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April 15, 2013

**Club Nova, 103 W. Main St.**

**§15-263 & Project Cost Analysis**

§15-263(a)6 of the land use ordinance lists three conditions which, if applicable to a proposed redevelopment, require the applicant to satisfy the storm water requirements listed in Article 16.

*§15-263(a)6*

*Notwithstanding the other provisions of this subsection, if (i) a lot is within a commercial district described in Section 15-136 or a manufacturing district described in 15-137, (ii) on the date that a development permit application is submitted and the fees paid, the lot is already developed to the extent that the lot contains at least 10,000 square feet of impervious surface area, and (iii) the reasonably estimated cost of the redevelopment of the lot as proposed in the development permit application exceeds the greater of \$100,000, or fifty percent (50%) of the appraised value of the existing improvements on the lot, then the requirements of this section shall be applicable to such redevelopment. For purposes of this subdivision (a)(6), the terms “cost” and “appraised value” shall have the same meaning as provided in Subsection 15-125(c) of this chapter.*

The proposed Club Nova project meets all three of the conditions. Club Nova is in one of the districts listed (i); there is currently more than 10,000 sf. of impervious surface on the lot (ii); and the redevelopment cost exceeds 50% of the “appraised valuation” of the existing improvements on the lot (iii).

We believe that the redevelopment cost of a proposed project, (iii), should include only the cost of new work that results in an increase in impervious surface. This would include additions to the existing building(s), and/or the expansion of parking, and/or the addition of sidewalks and other impervious surface areas occasioned by the new construction (e.g. a larger trash/recycling facility.) We believe the inclusion of costs that go solely toward renovation should be excluded from the sum of the redevelopment costs. Supporting that argument, §15-263(a)(7), the very next section of the ordinance, excludes re-surfacing or re-paving (of parking areas) from inclusion as project cost. Repaving work is parking lot renovation. To exclude the cost of parking lot renovation, but to include the cost of building renovation is inconsistent, and it may have the unintended effect of discouraging costly renovations to older, and possibly historic, structures. The discouraged renovation would likely have made the existing building(s) more energy efficient, more accessible and more useful to the Owner. In most cases re-use of a building is preferable to demolition.

This is not a request to eliminate the ordinance, but only to make the ordinance applicable to costs that actually increase the impervious surface on the lot. If an applicant wanted to add 10,000 s.f. to a 6,000 s.f. building and 50 new parking spaces, it is likely the cost of the new

building addition and parking area would be twice the cost of the existing improvements, and the ordinance, as written, would be in effect.

As the overall figures below show, the renovated space at Club Nova is more than twice the size of the new construction; consequently the renovations are costly and constitute a large percentage of the project costs ( without increasing the amount of impervious surface.) Secondly, a considerable portion of the project cost is re-paving work. The existing driveway and parking areas are in poor condition and need to be replaced.

Some overall figures relating to the work at Club Nova.

#### Site Impervious Surface

- Existing Impervious Surface –	<b>18,968 s.f</b>
Club House –	2,270 s.f
Annex-	1,780 s.f.
Apts.-	5,667 s.f.
Walks and parking -	9,251 s.f.
- New impervious Surface-	<b>21,788 s.f.</b>
Club House –	2,270 s.f
Annex-	1,780 s.f.
Apts.-	5,667 s.f.
New Building	801 s.f.
Walks and parking-	11,270 s.f.

The Increase in impervious surface is 2,820 s.f., an increase of approximately 15% in impervious surface. Regarding the buildings:

- New Building –	<b>1,591 s.f. (both floors)</b>
- Annex (to be renovated)-	<b>3,480 s.f. (both floors)</b>

The Annex (renovated space) is more than twice the size of the proposed addition (new construction) and includes a commercial quality kitchen and new toilet rooms and offices. The proposed renovation is extensive and expensive.

#### Project Cost Analysis

The budget estimate was prepared by Mike Porco of Professional Building Systems, Inc. (9/5/2013) and is attached. I have attached also the drawings that were used for pricing. The site drawing is dated 10/2/13, but it describes the work PBS priced.

This project cost analysis below separates the renovation costs of the existing Annex building and the repaving work from the work that results in an increase in the amount of impervious surface on the lot. The increased impervious surface area includes the addition to the Annex and the newly-paved areas.

Total Estimated Cost of New Addition to the Annex, New Paving, Repair and Resurfacing of Existing Paving and Renovation of the Annex – \$ 949,080 (budget estimate) See attached estimate from PBS.

	New Project	Annex Renovation/ Paving Repair
Div. 1*	56,523	32,469
Div. 2**	120,840	81,090
Div. 3:	18,709	
Div. 4	39,803	1,590
Div. 5	32,966	
Div. 6	19,928	31,270
Div. 7	33,602	1,272
Div. 8	26,118	23,808
Div. 9	25,175	41,128
Div. 10		1,113
Div. 14	53,000	
Div. 15	19,928	61,692
Div. 16	29,998	52,682
Fee & Contingency	85,182	59,194
<b>Total</b>	<b>561,772</b>	<b>387,308</b>

#### Notes

\*Division 1 – This number is General Requirement costs. From the total shown, costs specific to the new construction (as opposed to costs for the renovation of the Annex) have been subtracted, and the remainder has been apportioned to either the Annex or new construction based on the ratio determined by the review of Divisions 2 through 16.

Division 2 –The actual increase of impervious surface on the site is 2,670 s.f. (approximately a 14% increase.) Of this, the new building accounts for approximately 30% of the increased area. Even though there is only a 14% increase in impervious surface attributable for the project, we have attributed 25% of the cost of paving repair as part of the new project cost.

Appraised Valuation of Buildings (per §15-125) – See attached

Annex -	\$193,570.00
Club House -	\$103,717.00
Apts. -	\$1,079,503.00
<b>Total -</b>	<b>\$1,376,790.00</b>

**Conclusion:** The cost of the new construction (excluding repair and renovation) is \$560,182, which is less than 50% of appraised valuation of the existing improvements.

#### Attached:

1. Preliminary construction budget estimate, prepared by Professional Building Systems
2. Tax “cards” from Orange County tax office