



# Town of Carrboro

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

## Meeting Agenda Board of Aldermen



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Tuesday, May 15, 2018

7:30 PM

Board Chambers - Room 110

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### 7:30-7:45

#### A. POETRY READING, RESOLUTIONS, PROCLAMATIONS, AND ACKNOWLEDGEMENTS

1. [17-536](#) Proclamation - Mental Health Awareness Month
2. [17-539](#) Proclamation - National Police Week and Peace Officers' Memorial Day
3. [17-538](#) Charge Issued to Recently Appointed Advisory Board Members

### 7:45-7:50

#### B. ANNOUNCEMENT OF UPCOMING MEETINGS

### 7:50-8:00

#### C. REQUESTS FROM VISITORS AND SPEAKERS FROM THE FLOOR

### 8:00-8:05

#### D. CONSENT AGENDA

1. [17-537](#) Approval of April 10, 2018 and April 17, 2018 Meeting Minutes
2. [17-528](#) A Request to Adopt a Resolution to Award a Service Sidearm to a Retiring Police Officer

**PURPOSE:** Police Sergeant Kenneth Stewart will retire from the Town of Carrboro Police Department on June 1, 2018 after approximately 15.5 years of service. The Police Department would like to award Sergeant Stewart his service sidearm to recognize his dedication to duty and his service to the Town of Carrboro. The Board of Aldermen is requested to adopt by resolution, Town staff's recommendation to award the service side arm to Sergeant Kenneth Stewart.

3. [17-530](#) Authorization to Renew and Amend SprintCom, Inc. Lease Agreement for Communication Antenna Co-Location on Town Hall Tower

**PURPOSE:** SprintCom, Inc has expressed interest in renewing their antenna co-location lease agreement for the Town's telecommunications tower. The current lease will expire on June 18, 2018 and staff has been working with the applicant to negotiate a lease renewal. The proposed lease amendments have been reviewed by the Town Attorney and Finance Director. The Board of Aldermen is requested to adopt the attached resolution authorizing the Town Manager to execute the amended lease agreement.

**Attachments:** [Attachment A - Resolution Sprint](#)  
[Attachment B - Sprint Lease Amendment](#)  
[Attachment C - Co-location Lease Agreement Sprint](#)

4. [17-531](#) Authorization to Renew and Amend T-Mobile South LLC Lease Agreement for Communication Antenna Co-Location on Town Hall Tower

**PURPOSE:** T-Mobile South LLC has expressed interest in renewing their antenna co-location lease agreement for the Town's telecommunications tower. The expiration of the lease that is being amended is 2/28/19 and staff has been working with the applicant to negotiate the lease renewal. The proposed lease amendments have been reviewed by the Town Attorney and Finance Director. The Board of Aldermen is requested to adopt the attached resolution authorizing the Town Manager to execute the amended lease agreement.

**Attachments:** [Attachment A - Resolution T-Mobile](#)  
[Attachment B - T-Mobile Lease Amendment APPROVED](#)  
[Attachment C - T-Mobile Lease Agreement](#)

5. [17-532](#) Request-to-Set a Public Hearing to Amend the Official Zoning Map to Designate the Lloyd/Broad Overlay District

**PURPOSE:** The purpose of this agenda item is for the Board of Aldermen to consider setting a public hearing on a map amendment to the Land Use Ordinance that would place a new zoning overlay district in the Lloyd-Broad Neighborhood.

**Attachments:** [Attachment A - Resolution](#)  
[Attachment B - Rezoning Ordinance - Lloyd-Broad Overlay 5-10-18-3](#)

6. [17-534](#) Request to Authorize Town Manager to Accept an Offer and Execute Deeds for the Transfer of Real Property and Easements Associated with the Estes Drive/N. Greensboro Street Roundabout Improvements

**PURPOSE:** The purpose of this item is for the Board of Aldermen to Consider Authorizing the Town Manager to execute deeds and easements related to improvements needed for the Estes Drive/N. Greensboro Street Roundabout project.

**Attachments:** [Attachment A - Resolution](#)  
[Attachment B - Excerpt from U-5846 showing ROW](#)  
[Attachment C - Combined - Plan, Aerial and Acquisition](#)

7. [17-540](#) Community Climate Action Plan Implementation Update

**PURPOSE:** The purpose of this item is to update the Board on Community Climate Action Plan implementation efforts.

**Attachments:** [Attachment A - Progress Update](#)

E. PUBLIC HEARING

**8:05-8:30**

1. [17-517](#) Public Hearing on Draft Stormwater Utility Rate Structure

**PURPOSE:** The purpose of this item is to hold a public hearing on the draft stormwater utility rate structure, and consider adoption of the rate structure and an interlocal agreement for billing.

**Attachments:** [Attachment A- Staff Memo](#)  
[Attachment B - Advisory Board Comments](#)  
[Attachment C - Survey Responses](#)  
[Attachment D - Town Code Amendment](#)  
[Attachment E - Rate Structure Study](#)  
[Attachment F - Resolution](#)  
[Attachment G-Interlocal Billing Agreement](#)  
[Attachment H - Interlocal Resolution](#)

F. MATTERS BY BOARD MEMBERS

G. MATTERS BY TOWN MANAGER

H. MATTERS BY TOWN ATTORNEY

**I. MATTERS BY TOWN CLERK**



# Town of Carrboro

Town Hall  
301 W. Main St.  
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## Agenda Item Abstract

**File Number:**17-538

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**Agenda Date:** 5/15/2018

**File Type:**Agendas

**In Control:** Board of Aldermen

**Version:** 1

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### Charge Issued to Recently Appointed Advisory Board Members

The following charge will be issued:

- 1) David Darr - Economic Sustainability Commission



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Approval of April 10, 2018 and April 17, 2018 Meeting Minutes



# Town of Carrboro

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

## Agenda Item Abstract

**File Number:**17-528

**Agenda Date:** 5/15/2018

**File Type:**Agendas

**In Control:** Board of Aldermen

**Version:** 1

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### TITLE:

A Request to Adopt a Resolution to Award a Service Sidearm to a Retiring Police Officer

**PURPOSE:** Police Sergeant Kenneth Stewart will retire from the Town of Carrboro Police Department on June 1, 2018 after approximately 15.5 years of service. The Police Department would like to award Sergeant Stewart his service sidearm to recognize his dedication to duty and his service to the Town of Carrboro. The Board of Aldermen is requested to adopt by resolution, Town staff's recommendation to award the service side arm to Sergeant Kenneth Stewart.

**DEPARTMENT:** Police

**CONTACT INFORMATION:** Chief Walter Horton, 919-918-7397

**INFORMATION:** As a certified law enforcement officer within the State of North Carolina, Sergeant Stewart has the right under NCGS 20-187.2 to request that he be allowed to purchase his on-duty handgun from the Town. He has made such a request. The Board has traditionally awarded service sidearm to retiring officers free of charge. Based upon the action taken by the Board of Aldermen for previous retiring police officers, Town staff recommends that the Board of Aldermen award Sergeant Stewart his service side arm.

**FISCAL & STAFF IMPACT:** The value of the handgun is \$250.

**RECOMMENDATION:** Staff recommends that the Board approve the attached resolution.





# Town of Carrboro

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301 W. Main St.  
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## Agenda Item Abstract

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### **TITLE:**

Authorization to Renew and Amend SprintCom, Inc. Lease Agreement for Communication Antenna Co-Location on Town Hall Tower

**PURPOSE:** SprintCom, Inc has expressed interest in renewing their antenna co-location lease agreement for the Town's telecommunications tower. The current lease will expire on June 18, 2018 and staff has been working with the applicant to negotiate a lease renewal. The proposed lease amendments have been reviewed by the Town Attorney and Finance Director. The Board of Aldermen is requested to adopt the attached resolution authorizing the Town Manager to execute the amended lease agreement.

**DEPARTMENT:** Town Attorney, Finance Office, Manager's Office

**CONTACT INFORMATION:** Bob Hornik, Arche McAdoo 919-918-7438, Rebecca Buzzard 919-918-7438

**INFORMATION:** N.C. G.S. 160A-272 requires Board approval of contracts leasing or renting town property. The proposed lease amendment with SprintCom, Inc. will commence on June 19, 2018 and the term of the agreement is for five years. The Agreement will be automatically renewed for one (1) additional term of five years. An additional requirement for such leases is that the Town provide public notice of the intent to enter into such a lease agreement. A notice was published April 12, 2018 in the Durham Herald-Sun.

**FISCAL & STAFF IMPACT:** The contract stipulates an annual payment to the Town of \$46,195.50 for the first year, plus an annual increase of 3% for each year of the lease.

**RECOMMENDATION:** Town staff recommends that the Board authorize the Town Manager to execute a renewal lease agreement with Sprintcom.

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE A LEASE AGREEMENT WITH SPRINTCOM, INC., FOR AN ANTENNA CO-LOCATION ON THE TOWER AT TOWN HALL

WHEREAS, the Town owns the telecommunications tower located at 301 W. Main St.; and

WHEREAS, SprintCom, Inc., had a co-location lease agreement for an antenna for their communication service on the Town's tower that will expire on June 18, 2018; and

WHEREAS, SprintCom, Inc., has expressed interest in renewing a co-location lease agreement for an antenna for their communication service on the Town's tower; and

WHEREAS, the Board of Aldermen must approve all leases of tower space longer than one year; and

WHEREAS, according to N.C. G.S. 160A-272, this resolution must be adopted at a regular meeting, after 10 days public notice of the intent to enter into a lease agreement. The notice must be published, and must include a description of the property to be leased, the amount of the annual rent payments, and announce the Board's intention to authorize the lease at the next regular meeting.

WHEREAS, a notice was published in the Durham Herald-Sun on April 12, 2018.

NOW THEREFORE BE IT RESOLVED, that the Board of Aldermen authorize the Town Manager to execute a contract with SprintCom, Inc. for a five year term of agreement, automatically renewing for one additional five year term, beginning on June 19, 2018; with an annual payment of \$46,195.50 for the first year, plus an annual increase of 3% for each year of the lease.

This is the \_\_\_\_ day of May, 2018.

## FIRST AMENDMENT TO CO-LOCATION LEASE AGREEMENT

This First Amendment to Co-Location Lease Agreement (this "Amendment"), effective as of the date last signed below ("Effective Date"), amends a certain Co-Location Lease Agreement dated August 26, 2008, between SprintCom, Inc., a Kansas corporation qualified to do business in North Carolina ("Lessee") and the Town of Carrboro, a N.C. municipal corporation ("Lessor"), (the "Agreement").

### **BACKGROUND**

WHEREAS, the Agreement is set to expire on June 18, 2018, and Lessee and Lessor desire to extend the term of the Agreement.

WHEREAS, Lessee and Lessor desire to modify certain provisions of the Agreement as provided below.

### **AGREEMENT**

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Lessor and Lessee agree as follows:

1. **Term.** Paragraph 2 of the Agreement is amended by adding the following:

The current term of the Agreement will expire on June 18, 2018. Notwithstanding anything to the contrary in the Agreement, commencing on June 19, 2018, the term of the Agreement is sixty (60) months ("New Initial Term"). The Agreement will be automatically renewed for one (1) additional term of sixty (60) months (a "New Renewal Term"). The New Renewal Term will be deemed automatically exercised without any action by either party unless Lessee gives written notice of its decision not to exercise any option to Lessor before expiration of the then current term. All references in the Agreement to Renewal Term shall include the New Initial Term and the New Renewal Term.

2. **Modification to License Fee.** Paragraph 3 of the Agreement is amended by adding the following:

Starting on the first day of the New Initial Term and every year thereafter, Lessee will pay Base Fee in equal annual installments of Forty-Six Thousand One Hundred Ninety-Five and 50/100 Dollars (\$46,195.50). The Base Fee for any partial years will be prorated. Commencing on June 19, 2019, the Base Fee will be increased annually by three percent (3%) of the then current Base Fee.

Lessee's obligation to pay Base Fee is contingent upon Lessee's receipt of an IRS-approved W-9 form setting forth the tax identification number of Lessor or of the person or entity to whom payment is to be made payable as directed in writing by Lessor. Lessor agrees to enroll for automated payment no less than thirty (30) days prior to the commencement of the New Initial Term. All of Lessee's payment obligations set forth in the Agreement are conditioned upon Lessor's timely enrollment for automated payment. Lessor may obtain electronic payment enrollment forms by contacting Lessor solutions at 800-357-7641 or by submitting a ticket for direct deposit via the Lessor portal at <https://Lessorsolutions.sprint.com/>.

3. **Equipment.** Paragraph 5 of the Agreement is amended by adding the following subparagraph (d):

(d) Lessee is entitled to access the Site and the Equipment 24 hours per day, 7 days per week at no additional cost or expense to Lessee subject to the following conditions. For routine maintenance and repair, including but not limited to inspections, modifications or replacements, Lessee will provide Lessor with reasonable notice at least five (5) business days in advance of visit. In case of emergency or unscheduled repairs, Lessee will provide Lessor with reasonable notice under the circumstances (at least 1 hour in advance of visit, if possible).

4. **Notice Address.** The notice addresses in Paragraph 12 of the Agreement or referenced therein for the party or parties listed below are hereby deleted in their entirety and replaced with the following:

To Lessor:	Town of Carrboro 301 West Main Street Carrboro, NC 27510 Attn: Town Manager
To Lessee:	Sprint Property Services Sprint Site ID: RA03XC066-A Mailstop KSOPHT0101-Z2650 6391 Sprint Parkway Overland Park, Kansas 66251-2650
With a mandatory copy to:	Sprint Law Department Sprint Site ID: RA03XC066-A Attn.: Real Estate Attorney Mailstop KSOPHT0101-Z2020 6391 Sprint Parkway Overland Park, Kansas 66251-2020

5. **General Terms and Conditions.**

- a. All capitalized terms used in this Amendment, unless otherwise defined herein, will have the same meaning as the terms contained in the Agreement.
- b. In case of any inconsistencies between the terms and conditions contained in the Agreement and the terms and conditions contained in this Amendment, the terms and conditions herein will control. Except as set forth herein, all provisions of the Agreement are ratified and remain unchanged and in full force and effect.
- c. This Amendment may be executed in duplicate counterparts, each of which will be deemed an original.
- d. Each of the parties represents and warrants that it has the right, power, legal capacity and authority to enter into and perform its respective obligations under this Amendment.

The parties have executed this Amendment as of the Effective Date.

**Lessor:**  
**Town of Carrboro, a N.C. municipal corporation**

**Lessee:**  
**SprintCom, Inc., a Kansas corporation**

By: \_\_\_\_\_  
(please use blue ink)

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 201\_\_\_\_  
(Date must be completed)

By: \_\_\_\_\_

Printed Name: Silvia J. Lin

Title: Manager, Real Estate

Date: \_\_\_\_\_, 201\_\_\_\_  
(Date must be completed)

Attest:  
By: \_\_\_\_\_

Witness:  
By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

## Co-Location Lease Agreement

THIS CO-LOCATION LEASE AGREEMENT ("Agreement"), made this 26<sup>th</sup> day of August, 2008, by and between the Town of Carrboro, a N.C. municipal corporation having an address at 301 W. Main Street, Carrboro, North Carolina 27510 (hereinafter referred to as the "Lessor" or "Town") and SprintCom, Inc. a Kansas Corporation qualified to do business in North Carolina, having an address of 6391 Sprint Parkway, Overland Park, Kansas (hereinafter referred to as the "Lessee").

1. USE: Lessor, subject to the terms and conditions hereof, grants to Lessee the exclusive and non-revocable license (except as provided herein) to *continue* to maintain and operate the radio communications equipment and equipment housings described in Exhibit 1 attached hereto and incorporated herein by reference (hereinafter referred to as the "Equipment") on and around the base of the telecommunications tower (hereinafter referred to as the "Tower") at 301 W. Main (Town Hall in Carrboro). Lessee's use shall be at Lessee's sole risk and expense.

2. TERM: This Agreement shall commence **June 19, 2008** ("Commencement Date") and shall be for a period of **five (5) years** (hereinafter referred to as the "Initial Term") with **one (1) additional automatic renewal period of five (5) years** ("Renewal Term"). The Renewal Term shall commence **automatically** without further action on the part of the Lessor or Lessee **unless Lessee terminates this Agreement at the expiration of the Initial Term by giving Lessor not less than ninety (90) days written notice** of its intention to terminate this Agreement at the end of the Initial Term. Unless Lessee is in default under this Agreement, Lessee may have up to thirty (30) days after the termination of this Agreement within which to remove its Equipment and Building from Tower and Site. If Lessee Equipment or Building remains on Tower or Site after the termination date, then this Agreement shall remain in effect as to all obligations of Lessee except the payment of the Base Fee until the earlier of removal of all Equipment and Building or thirty (30) days from termination date.

3. LICENSE FEE:

(a) During the "Initial Term", the Lessee shall pay to Lessor a lease payment in the sum of thirty-nine thousand dollars **(\$39,000) per annum** (hereinafter sometimes referred to as the "Base Fee") which shall be paid in a single, annual installment on or around the anniversary of the Commencement Date of the lease. The Base Fee set forth above is exclusive of charges for the furnishing of any utilities such as, but not limited to, electricity, gas, water, sewer or telephone, which are the responsibility of Lessee.

If this lease agreement is finalized after any payment for 2008-2009 has been made, a second payment making up any difference between the amount paid and \$39,000 shall be due as soon as this new co-location lease agreement is signed by all parties.

**All payments shall be made directly to:**

Town of Carrboro Finance Department  
301 W. Main St.  
Carrboro, NC 27510

(b) The lease payment for any renewal term shall be adjusted upwards by 15%; making each annual payment in any renewal term will be \$44,850.

(c) Lessee shall *continue* to have a separate electric meter to measure Lessee's electric consumption and Lessee shall pay directly to the public utility company for any electricity used by Lessee's Equipment at this location.

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4. **OPERATION OF EQUIPMENT:**

(a) Lessee, its officers, agents and employees shall comply with and operate its Equipment during the term hereof in compliance with all laws, statutes, ordinances, rules and regulations, as amended or enacted from time to time, imposed by any local, state, or federal authority having jurisdiction with respect thereto including, without limitation, the rules and regulations of the Federal Communications Commission (hereinafter referred to as the "FCC"), the Federal Aviation Administration (hereinafter referred to as the "FAA"), and the Environmental Protection Agency ("EPA"). Lessee shall comply with all applicable Occupational Safety and Health Act ("OSHA") laws, regulations and requirements, and shall assure that its officers, employees and agents, including all contractors of Lessee, comply with all OSHA regulations. Prior to installation of Equipment, or making any modifications or changes to its Equipment, Lessee shall comply with the following:

(i) Lessee shall submit all plans for Lessor's approval; and

(ii) Prior to commencement of any work, Lessee shall obtain required approvals of all federal, state and local agencies. Lessee shall promptly deliver to Lessor written proof of compliance with all applicable federal, state and local laws, rules and regulations in connection with any installations, changes or modifications of Equipment; and

(iii) Prior to commencement of any installation work except for the exchange, maintenance and repair of like-for-like replacement equipment and/or work and/or for upgrades that the Lessor agrees in writing are minor, Lessee shall provide to Lessor certified engineering studies which provide that tower loading and stress specifications will not be exceeded or cause inter-modulation problems, and that such equipment will be and remain in compliance with all applicable

local, state and federal government laws, regulations and requirements, including but not limited to zoning, FAA and FCC specifications; and

(iv) All of Lessee's Equipment shall be clearly marked to show Lessee's name, address, telephone number and the name of the person to contact in case of emergency, FCC call sign, frequency(s) and location. All coaxial cable shall be identified in the same manner at the bottom and at the top of each transmission line. All such information shown shall be updated as necessary to keep it current.

(b) In all matters where Lessor's approval is required - and Lessor should determine in its reasonable discretion that a possibility of a threat of interference or other disruption with the business of the Lessor or other existing Lessees exists - Lessor shall have the absolute right to withhold consent.

(c) Lessee hereby agrees that all power lines installed by Lessee shall be located as directed by Lessor.

(d) In the event that Lessee requires telephone service, Lessee, at its sole cost and expense, shall obtain such telephone service. Any work performed in connection with the telephone service shall comply with the provisions of subparagraph (a) hereof. Lessee hereby agrees that any telephone lines installed by Lessee shall be located as directed by Lessor.

(e) In the event a zoning variance, special use permit or other similar governmental approval is required in connection with the installation or any proposed modification of Lessee's Equipment or Building, Lessee shall be solely responsible for obtaining the appropriate approval.

(f) All plans and specifications for any significant (which, after proper notification, Lessor does not agree are "minor") modifications to the Lessee's Equipment or leased spaces, as shown on Exhibit 1 of the original lease agreement OR in the lease amendment finalized in July of 2006, shall be submitted to the Lessor for review and approval by the Lessor or engineers and/or consultants selected by Lessor. Lessee shall reimburse Lessor for Lessor's reasonable expenses incurred in connection with such review and approval. All work performed at this Tower or Site in connection with the installation and modification of Lessee's Equipment shall be performed by contractors licensed by the State of North Carolina, selected by Lessee and at Lessee's expense.

(g) Lessor acknowledges that if Lessee does not receive any of the approvals, consents or access described above, or any such approvals, consents, or access described are subsequently withdrawn or terminated without fault of Lessee and which Lessee determines are necessary for the initial installation of its Equipment or Building, Lessee may terminate this Agreement by giving Lessor thirty (30) days' prior written notice thereof.

## 5. EQUIPMENT:

(a) The installation and operation of Lessee's Equipment shall not interfere electrically, or in any other manner whatsoever, with Lessor or any other party or tenant presently maintaining radio communications systems and other equipment on the Tower or at the Site. Except as otherwise provided in subparagraph (b) below, it is expressly understood and agreed that if the installation or operation of Lessee's Equipment shall interfere with other, previously installed radio communications systems or equipment at any time, Lessee shall upon request (verbal or otherwise), immediately suspend its operations until such interference is eliminated. Lessee shall bear all costs of taking the necessary steps to eliminate the interference if Lessee and its equipment is the cause of said interference. If it is determined that such interference cannot be eliminated, then Lessee shall, at Lessor's request, remove Lessee's Equipment that is causing the interference at Lessee's cost and expense.

Lessor acknowledges and agrees that the foregoing obligation of Lessee to correct interference problems or remove its Equipment shall apply only to interference with the equipment of the Town and any other Lessee at the Site as of the date of this Agreement. If interference problems occur with Lessee and the equipment of any other Lessee occupying the Site after the date hereof, it shall be the obligation of said subsequent Lessee to adjust its equipment or operations to remedy the interference or remove its equipment. Lessee shall not be required to modify its Equipment or adjust its operations to correct interference problems resulting solely from a subsequent Lessee at the Site. The Lessee will be primarily responsible for enforcing its rights against other Lessees with appropriate assistance from Lessor.

(b) During the term of this Agreement and subject to the provisions hereof, Lessor agrees that Lessee or its agents all have free access to the Tower and to Lessee's portion of the Site at all times for purposes of operating, inspecting, maintaining, removing, repairing and replacing Lessee's Equipment.

(c) Lessee understands and agrees that Lessor may perform, or cause to be performed corrective maintenance and preventive maintenance to the Tower or Site when required. If maintenance would cause interruption to the operation of Lessee's equipment, Lessor will give Lessee 30 day's written notice, and Lessee shall make adjustments as needed including removal of Lessee's equipment from the Tower on a temporary basis. In the event of emergency repairs to the Site or Tower, Lessee's operations may be interrupted without prior notice.

## 6. MAINTENANCE AND REMOVAL OF EQUIPMENT:

(a) Lessee, at its own cost and expense, shall be responsible for maintenance of its Equipment and the Site in good condition and repair and in accordance with all

applicable laws, rules and regulations and this Agreement. All maintenance work shall be performed by contractors licensed by the State of North Carolina. Additionally, Lessee shall pay a proportionate share of expenses for Tower maintenance and repair, and shall bear all costs of moving its Building or Equipment as necessary to effect such maintenance or repair. In the event Lessor uses its own work for maintenance or repair, Lessee shall pay a proportionate share of the reasonable value of such repairs or maintenance performed by Lessor's work force. Lessee's share shall be determined by dividing the total cost of the repair or maintenance, or the reasonable value thereof, by the total number of Lessees, including Lessor, using Tower. The sum of that division shall be Lessee's share. Lessee's share shall be due thirty (30) days after a detailed statement showing maintenance or repair procedures and their cost, or the reasonable value thereof, is provided by Lessor to Lessee. Notwithstanding the foregoing or any other provision in this agreement, Lessor shall have the right to replace the Tower at any time during the term of this Agreement. The Lessor will give the Lessee as much advance notice as possible of the replacement, but in no case less than 90 days written notice. Lessee will be allowed to occupy the replacement tower under the terms of this Agreement. Further, Lessor will allow Lessee to use temporary mobile facilities at the Site until the replacement is completed, provided it does not interfere with the construction process and further provided that all Town ordinances, such as the Zoning Ordinance, are complied with fully.

(b) Upon the expiration or earlier termination of this Agreement and upon the payment of the License Fee and all other sums due Lessor on such expiration or termination date, Lessee shall remove all Lessee's Equipment and Building. Such removal of Lessee's shall be performed by a contractor licensed by the State of North Carolina in a workmanlike manner, without any interference, damage or destruction to any other equipment, structures or operations at the Site or to any other equipment or buildings of other Lessee's thereon. Any and all interference or damage caused to the Tower, Site or equipment of other Lessees by such removal shall be immediately repaired or eliminated by Lessee. If Lessee fails to make such repairs at Lessee's sole cost and expense within thirty (30) days after the occurrence of such damage, injury or interference, or if Lessee fails to remove all of Lessee's Equipment and Building within thirty (30) days of the termination of this Agreement, Lessor may perform, or cause to be performed, all necessary removal or repairs at Lessee's cost and expense and such sum shall be immediately due upon the rendering of an invoice as an additional fee hereunder.

#### 7. MISCELLANEOUS REQUIREMENTS:

(a) All permitted improvements made to the Site by Lessee will be subject to the Town's normal regulatory requirements.

(b) Immediately upon completion of the improvements, Lessee shall restore any area disturbed by improvements to a condition equal to or better than the original condition.

(c) All equipment of the Lessor must operate so as to comply fully with the Noise Control Ordinance of the Town of Carrboro, as amended from time to time.

(d) Lessee shall not commit, or cause to be committed, any waste on the Premises, or any nuisance by its agents, employees, contractors, representatives, or invitees.

8. **LIABILITY AND INDEMNITY:** Lessee shall indemnify and hold Lessor harmless from and against any and all losses, costs, liabilities, claims, damages, lawsuits, judgments, and demands whatsoever, including costs of investigation (including reasonable legal fees) in connection with the bodily injury or death of any person, damage to or destruction of any property, the violation of any law or the damage to the environment, which may arise out of or be caused by any act or omission of Lessee, its agents, employees, invitees or contractors (hereafter jointly "Lessee or Agents"), or which may arise out of or be caused by the maintenance, presence, use, installation or removal of any Equipment or Building or other property owned or operated by Lessee or Agents; except, to the maximum extent allowed by law, for the gross negligence or willful misconduct of Lessor, its agents, employees, invitee or contractors. Lessor shall be liable for any damage to any of the lessee's equipment located on the Tower or the ground, or that of others using Lessor's property as of the date of the execution of this License Agreement, arising out of or in connection with Lessor's installation of equipment, maintenance, use or occupancy of the Tower and Licensed Premises and caused by the negligence or willful or intentional misconduct of its agents or employees. Lessee hereby assumes the risk of the inability to operate as a result of any accidental power failure or other power failure not caused by Town OR turning off of power which is necessary to preserve the public health, safety, and welfare. at the Tower or Site or any failure of Lessee or Lessee's Equipment for any reason whatsoever and agrees to indemnify and hold Lessor harmless from all damages and costs of defending any claim or suit for damages or any kind including business loss and interruption, consequential damages (and attorneys' fees) asserted against Lessor by reason of such failure.

9. **DAMAGE OR DESTRUCTION OF THE SITE:** In the event the Tower, Site or any part thereof is damaged or destroyed by the elements or by any other cause, Lessor may elect to repair, rebuild, or restore the Tower or Site or any part thereof, to the same condition as it was immediately prior to such casualty. In such event, the payments required herein shall cease, as of the date of such casualty until the Tower or Site is restored to a usable condition for Lessee's operation. Alternatively, Lessor may choose not to repair, restore or rebuild the Tower or Site. In either case, Lessor shall send to Lessee a notice of intent to restore or cancellation of this Agreement within thirty (30) days of such casualty ("Casualty Notice"). If Lessor fails to give Lessee Casualty Notice within such 30-day period, or if Lessor fails to repair the Tower or Site in full within ninety (90) days after the date of the **Casualty Notice, Lessee may terminate** this Agreement by giving written notice thereof to Lessor within five (5) days of the expiration of such 30-day or 90-day period, as the case may be. If this Agreement is thus

terminated, the payments required herein shall terminate as of the date of such casualty. Lessor shall not be responsible or liable to Lessee for any loss, damage or expense that may be occasioned by, through or in connection with, any acts or omissions of other lessees or tenants occupying the Tower or Site, or for any structural or power failure or by the destruction of or damage to the Tower or Site.

10. INSURANCE:

(a) Lessee shall keep in full force and effect during the Initial Term and any Renewal Term, and if applicable, for all time after termination date if Equipment or Building remain on Tower or Site, a comprehensive general liability insurance policy, including blanket contractual and completed operations coverage with limits of liability of at least \$1,000,000.00 in respect to bodily injury, including death, arising from any one occurrence, and \$1,000,000.00 in respect of damage to property arising from any one occurrence. Said insurance policy shall be endorsed to include Lessor as an additional insured and shall provide that any such insurer shall use all reasonable efforts to provide Lessor at least thirty (30) days prior written notice of any cancellation or material change in such insurance policy. Lessee shall, within one month of the effective date of this agreement, furnish to Lessor a certificate of insurance confirming that the insurance coverage as specified herein is in full force and effect.

(b) Notwithstanding the foregoing insurance requirements, the insolvency, bankruptcy, or failure of any insurance company carrying insurance for Lessee, or the failure of any such insurance company to pay claims accruing, shall not be held to waive any of the provisions of this Agreement or relieve Lessee from any obligations under this Agreement.

11. END OF AGREEMENT – EQUIPMENT AND BUILDING: Lessor agrees that no part of the Equipment, Building or improvements constructed, erected or placed by Lessee on the Tower or Site shall be considered as being affixed to or a part of the Tower or Site and further agrees that all Equipment, Building and improvements of every kind and nature constructed, erected or placed by Lessee on the Tower or Site shall be and remain the property of Lessee. The Building and Equipment shall be removed by Lessee at Lessee's expense upon the termination of this Agreement.

12. NOTICES: All written notices required to be given hereunder shall be given in certified or registered mail at the respective addresses of the parties set forth herein or at such other address as may be designated in writing by either party. Notice given by mail shall be deemed given three days after the date of mailing thereof as follows:

Lessee's address for notice purposes is:

Lessee: Sprint Property Services  
Site ID: RA03XC066  
Mailstop KSOPHT0101-Z2650

6391 Sprint Parkway  
Overland Park, Kansas 66251-2650

with a copy to: Sprint Law Department  
Attn: Sprint PCS Real Estate Attorney  
Mailstop KSOPHT0101-Z2020  
6391 Sprint Parkway  
Overland Park, Kansas 66251-2020

Lessor's address is Town of Carrboro, 301 W. Main Street, Carrboro, North Carolina, 27510. All communication should be sent "Attn: Town Manager".

13. **DEFAULT AND REMEDIES:** In the event of Lessee's default hereunder, including but not limited to (i) the failure of payment of License Fees, additional fees or other payments set forth herein when due, and Lessee's failure to cure same within ten (10) days after date of written notice of such failure from Lessor; (ii) failure to comply with any condition or provision hereof, and Lessee's failure to cure same within thirty (30) days after date of written notice of such failure from Lessor; (iii) abandonment of the Equipment or that portion of the Tower or Site upon which the Equipment was installed; (iv) the filing of any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to Lessee; or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to Lessee or its debts; or (v) the making by Lessee of an assignment or any other arrangement for the general benefit of creditors under any state statute, **Lessor shall be entitled at Lessor's option to terminate this Agreement or seek any remedies available at law and to remove all of Lessee's Equipment, Building improvements and other personal property located at the Tower or Site at Lessee's cost and expense. In the event that Lessor should, as a result of Lessee's default, incur any costs or expenses on behalf of Lessee or in connection with Lessee's obligations hereunder, such sums shall be immediately due to Lessor, as an additional fee hereunder upon rendering of an invoice to Lessee.**

14. **REGULATIONS AND MODIFICATION:** This Agreement is made subject to all local, state of North Carolina and federal laws, rules and regulations now or hereafter in force, and shall not be modified, extended or terminated (other than as set forth herein) except by an instrument duly signed by Lessor and Lessee. Waiver of a breach of any provision hereof under any circumstances will not constitute a waiver of any subsequent breach of such provision, or of a breach of any other provision of this Agreement.

15. **ASSIGNMENT:** This **Agreement may be sold, assigned or transferred at any time by lessee to lessee's parent company or any affiliate or subsidiary of lessee or its parent company, to any successor entity with or into which lessee is sold, merged or**

consolidated. Otherwise, this Agreement may not be sold, assigned or transferred without the written consent of the lessor, such consent not to be unreasonably withheld.

However, no assignment shall confer any rights under this agreement unless and until the assignee agrees in writing to assume all the obligations of the Lessee under this agreement.

16. BINDING ON SUCCESSORS: Subject to paragraph 16, this Agreement shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

17. GOVERNING LAW: The parties intend that this Agreement and the relationship of the parties shall be governed by the laws of the State of North Carolina. Venue for any action shall be Orange County.

18. ENTIRE AGREEMENT: All of the representations and obligations of the parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a party, unless in writing and signed by the parties.

19. HEADINGS: The headings of sections and subsections are for convenient reference only and shall not be deemed to limit, construe, affect, modify or alter the meaning of such sections or subsections.

20. SURVIVAL AND SEVERABILITY: Those Sections of this Lease that which by their nature would reasonably be expected to continue after the termination of this Lease shall survive the termination of this Lease If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of the Lease or the application of same to parties or circumstances other than those to which it was held invalid or unenforceable, shall not be affected thereby and each remaining section, subsection, term or provision of this Agreement shall be valid or enforceable to the fullest extent permitted by law.

21 (a) Lessor represents and warrants to the best of its knowledge that the Property is free of hazardous substances as of the date of this Agreement, and, to the best of Lessor's knowledge, the Property has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. Lessor and Lessee agree to hold harmless and indemnify the other and agree that each will be responsible for compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene condition or other matters as may now or at any time hereafter be in effect, that are now or were related to that party's activity conducted in or on the Property. Environmental specifically include reasonable costs, expenses and fees incurred in connection with any investigation of Property conditions or

any clean-up, remediation, removal or restoration work required by any governmental authority. The provisions of this Paragraph 11 Environmental will survive the expiration or termination of this Agreement.

(b) In the event Lessee becomes aware of any hazardous materials on the Property, or any environmental or industrial hygiene condition or matter relating to the Property that, in Lessee's sole determination, renders the condition of the Premises or Property unsuitable for Lessee's use, or if Lessee believes that the leasing or continued leasing of the Premises would expose Lessee to undue risks of government action, intervention or third-party liability, Lessee will have the right, in addition to any other rights it may have at law or in equity, to terminate the Agreement upon notice to Lessor.

22. **WAIVER OF LESSOR'S LIENS.** Lessor waives any and all lien rights it may have, statutory or otherwise, concerning the Communication Facility or any portion thereof. The Communication Facility shall be deemed personal property for purposes of this Agreement, regardless of whether any portion is deemed real or personal property under applicable law, and Lessor consents to Lessee's right to remove all or any portion of the Communication Facility from time to time in Lessee's sole discretion and without Lessor's consent.

23. **FURTHER ASSURANCES:** Each of the parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as the other may reasonably require to consummate, evidence or confirm this Agreement or any other agreement contained herein the manner contemplated hereby.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK)

IN WITNESS WHEREOF, the parties have executed this License Agreement on the day and year first above written and Lessee hereby warrants and represents that its respective signatory whose signature appears below has been and is on the date of this Agreement duly authorized by all necessary and appropriate corporate action to execute this Agreement.

LESSOR:  
TOWN OF CARRBORO

by: Steven E. Stewart  
Steven E. Stewart, Town Manager

LESSEE:  
SPRINTCOM/INC.

by: Jon L. Geisel Aug 18, 2008  
Jon L. Geisel, Supervisor  
Contract Negotiations

ATTEST:  
Sarah C. Williamson  
Sarah Williamson, Town Clerk



NORTH CAROLINA  
ORANGE COUNTY

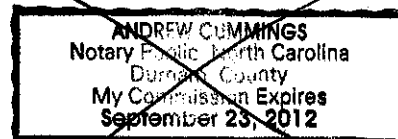
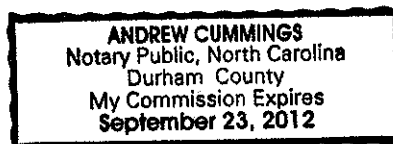
Witness:  
Donna L. Price-Shepherd  
(print name and position beneath)  
Donna L. Price-Shepherd, R.E. Mgr. II

I, ANDREW CUMMINGS, a Notary Public for the County and State aforesaid, do hereby certify that SARAH WILLIAMSON personally appeared before me this day and acknowledged that she is Town Clerk for the Town of Carrboro, and that by authority duly given, the foregoing agreement was signed in its name by its town manager, sealed with its corporate seal and attested by her as its Town Clerk. Witness my hand and official seal, this 26<sup>th</sup> day of AUGUST, 2008.

[OFFICIAL SEAL]

Andrew Cummings  
Notary Public

My commission expires: 9/23/2012



AC

KANSAS  
JOHNSON COUNTY

I, Renet A Mitchell, a Notary Public of the County and state aforesaid, do hereby certify that Jon L. Geisel personally came before me this day and acknowledged that he is the Supervisor of Contract Negotiations for SprintCom, Inc. and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by

Jon L Geisel, Supervisor Contract Negotiations (state name and position), sealed with its corporate seal and attested by herself/himself in his/her role.

WITNESS my hand and notarial seal, this 18th day of August, 2008.

[OFFICIAL SEAL]



Renet A Mitchell  
Notary Public

My commission expires: 11.01.09

## **EXHIBIT 1**

### **Equipment:**

(2) 4812 ET frames (Motorola)  
4 voice carriers  
1 EV/DO carrier

### **7.8 Mechanical Specifications for SC™ 4812ET**

#### **RF Cabinet Physical Dimensions**

Height 1730 mm (66 in)

Width 1425 mm (56 in)

Depth 915 mm (30 in)

Depth w/o heat exchanger/door 711 mm (28 in)



# Town of Carrboro

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

## Agenda Item Abstract

**File Number:**17-531

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**Agenda Date:** 5/15/2018

**File Type:**Agendas

**In Control:** Board of Aldermen

**Version:** 1

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### **TITLE:**

Authorization to Renew and Amend T-Mobile South LLC Lease Agreement for Communication Antenna Co-Location on Town Hall Tower

**PURPOSE:** T-Mobile South LLC has expressed interest in renewing their antenna co-location lease agreement for the Town's telecommunications tower. The expiration of the lease that is being amended is 2/28/19 and staff has been working with the applicant to negotiate the lease renewal. The proposed lease amendments have been reviewed by the Town Attorney and Finance Director. The Board of Aldermen is requested to adopt the attached resolution authorizing the Town Manager to execute the amended lease agreement.

**DEPARTMENT:** Town Attorney, Finance Office, Manager's Office

**CONTACT INFORMATION:** Bob Hornik, Arche McAdoo 919-918-7439, Rebecca Buzzard 919-918-7438

**INFORMATION:** N.C. G.S. 160A-272 requires Board approval of contracts leasing or renting town property. The proposed lease amendment with T-Mobile South LLC states that at the expiration of the Lease, the term of the lease will automatically be extended for two (2) additional and successive five (5) year terms. An additional requirement for such leases is that the Town provide public notice of the intent to enter into such a lease agreement. A notice was published April 12, 2018 in the Durham Herald-Sun.

**FISCAL & STAFF IMPACT:** The contract stipulates an annual payment to the Town of \$45,000.00 in advance. Rent shall be adjusted annually, effective on each anniversary of the renewal term, by an amount equal to three percent (3%) over the rent for the immediately preceding year.

**RECOMMENDATION:** Town staff recommends that the Board authorize the Town Manager to execute a renewal lease agreement with T-Mobile.

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE A LEASE AGREEMENT WITH T-MOBILE SOUTH, LLC, FOR AN ANTENNA CO-LOCATION ON THE TOWER AT TOWN HALL

WHEREAS, the Town owns the telecommunications tower located at 301 W. Main St.; and

WHEREAS, T-Mobile South, LLC, had a co-location lease agreement for an antenna for their communication service on the Town's tower that will expire on February 28, 2019; and

WHEREAS, T-Mobile South, LLC, has expressed interest in renewing a co-location lease agreement for an antenna for their communication service on the Town's tower; and

WHEREAS, the Board of Aldermen must approve all leases of tower space longer than one year; and

WHEREAS, according to N.C. G.S. 160A-272, this resolution must be adopted at a regular meeting, after 10 days public notice of the intent to enter into a lease agreement. The notice must be published, and must include a description of the property to be leased, the amount of the annual rent payments, and announce the Board's intention to authorize the lease at the next regular meeting.

WHEREAS, a notice was published in the Durham Herald-Sun on April 12, 2018.

NOW THEREFORE BE IT RESOLVED, that the Board of Aldermen authorize the Town Manager to execute a contract with T-Mobile South, LLC for two additional and successive five year terms, at a rate of \$45,000.00 at the commencement of the first renewal term, with a 3% annual increase during the term of the lease.

This is the \_\_\_\_ day of May, 2018.

## **FIRST AMENDMENT TO TOWER LEASE**

This First Amendment to Tower Lease (the "**Amendment**") is effective as of the date of execution by the last party to sign (the "**Effective Date**") by and between Town of Carrboro, a North Carolina municipal corporation ("**Landlord**") and T-Mobile South LLC, a Delaware limited liability company ("**Tenant**") (collectively, the "**Parties**").

Landlord and Tenant (or their predecessors-in-interest) entered into that certain Tower Lease dated January 5, 2010 (the "**Lease**") regarding Landlord's leased area ("**Premises**") located at 301 West Main Street, Carrboro, NC 27510 (the "**Property**").

NOW, for good and valuable consideration, Landlord and Tenant agree as follows:

1. The Lease is in full force and effect and neither Landlord nor Tenant is in breach under the terms of the Lease.
2. At the expiration of the Lease, the Term of the Lease will automatically be extended for two (2) additional and successive five (5) year terms (each a "**Renewal Term**"), provided, that Tenant may elect not to renew by providing Landlord thirty (30) days' notice prior to the expiration of the then current Renewal Term.
3. At the commencement of the first Renewal Term provided for in this Amendment, Tenant shall pay Landlord Forty-Five Thousand and No/100 Dollars (\$45,000.00) annually ("**Rent**") in advance. Rent shall be adjusted annually, effective on each anniversary of the Renewal Term, by an amount equal to three percent (3%) over the Rent for the immediately preceding year.
4. Except for emergencies, Tenant shall provide at least five (5) days advanced telephonic notice to Landlord for any work or routine maintenance.
5. All notices, requests, demands and other communications shall be in writing and shall be effective three (3) business days after deposit in the U.S. mail, certified, return receipt requested or upon receipt if personally delivered or sent via a nationally recognized courier to the addresses set forth below. Landlord or Tenant may from time to time designate any other address for this purpose by providing written notice to the other party.

If to Tenant:

T-Mobile USA, Inc.  
12920 SE 38th Street  
Bellevue, WA 98006  
Attn: Lease Compliance/5RA0176A

If to Landlord:

Town of Carrboro  
301 W. Main Street  
Carrboro, NC 27510  
Attn: Town Manager

6. To the extent any provision contained in this Amendment conflicts with the terms of the Lease, the terms and provisions of this Amendment shall control.
7. This Amendment may be executed in duplicate counterparts, each of which will be deemed an original. Signed electronic copies of this Amendment will legally bind the Parties to the same extent as originals.
8. Each of the Parties represents and warrants that it has the right, power, legal capacity and authority to enter into and perform its respective obligations under this Amendment.

IN WITNESS, the Parties execute this Amendment as of the Effective Date.

**Landlord:**

**Town of Carrboro, a North Carolina municipal corporation**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Tenant:**

**T-Mobile South LLC, a Delaware limited liability company**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Kelly Dunham 4/16/18  
T-Mobile Contract Attorney  
as to form

# TOWER LEASE

THIS TOWER LEASE (this "Lease") is by and between Town of Carrboro ("Landlord") and T-Mobile South LLC, a Delaware limited liability company ("Tenant").

1. Lease Premises. Landlord hereby leases to Tenant certain space on the Tower and ground space located on the Property sufficient for placement of the Antenna Facilities (as defined below) together with easements for access and utilities. The location and orientation of Tenant's space on the Tower and ground space on the Property, together with all necessary space and easements for access and utilities, is generally described and depicted in the attached Exhibit B (collectively referred to hereinafter as the "Premises"). The Premises, located at 301 W. Main St. Carrboro NC 27510, comprises approximately 150 square feet. Tenant's location on the Tower shall be 100 feet above ground level. Notwithstanding anything contained herein to the contrary, the Premises, as defined, shall include, but not be limited to, the following: cable runs and associated cable trays from the base transceiver station(s) (also referred to as the BTS) and the installation of power, telephone and other utility service cables.

- (a) Previous Lease. Town of Carrboro, as Landlord and AT&T Wireless PCS, Inc., (AWS), entered into a Site Lease With Option, dated March 24, 1999 (referred herein as the "Previous Lease"). Under the Previous Lease, Landlord granted a lease to AWS to use a portion of Landlord's real property located at 301 W. Main St., Carrboro, NC 27510 sufficient for the placement and use of AWS's antenna facilities designed as a "Tower" including all necessary space and easements for access and utilities, as further described in the Previous Lease. The initial Term of the Previous Lease commenced on March 24, 1999 and expired on March 31, 2004. Pursuant to Section 3, the Previous Lease automatically renewed for one (1) additional five-year term which expires on March 31, 2009. T-Mobile South LLC, an affiliate of SunCom Wireless Property Co. LLC formerly known as AT&T Wireless PCS, Inc., desires to continue to lease and use the premises granted under the Previous Lease under the terms and conditions set forth in this new Lease.
- (b) Termination of Previous Lease. Landlord and Tenant hereby agree that upon the full execution of this Lease, the Previous Lease, as defined above, shall be automatically terminated upon the Commencement Date of this Lease as defined below, nullifying all terms and conditions thereof.
- (c) Regulatory Tests and Permits. During the Initial Term (as defined below) and the Renewal Term (as defined below) of this Lease, Landlord agrees to cooperate with Tenant in obtaining, at Tenant's expense, all licenses and permits, or authorizations required for Tenant's use of the Premises from all applicable government and/or regulatory entities (including, without limitation, zoning and land use authorities, and the Federal Communication Commission ("FCC") ("Governmental Approvals"), including all land use and zoning permit applications, and Landlord agrees to cooperate with and to allow Tenant, at no cost to Landlord, to obtain a title report, zoning approvals and variances, land-use permits. Landlord expressly grants to Tenant a right of access to the Property to perform any surveys, soil tests, and other engineering procedures or environmental investigations ("Tests") on the Property deemed necessary or appropriate by Tenant to evaluate the suitability of the Property for the uses contemplated under this Lease. During the Initial Term or the Renewal Term of this Lease, Landlord agrees that it will not interfere with Tenant's efforts to secure other licenses and permits or authorizations that relate to other property.
- (d) Landlord does not guarantee approval of any local government permits necessary for the facility, and the lease agreement does not constitute and should not be deemed to be a waiver of any requirement for otherwise applicable government permits or approvals. It is the responsibility of Tenant to obtain any required zoning approvals or permits and to comply with applicable laws and ordinances.

2. Term. The initial term of the Lease shall be five (5) years commencing on March 1, 2009 (the "Commencement Date"), and terminating at midnight on the last day of the last month of the initial term (the "Initial Term").

3. Renewal. Tenant shall have the right to extend this Lease for one (1) additional and successive five-year term ("Renewal Term") on the same terms and conditions as set forth herein. This Lease shall automatically renew for such successive Renewal Term unless Tenant notifies Landlord, in writing, of Tenant's intention not to renew this Lease, at least thirty (30) days prior to the expiration of the Initial Term or the Renewal Term. If Tenant shall remain in possession of the Premises at the expiration of this Lease or any Renewal Term without a written agreement, such tenancy shall be deemed a month-to-month tenancy under the same terms and conditions of this Lease.

#### 4. Rent.

(a) From and after the Commencement Date, Tenant shall pay Landlord or designee, as rent, Thirty Three Thousand and Two Hundred Twenty One and 61 Hundredths Dollars (\$33,221.61) annually on the anniversary of the Commencement Date ("Rent"). The first payment of Rent shall be due March 1, 2010, and annually thereafter. Any payments made under the Previous Lease will be credited to payments under this Lease if applicable to avoid a double payment for the same time period.

(b) Rent will be increased each year on March 1st beginning March 1, 2011 to an amount equal to the amount of the annual installment of rent payable during the preceding year increased by three percent (3%).

5. Permitted Use. Subject to Tenant's compliance with all local zoning regulations and other applicable regulations, the Premises may be used by Tenant for the transmission and reception of radio communication signals and for the construction, installation, operation, maintenance,

Site Number: 5RA0176A  
Site Name: Carrboro Town Hall  
Market: Carolinus

Tower Lease - CA version 1.3.08

repair, removal or replacement of related facilities, including, without limitation, antennas, equipment shelters and/or cabinets and related activities subject to any approval required under section 7.

6. Interference. Tenant shall not use the Premises in any way which interferes with the use of the Property by Landlord, or lessees or licensees of Landlord with equipment installed prior in time to Tenant's or AWS's installation. Similarly, Landlord shall not use, nor shall Landlord permit its lessees, licensees, employees, invitees or agents to use, any portion of the Property in any way which interferes with the operations of Tenant. Such interference shall be deemed a material breach by the interfering party, who shall, upon written notice from the other, be responsible for terminating said interference. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights that it may have at law or in equity, to bring a court action to enjoin such interference or to terminate this Lease immediately upon written notice.

7. Improvements; Utilities; Access.

(a) Tenant shall have the right, at its expense, to erect and maintain on the Premises improvements, personal property and facilities necessary to operate its communications system, including, without limitation, radio transmitting and receiving antennas, microwave dishes, tower and base, equipment shelters and/or cabinets and related cables and utility lines and a location based system, including, without limitation, antenna(s), coaxial cable, base units, location based systems, and other associated equipment (collectively, the "Antenna Facilities"). Tenant shall have the right to alter, replace, expand, enhance or upgrade the Antenna Facilities at any time during the term of this Lease subject to the Landlord's prior review and approval of plans, which review and approval shall not be unreasonably withheld, conditioned or delayed. However, Tenant may replace existing equipment with similar equipment without Landlord's consent. Tenant shall cause all construction to occur lien-free and in compliance with all applicable laws and ordinances, and shall discharge or bond any mechanic's lien filed or recorded. Landlord acknowledges that it shall not interfere with any aspects of construction, including, without limitation, attempting to direct construction personnel as to the location of or method of installation of the Antenna Facilities and the Easements (as defined below) ("Construction Interference"). Landlord further acknowledges that it will be responsible for any costs and damages (including, fines and penalties) that are directly attributable to Landlord's Construction Interference. The Antenna Facilities shall remain the exclusive property of Tenant and shall not be considered fixtures. Tenant shall have the right to remove the Antenna Facilities at any time during and upon the expiration or termination of this Lease.

(b) Tenant, at its expense, may use any and all appropriate means of restricting access to the Antenna Facilities, including, without limitation, the construction of a fence.

(c) Tenant shall, at Tenant's expense, keep and maintain the Antenna Facilities now or hereafter located on the Property in commercially reasonable condition and repair during the term of this Lease, normal wear and tear and casualty excepted. Upon termination or expiration of this Lease, the Premises shall be returned to Landlord in good, usable condition, normal wear and tear and casualty excepted.

(d) Tenant shall have the right to install utilities, at Tenant's expense, and to improve the present utilities on the Property (including, but not limited to, the installation of emergency power generators) within its Premises and existing utility easements. Landlord agrees to use reasonable efforts in assisting Tenant to acquire necessary utility service. Tenant shall, wherever practicable, install separate meters for utilities used on the Property by Tenant. In the event separate meters are not installed, Tenant shall pay the periodic charges for all utilities attributable to Tenant's use. Tenant shall have the right to install necessary conduit and sleeving from the Tower to the point of connection at the Premises. Landlord shall diligently correct any variation, interruption or failure of utility service caused by Landlord.

(e) As partial consideration for Rent paid under this Lease, Landlord hereby grants Tenant an easement in, under and across the Property for ingress, egress, utilities and access (including access for the purposes described in Section 1) to the Premises adequate to install and maintain utilities, which include, but are not limited to, the installation of power and telephone service cable, and to service the Premises and the Antenna Facilities at all times during the Initial Term of this Lease and any Renewal Term (collectively, the "Easements"). The Easements provided hereunder shall have the same term as this Lease. Said easement is shown on Exhibit B attached hereto.

(f) Tenant shall have 24-hours-a-day, 7-days-a-week access to the Premises ("Access") at all times during the Initial Term of this Lease and any Renewal Term at no additional charge to the Tenant. In the event Landlord, its employees or agents impeded or deny Access to Tenant, its employees or agents, Tenant shall, without waiving any other rights that it might have at law or in equity, abate from future Rent an amount equal to Five Hundred and no/100 Dollars (\$500.00) per day for each day that Access is impeded or denied, but only after Tenant has given Landlord ten (10) days advance written notice of its intention to invoke the penalty provision, and that if access is not allowed by the end of that period, then Tenant may abate the rent..

8. Termination. Except as otherwise provided herein, this Lease may be terminated, without any penalty or further liability as follows:

(a) upon thirty (30) days' written notice by Landlord if Tenant fails to cure a default for payment of amounts due under this Lease within that thirty (30) day period;

(b) immediately if Tenant notifies Landlord of unacceptable results of any title report, environmental or soil tests prior to Tenant's installation of the Antenna Facilities on the Premises. If Tenant is unable to obtain, maintain, or otherwise forfeits or cancels any license (including without limitation an FCC license), permit or any Governmental Approval necessary to the installation and/or operation of the Antenna Facilities or Tenant's business during the lease term, then Tenant may terminate this lease agreement provided Tenant shall pay Landlord a termination fee equal to one (1) year's rent as liquidated damages;

(c) upon thirty (30) days' written notice given by Tenant at any time following the expiration of the Initial Term if the Property, the tower or the Antenna Facilities are, or become unacceptable under Tenant's design or engineering specifications for its Antenna Facilities or the communications system to which the Antenna Facilities belong, provided Tenant shall pay Landlord a termination fee equal to one (1) year's Rent as liquidated damages;

(d) immediately upon written notice by Tenant if the tower or the Antenna Facilities are destroyed or damaged other than by Tenant's negligent or intentional acts so as in Tenant's reasonable judgment to substantially and adversely affect the effective use of the Antenna Facilities. In such event, all rights and obligations of the parties shall cease as of the date of the damage or destruction, and Tenant shall be entitled to the reimbursement of any Rent prepaid by Tenant. If Tenant elects to continue this Lease, then all Rent shall abate until the Premises and/or the Antenna Facilities are restored to the condition existing immediately prior to such damage or destruction; or

(e) at the time title to the Property transfers to a condemning authority pursuant to a taking of all or a portion of the Property sufficient in Tenant's determination to render the Premises unsuitable for Tenant's use. Landlord and Tenant shall each be entitled to pursue their own separate awards with respect to such taking. Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of the exercise of the power shall be treated as a taking by condemnation; or

(f) upon thirty (30) days written notice by Tenant if Tenant determines that the Property or Antenna Facilities are inappropriate or unnecessary for Tenant's operations due to economic reasons, provided Tenant shall pay Landlord a termination fee equal to one (1) year's rent as liquidated damages.

9. Default and Right to Cure. Notwithstanding anything contained herein to the contrary and without waiving any other rights granted to it at law or in equity, either party shall have the right, but not the obligation, to terminate this Lease on written notice pursuant to Section 12 hereof, to take effect immediately, if the other party (i) fails to perform any covenant for a period of thirty (30) days after receipt of written notice thereof to cure.

10. Taxes. Landlord shall pay when due all real property taxes for the Property, including the Premises. In the event that Landlord fails to pay any such real property taxes or other fees and assessments, Tenant shall have the right, but not the obligation, to pay such owed amounts and deduct them from Rent amounts due under this Lease. Notwithstanding the foregoing, Tenant shall pay any personal property tax, real property tax or any other tax or fee which are directly attributable to the presence or installation of Tenant's Antenna Facilities, only for so long as this Lease has not expired of its own terms or is not terminated by either party. Landlord hereby grants to Tenant the right to challenge, whether in a Court, Administrative Proceeding, or other venue, on behalf of Landlord and/or Tenant, any personal property or real property tax assessments that may affect Tenant. If Landlord receives notice of any personal property or real property tax assessment against the Landlord, which may affect Tenant and is directly attributable to Tenant's installation, Landlord shall provide timely notice of the assessment to Tenant sufficient to allow Tenant to consent to or challenge such assessment. Further, Landlord shall provide to Tenant any and all documentation associated with the assessment and shall execute any and all documents reasonably necessary to effectuate the intent of this Section 10. In the event real property taxes are assessed against Landlord or Tenant for the Premises or the Property, Tenant shall have the right, but not the obligation, to terminate this Lease without further liability after thirty (30) days' written notice to Landlord, provided Tenant pays any real property taxes assessed as provided herein.

#### 11. Insurance and Subrogation and Indemnification

(a) Tenant will provide Commercial General Liability Insurance in an aggregate amount of One Million and no/100 dollars (\$1,000,000.00). Tenant may satisfy this requirement by obtaining the appropriate endorsement to any master policy of liability insurance Tenant may maintain.

(b) Landlord and Tenant hereby mutually release each other (and their successors or assigns) from liability and waive all right of recovery against the other for any loss or damage covered by their respective first party property insurance policies for all perils insured thereunder. In the event of such insured loss, neither party's insurance company shall have a subrogated claim against the other. To the extent loss or damage is not covered by their first party property insurance policies, Landlord and Tenant each agree to indemnify and hold harmless the other party from and against any and all claims, damages, cost and expenses, including reasonable attorney fees, to the extent caused by or arising out of (a) the negligent acts or omissions or willful misconduct in the operations or activities on the Property by the indemnifying party or the employees, agents, contractors, licensees, tenants and/or subtenants of the indemnifying party, or (b) a breach of any obligation of the indemnifying party under this Lease. Notwithstanding the foregoing, this indemnification shall not extend to indirect, special, incidental or consequential damages, including, without limitation, loss of profits, income or business opportunities to the indemnified party or anyone claiming through the indemnified party. The indemnifying party's obligations under this section are contingent upon (i) its receiving prompt written notice of any event giving rise to an obligation to indemnifying the other party and (ii) the indemnified party's granting it the right to control the defense and settlement of the same. Notwithstanding anything to the contrary in this Lease, the parties hereby confirm that the provisions of this section shall survive the expiration or termination of this Lease. Tenant shall not be responsible to Landlord, or any third-party, for any claims, costs or damages (including, fines and penalties) attributable to any pre-existing violations of applicable codes, statutes or other regulations governing the Property, including the Premises (excluding any attributable to AWS or Tenant under the Previous Lease.)

12. Notices. All notices, requests, demands and other communications shall be in writing and are effective three (3) days after deposit in the U.S. mail, certified and postage paid, or upon receipt if personally delivered or sent by next-business-day delivery via a nationally recognized overnight courier to the addresses set forth below. Landlord or Tenant may from time to time designate any other address for this purpose by providing written notice to the other party.

Site Number: 5RA0176A  
Site Name: Carrboro Town Hall  
Market: Carolinas

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**If to Tenant, to:**

T-Mobile USA, Inc.  
12920 SE 38<sup>th</sup> Street  
Bellevue, WA 98006  
Attn: Legal Dept.  
Copy to: Attn: Lease Administration

**With a copy to:**

T-Mobile South LLC  
7668 Warren Pkwy  
Frisco TX 75034  
Attn: Lease Administration Manager

**And with a copy to:**

185 Fairchild St.  
Charleston, SC 29492  
Attn: Lease Administration Manager

**If to Landlord, to:**

Town of Carrboro  
301 W. Main St.  
Carrboro, NC 27510  
Attn: Town Manager

**Send Rent payments to:**

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

13. **Quiet Enjoyment, Title and Authority.** As of the Effective Date and at all times during the Initial Term and any Renewal Terms of this Lease, Landlord covenants and warrants to Tenant that (i) Landlord has full right, power and authority to execute and perform this Lease; (ii) Landlord has good and unencumbered fee title to the Property free and clear of any liens or mortgages, except those heretofore disclosed in writing to Tenant and which will not interfere with Tenant's rights to or use of the Premises; (iii) execution and performance of this Lease will not violate any laws, ordinances, covenants, or the provisions of any mortgage, lease, or other agreement binding on Landlord; and (iv) Tenant's quiet enjoyment of the Premises or any part thereof shall not be disturbed as long as Tenant is not in default beyond any applicable grace or cure period.

14. **Environmental Laws.** Landlord represents that it has no knowledge of any substance, chemical or waste (collectively, "Hazardous Substance") on the Property that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. Landlord and Tenant shall not introduce or use any Hazardous Substance on the Property in violation of any applicable law. Landlord shall be responsible for, and shall promptly conduct any investigation and remediation as required by any applicable environmental laws, all spills or other releases of any Hazardous Substance not caused solely by Tenant, that have occurred or which may occur on the Property. Each party agrees to defend, indemnify and hold harmless the other from and against any and all administrative and judicial actions and rulings, claims, causes of action, demands and liability (collectively, "Claims") including, but not limited to, damages, costs, expenses, assessments, penalties, fines, losses, judgments and reasonable attorney fees that the indemnitee may suffer or incur due to the existence or discovery of any Hazardous Substances on the Property or the migration of any Hazardous Substance to other properties or the release of any Hazardous Substance into the environment (collectively, "Actions"), that relate to or arise from the indemnitor's activities on the Property. Landlord agrees to defend, indemnify and hold Tenant harmless from Claims resulting from Actions on the Property not caused by Landlord or Tenant prior to and during the Initial Term and any Renewal Term of this Lease. The indemnifications in this section specifically include, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any governmental authority. This Section 14 shall survive the termination or expiration of this Lease.

15. **Assignment and Subleasing.** Tenant will not assign or transfer this Agreement without the prior written consent of Landlord, which consent will not be unreasonably withheld, delayed or conditioned; provided, however Tenant may assign without Landlord's prior written consent, to a parent, to any party controlled by, or under common control with Tenant or to any party which acquires 51% or more of the stock or assets of Tenant

Any assignment, subletting or transfer of Tenant's interest in this Lease (or the Premises) is subject to the satisfaction of the following conditions: (a) any such assignment, subletting or transfer shall be subject to all of the terms, covenants and conditions of this Lease; (b) the use of

Site Number: 5RA0176A  
Site Name: Carrboro Town Hall  
Market: Carolinas

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the Premises by any assignee, subtenant or transferee must be identical to Tenant's use of the Premises; and (c) the assignee or transferee shall deliver an instrument in writing to Landlord pursuant to which it assumes all of Tenant's obligations under the Lease.

Landlord shall have the right to assign or otherwise transfer this Lease and the Easements granted herein, upon written notice to Tenant except for the following; any assignment or transfer of this Lease which is separate and distinct from a transfer of Landlord's entire right, title and interest in the Property, shall require the prior written consent of Tenant which may be withheld in Tenant's sole discretion. Upon Tenant's receipt of (i) an executed deed or assignment and (ii) an IRS Form W-9 assignee, and subject to Tenant's consent, if required, Landlord shall be relieved of all liabilities and obligations hereunder and Tenant shall look solely to the assignee for performance under this Lease and all obligations hereunder.

Additionally, notwithstanding anything to the contrary above, Landlord or Tenant may, upon notice to the other, grant a security interest in this Lease (and as regards the Tenant, in the Antenna Facilities), and may collaterally assign this Lease (and as regards the Tenant, in the Antenna Facilities) to any mortgagees or holders of security interests, including their successors or assigns (collectively "Secured Parties"). In such event, Landlord or Tenant, as the case may be, shall execute such consent to leasehold financing as may reasonably be required by Secured Parties

16. Successors and Assigns. This Lease and the Easements granted herein shall run with the land, and shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives and assigns.

17. Waiver of Landlord's Lien. Landlord hereby waives any and all lien rights it may have, statutory or otherwise, concerning the Antenna Facilities or any portion thereof, which shall be deemed personal property for the purposes of this Lease, whether or not the same is deemed real or personal property under applicable laws, and Landlord gives Tenant and Secured Parties the right to remove all or any portion of the same from time to time, whether before or after a default under this Lease, in Tenant's and/or Secured Parties' sole discretion and without Landlord's consent.

18. Miscellaneous.

(a) The prevailing party in any litigation arising hereunder shall be entitled to its reasonable attorneys' fees and court costs, including appeals, if any.

(b) Each party agrees to furnish to the other, within twenty (20) days after request, such truthful estoppel information as the other may reasonably request.

(c) This Lease constitutes the entire agreement and understanding of the parties, and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. Any amendments to this Lease must be in writing and executed by both parties.

(d) Each party agrees to cooperate with the other in executing any documents including a Memorandum of Lease necessary to protect its rights or use of the Premises. The Memorandum of Lease may be recorded in place of this Lease, by either party. In the event the Property is encumbered by a mortgage or deed of trust, Landlord agrees, upon request of Tenant, to obtain and furnish to Tenant a non-disturbance and attornment agreement for each such mortgage or deed of trust, in a form reasonably acceptable to Tenant. Tenant may obtain title insurance on its interest in the Premises. Landlord agrees to execute such documents as the title company may require in connection therewith.

(e) This Lease shall be construed in accordance with the laws of the state in which the Property is located.

(f) If any term of this Lease is found to be void or invalid, such finding shall not affect the remaining terms of this Lease, which shall continue in full force and effect. The parties agree that if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable. Any questions of particular interpretation shall not be interpreted against the draftsman, but rather in accordance with the fair meaning thereof. No provision of this Lease will be deemed waived by either party unless expressly waived in writing signed by the waiving party. No waiver shall be implied by delay or any other act or omission of either party. No waiver by either party of any provision of this Lease shall be deemed a waiver of such provision with respect to any subsequent matter relating to such provision.

(g) The persons who have executed this Lease represent and warrant that they are duly authorized to execute this Lease in their individual or representative capacity as indicated.

(h) This Lease may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

(i) All Exhibits referred to herein and any Addenda are incorporated herein for all purposes. The parties understand and acknowledge that Exhibit A (the legal description of the Property) and Exhibit B (the Premises location within the Property), may be attached to this Lease and the Memorandum of Lease, in preliminary form. Accordingly, the parties agree that upon the preparation of final, more complete exhibits, Exhibits A, and/or B, as the case may be, which may have been attached hereto in preliminary form, may be replaced by Tenant with such final, more complete exhibit(s) with approval by Landlord. The terms of all Exhibits are incorporated herein for all purposes.

(j) If Landlord is represented by any broker or any other leasing agent, Landlord is responsible for all commission fee or other payment to such agent, and agrees to indemnify and hold Tenant harmless from all claims by such broker or anyone claiming through such broker. If Tenant is represented by any broker or any other leasing agent, Tenant is responsible for all commission fees or other payment to such agent, and agrees to indemnify and hold Landlord harmless from all claims by such broker or anyone claiming through such broker.

19. Marking and Lighting Requirements. . In the event that marking and/or lighting requirements of the Federal Aviation Administration ("FAA") and the FCC are imposed on the Property as a result of Tenant's installation or operation, Tenant shall be responsible for compliance with any such requirements. Tenant shall indemnify and hold Landlord harmless from any fines or other liabilities caused by Tenant's failure to comply with such requirements. Should Landlord be cited by either the FCC or FAA because the antenna facilities is not in compliance and, should Tenant fail to cure the conditions of noncompliance within the time frame allowed by the citing agency, Landlord may either terminate this Lease immediately on notice to Tenant or proceed to cure the conditions of noncompliance at Tenant's expense. Tenant's obligations in this paragraph are contingent upon Landlord giving Tenant prompt written notice of and copies of any communication or correspondence which it receives from the applicable agency.

The effective date of this Lease is the date of execution by the last party to sign (the "Effective Date").

**LANDLORD:** Town of Carrboro

By: *Stevan Stewart*  
Printed Name: Stevan Stewart  
Title: Town Manager  
Date: 11/5/10

**TENANT:** T-Mobile South LLC

By: *Bentley C Alexander*  
Printed Name: Bentley C. Alexander  
Title: Regional Vice President  
Date: 12/15/09

T-Mobile Legal Approval

**EXHIBIT A**  
**Legal Description**

**The Property is legally described as follows:**

[Enter legal description here or on attachment(s).]

Site Number: 5RA0176A  
Site Name: Carrboro Town Hall  
Market: Carolinas

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## EXHIBIT A

### LEGAL DESCRIPTION

BEING the area shown and delineated as the "Lease Site" on the Lease Exhibit of Site R076A prepared for AT&T Wireless Service, Inc. by ARCADIS Geraghty & Miller dated November 2, 1998, and attached hereto and made a part hereof ("Lease Exhibit"), such Lease Site being a portion of the real property of The Town Of Carrboro, as such real property is described in that certain deed recorded in Book 176, Page 232, Orange County Registry, North Carolina.

TOGETHER WITH a utility easement across the lands of the Lessor in a location reasonably designated by the Tenant, or the utility provider installing the service, so as to provide electrical service to the Lease Site sufficient to operate the improvements of Tenant on the Lease Site.

TOGETHER WITH a nonexclusive right and easement for ingress and egress at all times, on foot or by motor vehicle, including trucks, and for the installation and maintenance of utility wires, cables, conduits and pipes, and equipment, over, under, or along the existing entrance(s), driveway(s), parking area(s), roof, tower, elevator(s), stairway(s), landscaped area(s), and open area(s) located on the property of which the Lease Site is a part extending to and from the Lease Site as described above to and from the adjoining public right of way, as such adjoining public right of way is shown and designated on the Lease Exhibit.

## EXHIBIT B

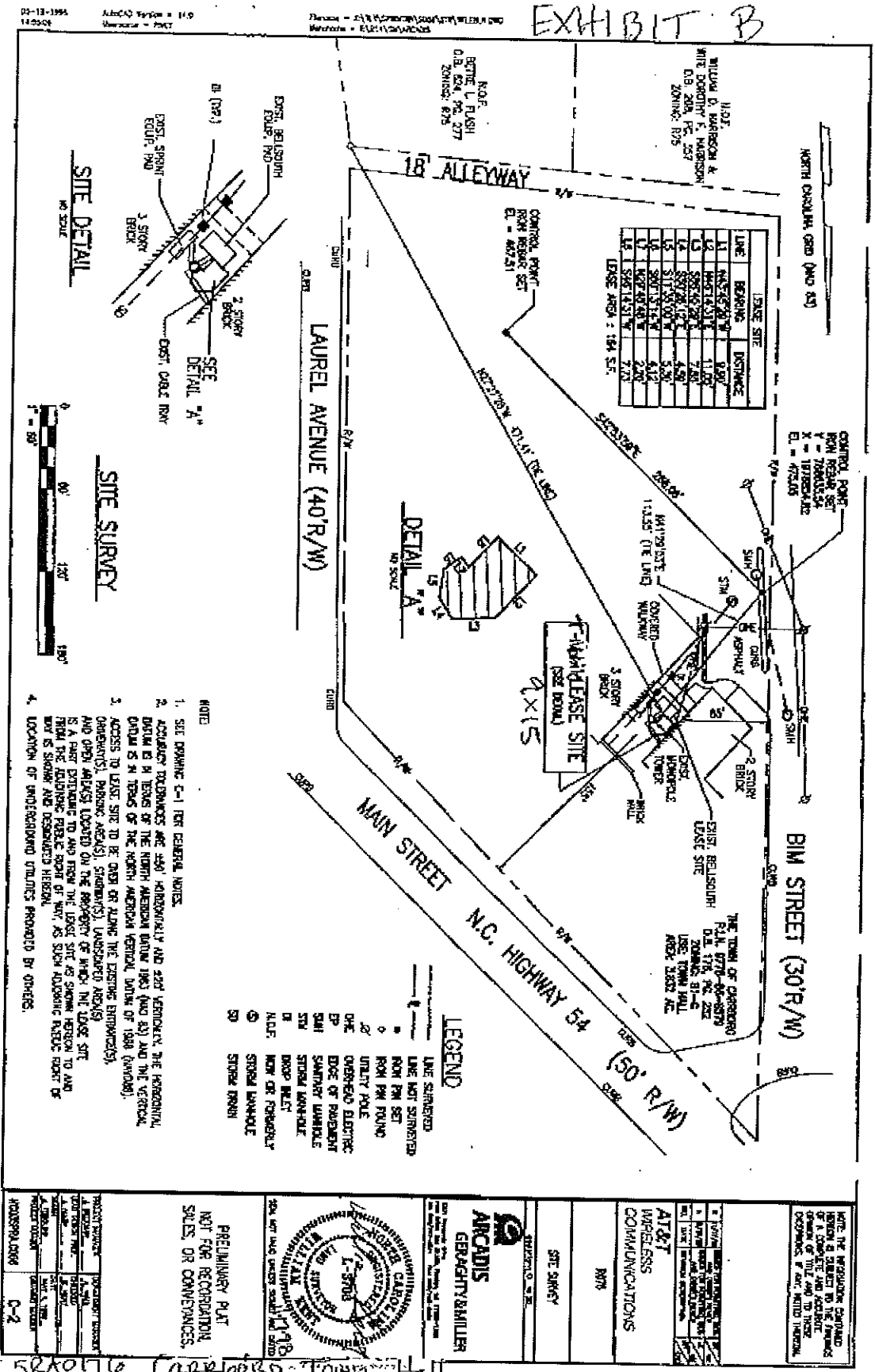
The location of the Premises within the Property (together with access and utilities) is more particularly described and depicted as follows:

[enter premises description here]

However, it is expressly agreed and understood by and between the Landlord and Tenant that the exact and precise location of the Tenant's Antenna Facilities are subject to review and approval by the planning and/or zoning Boards having jurisdiction over the "Premises".

Therefore, it is expressly agreed and understood by and between Landlord and Tenant that the precise location of the Premises as shown on Exhibit "B" may be modified by the Tenant in order to comply with and obtain necessary planning and/or zoning approvals, and any and all other approvals necessary for Tenant's intended use of the property. The Premises as described herein may therefore be modified by the Tenant to reflect the final engineering design. An amended Exhibit "B" (if necessary) will be provided by the Tenant and attached to the lease in place of the existing Exhibit "B", a copy of which will be provided to the Landlord for review prior to being incorporated into the lease. [Enter Premises description here or on attachment(s).]

# EXHIBIT B



SR 0016 Carboro Town Hall



ADDENDUM TO TOWER LEASE [Additional Terms]

Both parties agree that the Rent for the First Year has been paid. Rent payment of \$32,253.99 received Feb. 1, 2009 for the year.

LANDLORD:

By: *Steve Stewart*  
Printed Name: Steve Stewart  
Title: Town Manager  
Date: 1/5/10

*L. B. M. C. J.*  
THIS INSTRUMENT HAS BEEN  
PREAUDITED IN THE MANNER  
REQUIRED BY The Local  
Government Budget and  
Fiscal Control Act.

TENANT:

By: *Bentley C. Abrahamson*  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: 2/18/10



# Town of Carrboro

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

## Agenda Item Abstract

**File Number:**17-532

**Agenda Date:** 5/15/2018

**File Type:**Agendas

**In Control:** Board of Aldermen

**Version:** 1

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### TITLE:

Request-to-Set a Public Hearing to Amend the Official Zoning Map to Designate the Lloyd/Broad Overlay District

**PURPOSE:** The purpose of this agenda item is for the Board of Aldermen to consider setting a public hearing on a map amendment to the Land Use Ordinance that would place a new zoning overlay district in the Lloyd-Broad Neighborhood.

**DEPARTMENT:** Planning

**CONTACT INFORMATION:** Patricia McGuire - 919-918-7327; Christina Moon - 919-918-7325; Bob Hornik - 919-929-3905

**INFORMATION:** Draft ordinances responding to neighbor requests for changes to land use regulations in the Lloyd-Broad neighborhood have been prepared and are under review and scheduled for public hearing on June 5<sup>th</sup>. Placement of the new overlay zoning district is needed in order to put the size and scale regulations in place. A rezoning ordinance describing and showing the area where the overlay would be placed has been prepared. A resolution setting a public hearing on the map amendment and referring the ordinance for Planning Board review is provided.

Background information related to the proposed change may be found at <https://carrboro.legistar.com/MeetingDetail.aspx?ID=571556&GUID=3FC56844-CC24-44E8-88A0-8BC15E5B62FC&Options=&Search=>>. See items 17-491 and 17-493.

**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, setting a public hearing for June 5, 2018 and refer the proposed amendment to the Planning Board.

A RESOLUTION SETTING A PUBLIC HEARING ON AN ORDINANCE AMENDING THE  
CARRBORO LAND USE ORDINANCE TO PUT IN PLACE THE LLOYD/BROAD/SUNSET  
OVERLAY DISTRICT

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 June 5, 2018, to consider adopting “An Ordinance Amending the Carrboro Land Use Ordinance to Put in Place a Lloyd/Broad/Sunset Overlay District.”

BE IT FURTHER RESOLVED that the draft ordinance is referred to the Town of Carrboro Planning Board for consideration and recommendation prior to the specified public hearing date.

BE IT FURTHER RESOLVED that the draft ordinance is also referred to the following Town of Carrboro advisory boards and commissions.

- |   |  |
|---|--|
| <input type="checkbox"/> Appearance Commission              | <input type="checkbox"/> Recreation and Parks Commission             |
| <input type="checkbox"/> Transportation Advisory Board      | <input type="checkbox"/> Northern Transition Area Advisory Committee |
| <input type="checkbox"/> Environmental Advisory Board       | <input type="checkbox"/> Affordable Housing Advisory Commission      |
| <input type="checkbox"/> Economic Sustainability Commission | <input type="checkbox"/> _____                                       |

This is the 15<sup>th</sup> day of May in the year 2018.

AN ORDINANCE AMENDING THE OFFICIAL TOWN OF CARRBORO ZONING MAP TO DESIGNATE THE  
LLOYD-BROAD OVERLAY DISTRICT

\*\*DRAFT 5-10-18\*\*

THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO HEREBY ORDAINS:

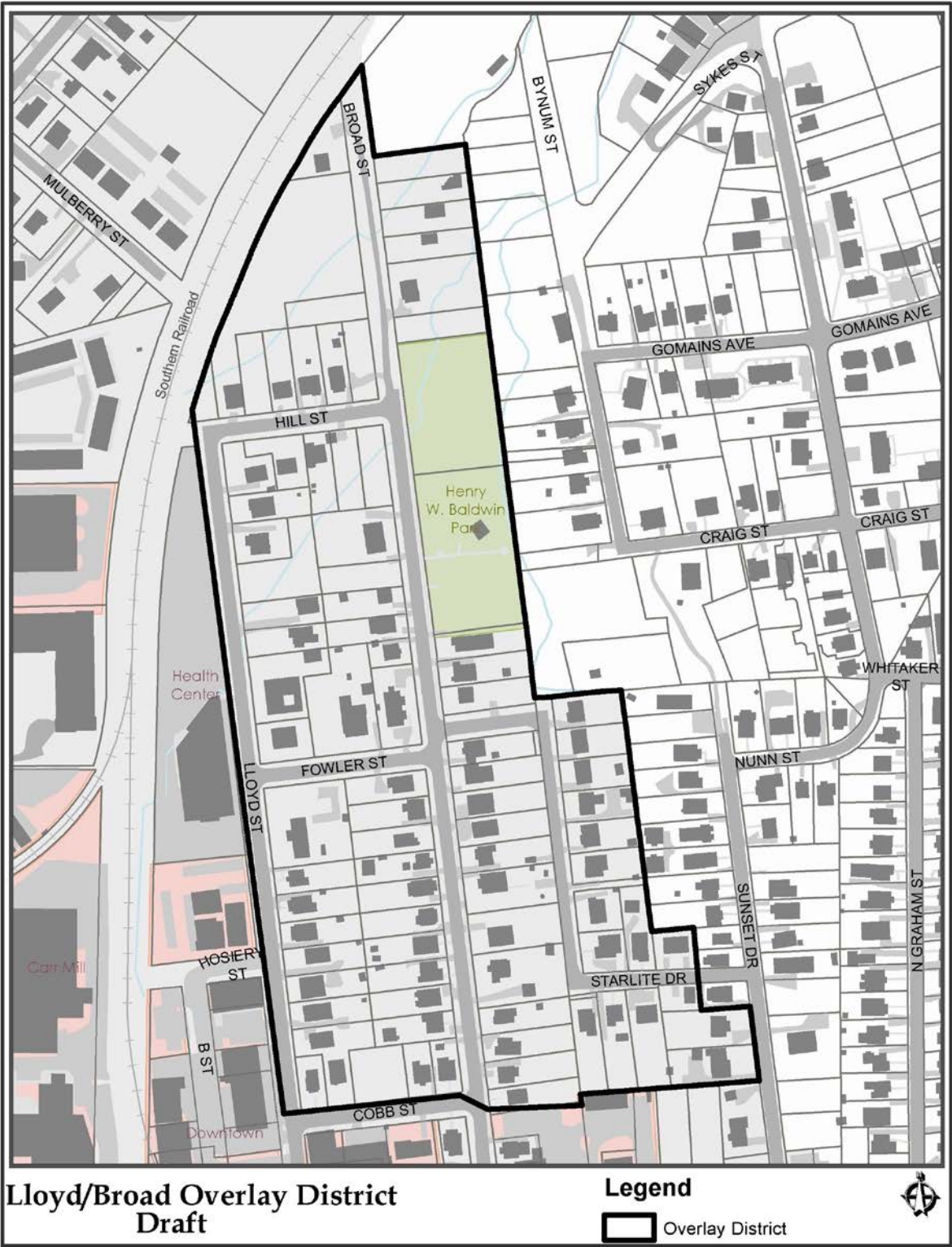
SECTION 1. The Lloyd-Broad Overlay District provided for in Section 15-143.5 of the Carrboro Land Use Ordinance is hereby applicable to the following lots (as shown on the attached map), and the Official Zoning Map shall be modified accordingly:

PIN	ADDRESS	OWNER NAME	SECOND OWNER NAME
9778964781	200 LLOYD ST	ZINN BROTHERS LLC	
9778964999	300 LLOYD ST	JOHNSON JANIE DEGRAFFENREID	JOHNSON JASMINE A
9778965726	101 COBB ST	ZINN BROTHERS LLC	
9778965807		CARRBORO TOWN OF	
9778965824	202 LLOYD ST UNIT A	CARVER TERRY	CARVER LINDA
9778965839	204 LLOYD ST	THOMPSON EMMA J	
9778965904	206 LLOYD ST	HOLLINGSWORTH JOHN C	BERLAND KELSAY S
9778966703	103 COBB ST	WRIGHT GRADY	WRIGHT TOMMIE LEE
9778966774	105 COBB ST	KELLEY TRUMPHENIA M	
9778966861	201 BROAD ST	VAUGHN HUDSON L	WEST MARGARET M
9778966865	203 BROAD ST UNIT A	MAGNUSON CHRISTOPHER R	MAGNUSON CARRIE L
9778966941	205 BROAD ST	GAEV LEO	
9778966956	207 BROAD ST	HEADEN SUSAN L	
9778967735	107 COBB ST	NEVILLE JAMES WILBERT ETAL	NEVILLE JOHNSON HENRY
9778968794	200 BROAD ST UNIT A	MILLS STEPHEN D	EGGLESTON WENDIE A
9778968798	202 BROAD ST	MILLS NATHANIAL	
9778968883	204 BROAD ST	DAVIS JOSHUA TIMOTHY	
9778968948	210 BROAD ST	SELF CLEMENTINE FEARRINGTON	
9778968971	208 BROAD ST	MAGUSON CHRIS	MAGUSON CARRIE
9778969609	104 BROAD ST	ORANGE COMMUNITY HOUSING AND LAND TRUST	
9778969786	109 STARLITE DR	MORROW MARTRINA	
9778972997	101 HILL ST	CARRBORO TOWN OF	
9778974093	302 LLOYD ST	JACKSON WILLIAM A	WHALEN THOMAS J
9778974099	308 LLOYD ST	HSIEH SHOWCHEIN	HSIEH CHANG TAI
9778974179	310 LLOYD ST	ALPHABET SOUP INC	
9778974489	402 LLOYD ST	CLAY CENTRE LLC	
9778974491	400 LLOYD ST	LAM YIK	
9778974533	404 LLOYD ST	JIHAD MICHAEL	JIHAD SHARIN
9778974538	406 LLOYD ST	KILPATRICK GEORGE JR	KILPATRICK LILLIAN
9778974707	412 LLOYD ST	SWEENEY CATHERINE	SWEENEY NOLAN
9778974781	408 LLOYD ST	CARRBORO TOWN OF	
9778974894	102 HILL ST	BURNETTE ALVATER	
9778974931	100 HILL ST	SWEENEY CATHERINE	
9778974993	100-A HILL ST	LIU XING X	ZHOU MINCHAI
9778975430	103 FOWLER ST	MASON LYDIA F	
9778975585	303 BROAD ST	MARKFIELD EVAN M	MARKFIELD MIRIAM H
9778975671	305 BROAD ST	WALKER MYRTLE C ETAL	WOODS CHRISTINE ANNA WEAVER
9778975675	307 BROAD ST	307 BROAD LLC	
9778975761	309 BROAD ST UNIT B	JAMES JASON T	
9778975832	104 HILL ST	BURNETTE ALVATER	
9778975883	106 HILL ST	CARRBORO TOWN OF	
9778976015	211 BROAD ST	WILKERSON CHRISTORIA W	
9778976031	209 BROAD ST	SCROGGS WILLIAM E	SHELTON KAREN
9778976126	215 BROAD ST	215 BROAD LLC	
9778976130	213 BROAD ST	WALKER MYRTLE C ETAL	WOODS CHRISTINE ANNA WEAVER
9778976215	104 FOWLER ST	FRAZIER VERONICA	
9778976220	217 BROAD ST	SELF HELP VENTURES FUND	
	105 FOWLER ST UNIT B		
9778976511	301 BROAD ST	HACKNEY KATHY	COTTON CLIFTON
9778977592	304 BROAD ST	PALMER LAURELLE	
9778977669	306 BROAD ST	CARRBORO TOWN OF	
9778977937	400 BROAD ST	CARRBORO TOWN OF	
9778978028	214 BROAD ST	STROUD CAROLYN E	
9778978144	216 BROAD ST	SCROGGS WILLIAM	SHELTON KAREN
9778978248	222 BROAD ST	NIENABER JOSEPH	NIENABER ANTOINETTE

9778978299	220 BROAD ST	HULL GERALD R	
9778978302	224 BROAD ST	ENGELS MICHAEL E	ENGELS SHANNON M
9778978407	302 BROAD ST	FEARRINGTON JAMES	FEARRINGTON CATHERINE
9778978413	300 BROAD ST	SOTO CHANEL J	
9778979205	218 BROAD ST	STEVENS VERONICA J	
9778979399	120 STARLITE DR	COMMUNITY HOME TRUST	
9778983082	105 HILL ST	CURETON WILLIAM	
9778984032	107 HILL ST UNIT A	SANTELO CATHERINE A	
9778984083	109 HILL ST	CENGIZ CEMAL	
9778984138	103 HILL ST	SERRE MARC	MONTANA LESLIE
9778985033	111 HILL ST	NEVILLE CALVIN	
9778985085	113 HILL ST	WRIGHT ELVA ALSTON	WRIGHT GRADY
9778985122	401 BROAD ST	GILMORE SALLY W	
9778985410	409 BROAD ST	KURTZ JOHN M	
9778987131	402 BROAD ST	CAMPBELL MATTHIEU	CAMPBELL CHRISTEN
9778987139	404 BROAD ST	FALTERMEIER CAROLE	
9778987204	406 BROAD ST	CAMPBELL MATTHIEU	CAMPBELL CHRISTEN
9778987309	412 BROAD ST	FOUSHEE JACQUELINE D	EDWARDS WANDA A
9778987315	410 BROAD ST	UNDERWOOD E LANCE JR	DAVIS MARK A
9778987330	408 BROAD ST	PALMER REED N	PALMER ARDYS G
9788060748	107 STARLITE DR	GUPTON PATRICIA ANN	
9788060798	105 STARLITE DR UNIT A	ROCKETT RACHEL H	
9788060914	104 STARLITE DR	JONES ADDIE WILSON	
9788060979	102 STARLITE DR	WALL BARBARA B	
9788061946	100 STARLITE DR	SHAUGHNESSY GRETCHEN	
9788062702	207 SUNSET DR	WELLS GRAYUM TRUSTEE	ZEMAN KIRBY L TRUSTEE
9788062800	209 SUNSET DR UNIT A	JEFFERSON CAROLYN B	
9788062806	101 STARLITE DR	CHNS LLC	
9788070002	106 STARLITE DR	ALSTON JUROTHER	ALSTON DOROTHY
9788070120	110 STARLITE DR	GRAVES SHIRLEY E	
9788070126	112 STARLITE DR	SOLORZANO LORENZO	ARIZA MARGARITA
9788070208	116 STARLITE DR	FEARRINGTON MATTHEW W	
9788070212	114 STARLITE DR	EVANS CAROLYN	
9788070303	118 STARLITE DR	BERNDT JEFFREY N	
9778976431		KING SENETA	
9778976431	105 FOWLER ST UNIT A	BURNETTE DEBRA A	BURNETTE JAMES

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:**17-534

**Agenda Date:** 5/15/2018

**File Type:**Agendas

**In Control:** Board of Aldermen

**Version:** 1

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### TITLE:

Request to Authorize Town Manager to Accept an Offer and Execute Deeds for the Transfer of Real Property and Easements Associated with the Estes Drive/N. Greensboro Street Roundabout Improvements

**PURPOSE:** The purpose of this item is for the Board of Aldermen to Consider Authorizing the Town Manager to execute deeds and easements related to improvements needed for the Estes Drive/N. Greensboro Street Roundabout project.

**DEPARTMENT:** Planning & Town Attorney

**CONTACT INFORMATION:** Patricia McGuire, [pmcguire@townofcarrboro.org](mailto:pmcguire@townofcarrboro.org)  
<<mailto:pmcguire@townofcarrboro.org>>, 919-918-7327; Christina Moon, [cmoon@townofcarrboro.org](mailto:cmoon@townofcarrboro.org)  
<<mailto:cmoon@townofcarrboro.org>>, 919-918-7325; Bob Hornik, [hornik@broughlawfirm.com](mailto:hornik@broughlawfirm.com)  
<<mailto:hornik@broughlawfirm.com>>, 919-929-3905

**INFORMATION:** The North Carolina Department of Transportation (NCDOT) has requested right-of-way, a permanent drainage easement, and a temporary construction easement from property owned by the Town of Carrboro at the intersection of the Frances Shetley Bikeway and N. Greensboro Street for construction of the roundabout (Transportation Improvement Project U-5846) to replace the signalized intersection with Estes Drive.

NCDOT has offered \$62,350 as compensation for the real property and improvements. *Attachments B* and *C* show the project plans and the requested right-of-way and easements. The area in green is requested right of way, blue is requested permanent drainage utility easement, and yellow is temporary construction easement.

A Right of Entry has been provided should the Town need additional time to reach an agreement on any terms. The project is scheduled to move forward to construction in late July or August. Six to nine months of construction activity are scheduled, depending on weather conditions. Partial closure of the roadway will be needed to construct the planned intersection improvements.

Previous reports have been provided on this project and are available at the links listed below:

October 18, 2016

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**Agenda Date:** 5/15/2018

**File Type:**Agendas

**In Control:** Board of Aldermen

**Version:** 1

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[<https://carrboro.legistar.com/LegislationDetail.aspx?ID=2857225&GUID=F35A442F-1B80-471D-9392-99FC0D1C3809&Options=ID|Text|Attachments|Other|&Search=Estes>](https://carrboro.legistar.com/LegislationDetail.aspx?ID=2857225&GUID=F35A442F-1B80-471D-9392-99FC0D1C3809&Options=ID|Text|Attachments|Other|&Search=Estes)

December 6, 2016 -

<https://carrboro.legistar.com/LegislationDetail.aspx?ID=2899488&GUID=68F278F1-0A55-475D-B365-6E14DD7F7C0A&Options=ID|Text|Attachments|Other|&Search=Estes>

September 19, 2017 -

[<https://carrboro.legistar.com/LegislationDetail.aspx?ID=3156312&GUID=1816D3ED-38DE-4B52-AE33-9575C81F418F&Options=ID|Text|Attachments|Other|&Search=Estes>](https://carrboro.legistar.com/LegislationDetail.aspx?ID=3156312&GUID=1816D3ED-38DE-4B52-AE33-9575C81F418F&Options=ID|Text|Attachments|Other|&Search=Estes)

**FISCAL & STAFF IMPACT:** The total contingent offer for the noted transfer of property is \$62,350.

**RECOMMENDATION:** Staff recommends that the Board adopt the attached resolution (*Attachment A*) authorizing the Town Manager to accept an offer and execute the right of entry and deeds related to NCDOT's request.

**A RESOLUTION AUTHORIZING THE TOWN MANAGER TO ACCEPT AN OFFER  
AND EXECUTE RIGHT-OF-ENTRY AND DEEDS FOR THE TRANSFER OF REAL  
PROPERTY AND EASEMENTS ASSOCIATED WITH THE ESTES DRIVE/NORTH  
GREENSBORO STREET ROUNDABOUT IMPROVEMENTS**

WHEREAS, in 2013, in response to the call for projects for the Strategic Transportation Prioritization process (SPOT) 3.0, the Town submitted a request for intersection improvements at Estes Drive/North Greensboro; and

WHEREAS, the roundabout project was programmed as highway project U-5846 in the 2015-2025 STIP; and

WHEREAS, NCDOT has provided updates to the Town regarding the status and schedule of the project at regular intervals; and

WHEREAS, the design work is finished; NCDOT is in the process of finalizing easements and property acquisition for right-of-way certification, and is almost ready to bid the project for construction.

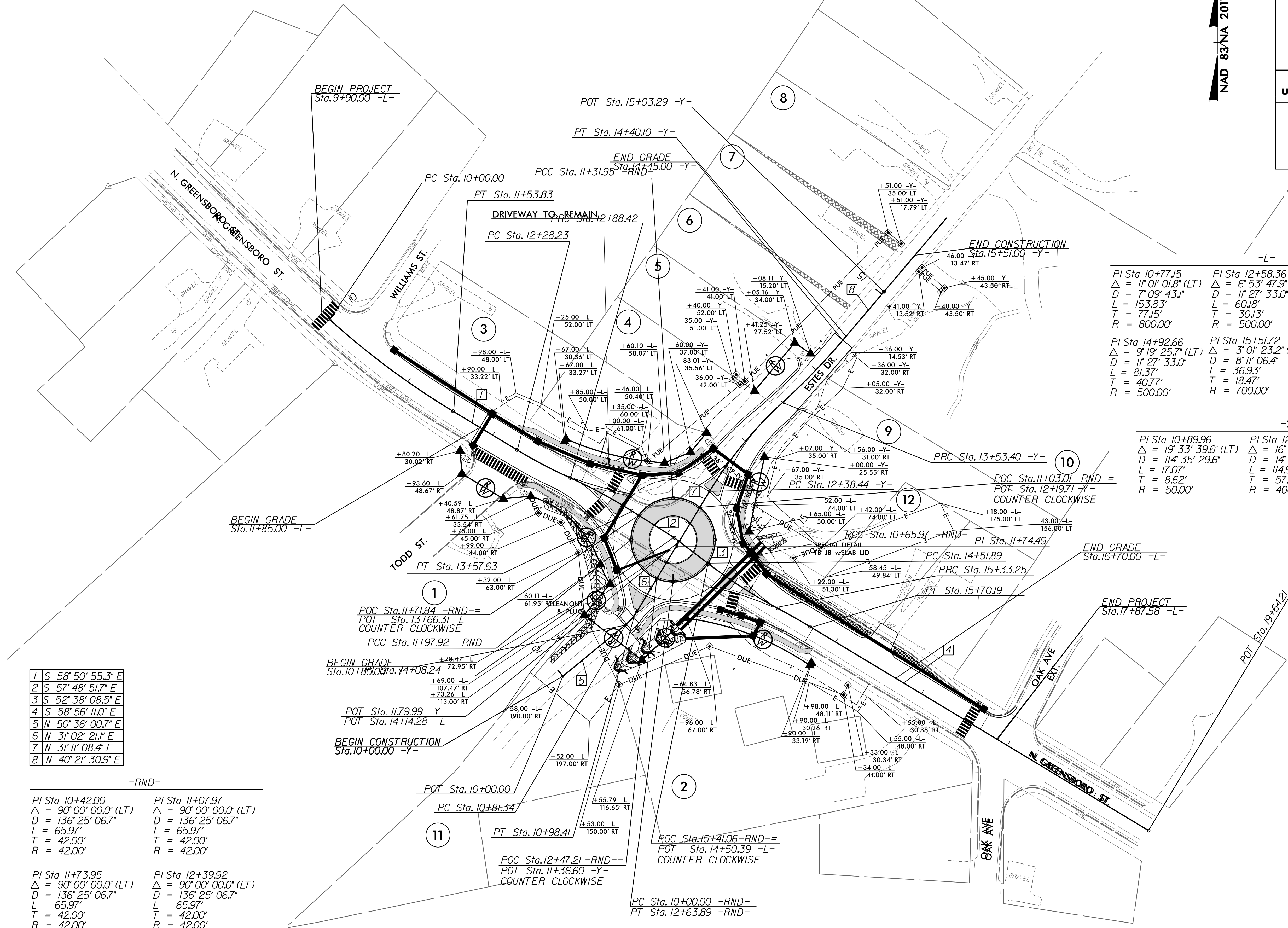
NOW, THEREFORE BE IT RESOLVED by the Carrboro Board of Aldermen of the Town of Carrboro that the Board authorizes the Town Manager to accept the offer of \$62,350 and execute the right of entry and deeds to the North Carolina Department of Transportation for the completion of improvements at the intersection of Estes Drive and North Greensboro Street (U-5846).

This is the 15<sup>th</sup> day of May in the year 2018.

PROJECT REFERENCE NO.		SHEET NO.
U-5846		4A
RW SHEET NO.		
ROADWAY DESIGN ENGINEER	HYDRAULICS ENGINEER	

NAD 83 NA 2011

# ALIGNMENT AND RIGHT OF WAY DETAIL



1	S 58° 50' 55.3" E
2	S 57° 48' 51.7" E
3	S 52° 38' 08.5" E
4	S 58° 56' 11.0" E
5	N 50° 36' 00.7" E
6	N 31° 02' 21.1" E
7	N 31° 11' 08.4" E
8	N 40° 21' 30.9" E

-RND-	
PI Sta 10+42.00 Δ = 90° 00' 00.0" (LT) D = 136° 25' 06.7" L = 65.97' T = 42.00' R = 42.00'	PI Sta 11+07.97 Δ = 90° 00' 00.0" (LT) D = 136° 25' 06.7" L = 65.97' T = 42.00' R = 42.00'
PI Sta 11+73.95 Δ = 90° 00' 00.0" (LT) D = 136° 25' 06.7" L = 65.97' T = 42.00' R = 42.00'	PI Sta 12+39.92 Δ = 90° 00' 00.0" (LT) D = 136° 25' 06.7" L = 65.97' T = 42.00' R = 42.00'

REVISIONS

R/W REVISION 8/8/11 - ADDED PARCEL 12 (TODD R. BOLON)  
R/W REVISION 12/12/11 - REMOVED PDE FROM PARCEL 10 (B&W DAVIS HOLDINGS LLC)  
R/W REVISION 12/12/11 - REDUCTION OF TCE ON PARCEL 10 (B&W DAVIS HOLDINGS LLC)  
R/W REVISION 12/12/11 - REVISED DRAINAGE ALONG -L- RT 15+25 TO 16+50  
R/W REVISION 12/12/11 - REVISED DRAINAGE ALONG -Y- LT & RT 12+50 TO 14+25

12/12/2017 U-5846\_Rdy\_psh\_04a.dgn  
11:58:00 PM

FOR PROFILES, SEE SHEET NO. 5

1

SPECIAL LATERAL "V"  
DITCH W/CL "B" RIP RAP  
SEE DETAIL 4

7@ROCK CROSS VANE  
W/0.5 FT VERTICAL STEP POOLS  
SEE DETAIL

BEGIN CONSTRUCTION  
Sta. 10+80.00 -Y-

CL 'B' RIP RAP  
EST. 1 TON  
EST. 5 SYGF

SPECIAL LATERAL 2-FT -  
BASE GRASSED SWALE  
SEE DETAIL 1

2

CEDAR ROCK H  
ASSOCIATION  
DB 511 PG

11  
TOWN OF CARRBORO  
DB 1039 PG 396

R/W  
DUE  
TCE

0.150 ACRES  
0.018 ACRES  
0.102 ACRES

U-5846 011





# Town of Carrboro

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

## Agenda Item Abstract

**File Number:**17-540

**Agenda Date:** 5/15/2018

**File Type:**Agendas

**In Control:** Board of Aldermen

**Version:** 1

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### TITLE:

Community Climate Action Plan Implementation Update

**PURPOSE:** The purpose of this item is to update the Board on Community Climate Action Plan implementation efforts.

**DEPARTMENT:** Planning Department

**CONTACT INFORMATION:** Trish McGuire, Planning, Zoning, and Inspections Director,  
[pmcguire@townofcarrboro.org](mailto:pmcguire@townofcarrboro.org) <<mailto:pmcguire@townofcarrboro.org>>; 919-918-7327

**INFORMATION:** The purpose of this agenda item is to provide a quarterly update to the Board on the implementation plan for the CCAP. Work has been underway since the Board's adoption of the plan in January 24, 2017. An update was provided on January 16th, available at <https://carrboro.legistar.com/LegislationDetail.aspx?ID=3311227&GUID=9A1DDCAC-1416-4A1B-991E-D593AE172C0A&Options=&Search=>>. An overview of the actions carried out since the January report is provided as Attachment A. A complete copy of the CCAP may be found at <http://www.townofcarrboro.org/DocumentCenter/Home/View/4116>.

**FISCAL & STAFF IMPACT:** There is no fiscal or staff impact related to this update.

**RECOMMENDATION:** Staff recommends the Board accept the update and provide feedback.

## CCAP Progress Update - 5-15-18

Community Integration	1. Plant-Based for the Planet is exploring creation of a non-profit that would promote and fundraise for implementation of climate action planning. 2. Internal workgroup to continue working to assist with implementation strategies. 3. Climate/energy awareness messaging via Communications Manager. 4. Economic Development Plan development with sustainability/climate; adopted and implementation underway.
Energy Efficiency of Facilities and Infrastructure	1. With a pending settlement in the LED rate case, changeout of Duke streetlights are expected in the upcoming year; a reduction in estimated changeout costs, monthly usage bills and greenhouse gas emissions will be achieved. 2. Exploration of LOI/grant application to Southeast Sustainable Communities Fund is underway. 3. Exploration of cost and related benefits of high-performance building and related measures to be included in scope of work for the design of the 203 S. Greensboro project.
Transportation	1. New electric vehicle charging station in operation at Town Hall sees regular usage. 2. Open Streets 2018 attendance considered highest to date (TDM promotion). 3. Bike month activities underway. 4. Active engagement with GoTriangle on Transit tax funding for bus shelters, sidewalk and greenway projects. 5. Contract provisions for greenway design, pedestrian infrastructure, roadway restriping/resurfacing are in progress, including Jones Creek Greenway. The Congestion Mitigation-funded project estimates daily emissions reductions of 1 kg. Assessment of travel behavior prior to and following construction is a component of the project.
Renewable Energy	1. Town working on details of acceptance from Carrboro Community Solar of array at Town Commons. 2. High performance elements and Duke energy savings evaluation as elements of 203 S. Greensboro project.

Ecosystem Protection and Enhancement	1. Stormwater utility rate structure public hearing scheduled for September 15, 2018. 2. Staff work group developing framework for pilot project to test once every other week solid waste collection. LUO amendments regarding tree canopy and update of reference to invasive plants - public hearing on January 23rd.
Food Choice Measures	1. Monthly 'Plant-Based for the Planet' potlucks are continuing.





# Town of Carrboro

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

## Agenda Item Abstract

**File Number:**17-517

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**Agenda Date:** 5/15/2018

**File Type:**Agendas

**In Control:** Board of Aldermen

**Version:** 1

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### **TITLE:**

Public Hearing on Draft Stormwater Utility Rate Structure

**PURPOSE:** The purpose of this item is to hold a public hearing on the draft stormwater utility rate structure, and consider adoption of the rate structure and an interlocal agreement for billing.

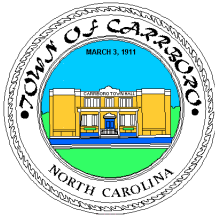
**DEPARTMENT:** Public Works

**CONTACT INFORMATION:** Randy Dodd, Stormwater Utility Manager, (919) 918-7341; Bob Hornik, Town Attorney (919) 929-3905

**INFORMATION:** In March, 2018, the Board of Aldermen: referred a draft stormwater utility rate study and rate structure to the Stormwater Advisory Commission, and subsequently to three additional advisory boards; directed staff to pursue outreach on the draft rate structure, and an interlocal agreement for stormwater billing with Orange County; and scheduled a public hearing on the draft rate structure. The Board must receive public input before taking action on the draft rate structure. A staff memo (Attachment A) summarizing actions taken in follow up to the Board's direction is provided, along with: advisory board recommendations (Attachment B); public input received (Attachment C); a draft of an update to the Town Code with the draft rate structure (Attachment D); the rate study report (Attachment E); a resolution recommending establishment of the rate structure (Attachment F); a draft interlocal agreement for billing with Orange County (Attachment G); and a resolution authorizing the Manager to execute the Interlocal Agreement (Attachment H). It is recommended that the resolution authorizing the Interlocal Agreement be contingent on approval of Attachment F establishing a rate structure.

**FISCAL & STAFF IMPACT:** Establishing the rate structure is estimated to result in \$805k of dedicated annual revenue for the Stormwater Utility's infrastructure, planning, community, field, and administrative services. The interlocal agreement includes a 3% of revenue collected fee for the billing service.

**RECOMMENDATION:** It is recommended that the Board approve the resolutions establishing the draft rate structure and authorizing the Manager to execute the interlocal agreement. It is recommended that the resolution authorizing the interlocal agreement be contingent on approval of the resolution establishing a rate structure.



**TOWN OF CARRBORO**  
**NORTH CAROLINA**  
**STORMWATER UTILITY**

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

**From: Randy Dodd, Stormwater Utility Manager**

**Cc: Joe Guckavan, Public Works Director  
Robert Hornik, Town Attorney  
Arche McAdoo, Finance Director  
Rachel Heggen, Communications Manager**

**Date: May 10, 2018**

**Subject: Stormwater Rate Structure Public Hearing**

**Background and Summary**

The purpose of this memorandum is to provide background information for the public hearing on the consideration of the draft stormwater utility rate structure.

**Information**

A report on a draft rate structure was presented to the Board of Aldermen and Stormwater Advisory Commission in March, 2018, and subsequently to other advisory boards<sup>1</sup>. In addition, a community outreach effort has been pursued on the draft rate structure. Staff have also worked with Orange County staff to draft an interlocal agreement to have the County provide support with billing for the utility.

The following topics are included in this memo to document these recent efforts and compliment and provide an overview of the other attachments in this agenda item<sup>1</sup>:

- 1) A summary of the recommended rate structure;
- 2) A summary of the community outreach effort, feedback received, and staff responses
- 3) The recommended approach for billing to collect revenue for the stormwater utility.

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<sup>1</sup> Details are available from the Board of Aldermen meeting March 13<sup>th</sup>, Stormwater Commission meeting of March 21<sup>st</sup>, 2018, and Joint Advisory Board Review of April 5<sup>th</sup>, 2018.

## Recommended Rate Structure

The below excerpt from the Town Code creates the fundamental basis for the utility.

**Town Code Section 18-4:** “Stormwater management utility shall mean an organizational structure established by the Town, that is responsible for funding, administering, and operating the Town's stormwater management program, and that is supported through a rate structure based on the impervious surface area and found on land parcels located within the town limits.”

The draft rate structure that has been created is based on the amount of impervious surface relative to the “Equivalent Residential Unit” (ERU) of impervious surface area (2800 square feet of impervious surface, as specified in the Town Code (18-3)), and consistent with the predominant practice for the 79<sup>2</sup> jurisdictions that have created a stormwater utility in North Carolina. The premise is that impervious surface is an appropriate metric for determining the impact of stormwater runoff from a given property, and the ERU is a reasonable accounting basis.

Based on the direction from the Town Code, a GIS analysis has been completed to calculate parcel level impervious surface area. Careful data examination during the analysis has indicated that for many parcels, the parcel boundary and impervious surface data are relatively accurate, but, are less accurate for others. Generally, the smaller the parcel, the more potential relative error occurs, especially for parcel boundaries. The accuracy and precision of both the property/parcel boundary and impervious data has been an important consideration in establishing the recommended service charge/fee structure. It is envisioned that improvements in this data along with additional capacity provided by a new revenue stream will support consideration of future adjustments to the rate structure.

In general terms, stormwater fees are calculated by determining the costs of providing the desired level of service and then distributing the costs based on the demand that each property places on the local government for service, based on impervious surface area. The rate structure that has been prepared includes a flat fee for single family (and generally smaller) residential properties<sup>3</sup> and a tiered structure for all other properties (aka “nonresidential”) that is a direct extrapolation from the residential rate. The tiered nonresidential structure is driven by the much wider range of non-residential impervious area per parcel relative to residential properties. About ¼ of nonresidential parcels have impervious areas on the same order

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<sup>2</sup> According to the UNC Environmental Finance Center (EFC) dashboard: <https://efc.sog.unc.edu/resource/2018-north-carolina-stormwater-rates-dashboard> Note that the “word” residential infers no special consideration of residential properties relative to other property types other than to define this accounting unit.

<sup>3</sup> According to the UNC EFC, as of 2/2017, 44 of 74 jurisdictions reporting were using a flat residential fee, with the remainder using a tiered fee. Generally, smaller jurisdictions have flat fees and larger jurisdictions have tiered fees.

of magnitude as residential parcels, with the remainder having moderately to substantially more impervious area, with a small number having about two orders of magnitude more impervious area than residential parcels. The overall rate structure approach balances considerations around: the accuracy of current data; administrative time with further impervious analysis and resolution of property level discrepancies, inquiries, and disputes; providing as much equity through the number of tiers as possible in the rate structure given the currently available data and staff capacity; and a recognition of the need for improving the underlying parcel and impervious data and revisiting the rate structure<sup>4</sup>. The recommended rate structure shown in Table 1 will support an annual stormwater budget of a little over \$800k, which will meet operating requirements with a surplus for future capital expenses.

**Table 1: Recommended Rate Structure**  
(Annual Service Charge/Fee)

<b>Residential</b> (1 ERU).....	\$75
<b>Non-residential:</b>	
Tier 1 (1 ERU).....	\$75
Tier 2 (5 ERUs).....	\$375
Tier 3 (11 ERUs) .....	\$825
Tier 4 (17 ERUs) .....	\$1,275
Tier 5 (25 ERUs) .....	\$1,875
Additional Tiers (+10 ERUs)*....add \$750 from the immediately adjacent lower tier	

\*in 10 ERU increments, price per tier, total of 22 tiers.

Table 2 presents the complete recommended rate structure for nonresidential properties.

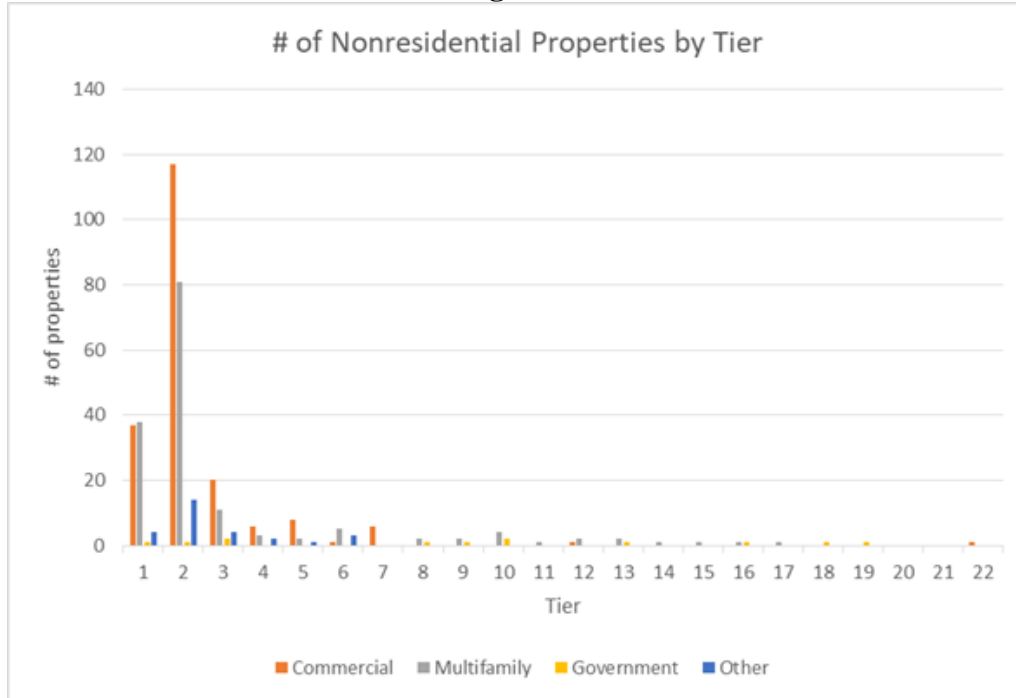
**Table 2: Complete Nonresidential Rate Structure**

<b><u>Tier</u></b>	<b><u>Impervious Surface Range (square feet)</u></b>	<b><u>Fee</u></b>	<b><u>Tier</u></b>	<b><u>Impervious Surface Range (square feet)</u></b>	<b><u>Fee</u></b>
<b>1</b>	500-5,999	\$75	<b>12</b>	270,000-299,999	\$7,125
<b>2</b>	6,000-23,999	\$375	<b>13</b>	300,000-329,999	\$7,875
<b>3</b>	24,000-41,999	\$825	<b>14</b>	330,000-359,999	\$8,625
<b>4</b>	42,000-59,999	\$1,275	<b>15</b>	360,000-389,999	\$9,375
<b>5</b>	60,000-89,999	\$1,875	<b>16</b>	390,000-419,999	\$10,125
<b>6</b>	90,000-119,999	\$2,625	<b>17</b>	420,000-449,999	\$10,875
<b>7</b>	120,000-149,999	\$3,375	<b>18</b>	450,000-479,999	\$11,625
<b>8</b>	150,000-179,999	\$4,125	<b>19</b>	480,000-509,999	\$12,375
<b>9</b>	180,000-209,999	\$4,875	<b>20</b>	510,000-529,999	\$13,125
<b>10</b>	210,000-239,999	\$5,625	<b>21</b>	540,000-559,999	\$13,875
<b>11</b>	240,000-269,999	\$6,375	<b>22</b>	570,000-599,999	\$14,625

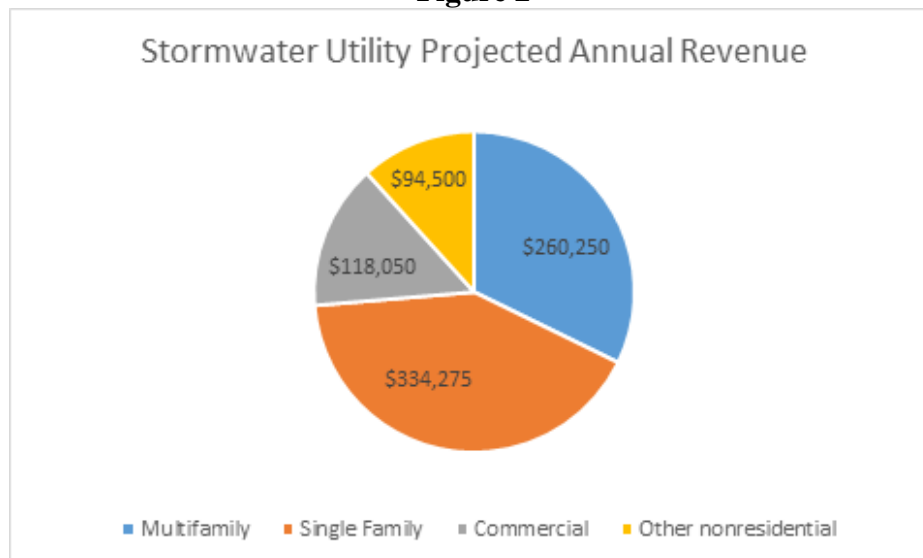
<sup>4</sup> This recognition is reflected in advisory board and community input, with a specific request to consider a tiered residential rate structure after the utility becomes established and better data can be obtained. By comparison, Hillsborough recently established 5 nonresidential tiers.

4457 nonexempt residential properties and 413 nonexempt nonresidential properties have been identified.<sup>5</sup> Figure 1 presents the number of nonresidential properties across all tiers. Figure 2 shows the projected annual revenue by different types of property.

**Figure 1**



**Figure 2**



<sup>5</sup> Since the residential properties would all be subject to a flat fee, no additional information is provided in this memo. Additional information is available in the agenda materials for the meetings referenced in the first footnote.

Additional observations pulled from the data presented in Figures 1 and 2 include:

1) about 75% of the projected revenue is from single and multi-family residential properties<sup>6</sup>, with the remainder being fairly evenly split between commercial and noncommercial properties.

2) 197 commercial properties have been identified to which the fee would apply. Of these: slightly more than 3/4 (154) would be in Tier 1 or Tier 2, with an additional 20 in Tier 3 and 21 in Tiers 4-7. Of the 27 properties in Tiers 8-22, 2 are commercial (excluding apartment complexes), with the remaining 25 being composed of 17 apartment complexes and 8 schools or state owned properties.

### Advisory Board and Community Outreach

Information is presented in Tables 3 and 4 summarizing the process for seeking input from advisory boards and the community, and the input provided. A complete compilation of the written input from advisory boards and the community is provided in separate attachments to the agenda item.

**Table 3: Process for Seeking Input on Draft Rate Structure**

<u>Process</u>	<u>Notes</u>
Referral to advisory boards	Draft rate structure was referred to SWAC, Planning Board, Environmental Advisory Board (EAB), and Economic Sustainability Commission (ESC)
Notification via various communications channels	Newsflashes, newsletter, social media, Nextdoor, web updates/announcements
Drop in sessions and events	Staff and SWAC members were present at Open Streets, Carrboro Day, and two drop in sessions at Town Hall
Newspaper ad	Running May 9 <sup>th</sup> -15 <sup>th</sup>
Individual communications	Staff followed up via email, phone, and onsite visits related mostly to site specific concerns but also to the rate structure. Staff also met with the Carrboro Business Alliance to discuss multiple topics including the draft rate structure.

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<sup>6</sup> For this statement, and as presented in Figure 2, “Multi-family” includes properties that fall both in the residential and nonresidential rate categories.

**Table 4: Summary of Input on Rate Structure**

<u>Input</u>	<u>Provided By</u>	<u>Staff Response</u>
Adopt the recommended rate structure <sup>7</sup>	SWAC, Planning Board, EAB, 6 online survey respondents	
Do not adopt the recommended rate structure <sup>7</sup>	4 online survey respondents	
Consider tiered residential rate structure	SWAC; Planning Board; EAB; 2 survey and 2 verbal respondents	1, 2
Investigate options for assistance for low-income and fixed-income payees	BOA; SWAC; Planning Board; 2 respondents	2, 3
Consider crediting process to recognize/ encourage stormwater treatment/ impervious surface reduction	Planning Board; 2 respondents <sup>8</sup>	2
Adjust rate structure to consider varying needs to reduce runoff in different areas of Town	Planning Board	2
Publish suggestions on how to reduce runoff	Planning Board	2
The Town Code be modified to specify the penalties mentioned in 18-7 of the Town Code	Planning Board	4
Consider new revolving loan fund to support treatment of impervious surfaces for commercial properties	ESC	2
Rate must consider BOTH permeable and impermeable surface of a property. Don't incentivize tiny houses on micro-lots!	One respondent	5
a) Questions accuracy of GIS data b) Recommends that downstream neighbors have less responsibility than upstream neighbors and this results in regressive taxation d) Rate structure should be tied to either property value or make it a flat rate per acre. e) I don't support new taxation for this utility because it should already be included in what we pay for Public Works. Carrboro taxes are very high f) Public Works has really nice trucks and equipment and manpower and maybe their budget should be looked at to compensate for capital improvements to town drainage.	One respondent	6a-f

<sup>7</sup> 4 online survey respondents also responded "Maybe/need more info"

<sup>8</sup> SWAC has also discussed, though not included in formal input. An interest in crediting was also expressed in a meeting with Carrboro Business Alliance members. Depending on the details of how a crediting system might be set up, it appears that

In general, staff supports the additional consideration of all the input provided as implementation steps in the transition to establishment of the Utility. Specific responses to specific input are provided below, with the numbering referencing the information in the third column of Table 4.

1. The one change recommended to the rate structure itself is a tiered rather than flat residential fee. This is recommended as a future initiative, after adoption of the draft structure and establishment of a revenue stream to provide capacity, improve data, and further study of the details.
2. Staff recommends that this input be an item for staff and the Stormwater Advisory Commission to review in the next 3-6 months.
3. The Board specifically mentioned OWASA's Taste of Hope (now "Care to Share") program at the March 12<sup>th</sup> meeting. This program receives administrative assistance from the IFC: <http://www.owasa.org/care-to-share-customer-assistance-program> . Property tax assistance programs available through the county are shown at [http://www.orangecountync.gov/departments/tax/assistance\\_programs.php](http://www.orangecountync.gov/departments/tax/assistance_programs.php)
4. This comment has been referred to the Town Attorney. The Town Code (18-8) does include language regarding delinquencies. Through conversations with Chapel Hill, Hillsborough, and County staff, it is not anticipated that delinquent payments will present a significant challenge.
5. This would a) require modification of the Town Code; and/or b) require policy/management direction; and/or c) introduce significantly more administrative overhead.
6. a: The rate study provides information regarding this issue, and the Stormwater Advisory Commission has considered it in their review. It is staff opinion that the rate structure that has been provided has taken GIS data quality into account. It is recommended that revenue generated for the Utility be used to improve the quality of GIS data.  
b-f: See comment 5 above.

#### **Billing: Interlocal Agreement.**

Staff's preferred method for billing for fees to be collected is to piggyback on a system already in place to benefit from the reduced upfront and ongoing operational administrative overhead involved in collection of fees. An interlocal agreement with Orange County is recommended to allow the Orange County Property Tax Office to provide this billing support. Orange County is currently providing this service for the stormwater utilities in Chapel Hill and Hillsborough. Staff have been communicating with Orange County staff, and are prepared to execute the draft agreement and provide a quality assured dataset to County staff that implements the draft rate structure that can be included in property tax bills sent out in the summer. The interlocal agreement includes a 3% fee for the billing service.

#### **Recommendation**

Staff recommend that the Board of Aldermen hold a Public Hearing, and consider the draft resolutions to modify the Town Code to adopt the draft rate structure and authorize the Town Manager to execute the Interlocal Agreement for billing with Orange County.



# TOWN OF CARRBORO

## Stormwater Advisory Commission

*301 West Main Street, Carrboro, North Carolina 27510*

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# RECOMMENDATION

**MARCH 21, 2018**

### **Stormwater Utility Rate Structure**

Motion was made by Cox and seconded by Hoban that the Stormwater Advisory Commission recommends that the Town:

1. Adopt the rate structure shown in Table 11 of the Draft Rate Study.
2. After adoption, revisit the flat residential rate and investigate implementing a tiered residential system.
3. Further investigate options for assistance for low-income and fixed-income payees.

#### **VOTE:**

AYES: (Brigham, Cox, Dickson, Hay, Hoban, O'Connor, Paul)

ABSENT/EXCUSED: ( )

NOES: ( )

ABSTENTIONS: ( )

for

(Chair)

3/21/2018  
(Date)



## TOWN OF CARRBORO

*301 West Main Street, Carrboro, North Carolina 27510*

# RECOMMENDATION

APRIL 5, 2018

### Stormwater Utility Rate Structure

Motion was made by CANLORO-MILES and seconded by FOUSHEE that the PLANNING BOARD recommends that the Board of Aldermen APPROVE the draft stormwater utility rate structure.

Additional comments:

ON ATTACHED SHEET

**VOTE:**

AYES: 6

ABSENT/EXCUSED: (2)

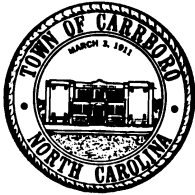
NOES: 0

ABSTENTIONS: 0

Paul Blumenthal April 5, 2018  
(Chair) (Date)

The Planning Board additionally suggests that:

- The recommendations of the Stormwater Advisory Commission be adopted.
- The rate structure be adjusted to reflect both the amount of impervious surface on a property and the level of need to reduce run-off in a particular area of the town.
- The Stormwater Utility encourage the reduction of impervious surfaces through the rate structure and by publishing a list of suggestions to property owners on how to reduce run-off.
- The penalties mentioned in Town Code Section 18-7 be specified.



# TOWN OF CARRBORO

## Environmental Advisory Board

***301 West Main Street, Carrboro, North Carolina 27510***

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# R E C O M M E N D A T I O N

**MAY 3, 2018**

### **Stormwater Utility Rate Structure**

Motion was made by Sinclair and seconded by Skelton that the EAB recommends that the Board of Aldermen adopt the draft stormwater utility rate structure.

Additional comments: The EAB understands the difficulties with a tiered residential structure at the outset, and recommends that such a structure be established within two years.

**VOTE:**

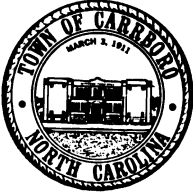
AYES: (O'Connor, Sinclair, Skelton, Turner)

ABSENT/EXCUSED: (Perera)

NOES: ( )

ABSTENTIONS: ( )

\_\_\_\_\_  
for (Chair) 5/3/2018  
(Date)



# TOWN OF CARRBORO

Economic Sustainability Commission

***301 West Main Street, Carrboro, North Carolina 27510***

## R E C O M M E N D A T I O N

**May 9, 2018**

### **Stormwater Utility Rate Structure**

Motion was made by Jim Porto and seconded by Beven Ramsey that the ESC recommends that the Board of Aldermen approve the draft stormwater utility rate structure.

Additional comments: Consider establishing a revolving loan fund to incentivize property owners to reduce the amount of impervious surfaces on their properties.

**VOTE:**

AYES: (7 )

ABSENT/EXCUSED: (2 )

NOES: (0 )

ABSTENTIONS: (0 )

(Chair)

5/9/2018

(Date)

## Online Survey Responses

### 1. Do you support the draft rate structure?

6 support rate structure, 4 do not support rate structure, 4 need more information

### 2. I support the rate structure because:

- a. Respondent 1: It's based on a well done study and gone through an appropriate process.
- b. Respondent 2: \$75/year seems reasonable if it will ensure my property is not flooded again. non-residential tiers make sense to adequately assess a businesses impact based on its stormwater impact.
- c. Respondent 3: All residents participate in the program. Residential fees are fixed and are the same city-wide.
- d. Respondent 4: I need more information regarding the rate structure, but obviously, this needs to be funded somehow as Carrboro does not 'perk' or drain all that effectively.
- e. Respondent 5: In principle, I do support this initiative, but my vote is a qualified yes. Responsible resource management is of course in our collective best interest. Not to mention the right thing to do. In practice, I have a specific concern I'd like to discuss. I have spent half an hour skimming the materials available, but have yet to find either the map resulting from the scientific survey or one indicating the distribution of ERU by parcel - either of which would have allowed me to preliminarily address my concern autonomously. I can drop by the town hall for a brief discussion.
- f. Respondent 6: Town needs to support a program for addressing stormwater regulations and mitigating stormwater problems that contribute to property damage, stream degradation, and pollution.
- g. Respondent 7: We need to invest in stormwater infrastructure improvements in Carrboro - that is obvious. Support for the rate structure/format is based on the fact that rates are tied to impervious surface area. I would support credits/fee reduction for those properties mitigating their impact. I tentatively support the specific dollar rates proposed based on trust that the statement "The draft rate structure is based on: Carrboro's Town Code, which provides the legal structure; anticipated expenses for the utility; a GIS study of impervious surfaces in Carrboro; and experience from other North Carolina jurisdictions that have implemented utilities. " is accurate.
- h. Respondent 8: Rephrasing more specifically: I very much support the existence of a dedicated revenue stream that is tied to the underlying driver of stormwater runoff (that is, impervious surface area). That said, without really analyzing the Rate Structure Study, I have no idea whether the actual proposed rates are too high, too low, or just right like Goldilocks. But given the Chapel Hill and Hillsborough comparable examples, it's good to get started on the effort.

### 3. I do not support the rate structure because:

- a. Respondent 1: Rate must consider BOTH permeable and impermeable surface of a property. 3,000 sq ft on a quarter-acre should pay more than the same 3,000 sq ft on a full acre.
- b. Respondent 2: The residential rate is just one number for all houses (\$75) but not all houses are equal. My house, at 1400 sq. ft. should not have to pay the same as a 4000+ sq ft McMansion. Could there be some broad scaling done for residential as is done for commercial?

- c. Respondent 3:
  - i. Cost of surveying all of the impervious in carrboro? Is a GIS study accurate?
  - ii. If owner A has 5+ ERU's but live at the lowest point in carrboro then he/she could be paying more than Owner B living at the highest point with just 1 ERU. But owner A has no impact on fellow carrboro neighbors whereas Owner B does have an impact. Likely there will be situations all over town like this and it could end up being Regressive taxation (see #3 below).
  - iii. A poor resident might have a lot of impervious. In other words Impervious quantity does not equal wealth or fancy digs. Imagine an 1 story ranch house with a shed and a long driveway. This property might be old and low value AND might be in a flood zone. Compare this hypothetical property with a new 2 or 3 story \$800k property with relatively low impervious ratio and sits on high ground. In this scenario the poor resident pays a lot more than the person who can afford it.
  - iv. For these reasons I think rate structure should be tied to either property value or make it a flat rate per acre.
  - v. In general... I don't support new taxation for this utility because it should already be included in what we pay for Public Works. Carrboro taxes are very high please keep that in mind.
  - vi. Public Works has really nice trucks and equipment and manpower and maybe their budget should be looked at to compensate for capital improvements to town drainage.
- d. Respondent 4: Not sure how funds will be used and don't have enough information. Credit for improvements invested already.
- e. Respondent 5: Large residences with paved driveways have a lot more impermeable surface than small residences with gravel driveways.

**4. I'd like to see the following changes to the rate structure:**

- a. Respondent 1: Some homeowners have permeable—not impermeable—surfaces on their property. There ought to be financial incentives (or discounts on the rate structure) for green driveways and other features that reduce stormwater runoff.
- b. Respondent 2: Some consideration could be given for people who currently receive reduced property taxes. It seems that NC regulations will not permit this, however. Perhaps fund surplus (over a certain level) could be used to do this. The Utility fund should be separate and not used to offset other capital needs. Multi-year surplus (above a certain level) could be re-distributed proportional to amount paid in fees.
- c. Respondent 3: Include BOTH the permeable and impermeable surface of the property in the assessment -- don't incentivize tiny houses on micro-lots!
- d. Respondent 4: More tiers for residences with small homes paying less.

**5. Contact info:**

- a. [kurt.stolka@gmail.com](mailto:kurt.stolka@gmail.com)
- b. John Parker, no need to contact me
- c. Susan Deupree, 102E Laurel Ave
- d. Marywinne Sherwood, 101Circadian Way, Chapel Hill, NC (located in Carrboro).
- e. Luke and Claire Mongoven 1020 W Main St. 919-270-9837. [mongoven@gmail.com](mailto:mongoven@gmail.com)
- f. Reed Palmer, 408 Broad Street

### Other Input Received

\*\*\*\*\*

**From:** David Andrews

**Sent:** Friday, April 27, 2018 1:45 PM

**To:** Tamara S; boa

**Cc:** Joe Guckavan; Randy Dodd

**Subject:** RE: Stormwater Utility ProjectHi Tamara,

That is something that we plan to do and thank you for the suggestion!

David

---

**From:** Tamara S [tamarab.sanders@gmail.com]

**Sent:** Friday, April 27, 2018 11:54 AM

**To:** boa

**Subject:** Stormwater Utility Project

Good morning alderfolk!

I was unable to attend either Stormwater Utility Project input sessions.

Several years back, I worked with the county's Division of Soil and Water Conservation to set up a cost/share rainwater harvesting system. I am now set up with a total of 1600 gallons in three different cisterns, the plumbing and a pump to irrigate my ~1600 sq ft. garden. This setup was no small investment.

I'd like to see these investments for storm water mitigation by residents and businesses help offset that property's fees for this proposed utility.

Thanks and happy Friday!

Tamara Sanders

708 Davie Rd.

AN ORDINANCE AMENDING THE TOWN CODE TO ESTABLISH  
A STORMWATER UTILITY RATE STRUCTURE

\*Draft 05-01-2018\*

THE CARRBORO BOARD OF ALDERMEN ORDAINS:

Section 1. Chapter 18, Article II, Section 18-6 of the Carrboro Town Code (Rate Structure) is amended to read as follows:

The service charges shown below shall apply to all non-exempt properties.

**Residential** (1 ERU).....\$75

**Nonresidential tiers:**

<b><u>Tier</u></b>	<b><u>Minimum Impervious Surface (square feet)</u></b>	<b><u>Maximum Impervious Surface (square feet)</u></b>	<b><u>Fee</u></b>
<b>1</b>	500	5,999	\$75
<b>2</b>	6,000	23,999	\$375
<b>3</b>	24,000	41,999	\$825
<b>4</b>	42,000	59,999	\$1,275
<b>5</b>	60,000	89,999	\$1,875
<b>6</b>	90,000	119,999	\$2,625
<b>7</b>	120,000	149,999	\$3,375
<b>8</b>	150,000	179,999	\$4,125
<b>9</b>	180,000	209,999	\$4,875
<b>10</b>	210,000	239,999	\$5,625
<b>11</b>	240,000	269,999	\$6,375
<b>12</b>	270,000	299,999	\$7,125
<b>13</b>	300,000	329,999	\$7,875
<b>14</b>	330,000	359,999	\$8,625
<b>15</b>	360,000	389,999	\$9,375
<b>16</b>	390,000	419,999	\$10,125
<b>17</b>	420,000	449,999	\$10,875
<b>18</b>	450,000	479,999	\$11,625
<b>19</b>	480,000	509,999	\$12,375
<b>20</b>	510,000	539,999	\$13,125
<b>21</b>	540,000	569,999	\$13,875
<b>22</b>	570,000	599,999	\$14,625

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

Section 3. This ordinance shall become effective upon adoption.

This is the 15th day of May in the year 2018.

**TOWN OF CARRBORO**  
**NORTH CAROLINA**

**STORMWATER UTILITY**  
**RATE STUDY**

**MARCH 29, 2018**

**BOARD OF ALDERMEN**

LYDIA LAVELLE, MAYOR

BETHANY CHANEY, ALDERWOMAN

BARBARA FOUSHEE, ALDERWOMAN

JACQUELYN GIST, ALDERWOMAN

RANDEE HAVEN-O'DONNELL, ALDERWOMAN

DAMON SEILS, ALDERMAN

SAMMY SLADE, ALDERMAN

**STAFF**

DAVID ANDREWS, TOWN MANAGER

ARCHE MCADOO, FINANCE DIRECTOR

JOE GUCKAVAN, PUBLIC WORKS DIRECTOR

RANDY DODD, STORMWATER UTILITY MANAGER

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## Executive Summary

The Town is in the process of establishing a Stormwater Utility that recognizes that stormwater runoff is a community wide problem and that the Town's current stormwater program is not sufficient to comprehensively address the needs. The purpose of this study is to recommend a rate structure as an important next step for funding the stormwater program and formally establishing the Utility. The basis for the recommendations provided are: Carrboro's Town Code, which provides the legal structure; federal and State regulatory requirements; anticipated expenses for the utility; a GIS study of impervious surfaces in Carrboro; and experience from other North Carolina jurisdictions that have implemented utilities. The recommended rate structure is a "hybrid" with a flat fee for single family/small residential properties and a tiered structure for nonresidential properties. The nonresidential rate structure, while tiered, is a direct extrapolation from the residential rate based on amount of impervious surface for a given property. The rate structure is based on the amount of impervious surface relative to the "Equivalent Residential Unit" (ERU) of impervious surface. The premise is that impervious surface is an appropriate metric for determining the impact of stormwater runoff from a given property, consistent with practices across North Carolina and the United States. The recommended rate will support annual gross revenue from fees of a little more than \$800k, which will meet operating requirements with a surplus for future capital expenses. An important factor in recommending this rate structure is balancing the level of administrative overhead with the more discrete fees that can be assigned with more accurate and precise but more administratively intensive data.

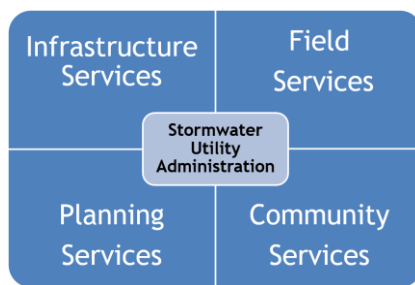
Potential next steps and implementation timeline alternatives are provided. Public meetings and other means of outreach have been pursued to notify the community of the proposed rate structure and fees, and a public hearing has been scheduled. An Interlocal Agreement with Orange County will be needed to allow the Orange County Property Tax Office to provide billing support. If the rate structure is adopted in the spring of 2018, the associated fees can be included in property tax bills sent out in the summer of 2018. In the event that it is not possible to adopt a rate structure in the spring of 2018, the new revenue stream from fees will be delayed a year because property taxes are billed on an annual cycle. For this scenario, Carrboro's stormwater program would be funded in FY 18/19, as has been done historically, through the Town's General Fund.

## 1. Carrboro's Stormwater Management Program

The purpose of this section is to describe the expansion of Carrboro's stormwater management program that is enabled by the forming Stormwater Utility; the Town's stormwater program as it currently exists is described in more detail in Appendix 1. The Utility will allow Carrboro to better address current regulatory requirements, prepare for potential future requirements, and in general expand stream and watershed protection and restoration initiatives, support for property owners with flooding and drainage related impacts, and maintenance and enhancements of stormwater infrastructure.

### 1.1 Program Structure

Carrboro's stormwater program can be described and broken down in different ways, one of which is based



on the services that the program offers (see graphic, and Table 1). It is important to consider these services not as discrete and separate, but as integrated and coordinated, as facilitated by the administrative role. The placing of the program under the umbrella of a utility and within a dedicated enterprise fund results in the ability to more holistically manage and coordinate the Town's stormwater program.

**Stormwater Utility Administration** – includes developing and implementing program service delivery; stormwater related data management; regulatory tracking and annual reporting; issuing notice of violations; contract administration for contractual services; staffing the Stormwater Advisory Commission; program integration with Town administrative activities (e.g., operating budget and CIP).

**Stormwater Infrastructure Services** – include maintenance of Town-owned stormwater system including inlets, catch basins, pipes, ditches, and Stormwater Control Measures (SCMs); street sweeping; design and construction of public stormwater infrastructure (including “green” infrastructure) projects, stormwater retrofits, and restoration projects on Town maintained land.

**Stormwater Planning Services** – include planning and engineering review and oversight of new development proposals and construction, and updating of the Land Use Ordinance.

**Stormwater Community Services** – includes education and outreach, providing public participation opportunities, coordination with the Clean Water Education Partnership (CWEP), and creating and implementing a drainage assistance program.

**Stormwater Field Services** – include inspections of SCMs issued under a Town land use permit, illicit discharge detection and elimination activities, stream determinations, and stream monitoring.

**Table 1: Administration of Stormwater Services Prior to and With the New Stormwater Utility**

<b>Stormwater Service</b>	<b>Prior to Utility</b>	<b>With Utility</b>
<b><i>Administration</i></b>		
Legal	LUO (Article XVI) and illicit discharge (Town Code)	Legal structure for Utility added in Town Code.
Programmatic	Dispersed program	Umbrella program
Financial	Stormwater expenses not tracked	Tracked, under Enterprise Fund
Regulatory Responsibility	Planning (town wide), Public Works (PW facility)	Stormwater Utility
Advisory Commission	EAB	Stormwater Commission
<b><i>Infrastructure</i></b>		
MS4 <sup>1</sup> and facility maintenance	Public Works	Public Works: support from Stormwater Utility
Green infrastructure	Not applicable	Stormwater Utility
<b><i>Field</i></b>	Planning Department	Stormwater Utility
<b><i>Planning</i></b>		
Plan review, erosion control, permitting	Planning Department: contract engineering & county support	Planning Department: Stormwater Utility, contract engineering & county support
SCM Inspection & maintenance <sup>2</sup>	Planning Department	Stormwater Utility (potentially with contract support)
<b><i>Community</i></b>		
Drainage assistance	Not applicable	Stormwater Utility
Outreach/education	Planning Department	Stormwater Utility

All of these services are important for the stormwater utility moving forward. In 2018, the priority is on establishing the administrative capacity and mechanisms to operate a successful utility over the long term. The rate structure presented in this report is a major emphasis.

## **1.2 Program Challenges**

### **1.2.1 Limited Funding/Capacity**

The fundamental stormwater management challenge currently facing the Town is the absence of sufficient and dedicated funding; stormwater related activities currently compete with all Town functions provided for through General Fund revenues. One ramification has been limited staff capacity. Recognizing this, the Town created a Stormwater Enterprise Fund and the legal foundation for a Stormwater Utility, and hired a Stormwater Utility Manager in 2017. Currently, this fund is not receiving a separate/dedicated revenue stream. The creation of the new Stormwater Utility Manager position is a very positive step, but additional

<sup>1</sup> Municipal separate storm sewer system

<sup>2</sup> This item refers to stormwater control measure inspection and maintenance on private property after development (post construction).

staff will be required in the future given the amount and diversity of work involved in implementing a comprehensive stormwater program (see Tables 2 and 3).

**Table 2: Summary of Town Staff Current Major Stormwater Responsibilities**

<b>Type of Service</b>	<b>Specific Responsibility</b>	<b>Notes</b>
<b>Administrative</b>	Launching utility	Following up on this study; community input; creating and implementing interlocal billing agreement
	Stormwater related databases	GIS and administrative databases
	NPDES permit administration	Compliance activities, tracking and annual reporting
	Jordan Lake Rules	Compliance tracking, planning, implementation, reporting
	Town administrative tasks	e.g. financial, legal, contractual, cross department coordination
	Contract administration	e.g., benthic monitoring; Public Works facility permit compliance; engineering services
<b>Infrastructure</b>	Stormwater conveyance system	Maintaining catch basins, pipes, ditches, swales and proper disposal of waste from clean-up operations
	Street sweeping	Town operates one vacuum truck
	Public Works facility NPDES permit	The regulatory compliance aspect has received contract support.
<b>Planning</b>	Reviewing stormwater plans for new development proposals	Shared by staff and contract engineering firms
	Stormwater Control Measure inspections	Currently able to only pursue reactively
	Erosion control	Delegated to Orange County; some staff administrative time for coordination
<b>Field</b>	Implementing buffer requirements in LUO	Town's requirements exceed minimum state requirements, which adds to staff workload.
	Illicit discharge detection	Currently able to only pursue reactively
<b>Community</b>	Private property drainage inquiries	Tracking and providing support with floodplain administration, maintenance of public conveyance system
	Staffing new Stormwater Advisory Commission	Initiated in February, 2018
	Education and outreach	Participation in the Clean Water Education Partnership

As one means of assessing the Town's stormwater capacity, information from the two neighboring jurisdictions that are the most similar to Carrboro in many respects, Chapel Hill and Hillsborough, has been pulled together (Table 3). Chapel Hill has \$2.8M and 16 stormwater staff positions and Hillsborough, with about a third of Carrboro's population and three quarters of the geographic footprint, has two full time stormwater staff positions and one Public Works position funded from their Stormwater Enterprise Fund.

The similarities shared by these towns includes both comparative size, proximity, demographics, etc., but also their status as Phase II NPDES communities<sup>3</sup> and location in the Jordan and Falls Lake watersheds, and by reference, associated regulatory requirements. Chapel Hill also shares in participation in the Bolin Creek Watershed Restoration Team with Carrboro.

Utilizing contractor services has been and will likely continue to be a cost effective way to complete some tasks without adding additional staff. The largest stormwater related contractual services historically have been for engineering services. The Town has also contracted for benthic monitoring support for the past 15 years, and for support with NPDES permit compliance for the Public Works facility and some infrastructure maintenance. New contractual services, e.g., for retrofit projects and perhaps other planned activities such as new monitoring and other field work, laboratory analyses, community outreach, additional infrastructure maintenance, support with impervious surface GIS data, and other special studies are all worth considering. With all contracting, Town staff must have time to administer contracts and supervise work, which is another reason why the stormwater program needs additional staff.

As a specific step forward to address the need for expanded capacity, it is recommended that a Stormwater Specialist position be planned for. The Stormwater Specialist position would provide support with: illicit discharge and pollution prevention and good housekeeping components of NPDES permits; SCM inspections and maintenance program; stormwater infrastructure and impervious surface GIS and utility billing data maintenance; supporting outreach and education efforts; completing stream determinations for new development proposals within the Town's delegated stream buffer authority and wetlands delineations; and helping initiate a Drainage Assistance Program. The position would support the Stormwater Utility Manager, Public Works Superintendent, and other staff with these and other stormwater management responsibilities.

---

<sup>3</sup> The Phase II designation refers to small municipalities, generally with a population between 10k and 100k, and a population density of at least 1000/square mile. NPDES refers to "National Pollution Discharge Elimination System" under the federal Clean Water Act.

**Table 3: Comparison of Carrboro, Chapel Hill and Hillsborough Current Stormwater Utility Capacity**

	<b><u>Carrboro</u></b>	<b><u>Chapel Hill</u></b>	<b><u>Hillsborough</u></b>
<b>Utility Established</b>	In process	2004	2016
<b>Population</b>	21,265	59,246	6,568
<b>Area in Town (sq. miles)</b>	6.46	21.12	5.33
<b>Utility Annual Revenue (approx.)</b>	TBD <sup>4</sup>	\$2.8M	\$600k
<b>Dedicated Staff</b>			
Stormwater Manager	1		1
Engineer	*	4	
Stormwater Specialist		1	1
Stormwater Analyst		1	
Environmental Educator		1	
Stormwater Billing Technician		1	
Mosquito Control Officer		1	
Public Works staff <sup>5</sup>		<u>7</u>	<u>1</u>
<b>Total</b>	<b>1*</b>	<b>16</b>	<b>3</b>

\*See footnote<sup>6</sup>

### **1.2.2 Regulatory Requirements**

#### ***NPDES Phase II Permits***

The Town is regulated under two NPDES Phase II stormwater permits, one that is town wide and one for the Public Works facility.<sup>7</sup> Areas of needed performance improvement during this permit cycle are summarized in Table 4. While all of the six minimum measures required in the town wide permit are being implemented to a certain degree, the illicit discharge and post-construction stormwater programs have been implemented more reactively rather than proactively. For instance, the illicit discharge program is supposed to include preventative and proactive measures such as determining high hazard areas and completing routine inspections of these areas. The post-construction stormwater program includes review of stormwater management for development projects. It also requires inspection of SCMs; there are approximately 200 in Carrboro (Table 5). That is in addition to the requirement that the SCM owner inspect and submit a report at least annually to the Town for review. Creation of the Stormwater Utility Manager position provides some additional capacity for inspections and overseeing this program, but given the other responsibilities of the position, additional staff will be needed to fully meet this regulatory requirement.

<sup>4</sup> ~\$850k is the projected annual revenue for the recommended rate structure presented in this report. It is designed to support both operating and capital expenses, including a capital reserve.

<sup>5</sup> Maintenance Supervisor, Street Cleaning Crew Supervisor, Heavy Equipment Operator, Construction Worker

<sup>6</sup> Carrboro does not have an engineer on staff, but uses contracting engineering services. It is estimated that the Town is currently using close to 1 FTE of contract engineering support for stormwater, although some of this is reimbursed from applicants for land use permits.

<sup>7</sup> In March, 2017, the town wide permit was renewed, and the Public Works permit will be reissued later in 2018.

**Table 4: NPDES Permit New Activities**

<b>New Activity</b>	<b>Notes</b>
<u>Administrative:</u> annual analysis of the capital and operation and maintenance expenditures and staff resources for stormwater; potential for new annual reporting requirements and goal to create a high quality, community oriented annual report.	Additional staff time needed.
<u>Public Education, Outreach and Public Participation:</u> renewed permit requires more extensive outreach and participation program.	Additional staff time may be needed.
<u>Illicit Discharge Detection and Elimination:</u> detect dry weather flows; employee training; improved public reporting mechanism; procedures to identify and eliminate failed septic systems; Enforcement Response Plan (ERP); enforcement tracking	Additional staff time needed.
<u>Post Construction Runoff Control:</u> More detailed inventory of post-construction structural stormwater control measures; recordation of maintenance responsibility; fully implement program for long-term operation and maintenance of structural BMPs, including verification of maintenance and inspections; provide educational materials and training for developers; more fully implement Enforcement Response Plan (ERP), including recordkeeping and follow-up associated with enforcement actions.	Significant additional staff time or contract resources needed. <sup>8</sup>

**Table 5: Summary of Current Structural Stormwater Control Measures in Carrboro**

<b>SCM Type</b>	<b>Number</b>	<b>Ownership</b>	<b>Number</b>
Dry detention (flooding)	64	HOAs	55
Bioretention (aka rain garden; water quality)	50	CHCCS	32
Ponds (both flooding, water quality)	19	Other (mix of commercial, multifamily, public)	83
Other (e.g., wetlands, cisterns, underground devices)	37		

### ***Jordan Lake Rules***

As with the Town's NPDES permit, compliance with the Jordan Lake rules is regulatory in nature, however, the future requirements, costs, and timing of regulatory compliance has been more difficult to plan for in the past five years due to changes in State legislation. The rules could require unprecedented reduction of nitrogen and phosphorous in stormwater runoff from existing development. While the cost of the new development Jordan Lake stormwater rules is born primarily by the development community, the existing development stormwater requirements are solely the responsibility of the Town to implement. While there is some uncertainty, staff have been preparing for Stage 1 of the existing development rules, and have programmed over \$4M in the Town's Capital Improvement Program. Stage 2 requirements have not been

<sup>8</sup> Implementation of maintenance program to date based on landowner responsibility, with Town inspections, and legal authority to take over maintenance if neglected.

determined, but could result in additional expenses beyond Stage 1.<sup>9</sup> Retrofit projects have other benefits as well, such as improvement in local stream quality and reduced flooding impacts. Some level of pursuit of these projects is therefore recommended regardless of the future of Jordan Lake Rules. At a minimum, staff time is needed to continue to prepare the Town for potential implementation of the Jordan Lake Rules. Finally, in 2017, TJCOG, with participation by a broad stakeholder group, initiated exploration of regional collaboration. Involvement with this effort could require additional staff time in the future.

### ***Bolin Creek Watershed Restoration<sup>10</sup>***

Carrboro staff worked with Chapel Hill and other local, state and federal agency staff in 2006 to create the Bolin Creek Watershed Restoration Team (BCWRT) because Bolin Creek has been on the list of state and federal impaired waterbodies. At the time, the Bolin Creek watershed was selected as one of only 7 watersheds in the state to receive focused state and federal assistance in preparing grant applications and leveraging other resources, with a goal of improving water quality and removing Bolin Creek from the impaired waters list. This is an ambitious goal that will require a robust commitment for many years to come. To date, the progress that has been made has been grant supported, with little activity for the past 5 years. Available grant funding is currently very limited and competitive, and even with grant support, matching funds, in kind support, and staff capacity is needed. It is important to recognize that participation in the BCWRT is fulfilling a regulatory obligation since Bolin Creek has been identified as an impaired waterbody.

## **1.3 Program Opportunities**

The new Stormwater Utility and Stormwater Enterprise Fund create the following opportunities:

- 1) Better protection and restoration of local creeks and downstream receiving waters, including Jordan Lake
- 2) Expansion of green infrastructure which provides multiple environmental and community benefits
- 3) Better service delivery to the community, including support to property owners experiencing impacts related to flooding and drainage.

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<sup>9</sup> The Town's eventual mandatory requirements and associated costs for implementation under the Jordan Lake Existing Development rule is a complex regulatory matter that has become more complex with legislative actions in the past several years. It is the Stormwater Utility Manager's recommendation that the Town take this rule seriously regardless of state legislative action. The need for water quality restoration in Jordan Lake has been studied and debated for over 4 decades, and the Jordan Lake Rules adopted in 2009 were the result of a long scientific and engineering analysis and stakeholder process. Importantly, there is also a federal TMDL for the lake; EPA has the ability to intervene if it deems that State level action is insufficient.

<sup>10</sup> Additional information on the Bolin Creek Watershed Restoration Team is available at <http://www.townofcarrboro.org/280/Bolin-Creek-Watershed-Restoration>

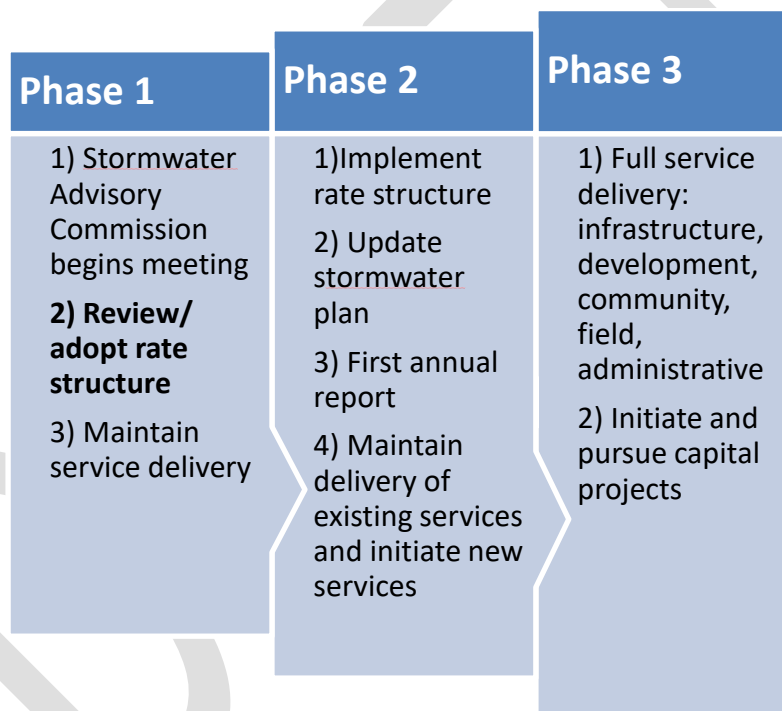
- 4) Better mechanisms and opportunities for community input into and support with stormwater management, in part through the new Stormwater Advisory Commission, and in part through a consolidated program with more capacity.

This report discusses these opportunities to some extent. Further articulation and exploration of these opportunities and identification of new opportunities will be possible once the utility is established and fully operational.

### 1.4 Five Year Plan for Expansion of Services

A five year programmatic plan is needed to guide cost projections, which in turn informs the new rate structure. This plan is summarized in Table 6, and corresponds to the following phases:

**Figure 1: Moving from Utility Establishment to Operation**



Phase 1 is currently underway, and is a largely administrative phase related to the establishment of the Utility. Until it is complete, Carrboro's stormwater program revenue will continue to originate from property taxes and pass through the General Fund.

Phase 2 will begin as soon as a rate structure and Interlocal Agreement for billing are in place, and marks a transition from Utility establishment to Utility operation. During this transition, some continuing and new administrative activities will be required. Revenue from new fees will begin to flow into the Enterprise Fund, and service delivery for new services will begin.

Phase 3 is the fully operational stage of the Utility. The administrative pieces will be fully established, and the Utility will be able to fully delivery a range of services. Achieving this stage in a timely fashion is desirable not only from a programmatic and community perspective, but also to be well prepared for implementation of Jordan Lake Rules, which are scheduled for review within this time frame, and for demonstrating compliance with the NPDES permit and progress with Bolin Creek watershed restoration. During Phase 3, projects programmed in the Capital Improvements Plan will begin to be implemented.

The following thoughts are important to highlight in considering the five year stormwater utility program plan presented in Table 6:

- 1) An important milestone on which the overall schedule hinges is the adoption of a rate structure and Interlocal Agreement for billing. As discussed elsewhere in this report, if either of these activities is not completed by June, 2018, the dedicated stormwater revenue stream will not be in place and the schedule and program activities could in large part be delayed by a year.
- 2) Similarly, hiring a Stormwater Specialist is a prerequisite for fully pursuing many if not all of the Phases 2 and 3 activities.

### **1.5 Stormwater Advisory Commission**

Part of the new stormwater program structure is a new Stormwater Advisory Commission to assist with creating and implementing the stormwater utility. Appointments were made to the Commission in January, and the Commission began meeting in February. This study has been referred to the Commission for review. Staffing the Commission and pursuing outreach related to the findings and implications of this study could be the major emphasis of the Stormwater Utility Manager in the first half of 2018 (and beyond if more work is needed to finalize the rate structure).

**Table 6: Stormwater Utility Recommended Plan for Phasing in of New Services\***

	<b>Phase 1</b>		<b>Phase 2</b>	<b>Phase 3</b>
<b><u>Service</u></b>	<b><u>1.1 2017</u></b>	<b><u>1.2 January-June 2018</u></b>	<b><u>July 2018-2019</u></b>	<b><u>2020- 2022</u></b>
<b>Administrative</b>	Town Code adopted (Stormwater Utility; Enterprise Fund). Stormwater Commission formed. Stormwater Utility Manager hired. Initiated tracking of stormwater expenses.	Stormwater Advisory Commission begins meeting. Rate structure developed and adopted. Interlocal Agreement with County for billing.	Stormwater Specialist hired. Stormwater Plan updated. First annual report to community. Billing and revenue collection from fees begins. Regulatory annual reporting. Drainage assistance policy adopted.	Jordan Lake Rules implementation anticipated NPDES permit reissued (2022) Bolin Creek Watershed Restoration Plan revisited.
<b>Community</b>	Pre 2017 efforts continue	Pre 2017 efforts continue	Drainage assistance program begins. Local public education/ outreach program initiated.	Drainage assistance program expands. Public education/outreach program expands
<b>Infrastructure</b>	Pre 2017 efforts continue	Pre 2017 efforts continue	Enhanced maintenance/repair and green infrastructure opportunities identified.	Stormwater retrofit/capital projects program begins
<b>Planning</b>	Pre 2017 efforts continue	Pre 2017 efforts continue	Review stormwater provisions in LUO.	Implement any changes identified.
<b>Field</b>	Pre 2017 efforts continue	Pre 2017 efforts continue	Post construction maintenance and inspection program expansion.	Post construction maintenance and inspection program fully implemented

\*the timing assumes that a rate structure is adopted in FY 17/18.

## **2. Stormwater Management Cost Projections**

### **2.1 Introduction**

North Carolina legislation allows municipalities to charge a stormwater fee that covers only those expenditures related to the stormwater program. To determine the amount of money needed, it is essential to identify relevant current and expected stormwater expenses, and to also not include expenses that are more appropriately assigned to other Town budget accounts. Examples of stormwater specific costs include items such as: stormwater plan review for new development, inspections of stormwater control measures, illicit discharge investigations, street sweeping, maintenance of stormwater infrastructure, and stormwater capital improvement projects.

A very preliminary three year budget was created for the utility in 2017 to supplement the adoption of the legal foundation in the Town Code and the FY 2017/2018 Town Operating Budget (Table 7). The basic strategy for that estimate was to focus efforts in FY 17/18 on getting the administrative structure established, transition into collecting new revenue through fees and operating the utility in FY 18/19 in; and begin implementation of capital projects in FY 19/20. Over the past five years, the Capital Improvements Program has been identifying stormwater capital projects. The CIP was most recently updated in January, 2018, and includes a 5 year plan for stormwater projects, with a need for additional projects recognized beyond this planning horizon.

**Table 7: Three Year Stormwater Program Budget Presented in June, 2017**

	<b><u>Year 1</u></b> <b><u>FY 2017-18</u></b>	<b><u>Year 2</u></b> <b><u>FY 2018-19</u></b>	<b><u>Year 2</u></b> <b><u>FY 2019-20</u></b>
<b><u>Revenues</u></b>			
<b>Stormwater Fees</b>	- 0 -	\$430,000	\$430,000
<b>Transfer from G. F.</b>	\$308,383	\$213,658	\$224,531
<b><u>Total Revenues</u></b>	<b><u>\$308,383</u></b>	<b><u>\$643,658</u></b>	<b><u>\$654,531</u></b>
<b><u>Expenses</u></b>			
<b>Personnel</b>	\$105,383	\$192,797	\$196,653
<b>Operating</b>	\$203,000	\$450,861	\$457,878
<b><u>Total Expenses</u></b>	<b><u>\$308,383</u></b>	<b><u>\$643,658</u></b>	<b><u>\$654,531</u></b>

## 2.2 Cost Projections

From the above discussion and supporting information in this document, a five year stormwater program cost projection has been developed, using the following foundation.

1. Capture all known current operational stormwater related expenses. (In FY 17/18, Town staff began tracking stormwater specific expenses. Year to date reports were run as input into annual estimates).
2. Capture new operational expenses associated with better service for existing stormwater regulatory requirements and plan for new/potential stormwater regulatory requirements;
3. Plan for future stormwater capital projects and enhanced infrastructure maintenance, repair, and replacement;
4. Minimize administrative burden/overhead and maximize delivery of services and environmental enhancement;
5. Collect sufficient revenue to minimize future needs for rapid or significant increases in fees, and address future capital needs.
6. As discussed above, a new Stormwater Specialist staff position is recommended to provide support with delivery of services;
7. It is anticipated that approximately 3 miles of new town-maintained streets and conveyance and 20 SCMs on private property will be added due to new development during the five year period
8. The Town currently owns 6 SCMs but is planning to construct more at MLK and Anderson Park. Projections reflect both the capital costs and the expected increase in maintenance.
9. The Town has an adopted Drainage Policy. There is interest in revising this policy and establishing a new Drainage Assistance Program that could include cost sharing.
10. The projections have been used to identify revenue needed, but have not tried to discriminate between revenue funds made available through the new Enterprise Fund and the General Fund.

It is important to note that the cost projections presented are “best current estimates”, but are not intended for final budgetary use or as firm or fixed values. The main purpose of these estimates is to provide guidance in the determination of the rates needed to deliver the desired services. The expense amounts and timing, based on future and more detailed financial analysis, can and should change as specific inputs for future operating and capital budgeting as the Utility transitions from a formative to fully operational status.

The five year financial estimates are summarized in Table 8, and the following points are offered for the line items:

- 1) The estimates assume that a new Stormwater Specialist position is hired in December, 2018. Personnel expenses are also allocated to all service categories, with amounts varying by year. There is a shifting of allocation from more administrative time to more non-administrative time during the five year window. Non-personnel administrative expenses cover a range of items including but not restricted to dues, training, conferences, routine office expenses/supplies, vehicle use, and legal, and contractual services.
- 2) The Infrastructure estimates cover routine stormwater system maintenance, repairs, retrofits, street sweeping, green infrastructure, capital stormwater and stream restoration projects, and Public Works facility expenses.

- 3) The Planning estimates cover staff time and engineering services for development review, LUO updates, and construction oversight related to stormwater.
- 4) The Community estimates cover establishment of the Drainage Assistance Program and cost sharing, outreach and education, and Stormwater Advisory Commission budget.
- 5) The Field estimates cover SCM maintenance and inspection, benthic monitoring, stream repair materials, and cost sharing for stream gage maintenance
- 6) The recommended revenues from the rate structure creates a surplus to help fund capital expenses both within and beyond the 5 year window.

**Table 8: Five Year Stormwater Program Cost Projection\***

	<u>FY 18/19</u>	<u>FY 19/20</u>	<u>FY 20/21</u>	<u>FY 21/22</u>	<u>FY 22/23</u>
<b><u>Administrative Services</u></b>	\$169,569	\$141,805	\$127,307	\$133,743	\$138,501
<b><u>Infrastructure Services</u></b>	\$163,150	\$246,090	\$369,110	\$551,535	\$520,414
<b><u>Planning Services</u></b>	\$67,650	\$72,408	\$74,286	\$76,252	\$78,309
<b><u>Community Services</u></b>	\$38,650	\$66,375	\$92,860	\$100,575	\$108,436
<b><u>Field Services</u></b>	<u>\$30,650</u>	<u>\$60,762</u>	<u>\$57,439</u>	<u>\$59,706</u>	<u>\$61,569</u>
<b>Total</b>	\$469,670	\$587,440	\$721,003	\$921,811	\$907,229

\*personnel costs are allocated amongst the 5 service categories, with the allocation varying by year. More administrative time is expected at the start of the 5 year period, and less at the end.

### 3. Fee Analysis and Recommended Rate Structure

“Stormwater management utility shall mean an organizational structure established by the Town, that is responsible for funding, administering, and operating the Town's stormwater management program, and that is supported through a rate structure based on the impervious surface area and found on land parcels located within the town limits.” *Carrboro Town Code Section 18-4*

#### 3.1 Introduction

The above excerpt from the Town Code creates the fundamental basis for the work presented in this section. In Section 3.2, an analysis is presented that establishes the foundation for a recommended rate structure. In the Section 3.3, the recommended rate structure is presented, along with a discussion of the recommended approach to refine and improve the rate structure in future years as the utility matures, adds capacity, and is able to improve the information used to create the rate structure.

An overview of elements from the Town Code that are most relevant to the rate structure is presented in Table 9<sup>11</sup>. An important contextual premise is that the analysis and recommended rate structure assumes that the Town will choose to pursue a fee basis rather than a property tax basis, as generally provided for in the Town Code.

**Table 9: Town Code Stormwater Utility Definitions**

<b>Town Code Section</b>	<b>Important Direction</b>
18-3: Definitions	Includes over a dozen important definitions. For example, determines how to distinguish between residential and nonresidential parcels, provides specificity for the concept of impervious surface, and defines Equivalent Residential Unit (ERU) as a unit of comparison
18-4 Utility and Enterprise Fund	Establishes utility and dedicated stormwater funding; requires that revenue collected only be used for stormwater, and a Public Hearing be held prior to collecting revenue
18-5 Jurisdiction	Establishes the municipal limits as the area within which the Town can collect revenue
18-6 Rate structure (Reserved)	To be added after establishment of the rate structure
18-7 Schedule of fees and charges	Establishes that rates, fees, charges, and penalties apply to properties in municipal limits
18-9 Exemption and credits	Establishes the properties that are exempt from service charges; allows for establishment of a credit manual.

<sup>11</sup> The complete stormwater utility section of the Town Code is available at <http://www.ci.carrboro.nc.us/DocumentCenter/View/4631>

Given the Town's interest in social equity, it is important to point out that Section 18-9 (a) of the Town Code specifically places constraints on the ability of the rate structure to address social equity:

**Town Code Section 18-9(a).** “Statement of policy. Except as provided in this section, no public or private property shall be exempt from stormwater management utility service charges or receive a credit or offset against such stormwater management utility service charges. No exemption or reduction in stormwater management utility service charges shall be granted based on the age, tax or economic status, race, or religion of the customer, or other condition unrelated to the cost of providing stormwater services and facilities.”

The analysis and rate structure presented below is premised on the Town Code requirements. It also attempts to minimize the administrative burden of applying the structure, while remaining as equitable as possible to property owners.

There are three basic approaches currently being used by NC jurisdictions for a fee structure<sup>12</sup>, in increasing order of administrative complexity and need for more precise imperviousness data:

- 1) Flat fee. A flat fee means that the same fee is applied to all properties, regardless of any variables such as differing amounts impervious surfaces;
- 2) Tiered fee. This approach identifies a series of different fees for different classes of properties. Most typically, this has been applied based on a range of impervious surface areas per class, with multiple and likely many parcels falling within each tier;
- 3) Per unit/parcel specific fees. This approach uses the ERU or a direct estimate of impervious surface area to assign a unique fee to each parcel.

To put these approaches into context for Carrboro, 4869 nonexempt parcels<sup>13</sup> have been identified to which a fee needs to be assigned, with imperviousness estimates by parcel ranging from 500 square feet to almost 600k square feet, or over two orders of magnitude. A single flat fee would have clear equity concerns by undercharging some and overcharging others. A tiered fee provides some middle ground, but still allows for some inequity within tier classes given the variability. A per unit fee is, hypothetically, the most equitable, but is administratively problematic due to the extra burden with developing sufficiently precise impervious surface data at a parcel scale, and an implementation burden with the effort needed to respond to questions and disputes about impervious surface estimates.

<sup>12</sup> This article by UNC's Environmental Finance Center further discusses these:  
<http://efc.web.unc.edu/2017/04/27/state-stormwater-fees-north-carolina/>

<sup>13</sup>This only includes properties using the 10 digit PIN. It does not include condominium properties (3 digit sub PIN)

A recurring common challenge faced by forming stormwater utilities is the significant administrative burden in determining parcel specific impervious surface estimates which are applied to calculate parcel specific fees, based on imperfect information. The rate structure that is adopted can contribute to or help alleviate this burden. With other types of public utilities, the service charge is based on metered usage. It is not practical to measure the quality and quantity of stormwater runoff from individual properties. Impervious surface area has emerged as the metric of choice for stormwater rate structures.

Based on over a decade of experience in Chapel Hill<sup>14</sup>, more precise tracking of impervious surface on individual parcels would take a concerted study initially (either in house or contracted), and a significant amount of ongoing staff time to maintain. The combination of the imprecision of GIS data and Carrboro's dense development with small lots compounds the challenge. It is recommended that as much of the revenues generated by the Utility as possible go towards solving environmental problems and serving the community, rather than meticulous tracking of impervious surfaces at a small parcel scale. In the discussion and analysis that follows, a hybrid structure that utilizes a flat residential fee and nonresidential tiers is proposed, recognizing the opportunity to change this structure in the future as more accurate and precise GIS data is developed.

### **3.2 Analysis**

This section begins with a discussion of assigning properties for inclusion in the utility ("non-exempt" properties) and as residential or non-residential, and concludes with an analysis of impervious surfaces.

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<sup>14</sup> Chapel Hill has adopted a rate structure with 7 single family residential tiers, and a separate structure for condominiums and townhomes. Chapel Hill has a full time position dedicated to maintaining and administering the impervious and billing data. This does not include the billing itself, which is done by Orange County for about \$50k/year.

### **3.2.1 Identifying Non-Exempt Properties**

The first step in the analysis was to identify all parcels located in Carrboro. This was a straightforward GIS step that involved overlaying the municipal boundary on the parcel (property) data, and visually examining parcels along the edge of the boundary to make sure parcels were appropriately accounted for. The next step was to remove exempt parcels as defined in the Town Code. The first two items on the list of exempted properties (public transportation and railroad rights of way) were straightforward and required no special processing since the GIS parcel data does not include polygon features for them. Town-owned properties to remove from the parcel dataset were determined by a combination of text searching in the attribute information of the parcel data and visual examination of known Town property, including facilities, parks, and other properties. The third item required selecting and removing parcels with less than 500 sf of impervious surfaces. Removing the designated HOA parcels involved a visual examination and selection of HOA parcels to exempt using GIS zoning and stormwater polygonal and attribute data. The Parcel Identification Number (PIN) was used as the unique identifier for each parcel.

#### ***Properties Exempted from Stormwater Fee (from Town Code)***

*(1) Publically dedicated roads, streets, greenways, sidewalks and other publically dedicated rights- of-way and easements.... This exemption shall not apply to internal site roadways.....*

*(2) Railroad rights-of-way.....*

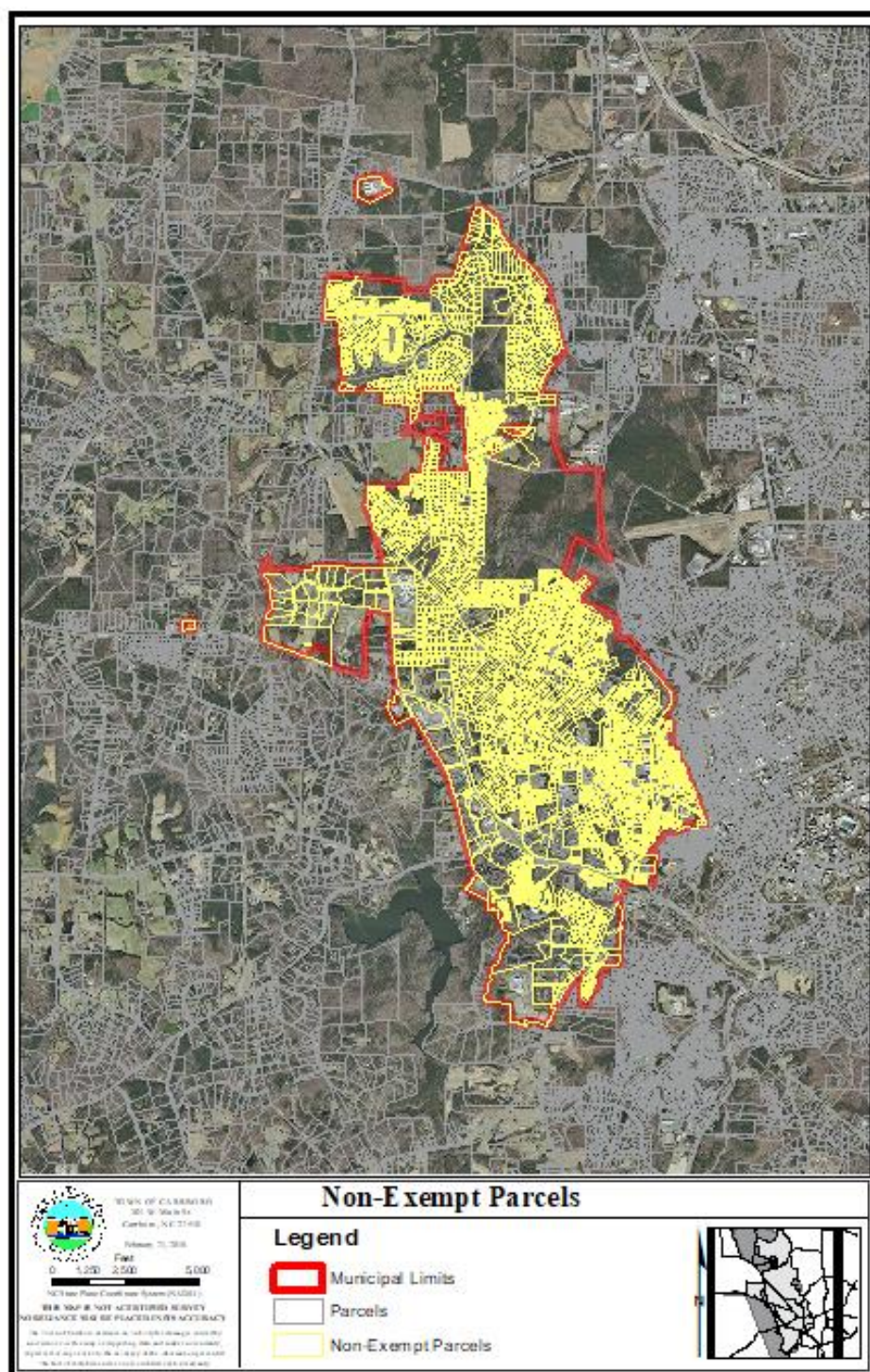
*(3) Undeveloped land, open space or land parcels with fewer than 500 sf of impervious surface area.*

*(4) Parcels maintained by homeowner associations as undeveloped open space or with engineered stormwater control measures.*

*(5) Town-owned property.*

Figure 2 is a map indicating all nonexempt parcels. Appendix 4 includes maps breaking this out for residential and non-residential parcels, as discussed in the next section.

### Figure 2: Nonexempt Parcels Subject to Stormwater Fee



### **3.2.2 Assigning Properties as Residential or Nonresidential**

As discussed in Appendix 3, stormwater utility fees in North Carolina are almost universally based on impervious surface area. The reasoning is that as impervious surface increases, more stormwater runoff is generated with a greater potential to carry more pollutants. The Town Code defines properties as being either residential or nonresidential for purposes of determining the applicable service charge (fee). It is important to note that “residential” specifically refers to single family/detached residences and multifamily/attached residences on separate parcels. “Nonresidential” refers to multifamily/attached residences on a single parcel and all other non-residential parcels.<sup>15</sup> There are many attached residences in Carrboro on separate parcels. A combination of parcel, planimetric, and zoning GIS data and visual scanning were used to assign all nonexempt parcels as either residential or nonresidential. For example, planimetric building attribute data includes information about the type of building. For much of the residential neighborhoods and downtown area of Carrboro, assigning properties into one of these two categories is straightforward and unambiguous. Making this assignment for the transitional commercial/residential areas in town required a more tedious parcel by parcel review of GIS data. Note that further break down nonresidential properties into tiers was pursued, as discussed below. Maps of residential and non-residential parcels are included in Appendix 4.

*From Town Code:*

*Residential parcel shall mean a parcel with a single-family residential structure used as a single-family dwelling and whose primary uses is as a single-family residence; residential condominiums/townhomes subdivided as individual parcels are considered residential parcels.*

*Nonresidential parcel shall mean a parcel that is developed land not used as a single-family residence; this includes, but is not limited to, commercial, industrial, institutional properties, and apartment complexes.*

<sup>15</sup> The lone exception is that, based on input from the Board of Aldermen in June, 2017, the analysis presented interprets duplexes (two unit attached residences) on a single parcel as “residential”.

### **3.2.3 Impervious Surface Analysis**

A GIS analysis of impervious surfaces was completed to support the creation of a rate structure. The analysis was guided by these general parameters and available data:

- 1) using parcel data provided by Orange County to identify parcels to include in the analysis, as discussed above;
- 2) using Town maintained GIS data (including planimetric data, results of a 2013 study of impervious surfaces in Carrboro, and the most recent orthophotography) to create an updated dataset of impervious surfaces.

Following on the assignment of parcels into two categories, two separate (but related) analyses were completed. The first was to calculate the "Equivalent Residential Unit" (ERU), which is the amount of square footage of impervious area associated with a small residential parcel. The second analysis involved separating the large residential/nonresidential parcels into distinct tiers for assignment of fees, based on the ERU.

As a matter of routine GIS database management, building footprint data for permitted buildings have been comprehensively and continuously updated as Carrboro's new development is built out.<sup>16</sup> There are other types of impervious surfaces such as parking lots, private roads, driveways, paths/sidewalks, recreational areas (e.g., tennis/basketball courts), patios, and unpermitted buildings.<sup>17</sup> A comprehensive analysis and GIS database creation of all impervious surfaces in Carrboro was completed in 2013. However, some types of impervious surface data are not being routinely maintained; some impervious surface changes since 2013 have therefore not been captured. For this study, where larger and obvious areas of imperviousness were observed, especially for larger nonresidential parcels, these areas were digitized and added to the impervious GIS dataset. However, it was beyond the scope of what was possible within time and resource constraints to attempt to more comprehensively update the impervious surface data.

Another detail for the impervious surface analysis is that permeable pavement designed and maintained per recognized specifications was not recognized as an impervious surface for the purposes of this study, but rather as a stormwater control measure. Its use in Carrboro is currently very limited.

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<sup>16</sup> A good GIS public streets, sidewalks, and greenways database is also available, however, this category of impervious surface data is exempted from the utility, and is therefore not relevant to this analysis.

<sup>17</sup> The 2013 impervious surface analysis did attempt to differentiate whether roads, parking lots, and driveways were paved or unpaved. For this rate study, the distinction between "paved" and "unpaved" was not considered to be an important one; these areas were all considered to contribute to the total impervious surface of a site. The surface treatment of these types of use areas is one factor affecting hydrology and runoff; the subsurface treatment is also very important. Typically, vehicular and bike/pedestrian facilities are graded and compacted to shed water rather than encourage infiltration. Often, impervious subgrade materials are imported. Use over time adds to compaction.

The accuracy and precision of both the impervious and property/parcel boundary GIS data is an important consideration in establishing rates, as further discussed in Section 3.4. Carrboro's (via Orange County) GIS parcel data does not have the "metes and bounds" accuracy and precision of surveying. Visual

*"...using impervious surface data for tiered residential or "per unit" assignment of nonresidential fees is not recommended at this time because of the current accuracy of parcel and impervious surface GIS data."*

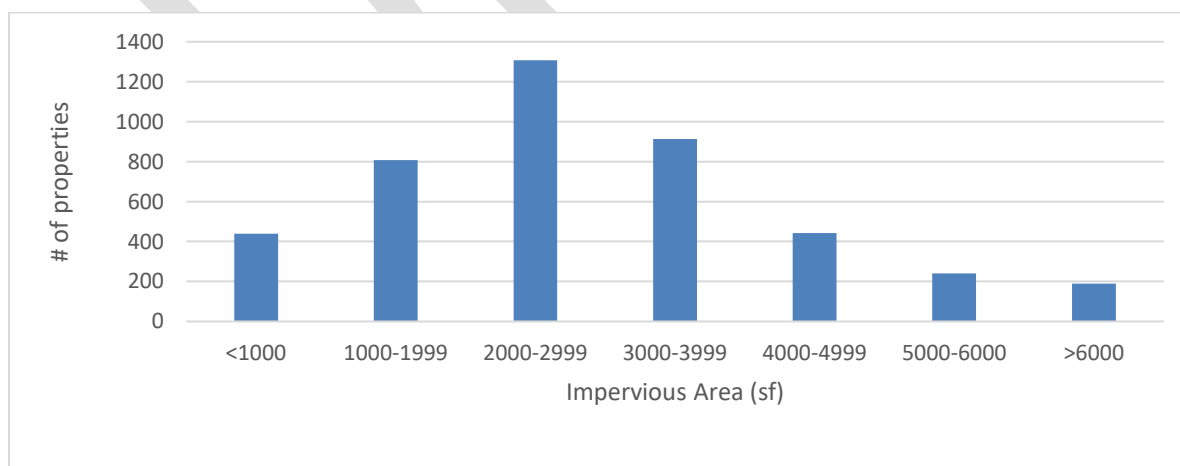
examination of GIS parcel boundary data during the analysis indicated that for some parcels, the parcel data appeared to represent the property boundary very accurately, but for other parcels, the depiction appears to be less accurate. Similarly, it appears that a high percentage of the impervious surface areas depicted for specific properties are relatively accurate, however, a small percentage are less accurate. This supports the recommendation that using impervious surface data for tiered residential or "per unit" assignment of nonresidential fees is not recommended at this time because of the current

accuracy of parcel and impervious surface GIS data.

### 3.2.3.1 Residential Impervious Surface

Given a decision to recommend a flat residential fee, the extent of the analysis required for residential parcels was to overlay all the single family residential parcels on the impervious data. Median and mean values of 2710 and almost 3000 square feet were determined (Figure 3). The Town Code assigns a value of 2800 square to the ERU which is based on the value initially used while Hillsborough was recently creating their stormwater utility.<sup>18</sup>

**Figure 3: Impervious Area for Residential Parcels**



<sup>18</sup> 2455 square feet is another frequently referenced ERU value in NC (see the EFC section in the Appendix).

### 3.2.3.2 Non-residential Impervious Surface

For non-residential properties, staff used the nonresidential parcels and GIS impervious surface data discussed above to calculate the impervious area per parcel. As expected, a wide range of impervious area per parcel was identified. An important finding is that the distribution is notably asymmetrical with a long “tail” (Figure 4). A tier structure was chosen that identified breakpoints that balance the need for sufficient and meaningful resolution in the structure and the accuracy and precision of the GIS data that is available. These tiers were set up with smaller ranges of impervious area for property with less imperviousness, representing a large majority of the 313 nonresidential properties.

**Figure 4: Impervious Area Tiers for Nonresidential Parcels**



(Y axis is number of properties per tier, X axis shows tiers)

Table 10 summarizes the distribution of impervious area across nonresidential properties, and also assigns a total of 22 tiers to use for the rate structure. Based on the general distribution of data, with most nonresidential parcels being less than 2 acres, and the parcels with the most imperviousness having almost 600,000 square feet (about 13 acres) of imperviousness, it is recommended that this tiered structure for nonresidential properties be used. This approach balances considerations around: the accuracy of current data; administrative time with further impervious analysis and resolution of property level discrepancies, inquiries, and disputes; and providing as much equity as possible in the rate structure.

**Table 10: # of Non-Residential Properties by Tier**

<b>Tier</b>	<b>Impervious Area (sf)</b>			<b>ERUs</b>	<b># Properties</b>
	<b><u>Minimum</u></b>	<b><u>Maximum</u></b>	<b><u>Median</u></b>		
1	500	5999	3250	1	80
2	6000	23999	15000	5	214
3	24000	41999	33000	11	37
4	42000	59999	51000	17	11
5	60000	89999	75000	25	11
6	90000	119999	105000	35	9
7	120000	149999	135000	45	6
8	150000	179999	165000	55	3
9	180000	209999	195000	65	3
10	210000	239999	225000	75	6
11	240000	269999	255000	85	1
12	270000	299999	285000	95	3
13	300000	329999	315000	105	3
14	330000	359999	345000	115	1
15	360000	389999	375000	125	1
16	390000	419999	405000	135	2
17	420000	449999	435000	145	1
18	450000	479999	465000	155	1
19	480000	509999	495000	165	1
20	510000	539999	525000	175	0
21	540000	569999	555000	185	0
22	570000	599999	585000	195	1

### 3.3 Recommended Rate Structure

Using the above discussion as a foundation, the recommended rate structure is provided below. It is proposed that there will be a flat fee for all residential properties during the first year of implementation, and that a process be simultaneously pursued to improve the data to allow for residential tiers to be added

*It is proposed that there will be one flat fee for residential properties.*

in future years. It is important to note that the Town Code provides for (and a process will be established as an implementation step) to allow property owners to request a review of their calculated impervious surface and associated fee. The addition of tiers in the residential structure will add substantially to the administrative

burden because of the time spent resolving disputed assignment of residential fees. This conclusion has been reached both through the review of the available parcel and impervious data as well as conferring with other local government stormwater utility staff. In the future, the Town should consider two or more residential tiers, but doing so is not recommended as the utility is starting up due to the administrative burden that would result due mainly to the current accuracy and precision of available GIS data. For nonresidential properties, a tiered structure will allow for a more flexible and equitable fee assignment. This structure makes more sense for these properties that are substantially larger and have considerably more impervious surface, both per parcel and collectively. The larger parcel size also results in generally better data for calculating parcel level imperviousness. The limited staff time available would be better spent resolving impervious surface calculations for this much smaller number of properties with much more impervious surface than for residential properties.

*For nonresidential properties, a tiered structure will allow for a more flexible and equitable fee assignment.*

To determine the recommended fee amounts, the five year cost projections and future capital needs were compared to expected revenue for various rate amounts. Fees set by other municipalities, and especially municipalities in the Jordan and Falls Lakes' watersheds, were used as a secondary consideration for determining the recommended structure (see Appendix 3). The proposed fee is about at the 75<sup>th</sup> percentile compared to fees for all other North Carolina municipalities, and close to the median when compared just to municipalities in the Upper New Hope arm of Jordan and Falls Lake watersheds.

Based on the direction from the Town Code, the discussion and analysis presented above (including the 5 year projection of expenses and impervious surface analysis) as well as a comparison of rates in other jurisdictions (Appendix 3), the following stormwater utility service charges/fees are proposed:

**Table 11: Recommended Rate Structure****(Annual Service Charge/Fee)**

<b>Residential</b> (1 ERU).....	\$75
<b>Non-residential:</b>	
Tier 1 (1 ERU).....	\$75
Tier 2 (5 ERUs).....	\$375
Tier 3 (11 ERUs) .....	\$825
Tier 4 (17 ERUs) .....	\$1275
Tier 5 (25 ERUs) .....	\$1875
Additional Tiers (+10 ERUs)* ....add \$750 from the immediately adjacent lower tier	

\*in 10 ERU increments, price per tier, total of 22 tiers. The largest tier has 195 ERUs. The annual fee for this tier is \$14,625. A table showing all 22 non-residential tiers is provided in Table 12.

This rate structure is recommended based on an assessment of the annual operational needs to provide comprehensive service delivery, and to also have a surplus to address future capital projects, currently estimated at over \$4M. From a historical perspective, the Town has been operating its stormwater program for over a decade with an annual budget estimated at \$200k-\$300k, and no capital reserves. For strictly meeting operating (and not capital) needs, the current annual budget needed to both more fully addresses regulatory requirements but also increases service delivery and infrastructure maintenance is projected to be about \$500k. The recommended rate structure is projected to create an annual revenue stream of about \$800k, or about \$300k of surplus per year that can be used for both/either further enhancements in service delivery and/or creating a capital reserve.

**Table 12: Complete Non-Residential Rate Structure**

<b><u>Tier</u></b>	<b><u>Minimum IS</u></b>	<b><u>Maximum IS</u></b>	<b><u>Median IS</u></b>	<b><u>ERUs</u></b>	<b><u>Fee</u></b>	<b><u># of Properties</u></b>
<b>1</b>	500	5,999	3,250	1	\$75	80
<b>2</b>	6,000	23,999	15,000	5	\$375	214
<b>3</b>	24,000	41,999	33,000	11	\$825	37
<b>4</b>	42,000	59,999	51,000	17	\$1,275	11
<b>5</b>	60,000	89,999	75,000	25	\$1,875	11
<b>6</b>	90,000	119,999	105,000	35	\$2,625	9
<b>7</b>	120,000	149,999	135,000	45	\$3,375	6
<b>8</b>	150,000	179,999	165,000	55	\$4,125	3
<b>9</b>	180,000	209,999	195,000	65	\$4,875	3
<b>10</b>	210,000	239,999	225,000	75	\$5,625	6
<b>11</b>	240,000	269,999	255,000	85	\$6,375	1
<b>12</b>	270,000	299,999	285,000	95	\$7,125	3
<b>13</b>	300,000	329,999	315,000	105	\$7,875	3
<b>14</b>	330,000	359,999	345,000	115	\$8,625	1
<b>15</b>	360,000	389,999	375,000	125	\$9,375	1
<b>16</b>	390,000	419,999	405,000	135	\$10,125	2
<b>17</b>	420,000	449,999	435,000	145	\$10,875	1
<b>18</b>	450,000	479,999	465,000	155	\$11,625	1
<b>19</b>	480,000	509,999	495,000	165	\$12,375	1
<b>20</b>	510,000	539,999	525,000	175	\$13,125	0
<b>21</b>	540,000	569,999	555,000	185	\$13,875	0
<b>22</b>	570,000	599,999	585,000	195	\$14,625	1

#### **4. Implementation Process**

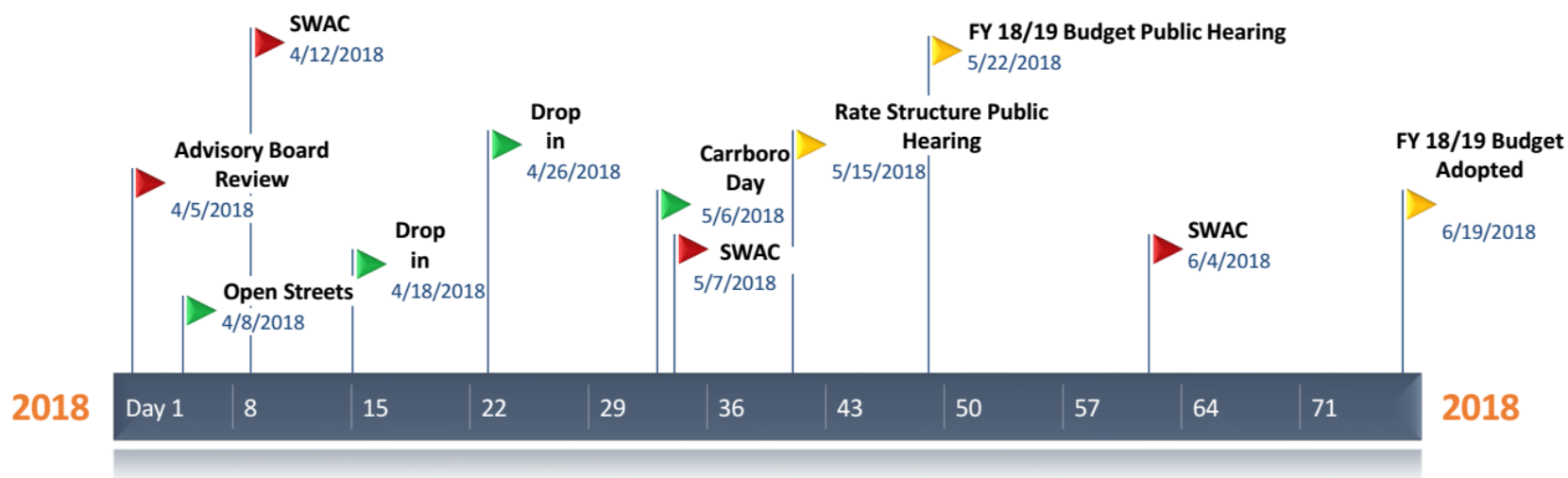
The drafting of this report is just one step in adopting a rate structure. A recommended process and timeline is provided in Figure 5. In the spring of 2018, this study and a draft rate structure have been presented to the Stormwater Advisory Commission, other advisory boards, and to the community prior to a Public Hearing. The document and rate structure will be finalized based on the input received.

Additional outreach materials have been prepared, and a community engagement process pursued. A public hearing has been scheduled for May 15<sup>th</sup> to formally receive public input on the fee/rate structure (this is a statutory requirement). In the late spring of 2018, the Board of Aldermen could officially adopt a rate structure/fee schedule and approve an Interlocal Agreement with Orange County to provide billing and collection.. Town staff would then provide data to the Orange County tax office to be sent out on tax

bills due between September 2018 and January 2020. Other administrative actions will be needed after the rate structure is adopted to facilitate the transition to a fully operating utility. Examples include administrative procedures to handle disputed fees. It may also be desirable to create a procedure and manual to provide for crediting for nonresidential properties with Stormwater Control Measures that treat stormwater, along with a fee assistance program and procedure for seeking assistance.

DRAFT

**Figure 5: Stormwater Rate Structure Outreach and Establishment Schedule**



## Appendices

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## Appendix 1 Glossary

**Capital Improvements Program** is the five year plan which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.

**Equivalent Residential Unit (ERU)** is a typical unit used to assess stormwater fees and is equivalent to the average impervious surface area of a single family residential parcel within a given jurisdiction. Non-residential properties are often converted to a specific number of ERUs based on their size for billing purposes. For example, if a utility determines their ERU area is 2,000 square feet, a business with 20,000 square feet of impervious service would be billed for 10 ERUs

**Green Infrastructure** is an approach to managing stormwater that provides many environmental and community benefits. While single-purpose gray stormwater infrastructure—conventional piped and ditched drainage—is designed to move urban stormwater away from the built environment, green infrastructure reduces and treats stormwater at its source, recognizes water as a resource rather than waste product, and enhances the built environment.

**Illicit Discharge** is any discharge to an MS4 that is not composed entirely of stormwater, with some exceptions such as discharges from fire-fighting activities.

**Impervious Surface** refers to the areas of a site that do not allow water to infiltrate into the soil. These surfaces contribute to increased amount and velocity of runoff. The water picks up sediment and pollution, such as spilled automobile fluids, before making its way to stormwater drains, and ultimately directly into surface waters.

**Municipal Separate Storm Sewer System (MS4)** is the conveyance system operated by a public entity that captures stormwater runoff for discharge.

**National Pollution Discharge Elimination System (NPDES)** is the permit program of the Environmental Protection Agency which regulates discharge into waters of the United States. Certain municipalities must apply for (and receive) a NPDES permit in order to operate an MS4. These NPDES permits are categorized as Phase I or Phase II. There are six Phase I and 105 Phase II MS4s in North Carolina.

**Stormwater Control Measure (SCMs)** are physical structures requiring engineering design and construction to remove pollutants from stormwater runoff. They also provide flood control, reduce downstream erosion, promote groundwater recharge, and help meet local and State legislative requirements. For many years, SCMs were referred to as “BMPs”.

**Stormwater Credit** is an ongoing reduction in a property's normally calculated stormwater fee given for certain qualifying activities that reduce the impact of increased stormwater runoff resulting from development, or provide an ongoing public benefit related to stormwater management.

**Stormwater Enterprise Fund** is considered a best practice to promote and maintain long-term financial sustainability for stormwater activities. Its purpose is the dedication and protection of funding applicable to the responsibilities of a stormwater management utility including, but not limited to, rents, rates, fees, charges, and penalties.

**Stormwater Fee** is a stormwater management service charge, applicable to a land parcel, which generally reflects the impact on or demand for stormwater management services provided by a local government to properly control and manage stormwater runoff quantity and/or quality associated with the land parcel. The fee can vary, typically based on the amount of impervious surface.

**Stormwater Utility** is the organizational structure established by a local government that is responsible for funding, administering, and operating the stormwater management program, and that is supported through a rate structure based on the local conditions (e.g., impervious surface) found on land parcels located within the municipal limits.

## Appendix 2. Carrboro's Current Stormwater Management Program

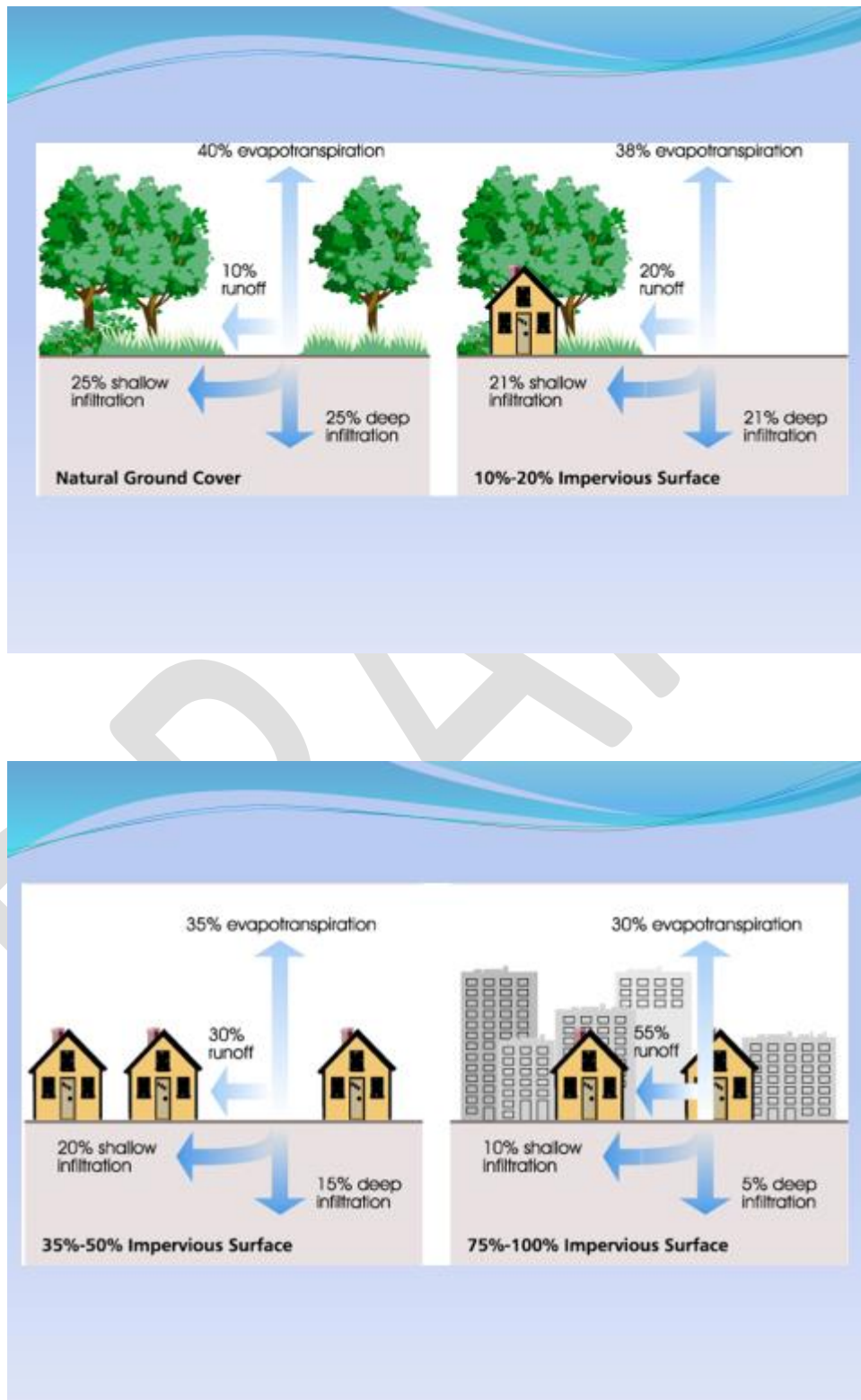
Stormwater (aka “stormwater runoff”) refers to the water running off of developed areas during and immediately after rain. In undisturbed/forested watersheds, about 5% of the annual precipitation becomes surface runoff, with the remainder evaporating, being used by vegetation, and infiltrating into the ground. In developed watersheds, the amount of water running off can approach or exceed 50% of the annual precipitation, depending on the degree of development and implementation of both structural and nonstructural approaches to deal with the stormwater runoff. Adding impervious surface increases the amount and velocity of stormwater runoff. Stormwater concerns focus on the negative consequences of excessive runoff and its effects on people (health and safety), property/infrastructure, erosion, impacts to aquatic biota (local and downstream), stream channel stability, groundwater recharge, and the quality and cost of treatment of drinking water. In addition, as stormwater flows across impervious surfaces, it picks up various pollutants. These include excess nutrients, oil and grease, bacteria, sediment, and toxic compounds. Polluted stormwater flows down storm drains and ditches, into local streams, and eventually into Jordan Lake.

“Stormwater management” is an umbrella term for the host of activities pursued to minimize the negative consequences of runoff. For the past several decades, about 5% impervious cover within a watershed has been recognized as a threshold for when stormwater management needs kick in to protect the aquatic health of receiving streams. Most of Carrboro has been developed to a level that exceeds this amount of impervious cover<sup>19</sup>.

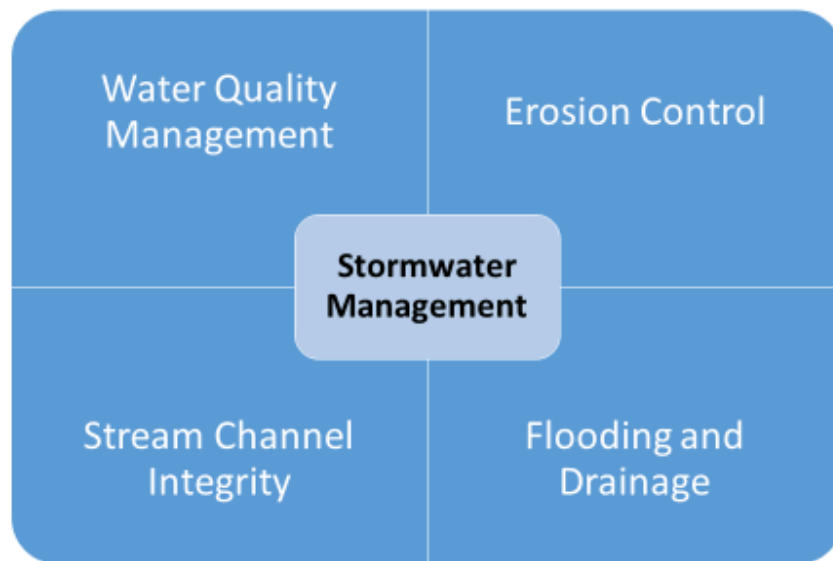
Though interdependent, stormwater management interests can be broken down into four related but separate environmental contexts, described in greater detail below: water quality management; erosion control from disturbed land; stream channel integrity; and drainage and flooding issues. A broad description of the Town's current and future stormwater activities and services that address these issues is also provided.

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<sup>19</sup> An analysis completed as part of the 2012 Bolin Creek Watershed Restoration Plan revealed that the most upstream extent of the watershed was about 5 % impervious, with the highest % impervious (slightly > 20%) in Carrboro occurring in the Tanbark Branch watershed in downtown Carrboro.

**Figure A2-1: Impacts of Development on Stormwater Runoff**

**Figure A2-2:  
The Separate but Related Environmental Aspects of Stormwater Management**



**Water quality management** focuses primarily on minimizing impacts on aquatic and human health associated with toxic chemicals (e.g., heavy metals, pesticides, synthetic organic chemicals), nutrient enrichment (e.g., inorganic and organic fertilizer), oxygen demanding organic waste, microbial/bacteriological contamination, siltation/sedimentation/turbidity, and related habitat degradation. Water quality has been regulated in Carrboro since 1999 by utilizing stormwater control measures that treat the first 1" of rain from a storm event that remove at least 85% of the "total suspended solids". 1" rain events happen on average several times a year. The emphasis on managing this amount of runoff takes into account the "first flush" concept in which a large majority of contaminants in runoff accumulate between rain events and then are carried in this first inch of rain. Carrboro has been relying on State design manuals and methods to identify the appropriate control measures to utilize for development projects permitted under the Land Use Ordinance (more below). However, some areas of Town were developed

when stormwater management and stream buffer ordinance provisions either did not exist or did not include more recent and extensive environmental protection provisions.

**Erosion control** for development projects falls under specific state regulations which, for Carrboro, is administered by Orange County staff. Erosion control for public infrastructure/facilities is regulated by the State. Bonafide agricultural, forestry, and mining are exempt from local regulation in Orange County, and are regulated under state and federal authority. Erosion control regulatory authority focuses on utilizing approved best management practices (e.g., site preparation; site stabilization with seed/straw/matting; silt ponds with inlet and outlet protection and skimmers; perimeter protection; non-erosive conveyance) for the construction site. Compliance for erosion control is limited to oversight of the correct design, installation, and maintenance of the BMPs in the site's erosion control plan; state law limits the ability to regulate the turbidity of water running off construction sites. The erosion control authority for construction/development projects does not extend to stream bank erosion of jurisdictional streams, nor to post construction erosion.

**Stream Channel Integrity.** During the past 10-20 years, watershed management has increasingly turned towards concepts recognized within the discipline of fluvial geomorphology, the study of the form and function of streams and the interaction between streams and the landscape around them. 'Fluvial' refers to the processes associated with running waters, 'geo' refers to earth and 'morphology' refers to channel shape. In this paradigm, an emphasis is placed on integrating stormwater management efforts that are site oriented with larger landscape and watershed scale efforts. Geomorphically motivated stream work can involve both less extensive ("stream repair") and more extensive ("stream restoration") projects which involve reforming the stream channel itself to create a more stable channel. In urban and urbanizing areas, channel geomorphology can be significantly compromised from more natural stream form and function; "natural channel design" techniques can be used to improve the channel form and function. Such projects can be relatively complex and expensive, given the sensitive ecology, engineering, regulatory and earth moving components. All intermittent (seasonally flowing) and perennial (continually flowing) streams are considered to be "jurisdictional", which means that their fundamental form and integrity are regulated under federal law, administered by both the Army Corps of Engineers and the State, under Sections 401 and 404 of the Clean Water Act.

While the largest floods move large amounts of sediment over short periods of time and shape the valleys and floodplain, they are relatively rare. The current scientific/engineering understanding recognizes the importance of “bankfull” flows as the condition when channels receive their maximum erosive stress and of the most importance in defining a stream's shape. The term bankfull refers to the water level stage that approaches the top of the streambank before spilling out of the channel into the floodplain. Bankfull flows tend to occur on the average two out of every three years, and are greater than the flow associated with the 1” water quality design storm but less than flows during flood events. This means that management to dampen the peak runoff and associated flooding from a storm through detention and subsequent release of water during the hours following the peaking of runoff can actually increase streambank erosion if the volume released approaches the “bankfull” flow. Carrboro passed LUO provisions in 2012 limiting the allowable increase in the annual volume of runoff specifically to recognize and address this potential, along with the need to maximize infiltration for groundwater recharge. For over a decade, Carrboro has also been participating in Bolin Creek watershed restoration activities which prioritize geomorphic restoration.

**Flooding.** Stormwater management to minimize flood impacts in Carrboro is driven by insuring no increase in the “peak” flow during a storm event for the 1 to 25 year recurring design storms (in a 24 hour period), or an amount of rainfall and runoff on the order of 5 times more than for the water quality design storm, and also an amount of water exceeding the bankfull/channel forming flow.

Managing flooding from a property damage perspective in regulated floodplains falls under state and federally administered floodplain management programs, with a prime concern being impacts on insurable properties. These regulations involve a continual updating of maps of flood zones regulated through flood modeling studies performed by the NC Floodplain Mapping Program, with oversight from FEMA. In Carrboro, these areas are located adjacent to the largest tributaries, i.e., Morgan Creek, Bolin Creek, Jones Creek, and Toms Creek.<sup>20</sup> It is worth noting that while federal and state floodplain regulation insures that new structures are not located in regulated flood zones and mapping is kept up to date, and provides relief for affected property in regulated flood areas, it does not cover low lying lands adjacent to smaller tributaries, nor overland runoff outside of recognized stream channels. The Town’s participation in the National Flood Insurance Program, starting in 1976, has allowed property owners

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<sup>20</sup> The most serious flooding impacts in Carrboro have been along Tom’s Creek. More information is available for Toms Creek and two other locations with flood related impacts at [this link](#)

access to subsidized insurance rates and grant funding. At the time the Town's participation began, the city limits encompassed approximately two square miles and is estimated to have included about 3,500 residences. Nuisance flooding of properties in low-lying areas occurs in several areas, primarily those developed prior to the mid-1970s. The Town's Drainage Policy, adopted in 1984<sup>21</sup>, contains the framework for deciding how drainage responsibilities are determined and paid for. The Town does not currently have a more fully developed Drainage Assistance Program for supporting private property landowners with drainage issues. Creating the Stormwater Utility provides an opportunity to revisit this policy and consider such a program.

Two additional aspects of stormwater management involve the regulation of stormwater runoff from new development, and managing the conveyance of runoff.

**Regulating Stormwater in New Development.** The Town Land Use Ordinance was put in place effective November 25, 1980, replacing the earlier, separate subdivision regulations and zoning ordinance. [Article XVI](#) of the Land Use Ordinance addresses flood damage prevention, stormwater management, watershed protection, and water quality buffer protection. Stormwater related provisions include sedimentation and erosion control during construction; impervious surface limitations and other standards for the University Lake watershed; regulation of peak flow, water quality from the 1" storm, and annual stormwater volume; and maintenance of structural stormwater control measures such as detention basins and bioretention (rain gardens). A series of updates to these requirements have been pursued over several decades to respond to Town interests and initiatives and also to federal and state requirements. The land use planning requirements for water supply watershed protection were amongst the first to be developed in North Carolina, and several of the other provisions exceed state and federal minimum requirements.

**Stormwater Conveyance System and Facilities Maintenance.** Under the NPDES permit (described below), the Town is responsible for defining and maintaining a "Municipal Separate Stormwater Sewer System" ("MS4") for the conveyance of runoff within Town limits. This system is by definition public, and therefore occurs in the public right of way or through dedication to the Town. Carrboro's current stormwater conveyance system utilizes a combination of conveyance approaches, ranging from curb and gutter, sidewalks and shoulders, underground piping, grassed swales, ditches including those with rip rap

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<sup>21</sup> Available at <http://www.townofcarrboro.org/DocumentCenter/Home/View/4969>

or armor, and for some conveyances, detention and/or dissipation systems at outlets prior to entering receiving waters. The Town has mapped a total of 88 miles of stormwater conveyances (of all types including open channels and pipes), 52 miles of which are on Town property, 13 miles of which are on State property, and 23 miles of which are on private property. The Town initiated this stormwater mapping effort in 2000. The program has involved inventorying all storm drainage facilities within the Town's corporate limits and ETJ. All public drainage structures and many private structures have been mapped, including surveying of public structures. The mapping program has included determination of:

- ☐ Horizontal and vertical location of storm drainage structures and open end culverts
- ☐ Sizes and types of the piping connecting the drainage structures
- ☐ Type and condition of storm drainage structures.
- ☐ Visual inspection of each structure to detect illicit discharges or other irregularities.

The Town is maintaining and improving this data on an ongoing basis, and also routinely updates stream data to improve the accuracy and classification of perennial, intermittent, and ephemeral streams.<sup>22</sup>

Efforts for keeping pollutants out of the system and maintaining and inspecting the system include:

- ☐ Integrated Pest Management Program (IPM) - The Town has adopted an IPM policy and program as a comprehensive approach that gives priority to prevention and management of pests including insects, weeds, and plant disease by the least toxic method.
- ☐ Storm Water Conveyance Systems: Reviewing protocol and schedule for cleaning swales, catch basins, and pipe systems and proper disposal of waste from clean-up operations
- ☐ Streets and Infrastructure: Maintenance activities and inspection procedures for street sweeping, leaf collections, and solid waste collections. The Town has a vacuum sweeper truck for removal of sediments and pollutants from street surfaces in the downtown district and on some arterial and residential roads. The Town's sweeper is equipped with a "wander hose" attachment that allows removal of debris and sediments from curb inlets and catch basins.
- ☐ Vehicle Wash Area - Public Works has a wastewater separator tank that is connected to the sanitary sewer system. Periodically, the contents of tank are removed by a licensed and regulated disposal company.
- ☐ Road Salt/Sand: Evaluating storage conditions and application protocol and rates;

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<sup>22</sup> Mapped streams include 136 miles of streams (70 miles of ephemeral (Town buffered) streams and 66 miles of jurisdictional streams)

There are currently less than 10 Stormwater Control Measures on Town property but more are planned for as part of current projects and in the Capital Improvements program.

### **Who regulates the Town and how?**

There are two primary sets of stormwater regulations with which the Town must comply. The first is the National Pollutant Discharge Elimination System (NPDES) regulations and the second is the Jordan Lake Water Supply Nutrient Strategy (Jordan Lake Rules) regulations. The NPDES regulations are a requirement through the federal Clean Water Act (administered by the State), while the Jordan Lake Rules have been developed by the State, under a federal "TMDL" (Total Maximum Daily Load") based on concerns around overenrichment with nitrogen and phosphorus. Additional information is available from the links provided in the Appendix.

**NPDES Permit.** The NPDES program was established in 1972 under the authority of the Federal Clean Water Act. In 1990 and starting with large (population >100k) municipalities (and industries), EPA began regulating stormwater runoff. In 2000, the scope was extended to smaller municipalities, and EPA delegated the authority to the State to issue these municipalities (including Carrboro) a stormwater permit. The initial Carrboro permit was issued effective July 1, 2005, and required the Town to develop and implement a comprehensive stormwater management program that includes six minimum measures:

- (1) Public education and outreach on stormwater impacts
- (2) Public involvement/participation
- (3) Illicit discharge detection and elimination
- (4) Construction site stormwater runoff control (delegated to Orange County)
- (5) Post-construction stormwater management for new development and redevelopment, and
- (6) Pollution prevention/good housekeeping for municipal operations.

The permit was first renewed in 2011, and again in 2017. The Town updated a required Stormwater Management Plan in 2012 that describes how the Town intends to fulfill the requirements of the permit; plans are in place to update the plan again in 2018<sup>23</sup>. Preliminary thoughts on potential new activities to improve efforts under this permit and plan are appended at the end of this memo. The Public Works facility has a separate NPDES stormwater permit that applies only to that site. It has been renewed once

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<sup>23</sup> The permit and plan are available at <http://www.townofcarrboro.org/pzi/Env/Water/swhome.htm> along with additional program details.

and is about to be renewed for the second time. The Town has hired a contractor since the initial permit issuance to provide support with permit compliance.

**Table A2-1: Summary of Stormwater Regulations Applicable to the Town**

<b>Regulation/Initiative</b>	<b>Description</b>	<b>Town Response</b>
NPDES Permit	Includes public participation and outreach; illicit discharge; good housekeeping and pollution prevention for Town owned property/infrastructure; and post construction stormwater control. Post construction program is implemented through LUO, which includes stormwater management requirements for water quality and peak flow for many years. Most recent update was limiting increase in annual runoff volume in 2012.	Town has been pursuing activities under the permit since 2005. Town has delegated erosion control implementation to Orange County.
Jordan Lake Rules	Rules adopted in 2009 established requirements for existing and new development, buffers, and nutrient management. The existing and new development provisions have been legislatively delayed.	Town has implemented buffer provisions (for new development) that provide some geomorphic protection. Buffers serve as proxies for flood prone areas for smaller tributary streams. Nutrient management requirements were established in Town Code.
Bolin Creek Watershed Restoration	Since 2006, with Chapel Hill, the State, and EPA as partners, Town has worked to improve stream geomorphology and water quality. Relevant activities are also covered in regulatory programs-main added emphasis is on retrofits and restoration.	Town has pursued grant projects that have included several stream repair and stormwater retrofit projects.
National Flood Insurance Program	Insures that new structures are not located in regulated flood zones; provides relief for affected property	Town joined program in 1976 and established floodplain regulations soon after. Ongoing work with Army Corps of Engineers and NC Floodplain Mapping Program to extend reach by mapping floodplains and establishing regulatory flood zones further upstream than minimum required.
Section 401/404 of Federal Clean Water Act	Protects jurisdictional streams and wetlands from damage via grading, piping, etc.	This is implemented by Army Corps and NCDWR. Town coordinates to obtain copies of permits and determine applicable requirements.

**Jordan Lake Rules.** Jordan Lake was impounded in 1981. The lake was created to provide flood control, drinking water supply, protection of downstream water quality, fish and wildlife conservation, and recreation. As a waterbody that has been identified as “impaired”, there has been a several decade’s long process by the State and stakeholders, with oversight by the USEPA, to study the lake and develop a

strategy to restore water quality in Jordan Lake. A set of regulations were adopted in 2009 (the “Jordan Lake Rules”) with a variety of subsections applying to different regulated parties. As a regulated entity in the upper New Hope watershed, Carrboro falls under the upper New Hope percent reduction goals for nitrogen (8%) and phosphorus (5%) for existing development in Carrboro. Rule provisions related to nutrient (fertilizer) management and buffers have been fully implemented<sup>24</sup>, however, provisions relating to stormwater management from both new and existing development have been placed on hold until 2019 pending further study, most recently by S.L. 2016-94. Staff have estimated that it will cost the Town a minimum of over \$4M to meet the required reductions under Stage 1 of the existing development part of the Rules as developed in 2009, and have been identifying potential retrofit projects for the past five years as part of State reporting requirements, with more information appended below and in the Town’s [Capital Improvements Program](#). Stage 2 of the Jordan Lake Rules could require the Town to reduce nutrients even further. It is preliminary at this point to attempt to estimate the cost of the Stage 2 rules.

**Bolin Creek Watershed Restoration Team.** Carrboro staff worked with Chapel Hill and other local, state and federal agency staff in 2006 to create the Bolin Creek Watershed Restoration Team (BCWRT) to proactively respond to the listing of Bolin Creek on the list of state and federal impaired waterbodies. At the time, the Bolin Creek watershed was selected as one of only 7 watersheds in the state to receive focused state and federal assistance in preparing grant applications and leveraging other resources to remove Bolin Creek from the impaired waters list. The selection was based on Bolin Creek’s impairment listing and the existence of restoration planning efforts for the larger Morgan and Little Creek Watersheds, along with the local capacity for progressive environmental initiatives. The BCWRT’s long term goal is to improve the health of Bolin Creek and its tributaries and remove it from the impaired waters list. This is an ambitious goal that will require a robust commitment.

To date, the following successes have been achieved:

- In 2003, a watershed assessment of the Little Creek watersheds in which Bolin Creek is located was completed
- In 2004, a management study of the Morgan and Little Creek watersheds was completed.
- In 2006, the NC Division of Water Quality and EPA pledged staff assistance.
- In 2007, the Team received a Clean Water Management Trust Fund grant that was used to conduct a detailed geomorphic analysis to identify areas of erosion, instability, and other high risk locations.

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<sup>24</sup> The Town’s buffer provisions exceed minimum state requirements most notably by requiring wider buffers for jurisdictional streams and also including buffers for smaller ephemeral streams.

- In 2008 and 2009 the Team received two federal "319" grants to pursue restoration projects, planning, and monitoring, one led by Chapel Hill and the other led by Carrboro. Both grant efforts were successfully completed, including on the ground restoration projects in both towns and a planning/engineering study of a drainage area in downtown Chapel Hill. In 2012, a Watershed Restoration Plan and Watershed Situation Assessment for Bolin Creek were completed as part of the grant project efforts.

### **Monitoring**

**Ongoing Creek Monitoring.** Benthic macroinvertebrate (aquatic insect) monitoring is a primary means used by the NC Division of Water Resources to assess creek health, but state resources are only able to support infrequent (every 5 years at best) and limited benthic monitoring. Recognizing this, the Town has been pursuing much more extensive benthic monitoring for the past 15 years as a primary means for assessing creek health. This sampling continues to reveal impacts that warrant close attention. Sampling on Bolin Creek has consistently indicated Good-Fair water quality in upper Bolin Creek, especially at the most upstream site (just upstream of Winmore); most recent sampling has shown this site to be marginally achieving this rate. Areas further downstream have fluctuated between a Good-Fair and a Fair rating. ("Fair" is the threshold which triggers listing on the State's impaired streams list.) Chapel Hill is also using benthic insects as a key indicator; abundant benthic and other data continue to indicate that Bolin Creek becomes more degraded as it flows downstream through Chapel Hill. This long term record of annual or better monitoring on Bolin Creek along with recent sampling of some smaller tributaries has created one of the best benthic macroinvertebrate monitoring small stream datasets in North Carolina. The declining aquatic health moving downstream along Bolin Creek indicates the ongoing stress to the creek. The more downstream extent of Bolin Creek in Carrboro to its confluence with Little Creek in Chapel Hill has been listed on the State/federal impaired streams (303d) list for many years.<sup>25</sup> Morgan Creek has been sampled upstream of University Lake, however, there is no suitable benthic habitat and therefore no sampling downstream of University Lake in Carrboro's jurisdiction due to the extensive stream channel incision.

**Other Monitoring.** With installation funds provided by the North Carolina Ecosystem Enhancement Program, streamflow measurement using a permanent United States Geological Survey (USGS) gage on

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<sup>25</sup> Benthic monitoring reports can be found at <http://www.townofcarrboro.org/pzi/Env/Water/bcmonitor.htm>.

Bolin Creek near the municipal boundary (on Umstead Road) was initiated in 2012. Chapel Hill and Carrboro staff have worked out a cost sharing agreement for the ongoing operation and maintenance of the gage. This gage provides real time information of the cumulative runoff for roughly the northern half of Carrboro. There is also a USGS maintained stream gage on Morgan Creek just upstream of University Lake. From 1993 to 2008, Carrboro contracted with the Town of Chapel Hill Engineering Department to monitor stream water quality and gauge the effectiveness of stormwater management programs. Monthly testing included three sites in Carrboro. The waters were tested for water temperature, pH level, dissolved oxygen, specific conductivity, turbidity, nutrients, metals, and the presence of fecal coliform bacteria. In 2009, Chapel Hill discontinued this program and shortly thereafter began implementing a new effort focusing on more extensive benthic monitoring as a more holistic indicator of aquatic health.

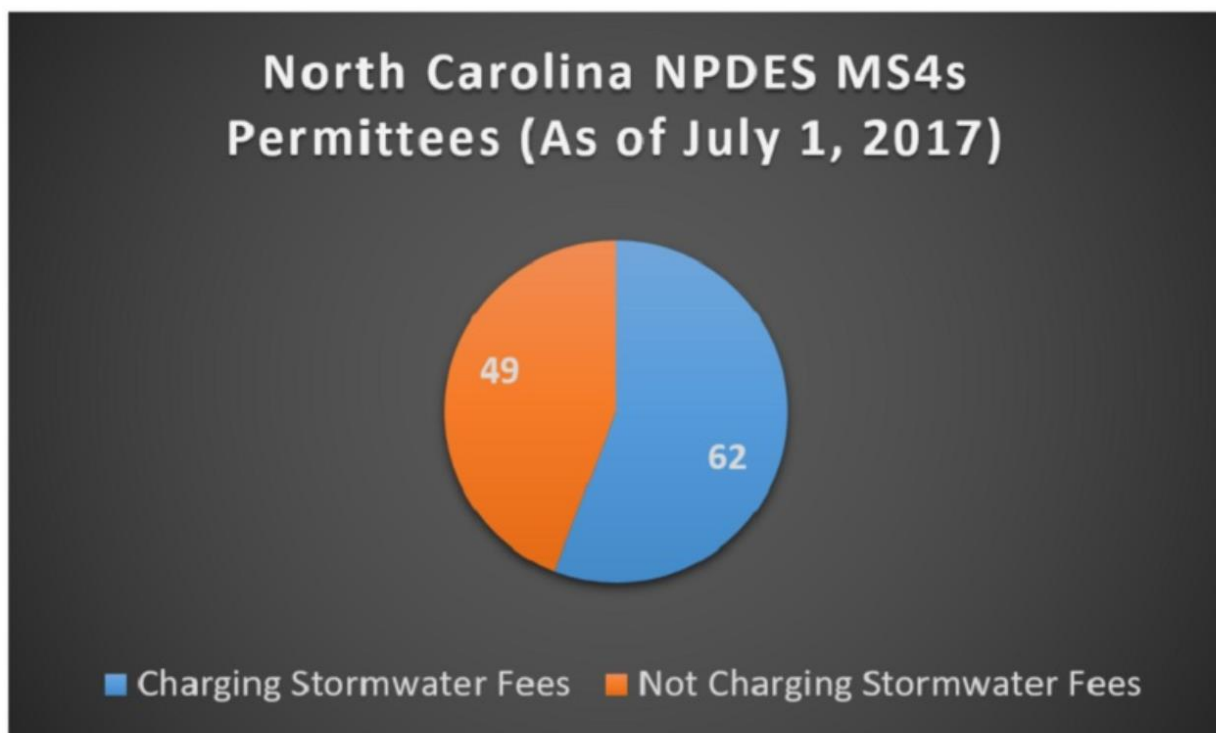
### **Integration of Different Program Elements**

While there is certainly some overlap and opportunities for synergy in addressing the different elements of stormwater management discussed above, this overlap has limitations. For example, reducing the nitrogen and phosphorus in runoff would result in relatively minor improvements in addressing flood management concerns, but would have more synergy with NPDES permit and Bolin Creek Watershed Restoration activities. Similarly, management of stormwater conveyance infrastructure for very specific drainage areas and property issues could provide localized flood mitigation/drainage improvement benefits, but with little or no improvement, and conceivably some additional impacts, for downstream aquatic ecosystems. Examples of a few interventions that have fairly universal stormwater benefits include reestablishment of woody vegetation, improvements in soil quality to facilitate infiltration, removal or disconnection of impervious surfaces or replacement of impermeable pavement with permeable pavement because of the increased infiltration, interception, and evapotranspiration, and pollution prevention and illicit discharge detection and elimination.

### Appendix 3: Stormwater Utility Fees in NC (From UNC-EFC)

The University Of North Carolina School Of Government through their Environmental Finance Center tracks stormwater utility rates across the state (Figure 1) and has created an online stormwater utility “dashboard”<sup>26</sup> that compiles rate information. More than half of the municipalities in North Carolina with a population of at least 10,000 have already adopted stormwater utilities and associated fees. The EFCs resources and stormwater rate dashboard was used to compile the information presented in this appendix.

**Figure A3-1 (from UNC Environmental Finance Center)**



The dashboard provides useful information to assist the Town in determining the type of fee and fee structure to be proposed by studying rates that have been set up for other North Carolina municipalities. Due in part to the high cost of updating and managing impervious surface data, many municipalities have

<sup>26</sup> <http://www.efc.sog.unc.edu/reslib/item/nc-stormwater-utility-dashboard#>

implemented a flat rate. Most municipalities that have adopted a flat rate structure use one rate for residential properties and a higher rate for non-residential properties for the reasons described above.

62 municipalities currently have stormwater utility fees in North Carolina. The range of fees is shown in Figures A3-2-A3-9 (residential) and A3-10-A3-11 (nonresidential). These figures progress through a presentation of the rates across many municipalities, including some figures with filters to select municipalities that are the most similar to Carrboro for demographic and other attributes. While all the municipalities included in the EFC dashboard have NPDES stormwater programs, not all are subject to nutrient management rules such as the Jordan Lake Rules, nor do they all have state listed impaired waters. Figure A3-12 specifically compares the annual fee and rate type for municipalities subject to the Jordan and Falls Lake Rules. The rates for Jordan and Falls Lake watershed communities are generally higher than the average for the entire state, and could climb higher in the coming years as implementation of rules proceeds. Collectively, the rates of peer communities has been used as one input to help inform the recommended rate structure.

Figure A3-2

### Monthly Residential Stormwater Fees in North Carolina at 2,455 sq. ft. of impervious surface

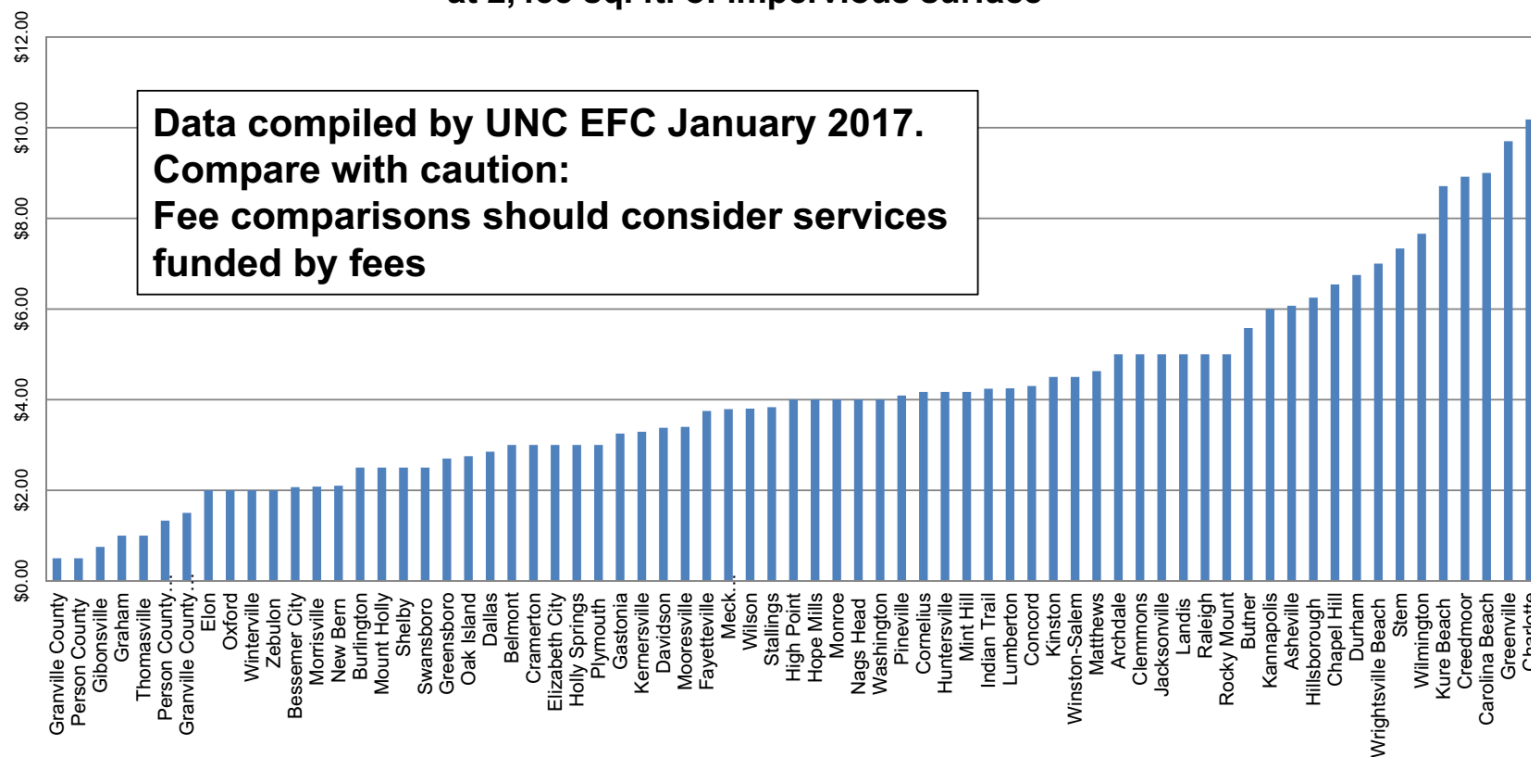


Figure A3-3

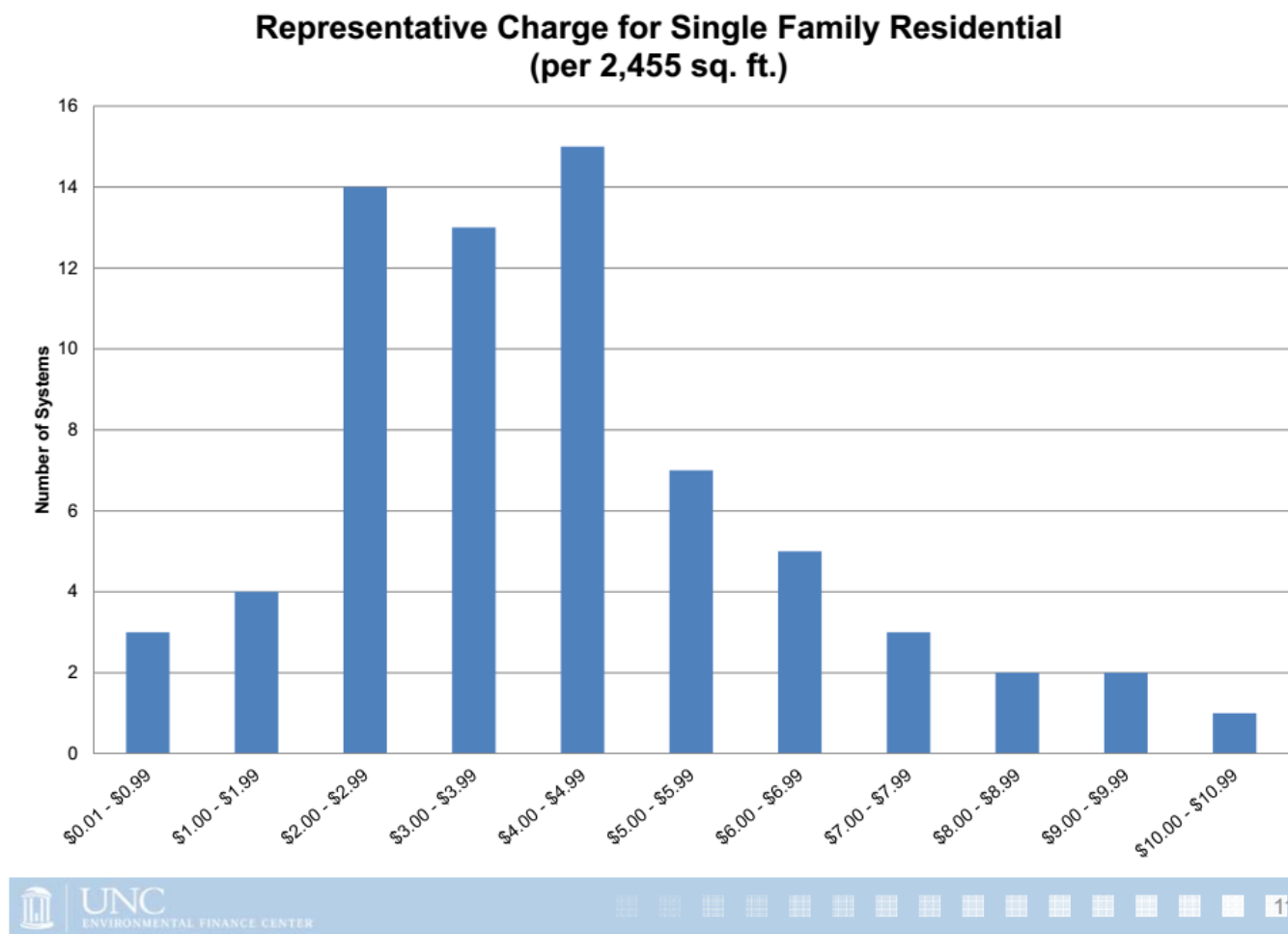


Figure A3-4

## What's "normal" for monthly stormwater fees?

- Median residential rate (at 2,455 sq ft) = \$4.00
- \$1.63 per 1,000 sq ft of impervious surface

Townhomes

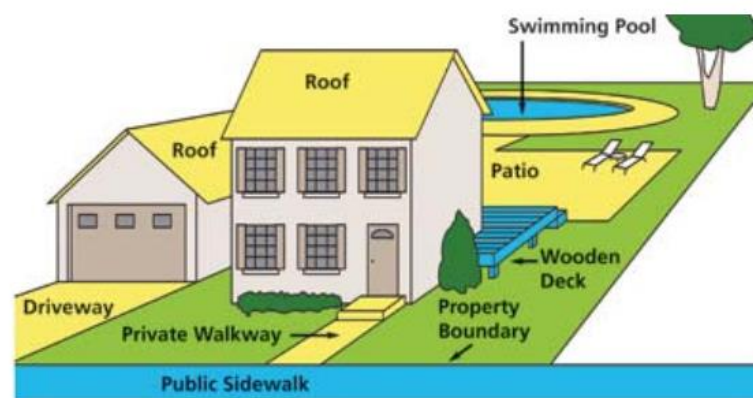
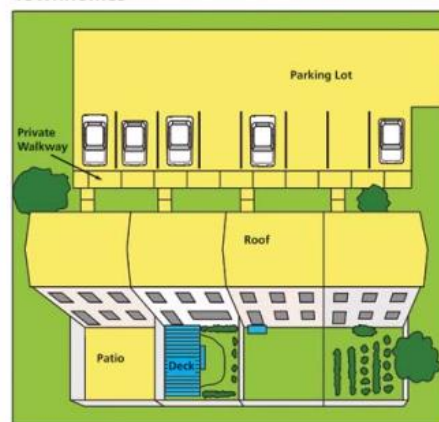
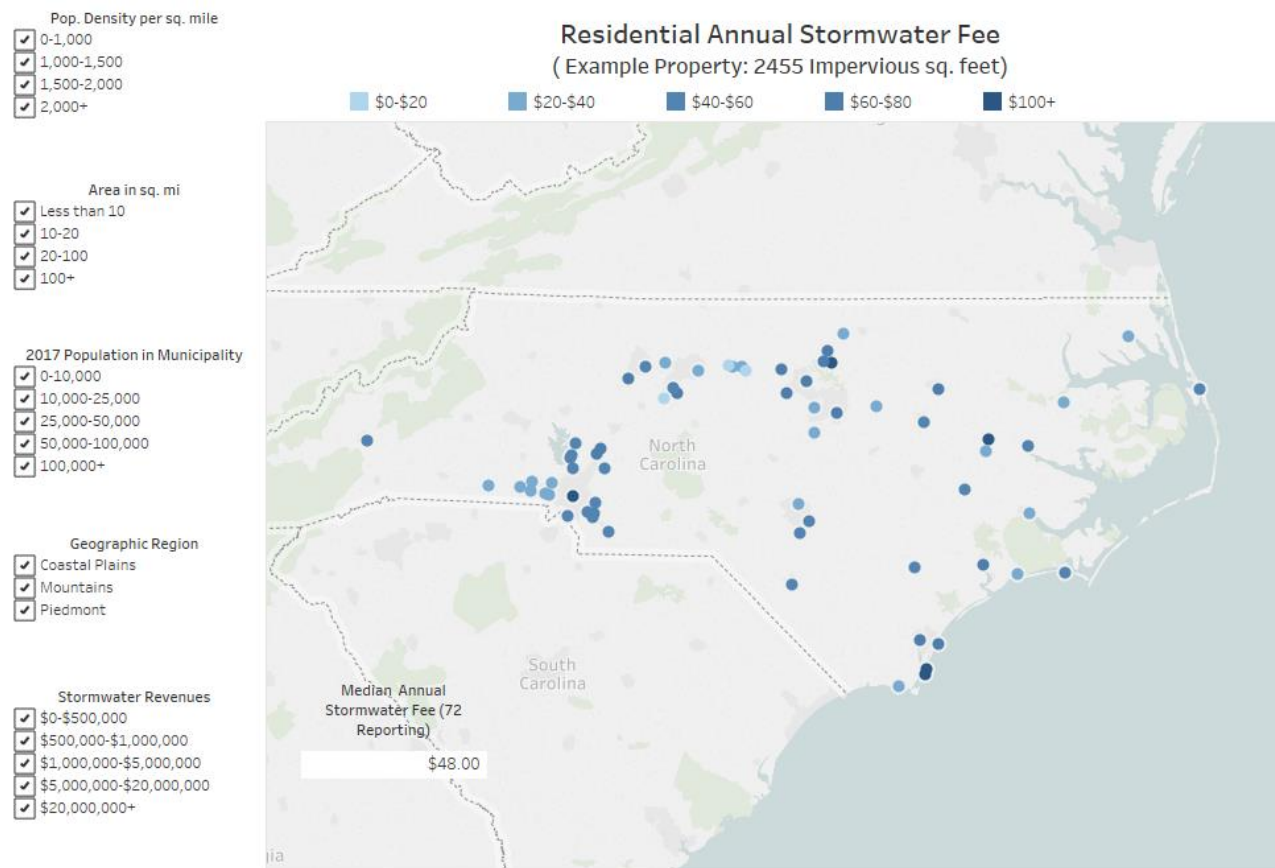


Figure A3-5

### 2017 Residential Stormwater Rates and Revenues: Preliminary Analysis

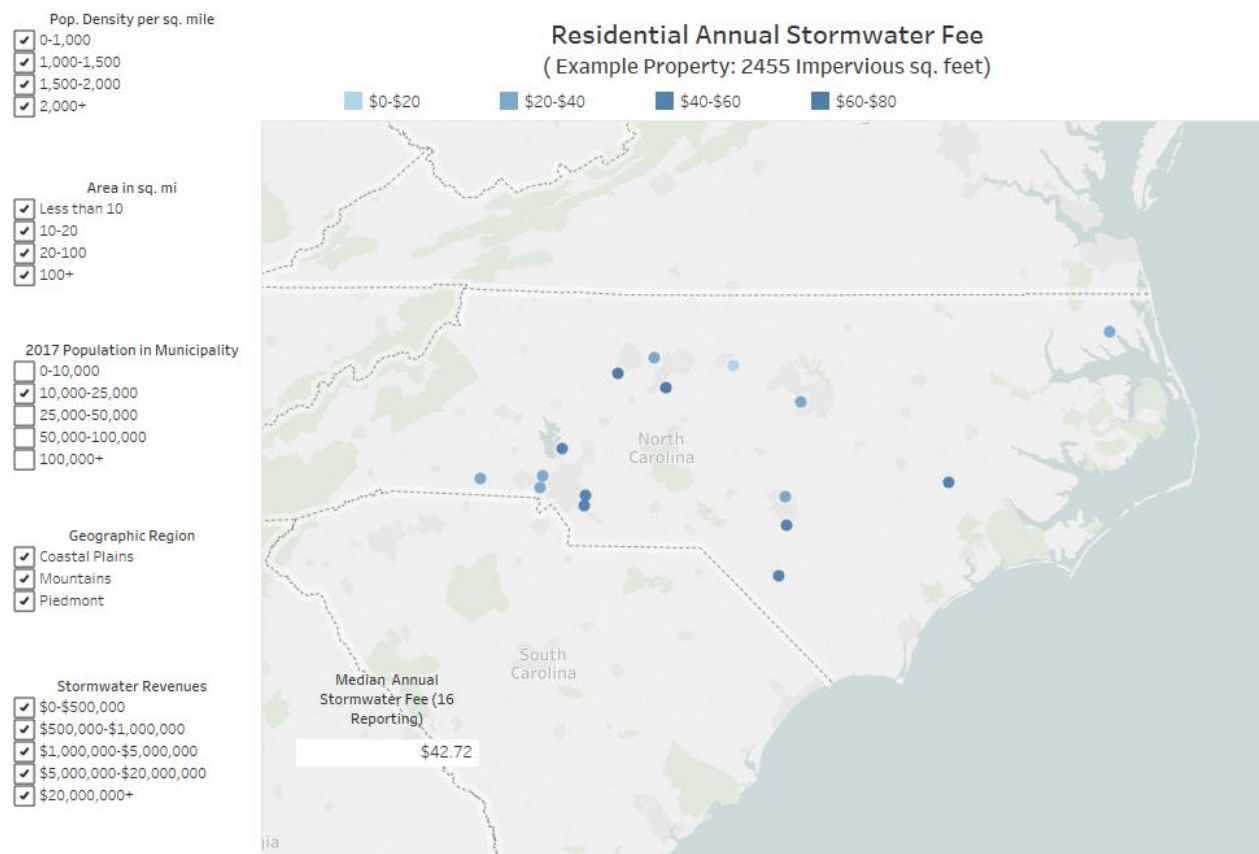


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Figure A3-6

### 2017 Residential Stormwater Rates and Revenues: Preliminary Analysis

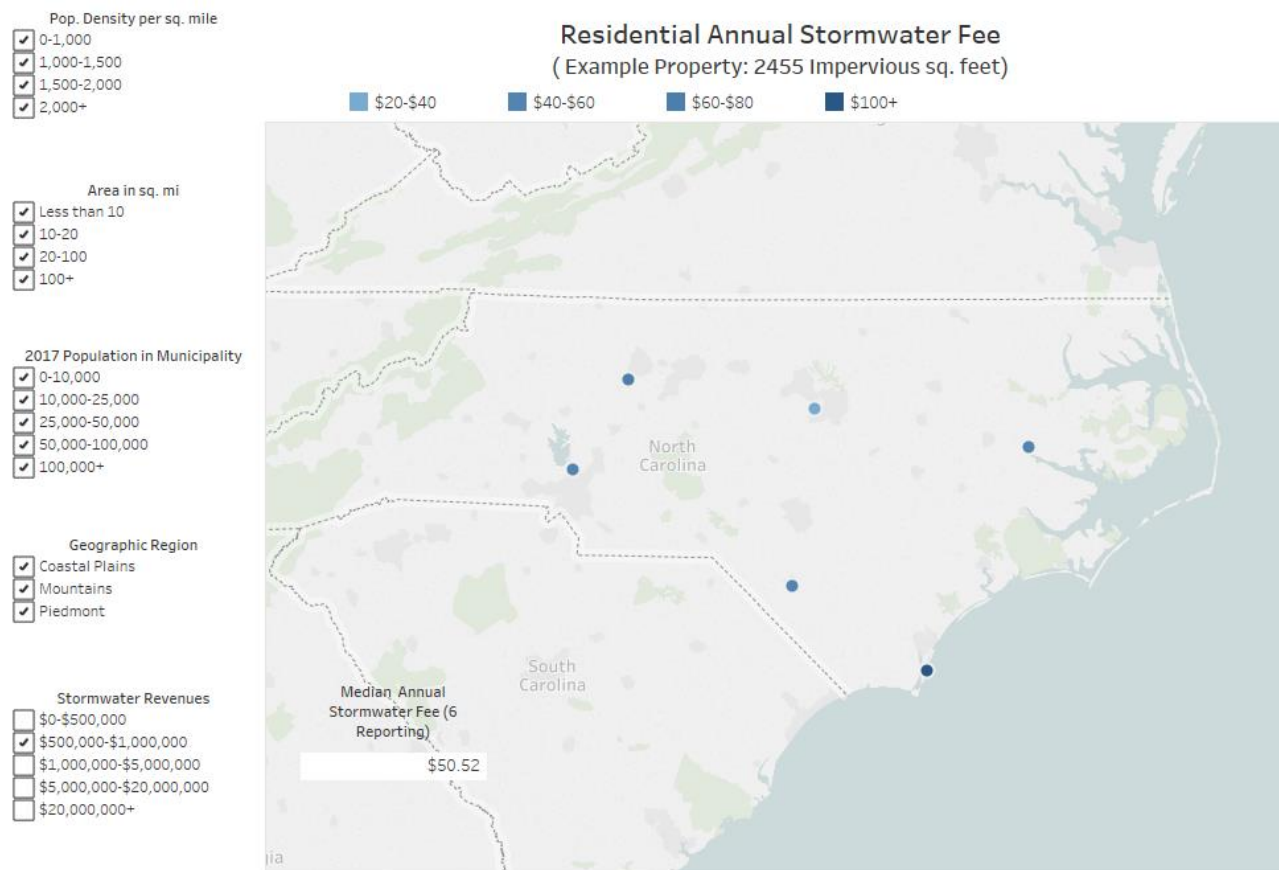


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Figure A3-7

### 2017 Residential Stormwater Rates and Revenues: Preliminary Analysis

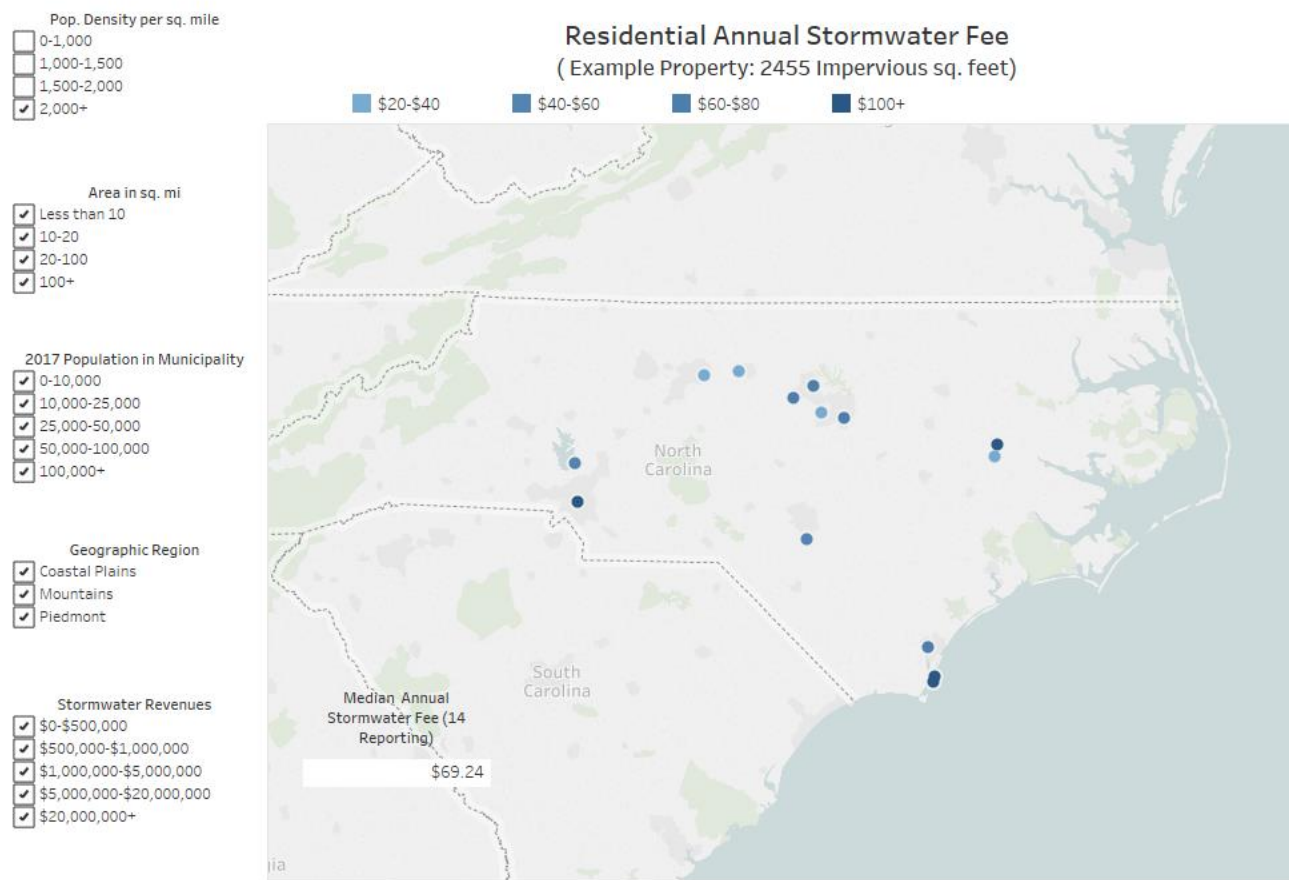


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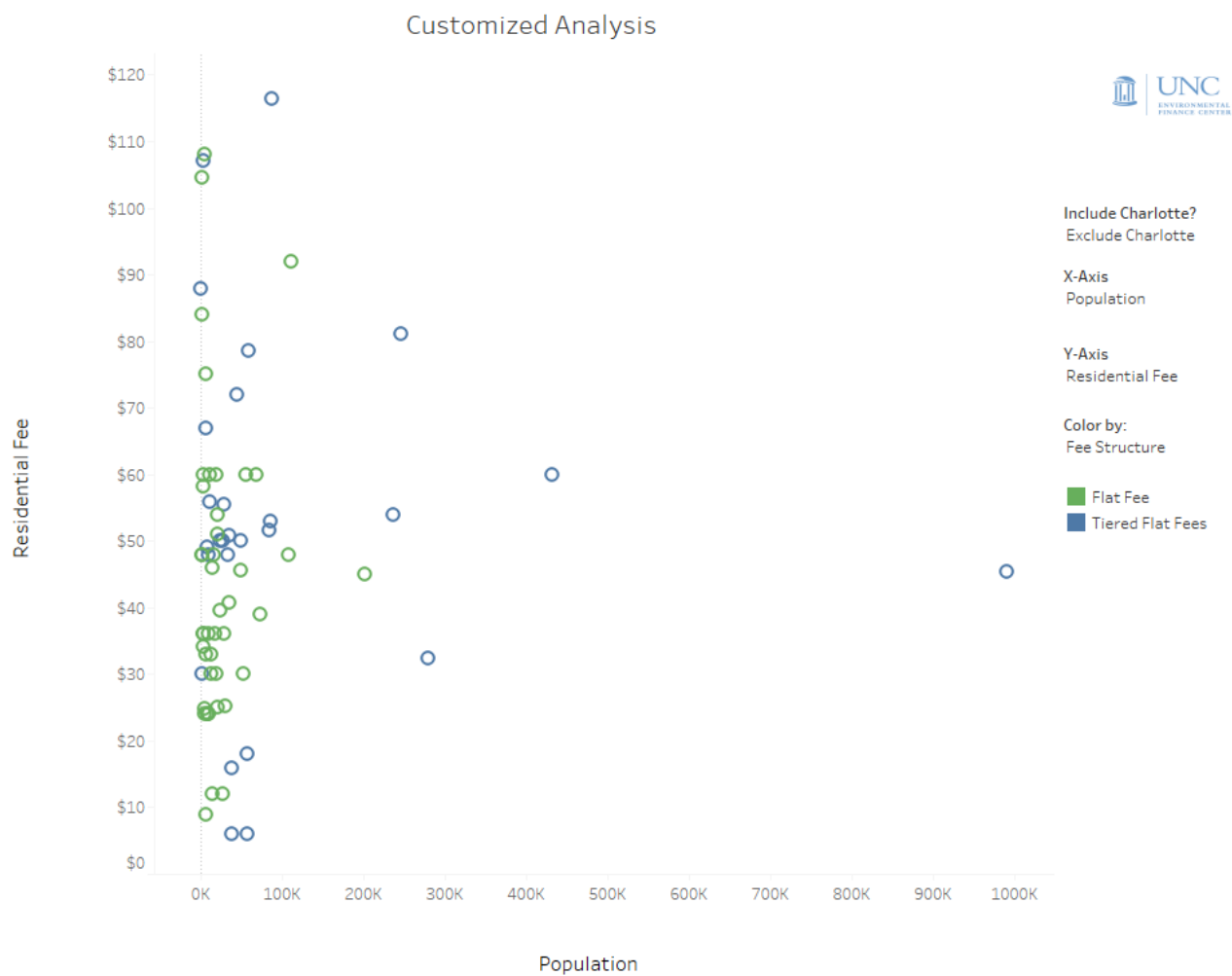
Figure A3-8

### 2017 Residential Stormwater Rates and Revenues: Preliminary Analysis



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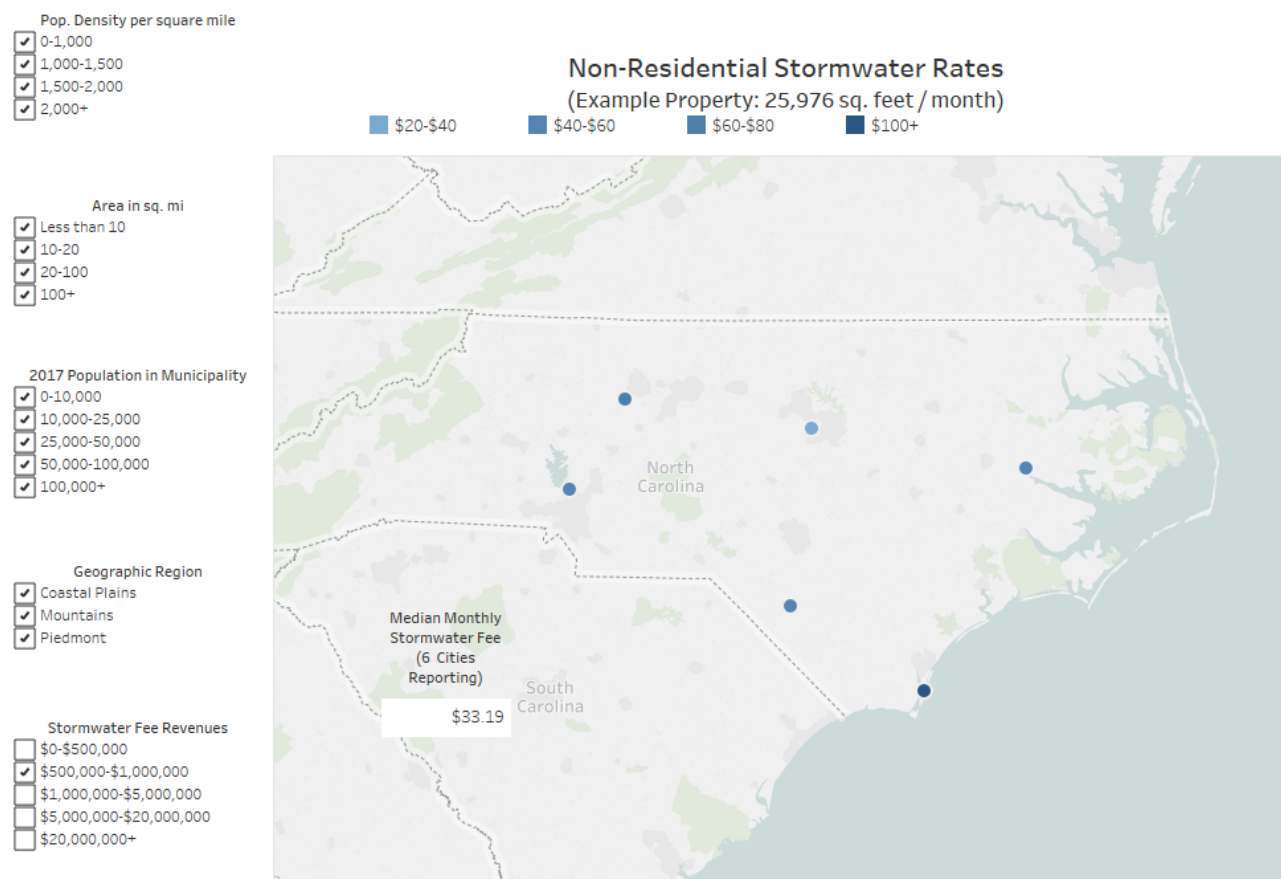


**Figure A3-9: Annual Residential Fees by Rate Type**

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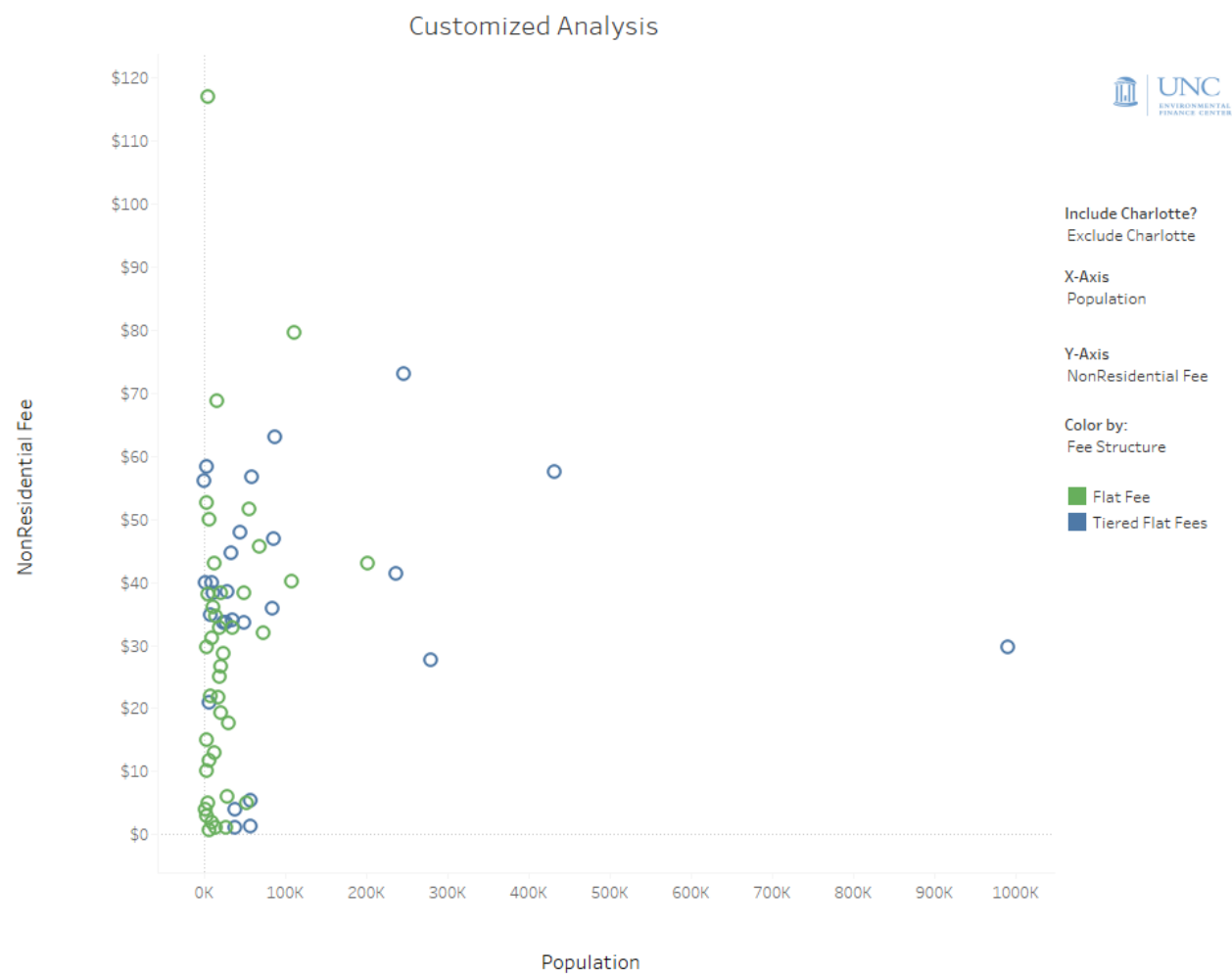
Figure A3-10

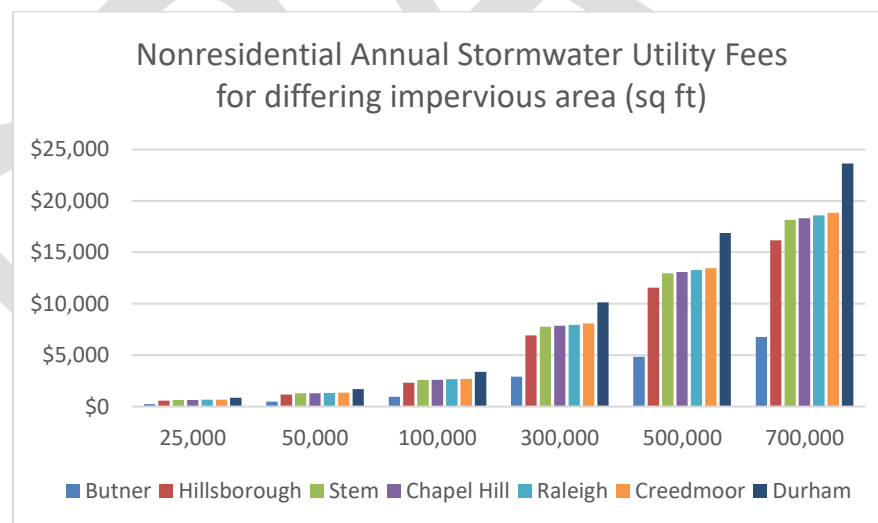
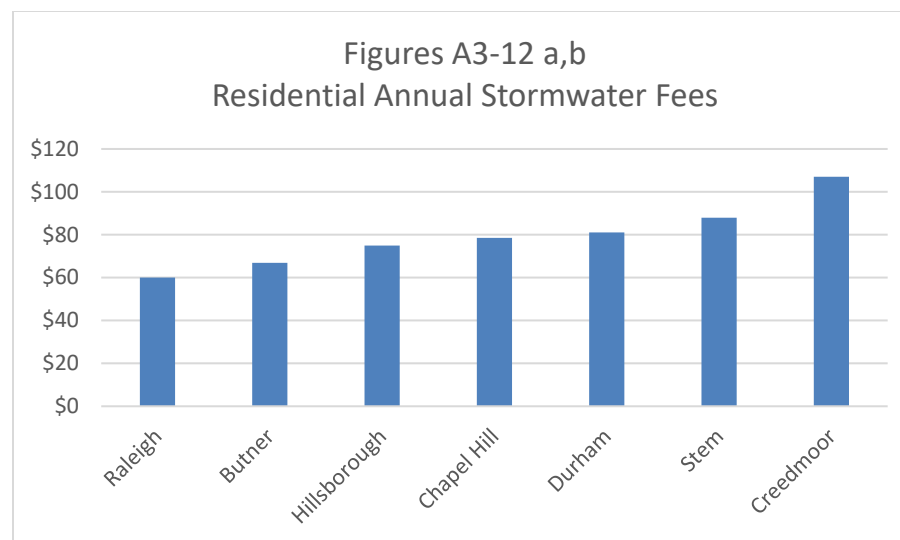
## 2017 Non-Residential Stormwater Rates and Revenues: Preliminary Analysis



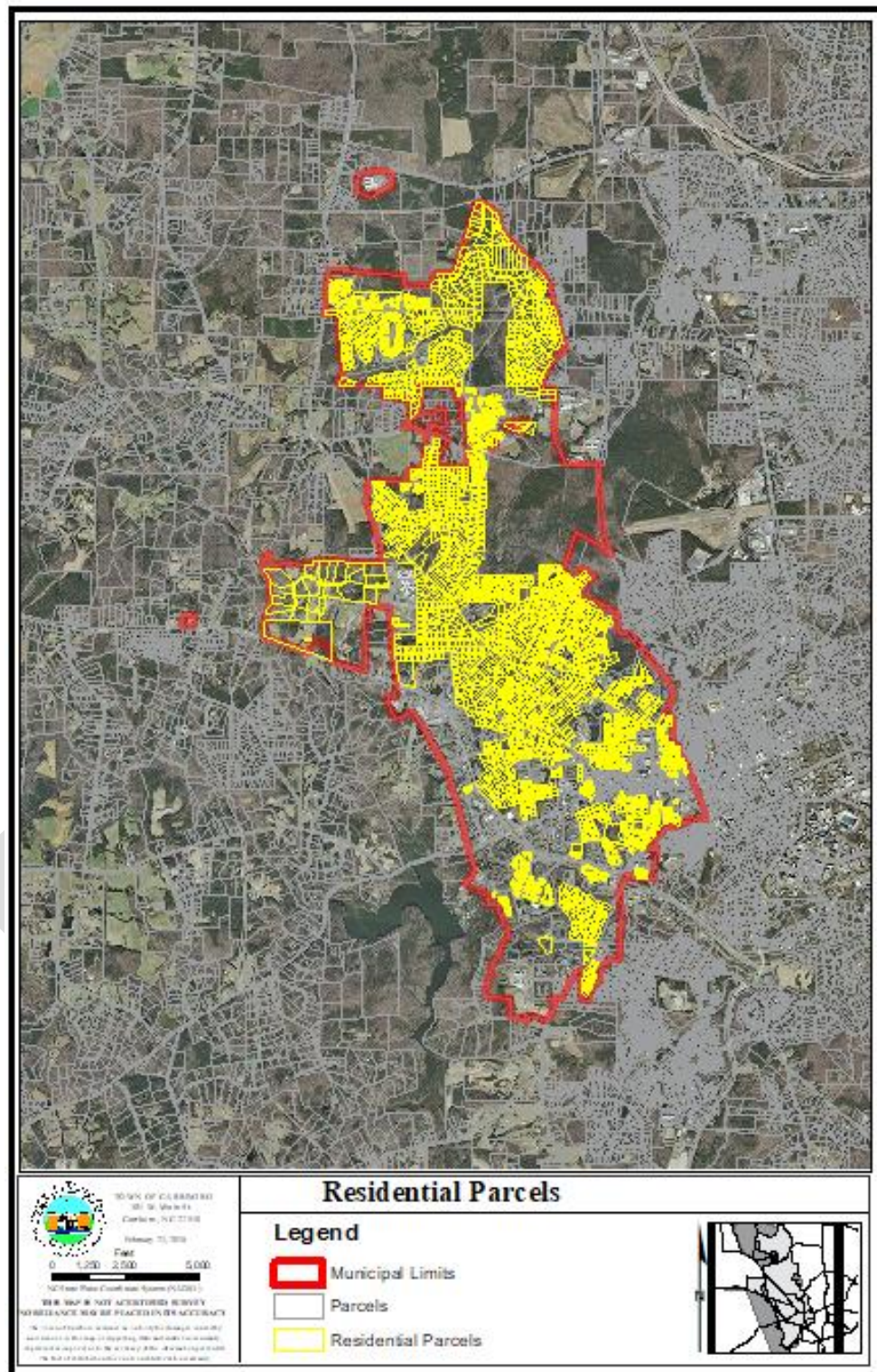
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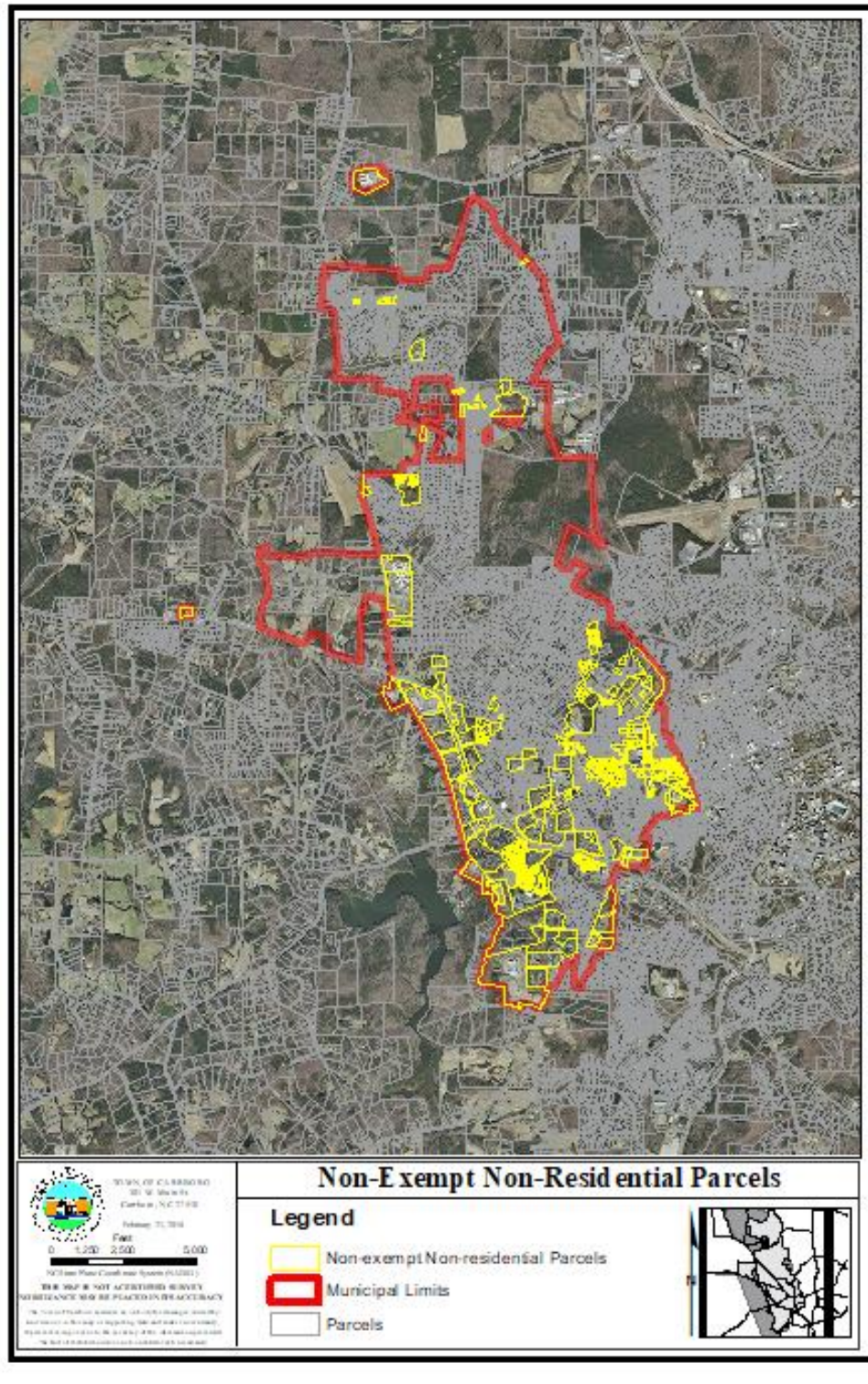


**Figure A3-11: Monthly Nonresidential Fees by Rate Type (per 26k sq. ft. impervious)**



## Appendix 4: Maps of Non-Exempt Parcels





## Appendix 5: Summary of Identified Capital Projects/Retrofits

The following table provides a very short summary of potential capital stormwater retrofit projects that have been identified to date as part of annual reporting requirements under the Jordan Lake Rules. They will also provide regulatory benefits for the NPDES permit and Bolin Creek Watershed Restoration efforts, and nonregulatory benefits associated with creation of green infrastructure and community outreach and education. It is anticipated that capital project needs will continue to be further refined after the Stormwater Utility is established and staff are able to complete further analyses.

**Table A6-1: Potential Retrofits for Addressing Jordan Lake Existing Development Rules**

<u>Type of Retrofit</u>	<u>Location</u>	<u>Notes</u>
Bioretention and vegetated swale	Anderson Park	Concept studies completed by Sungate
Stormwater wetlands or bioretention	Town land adjacent to Morgan Creek	Preliminary site assessment completed.
Stormwater wetland; potential stream restoration	Carrboro Elementary School	Concept studies completed by CH2M Hill and NCSU
Stormwater wetland, bioretention, permeable pavement	McDougle School	Concept study completed by Sungate
Detention and bioretention retrofits	Carrboro High School	Concept study completed by Sungate
Bioretention, wetland, permeable pavement	OWASA WTP	Concept study completed by Sungate
Retrofit of detention basin	Carrboro Plaza	Concept studies completed by Tetra Tech, CH2M Hill, Sungate

One additional potential project is a stream restoration project at Carrboro Public Works where an actively eroding stream bank is approaching the adjacent structures and parking lot.

## Appendix 6: FAQs

### **Stormwater Rate Structure**

[Why is a new stormwater fee needed?](#)

[Who will \(and won't\) have to pay the fee?](#)

[How can I find out how much it will cost for my specific property?](#)

[Will my HOA be assessed a fee?](#)

[What opportunities are there for input into the new fee and rate structure? How is the community being represented in the rate structure decision process?](#)

[What will the process be for disputing the fee assessed for a specific property?](#)

[How is the Stormwater Utility being funded?](#)

[How will the fees be billed?](#)

[Can the Town provide assurance that rates won't rapidly increase in the future?](#)

### **Stormwater Administration and Operation**

[Has the decision to form a stormwater utility been finalized?](#)

[Is the program/utility an entity separate from the Town \(like OWASA\), or a department within the Town, or something else?](#)

[What kind of public oversight or public involvement does the utility have?](#)

[What kind of state and federal requirements does the Town have to meet with regard to stormwater issues?](#)

[Is there any cooperation with universities, state agencies, local governments, or other groups to address stormwater issues?](#)

[What specifically will the new stormwater utility do and how will the money that is collected be spent?](#)

[Why are gravel roads and gravel parking lots considered to be impervious?](#)

[Will the Town address drainage problems in my yard or neighborhood?](#)

[I live on top of a hill, and I don't ever have any drainage problems. Why should I have to pay for stormwater management services?](#)

### **Stormwater Management Basics**

[What is stormwater?](#)

[Why do we need to manage stormwater?](#)

[What is a 'stormwater utility' and how is it different from a stormwater management program?](#)

[Why do we need a stormwater utility?](#)

[How does the stormwater management program benefit residents and businesses?](#)

[What is an impervious surface?](#)

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## **Stormwater Rate Structure**

### **Why is a new stormwater fee needed?**

The Town's current stormwater program does not have sufficient capacity to address the stormwater program's needs. More and dedicated funding are needed.

### **Who will (and won't) have to pay the fee?**

From the Town Code, in general, property owners with more than 500 square feet of impervious surface will have to pay the fee. More information is available at

<http://www.townofcarrboro.org/DocumentCenter/View/4631> (Section 18-9 [a and b])

### **How can I find out how much it will cost for my specific property?**

Tables 11 and 12 of this report provide the fundamental basis. With the draft rate structure, over 95% of non-exempt property owners will pay \$75 per year. Properties with more than 6000 square feet but less than about an acre of impervious surface area will pay less than \$1000 per year. Those properties with more than an acre of impervious area will pay more than \$1000 per year. The Stormwater Utility Manager can be contacted for the estimated fee for specific properties.

### **Will my HOA be assessed a fee?**

It depends. Most HOAs will not have to pay the fee. HOAs with more than 500 sf of impervious surface on HOA property that is not treated with an engineered stormwater control measure will be subject to the fee.

### **What opportunities are there for input into the new fee and rate structure? How is the community being represented in the rate structure decision process?**

A community outreach process is planned in the spring of 2018; the process will include a range of approaches for getting the word out and seeking feedback on the new stormwater fee. This page will be updated with specific opportunities for learning more and providing input. A public hearing will be scheduled later in the spring. The Stormwater Advisory Commission is the appointed group assigned with advising the Town about all matters related to stormwater.

### **What will the process be for disputing the fee assessed for a specific property?**

The process is discussed in the [Town Code](#). As soon as the rate structure is adopted, a form for disputing the fee will be provided on the Town website.

### **How will the Stormwater Utility be funded?**

The Stormwater Utility will be funded through the rate structure described in this report. The fees collected will be available only for stormwater management activities; the rate structure is being set up to create a self-sufficient program that does not rely on other funding.

**How will the fees be billed?**

Assuming an Interlocal Agreement between the Town and the County is executed, the fees will be included on the annual property tax bill that is sent out in the summer, with a deadline for payments of December 31.

**Can the Town assure citizens that rates won't rapidly increase in the future?**

The rate structure has been developed using a five year cost projection. There is no plan to increase the fees during this time frame. Future changes in the fee schedule will be subject to Stormwater Advisory Commission, Board of Aldermen, and public review. An important determinant for the potential/ eventual need for a fee adjustment is the State review of the Jordan Lake Rules which is planned for 2020.

**Stormwater Administration and Operation****Has the decision to form a stormwater utility been finalized?**

Yes. The Town adopted the new utility in the Town Code in June, 2017.

**Is the program/utility an entity separate from the Town (like OWASA), or a department within the Town, or something else?**

The Stormwater Utility is a Town managed administrative unit housed in the Public Works Department. It coordinates stormwater management activities for multiple Town departments using both Town resources and contract services.

**What kind of public oversight or public involvement does the utility have?**

The Town Code established a seven member Stormwater Advisory Commission (SWAC) that provides this function. The SWAC meets monthly.

**What kind of state and federal requirements does the Town have to meet with regard to water resource issues?**

The Town has two National Pollutant Discharge Elimination System - Phase 2 (NPDES Phase 2) stormwater permit, one that is town wide and one for the Public Works facility. These permits require the Town to meet the measures outlined in the permits to reduce and mitigate stormwater pollution. More Bolin Creek is on the State List of Impaired Waters. The Town participates in the Bolin Creek Watershed Restoration Team as a means for addressing the requirements associated with this listing. Carrboro is located in the upper New Hope watershed of Jordan Lake and is subject to the Jordan Lake Rules. The Town administers the state's Water Supply Watershed development regulations. The Town participates in the National Flood Insurance Program (NFIP) that requires administration of the federal regulations pertaining to floodplain management and other flood study related issues.

**Is there any cooperation with universities, state agencies, local governments, or other groups to address stormwater issues?**

The Town works in cooperation on a local and regional basis as well as with state and federal agencies. All units of government, institutions and agencies will continue to work together to meet the challenges and regulations facing all of us within the Jordan Lake watershed.

**What specifically will the new stormwater utility do and how will the money that is collected be spent?**

The utility will administer all aspects of the Town's stormwater program, involving the range of services described in the draft rate study. A summary five year cost projection is included. In a nutshell, the two largest expenses will be for program staffing (for both stormwater program staff and staff in other administrative units that spend stormwater related time in their job responsibilities), and for capital (>\$100k) projects planned to begin in 2020. Some services will be delivered through contracting. The details will be determined as the utility is implemented, with ongoing oversight from the Stormwater Advisory Commission and Board of Aldermen.

**Why are gravel roads and gravel parking lots considered to be impervious?**

Typical gravel materials (including "Chapel Hill gravel") used for roads, parking lots, sidewalks, and paths are laid down to withstand heavy loads. Vehicles driving over these graveled areas compact both the underlying clay soil and the gravel, forming a seal through which water will not readily infiltrate the soil. Some landscaping or stormwater management applications involve un-compacted, washed stone that may not be considered impervious. This is a uniform grade aggregate that has been pre-washed and is of sufficient depth to promote infiltration into the soil.

**Will the Town address drainage problems in my yard or neighborhood?**

A future element of the stormwater management program being considered is to help property owners with drainage maintenance projects. A Drainage Assistance Program could be developed to assess, rank and prioritize drainage problems. Note that drainage problems between private property owners is outside the Town's purview and must be worked out between neighbors. However, stormwater staff may be able to offer technical advice for resolution of the problems.

**I live on top of a hill, and I don't ever have any drainage problems. Why do I have to pay for stormwater management services?**

Impervious surface on your parcel places a certain demand on the stormwater system. Stormwater runoff generated on your property must be controlled and conveyed once it leaves your property so that it does not create problems for others. Stormwater management activities with broad benefits include keeping the public streets drained and cleared, making necessary stormwater infrastructure upgrades, reducing erosion and other pollutants that enter streams and lakes, protecting and restoring streams and other aquatic habitat areas and collecting and conveying stormwater safely through all parts of the Town. A portion of the fees will also provide for compliance with federal, state, and local regulations for water quality improvements; administration of the Land Use Ordinance (LUO) through development review, inspections, bonding, and stream classifications; public involvement and educational programs; and responding to public health and safety issues that benefit all property owners. The Town's [National Flood Insurance Program \(NFIP\)](#) activities and are also relevant.

## **Stormwater Management Basics**

### **What is stormwater?**

Stormwater is runoff that is a direct result of precipitation. It flows in concentrated forms (pipes, gutters, channels, etc.) and diffuse forms (sheet flow) over all land forms. Precipitation can infiltrate into the soil and become ground water, be used by vegetation, evaporate, or flow into lakes or streams as surface runoff. The term “stormwater” refers to the increased quantity and reduced quality of the runoff and reduced infiltration and evapotranspiration in developed areas.

### **Why do we need to manage stormwater?**

Urbanization causes significant changes in stormwater runoff characteristics, including increased volume and rate of runoff entering streams and the storm sewer infrastructure and reduced amounts of water filtering into the soil. Such changes cause increased erosion and formation of gullies in upland areas, increased in-stream scour and erosion, increased sediment deposition in lower areas, degradation of water quality, peak storm flows that are higher and faster, more frequent flooding, and negative effects on stream ecological communities. These impacts on both man-made structures and natural systems require continuous management, maintenance, repair and replacement of the Town's stormwater management system, and careful planning to mitigate existing and future problems.

### **What is a 'stormwater utility' and how is it different from a stormwater management program?**

A stormwater utility is a legally authorized "public enterprise fund", adopted by ordinance and similar to a water or sewer utility. It is established to finance stormwater management program activities exclusively. The stormwater management program includes all activities and services for the Town. The two terms are closely related.

### **Why do we need a "stormwater utility"?**

With a utility, the Town can develop and plan for a cost effective stormwater management program. The utility allows for more a reliable and equitable source of funding that is based on the demand that a given property places on the stormwater management system. Alternative funding sources include general revenues, fees and bonds. However, general revenues are based on the value of property and not the demand placed on the stormwater system. General funds are less stable for long term stormwater management planning and programming activities. Year to year budget cycles cannot be counted on for adequate funding levels for stormwater management services. The Town has significantly increasing regulatory requirements and local needs, and prior to the utility, no increased resources were identified to meet these increasing needs.

### **How does/will the stormwater management program benefit residents, businesses, etc?**

The stormwater management program includes various services and activities. These services will be expanded with the additional capacity that the utility will provide. The following are some of the primary services and activities:

- public drainage and storm sewer maintenance, repair, and improvement
- street sweeping and cleaning
- [National Flood Insurance Program \(NFIP\) participation](#)
- flood mitigation activities (elevation, acquisition, floodproofing)
- water quality improvement activities (regulatory and local needs based)
- [Bolin Creek Watershed Restoration Team](#) participation
- public education and participation

- [Land Use Ordinance](#) administration
- stream repair and restoration
- Drainage Assistance Program (potential future initiative)

**What is an "impervious surface"?**

In general terms, an impervious surface is a hardened surface (concrete, rooftop, asphalt, compacted gravel, etc.) that does not absorb stormwater. Impervious surface areas cause increased pollutant loading, increased volume and rate of stormwater runoff, lower stream base flows, and decreased infiltration of stormwater into the soil.

DRAFT

## Appendix 7: Links to additional information

Carrboro Stormwater homepage: <http://www.townofcarrboro.org/287/Stormwater>

Carrboro NPDES Stormwater Management Plan:

<http://www.townofcarrboro.org/DocumentCenter/Home/View/578>

Board of Aldermen Agenda on Flood Related Impacts, 2016:

<https://carrboro.legistar.com/MeetingDetail.aspx?ID=456726&GUID=5CBA27D9-FD8C-4C4C-8557-81703C1CA2E7&Search=>

Board of Aldermen Stormwater Retreat, 2017:

<https://carrboro.legistar.com/MeetingDetail.aspx?ID=534576&GUID=2BF7B80B-BD61-481A-82C8-1373C00E0B15&Search=>

The Town participates in the Clean Water Education Partnership:

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

NCDWR Jordan Rules: <http://portal.ncdenr.org/web/jordanlazke/implementation-guidance-archive>

NCDWR presentation on Jordan Rules:

[http://portal.ncdenr.org/c/document\\_library/get\\_file?uuid=5aa1cee4-ed17-41c6-b601-ba3a4f2bb87f&groupId=235275](http://portal.ncdenr.org/c/document_library/get_file?uuid=5aa1cee4-ed17-41c6-b601-ba3a4f2bb87f&groupId=235275)

Nutrient Scientific Advisory Board: <http://deq.nc.gov/about/divisions/water-resources/planning/nonpoint-source-management/nutrient-scientific-advisory-board/>

Carrboro Benthic Sampling Studies: <http://www.townofcarrboro.org/702/Benthic-Monitoring>

Carrboro Bolin Creek Website: <http://www.townofcarrboro.org/280/Bolin-Creek-Watershed-Restoration>

Chapel Hill Bolin Creek Website: <http://www.townofchapelhill.org/town-hall/departments-services/public-works/stormwater-management/local-watersheds-water-quality/watershed-assessments-recommendations/bolin-creek-watershed-restoration-team>

The Town participated in/presented at a well-attended local symposium on “Caring for our Creeks” in 2012: <http://bolincreek.org/blog/symposium-2/>

A RESOLUTION APPROVING  
A STORMWATER UTILITY RATE STRUCTURE

**WHEREAS**, the Town of Carrboro adopted Section 18-4 of the Town Code in 2017 to create a stormwater management utility and enterprise fund, and also created a new Stormwater Advisory Commission which began meeting in February, 2018; and

**WHEREAS**, staff and the Stormwater Advisory Commission and other advisory boards have studied options and details for creation of a rate structure for the Stormwater Utility, and provided recommendations for the rate structure; and

**WHEREAS**, the Town has pursued community outreach on the rate structure; and

**WHEREAS**, adopting the rate structure will enable the Town to establish a dedicated source of funding to address the stormwater management needs of the Town.

**NOW, THEREFORE BE IT RESOLVED** by the Carrboro Board of Aldermen that the Aldermen do hereby approve the rate structure presented and shown below.

This is the 15<sup>th</sup> day of May in the year 2018.

AN ORDINANCE AMENDING THE TOWN CODE TO ESTABLISH  
A STORMWATER UTILITY RATE STRUCTURE

\*Draft 05-01-2018\*

THE CARRBORO BOARD OF ALDERMEN ORDAINS:

Section 1. Chapter 18, Article II, Section 18-6 of the Carrboro Town Code (Rate Structure) is amended to read as follows:

The service charges shown below shall apply to all non-exempt properties.

**Residential** (1 ERU).....\$75

**Nonresidential tiers:**

<b><u>Tier</u></b>	<b><u>Minimum Impervious Surface (square feet)</u></b>	<b><u>Maximum Impervious Surface (square feet)</u></b>	<b><u>Fee</u></b>
<b>1</b>	500	5,999	\$75
<b>2</b>	6,000	23,999	\$375
<b>3</b>	24,000	41,999	\$825
<b>4</b>	42,000	59,999	\$1,275
<b>5</b>	60,000	89,999	\$1,875
<b>6</b>	90,000	119,999	\$2,625
<b>7</b>	120,000	149,999	\$3,375
<b>8</b>	150,000	179,999	\$4,125
<b>9</b>	180,000	209,999	\$4,875
<b>10</b>	210,000	239,999	\$5,625
<b>11</b>	240,000	269,999	\$6,375
<b>12</b>	270,000	299,999	\$7,125
<b>13</b>	300,000	329,999	\$7,875
<b>14</b>	330,000	359,999	\$8,625
<b>15</b>	360,000	389,999	\$9,375
<b>16</b>	390,000	419,999	\$10,125
<b>17</b>	420,000	449,999	\$10,875
<b>18</b>	450,000	479,999	\$11,625
<b>19</b>	480,000	509,999	\$12,375
<b>20</b>	510,000	539,999	\$13,125
<b>21</b>	540,000	569,999	\$13,875
<b>22</b>	570,000	599,999	\$14,625

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

Section 3. This ordinance shall become effective upon adoption.

This is the 15th day of May in the year 2018.

**INTERLOCAL AGREEMENT BY AND BETWEEN ORANGE COUNTY AND THE  
TOWN OF CARRBORO REGARDING ADMINISTRATION OF THE TOWN OF  
CARRBORO STORMWATER UTILITY FEE BILLING AND COLLECTION**

**THIS AGREEMENT**, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, between the Town of Carrboro, North Carolina, a North Carolina municipal corporation, located in Orange County, North Carolina (hereinafter referred to as the “Town”); and Orange County, a body politic and political subdivision of the State of North Carolina (hereinafter referred to as the “County”), for the administration of the Town’s Stormwater Utility Fee Billing and Collection (the “Stormwater Utility Fee”).

**WHEREAS**, the County and Town are public bodies, politic and corporate, under the laws of the State of North Carolina and are vested pursuant to Article 20 of North Carolina General Statutes Chapter 160A with the power and authority to enter into this Interlocal Agreement (hereinafter referred to as the “Agreement”); and

**WHEREAS**, the Town is authorized and empowered by Article 16 of Chapter 160A of the North Carolina General Statutes to establish and operate a stormwater utility as a “public enterprise”, and to establish, fix and enforce rates, fees, charges and penalties for the stormwater utility; and

**WHEREAS**, the Town has established a stormwater utility (the “Stormwater Utility”) and to charge to properties located within the Town limits certain fees for stormwater management programs and structural and natural stormwater and drainage system service; and

**WHEREAS**, the Town desires that the County administer collection of fees and charges to be levied against and charged to property located within the Town; and

**WHEREAS**, the County has broad tax collection and administration authority and staff in place to carry out that authority and is willing, subject to certain conditions, to provide administration and collection of stormwater utility fees and charges in the Town.

**NOW, THEREFORE**, in consideration of the foregoing and on mutual promises and obligations set forth herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. TERM**

- a. This Agreement shall commence July 1, 2018 and shall continue each fiscal year thereafter through June 30, 2028 unless sooner terminated or further extended as set forth herein.
- b. This Agreement may be renewed beyond June 30, 2028 upon written agreement of the Parties.

**2. COSTS**

- a. Other than direct collection costs, County shall not incur and shall not be responsible for any costs, including but not limited to software, hardware, or other upfront costs, associated with carrying out the requirements and duties established by this Agreement.
- b. Other than direct collection costs, any and all costs, fees, and expenses related to the administration of the Stormwater Utility shall be borne by Town.
- c. On or before the 15<sup>th</sup> day of each month of each year during the term of this Agreement, the County shall transmit to Town all stormwater utility fees and charges collected in the Town during the preceding month. The County will invoice the Town quarterly on or before the 15<sup>th</sup> day of January, April, July and October an amount equal to 3% of the fees and charges collected during that three month period for costs of administration and collection. The Town shall pay the County within 30 days of billing.
- d. Upon a failure by Town to remit payment when due County shall provide Town with written notice of such default in payment and providing Town with ten days to cure the default. Should Town not cure the default within ten days County may withhold the provision of services as contemplated herein. County shall incur no fault or liability for any failure to provide services pursuant to the terms of this paragraph.

### **3. COUNTY ADMINISTRATION**

- a. Town agrees to, and hereby does, appoint, designate, empower the County the authority to perform the services for the collection of Stormwater Utility Fees.
- b. County shall perform the above services through its Tax Administration Office, or any successor division as may be designated by the County Manager.
- c. County shall have the exclusive authority to determine the most appropriate means of administering the collection of Town Stormwater Utility Fee in the Town.
- d. It is understood and agreed that Town shall provide County any and all information, records, or materials needed by County for the effective and accurate collection of such fees and charges, as identified by the Town in the Town Code, including but not necessarily limited to the Rate Structure and data set compatible with the County Tax Administration Office billing data set. Non-Matches will be resolved by the Town staff.

**4. ENFORCEMENT**

- a. The Parties agree the County has no responsibility to collect unpaid or delinquent fees and charges.
- b. Town has the sole responsibility at Town's cost to collect unpaid or delinquent fees and charges.
- c. Upon request by Town, County shall provide Town any and all records related to unpaid and/or delinquent Stormwater Utility Fee accounts.

**9. REVIEW OF AGREEMENT**

During the initial term this Agreement shall be reviewed by staff of the County and Town Management each year beginning no later than October 15, 2018 in order to determine: the cost/benefit of the County's administration of the collection of stormwater utility fees and charges in the Town; any difficulties encountered in implementing the terms of this Agreement; any other issues that need to be examined. Should the review demonstrate a need to adjust upward the fees necessary to adequately compensate the County for administration of collection of the Stormwater Utility the parties shall work together to determine the appropriate fee to be paid for year two and forward.

**6. AMENDMENTS**

This Agreement may be amended by mutual written consent of the County and Town.

**7. TERMINATION**

This Agreement may be terminated by either Party hereto upon one year advance written notice to the other Party at any time by mutual written agreement of the Parties.

**8. NOTICE**

Any notice required by this Agreement shall be in writing and delivered by certified or registered mail, return receipt requested to the following:

To the County:

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

To the Town:

Town of Carrboro  
Town Manager  
P.O. Box 429  
Carrboro, NC 27278

**9. ENTIRE AGREEMENT**

This Agreement constitutes the entire Agreement of the parties hereto and is effective the date first above written.

TOWN OF CARRBORO

ORANGE COUNTY

By: \_\_\_\_\_  
Town Manager

By: \_\_\_\_\_  
County Manager

ATTEST: \_\_\_\_\_  
Town Clerk

ATTEST: \_\_\_\_\_  
Clerk to the Board

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE AN  
INTERLOCAL AGREEMENT FOR STORMWATER UTILITY BILLING

**WHEREAS**, the Town of Carrboro adopted Section 18-4 of the Town Code in 2017 to create a stormwater management utility and enterprise fund, and also created a new Stormwater Advisory Commission which began meeting in February, 2018; and

**WHEREAS**, the Board of Aldermen have initiated the review of a draft stormwater utility rate structure, including setting a Public Hearing for May 15<sup>th</sup>, and requesting staff to investigate an Interlocal Agreement with Orange County to perform the billing for the utility; and

**WHEREAS**, Town staff have worked with County staff to draft an Interlocal Agreement.

**NOW, THEREFORE BE IT RESOLVED** by the Carrboro Board of Aldermen that the Aldermen hereby authorize the Town Manager to execute an Interlocal Agreement with Orange County for billing for the Stormwater Utility.

**BE IT FURTHER RESOLVED** that final execution of the Interlocal Agreement is contingent on the Board establishing a rate structure for the Stormwater Utility.

This is the 15<sup>th</sup> day of May in the year 2018.