

APPROVED 5/20/2014

**ORANGE COUNTY BOARD OF COMMISSIONERS  
CHAPEL HILL TOWN COUNCIL  
CARRBORO BOARD OF ALDERMEN  
JOINT PLANNING PUBLIC HEARING  
March 27, 2014  
7:00 P.M.**

The Orange County Board of Commissioners met with the Towns of Chapel Hill and Carrboro for a Joint Planning Public Hearing on Thursday, March 27, 2014 at 7:00 p.m. at the Southern Human Services Center in Chapel Hill. N.C.

**COUNTY COMMISSIONERS PRESENT:** Chair Barry Jacobs and Commissioners Mark Dorosin, Alice M. Gordon, Earl McKee, Bernadette Pelissier, Renee Price, and Penny Rich

**COUNTY COMMISSIONERS ABSENT:**

**COUNTY ATTORNEYS PRESENT:** John Roberts

**COUNTY STAFF PRESENT:** Interim County Manager Michael Talbert, Assistant County Manager Cheryl Young, and Clerk to the Board Donna Baker (All other staff members will be identified appropriately below)

**CHAPEL HILL TOWN COUNCIL MEMBERS/STAFF PRESENT:** Mayor Mark Kleinschmidt, Donna Bell, Sally Greene, Ed Harrison, Lee Storrow, Jim Ward, Maria Palmer, George Cianciolo, and Town Manager Roger Stancil

**CHAPEL HILL TOWN COUNCIL MEMBERS ABSENT:** Matt Czajkowski

**CARRBORO BOARD OF ALDERMEN MEMBERS PRESENT/STAFF:** Mayor Lydia Lavelle, Aldermen Damien Seils, Jacquelyn Gist, Randee Haven O'Donnell, and Sammy Slade

**CARRBORO BOARD OF ALDERMEN MEMBERS ABSENT:** Michelle Johnson

**CARRBORO STAFF ABSENT:** Town Manager David Andrews

Chair Jacobs called the meeting to order at 7:06 pm.

**A. OPENING REMARKS FROM THE CHAIR AND MAYORS**

Mayor Lavelle welcomed everyone and said that Michelle Johnson will be late.

Chair Jacobs said that Mayor Kleinschmidt will be arriving around 7:30pm.

Chair Jacobs referred to the following items at their places.

- PowerPoint Sheets for - Item c-1 and Item c-2 – Text Amendments to the Joint Planning Land Use Plan and Agreement
- Blue Sheet – Letter regarding Community Development Block Grant Funding

Commissioner Rich suggested that all the Mayors and Managers get on the NACo listserv.

**B. PUBLIC CHARGE**

**C. PUBLIC HEARING ITEMS**

**1. Text Amendments to the Joint Planning Land Use Plan and Agreement –**

Michael Harvey said this is a public hearing to review proposed amendments to existing language to ensure agricultural activities are recognized as being allowed throughout the Rural Buffer, require a minimum 2 acre density, allow for the clustering of subdivision lots in those portions of the Rural Buffer outside of the University Lake Watershed Area, and clarify text associated with the minimum lot size within the University Lake Watershed Area.

Michael Harvey presented the following PowerPoint slides:

- **MARCH 27, 2014**

- **AGENDA ITEM: C-1**

- **JOINT PLANNING PUBLIC HEARING**

- **ORANGE COUNTY, TOWN OF CHAPEL HILL, TOWN OF CARRBORO**

- **JOINT PLANNING IN ORANGE COUNTY:**

- Began in 1984 with a call for the development of a land use plan.
- Participants adopted a Joint Planning Land Use Plan October 13, 1986 outlining acceptable levels of development in identified areas outside of existing extraterritorial jurisdictional (ETJ) areas.
- Management of area(s) formalized on September 22, 1987 with adoption of Joint Planning Agreement by all involved parties.
- Agreement established: *'a method of coordinated and comprehensive planning'* in identified areas.

- **JOINT PLANNING IN ORANGE COUNTY:**

- Plan envisions 2 primary development areas:
  - Transition Areas: Administered by the Towns under their individual land use and zoning regulations in accordance with the Plan. Areas characterized as transitioning from rural to urban development.
    - County has review authority for projects, text, and map changes in identified Transition Areas.
  - Rural Buffer: Areas outside Transition Areas under County regulatory control intended to remain rural in character where annexation is prohibited and urban services (i.e. public water and sanitary sewer) are not a necessary component to support development.
    - Town(s) has review authority for projects, text, and map changes in Rural Buffer area.
- Joint Planning Land Use Plan – Land Use Category Map

- **ISSUES/CONCERNS:**

- Agricultural Areas land use category is not depicted on maps contained within the Plan. No properties appear to be designated within this category.
  - NOTE: Current language could be misconstrued as establishing limits with respect to allowable locations for agricultural operations, which is inconsistent with State Law. This needs to be corrected.
- Rural Residential land use category does not specify a density limit (minimum lot size only).
  - NOTE: County staff has interpreted there to be a 'defacto' density limit in the areas of the Plan not located within the University Lake Watershed Area of 1 dwelling unit for every 2 acres.
- Clustering of lots is not viable within Rural Residential land use category as the Plan is currently written.
  - NOTE(s): There is a minimum required lot size for properties within this land use category of 2 acres.
  - Under County regulations, Cluster Subdivisions allows for the reduction of required lot sizes, not below 1 acre in area, so long as 33% of a parcel is preserved in open space and established density limits are observed.
  - Technique is utilized throughout the county, including the University Lake Watershed Area.

- There is no language within the Plan indicating the clustering of subdivision lots, below the 2 acre minimum lot size, is permitted in the Rural Residential land use category.

- **CLUSTER SUBDIVISION ISSUE:**

- **Conventional subdivision layout:**

- Open space is private and part of individual lots. As a result it can be disturbed,
- Subdivision spread out over entire parcel,
- More impervious surface area and more land clearing/grading required (i.e. longer roads and driveways),
- Greater impact to existing foliage and more acres 'developed' under conventional subdivision design.

- **Cluster subdivision layout**

- Smaller lots with open space being separate and less likely to be disturbed,
- Open space is now 'shared common area' for local residents,
- Subdivision is condensed requiring less land clearing and grading,
- Less impervious surface area required,
- Greater protection for existing foliage and less overall 'development' on property.

- **ISSUES/CONCERNS (continued):**

- Plan indicates minimum required lot size within the University Lake Watershed Area is **5 acres**.
- This is inconsistent with language within Joint Planning Agreement and County regulations indicating minimum lot size is 2 acres.
  - NOTE(s): The Plan indicates there is a density limit for property within this area of 1 dwelling unit for every 5 acres.
  - County regulations also establish a density limit for property within the University Lake Watershed Area of 1 dwelling unit for every 5 acres of property. Minimum required lot size, however, is 2 acres. As previously indicated this is consistent with language contained within the Joint Planning Agreement.

- **PROPOSAL:**

- County staff is proposing the following:
  - Combine Rural Residential and Agricultural Areas land use categories into 1 and add language indicating agricultural activities are permitted throughout area covered by the Plan.
  - Add language establishing density of 1 dwelling unit for every 2 acres for property within Rural Residential land use category.
    - NOTE(s): This is consistent with County planning staff's interpretation of the allowable density in Rural Residential land use category. Plan is being modified to include this interpretation.
    - This amendment will not impact established density limits within the University Lake Watershed Area, which will remain at *1 dwelling unit for every 5 acres of property*.
  - Allow cluster subdivisions within the Rural Residential category so long as proposed density requirements (i.e. 1 unit for every 2 acres) are adhered to. Lots could be reduced to 1 acre in area while density limits are maintained.

- **Proposal (continued) Chart Visual**

What proposed changes will mean in Rural Residential Land Use Category?

### **Proposal (continued)**

- Change language denoting required minimum lot size for parcels in the University Lake Watershed Area from 5 acres, as detailed within the current Plan, to **2 acres** consistent with existing County regulations and the Joint Planning Agreement.
  - NOTE: This will not impact existing density requirements of **1 dwelling unit for every 5 acres** of property for parcels located within the University Lake Watershed Area.
  - Minimum required lot size will be 2 acres, which is what County staff has enforced since the adoption of the Agreement.
  - Please note: Cluster Subdivisions are allowed within the University Lake Watershed Area. Lots can be reduced to 1 acre in size so long as established density requirements (i.e. 1 dwelling unit for every 5 acres of property) are observed.

### **Proposal (continued) Chart Visual**

What proposed changes will mean in University Lake Watershed Area?

### **REVIEW PROCESS:**

- Step One: Joint Public Hearing with all participants
- Step Two: Review of proposal by all parties consistent with schedule outlined in abstract.
  - NOTE: each entity shall process request consistent with their applicable meeting schedules for advisory boards and elected officials.
  - Amendment(s) shall not become effective until approved by the parties.
- Step Three: Elected bodies take action.
- Step Four: If approved, staff will modify the language of the Plan.

### **COUNTY STAFF RECOMMENDATION:**

1. Receive the request,
2. Conduct the Public Hearing and accept public and elected official(s) comments,
3. Refer the matter to the various advisory boards for recommendation and elected officials for final decision consistent with local meeting dates.

Council Member Palmer asked how a 2 acre lot can be purchased to build a house, but the density is one unit per 5 acres.

Michael Harvey referred to the example of a 100 acre parcel that can be split by a developer into a maximum of 20 lots. He said 19 of those lots can be 2 acre parcels, which is the minimum lot size, and one lot will be significantly larger. He said the minimum lot size will be maintained, but only 10 lots will get developed. He said it is up to the developer to decide how large the lot sizes will be, respecting the 2 acre minimum.

Council Member Palmer said she understands how this can work if you have a developer, but she questions the situation when there is an individual owner.

Michael Harvey said there are 1, 2 and 3 acre lots in this area. He said any of these that were created prior to 1990 are grandfathered in and can be developed; any new lot created after 1990 has to comply with the density standards.

Commissioner Dorosin referred to the example on the slide regarding shared open space in the cluster model. He asked if this means the developer has to create a Home Owners Association (HOA) to manage and maintain that shared space.

Michael Harvey said there are several ways to get this done. He said one way is to establish an HOA, and another way is to work with developers to have common areas donated and dedicated to local conservancy groups.

Commissioner Dorosin questioned how density would be measured if, for example, he owned a 5 acre stand-alone lot and he wanted to sub-divide it and sell part of it.

Michael Harvey said it would depend on when the lot was created. He said a subdivision would not be possible if the lot was created in 2000, as the density threshold has been reached for the area in question.

*Mayor Kleinschmidt arrived at 7:16 PM*

Commissioner Dorosin questioned whether subdivided lots from a parcel created earlier would still be grandfathered.

Michael Harvey said it would be a lot created under provisions referenced in the plan, as well as in County zoning regulations. He said there is a density bonus that the plan recognizes. He said this allows for up to 5 lots at a 2 acre density; but once this is exhausted, every dwelling would have to meet the one dwelling unit per 5 acre density.

Alderman Slade said this looks like a more attractive alternative for developers, and it may allow them to pursue the clustered subdivision as a way to save money. He questioned whether there might be ways to incentivize developers to make any existing nature corridors or County corridors publicly accessible space in exchange for the opportunity to do a cluster subdivision.

Michael Harvey said the current County standards do not incentivize the cluster subdivision process. He said this plan merely provides the developer an opportunity to reduce cost and preserve open space. He said the only incentive in their regulations is to potentially allow for additional density, subject to the provision of lots for affordable housing. He said the County has had developers that have dedicated open space and allowed for public access corridors consistent with the Greenway Master Plan, which is monitored by the Department of Environment, Agriculture, Parks & Recreation (DEAPR). He said DEAPR is involved in the review process and makes recommendations on the reservation of such areas.

Commissioner Price asked if staff can provide the statistics for which developers have used conventional plans versus clustering or conservation over the years.

Michael Harvey said he can do this, but he would remind the Board that there are 4 types of major sub-division regulations in the County, most of which are conservation/clustering style subdivisions. He said the County has only had 2 major subdivisions in the past 3 years.

Commissioner Price said there have been some in the past and she would like to have some idea of how this has gone. She said there were efforts in the 1990's to do this type of conservation, and a lot of the developers were choosing the conventional plan.

Michael Harvey said he can provide this information. He said there is nothing in this plan other than that it encourages and allows clustered subdivisions. He said it is the County's subdivision regulations that spell out the subdivision processes.

Council Member Harrison said it was with the Dunhill subdivision off Mount Sinai Road that he first learned about the lack of cluster. He asked if this neighborhood had any other option besides conventional that would have given them more buffer against the Johnston Mill Preserve.

Michael Harvey said the developer could have done a cluster sub-division, but this would have limited them to 2 acre lot sizes; therefore the conventional option was chosen. He said this amendment would have given the developer the option to cluster down to one acre with 33 percent open space.

Council Member Harrison questioned whether this option would have reduced the number of lots.

Michael Harvey said this is correct, but it would have been 2 acre minimum lot sizes.

Council Member Harrison said it could have increased the amount of open space against neighboring properties.

Michael Harvey said this is correct, but the County cannot require that the developer go through this process, because it was a special use permit.

Council Member Ward asked if this proposal is going to create any situations where people will lose development opportunities.

Michael Harvey said he does not think so, because County planning staff already interprets a de-facto one dwelling unit for every 2 acre density in the rural residential area. He said this will simply allow people to reduce the lot size, cluster, get more open space, and reduce the cost for development. He said the County gets the benefit of more open space.

Council Member Ward asked if there are there boilerplate restrictions related to the open space that is created within these subdivisions.

Michael Harvey said yes. He said the Orange County subdivision regulations spell out uses allowed within open space, and this is primarily for local residents, access and some recreational activities.

Council Member Ward asked if the space can be timbered.

Michael Harvey said no.

Council Member Ward asked about the nature of the enforcement.

Michael Harvey said he tries his best.

Council Member Ward noted that one of the proposals is to overlay what already is by state law agricultural uses throughout the County.

Michael Harvey said staff is proposing the combination of existing agricultural land use area with the rural residential category, adding language that stipulates agricultural activities are permitted consistent with state law.

Council Member Ward asked if this is going to do anything in the watershed that would be counterproductive to the interest in keeping it healthy.

Michael Harvey said not in his professional opinion, because state law says the County cannot stop farms from developing in that area anyway.

Council Member Ward asked if there are other ways to deal with agricultural activities to make sure these activities and farming practices are done as wisely as possible.

Michael Harvey said even though farms are exempt from the majority of zoning regulations, they are still required to comply with development regulations, specifically erosion control and storm water management. He said the County planning department does enforce impervious surface limits on farms and does work in concert with the Health Department to insure adequate septic. He said there are mechanisms in place to address some potential concerns, but the tools at the County's disposal are limited because of state law.

Commissioner McKee said there are regulations associated with the Jordan Lake rules that define record keeping, as well as best farming practices.

Commissioner Gordon asked if there is any other way to handle this concern about farming not being allowed. She said it seems that farming cannot be restrained, and she thinks there are already farms in this watershed and other areas of the rural buffer. She questioned whether there is any other way to phrase this that would bring the definition up to date instead of combining these two uses. She said this makes it sound much like the Agricultural Residential land use category, which is much different. She asked if there is a way to add a statement about compliance with state statutes.

Michael Harvey said the original proposal was to delete agricultural areas as a land use category altogether, and add the language being proposed on page 8 of the abstract. He said it was determined that the language of the agriculture areas land use category should be maintained. He said since there are no properties placed in the category to begin with it seemed reasonable to combine the two and add the language. He said the problem is that

agriculture activities can occur in all land use categories, so it was more prudent to combine the two categories.

Commissioner Price said she was referring to flexible development earlier.

Michael Harvey said the state requires a minimum stream buffer to be preserved around streams on farm properties, and the County buffers don't apply. He said the erosion control division of Orange County handles this.

Michael Harvey said he cannot enforce watershed buffers on a farm. He said he cannot enforce the 100 foot as currently detailed, since the watershed buffers are graduated from a 50 foot minimum to 250 feet, according to slope. He said the state will enforce the minimum stream buffer.

#### PUBLIC COMMENT:

Bolton Anthony said he runs a small non-profit called Second Journey, which is interested in new models for community in later life. He said his organization has been partnering with the Department on Aging on workshops regarding aging in the communities. He said there have been discussions on shared housing and clustered neighborhoods.

He said his non-profit was considering an elder-co-housing community 7 or 8 years ago, in which the houses are clustered and open onto a green space, and automobiles are kept at a distance. He said the affordability issue in Carrboro and Chapel Hill made this project very difficult, so the agricultural buffer was considered. He said there was a 15 acre tract on Old Hillsborough that would have worked beautifully, and the 2 acre requirement is what frustrated the ability to develop this. He urged the Board to give this a favorable hearing and not frustrate future attempts.

Council Member Palmer referred to page 15 of the materials and noted that there are approximately 9,260 acres of land designated rural/residential and agricultural. She said that could mean about 10,231 people according to the plan. She said if the County continues subdividing land into big lots, there will end up being mansions for 10,000 people. She does not want the County to look like this, and she does not want this to be the future of the outskirts of the Chapel Hill and Carrboro area. She would like to think of ways that this land can serve the community better than just subdividing it into lots. She suggested development of a soccer complex that would bring in people for recreational purposes and would bring economic development to our area. She said a park and ride lot could be placed next to it so that weekend users could utilize it to preserve parking in the towns. She said some of this land should be preserved for trails and campgrounds.

Council Member Palmer asked about use for affordable housing or educational farms for young people to learn about agriculture. She asked if these activities could be encouraged. She said she is comfortable making these changes to bring things up to date, but she hopes that the Board can come back and talk about new things that can be done with the rural buffer.

*Council Member Storrow arrived at 7:42 PM*

Council Member Ward asked how the land perkability affects these rules.

Michael Harvey said the reality is if that it is sometimes difficult to find perk sites. He said if developers don't do the due diligence before going through the process then there could be a lot of money spent for nothing. He said the County does require applicant to go through a fairly arduous process to avoid this.

Council Member Ward asked if the County requires a back up perk site.

Michael Harvey said yes.

Council Member Ward asked if the County is being asked about above ground perks and other alternatives with regard to land that does not perk

Michael Harvey said all of these are possible with state permits and state engineered systems. He said a project in the rural buffer is prohibited from having water or sewer extended to it.

Council Member Ward asked if developers can use the alternative strategies.

Michael Harvey said yes.

Commissioner Gordon said part of the reason for the rural buffer is to have a hard edge around the urban areas so that the urban areas can be developed in a more effective way. She said it is important to remember that whatever goes in the rural buffer needs to be able to survive on groundwater systems.

She said there are possibilities to have soccer areas in other parts of the County, such as Millhouse Road Park and the Twin Creeks Park.

Chair Jacobs referred to the clustering option and thanked the staff for bringing it forward. He said this is a gracious form of sprawl. He said the County loses the capacity to have significant connected open space and smaller yards. He said he has been asking for this for a long time. He said there has been frustration by this, and there has been hesitation to open the discussion about the rural buffer, but he trusts the wisdom of his colleagues. He thinks the County can do a better job, and he thinks this is a step in the right direction. He hopes this goes forward.

Alderman Haven O'Donnell referred to the comments by Bolton Anthony. She said there are people in Carrboro that have been there a long time and are discussing an elder co-housing concept. She said this is not possible in Carrboro, as the lots are not large enough. She asked, if this was to go forward, if there would be flexibility for these kinds of special uses.

Michael Harvey said his opinion is no, because there would still be a one acre minimum lot size with clustering.

Alderman Haven O'Donnell said the County is rapidly approaching a time, with baby boomers retiring, when a wise use of land makes sense. She questioned whether the County is missing an opportunity to purposefully create an environment where transitional and affordable housing would work.

Michael Harvey said it would require the efforts of the elected boards to put that type of flexibility in the proposed document.

Chair Jacobs noted that the County's minimum lot size is .92 acres.

Michael Harvey said there are areas in Orange County where water and sewer are available, and high density projects are encouraged and promoted. He said some of the projects Alderman Haven O'Donnell is suggesting could be developed through established processes; however this cannot be done in the current rural buffer.

Commissioner McKee said he supports the plan overall, but his only concern is the one dwelling for every 5 acres in the University Lake Watershed. He said he is concerned about the issue of affordability. He said with this limitation and the land prices in that area, there is no talk of affordable houses – only mansions.

Council Member Ward asked for an explanation of why the County could not create the ability to have smaller lot sizes.

Michael Harvey said the reason for the lot size requirements is the availability of active repair septic and wells that require a 50 foot setback from structures and septic systems. He said the lot sizes can vary dramatically in areas that have water and sewer.

Council Member Palmer said she understands the need for the septic system to support the population. She questioned having the land and clustering the people. She referenced the example of co-housing for the elderly. She said the homes in this setting are more like little apartments that open into common areas. She asked if this would be permitted, as you still have the density.

Michael Harvey said there are areas in the County where that concept would work, but this would not work in the rural buffer unless this elected body wants to change this plan.



Council Member Palmer asked if this means changing the plan to allow clustering to have lots of half an acre as long as the density is maintained.

Michael Harvey said that is one thing that would have to change, but there are many more changes that would have to occur, and he is not prepared to discuss that this evening.

Council Member Palmer asked if it is possible in much of the rest of the County.

Michael Harvey said yes. He said there are existing subdivision categories that give people the option to go through a process to create exactly what Council Member Palmer is talking about. He said most of these are in areas where water and sewer are available.

Alderman Seils said he has concern about any reduction of lot sizes. He said these discussions are describing an urban area, and the purpose of the rural buffer is to not be an urban area. He said he is not interested in changing the rural buffer to an urban area.

Commissioner Gordon agreed with Alderman Seils comments. She said the proposed concepts that Town Council Member Palmer mentioned require public water and sewer. She said there are good reasons why the requirements are in place for lots with septic and well.

Commissioner Price said she is in favor of the proposal, but she has looked at the clustering option in the past. She said she some of these developments have community wells in other areas, and it requires creative planning and a consideration of the carrying capacity of the land.

#### **a. Orange County**

A motion was made by Commissioner Price, seconded by Commissioner Rich to refer this item to the:

Orange County Planning Board for recommendation – May 7, 2014

Board of County Commissioners for possible action – June 3, 2014

VOTE: UNANIMOUS

#### **b. Chapel Hill**

A motion was made by Council Member Palmer, seconded by Council Member Storrow to refer this item to the :

Chapel Hill Planning Board for recommendation – May 6, 2014

Town Council for possible action – June 9, 2014

VOTE: UNANIMOUS

#### **c. Carrboro**

A motion was made by Alderman Gist, seconded by Alderman Seils to refer this item to the:

Carrboro Planning Board for recommendation – May 1, 2014

Board of Aldermen for possible action – June 3, 2014

VOTE: UNANIMOUS

### **2. Text Amendments to the Joint Planning Land Use Plan and Agreement**

Revise existing language to allow for the possibility of locating appropriate agricultural support enterprises in the Rural Buffer land use classification.

Perdita Holtz reviewed the following PowerPoint slides:

**Text Amendments to the Joint Planning Land Use Plan and Agreement to Allow for the Possibility of Locating Appropriate Agricultural Support Enterprises Within the Rural Buffer Land Use Classification**

### **Purpose of Amendment**

- Amend Joint Planning Land Use Plan and Agreement to allow for the potential of locating appropriate agricultural support enterprises within the Rural Buffer land use classification

### **Proposed Amendment**

- Add text to two pages of Joint Planning Land Use Plan and to one page of Agreement
- Added text is shown in blue in the agenda materials

### **What are Appropriate Agricultural Support Enterprises?**

- Agricultural support-related uses to be added to County's Unified Development Ordinance (UDO) as permissible in the Rural Buffer zoning district and/or part of a new conditional zoning district that could be applied in the Rural Buffer
- UDO amendments pertaining to the Rural Buffer can be adopted only if the three governing boards amend the Joint Planning Land Use Plan and Agreement

### **Unified Development Ordinance Amendment**

- The specifics of the UDO amendment are not the subject of tonight's public hearing but some information will be presented for context
- The Joint Planning Agreement has a prescribed process for amendments to County and Town development regulations
- Proposed amendments sent to Town planning staffs on January 17 for review/comment, in accordance with the Joint Planning Agreement
- Proposed UDO amendments were heard at the County's February 24 quarterly public hearing
- Adjourned to September 4, 2014 BOCC meeting for decision
- Discussed at the November 21, 2013 Assembly of Governments meeting
- Resulted in some changes to the amendments that went forward to public hearing

### **Purpose of Agricultural Support Enterprises Concept**

- Augment the allowable uses farmers can pursue in order to generate additional farm-related income while minimizing any adverse impacts on adjoining property
  - Intent is to better enable farmers to keep farming which will help preserve the rural heritage of Orange County and lessen pressure to sell farmland for conversion to residential uses
  - Consistent with the County's adopted Agricultural Development and Farmland Protection Plan
  - County's Agricultural Preservation Board is supportive of moving forward with the amendments

### **Project Review/Approval Process**

(if all amendments are enacted)

- All projects within the Rural Buffer are sent to JPA partners for review and comment, in accordance with the Joint Planning Agreement
- Three basic processes:
  - Staff review/approval
    - Only for small scale, less intensive uses
  - Special Use Permit
    - Public Hearing
    - Decided on a case-by-case basis with public input ("evidence")
  - Rezoning to new conditional district (ASE-CZ)

### **Conditional Zoning Districts**

- Allow projects to be considered on a case-by-case, site-specific basis
- Rezoning (legislative process) with public hearing
- Acknowledges that there are places where a specific type of use may be appropriate whereas it would not be in a different site-specific situation
- BOCC has final decision on whether a proposed use(s) is compatible with surrounding uses
- Mutually agreed upon conditions can be imposed as part of the approval process
- Allows tailoring of project to a specific site

### **Use-Specific Standards**

- Proposed uses to be added have use-specific standards that must be met
- Address issues such as:
  - Additional setback requirements
  - Access to a major road
  - Hours of operation or of special events
  - Groundwater usage
  - Minimum lot size
  - Screening of outdoor storage areas
  - Location of parking areas
  -

### **Tonight's Amendment Topic**

- Joint Planning Land Use Plan and Agreement
  - Ultimately, the decision to be made is whether the governing bodies would like to allow for the possibility of agricultural support uses in the Rural Buffer or whether any development in the Rural Buffer should continue to be primarily for only exempt agricultural uses and residential development on large lots

### **Recommendation for Tonight**

1. Hear public comment on the proposed amendments to the Joint Planning Land Use Plan and Agreement.
2. Close the public hearing.
3. Refer the matter to the local governments for decision in accordance with the following schedule:
  - a. Orange County  
Orange County Planning Board for recommendation – May 7, 2014  
Board of County Commissioners for possible action – June 3, 2014
  - b. Chapel Hill  
Chapel Hill Planning Board for recommendation – May 6, 2014  
Town Council for possible action – June 9, 2014
  - c. Carrboro  
Carrboro Planning Board for recommendation – May 1, 2014  
Board of Aldermen for possible action – June 3, 2014

Perdita Holtz noted that the rural buffer does encompass over 30,000 acres in total. She said some examples of agricultural uses include a community farmers market, a cooperative farm stand, a microbrewery or winery, or an equestrian center, to name a few. Council Member Palmer asked for clarification on the location of the blue, amended text.

Perdita Holtz said this is located on page 35-38 of the handout. She said Commissioner Gordon passed out the actual UDO amendments this evening.

Council Member Harrison asked if the listed uses are now allowed in a lot of other districts.

Perdita Holtz said most of the uses are new. She said the microbreweries might be allowed under a broader land use classification. She said Orange County's non-residential uses are broad, so in some cases a use is not currently designated, and now it is being specifically addressed in the regulations.

Council Member Harrison asked if the request is countywide or only in the rural buffer.

Perdita Holtz said there is an amendment going forward for areas outside the buffer as well as an amendment that is specific to the rural buffer.

Commissioner Gordon said the first amendment package being considered tonight has to do with things the staff felt needed to be done that are not specifically related to allowing agricultural enterprises in the rural buffer.

She said this part of the meeting has to do with agricultural enterprises in the rural buffer, and that is why she passed out the document with additional information on the amendment package. She said the boards are being asked to make amendments to the joint planning land use plan and the actual joint planning agreement, and her handout provides context. She said the first pages of her handout give an overview of what is being proposed. ("Agricultural Support Enterprises Basic Zoning Program") and then the rest of the document gives the UDO and Comprehensive Plan Amendments for the Area Within the Rural Buffer ("Amendment Package for Agricultural Support Enterprises Within the Rural Buffer"). She is hoping that the boards would look at her hand out and provide comments. She said the Board of County Commissioners will not consider these amendments until September. She said that certain proposed amendments, such as a community meat processing facility, winery with events, community farmers market, and others really do allow a lot more uses in the Rural Buffer than the current standards. She said in the interest of transparency she wanted the boards to have this information.

Commissioner McKee said no one is being asked to make a decision tonight. He asked Perdita Holtz to clarify that nothing is allowed by right, without review.

Perdita Holtz said very few uses are allowed, and there are five new ones.

Commissioner McKee said some the major things mentioned by Commissioner Gordon are not staff decisions, but require multiple levels of review. He said this does allow a lot more activity to happen, but his point is that there are multiple levels of review. He said the farmers in this rural buffer area need the opportunities to generate additional revenues in order to remain in farming. He said he seriously doubts there will be any meat processing facilities in Orange County, much less the rural buffer, as it is a major undertaking. He said farm stands may pop up, as this requires customers, so it fits in the area. He said he hoped people would not get hung up on some of the proposed uses but will look at this holistically from a view of what it can do for the agricultural community.

Alderman Slade said he would like to see a map of how many farms are in the rural buffer area. He would like to find ways to support local farmers, and this proposal makes sense to him. He said Carrboro is looking to allow light manufacturing in their town through a process of zoning. He encouraged the Board of County Commissioners to use the ¼ cents sales tax in support of agricultural enterprises. He would like to see how the money is being spent, and he would like to see breakdown of the sales tax numbers throughout the County.

Chair Jacobs said parts of the monies are dedicated to agricultural economic development activities. He said the County is in the process of hiring a new agricultural economic development person who will be dedicated just to that portion of the economy. He said the Board has been working on this since Maple View Farms ice cream store came into existence. He said the County had to figure out a suitable process for engaging the flexibility to

review different uses without granting them by right or having a blanket ban. He said the conditional use zoning has finally gotten them to this place.

Commissioner Rich said when Commissioner Gordon shares information, she does it because she has a passion, and she wants to make sure everyone has all of the information in order to make an educated decision.

Commissioner Gordon said agricultural uses were originally created for the existing farms. She referred to page 80 on the back of her handout and said the uses that are allowed are not the most intensive uses. She said the intensive uses are the ones that are only allowed as Agricultural Support Enterprises conditional zoning (ASE-CZ). She said there is some recognition in the advisory boards that some of these uses should not be allowed in the rural buffer. She listed some of these possible exclusions.

Commissioner Gordon referred to the end of page 38 and read the following: "The rural buffer is further defined as land which, although adjacent to an Urban or Transition area, is rural in character and which will remain rural, contain low-density residential uses, agricultural uses, and agricultural support uses and not require urban services (public utilities and other town services). Agricultural support uses are those designated in the County's UDO ordinance as allowable in the RB (rural buffer) general use zoning district or those permitted through the ASE-CZ conditional zoning district."

Commissioner Gordon suggested that the board members look through all of the uses and review or tweak them before signing off on this.

**a. Orange County**

A motion was made by Commissioner Gordon, seconded by Commissioner Price to include Commissioner Gordon's hand out information as well as the farm information requested by Alderman Slade and refer the item to the:

- Orange County Planning Board for recommendation – May 7, 2014
- Board of County Commissioners for possible action – June 3, 2014

VOTE: UNANIMOUS

**b. Chapel Hill**

A motion was made by Council Member Ward, seconded by Council Member Greene to include Commissioner Gordon's hand out information as well as the farm information requested by Alderman Slade and refer the item to the to:

- Chapel Hill Planning Board for recommendation – May 6, 2014
- Town Council for possible action – June 9, 2014

VOTE: UNANIMOUS

**c. Carrboro**

A motion was made by Alderman Gist, seconded by Alderman Seils to include Commissioner Gordon's hand out as well as the farm information requested by Alderman Slade and refer this item to the:

- Carrboro Planning Board for recommendation – May 1, 2014
- Board of Aldermen for possible action – June 3, 2014

VOTE: UNANIMOUS

Council Member Ward said the last time this was discussed there was concern regarding the water consumption for many of these uses.

Perdita Holtz said that was the major change that occurred as a result of the Assembly of Governments meeting. She said many of the uses would be required to submit a groundwater study if they exceed the number of gallons per day utilized by an average single family residence.

Council Member Ward asked what is in place to inform the public in the affected area of these proposed changes.

Perdita Holtz said there was a public information meeting on this entire program; the items were on the Board of County Commissioners QPH agenda; and this public hearing tonight was in a legal advertisement. She said press releases are done, and if this was to be adopted, and projects come forward, owners within 500 feet of a proposed property would be notified.

**D. ADJOURNMENT OF JOINT PUBLIC HEARING**

A motion was made by Commissioner Rich, seconded by Commissioner Pelissier to adjourn the meeting at 8:25 p.m.

VOTE: UNANIMOUS

Barry Jacobs, Chair

Donna Baker  
Clerk to the Board

APPROVED 5/20/2014

**MINUTES  
ORANGE COUNTY BOARD OF COMMISSIONERS  
CHAPEL HILL TOWN COUNCIL  
JOINT MEETING  
March 27, 2014**

The Orange County Board of Commissioners met with the Town of Chapel Hill for a Joint Meeting on Thursday, March 27, 2014 at the Southern Human Services Center in Chapel Hill, N.C. (following the Joint Planning Meeting at 7:00pm)

**COUNTY COMMISSIONERS PRESENT:** Chair Barry Jacobs and Commissioners Mark Dorosin, Alice M. Gordon, Earl McKee, Bernadette Pelissier, Renee Price and Penny Rich

**COUNTY COMMISSIONERS ABSENT:**

**COUNTY ATTORNEYS PRESENT:** Annette Moore

**COUNTY STAFF PRESENT:** Interim County Manager Michael Talbert, Assistant County Managers Cheryl Young and Clerk to the Board Donna Baker (All other staff members will be identified appropriately below)

**CHAPEL HILL TOWN COUNCIL MEMBERS PRESENT:** Mayor Mark Kleinschmidt, Donna Bell, George Cianciolo, Sally Greene, Ed Harrison, Maria Palmer, Lee Storrow and Jim Ward

**CHAPEL HILL TOWN COUNCIL MEMBERS ABSENT:** Matt Czajkowski

**CHAPEL HILL STAFF PRESENT:** Town Manager Roger Stancil

**Welcome and Opening Remarks (Mayor Mark Kleinschmidt and Chair Barry Jacobs)**

Mayor Kleinschmidt said many items are on tonight's agenda to help bring the Board of County Commissioners up to date on some development, review and planning processes within the Town of Chapel Hill.

**1. Ephesus Road Development Project**

Roger Stancil said the town would like to brief everyone on the design to re-develop and transform this challenged suburban commercial area into a vibrant urban walkable area. He said this area has been plagued with traffic congestion issues and storm water problems. He said the town would like to share this plan and then to invite the County's investment in this tax increment financing project. He said the request will be for the County to contribute a portion of the tax revenue gained from this project to help support the public improvements in the area.

He reviewed a series of PowerPoint slides of maps and drawings of the Ephesus Fordham area.

Roger Stancil said the idea of the project is based on a re-zoning that would foster the re-development of this commercial area, and that re-development would produce the tax revenue to fund the public improvements that the community has been struggling to fund. He said this plan is based on the three tenets of the Chapel Hill 2020 plan, which are connections, choices, and community. He said the community survey showed that the two biggest issues of concern are the congestion on 15-501 and the lack of available shopping in the area. He said this is intended to create a walkable, connected district.

Dwight Bassett, Economic Development Officer gave a general outline of the project using PowerPoint maps and drawings. He said the town council adopted a goal in February

2010 of completing a small area plan for this district in hopes of realizing some economic development opportunities. He said this was followed by a 7 month planning process. He reviewed the map of the area. He said the plan was adopted in June of 2011, and staff has been working on implementation. He said an economist on the planning board analyzed this plan and came out with a potential market for this district of about 250,000 square feet of retail, 280,000 square feet of hotel, 360,000 of office, and about 1,000 residential units. He said these numbers were the backbone of the transportation impact analysis to determine how to make traffic, bike and pedestrian improvements to help the district function.

Dwight Basset the past few years have included functional engineering on traffic and future potential transit improvements, as well as consideration of storm water engineering solutions. He said the council adopted a goal of 30 percent of the housing units being affordable housing. He said the idea is to pull as much traffic as possible back from Ephesus Church and Fordham Boulevard and distribute it better.

He said the town is looking at a total of \$10 million in public cost just to fix all of the broken systems in the development and allow future development to proceed.

Eric Feld reviewed several PowerPoint maps and charts. He said the framework approved by the council in 2011 was reinforced in the Chapel Hill 2020 comprehensive plan. He said this project was listed as an immediate priority, and there was also an action to consider form based coding as a regulating tool for this area. He said form based coding is a system of regulations intended to focus on the form of an area by focusing on the public realm from one building to the next. He said through this predictability the town hopes to harness an environment that will encourage re-development, which will allow for self financing of improvements. He said the town is going through a public process with the form based coding to refine the regulations.

He reviewed a map of the 190 acre planning area, as well as proposed design drawings.

Kenneth C. Pennoyer reviewed the following PowerPoint slides:

***Redevelopment will enable self-financing of public improvements by using a "Synthetic" Tax Increment Financing.***

The Town is planning an installment financing to pay for \$10 million of Ephesus Fordham public improvements by combining financing with the Town Hall Renovation Project

**Synthetic Tax Increment Financing**

*Funds for repayment of the debt will come from the additional (incremental) taxes generated from the redeveloped properties*

Total Annual Payments would be about \$800,000 (20 years)

**Expected Development (Bar Graph)**

2.2 Million Sq. Ft. & \$260 Million Value

**20 Year Cost Benefit Comparison (Graph)**

Cumulative Debt Service & Town Property Tax Increment

**Major Revenues Schools & County (chart)**

**Proposed County Participation**



*Lesser of 50% of the actual tax increment or 50% of the actual Debt Service on the \$10 million of public Improvements*

Maximum Annual Payment would be about \$400,000

### **Projected County Tax Increment (bar graph)**

Kenneth C. Pennoyer, said one of the challenges of this project was finding a way to finance the \$10 million of public improvements to the traffic and storm water, which are a precursor to the development of the area. He said the town does not have authority sufficient to borrow those funds, nor does it have a method of using the assets created in the project to do an installment financing. He said an alternative structure was considered through a synthetic tax increment financing. He said this would use the incremental tax revenues generated from the re-development of the properties in the area to help pay for the debt service for the public improvements. He said in order to make this financing plan work, the town needed to have an asset to use as collateral in order to do an installment financing.

He said a renovation project for the town hall is being done at the same time, as a result of the flooding last summer. He said the town saw an opportunity to combine these two projects and use the excess collateral in the town hall building as an asset to help finance the entire project. He said the town will be doing installment financing, while adding in a small amount of 2/3 general obligation bonds of \$1.7 million. He said this will defray the cost of the town hall portion of the project.

Kenneth Pennoyer said the synthetic tax incrementing financing relies on the expected increase in the property values in the area in order to pay the debt service on the improvements. He said it is anticipated that the \$10 million of debt will cost about \$800,000 in annual debt service payments.

He reviewed the graph of expected development phases. He said years 0-4 will primarily be multi-family residential, with some commercial. He said these are additive figures and the term of the analysis has been stretched to 20 years to match the length of the debt service.

Kenneth Pennoyer referred to the *20 Year Cost Benefit Comparison* slide and said this is the cumulative debt service based on borrowing for \$10 million, compared to the town's expected additional tax revenues. He said this shows the relationship between what is being borrowed and what can be afforded. He said the gap represents a shortfall of the town's tax increment using conservative assumptions on tax values, and this exists until 2030.

He reviewed the *Major Revenues Schools and County* slide, and said the numbers under each phase represent the annual tax increment expected by the County under the development scenario at the current tax rate. He said the impact on schools is based on the number of multi-family housing units being built, and it is anticipated to equal \$1.9 million in additional fees. He said the school property tax at the current tax rate is anticipated to be \$549,000 after complete build out.

Kenneth Pennoyer said the proposed County participation is to contribute a portion of the tax increment, or additional taxes generated from the development, not to exceed \$400,000. He noted that the tax increment will be smaller in the early years. He said the town is looking to use its debt service fund in the interim to pay the differences between the increment available and the actual debt. He reviewed the *Projected County Tax Increment* graph and said the full tax increment over the 20 years would be about \$7.3 million, and the net tax increment after paying the debt service, would be \$24 million.

Kenneth Pennoyer said the final *20 Year Cost Benefit Comparison* slide shows how the County increment provides the opportunity to match debt service with tax increment 10 years

earlier, in 2020. He said a partnership between the town and County will create a stronger debt payment structure and a bond package that is easier to market.

Chair Jacobs said staff would want to do a fiscal analysis of this before there is any comment on participation.

Chair Jacobs asked, given the planned 1,000 residential units, how this plan incorporates school sites per the Schools Adequate Public Facilities Act (SAPFO).

Roger Stancil said staff has been talking with Todd Lofriese from Chapel Hill Carrboro School System (CHCCS), and he will be at the April 9th work session to assist them.

Chair Jacobs asked if there will be a certain threshold for this or if a site will be determined.

Mayor Kleinschmidt said no site has been identified for a school within this district. He said there are school sites that have been identified nearby, such as Legion Hall.

Council Member Harrison said the American Legion area asked them to take the school off, and the likely land usage for this is actually athletic fields or a park.

Chair Jacobs said the town may want to invite Craig Benedict to attend their next meeting, as he is familiar with student generation rates. He said if no site is identified, it will have to be acquired, and it is much easier to identify it.

Mayor Kleinschmidt asked why a school would be required within this district.

Chair Jacobs said it doesn't have to be within the district, but in the past developers have been required to set aside a site for a school.

Town Council Member Palmer said this is not a new development; it is a re-development. She said the town has Ephesus Elementary within this area. She said this area is expected to grow gradually over the next 20 years and the demographics are going to change. She said the first thing to be re-developed will be the apartments, which will then be more upscale, and this will likely mean fewer children.

Commissioner Pelissier said an important point for her is that the first 10 years appear to have mostly multi-family home development. She said the County has to look at how much of the tax revenue is coming from residential versus commercial. She said when the County foregoes revenue, this affects the school funding, and she questioned whether the entire County might be paying for these additional school children in one district.

Commissioner Gordon asked what the transportation improvements are going for, and how transit will figure into this area along 15-501.

Roger Stancil said the transit improvements are included in the development regulations and will be part of the regular development process. He said the transit director has been involved in this conversation. He said the numbers shown do not reflect the pennies that the town dedicates to transit service. He said the town is doing a sustainability study of the transit system and how to plan for this future. He said that study will complement this plan.

Commissioner Gordon referred to the form based code information and she asked if the school system has to issue a certificate of adequate public facilities when a residential element comes in.

Mayor Kleinschmidt said the form based would not be exempt from other existing laws, like SAPFO.

Commissioner Gordon asked if form based code means that what can go in is set and predictable and can be approved at the staff level.

Mayor Kleinschmidt said to imagine if the town behaved like most other communities and laid out zones, and then most development occurred by right. He said developers in many towns look at zones to determine what can be built and then decide what they want to build. He said these developers can usually just go through staff as long as they comply with the zones and permitted uses. He said the form based code idea is to create a zone that defines the appropriate frontage, number of stories, transitions in intensity, street appearance, and

transit planning. He said that is how this would work. He said it gets ahead by looking at what the town wants the new development to look like and then allowing the developers to move forward as long as they comply.

Mayor Kleinschmidt said their community design commission will have an important role in this project by reviewing any proposed project for its esthetic value, architecture, form and materials.

Commissioner Gordon said the predictability could be a good thing, and it is the flip side of conditional zoning. She said people like predictability. She said there is an overall ratio of 85 percent residential development versus 15 percent retail development. She said residential development usually doesn't pay for itself unless the residential units are expensive.

Mayor Kleinschmidt said this will be multi-family homes, and no single family homes will be allowed.

Commissioner Gordon asked why more commercial development is not being encouraged early on.

Mayor Kleinschmidt said the zones will be mixed use zones, except for two that overlay the park area right now. He said these are the only areas with purely residential projects, and these are multi-family. He said the residential area has had projects come through before. He said there are property owners who want this, and it is going to happen. He said everywhere else is mixed use.

Commissioner Gordon said she will have to look at the figures.

Mayor Kleinschmidt said there are 190 acres. He said there will be 1000 new residential unit, which is 10 times more than Greenbridge, which sits on less than an acre. He said this property is not overrun with residential if you think about it that way.

Commissioner Rich said this process started when she was on the council in 2009, so the idea that it has been rushed is false. She said the Board of County Commissioners is just now hearing about the proposed funding of this project, and the models and numbers will have to be examined. She said the County needs to support economic development. She said she was concerned about the schools, and she will look at that information. She said it would be nice to see some affordable housing units here, and she noted that the affordable housing units there now are run down and need re-development. She said she is excited about helping to support the economic development portion of this.

Council Member Harrison referred to the questions about the transportation improvements. He said 15-501 has the biggest foot print of any road in Orange County, and any developer that came up with expansions ran into walls with the DOT due to required, high price tag improvements. He said pooling the money and having a comprehensive plan and town owned streets is a more productive approach. He does not agree with every link in the grid, and some of this needs to be discussed. He said the transit system has proved itself to be increasingly adept at adjusting routes, and he feels it is better to do this in the towns rather than with outside consultants.

Commissioner Dorosin referred to the point about the County's contribution up to \$400,000 or the lesser of 50 percent of the increment. He asked how the town would make up the difference between the tax increment and the debt, if necessary.

Kenneth C. Pennoyer said the town has a debt management fund that is used to fund major capital projects, and there is a sufficient balance to make up this amount if needed. He said if these funds are used it would delay other projects, but it is there as a backstop if needed.

Commissioner Dorosin asked if this project could still work if the County decided not to participate.

Kenneth C. Pennoyer said the ability to do it would be more marginal, and it would be much tighter. He feels the town would likely push ahead to try and make it work. He said the County's participation creates a partnership that makes a strong, marketable debt structure.

Commissioner Dorosin asked for clarification that the borrowing is not like the tax increment bonds that were subject to the constitutional amendment from several years ago.

Kenneth C. Pennoyer said this is considered a synthetic tax increment financing (TIF). He said the project development financing through the state has only been used by two projects. He said the reason is that there are easier and less expensive alternatives, such as the synthetic TIF. He said it looks like regular installment financing to a creditor, as they see an asset backing the debt, whereas the statutory model is backed by the hope of development.

Council Member Palmer said the town is letting the County in on a really good thing. She said the cost of not doing it right needs to be considered. She said development is moving to Durham and Chatham, and the town is trying really hard to revitalize Chapel Hill. She said the town is going to do this, because there is no other option. She said the town needs to bring in businesses and people.

Commissioner Price questioned what will happen if this is like Greenbridge. She asked if this is possible.

Mayor Kleinschmidt said as soon as Greenbridge was built it started paying taxes. He said there are many projects that are ready to go, and many people have come to their meetings that want re-development.

Commissioner McKee asked if all of the tax revenues are going to go to debt service because of the build-out.

Kenneth C. Pennoyer said the town would look to make up the difference in any tax revenue gaps in the early years. He said the town does have extra tax increment that can be used to offset other costs or supplement the general fund.

Commissioner McKee said the town has generated a lot of conversation, and he has received telephone calls and email from district 2. He said some of the comments in the calls were not on target, and he encouraged the town to carefully control their message.

Council Member Lee Storrow said he has been vocal in his support for this project. He said there are some unanswered questions and work to be done, but it is getting close to an outcome everyone can be proud of. He encouraged everyone not to be so risk adverse that they miss out on this opportunity. He said he wants to know that when his kids are going through the public school system in the future there will be a more solvent economic base and support system. He said this is a good opportunity to get on board with something exciting.

Council Member Cianciolo questioned what the financial risk is to the County, other than the potential cost of schools.

Kenneth C. Pennoyer said the worst thing that could happen is that the project does not see the expected development, or it takes longer to develop. He said in this case the County is fairly well protected, due to the limited contribution of 50 percent of their actual increment. He said another way to look at this is to consider the cost benefit tradeoff based on the development that is happening and what the County will be expected to deliver in terms of services. He said this presentation was done conservatively, and there is no mention of the additional revenues that may be generated by the retail outlets in the development or by additional automobile tax. He said the concentration was put on the most dependable source, which is the property tax.

Council Member Bell said the towns and the County are intimately connected, and she knows Orange County would not let this economic development opportunity go by the wayside. She said, while this will benefit the town, the actual economic impacts will be minimal compared to what will happen for the County. In reference to schools, she thinks there needs

to be a new way of thinking about schools that considers urban schools, school revitalization and making schools work in a different way. She said land is running out, and it is expensive. She said Chapel Hill will keep growing, and the town has determined that it needs to grow up. She said she is not worried about having enough schools for the next 10 years; she is worried about having enough schools for the next 5 decades.

Michael Talbert said if the town continues to go up, it will increase the density. He said if 1000 residential units are built out, that would bring about .3 children under the current rules of the Schools Adequate Public Facilities Act (SAPFO). He said this would cost around \$1 million per year in operating cost. He said the County funds just under \$3,200 per pupil now. He said this could also put pressure on the building capacity and may move future schools up in the schedule. He said the revenue side of this was laid out, but the expenditures were not mentioned. He said other County services would be impacted, and staff needs time and energy to review this; but the biggest impact would be the schools.

Michael Talbert questioned whether there would be a catch up proposal at the end if the County gives 50 percent of the increase in the tax value in the early years, and then development didn't happen for 3 years. He asked if the town would fund it immediately and then the County would fund through the remainder of the debt service.

Mayor Kleinschmidt said there is no catch up proposal.

Michael Talbert said the County is required to do revaluation every 8 years, and the next one is in 2017. He said these revaluations may have an impact on the values.

Mayor Kleinschmidt said this is a very conservative look at this project, and it assumes today's tax rates and property values at lower than current market rate.

Michael Talbert said the school population issues need to be felt out in the meeting with Todd Lofriese.

Chair Jacobs said the County has already changed their school standards, and there are no more large acreage standards. He said Northside Elementary School is a model of a school that was brought into the city, as opposed to being at the edge. He said this movement inward is the new model, and the County has looked at doing things differently. He said the County needs time to do its due diligence. He asked about the town's expected time frame.

Council Member Ward said it is imperative that the Chapel Hill staff is available to answer any questions the County has about this project. He said it makes a difference to him where the County lies in this decision, and it is not an A plus project without them.

Roger Stancil said town staff is available to the County. He said the finance staff will share a timeline with Michael Talbert.

Chair Jacobs said the Board would need to add this to a work session, and there would also need to be public comment as part of the decision making process.

Council Member Harrison thanked Commissioner McKee for his comments regarding staying on message. He said he has heard from a Durham City Council member, and the conversation is pretty broad.

Council Member Ward said he would like feedback from the Orange County economic development director as well.

Mayor Kleinschmidt said this feedback would be welcome.

Commissioner Rich asked Mayor Kleinschmidt about the time frame.

Mayor Kleinschmidt said he would like it done this fiscal year. He said, depending on the County's participation, this could be going out for a bond sometime after the potential mid-April zoning approval. He said a well paced timeline would have the zones activated in July to go ahead and begin new construction on roads, as well as work on storm water facilities.

Roger Stancil said the April time frame is the re-zoning date, which is the major date. He said the town would like to move forward with the financing right after that. He said the town would ideally be looking at an April/May time frame for the County.

Chair Jacobs said the optimum for the County would be this fiscal year.

## **2. Transit and Chapel Hill North-South Corridor Study**

### **a) Transit**

Craig Benedict said Orange County and the municipalities adopted a bus plan in 2012 and proceeded with a referendum in November 2012, which was passed. He said this is now in the implementation phase and includes all facets of transit. He said light rail has been accepted into project development with the federal transit administration. He said the Amtrak Train Station in Hillsborough is proceeding.

He said monies are becoming available by the half cent sales tax and the County tag fee to provide for a 4 or 5 year program to bring additional bus hours to Triangle Transit, Chapel Hill Transit and Orange Public Transportation (OPT). He said this will start with the addition of around 8,000 hours and will reach 34,000 hours in a 4 year period. He said this is being done jointly with the other bus systems to insure coordinated connections. He said the first presentation of the 5 year OPT bus program will be done for the Commissioners in April.

*Council Member Bell left at 9:55pm.*

### **b) Chapel Hill North South Corridor Study**

Chapel Hill Transit Director Brian Litchfield said the North South Corridor Study is related to the Orange County Bus and Rail investment plan, but it is not being funded by the plan. He said improvements that come from the study could be funded by the investment plan. He reviewed the following PowerPoint Slides:

## **The North-South Corridor Study**

### **Chapel Hill Transit Overview**

#### **Organizational Structure**

While a department of the Town of Chapel Hill, CHT is advised by the Chapel Hill Transit Partners Committee, which provides policy and financial guidance:

- Jim Ward, Chair, Town of Chapel Hill – Council Member
- Ed Harrison, Town of Chapel Hill – Council Member
  
- Matt Czajkowski, Town of Chapel Hill – Council Member
- Damon Seils, Town of Carrboro – Alderman
- Vacant, Town of Carrboro – Alderman
- David Andrews, Town of Carrboro – Town Manager
  
- Vacant, University of North Carolina at Chapel Hill
- Jeff McCracken, University of North Carolina at Chapel Hill – Director of Public Safety
- Cheryl Stout, University of North Carolina at Chapel Hill - Assistant Director for Parking Services

#### **What is the North-South Corridor Study?**

The NSC Study is a detailed study of all **reasonable transportation alternatives** along the Martin Luther King Jr. Boulevard and 15-501 South corridors from the Eubanks Road Park & Ride lot to the Southern Village Park & Ride lot.

Its purpose is to identify and evaluate improved accessibility, capacity, convenience and travel-time for riders.

## **It's about Community Goals**

### **Community Survey**

- 80% satisfied with quality of CHT
- Congestion is #1 citizen complaint
- Transit services was one of top 5 priorities

### **Customer Survey**

- 91% rated service as excellent or good

### **Chapel Hill 2020**

- Citizens want transportation options
- Transit identified as key initiative
  - Community Prosperity & Engagement
  - Getting Around
  - Good Places, New Spaces
- Carrboro Vision 2020
- UNC Development Plans
- Orange County Bus and Rail Investment Plan

## **North South Corridor Study Area Study Funding**

- The study is being funded in part by the Federal Transit Administration (FTA)
- 80% federal (FTA)
- 20% local (CHT Partners)
- It is the first step in the federal process that will allow Chapel Hill Transit to compete for federal funds for the project in the future.

## **Scope**

- *Public Participation (in progress)*
- *Purpose and Need Statement (in progress)*
- Scoping
- Evaluation of Corridor and Initial Alternatives
- Transit Supportive Development
- Alternatives Conceptual Design
- Operational Plans
- Ridership Estimates and Transportation Impact Assessment
- Capital, Operating, and Life-Cycle Cost Estimates
- Social, Economic, and Environmental Impact Evaluation
- Evaluation and Recommendation of a Locally Preferred Alternative (LPA)
- LPA Preliminary Design (10%)
- Conceptual Implementation Plan
- Final Study Report

## **Process and Schedule**

- Estimated study timeline is 18-24 months.
- Target completion date – Fall 2015.

## **Goals of the Study**

- Improve service for customers
- Increase travel capacity and mobility options.

- Provide rapid and reliable transit throughout the corridor.
- Create positive opportunities for economic development around stations.
- Produce a Locally Preferred Alternative as a step to securing Federal funding to support transit improvements in this corridor.
- Support community and Partner goals.

### **Decision Making Process**

The public input is the foundation of the process.

The public outreach is comprehensive and strategic.

### **Public Involvement**

- **Public Open House 03/26/2014**

The first of many opportunities for the public to comment on the project.

**Five Stations:**

1. Live, Work, Go
2. Corridor Characteristics
3. Purpose & Needs
4. Transit Technologies
5. Mobile MindMixer

### **Study Committees**

**The Policy Committee** - responsible for the overall direction of the study. Comprised of elected, government and organizational officials. Provides policy guidance throughout the study process.

### **Study Committees**

**The Technical Committee** - responsible for advising on technical issues during the study. A cross-section of transportation, planning and development professionals.

### **Additional Project Information**

**[www.nscstudy.org](http://www.nscstudy.org)**

Sign up for email updates

Follow social media

Review study materials

### **OC Bus and Rail Investment Plan FY2014**

- The adopted FY13-14 Chapel Hill Transit budget accounted for the use of \$306,000 in Bus and Rail plan funds to help cover the increased cost of existing services not covered by the partners increased contributions.
- Also accounted for the use of \$166,000 in new vehicle registration funds to implement service improvements that would provide improved access to jobs with non-traditional work hours and expand access to retail, medical, recreational and education destinations in Chapel Hill and Carrboro for lower-income and transit dependent residents. For FY13-14 these service improvements included and were implemented in August 2013:



- Weekday: CM, CW, D, F and J (later evening service will operate year around on these routes and additional trips were added to the F)
- Later evening service on the CM, CW, D and J are not new trips, prior to August these trips were provided ~9 months out of the year when UNC was in-session. They are now available year around. The weekday NU and weekend U and NU are not included in the year around service.
- Weekend: CM, CW and JN (CM and CW will operate as separate routes and an additional AM trip was added to the JN).

### **OC Bus and Rail Investment Plan FY2015**

- The Chapel Hill Transit Partners agreed to utilize Orange County Bus and Rail Investment funds in FY15 to:
  - implement service improvements, such as evening/nighttime and weekend service, that would provide improved access to jobs with nontraditional work hours
  - expand access to retail, medical, recreational and education destinations in Chapel Hill and Carrboro for lower-income and transit dependent residents
  - Identified areas of interest include better serving the Rogers Road community and other lower-income populations.
  - meet peak-hour service demands (e.g. overcrowding, lack of service, etc.)
  - cover cost of existing services
- Staff suggestions include:
  - Peak Hour Service: A, RU, U, NS, J, and CW
  - Evening: CM and CW
  - Weekend: Extend Service on Existing Routes to 6:30 pm

Brian Litchfield referred to the *Goals of the Study* slide and said there are buses that are serving stops every 4 minutes and exceeding capacity. He said there need to be ways to accommodate more passengers. He said any delay can cause the buses to stack up.

Commissioner McKee said Brian Litchfield mentioned the need for additional bus services, and he asked if any additional money from the sales tax is coming to Chapel Hill Transit for new or existing service.

Brian Litchfield said most of the sales tax is going to Triangle Transit for the rail project.

Commissioner McKee said there are additional monies coming in that are above what was anticipated. He asked if anyone is getting any of this money for additional bus services.

Brian said Chapel Hill Transit expects to receive \$1.1 million from Triangle Transit this year. He said he would have to ask them where this is coming from.

Commissioner McKee said the light rail should have gone up 15-501 where there were more opportunities for Orange County to develop and re-develop.

Council Member Harrison said there is almost no transit on 15-501 and it does not work as well as MLK for bus transit. He said it has to work for bus transit before it can work for light rail.

Commissioner Pelissier referred to Commissioner McKee's earlier question and said nothing has been allocated from the additional revenues yet. She said new services cannot be started until reserves are built up and there is a stable revenue source. She said when a

certain amount of reserves are built up it will call for a revision of the plan, and this has to be agreed to by all parties.

### **3. Central West Small Area Plan Update**

J.B. Culpepper said she is here to give a brief overview of this plan, which was adopted last year by Chapel Hill. She showed four PowerPoint image slides and reviewed the following information:

- **Central West: A community process built upon the Chapel Hill 2020 comprehensive plan**
- **The Chapel Hill Town Council adopted the Central West Small Area Plan on November 26, 2013**  
Includes:
  - Principles and Objectives
  - Concept Plan (shown here)
  - Transportation Recommendations
    - Traffic Mitigation Measures
    - Bicycle and Pedestrian Amenities
  - Environmental Conservation Recommendations
  - Streetscape Vision
  - Implementation/Next Steps

J.B. Culpepper said the comprehensive plan identified future focus areas where change is likely in the future. She said one of these areas is along Martin Luther King Boulevard. She reviewed the map of this area. She said the area was split into sections, and one of these areas was identified for form and use. She said the town council appointed a steering committee to develop a small area plan. She said the steering committee met for about a year, beginning in December of 2012 and developed a small area plan with help from staff and community members.

Commissioner Rich asked if any developers have come forward with proposed projects now that the plan has been adopted.

J.B. Culpepper said there are no active applications yet. She said there is a pre-application step in the process, and the town council and the public will be alerted when there is a concept plan.

Commissioner Rich said this was spurred by the corner property that had a concept plan.

Council Member Ward said this was put on hold because UNC is not doing Carolina North, and the Airport is still active.

Council Member Storrow said this plan was passed unanimously by the Town Council and had a lot of public participation. He said the council and the development community wants to be thoughtful about all of the development conversations happening around town.

Mayor Kleinschmidt said this is not a form based zone. He said this is just a vision for how development might occur in the coming years.

Chair Jacobs asked if this started out with a concept plan.

J.B. Culpepper said the steering committee worked together to develop the land use recommendations and transportation improvement recommendations.

Chair Jacobs asked much direction was involved.

J.B. Culpepper said there were plans and scenarios that were provided for reaction following community input.

Council Member Ward said basically it was a blank slate.

Commissioner Gordon said this area fits into the town's traditional development process. She asked how the town decides on the different development processes such as form based code or development agreement.

Mayor Kleinschmidt said different areas have different pressures and different characteristics that make use of different tools if they are more appropriate. He said the Central West area is pretty raw and needs a more intense vision.

Town Council Member Palmer said media coverage was overwhelmingly negative on this at its height. She said this is not right, and it is overwhelmingly one point of view.

#### **4. Next Steps for Solid Waste Management/Recycling**

##### **Inter-local Agreement:**

Michael Talbert said staffs have been working together on an inter-local agreement for solid waste, and this is moving along on schedule, with a goal of adoption by July 1, 2014.

##### **Rural Curbside Recycling:**

Michael Talbert said this item is regarding the possible creation of a solid waste district for rural curbside recycling. He said the Board held one public hearing on March 18, and a second public hearing is scheduled for April 1<sup>st</sup>. He said this is to assess the potential of keeping the current rural curbside recycling program for about 13,700 units and possibly expanding this in the future.

He said the Board of County Commissioners will consider the establishment of a solid waste service district on April 15, 2014. If adopted, it is estimated that the district tax rate would be about 1.5 cents per \$100 dollars of assessed value of the property.

##### **Urban Curbside Recycling:**

Michael Talbert said on November 19, 2013 the Board of County Commissioners authorized the County Manager to award a bid for Urban Curbside Recycling roll carts. He said the roll carts have been ordered and will be delivered and in service by July 1, 2014. He said on February 18, 2014 the Board of County Commissioners approved an agreement with Waste Industries, LLC to provide weekly urban curbside recycling services, and the cost of service is \$3.29/household/month or \$39.48 annually.

He said he recommends an annual Urban Curbside Recycling Fee for fiscal year 2014-15 of \$59 versus previously paid \$52 in 2012. He said the interim funding has come from County reserves, and no fee was levied last year.

He noted that the Town of Chapel Hill has requested a five year guaranteed rate, and the County is proposing a rate of \$62. He said the primary variables in projecting a set annual fee over five years include: an increase of households, increase in roll carts needed in the last two years, incremental cost increases in direct and indirect costs and the vendor contractual CPI provision based upon the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers - US City Average, Expenditure category Garbage and Trash, effective July 1 of each year.

He reviewed additional details provided in the attached March 19, 2014 Urban Curbside Fee Recommendation Memorandum from Gayle Wilson, as follows:

*Attachment 4-a – Memorandum*

The Town of Chapel Hill has requested information regarding the County's recommended annual household fee that is intended to fund the Weekly Urban Curbside Recycling Program in the three municipalities. Based on the County's fee recommendation, this fee would be authorized by each Town through its individual budget process, which the County would collect and administer to provide revenues to fund the program. A single uniform fee that would be applied to each single family house or duplex would be required. The Multi-family fee would follow the same fee approval process. Additionally, the Town has requested information that delineates the various cost components of the proposed fee, including indirect costs. The information provided below has not yet been presented to, nor approved by the Board of County Commissioners. It is anticipated that the fee establishment and approval process will be incorporated into the pending Inter-local Agreement for Solid Waste and Recycling.

### **Projected FY 2014/15 Urban Recycling Fee - \$59/Year/Unit**

#### **EXPENSES**

*Percentage of*

*Budget*

<b>Recycling Division Expenditure - Urban Program</b>	<b>\$1,131,250</b>	
Urban Contract (18,271 units at \$3.29/month)	\$721,339	64%
Solid Waste Recycling Direct Expense <sup>1</sup>	\$139,036	12%
Solid Waste Indirect Costs <sup>2</sup>	\$178,095	16%
New Roll Cart Amortized Cost (over 10 Years)	\$92,780	8%

#### **REVENUES**

<b>Recycling Division Revenue – Urban Program</b>	<b>\$1,131,907</b>	
Material Revenue <sup>3</sup>	\$86,250	8%
Household Fee at 97% Collection <sup>4</sup>	\$1,045,649	92%

The proposed annual Urban Curbside Fee for FY 14/15 is projected at \$59 versus previously paid \$52. If a five year guaranteed rate is required by the Towns the County would propose an annual fee of \$62 for the five year period. The primary variables in projecting a set annual fee over five years includes an increase of households, increase in roll carts needed in the last two years, incremental cost increases in direct and indirect costs and the vendor contractual CIP provision (Services Agreement with Contractor-Section 5.a.), based upon the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers: US City Average, Expenditure category Garbage and Trash, effective July 1 of each year. This CPI is applied only to the contract cost for collection and over the past 5 years the previous contract average CPI increase is about 2.5% annually. Other inflation factors are projections based on experience and historical data.

- 1) These expenditures include a portion of the expenses of the materials processing and transfer pad, material quality control, and loading/hauling of dumped materials to the materials recovery facility. All recycling programs share expenses of processing pad and hauling operations.
- 2) These expenses are Urban Curbside's share of the Recycling Division portion of Environmental Support Division (ES) expenses (net of revenue). Landfill Division and Sanitation Division also fund share of ES. Basic/Multi-family/Rural programs are also assigned a portion of Recycling Division's ES funding responsibility. Urban Curbside's share represents about 20% of the Recycling Division share of ES.

*Environmental Support Division consists of various operating division support, utility, enforcement, education, planning and administrative functions and generates minimal revenue. It has been determined by county management/finance that these expenses should be fairly allocated to each of the operating divisions as a revenue requirement rather than funding through the general fund. This expense represents 15% of total urban recycling program costs. Included within ES are the following functions:*

- *Department administrative, clerical payroll, billing/receipts, account management, purchasing, personnel data entry, and reception and complaint management*
  - *12 positions salary & benefits: 4 mechanics/operators (incl. supervisor), 2 enforcement/safety/development review/licensing/permitting, etc., 2 planning/educators/outreach/workshops/event recycling, 1 director, 3 administrative/clerical/reception/payroll/purchasing/billing&receipts*
  - *Retiree health for employees who retired under Town of Chapel Hill*
  - *Departmental safety management and training*
  - *Environmental enforcement*
  - *Development review, licensing and permitting*
  - *Department telephone, electricity, janitorial services, postage*
  - *Building repair/maintenance including security*
  - *Education and outreach functions including printing, advertising, professional design and Spanish interpretation, dues and subscription*
  - *Various divisional supplies including compost bin, kitchen pails, security and enforcement cameras, maintenance supplies, office supplies, copier*
  - *Departmental equipment maintenance labor and facility maintenance (parts, fuel, etc. are budgeted in divisional budgets)*
  - *Vehicles for ES staff*
  - *Departmental Insurance & Workers Comp*
  - *Emergency Management Planning*
  - *Research, Planning, Reporting and Analysis*
  - *Contribution to vehicle replacement reserves*
  - *Debt Service on Administrative Building*
  - *Charges by the General Fund (indirect costs paid by the Department to the County General Fund annually for manager, Board, attorney, human resources, Finance, Asset Management, Information Technologies, County Clerk, etc. support (\$401,361 for FY 13/14)*
- 3) *Material revenue estimates are somewhat unpredictable as market prices for materials vary. Staff has assumed \$25/ton based on recent past history and some projections from the Materials Recovery Facility buying the County's single stream material.*
- 4) *Units billed changes (usually increases) occur throughout the year and from year to year based on new development, etc. Periodic route audits are required to maintain accurate service and monthly contractor and annual Urban 3-R Fee billing data. This revenue assumes 97% collection of total eligible units, at a proposed \$59/unit, to fund total expenditures net material revenue.*

Chair Jacobs said presumably there will be a 5 year agreement for the fees and for working together on solid waste issue and where the future lies collectively.

Council Member Ward referred to the \$62 fee proposed to the towns for 5 years. He asked why there could not be a partnership to build an escrow account to pay from as needed. He said this would allow the County to be reimbursed for their costs and the town to pay for what they get.

Michael Talbert said that would likely be agreeable to the County, but he heard from the town that they wanted a guaranteed rate.

Commissioner Rich said she encourages the relationship with solid waste to continue with all entities. She said it would be of great benefit to have a solid waste plan for the long term.

Chair Jacobs said the County has met with Waste Zero, Greenstream and other entities about alternative options and the Board is happy to share this information.

Town Council Member Palmer said there needs to be better enforcement of the recycling guidelines.

## **5. Joint Parks and Recreational Opportunities**

Dave Stancil said, as noted in abstract, there is a long history of working together on parks and open space projects, such as the newest – Cedar Falls Complex. He said there are opportunities on the horizon, and one of these is Millhouse Park. He said this is literally on the rural buffer line, and it is a good possibility for a joint county town project. He said the Hollow Rock project is another joint project, as well as the Jordan Lake Macro site and others.

Council Member Harrison suggested there be work on pedestrian bicycle lanes as a joint opportunity by the Millhouse property.

Council Member Cianciolo said he lives near Cedar Falls Park, and that artificial turf field is getting a lot of use. He said this artificial turf should be considered for future projects.

Chair Jacobs referenced an information item regarding a possible bond referendum. He said part of this could involve anticipatory planning for park development with the municipalities. He said Millhouse Road and Twin Creeks would be the two places in this part of the County for joint visions. He said soccer fields are major components on both of these. He said greenway extensions are possibility for discussion.

Commissioner Gordon referred to the memorandum regarding the bond referendum on page 13. She noted that this gives an idea of the schedule, but the Board has not decided on a referendum date.

Chair Jacobs said the Board discussed this with the school boards today and will likely look beyond 2015.

Town Council Member Palmer said it is important that the boards think about schools differently, and joint programs need to be considered to address the specialized needs of the 21<sup>st</sup> century.

Commissioner Price requested electronic copies of the PowerPoints be posted.

## **6. INFORMATION ITEM (No Specific Presentation or Discussion)**

Eubanks Road Solid Waste Convenience Center Renovation

The Boards agreed by consensus to adjourn the meeting at 10:45 pm.

Barry Jacobs, Chair

Donna Baker  
Clerk to the Board