voluntarily and with an understanding that each of the Taxing Jurisdictions is releasing all of its claims for Orange County/City Occupancy Taxes against the OTCs for occupancy of accommodations commencing between 1 January 2011 and 31 December 2014 and for occupancy of accommodations commencing thereafter pursuant to reservations made between 1 January 2011 and 31 December 2014; (c) they have the authority to enter into this Agreement; (d) no other persons or entities have or have had any interest in any claims that are now being released; and (e) they have not sold, transferred, or assigned their claims to any other person or entity prior to entering into this Agreement.

ORBITZ, LLC

By: _____

Print name: _____

Title: _____

Date: _____

TRIP NETWORK, INC.

By: _____

Print name: _____

Title: _____

Date: _____

TRAVELOCITY.COM, LP

By: General Partner, Travelocity.com LLC

By: _____

Print name: _____

Title: _____

Date: _____

EXPEDIA, INC.

By: _____

Print name: _____

Title: _____

Date: _____

HOTELS.COM L.P.

By: _____

Print name: _____

Title: _____

Date: _____

HOTWIRE, INC.

By: _____

Print name: _____

Title: _____

Date: _____

ORANGE COUNTY

By: _____

Print name: _____

Title: _____

Date: _____

TOWN OF CHAPEL HILL

By: _____

Print name: _____

Title: _____

Date: _____

TOWN OF HILLSBOROUGH

By: _____

Print name: _____

Title: _____

Date: _____

TOWN OF CARRBORO

By: _____

Print name: _____

Title: _____

Date: _____



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301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0331

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

Request-to-set a public hearing on Land Use Ordinance Amendments Relating to Affordable Housing

PURPOSE: The purpose of this item is for the Board of Aldermen to consider setting a public hearing on potential text amendments to the Land Use Ordinance relating to affordable housing. A draft ordinance has been prepared for the Board's consideration. A resolution setting a hearing date for January 27, 2015 has also been prepared. Advisory board review would be needed prior to the public hearing.

DEPARTMENT: Planning

CONTACT INFORMATION: Christina Moon - 919-918-7325; Patricia McGuire - 919-918-7327; Mike Brough - 919-929-3905

INFORMATION: Over the last couple of years, the Community Home Trust (CHT) has met with officials and staff of the Town of Carrboro, the Town of Chapel Hill, and Orange County to seek out strategies that would make the home trust model more sustainable. Among the issues identified is expanding the number of lenders who will make loans on CHT homes. As noted in the attached memo from Robert Dowling, the ability to attract other lenders requires that a fee simple interest can be obtained in the event of a foreclosure (Attachment B).

The challenge of finding lenders for the Community Home Trust buyers, however, remains. The main concern on the part of lenders relates to the potential for foreclosed homes to have restrictions that could limit their ability to resell. To address this issue, the Community Home Trust has asked the towns to amend their affordable housing policies to allow homes sold through their program to have a fee simple mortgage. Technically, such a change would create the potential for an affordable home, lost through foreclosure, to be sold at market rate-and thereby removed from the affordable housing stock. To date, however, the Community Home Trust has not lost a home to foreclosure; they have been able to purchase properties at risk prior to foreclosure. The benefits of enlarging the number of lenders willing to provide mortgages to Community Home Trust buyers appears to outweigh the potential loss of an affordable unit.

A draft ordinance has been prepared (Attachment C) that, if adopted, would allow properties sold through the Community Home Trust or other non-profit housing providers to agree to financing terms without permanent restrictions for affordability. The substantive change to the LUO is found in the new subsection 15-182.4 (g).

Agenda Date: 12/2/2014

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The remainder of the text is renumbered, with very minor changes to reflect the new numbering system but essentially the same in content. The Board of Aldermen must receive public comment before adopting amendments to the LUO; Planning Board and Orange County review is also needed. Staff has identified other advisory boards in the resolution template that the Board may wish to refer the draft ordinance to as well.

Mr. Dowling's memo includes a second request related to subsidies for homes priced at a level that is affordable to families whose income is above 80 percent and not more than 115 percent of area median income. The request is under review and staff expects to provide a report on a Town response in a later agenda item.

FISCAL & STAFF IMPACT: Public hearings involve staff and public notice costs associated with advisory board and Board of Aldermen review.

RECOMMENDATION: Staff recommends that the Board of Aldermen consider the attached resolution (Attachment A), setting a public hearing for January 27, 2015 and referring the proposed amendment to the Planning Board and other Town advisory boards for recommendations and to Orange County for review.

A RESOLUTION SETTING A PUBLIC HEARING ON AN ORDINANCE AMENDING THE
CARRBORO LAND USE ORDINANCE RELATING TO AFFORDABLE HOUSING

WHEREAS, the Board of Aldermen seeks to provide ample opportunities for the public to comment on proposed amendments to the Land Use Ordinance;

NOW, THEREFORE BE IT RESOLVED that the Board of Aldermen sets a public hearing on January 27, 2015, to consider adopting “An Ordinance Amending the Carrboro Land Use Ordinance to Provide that Loans Made to Families who Purchase Affordable Homes may be Secured by Deeds of Trust that allow the Trustee to Convey Fee Simple Title to the Property at a Foreclosure Sale Free and Clear of the Limitations that Qualify such Homes as Affordable under the Lane Use Ordinance.”

BE IT FURTHER RESOLVED that the draft ordinance is referred to Orange County, the Town of Carrboro Planning Board and the following Town of Carrboro advisory boards and commissions for consideration and recommendation prior to the specified public hearing date:

☐ Appearance Commission

☐ Recreation and Parks Commission

☐ Transportation Advisory Board

☐ Northern Transition Area Advisory
Committee

☐ Environmental Advisory Board

☐ _____

☐ Economic Sustainability Commission

☐ _____

This is the 2nd day of December in the year 2014.



Date: September 24, 2014

To: Mayor Lavelle and the Carrboro Board of Aldermen
Copy: David Andrews
From: Robert Dowling, Community Home Trust
Re: Challenges that require action

In 2007, I addressed the Assembly of Governments about two challenges that jeopardized the success of inclusionary housing. Those challenges were (i) long term affordability of our homes, and (ii) long term maintenance.

Since 2007, we have been chipping away at the maintenance issue and have made great progress. However, the affordability problem is worse today than it was in 2007 due primarily to two factors:

1. HUD income limits for purchasers are lower today than they were in 2007
2. The costs of owning one of our homes increases every year due to higher home prices and higher HOA dues, property taxes and stewardship fees.

I am compelled to write this memo because external circumstances continue to present risks to the long term success of inclusionary housing. I believe it is my responsibility to alert you to these risks and to offer mitigating solutions.

Specifically, the risks that jeopardize inclusionary housing are these:

1. Home Trust home buyers have very limited access to mortgage financing
2. Reduced federal subsidies, in conjunction with continued stagnant income limits, make it increasingly difficult to resell Home Trust homes.

Due to changes in mortgage financing regulations, most banks will not make loans to Home Trust buyers. Fortunately, the NC Housing Finance Agency provided \$5 million specifically for our buyers. This funding enabled us to sell 40 homes in fiscal year 2013-14. However those funds will be exhausted in 2015 and we need to identify alternative sources of mortgage funding.

Our ability to attract other lenders, such as SECU and Self Help, requires that we allow these lenders to obtain the fee simple interest in the property in the event of foreclosure. The board of the Home Trust has approved making this change because they realize that without lenders our model simply does not work. However, there is a risk - *If we provide the fee simple interest as collateral, and we allow a home to be foreclosed upon, we would lose it from our inventory entirely.*

We recognize the risks of making this change, but the Home Trust board has weighed those risks and approved the change in order to accommodate the

BOARD OF
DIRECTORS

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President

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Jaimie Lee

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Penny Rich

Ken Reiter

Maryann Toone

Jim Ward

Jonathan Weiler

Executive Director
Robert Dowling

needs of our home buyers. We have never had a foreclosure and we hope never to allow a home to be foreclosed upon. However, the Home Trust cannot unilaterally agree to provide the fee simple interest without approval from all of our funders – including the HOME consortium.

By way of this memo, we are requesting approval from the Board of Aldermen to allow lenders to have an unrestricted, fee simple interest in Home Trust homes in the event of foreclosure. We are more than happy to work out the details with your attorney and staff.

On the matter of reduced federal subsidies, the HOME Consortium could help us to better utilize HOME funds that are already invested in our homes by allowing us to sell to higher income households. Currently, we are prohibited from doing so because our HOME performance agreement imposes 99 year affordability restrictions that limit buyers to 80% of AMI.

By allowing us to sell to households up to 115% of AMI, *when permissible by HUD*, our local governments will assist us in two important ways:

1. Our window of eligible buyers will be widened (which will increase diversity in some of our neighborhoods)
2. We will require less subsidy in the future to continue to make all of our homes affordable to households at 80% AMI

Again, by way of this memo, I am requesting approval from the Board of Aldermen, as a member of the HOME consortium, to allow us to sell subsidized homes to households between 80% and 115% of AMI when permitted by HUD.

Both of these challenges, if left unaddressed, have the potential to truly disrupt the success of our inclusionary housing programs. We had hoped that the Charter would address these issues, but approval of the Charter has been understandably delayed. We have asked each of the local governments to approve these requests prior to consideration of the Charter.

Thanks to the support of local governments, there are 229 affordable homes integrated into market rate neighborhoods in Chapel Hill and Carrboro. We estimate the market value of these community assets to be more than \$40 million.

We very much appreciate your support. We are more than happy to answer any questions you might have. Thank you for your consideration.



AN ORDINANCE AMENDING THE CARRBORO LAND USE ORDINANCE TO
PROVIDE THAT LOANS MADE TO FAMILIES WHO PURCHASE AFFORDABLE
HOMES MAY BE SECURED BY DEEDS OF TRUST THAT ALLOW THE TRUSTEE TO
CONVEY FEE SIMPLE TITLE TO THE PROPERTY AT A FORECLOSURE SALE FREE
AND CLEAR OF THE LIMITATIONS THAT QUALIFY SUCH HOMES AS AFFORDABLE
UNDER THE LAND USE ORDINANCE

DRAFT 11-12-2014

THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO ORDAINS:

Section 1. Section 15-182.4 of the Carrboro Land Use Ordinance is revised as follows:

Section 15-182.4 Residential Density Bonuses for Affordable Housing

(a) The Board of Aldermen has established as a policy goal that at least fifteen percent of the housing units within all new residential developments should consist of affordable housing units as described in this section. The remaining provisions of this section are designed to provide incentives to encourage developers to comply with this policy goal either by providing affordable housing units or lots or, under the circumstances set forth in subsection (j), by making payments in lieu of providing such affordable housing units.

(b) For purposes of this section, an affordable housing unit means a dwelling unit that satisfies the requirements of subsections (c) through (f).

(c) The appropriately-sized affordable housing unit must be offered for sale or rent at a price that does not exceed an amount that can be afforded by a family whose annual gross income equals 80 percent of the median gross annual family income, as most recently established by the United States Department of Housing and Urban Development, for a family of a specific size within the Metropolitan Statistical Area where the Town of Carrboro is located; provided that a for-sale housing unit that is offered for sale at a price that exceeds the foregoing limit but does not exceed an amount that can be afforded by a family whose annual gross income equals 115% of the median gross annual family income shall also be regarded as affordable so long as (i) such unit otherwise qualifies as an affordable housing unit under this section, and (ii) units that qualify as affordable under this exception do not constitute more than 25% of the affordable housing units provided within any development

(d) It is conclusively presumed that a family can afford to spend 30% of its annual gross income on housing costs. In the case of housing units that are for sale, the term "housing costs" shall mean the costs of principal and interest on any mortgage, real property taxes, insurance, fees paid to a property owners association, and any ground lease or maintenance fees. In the case of rental housing units, the term "housing costs" shall mean the cost of rent plus utilities. In making the calculation called for in this subsection, it shall be conclusively presumed that a unit is appropriately sized when an efficiency or one bedroom housing unit serves a family of one, that a two bedroom housing unit serves a family of two; that a three bedroom housing unit serves a family of three, and that a housing unit containing four or more bedrooms serves a family of four.

(e) The developer shall also establish or provide for arrangements to ensure that each such affordable unit is made available for sale or rent only to a family whose annual gross income does not exceed (i) 80% of the median gross annual income of a family of the same size within the Metropolitan Statistical Area where the town of Carrboro is located, or (ii) 115% of the median gross annual income of a family of the same size within the Metropolitan Statistical Area where the town of Carrboro is located if the unit is one that qualifies as affordable under the 115% exception provided for in subsection (c).

(f) The developer of the affordable housing unit must establish or provide for arrangements to ensure that, for a period of not less than 99 years from the date of initial occupancy of the unit, such unit shall remain affordable (as provided in subsection (c)) and shall be offered for sale or rent only to families that satisfy the income criteria set forth in subsection (e). Such arrangements may include but shall not be limited to a ground lease, a deed restriction, or other covenant running with the unit. The documents establishing such arrangements shall be reviewed and approved by the Town of Carrboro prior to final plat approval if the units are located on subdivided lots or prior to the issuance of a certificate of occupancy if the units are not located on unsubdivided lots. The provisions of this subsection shall be considered satisfied if units are transferred to the Orange Community Housing and Land Trust at or below a price that is consistent with the provisions of subsection (c) above.

(g) Notwithstanding the other provisions of this section, if a dwelling unit is transferred to the Orange Community Housing and Land Trust or other non-profit housing provider in order to qualify such unit as “affordable” under the provisions of this section, and the financial institution that provides a loan to the buyer requires that such loan be secured by a deed of trust or other instrument that allows the unit to be sold upon default free and clear of the affordability restrictions set forth in this section, then the Land Trust or other non-profit housing provider may agree to such financing terms. Should foreclosure under such a deed of trust occur, this shall have not render nonconforming or otherwise have an adverse effect upon either the affordable unit or the development that created the affordable unit.

(h) For purposes of this section, an affordable housing lot shall mean a lot that (i) is designed and approved for the construction of a single family dwelling, and (ii) upon creation of such lot by the recording of a final plat, is donated (without additional consideration) to a non-profit agency that is in the business of constructing on such lots affordable housing units that meet the affordability criteria set forth in subsections (c) through (f) above.

(i) The maximum residential density permissible within a development whose maximum density would otherwise be determined in accordance with the applicable provisions of this Article XII shall be increased by two dwelling units for every one affordable housing unit constructed within the development, up to a maximum of 150% of the density otherwise allowable. Similarly, the maximum number of single family detached residential building lots that could otherwise be created within a development tract under the applicable provisions of this Article XII may be increased by two such lots for every one affordable housing lots created within such development, up to a maximum of 150% of the maximum density otherwise allowable. To illustrate, if the maximum density of a tract would be 100 dwelling units (or single family lots), a developer who chooses to construct 10 affordable housing units (or create 10 affordable housing lots) as part of the development of that tract would be allowed to construct 10 additional dwelling units (or create 10

additional lots) that did not satisfy the “affordability” criteria set forth in subsections (c) or (f), for a total density of 120 dwelling units (or lots). In this illustration, the maximum possible density that could be achieved would be 150 dwelling units if the developer constructed at least 25 affordable housing units (or created 25 affordable housing lots).

(j) For purposes of determining the maximum density permissible within a development under subsection (i) of this section, the Board of Aldermen may allow the payment of an affordable housing payment in lieu fee (determined in accordance with the provisions of subsection 15-54.1(b)(4)) to be regarded as the equivalent of providing an affordable housing unit. The developer may request such authorization at any time following the submission of a development application. In exercising its discretion as to whether such a request should be granted, the Board shall consider the need for the particular type of units the payments in lieu would replace, the comparative need for cash resources to assist in the provision or maintenance of affordable housing, and such other factors as the Board deems relevant in determining whether and to what extent payments in lieu would better serve the Board’s goal of providing and maintaining affordable housing.

(k) Within any development that provides affordable housing units or affordable housing lots, the minimum area that must be set aside as open space to satisfy the requirements of Section 15-198 may be reduced by an amount equal to twice the land area consumed by all such affordable housing units or lots, except in no case may the required percentage of open space be less than 20 % (10 % in the ORMU and R-2 districts).

(l) Affordable housing units or lots constructed or created in accordance with this section shall not be unduly isolated or segregated from other dwellings or lots that do not satisfy the “affordability” criteria set forth in this section.

(m) In approving a special or conditional use permit for a development that proposes to utilize the density bonus provisions of this section, the permit issuing authority shall ensure, by approval of a condition, phasing schedule, or otherwise, that affordable housing units or lots, or payments in lieu thereof, are actually provided in accordance with the provisions of this section. Without limiting the generality of the foregoing, the permit issuing authority may impose a condition specifying that certificates of occupancy may not be issued for the market priced units until the corresponding affordable housing units are constructed and offered for sale or rent for an amount that is consistent with the definition set forth in this section, or payments in lieu thereof have been made to the town.

(n) If, by using the affordable housing density bonus provided for in this section, the number of dwelling units or lots within a development increases to the point where the type of permit required for the project based on the number of units or lots would otherwise change from a zoning to a special use permit or from a special use to a conditional use permit in accordance with the provisions of Section 15-147, the developer may nevertheless seek approval for the project under the permit process that would be applicable if no density bonus was sought under this section.

(o) As provided in subsection 15-92.1(d), developments that use the affordable housing density bonus provisions of this section may be entitled to relief from the setback requirements under some circumstances.

(p) Notwithstanding the other provisions of this section, with respect to a development that (i) was approved prior to the amendments to this section adopted on June 26, 2007, and (ii)

constructed dwelling units that satisfied the affordability criteria by recording covenants and including restrictions in the deeds that conveyed title to the affordable units limiting the sale or resale price of such units in accordance with a formula set forth in this section, and (iii) took advantage of the density bonus provisions of this section and constructed additional market rate units as authorized by this section:

- (1) The Board of Aldermen may amend the conditional use permit that authorized such development to provide that those provisions that restrict the price at which the affordable units may be sold shall no longer be binding, (thereby allowing the units to be sold at market value) subject to and in accordance with the following provisions:
 - a. At the closing on the sale of such units, all fees and charges typically paid by the seller of other market rate units (such as loans secured by property, real estate commissions, prorated property taxes, excise taxes, etc.) shall be paid by the seller of a unit previously designated as affordable. The balance of the proceeds of the sale to which the seller is entitled shall be referred to in this section as the “net proceeds of the sale.”
 - b. To the extent that the price paid by the buyer of the unit exceeds the price paid by the seller when the seller purchased the unit, the difference between the two figures shall be referred to in this section as the “equity appreciation amount.” To the extent that the net proceeds of the sale are sufficient, the seller shall be allowed to keep the first five thousand dollars (\$5,000.00) of equity appreciation, plus an amount of the equity appreciation equal to the amount paid by the seller for additions to the home or significant upgrades to the home (routine maintenance, repairs, or replacements excluded).
 - c. If the net proceeds of the sale exceed the amount the seller is permitted to retain under the foregoing paragraph, the remainder of the net proceeds shall be split evenly between the Town and the seller.
- (2) The Board of Aldermen may also amend the conditional use permit that authorized such development to provide that those provisions that restrict the price at which the affordable units may be sold shall expire automatically on the twentieth anniversary of the recording date of the deed conveying the affordable unit to the party owning that unit on the effective date of this subsection. Thereafter, no restrictions on the sales price of such unit or the disposition of sales proceeds shall apply to such unit.
- (3) A development wherein affordable units are converted to market rate units under this subsection shall not be regarded as nonconforming with respect to density.

Section 2. All provisions of any town ordinance in conflict with this ordinance are repealed.

Section 3. This ordinance shall become effective upon adoption.



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0332

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

Donation of Surplus Property to the Town of Wallace

PURPOSE: The purpose of this item is for the Board of Aldermen to consider donation of K9 vehicle kennel (surplus property) to the Town of Wallace, pursuant to NCGS §160A-280.

DEPARTMENT: Police

CONTACT INFORMATION: Chief Walter Horton (918-7408), Sandy Svoboda (918-7301)

INFORMATION: Under NCGS §160A-280 the Town may donate surplus personal property to governmental agencies. The statute calls for the Board of Aldermen to adopt a resolution approving the conveyance, and for the Town to publish a notice 5 days before approving the aforementioned resolution. The notice in Attachment B was posted by the Town Clerk on November 22, 2014. The Town Manager has declared the subject personal property (K9 vehicle kennel) as surplus property. The kennel is obsolete and no longer fits in any current Town owned police vehicles.

FISCAL & STAFF IMPACT: The surplus property has an approximate total auction value of \$50.

RECOMMENDATION: Staff recommends that the Board of Aldermen approve the attached resolution authorizing the donation of a K9 vehicle kennel to the Town of Wallace.

ATTACHMENT A

**A RESOLUTION APPROVING DONATION OF PROPERTY TO THE TOWN OF WALLACE
PURSUANT TO G.S. 106A-280**

WHEREAS, North Carolina General Statute §160A-280 authorizes a city or county to donate to a government entity any personal property, including supplies, materials and equipment that the governing board deems to be surplus, obsolete or unused; and

WHEREAS, The Town of Carrboro owns a K9 vehicle kennel; and

WHEREAS, the K9 vehicle kennel is obsolete and has been declared surplus property; and,

WHEREAS, the Town of Wallace has expressed interest in acquiring this K9 vehicle kennel;

NOW THEREFORE BE IT RESOLVED that the Board of Aldermen hereby authorizes the Town Manager to execute all documents necessary to donate the K9 vehicle kennel to the Town of Wallace.

NOTICE OF DONATION OF PROPERTY

Notice Pursuant to G.S. 160A-280

The Town of Carrboro proposes to donate surplus personal property pursuant to North Carolina General Statute § 160A-280. The Board of Aldermen intends, subject to public comment at the meeting for which notice is hereby given, to consider approval of the conveyance of a K9 vehicle kennel. The conveyance will be made to the Town of Wallace, a governmental entity.

The Board of Aldermen will consider the Town's proposed conveyance of this property at 7:30 P.M. on December 2, 2014, in the Carrboro Town Hall. The Board of Aldermen invites all interested persons to attend and present their views.



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0345

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

Update on Community Conversation Regarding Development of Properties at 201 N. Greensboro Street

PURPOSE: The purpose of this item is to update the Board of Aldermen on a process and schedule for community-sponsored conversations related to development of the properties previously proposed for redevelopment as a new CVS location in downtown Carrboro.

DEPARTMENT: Planning

CONTACT INFORMATION: Patricia McGuire - 919-918-7327-pmcguire@townofcarrboro.org

INFORMATION: In June 2014, the Board of Aldermen discussed a possible strategy for engaging property owners and the community on development options for the area bounded by Center, Short, W. Weaver and N. Greensboro Streets, the area known collectively as 201 N. Greensboro Street that has been proposed for redevelopment as a new CVS location in downtown Carrboro.

Aldermen Gist, Haven-O'Donnell, and Johnson met during the summer break to consider options for moving forward and to discuss a framework for community engagement, and requested that staff follow-up with Dispute Settlement Center (DSC) staff on availability and scheduling. Board members specifically noted an interest in an approach that would 1) educate all participants on the current development parameters that apply to the properties, other related information, and the items identified by the Board of Aldermen in its June meeting, and 2) give all participants an opportunity to express what they would like to see in the area based on the community vision and development/regulatory parameters. The possibility of this taking place in two separate meetings, likely in half-day, Saturday sessions, was noted.

Staff followed up with DSC and contacted the property owners to determine who would be interested in and able to participate. Building on concepts discussed by the Board's subcommittee, DSC staff suggested that representatives of Town and owners, and other core stakeholders participate in planning the education and visioning sessions. Core stakeholders, including possibly neighboring property owners, downtown business representatives, and other community members who have attended public meetings related to development of the property, would be identified by the Board of Aldermen subcommittee and DSC staff. It is anticipated that several meetings of the core stakeholders would be needed and that the stakeholder meetings could get underway in early 2015. Selection of the date and venue for the education and visioning sessions would also be part of the charge of the stakeholder planning group.

Agenda Date: 12/2/2014

File Type:Abstract

In Control: Board of Aldermen

Version: 1

FISCAL & STAFF IMPACT: DSC support and meeting costs are estimated at \$2,500 to \$3,000. Support for the work of the committee and organization of the education and visioning sessions would be provided by existing staff.

RECOMMENDATION: It is recommended that the Board express its support for the proposed schedule and community conversation process. A draft resolution taking this action is attached (Attachment A).

A RESOLUTION DIRECTING FOLLOW-UP REGARDING A COMMUNITY CONVERSATION
ON DEVELOPMENT OPTIONS FOR THE PROPERTIES KNOWN AS 201 N. GREENSBORO
STREET

WHEREAS, the Carrboro Board of Aldermen seeks to provide ample opportunities for the public to participate in the consideration of existing policies and regulations, and

WHEREAS, the uncertainty about the future of this crucial location in downtown continues to generate questions in the community, and

WHEREAS, a community conversation process has been identified as a way for the community, property owners, and town officials to evaluate and explore the area and try to develop a shared vision, if possible, or another strategy for moving forward.

NOW, THEREFORE BE IT RESOLVED that the Board of Aldermen endorses moving forward with the two-part, education and visioning process.



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0341

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

Permit Extension Request for Previously Issued Conditional Use Permit for Litchfield AIS CUP

PURPOSE: The Board is asked to review a request for an extension of the date when a Conditional Use Permit would otherwise expire for Litchfield AIS CUP. The Town Staff recommends approval of the request

DEPARTMENT: Planning

CONTACT INFORMATION: Jeff Kleaveland, 918-7332

INFORMATION: Mark Zimmerman, one of the Homestead Partners, LLC, has requested a three month extension of the date on a previously issued Conditional Use Permit (CUP); this permit which would otherwise expire on January 1st, 2015 (Attachment B). The Board of Aldermen originally granted the permit on June 22, 2010 (Attachment C). It allows for the construction of a major subdivision consisting of 31 residential dwelling units (Attachment D). The Board previously approved a permit extension for this project on September 17th 2013. Construction of the project has not commenced.

Permit extensions are regulate by Section 15-62 of the LUO (Attachment E). The Board may use the attached permit extension worksheet to review the request (Attachment F).

FISCAL & STAFF IMPACT: The applicant has paid the applicable fee associated with this request. No other impact noted

RECOMMENDATION: The Town Staff recommends that the Board of Aldermen adopt the attached resolution (Attachment A) approving the permit extension request. The new expiration date for the permit would be April 1st, 2015.

**A RESOLUTION APPROVING AN EXTENSION OF THE DATE ON WHICH A
CUP WOULD OTHERWISE EXPIRE FOR THE LITCHFIELD AIS CUP
LOCATED AT 900 HOMESTEAD ROAD**

WHEREAS, the Carrboro Board of Aldermen approved a Conditional Use Permit for the Litchfield AIS, CUP at 900 Homestead Road on June 22, 2010; and

WHEREAS, the original CUP expiration date was extended by state legislative action to January 1, 2013 in response to the economic crisis; and

WHEREAS, the Board subsequently extended the permit expiration again to first, January 1, 2014 and second, January 1, 2015; and

WHEREAS, the Board of Aldermen finds, per Section 15-62(c) of the LUO, that: 1) the CUP has not yet expired, 2) the permit recipient has proceeded with due diligence and in good faith, and 3) conditions have not changed so substantially as to warrant a new application.

NOW, THEREFORE BE IT RESOLVED by the Carrboro Board of Aldermen that the expiration date for the Litchfield AIS, CUP is hereby extended by three months, by the applicant's request, to April 1, 2015.

November 25, 2014
#510405

Town of Carrboro
Planning Department
301 West Main Street
Carrboro, NC 27510
Attn: Marty Roupe

Re: Litchfield AIS Subdivision – Permit Extension Request

Dear Marty:

On behalf of Homestead Partners, LLC, we do hereby request an extension of three months, from January 1, 2015 to March 31, 2015, of the CUP Permit for the Litchfield AIS Subdivision that was approved by the Board of Aldermen on June 22, 2010. A summary of the need for this extension is detailed as follows:

This permit extension is necessary because of continued economic conditions in the new housing construction business.

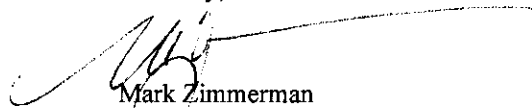
The CUP was granted in 2010, less than two years after the start of the worst economic recession in decades. While the economy has very slowly been recovering, the lagging sector has been real estate development. Several reasons are responsible for this. First, the bursting of the real estate development bubble initially precipitated the recession. The concurrent credit crunch stemmed from precarious bank lending to real estate development. Several constraints to development resulted from those issues. First, federal lending requirements were tightened essentially preventing any land development loans. There are still no local or regional banks that will currently consider loaning for land development at this time. Second, a significant amount of fallout occurred in the building and development industry among local, regional and national companies. Many were forced into bankruptcy and the survivors have been unable to self-finance development of new lots.

Homestead Partners, LLC has been diligent in trying to overcome these systemic obstacles. We have been in regular contact with loan officers at area banks inquiring as to whether federal requirements will once again allow for land development. Those restrictions have not yet been lifted. We have sought private equity financing without success. We have also had discussions with local developers and builders about joint development, again without success. Finally, we have sought buyers for the property through actively listing the property with a land specialist. We will continue to pursue these efforts.

Despite those conditions, we have received interest from quality national and regional builder/developers in this project. We have been under contract several times and the prospective purchasers have declined to close after doing their due diligence. The reasons cited for the contract terminations focus on the costs associated with the project's engineering and infrastructure requirements. Post-recession housing prices place new constraints on the costs related to development. Therefore, we will also be using this extension time to look at potential modifications to the plan and/or exploring alternatives that would reduce costs and make development on this property financially feasible in this new economic environment.

Please let us know if you have any questions regarding our request or if you need any further documentation or information.

Sincerely,



Mark Zimmerman
Member/Manager
Homestead Partners, LLC



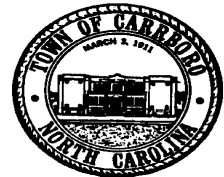
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07/23/2010 11:47:01 AM 1/5

FILED Deborah B. Brooks
Register of Deeds, Orange Co., NC
Recording Fee: \$26.00
NC Real Estate TX: \$.00 *SWP*

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|--|
| <p>PREPARED BY AND RETURN TO:</p> <p>TOWN CLERK TOWN OF CARRBORO 301 West Main Street CARRBORO, NORTH CAROLINA 27510</p> |
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ORANGE COUNTY NORTH CAROLINA

TOWN OF CARRBORO CONDITIONAL USE PERMIT GRANTED Litchfield Architecturally Integrated Subdivision

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

| |
|--|
| APPLICANT: Homestead Partners, LLC |
| OWNERS: Homestead Partners, LLC |
| PROPERTY LOCATION (Street Addresses): 900, 904 and 906 Homestead Road |
| TAX MAP, BLOCK, LOT(S): 7.109..18, 18A and 19D (PIN #s: 9779276836, 9779287186, and 9779280230) <i>[Signature]</i> |
| PROPOSED USE OF PROPERTY: Major Subdivision consisting of the following uses: 1.111 (single-family detached), 1.231 (duplex) and 1.241 (two-family apartment) |
| CARRBORO LAND USE ORDINANCE USE CATEGORY: 26.100 |
| MEETING DATES: May 25, 2010 and June 22, 2010 |

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



1. The applicant shall complete the development strictly in accordance with the plans submitted to and approved by this Board, a copy of which is filed in the Carrboro Town Hall. Any deviations from or changes in these plans must be submitted to the Development Review Administrator in writing and specific written approval obtained as provided in Section 15-64 of the Land Use Ordinance.
2. If any of the conditions affixed hereto or any part thereof shall be held invalid or void, then this permit shall be void and of no effect.
3. That, prior to construction plan approval, a recombination plat is approved by the Town and recorded by Orange County Register of Deeds, showing the reconfigured lot in conformance with the approved CUP plans.
4. The continued affordability of the units (identified as 1, 2, 18, 19, 27, 28) must be ensured through working directly with Community Home Trust, in accordance with LUO Section 15-182.4.
5. Certificates of Occupancy for six (6) of the last 'market-rate' units to be constructed may not be issued until such time as a corresponding affordable unit (located on lots 1, 2, 18, 19, 27, 28) is constructed and offered for sale or rent for an amount consistent with the language found in Section 15-182.4 of the Town of Carrboro Land Use Ordinance.
6. That, prior to construction plan approval, the applicant explores alternative traffic calming techniques for Lucas Lane, including but not limited to a mid-block curb extension (also known as a "choker").
7. That prior to construction plan approval, the applicant receive a driveway permit from NCDOT.
8. That, prior to Construction Plan approval, the sidewalk detail on the detail sheet is labeled and specifies that sidewalk thickness shall increase to a minimum of 6" thick where all driveways cross the sidewalk.
9. That the single family home lots, when developed have sufficient room to conveniently park two cars, off of the street, without blocking the sidewalk. Garages may not be counted toward this requirement. This parking will be shown on individual plot plans during the building permit stage.
10. That flexibility be allowed in the execution of the street tree planting plan (subject to the approval of public works and the planning department), such that the combination of existing and proposed trees along all publicly dedicated streets in Litchfield meet the street tree requirements of Section 15-315 of the Land Use Ordinance.
11. That, prior to construction plan approval, the equivalent of a Type A screen be shown on the development side of the Homestead Road Buffer. Maintenance of this buffer is a continued condition of this permit.
12. That flexibility is allowed during Construction Plan approval and in the execution of the Drainage Plans. Changes will be processed as insignificant deviations so long as they are found not to have a substantial impact on neighboring properties, the general public, or those intended to occupy or use the proposed development.
13. That, prior to Construction Plan approval, the HEC-RAS flood study shall be approved by the Town Engineer to study the 100 year flood (with backwater analysis) for both the existing and proposed conditions; any substantial design changes made as a result of this study (to comply with the LUO) will require the approval of either staff or the Board of Aldermen (with possible public hearing) per the provisions of 15-64 of the LUO. Substantial design changes would be defined as those that have a substantial impact on neighboring properties, the general public, or those intended to occupy or use the proposed development.
14. That all state and federal 401 and 404 permits be obtained prior to construction plan approval if necessary.



15. That the applicant shall provide to the Zoning Division, prior to the recordation of the final plat for the project or before the release of a bond if some features are not yet in place at the time of the recording of the final plat, Mylar and digital as-builts for the stormwater features of the project. Digital as-builts shall be in DXF format and shall include a base map of the whole project and all separate plan sheets. As-built DXF files shall include all layers or tables containing storm drainage features. Storm drainage features will be clearly delineated in a data table. The data will be tied to horizontal controls.
16. That the developer shall include detailed stormwater system maintenance plan, specifying responsible entity and schedule. The plan shall include scheduled maintenance activities for each unit in the development, (including cisterns, bio-retention areas, swales, check dams, and irrigation pond), performance evaluation protocol, and frequency of self-reporting requirements (including a proposed self-reporting form) on maintenance and performance. The plan and supporting documentation shall be submitted to Town engineer and Environmental Planner for approval prior to construction plan approval. Upon approval, the plans shall be included in the homeowners' association documentation.
17. That the developer provide a written statement from the electrical utility stating that electric service can be provided to all locations shown on the construction plans prior to the approval of the construction plans.
18. That fire flow calculations and building-sprinkler design (as required) must be submitted and approved by the Town Engineer and Town Fire Department prior to construction plan approval.
19. That all new street lighting be provided by full cutoff fixtures.
20. That construction plans and subsequent building permits demonstrate compliance with the current lighting provisions of Article XV of the Land Use Ordinance, in place at the time of this hearing.
21. That the applicant receive(s) CAPs from the Chapel Hill Carrboro City Schools District pursuant to Article IV, Part 4 of the Land Use Ordinance, prior to construction plan approval.
22. That the applicant submit a Voluntary Annexation Petition prior to final plat approval.
23. That the applicant provide, in each of the 10,000 sq ft play areas, a hedge or other border along the Lucas Lane frontage between the sidewalk and the play area and that the applicant provide shaded seating in the 10,000 sq ft play areas.
24. That the HOA and design standards documents include green-building guidelines for new construction and do not prohibit clotheslines, solar panels and other renewable energy measures.

This permit shall automatically expire within two years of the date of issuance if the use has not commenced or less than 10 percent (10%) of total cost of construction has been completed or there has been non-compliance with any other requirements of Section 15-62 of the Carrboro Land Use Ordinance.

All street construction on those streets proposed for acceptance by the Town of Carrboro shall be certified by an engineer. Engineering certification is the inspection by the developer's engineer of the street's subgrade, base material, asphalt paving, sidewalks and curb and gutter, when used. The developer's engineer shall be responsible for reviewing all compaction tests that are required for streets to be dedicated to the town. The developer's engineer shall certify that all work has been constructed to the town's construction specifications.

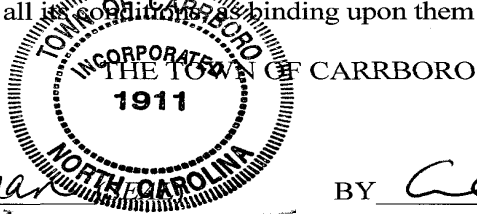
If this permit authorizes development on a tract of land in excess of one acre, nothing authorized by the permit may be done until the property owner properly executes and returns to the Town of Carrboro the attached acknowledgment of the issuance of this permit so that the town may have it recorded in the Orange County Registry.



NORTH CAROLINA

ORANGE COUNTY

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



ATTEST:

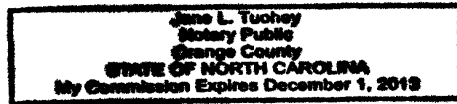
Sharmin E. Mirman
Deputy Town Clerk

BY Carl M. Efrid
For Town Manager

I, Jane L. Tuohy, a Notary Public in and for said County and State, do hereby certify that Sharmin Mirman, Deputy Town Clerk for the Town of Carrboro, personally came before me this day and being by me duly sworn says each for himself that she knows the corporate seal of the Town of Carrboro and that the seal affixed to the foregoing instrument is the corporate seal of the Town of Carrboro, that Carl M. Efrid, signing for the Town Manager of said Town of Carrboro and Sharmin Mirman, Deputy Town Clerk for the Town of Carrboro subscribed their names thereto; that the corporate seal of the Town of Carrboro was affixed thereto, all by virtue of a resolution of the Board of Aldermen, and that said instrument is the act and deed of the Town of Carrboro.

IN WITNESS THEREOF, I have hereunto set by hand and notarial seal this the 21 day of July, 2010.

(SEAL)

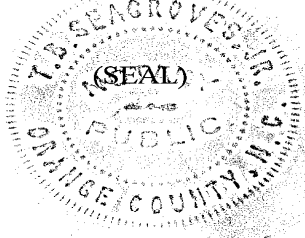


Jane L. Tuohy
Notary Public

My Commission Expires: 12-1-2013



IN TESTIMONY WHEREOF, the undersigned Limited Liability Partnership Grantor has caused this instrument to be executed in the appropriate partnership name by the duly authorized general partner, and has adopted as its seal the word "Seal" appearing beside its name and their signature(s), this sealed instrument being executed and delivered on the date first above written.



HOMESTEAD PARTNERS, LLC

By: *William E. Tate*Title: *Member - Manager**N.C.*

(STATE)

ORANGE

(COUNTY)

I, *T. B. Seagraves, Jr.*, a Notary Public of the County and State aforesaid, certify that *William E. Tate* personally appeared before me this day and acknowledged that he is *Member - Manager* of *Homestead Partners, LLC*, and that by authority duly given and as the act of the limited partnership, the foregoing instrument was signed in its name by him as *Member - Manager* on behalf of the limited partnership as *Homestead Partners, LLC* thereof all by authority duly given.

Witness my hand and official seal, this *2nd* day of *July*, 2010.

(SEAL)

T. B. Seagraves, Jr.
Notary Public

My commission expires: *2-28-14*

(Not valid until fully executed and recorded)

| |
|--|
| PREPARED BY AND RETURN TO: TOWN CLERK TOWN OF CARRBORO 301 West Main Street CARRBORO, NORTH CAROLINA 27510 |
|--|



(c) If a development that is to be built in phases or stages includes improvements that are designed to relate to, benefit, or be used by the entire development (such as a swimming pool or tennis courts in a residential development) then, as part of his application for development approval, the developer shall submit a proposed schedule for completion of such improvements. The schedule shall relate completion of such improvements to completion of one or more phases or stages of the entire development. Once a schedule has been approved and made part of the permit by the permit-issuing authority, no land may be used, no buildings may be occupied, and no subdivision lots may be sold except in accordance with the schedule approved as part of the permit, provided that:

- (1) If the improvement is one required by this chapter then the developer may utilize the provisions of Subsections 15-60(a) or 15-60(c);
- (2) If the improvement is an amenity not required by this chapter or is provided in response to a condition imposed by the board, then the developer may utilize the provisions of Subsection 15-60(b).
- (3) Changes in phasing schedules may be made in the same manner as other permit modifications pursuant to the procedures set forth in Section 15-64. **(AMENDED 2/24/87)**

Section 15-62 Expiration of Permits.

(a) Zoning, special use, conditional use, and sign permits shall expire automatically if, within two years after the issuance of such permits: **(AMENDED 5/26/81)**

- (1) The use authorized by such permits has not commenced, in circumstances where no substantial construction, erection, alteration, excavation, demolition, or similar work is necessary before commencement of such use; or
- (2) Less than ten percent of the total cost of all construction, erection, alteration, excavation, demolition, or similar work on any development authorized by such permits has been completed on the site. With respect to phased development (see Section 15-61), this requirement shall apply only to the first phase.

(b) If, after some physical alteration to land or structures begins to take place, such work is discontinued for a period (i) of one year if the date of discontinuance occurs more than one year after the issuance of the permit, or (ii) equal to two years less the time between the issuance of the permit and the time work is discontinued if the date of discontinuance occurs less than one year after the issuance of the permit, then the permit authorizing such work shall immediately expire. However, expiration of the permit shall not affect the provisions of Section 15-63.

(c) The permit-issuing authority may extend for a period up to one year the date when a permit would otherwise expire pursuant to subsections (a) and (b) if it concludes that (i) the permit has not yet expired, (ii) the permit recipient has proceeded with due diligence and in good faith, and (iii) conditions have not changed so substantially as to warrant a new application. Successive extensions may be granted for periods up to one year upon the same findings. All such extensions may be granted without resort to the formal processes and fees required for a new permit.

(d) For purposes of this section, a permit within the jurisdiction of the Board of Aldermen or the board of adjustment is issued when such board votes to approve the application and issue the permit. A permit within the jurisdiction of the zoning administrator is issued when the earlier of the following takes place: **(AMENDED 11/10/81)**

- (1) A copy of the fully executed permit is delivered to the permit recipient, and delivery is accomplished when the permit is hand delivered or mailed to the permit applicant; or
- (2) The zoning administrator notifies the permit applicant that the application has been approved and that all that remains before a fully executed permit can be delivered is for the applicant to take certain specified actions, such as having the permit executed by the property owner so it can be recorded if required under G.S. 15-46(c).

(e) Notwithstanding any of the provisions of Article VIII (Nonconforming Situations), this section shall be applicable to permits issued prior to the date this section becomes effective.

Section 15-63 Effect of Permit on Successors and Assigns.

(a) Zoning, special use, conditional use and sign permits authorize the permittee to make use of the land and structures in a particular way. Such permits are transferable. However, so long as the land or structures or any portion thereof covered under a permit continues to be used for the purposes for which the permit was granted, then:

- (1) No person (including successors or assigns of the person who obtained the permit) may make use of the land or structures covered under such permit for the purposes authorized in the permit except in accordance with all the terms and requirements of that permit; and
- (2) The terms and requirements of the permit apply to and restrict the use of land or structures covered under the permit, not only with respect to all persons having any interest in the property at the time the permit was obtained, but also with respect to persons who subsequently obtain any interest in all or part of the covered property and wish to use it for or in

TOWN OF CARRBORO

BOARD OF ALDERMEN



PERMIT EXTENSION WORKSHEET

I. FINDINGS REQUIRED BY SECTION 15-62(c)

A. The permit has not yet expired.

- ☐ Yes
☐ No

B. The permit recipient has proceeded with due diligence and in good faith.

- ☐ Yes
☐ No

C. Conditions have not changed so substantially as to warrant a new application.

- ☐ Yes
☐ No

II. GRANTING THE PERMIT EXTENSION REQUEST

- ☐ The Permit Extension Request is granted, extending the expiration date of the previously issued Conditional Use Permit by a period of one year from the date on which it would otherwise expire.

III. DENYING THE PERMIT EXTENSION REQUEST

- ☐ The Permit Extension Request is denied because it fails to comply with the ordinance requirements set forth above in Section I.



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0344

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

A call for public hearing on the issue of a proposed new Arts and Innovation Center

PURPOSE: The purpose of the agenda item is to set a public hearing where the Board of Aldermen could hear the public comments on a proposal for a new Arts and Innovation Center that would replace the current ArtsCenter.

DEPARTMENT: Economic and Community Development

CONTACT INFORMATION: Annette D. Stone, AICP Economic and Community Development Director

INFORMATION: The Town has been approached by the Board of Directors for the ArtsCenter, Kidzu, and the Carolina Performing Arts with a proposal for a joint collaboration between the three non-profits to combine resources within a new, to be constructed, town-owned facility that would be built at the corner of E Main Street and Roberson Street. This facility would be leased back to the non-profits. Preliminary details of this proposal and proposed contingencies are included in the attached draft public notice.

If the Board chooses to set the public hearing, there has been a strong desire to ensure public awareness about the proposal. Town staff has laid out a plan to inform Carrboro citizens of this proposal. In addition to public notices, staff will do press releases, web and social media campaign, posters and banners at key locations, radio interview opportunities on WCHL and WCOM, emails to Home Owners Associations and the Carrboro business community.

FISCAL & STAFF IMPACT:

RECOMMENDATION: Staff recommends the Board consider the resolution to hold a public hearing.

RESOLUTION

A RESOLUTION TO CALL FOR A PUBLIC HEARING ON JANUARY 20, 2015 TO CONSIDER A
PROPOSAL BY THE ARTSCENTER, KIDZU, AND CAROLINA PERFORMING ARTS

WHEREAS, The Town has been approached by the Board of Directors for the ArtsCenter, Kidzu, and the Carolina Performing Arts;

WHEREAS, they have proposed a joint collaboration to form a partnership between the three non-profits to combine resources;

WHEREAS, the proposal includes a new facility that would be constructed and owned by the Town of Carrboro and leased back to the non-profits;

WHEREAS, the Board of Aldermen strongly value public input and wish to hold a public hearing on this proposal;

NOW THEREFORE BE IT RESOLVED, call for a public hearing on January 20, 2015 in the Board Room of Town Hall at 7:30 p.m.

This 2nd day of December 2014.

Town Clerk

NOTICE OF PUBLIC HEARING

The Carrboro Board of Aldermen will hold a public hearing at 7:30 p.m. on Tuesday, January 20, 2015, at the Carrboro Town Hall, 301 West Main Street, to obtain input from Carrboro residents, business owners, and property owners on a request submitted by the ArtsCenter, Kidzu Children's Museum, and Carolina Performing Arts* that the Town of Carrboro construct, own, and lease to a partnership consisting of these three organizations a new building at the intersection of Main and Roberson Streets. These organizations envision a four story, 55,000 square foot building constructed by the Town at an estimated cost of \$12.1 million on a site (located across Roberson Street from the Armadillo Grill and currently used as a public parking lot) donated to the Town. The Town has been requested to contribute up to approximately \$4.5 million toward the construction of this building, and the above named non-profits would be responsible for raising the balance of the needed funds from private donors, foundations, other governmental entities, or other sources.

THE BOARD OF ALDERMEN HAS MADE ABSOLUTELY NO COMMITMENTS REGARDING ANY ASPECT OF THE REQUEST BY THESE ORGANIZATIONS, OTHER THAN TO HOLD THIS PUBLIC HEARING.

However, the Board has concluded that in no event would a proposal such as that described above even be conceivable unless it included the following conditions or contingencies.

1. The Town's contribution to the cost of construction (including all steps in the process from preliminary planning through issuance of a certificate of occupancy) would be limited to a set maximum, and the entire remainder of the funds necessary to cover these costs would have to be provided by other sources and actually received by the Town before the Town incurred any significant costs.
2. The Town's contribution to the cost of construction would be made with borrowed funds, and the amount of that contribution would not exceed the amount that could be paid back over a twenty-five year period by the reasonably estimated "new" revenues that would be received by the Town only if the new facility were constructed. To illustrate, construction of a new hotel on the property now owned and occupied by the ArtsCenter, which would generate substantial addition property tax and occupancy tax revenues, is dependent on the ArtsCenter being able to move to the proposed new facility. In addition, the Town might seek from the General Assembly authority to establish a "prepared food and beverage tax," the revenue from which could be limited to financing the construction of a project such as the one described above.
3. The costs of operation, maintenance, and capital reserves would have to be guaranteed to the Board's satisfaction through a performance agreement backed by adequate security. As part of the information required by this condition, each of the three non-profits would

have to submit budgetary and programming information sufficient to demonstrate the long term viability of each organization.

4. Commitments and arrangements would have to be secured to ensure that (i) parking would be available to support the activities occurring on the proposed site, and (ii) increased traffic could be accommodated, without adversely affecting other downtown businesses or property owners,

The Board is also considering whether any approval of a proposal such as that put forward by the three non-profits should be made contingent upon these organizations having to demonstrate to the reasonable satisfaction of the Board that the proposed facility could not be constructed without Town ownership of and a significant financial contribution to the cost of constructing such a facility.

At the hearing, the three non-profits will be available to discuss their proposal and answer questions. The public is invited to comment on any aspect of this proposal, including without limitation the following:

- Whether a facility such as that proposed by the three non-profits is appropriate for the Town of Carrboro
- Whether, under any set of conditions, the proposed building should be constructed, and/or owned, and/or financed by the Town
- The desirability of any of the above described conditions, or others.

*For those not familiar with these three organizations, their respective web sites are:

<http://www.artscenterlive.org/>

<http://www.kidzuchildrensmuseum.org/>

<https://www.carolinaperformingarts.org/>



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0334

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

Close-out Public Hearing on the CDBG Small Business Entrepreneurial Assistance Project

PURPOSE: The purpose of this public hearing is to review project activities and final budget numbers for the CDBG Small Business Entrepreneurial Assistance project to extend a sewer line on Roberson Street.

DEPARTMENT: Economic and Community Development

CONTACT INFORMATION: Annette Stone, AICP Economic and Community Development Director
919-918-7319 or astone@townofcarrboro.org <<mailto:astone@townofcarrboro.org>>

INFORMATION: The Town was awarded a grant in July of 2012 from the North Carolina Department of Commerce to extend approximately 600 feet of sewer line on Roberson Street. The sewer line was needed to ensure availability of a sanitary sewer system for the businesses located along Main Street. Due to a major sewer line failure, these businesses were at risk of being closed down. The extension of this sewer line saved 22 businesses and retained 140 jobs of employees who work in these businesses.

In addition to the job retention benefit of this project, one of the grant requirements was to create a positive entrepreneurial environment for the community. The Town achieved this by hosting a free entrepreneurial workshop called Grow in Carrboro that focused on helping non-profits and social enterprises thrive and excel in the work they do for the community. The seminar served over 33 individuals who learned about issues such as earned income strategies, improved business planning and operational strategies, social enterprise marketing, best practices of peer organizations, key challenges facing our community, and ways organizations can develop durable networks and partnerships.

FISCAL & STAFF IMPACT:

Agenda Date: 12/2/2014

File Type:Abstract

In Control: Board of Aldermen

Version: 1

| <u>Expenses</u> | <u>Spent to date</u> | <u>Estimated</u> | <u>Total Expenses</u> |
|-----------------------------|---------------------------------|-------------------------|------------------------------|
| Planning | \$ 8,500.00 | | |
| Administration | \$ 11,015.00 | | |
| Construction | <u>\$ 235,971.97</u> | <u>\$ 6,000.00</u> | |
| | \$ 255,486.97 | \$ 6,000.00 | \$ 261,486.97 |
| | | | |
| | | | |
| <u>Revenues</u> | <u>Collected to date</u> | <u>Estimated</u> | <u>Total Revenues</u> |
| State Grants/Program Income | \$ 171,700.00 | | |
| Town of Carrboro | \$ 44,893.49 | | |
| Orange County | <u>\$ -</u> | <u>\$ 44,893.48</u> | |
| | \$ 216,593.49 | \$ 44,893.48 | \$ 261,486.97 |

RECOMMENDATION: Staff recommends the Board hold the public hearing and receive comments.



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0335

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

Public Hearing on lease of town owned property located at 110 East Main Street

PURPOSE: The purpose of this agenda item is for the Board to take public comment on a proposed lease for town property located at 110 East Main Street.

DEPARTMENT: Economic and Community Development

CONTACT INFORMATION: Annette D. Stone, AICP Economic and Community Development Director

INFORMATION: Betsy Elbogen, owner of the co-working studio known as Perch. Mrs. Elbogen is interested in leasing town owned property located at 110 East Main Street. The space is a 3300 square foot condo above ACME Restaurant. The proposed lease is a 5 year term with a graduated annual rent averaging \$37,320.00 per year. NCGS#160A-272 requires the local governments to hold public hearings on any proposed leases for more than 1 year.

FISCAL & STAFF IMPACT:

| Proposed Perch Lease of Town-Owned Offices | |
|---|-----------------|
| Year 1 Annual Rental Income | \$ 21,600 |
| Year 1 Rental Rate per Square Foot | \$ 6.80 |
| Year 2 Annual Rental Income | \$ 39,000 |
| Year 2 Rental Rate per Square Foot | \$ 12.27 |
| Years 3-5 Annual Rental Income(Plus CPI) | \$ 42,000 |
| Years 3-5 Rental Rate per Square Foot (Plus CPI) | \$ 13.22 |

| Town Income if Sold to Private Party | |
|--------------------------------------|-----------------|
| Interest Income (\$600,000 x .075%) | \$ 4,500 |
| Estimated Town Property Taxes | \$ 3,540 |
| Total Annual Town Income | \$ 8,040 |

Agenda Date: 12/2/2014

File Type:Abstract

In Control: Board of Aldermen

Version: 1

RECOMMENDATION: Staff recommends the Board hold the public hearing and consider the proposed lease agreement.

RESOLUTION

A resolution giving the Town Manager authority to enter into a lease agreement with Perch Studios.

December 2, 2014

WHEREAS, the Town owns property located at 110 East Main Street and is described as a 3300 square foot condo located over ACME Restaurant;

WHEREAS, Betsy Elbogen of Perch Studios has approached the Town with a proposal to lease town this property;

WHEREAS, the Board of Aldermen held a public hearing on the proposed lease;

NOW THEREFORE BE IT RESOLVED, the Board of Aldermen gives the Town Manager the authority to enter into a 5 year lease as described in the attached proposal.

This 2nd day of December 2014.

Clerk

Perch Studios Proposal for 110 East Main Street

Mission Statement

Perch Studios is a coworking space where individuals can come together to work, think, and collaborate. Perch Studios functions to create community with other coworkers by sharing ideas or just a cup coffee together. Perch Studios brings together freelancers, web designers, software programmers, entrepreneurs, and artists in order to connect, cultivate ideas, and, ultimately, grow their own careers and businesses in new and exciting directions.

Part I-Financial

Perch Studios will sign a 5-year lease with the Town of Carrboro. The first two years of the lease will be tiered payment schedule as shown below:

1st Year Payment Schedule:

| | | |
|---------------------------|---------------------|-----------|
| 1 st 3 months- | \$1,100 per month= | \$3,300 |
| 2 nd 3 months- | \$1,600 per month = | \$4,800 |
| 3 rd 3 months- | \$2,000 per month = | \$6,000 |
| 4 th 3 months- | \$2,500 per month = | \$7,500 |
| Total Rental Payments | | =\$21,600 |

2nd Year Payment Schedule:

| | | |
|--|---------------------|-----------|
| 2 nd year 1 st 6 months- | \$3,000 per month = | \$18,000 |
| 2 nd year 2 nd 6 months- | \$3,500 per month = | \$21,000 |
| Total Rental Payments | | =\$39,000 |

Years 3-5, Perch Studios will pay \$3,500 per month or \$42,000 annually. The 5-year lease will have the option for Perch Studios or the Town of Carrboro to cancel with a 90-day notice after the 2-year mark, with no penalty. The CPI will be a not-to-exceed amount of 3% for years 3-5.

Perch Studios will pay all utilities (Gas/Electricity and cable) and insurance.

Perch Studios will pay for all repairs of \$2,500 or less.

Perch Studios will paint the interior walls and be responsible for additional lighting.

Perch Studios will be responsible for all signage for the front and back of building.

Town of Carrboro will remove all Fleet Feet furniture along with removing the two office walls blocking the window.

Town of Carrboro will notify Orange County to remove the property from the County tax rolls and Perch Studios will not pay any -in-lieu property taxes to the Town of Carrboro.

Town of Carrboro will pay for all repairs above \$2,500.

Town of Carrboro and Perch Studios will split the cost of removing the carpet and replacing the floor 50/50.

Town of Carrboro will replace any water-stained ceiling tile.

Town of Carrboro will be responsible for the parking lot.

Part II-Perch Studios Space

Perch Studios will foster growth and business development while providing alternative and affordable workspace in Carrboro, helping to achieve one of the town's main objectives to support the local business economy network. Perch Studios is providing job creation.

Additionally, there is growing demand in our community to support new entrepreneurs/start-ups coming out of local incubators (i.e. Launch and 1789 Lab). These individuals need affordable coworking space and office suites in Carrboro.

Perch Studios will have personal desks (\$200-\$250), communal tables (\$100) and office suites (\$400-\$450) for lease. We will offer a conference room equipped with a conference line, LCD projector, and white board. We will also have alternatives to traditional desks such as sofas or standing desks.

The conference room will be available for the Carrboro Business Alliance (free) and to other businesses to rent out the room by the hour.

Perch Studios will offer Wi-Fi, laser printer, office supplies and a kitchen along with complementary coffee from Carrboro Coffee Roasters.

Bi-monthly newsletters promote Perch Studios services along with our coworkers.

Coworkers will have access 24/7.

Part III-Perch Studios Programs for the Economic Development of Carrboro

In order to support and strength the development of Carrboro's businesses, Perch Studios will continue to host/provide business development and educational seminars by the Green Door Group to our coworkers and to the Carrboro Business Alliance/Entrepreneur Meet-up groups.

Other Services offered by Perch Studios:

- Financial literacy office hours
- Legal Advice office hours
- Groundwork-an event that micro funds creative and local projects.
- One office suite subsidized by Perch Studios for a new business.

The new space at Perch Studios will provide a vehicle to bring dozens of businesses to Carrboro all at once. Already, the smaller space at Perch Studios hosts individuals in the following industries:

| Type of Industry | Current Number at Perch |
|------------------------------------|-------------------------|
| Web Development | III |
| Technology Start-Up | I |
| Data Analyst | I |
| Writer/Poetry/Editor | IIII |
| Software Development | III |
| Telecommute for Large Corporations | II |
| Healthcare/Education Software | II |

| | | |
|-------------------------------------|-----------|--------------------------|
| Existing Fleet Feet Lease | | (\$600,000/100) x \$0.59 |
| | | |
| Square Feet | 3,178 | |
| Rental Rate per square Foot | \$ 17.00 | |
| Annual Rental Income | \$ 54,026 | |
| Estimated Town Property Taxes | \$ 3,540 | |
| Total Annual Town Income | \$ 57,566 | |
| Total Monthly Town Income | \$ 4,797 | |
| Total Annual Income per Square Foot | \$ 18.11 | |

| | |
|-------------------------------------|-----------|
| Existing Perch Lease at 204 W. Main | |
| | |
| Square Feet | 850 |
| Rental Rate per square Foot | \$ 14.12 |
| Annual Rental Expense | \$ 12,000 |
| Monthly Rental Expense | \$ 1,000 |

| | |
|--|-----------|
| Proposed Perch Lease of Town-Owned Offices | |
| | |
| Year 1 Annual Rental Income | \$ 21,600 |
| Year 1 Rental Rate per Square Foot | \$ 6.80 |
| Year 2 Annual Rental Income | \$ 39,000 |
| Year 2 Rental Rate per Square Foot | \$ 12.27 |
| Years 3-5 Annual Rental Income(Plus CPI) | \$ 42,000 |
| Years 3-5 Rental Rate per Square Foot (Plus CPI) | \$ 13.22 |

| | | |
|--------------------------------------|----------|---------------------|
| Town Income if Sold to Private Party | | (\$600,000 x 0.75%) |
| | | |
| Interest Income | \$ 4,500 | |
| Estimated Town Property Taxes | \$ 3,540 | |
| Total Annual Town Income | \$ 8,040 | |



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0325

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

Creative Arts District Options for Establishment and Tools to Support the Creative Economy

PURPOSE: The purpose of this agenda item is for the UNC Public Policy Capstone students to share a presentation encompassing feedback and research findings about cultural arts districts.

DEPARTMENT: Recreation and Parks Department, Planning and Community and Economic Development

CONTACT INFORMATION: Anita Jones-McNair 918-7381, Patricia McGuire 918-7327 and Annette Stone 918-7319

INFORMATION: In August 2014 The Creative Carrboro Steering Committee joined with four UNC Public Policy Capstone students to explore the possibility of a cultural arts and creativity district in Carrboro. (see attached work plan)

Jasmine Cook, Elaina Skarote, EB Hobbs-Brown and Jon Hebert had an opportunity to present findings to date and interact with the community in relation to creative businesses, artists, types of districts and the desirability of an arts district during a November 8, 2014 community session. Since that session the students have been refining their work. This presentation/report to the Board is a culmination of their research.

The steering committee is in the process of reviewing information gathered during this initiative. The student's report will be included in the review process. Once all the information is reviewed, the steering committee will begin formatting a final report to present to the Board by Spring 2015.

FISCAL & STAFF IMPACT: None at this time

RECOMMENDATION: Staff recommends to accept the report

Work Plan for Creative Carrboro

UNC-Chapel Hill, PLCY 698 (Policy Capstone), Fall 2014

Jasmine Cook, Jonathan Hebert, Emmanuel Hobbs Brown, and Elaina Skarote

Organizing Principle:

In order for Creative Carrboro to provide the public with economic development options that leverage existing cultural and artistic assets, Creative Carrboro needs to understand the feasibility of an arts district or alternative initiatives for the community. Creative Carrboro intends to use past and future community feedback to shape their plans. For Creative Carrboro to continue this initiative the town asks for an inventory of creative business, a systematic map of existing cultural assets, and a review of business satisfaction within the Town of Carrboro. We will provide a final report based on our analysis of these three components as well as prior work from Creative Carrboro and provide recommendations for future action.

Client Goals:

1. Inventory of creative businesses
2. Review satisfaction of creative businesses
3. Systematic mapping of existing cultural assets
4. Review and analyze other arts districts and alternative programs
5. Develop a feasibility report
6. Develop additional strategies
7. Develop a final paper and presentation

Goal 1: Inventory for Creative Business

Goal One aims to produce a spreadsheet that contains the inventory of creative businesses within the Town of Carrboro. This inventory list provides concise information on creative businesses as well as creative assets available to the community and will eventually lead to the creation of a Geographic Information Systems (GIS) map.

Objectives

1. Define creative businesses until approved by Creative Carrboro.
2. Eliminate any non-creative businesses from the spreadsheet provided.
3. Create a questionnaire that will provide the information for the required fields in the spreadsheet. (i.e., location, number of employees, cultural/creative assets.)
4. Contact the creative businesses with the approved questionnaire.

Deliverables to Client

1. A spreadsheet listing only creative businesses for approval. **Due: 9/15/2014**
2. A final questionnaire for approval. **Due: 9/19/2014**

3. A final completed spreadsheet of the required fields for the creative businesses and their cultural/creative assets. **Due: 10/29/2014**

Goal 2: Review Satisfaction of Creative Businesses

Goal Two aims to produce an analysis of the satisfaction of the creative businesses and organizations located within the Town of Carrboro. This analysis will be integrated into the final report presented to Creative Carrboro.

Objectives

1. Create a questionnaire that will provide information regarding satisfaction of the creative businesses in Carrboro. (i.e., reasons for staying in Carrboro and how long they have been located in Carrboro).
2. Have questionnaire approved and begin contacting the creative businesses.
3. Research reasons creative businesses left Carrboro through interviews.
4. Create a coding system for responses.

Deliverables to Client

1. A final questionnaire for approval, **Due: 9/19/2014**
2. Report on reasons creative businesses left Carrboro, **Due: 10/22/2014**
3. Report on coded analysis on satisfaction of current creative business, **Due: 10/29/2014**

Goal 3: Systematic Mapping of Existing Cultural Assets

Goal Three aims to systematically map existing creative businesses and assets using Geographic Information Systems (GIS). This map will provide Creative Carrboro with a structural view of where creative businesses and assets are located within the town.

Objectives

1. Find or create shapefiles that contain creative businesses of Carrboro, streets, and landmarks.
2. Write a detailed list of necessary GIS functions and a plan for how the map will be made.
3. Research methods of creating interesting and attractive maps.
4. Create an unformatted map of creative businesses.
5. Consult Graphic Designer and GIS Librarians to create formatted and complete map.

Deliverable to Client

1. A formatted and complete map of creative businesses in Carrboro. **Due: 10/22/2014**

Goal 4: Review and Analyze The Previous Work of Other Art Districts Within North Carolina

Goal Four aims to review and analyze other creative districts within North Carolina and analyze possible strategies upon which Creative Carrboro can build. This research will be integrated into the final report that will be presented to Creative Carrboro.

Objectives

1. Investigate other arts districts and research best practices.

Deliverable to Client:

1. Outline of information collected from current arts districts. **Due: 10/22/2014**

Goal 5: Develop Additional Strategies

Goal Five aims to develop and analyze additional strategies and community feedback that may be pertinent to Creative Carrboro and their initiative to foster economic and cultural development in their community. This will include a feasibility report, which will investigate best practices for, and alternative strategies to, an arts district. These analyses will be compiled into the final report.

Objectives

1. Develop options and alternatives for Creative Carrboro to consider.
2. Attend 1 and host 1 community charrette and evaluate community response and opinion.
3. Develop recommendations based on the available options and alternatives for Creative Carrboro to consider.

Deliverables to Client

1. A draft of a written report on options and alternatives. This draft includes both the analysis of current arts districts and alternative strategies. **Due: 11/13/2014**
2. Pictures and a draft of a written report/analysis on community response/feedbacks **Due: 11/13/2014**
3. Host charrette reviewing community feedback and presenting alternative strategies to the community **Due: 11/8/2014**
4. A draft of a written report discussing and analyzing recommendations based on community feedback (including images) and prior research. **Due: 11/13/2014**

(The final deliverables will be compiled into the final report. **Due 12/1/2014**)

Goal 6: Develop a Final Paper and Presentation

Goal Six aims to develop a final report to Creative Carrboro along with a presentation that reveals the processes throughout the semester from which we have developed our analyses.

Objectives

1. Develop a final report for Creative Carrboro based on an inventory of creative business, a systematic map of existing cultural assets, and a review of business satisfaction within the Town of Carrboro, and provide recommendations for future action.
2. Develop a poster board and presentation that elaborates the steps throughout the research process.

Deliverables to Client:

1. Poster board and Presentation **Due: 11/24/2014**
2. Final Report **Due: 12/1/2014**



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0333

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

Proposed Carrboro Mural Project - Jones Ferry Road and Highway 54

PURPOSE: The purpose of this item is for Michael Adamson to present additional information in regard to the proposed Carrboro Mural on the existing retaining wall at the intersection of Jones Ferry Road and Highway 54.

DEPARTMENT: Planning and Public Works Department

CONTACT INFORMATION: James Thomas, 918-7335, George Seiz, 918-7427

INFORMATION:

Mr. Adamson presented the concept of the mural at the Board of Aldermen's April 8th, 2014 meeting and the Board of Aldermen approved the resolution to endorse this project. Mr. Adamson stated that he would provide additional information to the Board of Aldermen as this project progressed. This agenda item is for Mr. Adamson to present his progress with the proposed mural. A key item worth noting is that the Tourism Development Authority (TDA) has approved the project application for the full \$8,000 request to fund the first phase of the project.

Mr. Adamson is requesting the following actions related to the proposed mural:

1. **Approve, in concept, the division of the Carrboro Mural Project into three phases**, corresponding to the 3 linear sections of wall at the intersection. Phase 1 will consist of the **Ramp Wall** project based on the Town logo and children's faces. Phase 2 will encompass the central wall fronted by a grass **Lawn** which is a suitable area for children to be actively involved in the painting of a mural. Phase 3 will be a **Gallery** of panels along the side walk fronting Jones Ferry Road. This would be an area for high resolution art designed to be viewed close up.
2. Preliminary Application: **Authorize the Town Staff to proceed with preparation and submission to NCDOT of a preliminary application for use of the retaining wall on the exit ramp from NC 54 westbound onto Jones Ferry Rd. (Phase 1)** Carrboro Mural will work closely with the Town Staff in preparation of this document. This preliminary application will be submitted to District Engineer Chuck Edwards. who will return it to the Town with comments. This document will contain technical details

of the painting process, safety arrangements at the site, plans for public involvement, a plan for dealing with graffiti, and the example art work (Town logo and children's faces) approved by the Carrboro Arts Committee.

- 3. Authorize Carrboro Mural to carry out a program of public involvement for the three phases of the project.** We are planning a number of public involvement activities which will be detailed in the preliminary application. These include participation by local art teachers and 3rd graders whose self-portraits will serve as the basis for an original work of art by muralist Michael Brown. Our intent is to focus on Carrboro Elementary School and Scroggs Elementary School since they are the assignment zone schools for kids in the neighborhood of the mural. The resulting art work will be submitted to the Carrboro Arts Committee. Finally, the approved art work will come before the BOA for a public hearing.

We will be engaging citizens of Carrboro in online discussions (using our Facebook page and Twitter). Michael Brown will write a column for our Facebook page and other media which will discuss the creative process and the details that he considered in creating this particular work of art. Michael Brown, Michael Adamson (and hopefully Town officials) will conduct interviews with local radio and newspapers to acquaint the public with the project and encourage their active participation in creation and painting of the murals (phases 2 and 3) and in the public hearings. We will also participate in blog discussions on Orange Politics, City Beautiful 21, and local art blogs to engage public interest. It has also been agreed that the Carrboro Fire Department will participate by pressure washing the Ramp Wall prior to painting.

As we move into Phase 2 of the project to produce a mural on the Lawn, we will be reaching out to youth art groups that might like to be involved in the design of the content as well as the actual painting. This will include the Karen Youth Art Group and Robert Humphries's Art Group. We will investigate the possibility of involving local graffiti artists/taggers as teachers. A high priority will be involving kids living in the Collins Crossing apartments immediately adjacent to the mural.

The Gallery (Phase 3) will allow for a high degree of panelization so that perhaps 30 distinct murals can be included in one NCDOT application. This model will allow citizens and corporations to sponsor panels, allowing folks who might otherwise not be able to afford the cost of paint and supplies to take part in designing and painting their own mural. This section of wall will allow high resolution art work which can viewed from a stationary position on the side walk. This phase may be best suited to adult artists with the ability to create detailed art works.

- 4. Final Application: (Preparation only) Authorize the Town Staff to prepare, based on comments**

Agenda Date: 12/2/2014

File Type:Abstract

In Control: Board of Aldermen

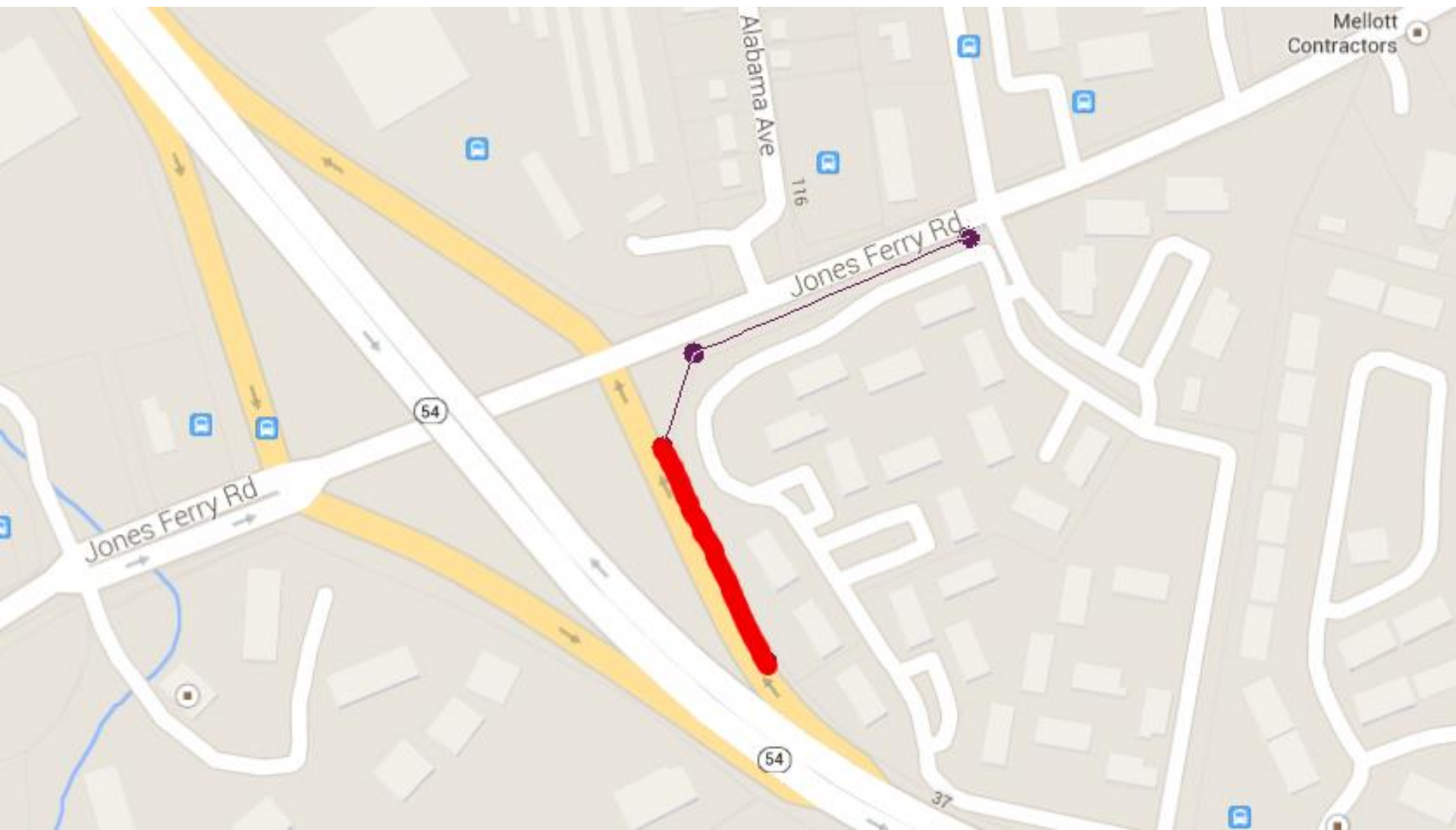
Version: 1

from the District Engineer, a final application to NCDOT for use of the Ramp Wall. This final application will NOT be submitted to NCDOT but will be brought back to the BOA at a public hearing for approval. This final Phase 1 document will include the final art work based on the self-portraits of local 3rd graders. When approved at a public hearing, it will be submitted to NCDOT's Right of Way Art Committee.

FISCAL & STAFF IMPACT: It is estimated that approximately 30 to 40 staff hours will be required for the Planning and Public Works Department to prepare the application to NCDOT for the proposed mural.

To enhance the “Community Involvement” aspect of the project, the Fire Department will be participating by bringing a fire truck to the Mural site to pressure wash the wall in preparation for the placement of the art work.

RECOMMENDATION: It is recommended that the Board of Aldermen receive this report from Mr. Adamson and decide whether or not to endorse the attached resolution to move forward with the proposed mural.





Upon consideration both during the meeting and afterwards, the committee believes the ... portraits of children would be the best fit aesthetically and from a community engagement standpoint. We believe this mural is representative of Carrboro, our collective culture, and our diverse people.

-- Carrboro Arts Committee, September 11, 2014



Requested Actions:

Approve in concept the division of the Carrboro Mural Project into three phases: Ramp Wall, Lawn, Gallery

Authorize the Town Staff to proceed with preparation and submission to NCDOT of a preliminary application for use of the retaining wall on the exit ramp from NC 54 westbound onto Jones Ferry Rd. (Phase 1)

Authorize Carrboro Mural to carry out a program of public involvement for the three phases of the project.

Authorize the Town Staff to prepare, based on comments from the District Engineer, a final application to NCDOT for use of the Ramp Wall. This final application will NOT be submitted to NCDOT but will be brought back to the BOA at a public hearing for approval.







Jones Ferry Rd
500





**A RESOLUTION APPROVING THE FOLLOWING ACTIONS FOR THE
CARRBORO MURAL PROJECT AT THE INTERSECTION OF JONES FERRY
ROAD AND HIGHWAY 54**

WHEREAS, the Carrboro Board of Aldermen approved the concept of the Carrboro Mural Project at their April 8th, 2014 meeting; and

WHEREAS, Mr. Adamson has presented further information to the Board of Aldermen and is requesting the following actions be accepted by the Board of Aldermen:

1. Approve, in concept, the division of the Carrboro Mural Project into three phases
2. Authorize the Town Staff to proceed with preparation and submission to NCDOT of a preliminary application for use of the retaining wall on the exit ramp from NC 54 westbound onto Jones Ferry Road
3. Authorize Carrboro Mural to carry out a program of public involvement for the three phases of the project
4. Authorize the Town Staff to prepare, based on comments from the District Engineer, a final application to NCDOT for use of the Ramp Wall. This final application will NOT be submitted to NCDOT but will be brought back to the BOA at a public hearing for approval, and

NOW, THEREFORE BE IT RESOLVED that the Carrboro Board of Aldermen hereby accept the above stated actions for the Carrboro Mural Project at the intersection of Jones Ferry Road and Highway 54.

This the 2nd day of December 2014.



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0328

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ended June 30, 2014

PURPOSE: The purpose of this presentation is for the Town's independent auditor, Dixon Hughes Goodman LLP, to present and the Board of Aldermen to receive the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.

DEPARTMENT: Finance

CONTACT INFORMATION: Arche McAdoo, 918-7439

INFORMATION: The Town is required to produce annually a Comprehensive Annual Financial Report that includes financial statements that have been audited by an independent certified public accounting firm. This report is submitted to the North Carolina Local Government Commission (LGC) and presented to the Board of Aldermen each year. The CAFR will also be filed with the Municipal Securities Rulemaking Board as part of the continuing disclosure requirements related to the Town's issuance of \$4.6 million General Obligation Sidewalk and Greenways Bonds, Series 2013.

The Carrboro Tourism Development Authority (CTDA) established by the Board in March 2013 is a public authority under the Local Government Budget and Fiscal Control Act. As such, the CTDA is required to produce its own independent audited financial statements. The accounting rules, however, require that the Town show the CTDA as a component unit in Town financial statements.

The Town receives a SAS 114 Report (see attached) from Dixon Hughes Goodman, which is a normal means of communicating with the Board each year regarding the audit. The opinion of the independent auditors is that they find the financial statements present fairly, in all material respects, the financial position of the Town as of June 30, 2014. No management letter identifying needed operational improvements or material weaknesses in internal controls have been provided by the independent auditors for this audit period.

FISCAL & STAFF IMPACT: None.

RECOMMENDATION: That the Board approve the attached resolution accepting the CAFR and SAS 114 Report for fiscal year ended June 30, 2014.

**A RESOLUTION ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITOR'S SAS 114 LETTER FOR THE FISCAL YEAR ENDING
JUNE 30, 2014**

WHEREAS, the Carrboro Board of Aldermen have received the Comprehensive Annual Financial Report including independent auditor's opinion and SAS 114 Letter for fiscal year ending June 30, 2014; and

WHEREAS, the Aldermen were informed by the Town's independent auditors, Dixon Hughes Goodman LLP, that the Town's financial statements are free of material misstatement and that the audit tests conducted by the firm did not uncover any material weaknesses;

NOW THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO;

Section 1: Accept the Comprehensive Annual Financial Report with independent auditor's opinion and SAS 114 Letter for fiscal year ending June 30, 2014.

Report to the Board of Aldermen of

The Town of Carrboro, North Carolina



DIXON HUGHES GOODMAN^{LLP}
Certified Public Accountants and Advisors

| | |
|---|---|
| Contacts | 1 |
| Required Auditor Communications | 2 |
| Appendix - Management Representation Letter | |





John Frank, CPA

Partner

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High Point, North Carolina 27265
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[John.Frank @dhgllp.com](mailto:John.Frank@dhgllp.com)

Brandon Flinchum, CPA

Senior Manager

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High Point, North Carolina 27265
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Brandon.Flinchum@dhgllp.com



October 30, 2014

To the Board of Aldermen
Town of Carrboro, North Carolina

We have audited the financial statements of the Town of Carrboro, North Carolina (the "Town") for the year ended June 30, 2014, and have issued our report thereon dated October 30, 2014. Professional standards require that we provide you with information about our responsibilities in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 9, 2014. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management, and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the allowance for doubtful accounts is based on historical collection experience and collateral. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciable lives is based on the expected useful lives of individual capital assets. We evaluated the key factors and assumptions used to develop the depreciable lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of postretirement benefits is based on actuarial assumptions and projections that are provided by a third party based on information provided by management. We evaluated the key factors and assumptions used to develop the postretirement benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of other postemployment benefits is based on actuarial assumptions and projections that are provided by a third party based on information provided by management. We evaluated the key factors and assumptions used to develop the other postemployment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any material misstatements as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 30, 2014 which is included in the Appendix.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Town’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Aldermen and management of the Town, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Dixon Hughes Goodman LLP

High Point, North Carolina





DIXON HUGHES GOODMAN LLP

Appendix - Management Representation Letter



Report to the Board of Aldermen of
The Town of Carrboro, North Carolina



TOWN OF CARRBORO
NORTH CAROLINA
WWW.TOWNOFCARRBORO.ORG

October 30, 2014

Dixon Hughes Goodman LLP
1829 Eastchester Drive
High Point, North Carolina 27265

We are providing this letter in connection with your audit of the financial statements of the Town of Carrboro (the "Town"), which comprise the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2014, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 30, 2014, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 9, 2014 for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.

6. Related-party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP
7. We have evaluated subsequent events through the date of this letter, which is the date the financial statements were available to be issued. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements, except as made known to you and disclosed in the notes to the financial statements.
8. You have recommended adjusting journal entries for the current year that have been posted to the Town's accounts. We are in agreement with and approve of those adjustments. We are not aware of any uncorrected misstatements and omitted disclosures noted by you during your audit.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Aldermen or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal and state awards.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud affecting the Town involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements received in communications from employees, former employees, analysts, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. The workers' compensation claim discussed in the attorney letter response is clearly immaterial to the financial statements and will have no impact on the Town's ability to continue as a going concern.
18. We have disclosed to you the identity of the entity's related parties and all related-party relationships and transactions of which we are aware.

Government-Specific

19. We have made available to you all financial records and related data, and all audit or relevant monitoring reports, if any, received from funding sources.
20. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
21. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that you have reported to us.
22. We have a process to track the status of audit findings and recommendations.
23. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives, and whether related recommendations have been implemented.
24. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
25. The Town has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
26. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
27. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for

recording a loss contingency, or for reporting on noncompliance, except as made known to you and disclosed in the notes to the financial statements.

28. As part of your audit, you assisted with preparation of the financial statements and related notes, and the schedule of expenditures of federal and state awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, and the schedule of expenditures of federal and state awards.
29. The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the notes to the financial statements.
30. The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
32. The financial statements include all component units, as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
33. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
34. All funds that meet the quantitative criteria in GASB Statements No. 34 and 37 for presentation as major are identified and presented as such, and all other funds that are presented as major are particularly important to financial statement users.
35. Components of net position (net investment in capital assets, restricted, and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) and equity amounts are properly classified and, if applicable, approved.
36. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
37. Provisions for uncollectible receivables have been properly identified and recorded.
38. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
39. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
40. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

41. Deposits and investment securities and derivative instruments are properly classified as to risk, and are properly disclosed.
42. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
43. We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available, and have determined that net position is properly recognized under the policy.
44. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) that are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
45. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
46. With respect to the individual fund statements, budgetary schedules and other schedules:
 - a. We acknowledge our responsibility for presenting the individual fund statements, budgetary schedules and other schedules in accordance with accounting principles generally accepted in the United States of America, and we believe the individual fund statements, budgetary schedules and other schedules, including their form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the individual fund statements, budgetary schedules and other schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the individual fund statements, budgetary schedules and other schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
47. We have evaluated the Town's ability to continue as a going concern and have included appropriate disclosures, as necessary, in the financial statements.
48. With respect to federal and state award programs:
 - a. We are responsible for understanding and complying with, and have complied with the requirements of the applicable requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, including requirements relating to preparation of the schedule of expenditures of federal and state awards.

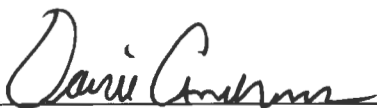
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal and state awards in accordance with the requirements of OMB Circular A-133 §310.b, and we believe the schedule of expenditures of federal and state awards, including its form and content, is fairly presented in accordance with the Circular. The methods of measurement and presentation of the schedule of expenditures of federal and state awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the schedule of expenditures of federal and state awards.
- c. If the schedule of expenditures of federal and state awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and the State Single Audit Implementation Act, and included in the schedule of expenditures of federal and state awards made during the audit period all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs, and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal and state program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
- g. We have made available to you all contracts and grant agreements (including amendments, if any), and any other correspondence with federal and state agencies or pass-through entities relating to each major federal and state program, and related activities.
- h. We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you) including, when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards, and have identified and disclosed to you all amounts questioned, and all known noncompliance with the direct and material compliance requirements of federal and state awards.
- j. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.

- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken up to the date of the auditors' report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and the OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to the compliance requirements with the direct and material compliance requirements, including information related to federal and state program financial reports, and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- q. No changes have been made in internal control over compliance and no other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance, have occurred subsequent to the date as of which compliance was audited.
- r. Federal and state program financial reports, and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
- t. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with the applicable laws and regulations, and have met the requirements of OMB Circular A-133 and the State Single Audit Implementation Act, except as disclosed by you.
- u. We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditors' reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
- v. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w. We have charged costs to federal and state awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies, and pass-through entities, including all management decisions.

- y. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
- z. We are responsible for preparing and implementing a corrective action plan for each audit finding.

We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

TOWN OF CARRBORO, NORTH CAROLINA



David Andrews
Town Manager



Arche McAdoo
Finance Director



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0336

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

El Centro Hispano Modifications for a Day Laborer Center

PURPOSE: For the Board of Aldermen to consider modifying the Town's current agreement with El Centro Hispano to include a one-time allocation up to \$5,000.

DEPARTMENT: Manager's Office

CONTACT INFORMATION: Nate Broman-Fulks, nbroman-fulks@townofcarrboro.org
<<mailto:nbroman-fulks@townofcarrboro.org>>, 919-918-7314

INFORMATION: The Day Laborer Task Force (DLTF), comprised of El Centro Hispano, the Human Rights Center, the Town of Carrboro, Justice United, Chapel Hill Carrboro Chamber of Commerce, Durham Tech and the Community Church of Chapel Hill, are working towards the creation of a Day Laborer Center for the immigrant/day laborer population in Carrboro. This center will be located at El Centro's current building at 201 W Weaver Street.

The Day Laborer Center is seen as an important aspect in helping establish an organized and dignified method for day laborers to find safe work at a fair wage. The Center will serve as the conduit for activities including:

- Employer mediation
- Improving access to resources in the local community
- Providing educational opportunities on worker and immigrant rights, including protection from wage theft
- Identifying training opportunities in job and language skills
- Development of strong day laborer leaders through organizing and training
- Advocacy to promote or change policies that impact immigrant workers

To facilitate the needs of the center, modifications to the existing El Centro building are required. The estimated cost of all the necessary modifications is \$23,000. \$10,000 has already been raised, \$5,500 from Community Church of Chapel Hill, \$2,000 from Justice United, \$1,500 from Dr. Pepper and \$1,000 from St. Thomas More. Fitch Lumber has also agreed to supply the lumber and concrete needed for construction,

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cutting down on project costs. This leaves \$13,000 needed to complete the project.

A capital fundraising campaign is scheduled to begin in early December to raise the additional \$13,000 needed for the project. The campaign is planned to run until January 1st and will include a crowdsourcing funding effort from DLTF members. Construction is planned to begin in January.

DLTF has requested the Town's assistance in gaining the funds needed for the modification to the El Centro Hispano building. The Town is proposing the Board consider modifying the existing agreement with El Centro Hispano to include a one-time allocation up to \$5,000 for this effort.

FISCAL & STAFF IMPACT: The fiscal impact for the Town would be no more than \$5,000. The Board has \$10,000 budgeted for contingency. The Town's potential one-time allocation could come out of the Contingency Fund.

RECOMMENDATION: Staff recommends the Board of Aldermen consider modifying the existing agreement with El Centro Hispano to include a one-time allocation up to \$5,000 with the funds coming out of the Board's Contingency Fund.

A RESOLUTION APPROVING A MODIFICATION TO THE AGREEMENT WITH EL
CENTRO HISPANO TO INCLUDE A ONE-TIME ALLOCATION FOR CAPITAL
EXPENDITURES RELATED TO THE DAY LABORERS CENTER

NOW THEREFORE BE IT RESOLVED that the Board of Aldermen hereby authorizes the Town Manager to modify the Agreement with El Cento Hispano to include a one-time allocation of up to \$5,000 for modifications needed to the El Centro Hispano building to accommodate the Day Laborers Center.

| Day Laborer Center Renovation | | |
|--------------------------------------|------------------|------------------|
| | Costs | |
| Labor | \$ 8,000 | |
| Materials | \$ 6,000 | |
| Architect and Permits | \$ 1,000 | |
| Ramp | \$ 3,000 | |
| Unforeseen Expenses | \$ 5,000 | |
| Total Cost | \$ 23,000 | |
| | | Donations |
| Comm Church of CH | | \$ 5,500 |
| Dr. Pepper | | \$ 1,500 |
| St. Thomas More | | \$ 1,000 |
| Justice United | | \$ 2,000 |
| Total Donations | | \$ 10,000 |
| Total Needed | 13,000.00 | |



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

File Number: 14-0327

Agenda Date: 12/2/2014

File Type: Abstract

In Control: Board of Aldermen

Version: 1

TITLE:

A Resolution Setting the Date for the 2015 Legislative Breakfast and Discussing the NCLM Proposed Advocacy Goals

PURPOSE: The purpose of this item is to request that the Board of Aldermen set the date for the 2015 Legislative Breakfast and highlight any areas of concern or disagreement with the proposed NCLM Advocacy Goals.

DEPARTMENT: Town Clerk

CONTACT INFORMATION: Cathy Wilson

INFORMATION: Staff contacted the legislative delegation to determine possible dates for the 2014 legislative breakfast. The following dates have been recommended:

- Monday, January 26th
- Monday, February 2nd
- Friday, February 6th
- Friday, February 20th
- Monday, February 23rd
- Friday, February 27th

As in the past, the breakfast will take place at Town Hall and begin at 7:30 a.m.

The NCLM Municipal Advocacy Goals are attached for the Board's discussion and staff requests that the members of the Board highlight any areas of disagreement or concern. It is also recommended that David Andrews and Cathy Wilson be selected as the Town's voting delegates for the December 11th NCLM Advocacy Goals Conference.

FISCAL & STAFF IMPACT: The cost associated with hosting the annual legislative breakfast is included in the FY14/15 budget.

RECOMMENDATION: Town staff recommends that the Board approve the resolution setting a date for the 2015 Legislative Breakfast.

A RESOLUTION SETTING THE LEGISLATIVE BREAKFAST AND PROVIDING COMMENT ON
THE PROPOSED NCLM ADVOCACY GOALS

Section 1. The Legislative Breakfast is scheduled for:

Section 2. The Board provides the following comments on the proposed 2015 NCLM Advocacy Goals and/or asks that the following additional goal(s) be considered at the Conference:

1)

2)

Section 3: The Board hereby appoints David Andrews as the Town's Voting Delegate to the NCLM Advocacy Goals Conference

Section 4: The Board hereby appoints Cathy Wilson as the Town's Alternate Voting Delegate to the NCLM Advocacy Goals Conference.

This resolution is effective immediately upon adoption.

General Government / Transportation

- 1. Seek or support legislation to generate additional revenues to address growing transportation needs at the state and local level, and enable local governments to enter into alternative financing mechanisms to complete local transportation projects.**
 - **BACKGROUND:** Gov. Pat McCrory has said that he will ask the General Assembly for targeted transportation revenue enhancements during the 2015 legislative session, though he did not specify what those were. The League is part of a coalition organized by the N.C. Chamber of Commerce supporting additional revenues for transportation in the state. This goal, recommended by the Tax & Finance LAC, asks the League to support transportation funding legislation, and also asks for local government authority to enter into alternative financing mechanisms for local transportation projects.

- 2. Support legislation authorizing new, fair, transparent and nonpartisan methods of drawing legislative and congressional districts.**
 - **BACKGROUND:** Redistricting, or the redrawing of district boundaries to accommodate for population changes and shifts in order to maintain districts with similar populations, is performed every ten years in North Carolina upon release of census data. The North Carolina General Assembly is tasked with redrawing the boundaries not only for their own seats, but also for the 13 U.S. House of Representatives districts in the state. When redrawing these districts, state legislators must adhere to the state and federal constitutions, the Voting Rights Act and population equality standards, but since the majority party will always have the final word in how the districts are shaped, the new maps have historically favored the party in control of the legislature at the time they were redrawn. Those who support redistricting reform in North Carolina suggest transferring the General Assembly's redistricting authority to an independent board or body that receives public input. Many also suggest removing party registration and voting history data from the initial mapping process.

3. Support legislation providing the funding for state-level incentive programs necessary to keep North Carolina competitive in its efforts to bring additional jobs and economic development to local communities.

- **BACKGROUND:** While the League opposed HB 1224 in 2014 primarily due to its capping of local sales tax rates, much of the debate surrounding the bill regarded provisions funding job-recruiting incentives at the state level. Among the programs that would have received funding under the bill were the Job Development Investments Grants program (JDIG) and a new “closing fund” that state officials could tap into when they needed to provide incentives late in the job recruiting process in order to secure a business’s commitment to bring jobs to North Carolina. Debate on the House floor reflected much of the larger debate regarding state incentives – many are philosophically opposed to incentives, but others view them as a necessary evil when other states and countries that North Carolina competes with for jobs are offering them as well. The League recently joined a number of other governments and organizations in asking Gov. Pat McCrory to call the legislature back for a special session focusing on incentives and film and historic rehabilitation tax credits. Though the Governor has said that he will not do that unless a specific need to do so presents itself, the topic of incentives is likely to come up again in 2015, if not before.

4. Seek legislation that creates stronger mechanisms, such as criminal penalties, for the prevention of illegal dumping into sanitary and storm sewer systems, and other surface waters.

- **BACKGROUND:** Illegal dumping into sewer systems can result in clogged or overflowing sewer lines and decreases efficiency of pre-treatment. This can possibly lead to permit violations and fines. Illegal dumping is done to avoid dump fees. Examples of illegal dumping include a commercial vacuum truck dumping its contents of grease, oil, or septic tank effluent into a sewer system; or intentional discharges of septic tank or other waste into commercial grease traps that will lead to the municipal sewer system (including PCBs). Already, NC rules require septic haulers to keep written records of their waste hauls.

5. Seek legislation allowing the people to vote on an amendment to the North Carolina Constitution establishing Home Rule authority for municipal

governments, following the belief that the government closest to the people governs best.

- **BACKGROUND:** North Carolina is one of six states in which the state constitution does not expressly provide “Home Rule” authority for local governments. There are many different types of “home rule” throughout the country. Some provide restrictions on state preemption; others provide a broad local authority; and still others establish local jurisdictional authority which is separate from state charters. In NC, the authority of local governments rests in state statute, and judicial interpretations. NC local governments are creatures of the state and exist at the pleasure of the NC General Assembly (known as “Dillon’s Rule”). Either express or implied authority must be identified in order for a local government to act, and sprinkled throughout Chapter 160A of the NC General Statutes are statements of broad authority for municipal government. Recently, a number of decisions restricting local authority appear to rely more heavily on the use of Dillon’s Rule.

6. Seek legislation to strengthen and/or clarify current state law to more effectively deter and punish perpetrators who damage property, such as by committing vandalism with graffiti, with punishment not to exceed misdemeanor.

- **BACKGROUND:** Some municipalities face ongoing problems with graffiti vandalism. Currently, NCGS § 14-159.21 makes graffiti vandalism a Class 3 misdemeanor, the lowest misdemeanor class prescribed by state statute. North Carolina misdemeanors are categorized as either A1, 1, 2 or 3. Individuals found guilty of a Class 3 misdemeanor face 1-20 days of active, intermediate or community punishment and up to \$200 in fines. Examples of other Class 3 misdemeanors include removal of shopping carts from store premises and misuse of the 911 system. Senate Bill 594 introduced in 2013 would have raised graffiti vandalism to a Class 1 misdemeanor accompanied by a \$500 fine and a 24 hour community service requirement, if the cost to restore the vandalized structure exceeded \$1,000 or if the individual had been convicted of graffiti vandalism two or more times previously. Although the legislation was approved by the full House, it ultimately died in the Senate Rules Committee.

- 7. Support legislation enabling municipalities to access a portion of the proceeds of any statewide transportation bonds.**
 - **BACKGROUND:** In announcing the state's 25-year plan for transportation, Gov. Pat McCrory announced his intention to propose to the legislature in 2015 a \$1 billion bond for transportation projects in the state. Most of the money would be earmarked for specific projects in rural areas. This goal asks that municipalities directly receive some of the money generated by the bond the state issues to address local transportation needs.

- 8. Seek legislation to provide relief for municipal governments who are forced to pay the costs of municipal utility relocation related to NCDOT projects by doing the following: requiring non-municipal units of governments to pay the costs of utility relocations; raising the existing municipal population threshold for the requirement for reimbursement; and limiting reimbursement requirements to the widening of existing rights of way by NCDOT.**
 - **BACKGROUND:** Like nonprofit water or sewer associations/corporations, water and sewer authorities, county rural water public enterprise systems, sanitary districts, and municipalities of greater than 5,500 population to which a water and sewer authority's system was sold/transferred, municipalities with a population of 5,500 or less are not required to pay the relocation costs of city-owned underground utilities that are required to be moved as part of an NCDOT project. However, cities with populations over 5,500 are required to pay the relocation costs for underground utilities, if needed. Towns "borrow" the costs of relocation and are given four years to pay the relocation debt interest-free. Cities are then charged interest (prime plus 1%) on the outstanding balance, and Powell Bill funds are withheld and contributed towards satisfying the debt. This goal attempts to reconfigure the repayment system to provide relief for cities over 5,500 in population.

- 9. Seek legislation removing statutory limitations on funds that can be contributed to DOT projects by municipalities to improve priority level.**
 - **BACKGROUND:** Current policy prohibits municipal use of grant funds and Powell Bill funds for investment in DOT projects to improve priority ranking. Many municipalities rely heavily on Powell Bill funding for road and street

construction, maintenance, and improvement due to budget constraints and road costs. The General Government Legislative Action Committee believed that those cities and towns may be left out of the prioritization process unless they are allowed to use any funds available for contributing to road projects.

10. Support legislation to require the Courts to review gang injunctions issued under NCGS §14-50.43 after one year and extend or modify the injunction upon good cause shown by the parties.

- **BACKGROUND:** In an effort to combat gang activity, cities will sometimes file a lawsuit seeking declaration that the gang is a public nuisance. Such lawsuits may last longer than one year. While the lawsuit is pending, judges may issue an injunction against the gang activity in question. Currently, injunctions on gang activity issued under NCGS § 14-50.43 automatically expire after one year. This fails to take into consideration that the lawsuits seeking to abate gang activity can last longer than one year. This goal would allow any injunction issued against gang activity to remain in place until the lawsuit addressing the gang activity is resolved.

Infrastructure / Environment / Utilities

11. Oppose legislation that weakens or removes local control over public assets.

- **BACKGROUND:** In the last biennium, legislators showed an increased interest in legislation to remove municipal control over locally owned utility systems and other assets which were in many cases opposed by the affected municipality. This goal would have the League oppose any of these asset transfers or attempts at removal of municipal authority.

12. Seek legislation to strengthen the law regarding municipal decision-making authority of water and sewer provisions beyond municipal limits and ensure the existing municipal water and sewer system is given deference in order to support orderly growth.

- **BACKGROUND:** This goal responds to recent attempts by the state legislature to dictate the municipal provision of water and sewer service to areas outside municipal jurisdiction, such as the series of bills requiring the City of Durham to provide service to the “751 project” outside its corporate limits. The goal also addresses situations in which competing utility systems attempt to expand into areas otherwise associated with a city’s own water and sewer service.

13. Support legislation to enhance the authority of municipalities to own and operate municipal broadband systems in order to create more competition in the broadband market and provide more affordable services to unserved and underserved areas of the state in furtherance of economic development.

- **BACKGROUND:** This goal would have the League support repealing the many restrictions on municipal broadband networks imposed by legislation enacted during the 2011 Long Session. A handful of municipalities became interested in offering broadband after private broadband providers were either unwilling or unable to provide broadband to their residents. The League submitted comments to the FCC in support of preemption of state municipal broadband bans in August.

14. Support measures which maximize the ability of local governments to provide and manage high-quality services, including utilities and public enterprises, to meet the needs of the community.

- **BACKGROUND:** This goal responds to a push by a select group of legislators to review utility management practices of local officials. Specifically, an interim legislative study committee that convened this spring – and will likely meet again this fall – received presentations regarding local financial management of public enterprises such as water, wastewater, electric, and stormwater utilities. Several of the League’s existing Core Municipal Principles, such as the one seeking protection of existing municipal authority or the one supporting measures to allow municipalities to continue growing their communities, could accomplish a similar purpose as this goal.

15. Support legislation which grants statutory vested rights to water and sewer capacity, places time limits on those rights, vests those rights upon full approval of infrastructure engineering plans, and requires the property owner to sign an annexation agreement to reserve that capacity.

- **BACKGROUND:** Many municipalities across the state have policies under which developers may sign agreements to reserve capacity in the municipality’s wastewater collection system. Coming out of the recent economic downturn, statewide development interests stated a desire to have more certainty for this reserved capacity in the form of statutory vested rights to that capacity. This goal would guide the League in the event a legislator introduced such legislation by limiting the time for which such a right to sewer capacity could be held by a developer, stating the point in time at which those rights would vest, and requiring an annexation agreement in exchange for the vested rights. Without time limits, some municipalities would likely reach the maximum discharge amounts their wastewater systems could handle as currently engineered, a situation that would limit any future development potential in that community without an expansion of the wastewater treatment system. Without an agreement for voluntary annexation by the developer, the municipality would not have the benefit of increased property tax collections to accompany the increased level of services provided to that development, including centralized wastewater treatment.

16. Support legislation that recognizes public water supply as a riparian use.

- **BACKGROUND:** This goal addresses the legal rights of cities to use water for the purposes of a public water supply. Traditionally, North Carolina has operated under a “riparian rights” legal framework. Simply, this framework allowed every riparian owner – those who owned land touching a water body – to make reasonable use of the water. Under this framework, judges made the determinations of who had riparian rights to the use of water. Longstanding judicial precedent stated that public water supplies generally did NOT have a riparian right to water. This goal seeks to change that judicial precedent through legislation.

Land Use / Planning

17. Seek legislation to create a cooperative municipal-county planning framework for growth that allows for public participation, orderly development on the urbanizing edges of municipalities, and a streamlined dispute resolution process.

- **BACKGROUND:** The statutory device of an ETJ has not been substantively updated since its creation over a half-century ago when the state was predominantly rural, and the lack of a robust urban planning tool that is suited for modern development now leaves municipalities open to criticism. Now, after an initial blessing by the county commission, a municipality may establish an ETJ and conduct regulatory activities in the ETJ, an area where affected landowners do not directly vote for those municipal officials making those decisions that affect their property. Complaints regarding both Council-level legislative decisions as well as the staff-level enforcement actions have received significant legislative attention in recent years. Other states manage growth in a more comprehensive way to minimize the criticisms now faced by N.C. cities. A typical feature of the systems in these other states is equal involvement of the city and county elected boards in fashioning plans to guide growth and provision of services in urbanizing areas. Also in these states, a state-level authority often reviews these plans and arbitrates disputes. The first goal above seeks to address urban growth and service issues in a more comprehensive way than N.C. law currently allows, thereby addressing criticism of the current process and ensuring more fairness for individual property owners and more thoughtful growth patterns for the larger community.

18. Seek legislation to correct the constitutional issue within the annexation law requiring municipal construction of/payment for water and sewer lines across private property all the way to the home or structure.

- **BACKGROUND:** Annexation reforms in the 2011-12 legislative biennium required a city that undertakes city-initiated annexation to extend water and sewer infrastructure to service a home or structure. Prior to these legislative changes, city-owned water and sewer infrastructure typically ended at the meter in the city-owned right-of-way. This new requirement may violate North Carolina's "exclusive emoluments" constitutional provision, which disallows

governments from providing benefits to private individuals.

19. Oppose legalization of internet sweepstakes operations; however, if internet sweepstakes operations are legalized, support legislation that would protect the land use decision-making authority and authorize municipalities to levy taxes on said operations.

- **BACKGROUND:** In the wake of the video poker ban, video sweepstakes operations proliferated across North Carolina. Cities used zoning powers to restrict where the games could be operated, and taxed the operations and machines under privilege license tax authority. In 2008, the NC General Assembly banned “server based electronic game promotions,” and in 2010 chased industry software and gaming changes by expanding the 2008 ban to machine operations which included “internet sweepstakes.” In December 2012 the North Carolina Supreme Court upheld the constitutionality of the legislation that banned the operations. Despite the ban being upheld, internet sweepstakes cafes continue to operate around the state due to inconsistent prosecution of operators and retooled gaming systems that attempt to work around the law.

20. Seek legislation to reestablish authority for city-initiated annexation of “doughnut holes,” areas of land that are completely surrounded by municipal territory, and categories of right-of-way that have been accepted for maintenance by either a city or the NCDOT and in which there are no registered voters.

- **BACKGROUND:** In the annexation reform bill from 2012, legislative leaders intended to allow cities to retain the authority to involuntarily annex areas completely surrounded by municipal jurisdiction, rather than utilize the referendum process otherwise required for city-initiated annexations. However, this authority was not preserved in the final version of the bill. Annexation of these areas allows for a continuity of municipal services within a city’s larger sphere of jurisdiction.

21. Support legislation that provides municipalities with additional tools/incentives to encourage developers to undertake economic development projects in economically distressed or blighted areas of the city.

- **BACKGROUND:** Tools encouraging additional economic development investment in economically distressed areas has been a goal of several member municipalities in past advocacy goals cycles. Previous goal submissions that may have helped achieve this aim include the establishing of a transferrable tax credit for building reuse projects, and the statewide extension of flexible bidding provisions for Downtown Development Projects to development projects within economically distressed neighborhoods. This goal, as written, does not specify any specific strategies but would have the League support legislation providing any type of additional tool/incentive that would serve to benefit economically distressed or blighted areas.

22. Seek legislation that allows aesthetic-based design standards for residences in and adjacent to existing neighborhoods, including designated historic districts, as well as for all residences when based on public safety.

- **BACKGROUND:** For the last several legislative sessions, development interests have promoted legislation to limit the ability of local governments to regulate via aesthetic-based design standards, especially for one- and two-family residences. While those proposals have not ultimately become law, the League expects to see a similar proposal in the upcoming legislative session. This goal seeks a policy aim that would preserve some existing authority to regulate aesthetic-based design standards. Specifically, the goal prioritizes retaining the ability to impose such standards in existing neighborhoods (infill) and historic districts. In addition, the goal asks for retaining the ability to impose aesthetic-based design standards, such as garage and door placement, when necessary for public safety purposes.

23. Support tree protection legislation.

- **BACKGROUND:** This goal restates the League's Core Municipal Principle on municipal authority, with a specific emphasis on protecting municipal authority to regulate trees. The goal responds to an April proposal by an interim legislative study committee that would have eliminated this local authority. That proposal did not advance in the legislature this session thanks to intense outreach by municipal officials statewide.

24. Seek legislation that reforms the current protest petition process to increase the property owner participation requirements for submitting a petition.

- **BACKGROUND:** Development interests have sought changes to the state's protest petition process for the past few legislative sessions, including an unsuccessful provision from the 2014 legislative session that would have eliminated the protest petition tool altogether. Currently, state law allows certain affected property owners to submit a protest petition in response to a zoning map amendment proposal. Upon receipt of a complete (or "qualified") petition, the council vote must be a supermajority vote of three-fourths in favor of the rezoning in order for the motion to pass. The tool, first included in our statutes in 1923 before modern means of citizen input such as planning commissions, requires either 20% of property owners within the area of the proposed rezoning, or 5% of neighboring property owners, to sign the petition in order for the petition to be qualified. This goal seeks to avoid a complete repeal of the authority – a distinct political reality in 2015 – by proposing to increase the percentages of property owner signatures required in order to qualify a protest petition.

25. Seek legislation authorizing land banks.

- **BACKGROUND:** Land banks help local governments manage vacant, foreclosed, and abandoned property that is either severely tax delinquent or has become a chronic nuisance issue due to repeated violations of health and safety codes. Set up as a public authority or a separate corporate entity from a government, land banks provide special tax and lien foreclosure tools and the ability to manage and sell or otherwise reuse problem properties or districts within a city. While not specifically authorized under current N.C. law, land banks are becoming a more widely-used tool in the revitalization process around the country and are often used in public-private partnerships for the development of stable neighborhoods with widespread tax delinquency and code violation issues. Funding may initially come from a city's general fund, but over time, land banks can become self-funding. This goal would set up a statutory structure to allow a local government to form a straightforward land bank entity.

26. Seek legislation to explicitly authorize local building inspection programs to charge re-inspection fees when more than one re-inspection is required.

- **BACKGROUND:** Many local government building inspection departments currently charge re-inspection fees when a builder requests an inspection but

has not adequately prepared the structure for the inspection. Some jurisdictions have implemented a sliding scale for these fees, where the charge for each successive re-inspection increases. Usually, the sliding scale fee structure is intended to deter builders from using inspectors to troubleshoot their workmanship and create a punch list for the builder. However, these fees create a natural tension between builders and local communities, and as a result, the League has learned of legislative interest to limit re-inspection fees. (Note that no legislation on this topic has yet been introduced.) This goal would have the League proactively seek to defuse this tension by seeking explicit authority to charge re-inspection fees in the instance that more than one re-inspection is required for any particular structure.

Tax & Finance

27. Seek legislation to authorize a state bond to provide low-cost loans to local governments and authorities for infrastructure.

- **BACKGROUND:** Grants to assist with funding water, wastewater, and stormwater infrastructure improvements are very limited, which means municipalities must borrow to finance large projects. This goal proposes increasing funds by having the state borrow funds through a general obligation bond and then loan the funds to local governments. The funds would be borrowed at the interest rate available to the state under its AAA bond rating, which would be a lower rate than is available to many cities and towns. Such an approach would not require the State to spend additional money because the debt service on the bonds would be paid by local governments through their repayment of the funds loaned to them. The goal, recommended by the Tax & Finance LAC, includes general infrastructure projects, which could include transportation projects, among other types of projects.

28. Seek legislation providing municipalities with additional local option tax revenue sources to replace the significant revenue lost through elimination of the local privilege license tax.

- **BACKGROUND:** Due to legislation passed during the 2014 session of the General Assembly, municipal authority to levy a local privilege license tax will expire as of July 1, 2015. This has been estimated to cost municipalities at least \$62 million statewide. This goal shares some similarities with another goal recommending modernization and enhancement of the local tax system, but also makes clear that a revenue source to replace the local privilege license tax is needed.

29. Seek legislation to modernize and enhance the existing local tax system by:

- a) **Giving municipalities the authority to levy a sales tax that applies within their corporate limits and is solely a municipal revenue;**
- b) **Expanding the sales tax base to include more services, provided that any accompanying change in the local sales tax rate includes a perpetual hold harmless provision for individual cities and towns;**
- c) **Allowing all municipalities to adopt occupancy taxes and use revenues from those taxes to fund municipal service and infrastructure costs in**

- order to support travel and tourism; and
- d) **Providing all municipalities with additional local option tax revenue sources.**

- **BACKGROUND:** The League membership approved a goal with some similarities to the one above in anticipation of tax reform discussions the General Assembly would undertake in 2013. There are indications that legislators would like to attempt further tax reform in 2015.

30. Seek legislation to alter the current statutes governing distribution of local sales taxes by:

- a) **Establishing alternative methods which counties may use to distribute sales tax revenues, including, but not limited to, a combination of existing distribution formulas and/or new distribution formulas, including factors such as the location of the point of sale;**
- b) **Requiring a one-year delay in implementation when a county changes its method of distributing sales tax revenue; and**
- c) **Requiring a study of the impact of any change in sales tax distribution method, including input from all affected municipalities, before any such change could be implemented.**

- **BACKGROUND:** At the Tax & Finance LAC's spring meeting, members expressed interest in the method counties can use to distribute sales taxes to the cities in their borders, and with the process for changing this distribution method. Currently counties can choose between ad valorem (property value) and per capita (population) distribution methods, and they can make the change in April of any calendar year, with the change taking effect in the next fiscal year. Members of the subcommittee opted to incorporate section b) from the League's existing goals, and recommend the language in parts a) and c) as well.

31. Seek legislation to give municipalities the option to use electronic legal public notices in lieu of publication in a newspaper.

- **BACKGROUND:** Current law requires municipalities to use publication notice to provide public notice in many different situations. Cities and towns can supplement these state mandates through electronic notice on websites and other locations, but are not required to do so. This goal would eliminate the publication notice and authorize electronic notice as sufficient for public

notice.

32. Seek legislation to increase Clean Water Management Trust Fund appropriations and restore the fund's recurring appropriation.

- **BACKGROUND:** The N.C. General Assembly eliminated funding for wastewater or traditional stormwater infrastructure from the Clean Water Management Trust Fund in 2013. Now, local governments may apply to access these funds only for a limited set of purposes, which could include: land acquisition of land with ecological, historical, and cultural significance for the state; innovative stormwater projects; or acquisition of land to provide buffers around military bases. Local government projects receiving awards in September 2014 included stormwater and parks projects.

33. Support legislation to establish a competitive film incentive program and preserve the state historic tax credits.

- **BACKGROUND:** The film production expense credit is designed to make North Carolina competitive with other states as a site for film and television productions. The money spent by production companies during filming is considered to be a boost to the local economy. Every \$1,000,000 of film tax credit is estimated to generate \$230,000 of local sales tax statewide. The credit sunsets as of January 1, 2015. Prior to the start of the 2014 Long Session, the Tax & Finance LAC recommended, and the League's Board of Directors approved, adding extension of the state historic tax credits to this goal. Those historic tax credits are also set to expire on Jan. 1, 2015, and have spurred millions of dollars in local economic development investments in recent years.

34. Support legislation which defends the fiscal integrity of the Local Government Employees' Retirement System and its defined benefit structure, promotes reasonable pension reforms that are prospective in nature, and meets the needs of local employees, employers, and retirees.

- **BACKGROUND:** Despite being over 99% funded, pressure is building to convert the LGERS to a traditional 401(k) style pension system, in the wake of anti-public employee sentiment and public pension systems in other states

which have not been well managed or funded. While reforms are needed, a complete overhaul is not warranted in North Carolina.

35. Seek legislation that establishes a revenue source to compensate municipalities for infrastructure damages caused by oil and gas extraction operations and that grants municipalities the authority to require repairs for damaged infrastructure.

- **BACKGROUND:** Over the past few legislative sessions, the N.C. General Assembly passed a series of bills that would allow onshore oil and gas extraction in the state (hydraulic fracturing). While comprehensive, those bills did not establish a revenue source to compensate local governments for damages to infrastructure caused by this new industrial activity. A 2013 League survey of Arkansas cities and towns (chosen because the volume of extraction activities in this state is similar to the volume predicted for North Carolina) found that cities will experience the preponderance of negative impacts from these oil and gas activities as damages to transportation infrastructure such as roads, curbs, gutters, signs, and related infrastructure. This goal asks the legislature to establish a revenue source for the industry to fund these repairs, and it also asks the legislature to give municipalities the explicit authority to contract with individual companies to pay for needed repairs due to that company's industrial activities.

36. Seek legislation to allocate a greater portion of the state's Community Development Block Grant funding for housing purposes.

- **BACKGROUND:** The federal Community Development Block Grant (CDBG) program gives states funding that can be spent on a wide variety of community development purposes, including water/wastewater infrastructure, housing, and public facilities, among others. Local governments that do not receive a direct CDBG allocation from the federal government may apply to the State for these funds in a competitive process. Federal CDBG laws and guidance give states the flexibility to allocate their funds in a manner tailored to their specific needs. Because this decision involves budgetary policy discretion, the N.C. General Assembly ultimately determines the mix of spending purposes. In recent years, legislators have chosen to direct these

funds to water/wastewater infrastructure projects. This goal seeks to redirect some of the state's CDBG funds toward housing-related projects.

37. Seek legislation enhancing municipal authority to collect the property taxes they are legally owed and provide additional options for managing properties that fail to pay their property taxes.

- **BACKGROUND:** In conversations with the League, legislators have expressed that they believe local governments need to have additional methods at their disposal to collect delinquent property taxes. At least one legislator believes North Carolina local government authority should more closely mirror that of South Carolina, where statute gives municipalities the authority, by ordinance, to provide a procedure for collecting delinquent real and personal property taxes, adopt statutory procedure used by counties, or to contract with a county or a firm to collect taxes.

38. Seek legislation to expand grant funding for the development of local recreational facilities.

- **BACKGROUND:** The N.C. Parks & Recreation Trust Fund provides dollar-for-dollar grants to local governments, allowing them to use the funds to acquire land and/or to develop parks and recreational projects. This goal asks for additional funding to this trust fund, as well as any other state funds for recreational purposes.

39. Seek legislation to allow all municipalities to adopt impact fees to pay for growth-related infrastructure and services.

- **BACKGROUND:** Impact fees are one-time public charges applied to new construction that are levied by local governments to pay for the off-site costs associated with the new development. These fees are needed to ensure that developers pay for the full public costs that development imposes on communities. Several studies have shown the local public sector costs of development exceed the local tax revenues derived from the development.

40. Seek legislation preventing municipalities from being additionally charged for services which are already funded through the payment of county property taxes.

- **BACKGROUND:** A number of League member municipalities have recently raised concerns about being additionally charged by their county for services which are provided county-wide. Municipal residents are already contributing to the funding of these services through the payment of the same county taxes that unincorporated residents are paying, but municipal governments are being asked to contribute additional funds for the provision of these services within city limits. This goal would have the League seek statutory clarification on what city governments can be charged for such services.

41. Seek/support legislation to ensure that assessed property values more accurately reflect market values between property revaluations.

- **BACKGROUND:** Current law in North Carolina requires counties to conduct a countywide revaluation of all real property at least every eight years, though many counties use a shorter cycle. For larger counties there is also a provision that they conduct a countywide revaluation when the ratio of sales values to assessed values are higher or lower by more than 15 percent, though as yet no counties have been forced to conduct a revaluation as a result of that provision. Conversations with legislators indicate that they would like to see changes in the property assessment process. This could involve some combination of a mandatory shorter revaluation cycle, a lower threshold for mandatory revaluation mid-cycle, or greater involvement from the state in the assessment process, among other options.

Regulatory Goals

- 1. Support solutions addressing nutrient impairment in waters that: are based on current site-specific data and analysis, demonstrate use impairment, assign responsibility proportionate to the source of impairment, and equitably hold accountable all contributors to the impairment.**
 - **BACKGROUND:** The N.C. Division of Water Resources continues to pursue watershed-scale nutrient regulation across the state. Next, it will target strategies for High Rock Lake, the middle Cape Fear River, and the Albemarle Sound. This goal lists factors to consider when addressing nutrient impairment of waters on a statewide level.
- 2. Seek policies that provide flexibility when implementing programs guided by water quality standards adopted through the triennial review process.**
 - **BACKGROUND:** After adoption of surface water quality standards through the federally-mandated triennial review process, states must then implement those standards by translating the numbers into NPDES wastewater permits. The policies followed by DENR when implementing these standards produce results that are outliers for the rest of the EPA Region 4 states. Revisions to these policies would reduce the financial impact of the revised water quality standards, while still protecting aquatic life in the receiving streams.
- 3. Seek updated regulatory procedures that would provide more openness, transparency, flexibility, and use of current site-specific data for development of the impaired waters list and the system of rating water bodies.**
 - **BACKGROUND:** This goal addresses principles on which to base any suggestions for two regulatory procedures of significant impact to N.C. municipalities: the 303(d) list and the stream classification system. Specifically for stream classifications, scientific studies have repeatedly demonstrated that urban streams will never achieve the standards of rural streams, even if all development and human impacts are removed from the area. Therefore, this goal addresses the fundamental differences in stream characteristics between urban and rural streams, and seeks the ability to have different regulatory standards applied to these two types of streams. Currently, all water bodies in North Carolina are evaluated under the same

stream “use support” system.

- 4. Seek administrative changes to water, wastewater, and stormwater infrastructure funding programs to prioritize public projects that: repair, rehabilitate, or replace existing failing infrastructure; reduce nonpoint source pollution, even when a permit condition requires the measures; protect or improve the quality of drinking water sources; assist systems in managing assets; contain a long-range planning component; incentivize innovative projects; or address impaired waters.**
 - **BACKGROUND:** All three Regulatory Action Committee (RAC) subcommittees requested a rewritten infrastructure funding goal that focused on WHAT funds could be spent on rather than WHERE to obtain funds. This goal presumes that existing infrastructure funding programs will remain funded.
- 5. Support legislation to create a legal framework that recognizes the rights of local government to allocations from public trust water resources in an amount adequate to meet the community’s long-range water supply needs.**
 - **BACKGROUND:** This goal addresses the topic of water allocation and preservation of existing municipal withdrawals and that an allocation should be adequate to supply the maximum plant design capacity of the water treatment plant.
- 6. Seek legislation that restores and clarifies municipalities’ ability to create stream, wetland, nutrient and buffer mitigation banks and provides methods and procedures for doing so.**
 - **BACKGROUND:** After a 2011 law, if a city or town did not have a stream, buffer, or wetland mitigation banking program in place prior to July 1, 2011, it could not create one. If forced to use a private mitigation bank, the local government often doesn’t benefit because the mitigation takes place outside its jurisdiction. A municipal mitigation bank could prioritize urban stream mitigation.

7. **Seek legislation requiring a finding of affordability to the community when issuing permits enforcing provisions of state or federal clean water laws.**
 - **BACKGROUND:** Missouri passed an Affordability Act (HB 89) that sets standards for MO's Department of Natural Resources to conduct an affordability analysis and issue an affordability finding when issuing permits with new discharge requirements or enforcing provisions of clean water laws pertaining to sanitary systems, stormwater systems, and treatment works.

Federal Goals

1. Oppose federal regulatory changes that expand the jurisdictional reach of the Clean Water Act.

- **BACKGROUND:** On April 21, 2014, the EPA and the Army Corps of Engineers published a new rule attempting to clarify which waters are subject to the Clean Water Act (CWA). The proposed rule would change the CWA definition of "Waters of the U.S.," which is used to determine whether individual water bodies are jurisdictional under the CWA and thereby subject to permitting and other CWA requirements. Expanding the waters that come under regulation by the Clean Water Act could mean further costs to those developing land with those waters on it, including municipalities and developers.

2. Support legislation allowing municipalities to collect the sales tax they are currently owed on purchases from Internet-based retailers.

- **BACKGROUND:** In recent years the U.S. Congress has considered the Marketplace Fairness Act, which would give local governments the authority to collect the sales tax on purchases from Internet-based retailers that they are currently owed. Current law requires those taxes to be paid, but it does not give local governments the authority to collect them. The Marketplace Fairness Act passed the U.S. Senate this year but was not considered by the U.S. House of Representatives. Passage of the legislation is a federal advocacy priority for the National League of Cities (see below).

NLC Priority: NLC calls on Congress to pass the Marketplace Fairness Act to place brick-and-mortar community businesses on a level playing field with online retailers and afford consumers more choice through fair competition. Allowing local governments the flexibility to collect the taxes already owed to them on remote online purchases removes an unfair disadvantage for local businesses, while helping cities close budget gaps. Collecting owed sales taxes means more money for basic services, such as roads and police officers, without increasing the overall federal deficit.

The following principles provide a foundation to advocate for excellence in N.C. municipal government, with the objective of giving elected officials the ability to create a high quality of life for hometowns to provide economic opportunity, and to attract businesses, residents, and visitors.

Authority

Preserve existing municipal authority

The League supports a broad construction of municipal powers, and therefore stands opposed to legislation preempting municipal authority and to measures designed to otherwise erode local control of significant municipal issues.

Revenues

Protect local revenue streams

The League supports measures to ensure the fiscal stability of cities, including the preservation of existing local revenue sources. In addition, the League supports the equitable distribution of state-collected revenues, the autonomy of local elected officials to determine the best use of their revenues, and the authorization of replacement revenues for repealed fiscal authorities.

Mandates

Minimize state and federal mandates

The League opposes requirements by the state and federal governments to appropriate funds for particular programs or functions, or to make specific management decisions, that were not voluntarily agreed to by the local elected body. The League only supports mandates to expend monies if the directive is accompanied by implementation funds.

Open Government and Ethical Conduct

Promote open government and ethical conduct

The League supports the principle of openness in government, with reasonable exceptions when such limitations are in the public interest, for all levels of government. Further, the League supports adherence to the

highest standards of ethical conduct by elected and appointed officials at all levels of government.

Liability

Limit imposition of liability

The League opposes proposals placing burdensome liability upon municipalities, including measures that seek to erode well-established principles of immunity or other defenses.

Growth

Support responsible growth and economic development policies

The League supports the ability of local officials to target their resources toward the specific investments needed in their communities to grow and attract jobs. To that end, the League supports initiatives and policies that contribute to making N.C. hometowns more attractive places to live, work, and visit, while respecting the rights of current residents.

Regulation

Support science-based, equitable, cost-effective, flexible regulatory solutions.

The League supports providing regulatory agencies sufficient funding and flexibility for program implementation. Further, the League supports an inclusive process for developing regulations that apply to municipalities. This process should prioritize the most critical concerns, allow localized solutions, account for compliance costs, eliminate duplicative regulations, apply proportionally to all contributors of pollution, and avoid layering with safety factors and conservative assumptions that are not based on a reasonable risk management approach.

Long-Term NCLM Policy Development

(even-numbered years)

Source of Ideas

LAC/RAC Visioning
January-October

NCLM Members
May-August

Narrow Down Ideas

LAC/RAC vote
August-September

- Debate
- Reject/Add
- Amend

Recommend Ideas

Board recommends advocacy goals proposals
Mid-October

- Debate
- Reject/Add
- Amend

Member review
October-December

Finalize Ideas

***Next Conference
December 11, 2014*

Advocacy Goals Conference

(December, even-numbered years)

- Entire membership considers proposals
- Debate
- Reject/Add
- Amend

Advocacy Goal Submission Form

In addition to the goals that have come through the complete policy development process, additional goals are eligible for consideration by the Goals Review Committee (NCLM Executive Committee, plus 2014 policy committee chairs), and voting delegates at the conference. A form for submitting additional goals is below. Additional goals will only be accepted for consideration if they are approved by resolution by the governing body of a municipality. Resolutions must explicitly state that the governing body is proposing an additional goal for consideration at the Advocacy Goals Conference.

Proposals for additional goals will be presented to the Goals Review Committee, which will determine whether the goal should be considered at the Advocacy Goals Conference. If you wish to submit an additional goal for consideration at the Conference, please return this form along with a copy of the adopted resolution to the address, fax number, or email below:

Chris Nida
Director of Research and Policy Analysis
NCLM
215 N. Dawson Street
Raleigh, NC 27603

Fax: (919) 301-1012
Email: cnida@nclm.org

Proposals must be received in the League office no later than close of business Monday, December 1, 2014.

PROPOSED GOAL

The League will seek/support* legislation to _____

EXPLANATION

Please explain the intent of the goal and why the League should adopt it:

** Please circle either seek or support to indicate whether you wish the League to actively seek legislation to implement this goal, or merely to support legislation if it is offered by others.*

Name: _____

Title: _____

Municipality: _____

Email: _____ Phone: _____

2014 Advocacy Goals Conference
Raleigh Convention Center

Below is a preliminary agenda for the N.C. League of Municipalities' Advocacy Goals Conference, to be held Thursday, Dec. 11, 2014, at the Raleigh Convention Center. At the conference the League membership will come together to debate, discuss, and ultimately adopt the League's legislative, regulatory, and federal advocacy priorities for the 2015-2016 biennium. We hope attendees will also be able to join us in downtown Raleigh the night before at 6 p.m., Wednesday, Dec. 10, for a pre-conference reception. Legislative and key state agency officials will also be invited to Wednesday night's reception.

| | |
|-------------|---|
| 8:30 a.m. | Registration open/light refreshments available |
| 9:30-9:40 | Welcome and introductions |
| 9:40-10:00 | Staff explanation of proposed regulatory goals |
| 10:00-10:15 | Regulatory goal setting and prioritization |
| 10:15-11:00 | Staff explanation of proposed legislative goals |
| 11:00-11:15 | Break |
| 11:15-11:30 | Staff explanation of proposed legislative goals (cont.) |
| 11:30-12:00 | Goal Setting: Infrastructure/Environment/Utilities |
| 12:00-12:30 | Goal Setting: Land Use/Planning |
| 12:30-1:30 | Lunch - Key Legislative Leaders Invited to Speak |
| 1:30-2:00 | Goal Setting: General Government/Transportation |
| 2:00-2:30 | Goal Setting: Tax & Finance |
| 2:30-2:45 | Break |
| 2:45-3:15 | Legislative goal prioritization |
| 3:15-3:30 | Federal goal setting and adoption |
| 3:30-3:45 | Adoption of Core Municipal Principles |
| 3:45-4:00 | Adoption of Municipal Advocacy Goals |

* Note: Governor Pat McCrory has been invited to join the conference and address the League membership.