



Town of Carrboro

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

Meeting Agenda Board of Aldermen



Tuesday, February 9, 2016

7:30 PM

Board Chambers - Room 110

WORK SESSION

7:30-7:35

A. CONSENT AGENDA

1. [16-056](#) Approval of Previous Meeting Minutes

B. OTHER MATTERS

7:35-7:55

1. [16-053](#) Property Tax Revaluation Presentation

PURPOSE: To receive a presentation from Orange County Tax Administrator on Orange County Tax Revaluation process.

7:55-8:15

2. [16-055](#) Annual Report from the Tourism Development Authority and Budget Discussion

PURPOSE: The purpose of this agenda item is to update the Board of Aldermen on the activities of the Tourism Development Authority and to get feedback on the upcoming budget process.

Attachments: [Carrboro TDA Issued FS-Final](#)
[CTDA Budget Status 12-03-2015](#)
[Carrboro Tourism Development Authority Accomplishments for 2015 and upcoming projects in 2016](#)
[Event Highlights](#)

8:15-8:45

3. [16-052](#) Discussion of Conditional Zoning Process

PURPOSE: The purpose of this item is for the Board of Aldermen to discuss the conditional zoning process and how it relates to public input.

8:45-9:15

4. [16-046](#) Response to Legislation Limiting Local Stream Buffer Regulation

PURPOSE: The purpose of this agenda item is to respond to legislation recently enacted that limits the Town's ability to exceed minimum State requirements for riparian buffers.

Attachments: [BufferReportSL2015246Feb16](#)
[SL2015246 BufferPartOnly](#)
[SL2015-246CarrboroBufferLetter](#)

9:15-9:20

5. [16-058](#) Brief Update from the Retreat Subcommittee

C. **MATTERS BY BOARD MEMBERS**

D. **MATTERS BY TOWN MANAGER**

E. **MATTERS BY TOWN ATTORNEY**

F. **MATTERS BY TOWN CLERK**



Town of Carrboro

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

Agenda Item Abstract

File Number:16-053

Agenda Date: 2/9/2016

File Type:Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Property Tax Revaluation Presentation

PURPOSE: To receive a presentation from Orange County Tax Administrator on Orange County Tax Revaluation process.

DEPARTMENT: Finance

CONTACT INFORMATION: Arche McAdoo, 918-7439

INFORMATION: Dwane Brinson, Orange County Tax Administrator, will provide a presentation to the Board of Aldermen on the County's tax revaluation process.

FISCAL & STAFF IMPACT: N/A

RECOMMENDATION:



Town of Carrboro

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

Agenda Item Abstract

File Number:16-055

Agenda Date: 2/9/2016

File Type:Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Annual Report from the Tourism Development Authority and Budget Discussion

PURPOSE: The purpose of this agenda item is to update the Board of Aldermen on the activities of the Tourism Development Authority and to get feedback on the upcoming budget process.

DEPARTMENT: Economic and Community Development and Finance

CONTACT INFORMATION: Annette D. Stone, AICP

INFORMATION: The Tourism Development Authority has been very active in promoting and increasing tourism and travel to Carrboro. In FY 2014-15 the revenues from the hotel exceeded projected estimates. The Carrboro Hampton Inn runs at 77% occupancy compared to the CHOCVB reported average hotel occupancy for the County at 57.3%. The Town is now also collecting revenues from online booking companies including AirBnB. Attachment 1 is the Annual Audit for the TDA for FY 14-15. Attachment 2 is current year budget status as of December 2015.

Highlights from the past year include funding for 12 community events including 2 Cat's Cradle Concerts that drew over 4000 people for each event; funding for Town signature events and the new Freight Train Blues Music series; collaborating with the Carrboro Business Alliance to fund seasonal promotions like Summer Harvest Sale and Carrboro Cheer; worked with Splinter Group to develop and execute a media plan; created collateral material and swag for conferences and promotional opportunities; updated the "For Visitors" section of the Town website to improve ease of use, organization, and appearance; and increased funding for leasing parking from 300 East Main parking deck. Attachment 3 is a list of events and promotions funding levels and Attachment 4 are highlights from final reports submitted by grantees.

In 2016, the TDA has voted to provide \$10,000 in funding for the Bee Mural on Fire Station 1, create a mural grant fund available to Carrboro businesses, update and reprint Carrboro Downtown Maps, hire a photographer for professional photos for marketing and promotions, fund a wayfinding study and continue support of community events, media marketing and promotion, and support for the Carrboro business community.

FISCAL & STAFF IMPACT: The TDA is supported by a 3% hotel occupancy tax.

RECOMMENDATION: Staff recommends the Board consider accepting the report and provide feedback on upcoming budgeting considerations.

Carrboro Tourism Development Authority

(A Component Unit of the Town of Carrboro,
North Carolina)

Financial Statements as of and for the Year Ended
June 30, 2015, and Independent Auditors' Report

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Carrboro Tourism Development Authority

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Carrboro Tourism Development Authority
Carrboro, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Carrboro Tourism Development Authority (the "CTDA") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the CTDA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Carrboro Tourism Development Authority as of June 30, 2015, and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Carrboro Tourism Development Authority. The budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the budgetary schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Dixon Hughes Goodman LLP

**High Point, North Carolina
October 28, 2015**

**CARRBORO TOURISM DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2015**

As management of the Carrboro Tourism Development Authority (the "CTDA"), we offer readers of the CTDA's financial statements this narrative overview and analysis of the financial activities of the CTDA for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the CTDA's financial statements, which follow this narrative.

Financial Highlights

- The assets of the Carrboro Tourism Development Authority exceeded its liabilities at the close of the fiscal year by \$129,426 (net position).
- The government's total net position increased by \$40,957, due to payments for occupancy taxes collected and remitted to the CTDA by the Town of Carrboro.
- As of the close of the current fiscal year, the Carrboro Tourism Development Authority's governmental fund reported a fund balance of \$129,426. Approximately 35.5% of this total amount, or \$46,003, is restricted.
- Expenditures for activities related to promotion of travel and tourism amounted to 74% of total expenditures.
- Approximately one third, 32.2%, of expenditures were to support Community Events as follows:

COMMUNITY EVENTS FUNDED IN 2015

<u>Communal Event</u>	<u>Organization</u>	<u>Amount</u>
Blues Concerts	Music Makers Relief Foundation	\$ 6,000
Halloween Party	ACME Food & Beverage	1,500
Merge 25th Anniversary	Merge Records	9,500
Not So Normal 5K	Hairy Pony/Jay Radford	2,950
Not So Normal 5K	Hairy Pony/Jay Radford	3,000
People's Pepper Festival	Farmers Market	2,485
Sylvan Esso Concert	Cat's Cradle	5,000
The 10 x 10 Play Fest	The Arts Center	5,000
Tomato Day 2014	Farmers Market	<u>1,330</u>
	Total	<u>\$ 36,765</u>

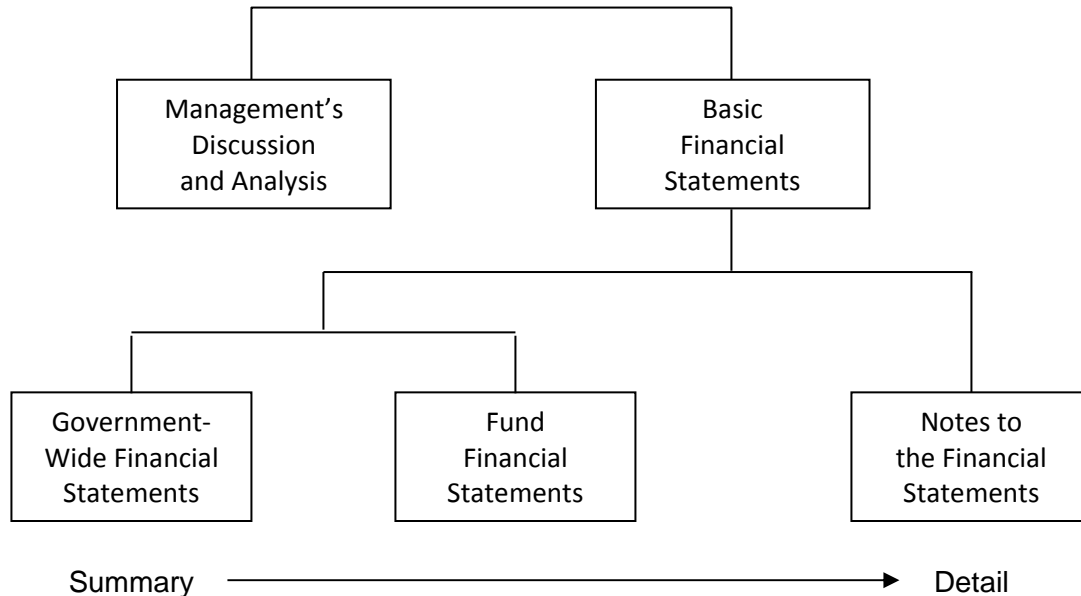
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Carrboro Tourism Development Authority's basic financial statements. The CTDA's basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the CTDA through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Carrboro Tourism Development Authority.

**CARRBORO TOURISM DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2015**

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short- and long-term information about the CTDA's financial status.

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the CTDA's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: (1) the governmental funds statements and (2) the budgetary comparison statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplementary information** is provided to show details about the CTDA's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the CTDA's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short- and long-term information about the CTDA's financial status as a whole.

**CARRBORO TOURISM DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2015**

The two government-wide statements report the CTDA's net position and how they have changed. Net position is the difference between the CTDA's total assets and total liabilities. Measuring net position is one way to gauge the CTDA's financial condition.

The government-wide statements are comprised of governmental activities. The governmental activities include the CTDA's basic services, such as the promotion of tourism. Occupancy taxes levied by the Town of Carrboro finance most of these activities.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the CTDA's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Carrboro Tourism Development Authority, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the General Statutes or the CTDA's budget ordinance. The one fund of the Carrboro Tourism Development Authority can be placed into one category: governmental funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Carrboro Tourism Development Authority's basic services are accounted for in a governmental fund. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the CTDA's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental fund is described in a reconciliation that is a part of the fund financial statements.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 17 through 21 of this report.

**CARRBORO TOURISM DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2015**

Government-Wide Financial Analysis

The Carrboro Tourism Development Authority's Net Position

Figure 2

	Governmental Activities 2015	Total 2015
Current assets	\$ 135,787	\$ 135,787
Total assets	<u>\$ 135,787</u>	<u>\$ 135,787</u>
Current liabilities	<u>6,361</u>	<u>6,361</u>
Total liabilities	<u>6,361</u>	<u>6,361</u>
Net position:		
Restricted	\$ 46,003	\$ 46,003
Unrestricted	<u>83,423</u>	<u>83,423</u>
Total net position	<u>\$ 129,426</u>	<u>\$ 129,426</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Carrboro Tourism Development Authority exceeded liabilities by \$129,426 as of June 30, 2015. The CTDA's net position increased by \$40,957 for the fiscal year ended June 30, 2015. An additional portion of the Carrboro Tourism Development Authority's net position, \$46,003, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$83,423 is unrestricted.

The Carrboro Tourism Development Authority's Changes in Net Position

Figure 3

	Governmental Activities 2015	Total 2015
Revenues		
Payments from Town of Carrboro	\$ 155,570	\$ 155,570
Expenses		
Travel and tourism	<u>114,613</u>	<u>114,613</u>
Increase in net position	40,957	40,957
Net position, July 1	<u>88,469</u>	<u>88,469</u>
Net position, June 30	<u>\$ 129,426</u>	<u>\$ 129,426</u>

**CARRBORO TOURISM DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2015**

Governmental Activities. Governmental activities increased the CTDA's net position by \$40,957, thereby accounting for the total increase in the net position of the Carrboro Tourism Development Authority. The key element for this increase was payments of occupancy taxes collected and remitted to the CTDA by the Town of Carrboro.

Financial Analysis of the CTDA's Funds

As noted earlier, the Carrboro Tourism Development Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Carrboro Tourism Development Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Carrboro Tourism Development Authority's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Carrboro Tourism Development Authority. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$82,873, while total fund balance reached \$129,426. The CTDA currently has an available unassigned fund balance of \$82,873.

At June 30, 2015, the governmental fund of the Carrboro Tourism Development Authority reported a combined fund balance of \$129,426.

Economic Factors and Next Year's Budgets and Rates

By authority of the General Assembly Chapter 439, Part XIV of the 2001 Session Laws, the Carrboro Board of Aldermen adopted a resolution on January 15, 2013 establishing a hotel room occupancy tax at 3 percent. The enabling legislation requires the tax to be paid on the gross receipts derived from the rental of any room, lodging or accommodation furnished by a hotel, motel, inn, tourist camp or similar place within the Town of Carrboro that is subject to sales tax imposed by the state under GS 105-164.4(a)(3). This tax is in addition to any state and local sales tax or the Orange County occupancy tax.

The enabling legislation requires that the Town of Carrboro create a Tourism Development Authority to promote travel and tourism in the Town of Carrboro. The responsibility for the distribution and expenditure of the tax is vested within the Carrboro Tourism Development Authority, of which one-third of the membership must be persons affiliated with businesses that collect the tax in Carrboro.

The Tourism Development Authority is required to pay the Town of Carrboro a fee for administering the tax, which is deducted from the proceeds before the Town remits them to the CTDA. At least two-thirds of the remaining proceeds must be used to promote travel and tourism in Carrboro. The other third shall be used for tourism-related expenditures.

**CARRBORO TOURISM DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2015**

Economic factors that will impact the Town's ability to collect the 3% occupancy tax for distribution to the Carrboro Tourism Development Authority include:

- Low unemployment rate of 4.2%, which is below the state average.
- Increasing taxable sales. Retail sales in North Carolina are trending upward and consumer confidence is high. Local sales taxes for the fiscal year ending June 30, 2016 are expected to grow by 4.0% from those for the fiscal year ended June 30, 2015.
- Increased visitor spending. Orange County has seen a 7.75% increase in visitor spending over the previous year.
- Continued growth in the tourism industry.

Budget Highlights for the Fiscal Year Ending June 30, 2016

The Carrboro Tourism Development authority has adopted a General Fund budget in the amount of \$150,111 for fiscal year ending June 30, 2016. The primary source of revenues will continue to be the hotel/motel occupancy tax levied by the Town at the rate of 3% of the gross receipts from the rental of any room, lodging, or accommodations. These receipts net of the Town's administrative fee will be distributed by the Town to the CTDA on a quarterly basis.

Requests for Information

This report is designed to provide an overview of the Carrboro Tourism Development Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, c/o Carrboro Tourism Development Authority, Carrboro, North Carolina, or by telephone at (919) 918-7439.

BASIC FINANCIAL STATEMENTS

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CARRBORO TOURISM DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
June 30, 2015

Exhibit 1

	<u>Governmental Activities</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 89,234	\$ 89,234
Due from Town of Carrboro	45,912	45,912
Due from other governments	91	91
Prepaid items	<u>550</u>	<u>550</u>
Total assets	<u><u>\$ 135,787</u></u>	<u><u>\$ 135,787</u></u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 6,361</u>	<u>\$ 6,361</u>
NET POSITION		
Restricted for Stabilization by State Statute	46,003	46,003
Unrestricted	<u>83,423</u>	<u>83,423</u>
Total net position	<u><u>\$ 129,426</u></u>	<u><u>\$ 129,426</u></u>

The accompanying notes are an integral part of this statement.

CARRBORO TOURISM DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Exhibit 2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Travel and tourism	\$ 114,613	\$ -	\$ -	\$ -	\$ (114,613)
Total governmental activities	<u>\$ 114,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(114,613)</u>
General revenues:					
Payments from Town of Carrboro					<u>155,570</u>
Total general revenues					<u>155,570</u>
Change in net position					40,957
Net position, beginning					<u>88,469</u>
Net position, ending					<u>\$ 129,426</u>

The accompanying notes are an integral part of this statement.

CARRBORO TOURISM DEVELOPMENT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2015

Exhibit 3

	<u>Major Fund General</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 89,234	\$ 89,234
Due from Town of Carrboro	45,912	45,912
Due from other governments	91	91
Prepaid items	<u>550</u>	<u>550</u>
Total assets	<u><u>\$ 135,787</u></u>	<u><u>\$ 135,146</u></u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 6,361</u>	<u>\$ 6,361</u>
FUND BALANCE		
Nonspendable		
Prepays	550	550
Restricted		
Restricted for Stabilization by State Statute	46,003	46,003
Unassigned	<u>82,873</u>	<u>82,873</u>
Total fund balance	<u>129,426</u>	<u>129,426</u>
Total liabilities and fund balance	<u><u>\$ 135,787</u></u>	<u><u>\$ 135,787</u></u>

The accompanying notes are an integral part of this statement.

CARRBORO TOURISM DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2015

Exhibit 4

	<u>Major Fund</u> <u>General</u>	<u>Total</u>
Revenues		
Payments from Town of Carrboro	\$ 155,570	\$ 155,570
Total revenues	<u>155,570</u>	<u>155,570</u>
Expenditures		
Promote travel and tourism		
Community events	37,065	37,065
Carrboro festivals and events	20,000	20,000
Advertising	21,638	21,638
General and administrative	5,910	5,910
Tourism related		
300 E. Main parking contract	<u>30,000</u>	<u>30,000</u>
Total expenditures	<u>114,613</u>	<u>114,613</u>
Net change in fund balance	40,957	40,957
Fund balance, beginning of year	<u>88,469</u>	<u>88,469</u>
Fund balance, end of year	<u>\$ 129,426</u>	<u>\$ 129,426</u>

The accompanying notes are an integral part of this statement.

CARRBORO TOURISM DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2015

Exhibit 5

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Payments from Town of Carrboro	\$ 112,291	\$ 130,991	\$ 155,570	\$ 24,579
Interest on investments	250	250	-	(250)
Total revenues	<u>112,541</u>	<u>131,241</u>	<u>155,570</u>	<u>24,329</u>
Expenditures				
Promote Travel and Tourism				
Community events	24,144	62,128	37,065	25,063
Carrboro festivals and events	20,000	20,000	20,000	-
Advertising	20,900	39,413	21,638	17,775
General and administrative	8,494	8,494	5,910	2,584
Total Promote Travel and Tourism	<u>73,538</u>	<u>130,035</u>	<u>84,613</u>	<u>45,422</u>
Tourism related				
300 E Main parking contract	30,000	30,000	30,000	-
Total tourism related	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total expenditures	<u>103,538</u>	<u>160,035</u>	<u>114,613</u>	<u>45,422</u>
Revenues over (under) expenditures	9,003	(28,794)	40,957	69,751
Appropriated to (from) fund balance	<u>9,003</u>	<u>(28,794)</u>	<u>-</u>	<u>(28,794)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	40,957	<u>\$ 40,957</u>
Fund balance, beginning of year			<u>88,469</u>	
Fund balance, end of year			<u>\$ 129,426</u>	

The accompanying notes are an integral part of this statement.

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CARRBORO TOURISM DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Carrboro Tourism Development Authority conform to generally accepted accounting principles as applicable to governmental entities. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Carrboro Tourism Development Authority ("CTDA") was created on January 15, 2013 by resolution of the Town of Carrboro, North Carolina, under the authority of the North Carolina General Assembly as a public authority under the Local Government Budget and Fiscal Control Act. The CTDA is responsible for promoting travel and tourism in the Carrboro area. The CTDA consists of three members appointed by the Town's Board of Aldermen for one-year terms.

The CTDA receives revenue through a three percent occupancy tax, which is levied and collected by the Town of Carrboro. The Town remits the taxes collected to the CTDA, net of administration and collection costs not to exceed three percent of the first \$500,000 of gross proceeds and one percent of the remaining gross proceeds collected each year. Therefore, the CTDA is included in the reporting entity of the Town of Carrboro.

B. Government-Wide and Fund Financial Statements

Government-wide Financial Statements, the statement of net position and the statement of activities display information about the government entity. These statements include the financial activities of the overall governmental entity.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the CTDA's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements provide information about the CTDA's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The CTDA reports the following major governmental fund:

The **General Fund** is the general operating fund of the CTDA. It accounts for all financial resources.

CARRBORO TOURISM DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the CTDA gives (or receives) value without directly receiving (or giving) equal value in exchange, include payments from the Town of Carrboro. Payments from the Town of Carrboro are recognized as revenue in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred. Loan disbursements are reported as expenditures and loan repayments are reported as revenues in governmental funds.

The CTDA recognizes assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized on the modified accrual basis of accounting when they are measurable and available. Nonexchange transactions occur when one government provides (or receives) value to (or from) another party without receiving (or giving) equal or nearly equal value in return. The CTDA considers all revenues available if they are collected within 90 days after year end.

D. Budgetary Data

Budgets are adopted as required by state statute. An annual budget ordinance is adopted for the General Fund. All annual appropriations lapse at fiscal year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Any revisions that alter total expenditures of any fund must be approved by the governing board.

The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

CARRBORO TOURISM DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

E Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

All deposits of the CTDA are made in board-designated official depositories and are secured as required by G.S. 159-31. The CTDA may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the CTDA may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law (G.S. 159-30(c)) authorizes the CTDA to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the state of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust, an SEC-registered mutual fund. Investments are stated at fair value.

2. Cash and Cash Equivalents

All bank deposits are essentially demand deposits and are considered cash and cash equivalents.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

4. Net Position/Fund Balance

Net position in government-wide financial statements is classified as restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance may be composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

CARRBORO TOURISM DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Net Position/Fund Balances (Continued)

4. Net Position/Fund Balance (Continued)

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepays - portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not expendable, available resources.

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Board's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Assigned Fund Balance - portion of fund balance that the CTDA intends to use for specific purposes.

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes.

CARRBORO TOURISM DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 2. Detail Notes on All Funds

A. Deposits

Deposits. All deposits of the CTDA are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the CTDA's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the CTDA, these deposits are considered to be held by the CTDA's agent in its name. The amount of the pledged collateral is based on an approved averaging method for noninterest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the CTDA or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the CTDA under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The CTDA has no policy regarding custodial credit risks for deposits.

At June 30, 2015, the CTDA's deposits had a carrying amount of \$89,234 and a bank balance of \$94,234. All of the bank balance was covered by federal depository insurance.

B. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The CTDA acquired risk insurance through the Interlocal Risk Financing Fund of North Carolina with the North Carolina League of Municipalities.

The Finance Officer is bonded for \$50,000.

The CTDA does not carry flood insurance.

The CTDA has no employees.

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SUPPLEMENTARY INFORMATION

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CARRBORO TOURISM DEVELOPMENT AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Schedule 1

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Payments from Town of Carrboro	\$ 130,991	\$ 155,570	\$ 24,579
Interest on investments	250	-	(250)
Total revenues	<u>131,241</u>	<u>155,570</u>	<u>24,329</u>
Expenditures			
Promote Travel and Tourism			
Community events	62,128	37,065	25,063
Carrboro festivals and events	20,000	20,000	-
Advertising	39,413	21,638	17,775
General and administrative	8,494	5,910	2,584
Total Promote Travel and Tourism	<u>130,035</u>	<u>84,613</u>	<u>45,422</u>
Tourism related			
300 E Main parking contract	30,000	30,000	-
Total tourism related	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total expenditures	<u>160,035</u>	<u>114,613</u>	<u>45,422</u>
Revenues over (under) expenditures	(28,794)	40,957	69,751
Appropriated fund balance	<u>(28,794)</u>	-	<u>(28,794)</u>
Net change in fund balance	<u>\$ -</u>	40,957	<u>\$ 40,957</u>
Fund balance, beginning of year		<u>88,469</u>	
Fund balance, end of year		<u>\$ 129,426</u>	

Carrboro Tourism Development Authority
FY 2015-16 Budget Status Report
December 3, 2015

	<u>FY 2015-16</u>		<u>FY 2015-16</u>			<u>AVAILABLE</u>
<u>REVENUES</u>	<u>ADOPTED</u>		<u>FINAL</u>	<u>YTD</u>	<u>ENCUMBR</u>	<u>BUDGET</u>
	<u>BUDGET</u>	<u>ADJUSTM'TS</u>	<u>BUDGET</u>	<u>ACTUAL</u>		
HOTEL/MOTEL OCCUPANCY TAXES	150,111	-	150,111	41,874	-	108,237
INTEREST EARNED	-	-	-	-	-	-
FUND BALANCE RESERVED FOR CARRYOVER	-	20,000	20,000	-		20,000
TOTAL REVENUES	150,111	20,000	170,111	41,874	-	128,237
GENERAL & ADMINISTRATIVE	8,494	-	8,494	4,749	-	3,745
ADVERTISING	35,000		35,000	9,095	6,300	19,605
300 E MAIN PARKING	43,370		43,370	-	-	43,370
CARRBORO FESTIVALS & EV	22,200		22,200	-	-	22,200
COMMUNITY EVENTS	32,044	20,000	52,044	8,267	26,100	17,677
CONTRACTUAL SERVICES	-		-	-	-	-
UNEXPENDED RESERVES	9,003		9,003	-	-	9,003
TOTAL EXPENSES	150,111	20,000	170,111	22,111	32,400	115,600
REVENUES OVER (UNDER) EXPENSES	-		-	19,764		12,636

Adjustments - Commitments Made in FY 2014-15 and Carried Over

		<u>Contract #</u>
Main Street Propertites	1,500	2406
The Arts Center - Elf Crafts Fair	2,600	2411
The Arts Center - Spring Arts Craft Fair	1,500	2550
Michalel James Brown - Mural	8,000	2551
CH Downtown Partnership- Shimmer	5,000	2615
	<u>18,600</u>	

Commitments Made in FY 2015-16

		<u>Contract #</u>
Cat's Cradle	5,000	2765
WCOM - LPFM	2,500	2906
	<u>7,500</u>	

26,100

Attachment 3

Carrboro Tourism Development Authority Accomplishments for 2015 and upcoming projects in 2016

2015		Requested	Recommended	Obligated
Spring Arts Fair	Arts Center	\$ 2,209.00	\$ 1,500.00	\$ 1,500.00
Freight Train Blues Night	Recs and Parks	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Summer Harvest	ECD/CBA	\$ 3,359.00	\$ 3,359.00	\$ 3,359.00
Carrboro Cheer	ECD/CBA	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00
Elf Fair	Arts Center	\$ 2,809.00	\$ 2,809.00	\$ 2,809.00
Future Islands	Cat's Cradle	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
NC Equality Gala Sponsor	NC Equality	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00
Not So Normal 5K 2015	Hairy Pony	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Sylvan Esso Concert	Cat's Cradle	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Tomato Day 2015	Carrboro Farmers Market	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00
Peoples Pepper	Carrboro Farmers Market	\$ 2,038.00	\$ 2,038.00	\$ 2,038.00
Small Plate Crawl	Carolina Epicurean Events	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Terra Vita Food Wine Fest	Terra Vita LLC	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
Media Plan	Splinter Group	\$ 25,000.00	\$ 25,000.00	\$ 12,980.00
WCOM Radio	WCOM	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
SWAG	ECD	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
TOTALS		\$ 73,365.00	\$ 72,656.00	\$ 60,636.00
2016				
Shimmer Art of Light	Chapel Hill Downtown Partners	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Freight Train Blues	Recs and Parks	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Bee Mural	Good of the Hive	\$ 10,000.00	\$ 10,000.00	
Carrboro Mural	Michael Brown	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
Replacement Banners	ECD	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
TOTALS		\$ 42,000.00	\$ 42,000.00	\$ 32,000.00

List is not intended for accounting purposes

Carrboro Tourism Development Authority Report 2015-2016

Highlights from Events Funded:

The CTDA supported several events in the Town Commons, encouraging utilization of the Town's most central outdoor event space. Events supported included the Sylvan Esso and Future Islands concerts put on by the Cats Cradle, A Terra Vita Food and Wine Event, the Freight Train Blues concert series, and several key events at the Carrboro Farmers' Market.

The Cat's Cradle concerts drew thousands of people to Town Commons from across the state and beyond. Additionally, the deeply discounted prices for tickets to these events made them highly accessible for the community. Here is a quote from the Cradle about the Sylvan Esso event:

"Word of the concert spread to all corners of the state, and beyond. The concert sold 4,500 tickets, which was our "sellout" number, hence it was a success from a sheet numbers standpoint."

The Terra Vita dinner in Town Commons boasted 210 attendees, and only 8% of attendees resided in Carrboro. 19% were from Chapel Hill, and 40% were from other areas of the Triangle and beyond.

The Music Makers Concert Series was a partnership with the Town of Carrboro Recs and Parks Department, and 71% of attendees were from outside of Carrboro. Here are a few quotes:

"Partnering with the Music Makers Relief Foundation to bring this new concert series to Town Commons helped us bring a top notch music series to the community." – Rah Trost

"Thanks to the Music Makers for a great series of concerts. I plan to attend them all! Blues is a magnificent part of our North Carolina heritage and deserved to be well represented in our civic and public concerts." – Victor, concert attendee from Chapel Hill

Additionally, the CTDA supported the economic growth of downtown businesses through funding promotional materials for a Summer Harvest Sale and Carrboro Cheer holiday promotion, and funding incentives to restaurants participating in the Chapel Hill – Carrboro Small Plate Crawl.

The Chapel Hill – Carrboro Small Plate Crawl helped establish Carrboro as a "dining destination", bringing visitors into town to try new restaurants and re-visit favorites. Seven downtown restaurants participated in the crawl, and the event got a large amount of publicity. Over 3,000 people marked the event as "attending" on facebook.

Attachment 4

These are highlights from just a few of the events funded. The CTDA also supported important local events like the ArtsCenter Spring Arts Fair and Elf Fair, the Not So Normal Run, and The Carrboro Farmers' Market Tomato Day and People's Peppers Festival.


January 2016 Tourism Economic Update - Message (HTML)

File Message Developer Adobe PDF

Ignore Junk Delete Reply Reply All Forward More Meeting Move Actions Mark Unread Categorize Follow Up Translate Find Related Select Zoom

From: Chapel Hill/Orange County Visitors Bureau <info@visitchapelhill.org>
To: Annette Stone
Cc:
Subject: January 2016 Tourism Economic Update

Sent: Thu 1/21/2016 3:03 PM



**VISITORS BUREAU
ECONOMIC ANALYSIS
REPORT**
An official publication of the
Chapel Hill/Orange County Visitors Bureau

The below report highlights activity from the Chapel Hill/Orange County Visitors Bureau and spotlights news, trends and information from the travel industry.

ORANGE COUNTY TOURISM CAPSULE

The monthly percent change for Revenues Per Available Room (RevPAR) continues to trend upwards month over month however, December's Average Daily Rate (ADR) dipped slightly from last month. December's Occupancy showed a considerable increase at 11.9% compared to November 2015's 1.5%. The year ended over all with percentage increases of 4.4% in RevPAR and 4.7% in ADR. Occupancy fell slightly below that of 2014 at -.02%.

	% Change From Dec. 2014	Orange County, NC	Durham/Chapel Hill	North Carolina	United States
Occupancy %	11.9%	57.3	52.4	50.8	53.0
ADR	5.0%	112.43	101.21	89.54	115.81
RevPar	17.4%	64.45	53.05	45.51	61.41

December 2015
Source: 2015 Smith Travel Research, Inc.

Companies are spending more on business travel - but not because employees are hitting the road more - When the global recession hit, it dented corporate travel budgets everywhere. Now, with the world economy in recovery, spending on travel is finally expected to pick up again in 2016 - but only slightly, and with much of the growth driven by price, not increases in amenities or transaction level. In its outlook for U.S.-outbound business travel recently released, the Global Business Travel Association predicts a modest 3 percent growth in U.S. corporate spending on employee travel for both 2016 and 2017. The GTBA's latest report breaks down price changes in specific components of business travel, noting that while base airfare is due to get cheaper in 2016, rental cars and lodging look like they'll be 3 percent to 5 percent more expensive - causing companies to spend more on each trip without increasing their number of trips. [Read more](#) from Quartz (Source: VisitNC)

9:36 AM 2/5/2016



Town of Carrboro

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

Agenda Item Abstract

File Number:16-052

Agenda Date: 2/9/2016

File Type:Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Discussion of Conditional Zoning Process

PURPOSE: The purpose of this item is for the Board of Aldermen to discuss the conditional zoning process and how it relates to public input.

DEPARTMENT: Planning

CONTACT INFORMATION: Christina Moon - 919-918-7325; Marty Roupe - 919-918-7333; Nick Herman - (919-929-3905

INFORMATION: At the June 23, 2015 public hearing, the Board adopted text amendments to the Land Use Ordinance that authorized the creation of conditional zoning districts corresponding with almost all of the existing zoning categories.

<https://carrboro.legistar.com/MeetingDetail.aspx?ID=388585&GUID=F75209F2-5E07-4F85-A309-5D9B50F8D7DB&Search>>=

The conditional zoning process is legislative, providing the Board with discretion in the decision and the ability to potentially participate in informal discussions about the project. During the public hearing, the Board may consider citizen input without regard to expert testimony.

To date the town has approved three conditional zoning requests, for a hair salon at 102 Center Street, an additional hair salon at 401 North Greensboro Street, and the Shelton Station mixed use project at 500 North Greensboro Street. Information submitted as an exhibit along with the application itself amounted to a fairly simple site plan identifying the subject properties for the two hair salons, as both were locating in existing structures. Shelton Station submitted a somewhat more detailed site plan type exhibit along with their application. All three applications also included a list of conditions that were adopted as a part of the approval of the rezoning.

Anticipating that the future use of conditional rezoning for large and/or potentially controversial projects will draw considerable public input, the Board may wish to consider a standardized approach for receiving such input, for responding to citizens and for sharing concerns with all Board members prior to the public hearing, along with considering how much information should be submitted in the form of a site plan exhibit in advance of a public hearing for the application.

Suggested options and topics the Board may wish to discuss follow:

- **Mechanisms for contact with citizens and the applicant during review of a project:**

Regarding contact with both citizens and the applicant, the Board could adopt a rule or policy that would limit discussions to circumstances where all Board members and the Mayor are a party to what is being discussed. These circumstances may occur during meetings in the Board room or during other types of meetings held for the purpose of discussing the application, as well as through emails sent to the entire Board with every party understanding that replying to all people involved in the email is required.

On the other end of what the Board may find acceptable, the Board may decide that it is okay for any individual member to engage in discussions with citizens and the applicant at any time during the process. This may take place by way of phone calls, emails, informal meetings, etc, outside of more formal meetings or hearings held by the Town. Conditional zoning, as a matter of law, allows for open discussion in general. An important question then is whether the Board wants to allow full participation and open discussion between anyone and everyone, or wants to proceed in a more structured environment with less open discussion, as described above.

The Board may also wish to discuss whether specific meetings should take place prior to a public hearing for the application. This may take the form of a staff led initiative to conduct a meeting similar to a Neighborhood Information Meeting, to be held at the outset of consideration of an application, or one or more other forums or formats for gathering input during the review process ahead of a public hearing.

- **Ability to negotiate / include requirements for a project in addition to Land Use Ordinance requirements:**

As a reminder, a conditional rezoning application, if and when approved, must include a list of conditions that is found mutually acceptable to both the town and the applicant. This differs somewhat from a quasi-judicial consideration of a land use permit application, wherein any conditions attached to the permit must be credibly tied to an interest or concern based on public health, safety, or general welfare. Since conditional zoning decisions are legislative actions, the Board and applicant are free to negotiate and mutually agree upon any conditions that are attached to the approval. Carrboro's pertinent LUO language requires the applicant to present a draft list of conditions as a starting point. From there, staff, the Board, and citizens as well have an opportunity to request modifications to what was submitted, along with requests for potential new conditions.

This section is included both to remind the Board of the legislative nature of these types of applications, as well as to potentially prompt discussion about when and how the list of conditions should be negotiated during the review. The Town's somewhat limited experience to date with this process has involved staff working with applicants on a list of conditions that has then been presented during the public hearing itself. Any negotiations between the Board and an applicant so far have taken place

during the public hearing itself, with citizens weighing in or making requests and suggestions during the hearing. Moving forward, the Board may wish to require that the proposed list of conditions be made available to all parties earlier in the process, so that suggestions and requests may be offered in advance of the hearing. It seems likely that any final negotiations regarding details of one or more conditions may still take place during the public hearing, but earlier distribution and consideration of the draft list may provide additional time for both citizens and Board members to carefully consider what they are asking for, as well as give the applicant more time to carefully consider what they are and are not willing or able to include as a condition.

- **Level of review and amount of details shared before a decision is made:**

As described above, the site plan exhibit included in the three existing conditional zoning approvals in Carrboro included varying levels of detail. The materials for all three, however, did not go beyond what one would consider a simple site plan. As larger projects potentially come forward utilizing this process, the Board may wish to see more detailed exhibits in advance of holding a public hearing. It is not anticipated that a full permit level review will be completed prior to a conditional zoning request being taken to a public hearing, but both citizens and Board members may only be comfortable considering a larger project if a substantially complete site plan is included. This is especially true for any situation where a zoning permit is to be issued by staff following approval, with no additional public hearings being held. The Board could adopt a policy clarifying how much information should be submitted before the Board would be willing to formally consider an application. Alternatively, the Board may choose to let staff work out these details with an applicant on a case by case basis.

FISCAL & STAFF IMPACT: None associated with the discussion of this item.

RECOMMENDATION: Staff recommends that the Board discuss the conditional zoning process and give direction to staff as needed.



Town of Carrboro

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

Agenda Item Abstract

File Number:16-046

Agenda Date: 2/9/2016

File Type:Agendas

In Control: Board of Aldermen

Version: 1

TITLE:

Response to Legislation Limiting Local Stream Buffer Regulation

PURPOSE: The purpose of this agenda item is to respond to legislation recently enacted that limits the Town's ability to exceed minimum State requirements for riparian buffers.

CONTACT INFORMATION: Randy Dodd, 919 918-7326; Christina Moon, 919 918-7325; Patricia McGuire, 919 918-7327

INFORMATION: The Town has administered Land Use Ordinance provisions for regulating riparian buffers since 1983. In 2015, the NC General Assembly passed Section 13.1 of Session Law 2015-246 (An Act to Reform Various Provisions of the Law Related to Local Governments) limiting local authority to implement buffer provisions that are more restrictive than State provisions. Under SL 2015-246, a local government may be able to obtain State approval to implement more restrictive provisions if: 1) doing so complies with or implements federal or State law, or is a condition of a State or federal permit, certificate, or other approval; 2) the ordinance was enacted prior to August 1, 1997 and allows "small or temporary structures within 50 feet of the water body and docks and piers within and along the edge of the water body under certain circumstances"; or 3) approval for more restrictive requirements is obtained from the Environmental Management Commission (EMC) and based on "scientific studies of the local environmental and physical conditions that support the necessity of the riparian buffer requirement for the protection of water quality, and any other information requested by the Commission." Staff continue to investigate all three options. At this juncture, the third option ("scientific evidence") may be the most appropriate for the Town to pursue. If the Town chooses to pursue this option, the State Division of Water Resources (DWR) staff has requested that the Town submit an application by August, 2016 for presentation to the Environmental Management Commission (EMC) at their November, 2016 meeting. Staff have drafted a letter to DWR indicating the Town's approach for complying with the legislation.

FISCAL AND STAFF IMPACT: There is no fiscal impact associated with this item. There will be a staff impact to prepare a response for State review.

RECOMMENDATION: It is recommended that the Board authorize staff to pursue approval from the State for the Town to continue to enact, implement, and enforce current LUO buffer provisions by submitting the

Agenda Date: 2/9/2016

File Type:Agendas

In Control: Board of Aldermen

Version: 1

attached letter and taking appropriate follow up actions.



TOWN OF CARRBORO

NORTH CAROLINA

DELIVERED
VIA: ☐ HAND

☐ MAIL ☐ FAX ☒ EMAIL

To: David Andrews, Town Manager
Mayor and Board of Aldermen

From: Randy Dodd, Environmental Planner

Thru: Patricia McGuire, Planning Director

Date: January 28, 2016

Subject: SL 2015-246 Restrictions on Town Water Quality Buffers

Background and Summary

The NC General Assembly passed legislation in 2015 limiting local government authority for regulating riparian buffers. State Division of Water Resources (DWR) staff are seeking the Town's response regarding compliance with the legislation. This memo summarizes the legislation, the Town's options for compliance, and recommends that the Board authorize staff to submit evidence supporting buffer provisions that exceed State requirements to the Environmental Management Commission.

Information

The Town has included provisions for regulating riparian buffers in the Land Use Ordinance since 1983 (Article XVI, Part III, available at <http://nc-carrboro.civicplus.com/DocumentCenter/Home/View/698>). In 2009, buffer requirements were updated to comply with State rules for protection and restoration of Jordan Lake (15A NCAC 02B .0267). In 2015, NC General Assembly passed Section 13.1 of SL 2015-246 (An Act to Reform Various Provisions of the Law Related to Local Governments) limiting local government authority to implement buffer provisions that are more restrictive than State provisions. On November 10, 2015, the State Division of Water Resources (DWR) hosted a meeting for local governments that currently implement a state riparian buffer program to provide State staff interpretation of options for local government response to the legislation. Carrboro was invited to participate in the meeting due to the Town's location in the Jordan Lake watershed and responsibility to implement the buffer provisions under the Jordan Lake Rules. In response to a request by DWR staff, Town staff contacted DWR staff on February 1, 2016 to indicate that the Town would provide a formal response after receiving direction from the Board of Aldermen.

Under SL 2015-246, a local government may be able to obtain State approval to implement more restrictive buffer provisions if:

- 1) doing so complies with or implements federal or State law, or is a condition of a State or federal permit, certificate, or other approval.
- 2) the ordinance was enacted prior to August 1, 1997 and allows "small or temporary structures within 50 feet of the water body and docks and piers within and along the edge of the water body under certain circumstances."
- 3) approval for more restrictive requirements is obtained from the Environmental Management Commission (EMC) and based on "scientific studies of the local environmental and physical conditions that support the necessity of the riparian buffer requirement for the protection of water quality, and any other information requested by the Commission." The statute specifically states that "The Commission shall not approve a local government ordinance that establishes a riparian buffer requirement for the protection of water quality

unless the Commission finds that the scientific evidence presented by the local government supports the necessity of the riparian buffer requirement for the protection of water quality.” DWR staff have provided an interpretation that “protection of water quality” means “nutrient removal, pollutant removal, stream bank protection, or protection of an endangered species as required by federal law.”

- If a local government chooses to make the case that this applies, DWR staff has requested that the local government submit an application to DWR by August 15, 2016. The application will be presented to the EMC at their November 2016 meeting.

Two other points are worth specifically highlighting: First, State staff have offered an opinion that the requirements do not restrict a local government from implementing more restrictive buffer requirements in Water Supply Watersheds (i.e., University Lake). Second, a local government may continue to implement an existing ordinance up until January 1, 2017.

Town staff continue to review all three options to substantiate the LUO’s more restrictive buffer requirements. Based on the Town’s extensive, prudent, and iterative efforts over many years to develop buffer regulations and long commitment to surface water protection, staff recommend that the Town seek to maintain the current provisions. If the Town’s pursuit of any of the above alternatives do not result in State approval for the current buffer provisions, revisions to the LUO in accordance with SL 2015-246 would be needed.

Recommendation

It is recommended that the Board authorize staff to pursue approval from the State for the Town to continue to enact, implement, and enforce current LUO buffer provisions by submitting the attached letter and taking appropriate follow up actions.

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015
SESSION LAW 2015-246
HOUSE BILL 44

AN ACT TO REFORM VARIOUS PROVISIONS OF THE LAW RELATED TO LOCAL GOVERNMENT.

RIPARIAN BUFFER REFORM

SECTION 13.1.(a) Subsection (e1) of G.S. 143-214.23 is repealed.

SECTION 13.1.(b) Part 1 of Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-214.23A. Limitations on local government riparian buffer requirements.

(a) As used in this section:

- (1) "Local government ordinance" means any action by a local government carrying the effect of law approved before or after October 1, 2015, whether by ordinance, comprehensive plan, policy, resolution, or other measure.
- (2) "Protection of water quality" means nutrient removal, pollutant removal, stream bank protection, or protection of an endangered species as required by federal law.
- (3) "Riparian buffer area" means an area subject to a riparian buffer requirement.
- (4) "Riparian buffer requirement" means a landward setback from surface waters.

(b) Except as provided in this section, a local government may not enact, implement, or enforce a local government ordinance that establishes a riparian buffer requirement that exceeds riparian buffer requirements necessary to comply with or implement federal or State law or a condition of a permit, certificate, or other approval issued by a federal or State agency.

(c) Subsection (b) of this section shall not apply to any local government ordinance that establishes a riparian buffer requirement enacted prior to August 1, 1997, if (i) the ordinance included findings that the requirement was imposed for purposes that include the protection of aesthetics, fish and wildlife habitat, and recreational use by maintaining water temperature, healthy tree canopy and understory, and the protection of the natural shoreline through minimization of erosion and potential chemical pollution in addition to the protection of water quality and the prevention of excess nutrient runoff, and (ii) the ordinance would permit small or temporary structures within 50 feet of the water body and docks and piers within and along the edge of the water body under certain circumstances.

(d) A local government may request from the Commission the authority to enact, implement, and enforce a local government ordinance that establishes a

riparian buffer requirement for the protection of water quality that exceeds riparian buffer requirements for the protection of water quality necessary to comply with or implement federal or State law or a condition of a permit, certificate, or other approval issued by a federal or State agency. To do so, a local government shall submit to the Commission an application requesting this authority that includes the local government ordinance, including the riparian buffer requirement for the protection of water quality, scientific studies of the local environmental and physical conditions that support the necessity of the riparian buffer requirement for the protection of water quality, and any other information requested by the Commission. Within 90 days after the Commission receives a complete application, the Commission shall review the application and notify the local government whether the application has been approved, approved with modifications, or disapproved. The Commission shall not approve a local government ordinance that establishes a riparian buffer requirement for the protection of water quality unless the Commission finds that the scientific evidence presented by the local government supports the necessity of the riparian buffer requirement for the protection of water quality.

- (e) Cities and counties shall not treat the land within a riparian buffer area as if the land is the property of the State or any of its subdivisions unless the land or an interest therein has been acquired by the State or its subdivisions by a conveyance or by eminent domain. Land within a riparian buffer area in which neither the State nor its subdivisions holds any property interest may be used by the property owner to satisfy any other development-related regulatory requirements based on property size, including, but not limited to, residential density and nonresidential intensity calculations and yields, tree conservation purposes, open space or conservation area requirements, setbacks, perimeter buffers, and lot area requirements.
- (f) When riparian buffer requirements are included within a lot, cities and counties shall require that the riparian buffer area be shown on the recorded plat. Nothing in this subsection shall be construed to require that the riparian buffer area be surveyed. When riparian buffer requirements are placed outside of lots in portions of a subdivision that are designated as common areas or open space and neither the State nor its subdivisions holds any property interest in that riparian buffer area, the local government shall attribute to each lot abutting the riparian buffer area a proportionate share based on the area of all lots abutting the riparian buffer area for purposes of development-related regulatory requirements based on property size, including, but not limited to, residential density and nonresidential intensity calculations and yields, tree conservation purposes, open space or conservation area requirements, setbacks, perimeter buffers, and lot area requirements.
- (g) The Commission may adopt rules to implement this section."

SECTION 13.1.(c) The definitions set out in G.S. 143-214.23A(a), as enacted by Section 13.1(b) of this act, shall apply to this section. Notwithstanding G.S. 143-214.23A(b), as enacted by Section 13.1(b) of this act, a local government ordinance that establishes a riparian buffer requirement for the protection of water quality that exceeds riparian buffer requirements necessary to comply with or implement federal or State law or a condition of a permit, certificate, or other approval issued by a federal or State agency that is in effect on October 1, 2015, may remain in effect and enforceable until January 1, 2017. If the local government ordinance is authorized by the Environmental Management Commission pursuant to G.S. 143-214.23A(d), as enacted by Section 13.1(b) of this act, on or before January 1, 2017, the ordinance may continue to be in effect and enforceable. If the local government ordinance is not authorized by the Environmental Management Commission pursuant to G.S. 143-214.23A(d), as enacted by Section 13.1(b) of this act, on or before January 1, 2017, the ordinance shall no longer be in effect or enforceable.

SECTION 13.1.(d) This section becomes effective October 1, 2015.

SECTION 13.2.(a) The Environmental Management Commission, with the assistance of the Department of Environment and Natural Resources, shall examine ways to provide regulatory relief from the impacts of riparian buffer rules adopted to implement the State's Riparian Buffer Protection Program for parcels of land that were platted on or before the effective date of the applicable riparian buffer rule. The Commission shall specifically examine ways to fairly provide properties with relief where a change in use has occurred that would otherwise trigger the requirements of the riparian buffer rules. Such relief would be determined on a case-by-case basis and provide relief to successor owners. For purposes of this study, a change in use that would otherwise trigger the requirements of the riparian buffer rules shall not include either of the following circumstances:

- (1) Developing from a vacant condition to a use allowed by the current local regulations, unless the local regulations have been changed at the request of the property owner since the date the buffer rule was applied; the parcel was recorded prior to the effective date of the applicable buffer rule; and the allowable use is for any non-farming or nonagricultural purpose.
- (2) The property configuration has not been altered except as a result of either an eminent domain action or a recombination involving not more than three parcels, all of which were recorded before the effective date of the applicable buffer rule.

The Commission may also consider and recommend other circumstances that should not constitute a change in use that would otherwise trigger the requirements of the riparian buffer rules. No later than April 1, 2016, the Commission shall report the results of its study, including any recommendations, to the Environmental Review Commission.

SECTION 13.2.(b) This section becomes effective October 1, 2015.

SECTION 13.3.(a) As used in this section, "coastal wetlands" means any salt marsh or other marsh subject to regular or occasional flooding by tides, including wind tides, whether or not the tidewaters reach the marshland areas through natural or artificial watercourses, provided this shall not include hurricane or tropical storm tides.

SECTION 13.3.(b) For purposes of implementing 15A NCAC 02B .0233 (Neuse River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers) and 15A NCAC 02B .0259 (Tar-Pamlico River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers), Zone 1 of a protective riparian buffer for coastal wetlands shall begin at the most landward limit of the normal high water level or the normal water level, as appropriate.

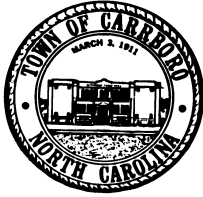
SECTION 13.3.(c) The Environmental Management Commission shall adopt temporary rules to amend its rules consistent with this section.

SECTION 13.3.(d) This section becomes effective October 1, 2015.

SECTION 13.4.(a) The Environmental Management Commission shall amend its rules for the protection of existing riparian buffers to provide for the case-by-case modification of the requirement for maintaining woody vegetation in the riparian buffer area upon a showing by a landowner that alternative measures will provide equal or greater water quality protection.

SECTION 13.4.(b) The Environmental Management Commission shall adopt temporary rules to amend its rules consistent with this section.

SECTION 13.4.(c) This section becomes effective October 1, 2015.



TOWN OF CARRBORO

NORTH CAROLINA

WWW.TOWNOFCARRBORO.ORG

301 West Main Street

Carrboro, NC 27510

February 10, 2016

Mr. Shelton Sullivan
401 & Buffer Permitting Unit
Division of Water Resources
1617 Mail Service Center
Raleigh, NC 27699-1617

Dear Mr. Sullivan:

I am writing to provide the Town's response to DWR's request for a letter of submittal from Carrboro, pursuant to SL 2015-246 and as a designated local government implementing a State Riparian Buffer Rule, based on Carrboro's location in the Jordan Lake watershed. Carrboro has instituted and enforces buffer requirements that exceed requirements in 15A NCAC 02B .0267.

The Town of Carrboro appreciates that SL 2015-246 allows a local government to request authority to enact, enforce, and implement riparian buffer requirements that exceed those necessary to comply with this statute. The Town intends to seek this authority and to submit scientific studies of the local environmental and physical conditions that support the necessity of the buffer requirements by August 2016, for the Environmental Management Commission to review. The Town is also carefully examining applicable permits and federal and state laws and expects to report to you within the next month if it appears that such permits/laws require the Town to continue to implement current stream buffer regulations.

Your consideration of this submittal is greatly appreciated.

Sincerely,

Patricia McGuire, Planning Director

Cc: Robert Hornik, Attorney
David Andrews, Manager
Christina Moon, Planning Administrator
Randy Dodd, Environmental Planner
Martin Roupe, Development Review Administrator