

Town of Carrboro

301 W. Main St., Carrboro, NC 27510



Meeting Agenda - Final

Tuesday, April 23, 2024

7:00 PM

Council Chambers - Room 110

Town Council

7:00-7:15**A. POETRY READING, RESOLUTIONS, PROCLAMATIONS, AND ACKNOWLEDGEMENTS****Black Restaurant Week Proclamation****Arbor Day Proclamation****7:15-7:20****B. ANNOUNCEMENT OF UPCOMING MEETINGS****7:20-7:40****C. PUBLIC COMMENT****7:40-7:50****D. CONSENT AGENDA**

1. [24-065](#) Morgan Creek Greenway Supplemental Agreement & Capital Project Ordinance
PURPOSE: To request that the Town Council consider authorizing the Town Manager to execute a Supplemental Agreement with NCDOT and adopting a new capital project ordinance for Morgan Creek Greenway Phase 1 (EL-4828A) to reflect additional funding and update the project milestones.

Attachments: [A - CIP Ordinance for SA#4 04-23-2024.docx](#)
[B - PQ SA#4 & CIP Ordinance \(rev\) .docx](#)

2. [24-076](#) Request to Set a Legislative Public Hearing

PURPOSE: To request the Town Council consider setting a public hearing on text amendments to the Land Use Ordinance relating to water quality buffers, road buffers, fences, and setback variances. A resolution setting a public hearing for June 4, 2024, is provided.

Attachments: [A - Resolution](#)
[B - Draft Ordinance - Buffers, Variances, Setbacks 4-15-24](#)
[C - Excerpt Existing LUO Provisions](#)
[D - Pocket Questions](#)

3. [24-070](#) Resolution Issuing a Business Revolving Loan

PURPOSE: To approve a resolution authorizing the Town Manager to issue a Business Revolving Loan Program loan of \$32,000 plus closing costs to Heather Swanson.

Attachments: [A - Resolution](#)
[B - Revolving Loan Application](#)
[C - Revolving Loan Equity Lens](#)

4. [24-078](#) An Ordinance to Amend the Town Code

PURPOSE: To increase the civil penalty of parking in a handicapped parking space without the appropriate tag or identification from \$50 to \$250.

Attachments: [A - Ordinance](#)
[B - Pocket Questions](#)

5. [24-071](#) South Greensboro St. Sidewalk Supplemental Agreement and Capital Project Ordinance

PURPOSE: To request that the Town Council consider authorizing the Town Manager to execute a Supplemental Agreement with NCDOT and to adopt a new capital project ordinance for the South Greensboro Street Sidewalk Project (C-5650) to expand the project scope, reflect additional funding and update the project milestones.

Attachments: [A - Amended CIP Ordinance-C-5650 \(rev-4-23-24\)](#)
[B - Pocket Questions - SA & CIP Ordinance Amendment_C-5650-04-9-2024](#)

7:50-8:00

E. PUBLIC HEARING

1. [24-079](#) Legislative Public Hearing on Land Use Ordinance Text Amendments

PURPOSE: The Town has received a request for text amendments to the Land Use Ordinance to add a new restaurant use for neighborhood cafes and to allow additional residential density in certain zoning districts. A draft ordinance has been prepared. The Town Council must receive public comment before making a decision.

Attachments: [A - Consistency Resolution](#)
[B - Draft Ordinance](#)
[C - LUO Text Amendment Requests](#)
[D - Staff Report - Neighborhood Cafes & Increased Density in O & OA_04-23-2024](#)
[E - Comments-combined](#)
[F - Pocket Questions for Cafe Res Density \(rev 04-17-2024\)](#)

8:00-8:30

F. OTHER MATTERS

1. [24-067](#) American Recovery Plan Act (ARPA) Fund Reallocation

PURPOSE: This agenda item seeks Town Council approval to reallocate funds within the ARPA fund for two proposals from affordable housing nonprofit providers, maintenance and repair of recreation facilities and bolster the program providing financial assistance to qualified Carrboro residents.

Attachments: [A - Grant Ordinance ARPA Reallocation April 2024](#)
[B - ARPA-RPCR Memo Courts and Track](#)
[C - ARPA - CFFAP Info](#)
[D - ARPA Reallocation Funding Recommendation](#)
[E - PQs - ARPA HAP Basketball Court and MLK Pump Track](#)
[F - PQs - ARPA- CFFAP](#)

2. [24-087](#) Award American Recovery Plan Act (ARPA) Funds for Affordable Housing Units

PURPOSE: This agenda item seeks Town Council approval to fund two proposals from affordable housing nonprofit providers.

Attachments: [A - Resolution for ARPA Award Housing](#)
[B - Funding Proposals](#)
[C - Funding Recommendation](#)
[D - Pocket Questions - ARPA Affordable Housing Funding](#)

3. [24-072](#) Special Use Permit-A Extension Request

PURPOSE: Town Council is asked to consider approving a request for an extension for a Special Use Permit-A for Veridia Architecturally Integrated Subdivision at 810 Old Fayetteville Road

Attachments: [A - Resolution](#)
[B - Staff Report](#)
[C - Letter from Applicant](#)
[D - SUP-A Document](#)
[E - Pocket Questions](#)

G. MATTERS BY COUNCIL MEMBERS



Agenda Item Abstract

File Number: 24-065

Agenda Date: 4/23/2024
In Control: Town Council
Version: 1

File Type: Consent Agenda

Morgan Creek Greenway Supplemental Agreement & Capital Project Ordinance

PURPOSE: To request that the Town Council consider authorizing the Town Manager to execute a Supplemental Agreement with NCDOT and adopting a new capital project ordinance for Morgan Creek Greenway Phase 1 (EL-4828A) to reflect additional funding and update the project milestones.

DEPARTMENT: Planning & Finance

CONTACT INFORMATION: Christina Moon, Planning & Transportation Administrator, 919-918-7325, cmoon@carrboronc.gov; Patricia McGuire, Planning Director, 919-918-7327, pmcguire@carrboronc.gov; Bret Greene, Finance Director, 919-918-7439, bgreene@carrboronc.gov

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

This is an administrative step in the design process for Phase 1 of the Morgan Creek Greenway. The Morgan Creek Greenway is included in the Comprehensive Plan and Bicycle Plan as a priority project of advancing multimodal travel options which further the Town’s efforts toward climate action and race/equity. Racial equity pocket questions are included as Attachment B.

INFORMATION: On [May 2, 2023 <https://carrboro.legistar.com/MeetingDetail.aspx?ID=1088370&GUID=6C1EB0A7-BD94-4722-9B69-8654ACD87BC9&Options=info|&Search=>](https://carrboro.legistar.com/MeetingDetail.aspx?ID=1088370&GUID=6C1EB0A7-BD94-4722-9B69-8654ACD87BC9&Options=info|&Search=>), the Town Council authorized staff to submit a request for an amendment to NCDOT’s State Transportation Improvement Program (STIP) to allocate the Town’s remaining \$424,176 of local discretionary (federal STBG-DA) funds to Phase 1 of the Morgan Creek Greenway. <https://carrboro.legistar.com/MeetingDetail.aspx?ID=1088370&GUID=6C1EB0A7-BD94-4722-9B69-8654ACD87BC9&Options=info|&Search=>> Federal funds require a 20 -percent local match: (\$339,341 federal / \$84,835 local match). The NCDOT Board of Transportation approved the STIP amendment on March 8, 2024. A supplemental agreement with NCDOT is required to formally allocate the additional funds to the project and to update the project schedule. A new Capital Improvement Ordinance has been prepared that reflects the specific federal funding source (STP-DA/TAP-DA/STBG-DA) and local match source. Approximately \$200,000 of Orange County Transit Funds is earmarked to the Town for construction of the project. The Town has also received an allocation of \$175,000 of Orange County Transit Funds to pay for the design services needed to prepare bid documents to readvertise the project. As noted above, the request to allocate \$424,176 of STBG-DA funds would include \$339,341 of federal funds and \$84,835 of local match. Six thousand (\$6,000) of additional local funds are needed to complete an environmental study (Atlantic Pigtoe mussels) for the Categorical Exclusion document. A source for the local funds (\$90,835) would need to be identified. Staff plans to submit a request for additional transit funds to cover the \$90,835 local match at the next amendment cycle anticipated for Quarter 1 of FY25; if selected for funding, the transit funds would be available as reimbursement.

FISCAL IMPACT: The updated project cost would be approximately \$2,172,676, an increase of \$430,176. This includes the \$90,835 of additional local funds (source to be identified) to provide the \$84,835 of required local match for local discretionary funds (STBG-DA) and the \$6,000 for the environmental study.

RECOMMENDATION: Staff recommends that the Town Council authorize the Town Manager to execute the updated Supplemental Agreement with NCDOT (SA#4) and approve the new Morgan Creek Greenway Capital Project Ordinance, which includes authorizing a contract amendment with Sungate Design to complete the additional environmental work (*Attachment A*).

**AMENDMENT TO MORGAN CREEK GREENWAY CAPITAL PROJECT
ORDINANCE**

Ordinance No. _____

WHEREAS, the Town Council on June 21, 2011 adopted the Morgan Creek Greenway Capital Improvement Project Ordinance No. 22/2010-11 and subsequently amended it on June 16, 2015 (Ordinance No. 19/204-15); February 6, 2018 (Ordinance No. 13/2017-18); and December 4, 2018 (Ordinance No.8/2018-2019); and

WHEREAS, the Town has executed a Municipal Agreement with NCDOT to administer federal funding to design and construct the Morgan Creek Greenway; and,

WHEREAS, the Town was awarded \$374,837 of Orange County Transit Funds; and,

WHEREAS, NCDOT has modified the funding to provide sufficient funds for completion of this project: and

WHEREAS, the Municipal Agreement with NCDOT will need to be modified to reflect funding for Phase I of the Morgan Creek Greenway;

NOW, THEREFORE PURSUANT TO N.C.G.S 159-13.2, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CARRBORO THAT:

Section 1: Revenues for the Morgan Creek Greenway Capital Improvement Project No. 8/2018-2019 is hereby amended as follows:

	<u>Current</u> <u>Appropriation</u>	<u>Increase</u> <u>(Decrease)</u>	<u>New</u> <u>Appropriation</u>
Federal Funds (STP-DA)	\$524,000.00	\$0.00	524,000.00
Federal Funds (TAP-DA)	\$730,000.00	\$0.00	\$730,000.00
Federal Funds (STBG-DA)		\$339,341.00	\$339,341.00
Orange Co Transit Funds (GoTriangle)	\$374,837.00		\$374,837.00
Bond Funds	\$113,663.00	\$0.00	\$113,663.00
General Funds	<u>\$0.00</u>	<u>\$90,835.00</u>	<u>\$90,835.00</u>
	\$1,742,500.00	\$430,176.00	\$2,172,676.00
Total			

Section 2: The expenses for the project have been amended and appropriated as follows:

	<u>Current</u> <u>Appropriation</u>	<u>Increase</u> <u>(Decrease)</u>	<u>New</u> <u>Appropriation</u>
Design and Engineering	\$554,231.00	\$6000.00	\$ 560,231.00
Construction	\$958,394.00	\$412,184.00	\$ 1,370,578.00
Contingency	<u>\$229,875.00</u>	<u>\$11,992.00</u>	<u>\$ 241,867.00</u>
Total Appropriation	\$ 1,742,500.00	\$ 430,176.00	\$ 2,172,676.00

Section 3: Funds appropriated shall be available until all project activity is completed.

Section 4: The Town Manager is authorized to execute an amended Municipal Agreement with NCDOT consistent with the above funding.

Section 5: The Town Manager is authorized to execute a contract amendment with Sungate Design, the Town Engineer to complete the additional engineering and design work to bid the project.

Section 6: Within five (5) days after this ordinance is adopted, the Town Clerk shall file a copy of this ordinance with the Finance Director and Planning Director.

This the 23rd day of April, 2024.

Race and Equity Pocket Questions

Title and purpose of this initiative: Supplemental Agreement and Capital Project Ordinance Amendment for Morgan Creek Greenway, Phase 1. The purpose of this item to request that the Town Council authorize the Town Manager to execute a supplemental agreement with NCDOT for the Morgan Creek Greenway and to approve an amendment to the CIP ordinance to increase funding and extend the project milestones.

Department: Planning and Finance.

What are the racial and equity impacts?

This is an administrative step in the design process for Phase 1 of the Morgan Creek Greenway, a bike-ped infrastructure project involving 80-percent federal funding. Bicycle and pedestrian transportation projects provide residents with improved infrastructure and by extension transportation choices. For those without a car, a sidewalk or paved bicycle facility can significantly improve everyday life. BIPOC populations are more likely to face barriers to accessing reliable transportation and live in communities with limited access to bike-ped facilities for recreation. The median income of residents living in the apartments along the north side of NC 54 West is \$57,479, and more than 50 percent of the households in this area make less than the median income for Carrboro--\$76,599.

Who is or will experience community burden?

The greenway is designed to connect Smith Level Road to the cul-de-sac at Abbey Court, which will become a walking route for residents to Frank Porter Graham Elementary School. The greenway will continue over a pedestrian bridge to the south side of Morgan Creek heading toward University Lake. Residents and property owners living or traveling in the vicinity of the greenway project may experience noise and dust during the construction process. Once completed, residents living along the greenway, mainly residents in the Canterbury Townhomes, could see long-term impacts as more people use the greenway. Residents living in the Berryhill neighborhood may also see additional users coming onto their trail network and recreation facilities. This is first phase of a multi-phase greenway system, so while the Morgan Creek Greenway will become part of a connected system, there are still gaps in the network so users and nearby residents will experience some burden until the greenway connects to new sidewalks/infrastructure.

Who is or will experience community benefit?

The greenway will add an important segment of bike/ped infrastructure off-road, which is the preferred facility for less confident cyclists. It will not substitute the installation of sidewalks or bike lanes but will create another alignment/route to get from one point to another. Over time, the Morgan Creek Greenway system in Chapel Hill-Carrboro will become a significant off-road bike/ped facility providing residents with better access to transit stops, schools, and the larger greenway system--a real opportunity to get to destinations by foot, bicycle, scooter or wheelchair



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FACING RACE, EMBRACING EQUITY

without having to maneuver among vehicular traffic. In addition, the new pedestrian activated signals earmarked for NC 54 West at Abbey Lane and Westbrook Drive will provide access from the apartments and downtown area to the greenway—multimodal transportation choices, particularly for households living in the apartments along NC 54 West, of which more than 15 percent have no access to a car.

What are the root causes of inequity?

Root causes of inequity can be related to past governmental actions like land use planning, transportation planning and discriminatory lending practices that have disproportionately harmed the interests of historically Black communities/communities. With regard to transportation projects such as greenways or sidewalk projects, working individuals and families may find it difficult to learn about projects in time to have meaningful input and/or to attend meetings when transportation projects are being discussed. Personal experiences with government can contribute to reticence by historically marginalized people to speak in a public setting, particularly if there is a concern that personal property may be taken/condemned.

What might be the unintended consequences of this action or strategy?

Greenways can benefit or harm land values and quality of life experiences for surrounding property owners and occupants. While greenways provide safe travel from vehicles, there may be other hazards associated with their use such as encounters with wildlife and interactions with other users.

How is your department planning to mitigate any burdens, inequities, and unintended consequences?

Public outreach before and during the construction process will be an important part of keeping residents apprised of the project and when noise is anticipated. Maintaining safety protocols will also be important, particularly around project boundaries so that Canterbury Court residents have access to cul-de-sac and parking areas, and Berryhill residents are able to access their informal trail network and recreation area.



Agenda Item Abstract

File Number: 24-076

Agenda Date: 4/23/2024
In Control: Town Council
Version: 1

File Type: Agendas

Request to Set a Legislative Public Hearing

PURPOSE: To request the Town Council consider setting a public hearing on text amendments to the Land Use Ordinance relating to water quality buffers, road buffers, fences, and setback variances. A resolution setting a public hearing for June 4, 2024, is provided.

DEPARTMENT: Planning

CONTACT INFORMATION: Christina Moon, Planning & Transportation Administrator, 919-918-7325, cmoon@carrboronc.gov; Patricia McGuire, Planning Director, 919-918-7327, <<mailto:pmcguire@carrboronc.gov>> ; Duncan Dodson, Planner, 919-918-7340, ddodson@carrboronc.gov

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

Setting a public hearing for a text amendment to the Land Use Ordinance is a required step in accordance with North Carolina state statutes and Town regulations. Responses to the racial equity pocket questions related to the legislative public hearing process necessary for the consideration of the text amendment have been prepared and are attached.

INFORMATION: Town staff have identified several text amendments that are needed to clarify and update Land Use Ordinance provisions, as described below:

1. Water Quality buffer provisions - include standards for review of minor and major variances, reorganizes and updates table of allowable uses to match Jordan Rules (15NCAC 02B .0267).
2. Road buffer provisions - amend open space standards to specify sidewalks/sidepaths as permissible within road buffers.
3. Fences - include definition of “substantially opaque;” adds a zoning permit requirement for fences
4. Special Exceptions - rename ‘setback variance.’

Staff has identified these changes as needed to revise provisions, so they are clearer to all users, provide definitions and better match provisions in the North Carolina Administrative Code.

A draft ordinance (*Attachment B*) has been prepared. Existing LUO provisions are included as *Attachment C*. If adopted the Land Use Ordinance would be amended to include these new and modified provisions.

The Town Council must receive public comment before taking action on the draft ordinance. Orange County and Planning Board review is also needed, and the Town Council may wish to refer the item to advisory boards based on their expertise; staff has identified the Appearance Commission, Transportation Advisory Board, Environmental Advisory Board, Economic Sustainability Commission and Affordable Housing Advisory Commission.

FISCAL IMPACT: There is no fiscal impact relating to setting a public hearing. Costs and staff time are associated with public hearing and advisory board review.

RECOMMENDATION: Staff recommends that the Town Council consider the resolution (*Attachment A*) setting a public hearing for June 4, 2024, and referring the item to Orange County, the Planning Board, and other advisory boards based on their area of expertise.

A RESOLUTION SETTING A PUBLIC HEARING ON AN ORDINANCE AMENDING THE TOWN OF CARRBORO LAND USE ORDINANCE TO CLARIFY AND UPDATE WATER QUALITY BUFFER, ROAD BUFFER, SETBACK VARIANCES, AND FENCE REQUIREMENTS

WHEREAS the Carrboro Town Council seeks to provide ample opportunities for the public to comment on proposed amendments to the Land Use Ordinance.

NOW, THEREFORE BE IT RESOLVED that the Town Council sets a public hearing on June 4, 2024, to consider adopting “An Ordinance Amending the Town of Carrboro Land Use Ordinance to Clarify and Update Water Quality Buffer, Road Buffer, Setback Variances, and Fence Requirements.”

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

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

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

This is the 23rd day of April in the year 2024.

**AN ORDINANCE AMENDING THE TOWN OF CARRBORO LAND USE
ORDINANCE TO CLARIFY AND UPDATE WATER QUALITY BUFFER,
ROAD BUFFER, SETBACK VARIANCES, AND FENCE REQUIREMENTS**

****DRAFT 4-15-2024* ***

THE TOWN COUNCIL OF THE TOWN OF CARRBORO HEREBY ORDAINS:

Section 1. Section 15-92 (Variances), subsection (k) is amended to read as follows:

(k) With respect to a variance from any of the provisions of Part III (Water Quality Buffers) of Article XVI, the following procedure shall apply in addition to the standards set forth in Section 15-92(b):

(1) The Board may grant minor variances, which are activities that pertain to Zone Two as defined in 15a NCAC O2b.0267, as amended, and shall make a finding of fact as to whether there are practical difficulties or unnecessary hardships that prevent compliance with the riparian buffer protection requirements. A finding of practical difficulties or unnecessary hardships shall require that the following conditions are met: (a) If the applicant complies with the provisions of this part, they can secure no reasonable return from, nor make reasonable use of, their property. Merely proving that the variance would permit a greater profit from the property shall not be considered adequate justification for a variance. Moreover, the Board shall consider whether the variance is the minimum possible deviation from the terms of this part that shall make reasonable use of the property possible; (b) The hardship results from application of this part to the property rather than from other factors such as deed restrictions or other hardship; (c) The hardship is due to the physical nature of the applicant's property, such as its size, shape, or topography, such that compliance with provisions of this part would not allow reasonable use of the property; (d) The applicant did not cause the hardship by knowingly or unknowingly violating this part; (e) The applicant did not purchase the property after August 11, 2009, the effective date of this part, and then request a variance; and (f) The hardship is rare or unique to the applicant's property.

(2) For any variance request, the local government shall make a finding of fact as to whether the variance is in harmony with the general purpose and intent of the State's riparian buffer protection requirements and preserves its spirit; and

(3) For any variance request, the Board shall make a finding of fact as to whether, in granting the variance, the public safety and welfare have been assured, water quality has been protected, and substantial justice has been done.

(4) **MINOR VARIANCES.** A minor variance request pertains to activities that will impact only Zone Two of the riparian buffer. Minor variance requests shall be reviewed and approved based on the criteria in subsection (k)(1) through (k)(3) of this part by the Board pursuant to G.S. 160D-102(38). The Board may attach conditions to the variance approval that support the purpose, spirit and intent of the

riparian buffer protection program.

(5) Request for appeals to decisions made by the Board shall be made on certiorari to the local Superior Court.

(6) MAJOR VARIANCES. A major variance request pertains to activities that will impact any portion of Zone One or any portion of both Zones One and Two of the riparian buffer. If the local government has determined that a major variance request meets the requirements in subsection (k)(1) through (k)(3) of this part, then it shall prepare a preliminary finding and submit it to the Board for approval. Within 90 days after receipt by the local government, the Board shall review preliminary findings on major variance requests and take one of the following actions: approve, approve with conditions and stipulations, or deny the request. Appeals from a Board decision on a major variance request are made on judicial review to Superior Court.

Section 2: Section 15-269.5 (d) (Table of Exempt and Allowable Activities in Water Quality Buffers) is amended to read as follows:

Use	Exempt *	Allowable *	Allowable with Mitigation*
<p>Access trails: Pedestrian access trails leading to the surface water, docks, fishing piers, boat ramps and other water dependent activities:</p> <ul style="list-style-type: none"> • Pedestrian access trails that are restricted to the minimum width practicable and do not exceed 4 feet in width of buffer disturbance, and provided that installation and use does not result in removal of trees as defined in this Ordinance and no impervious surface is added to the riparian buffer • Pedestrian access trails that exceed 4 feet in width of buffer disturbance, the installation or use results in removal of trees as defined in this Ordinance or impervious surface is added to the riparian buffer 	X	X	

* To qualify for the designation indicated in the column header, an activity must adhere to the limitations defined for it in a given listing as well as the requirements established in Section 15-269.4 (Diffuse Flow Requirement).

Use	Exempt *	Allowable *	Allowable with Mitigation*
<p>Drainage ditches, roadside ditches and stormwater conveyances through riparian buffers:</p> <ul style="list-style-type: none"> • New stormwater flows to existing drainage ditches, roadside ditches, and stormwater conveyances provided flows do not alter or result in the need to alter the conveyance and are managed to minimize the sediment, nutrients and other pollution that convey to waterbodies. • Realignment of existing roadside drainage ditches retaining the design dimensions, provided that no additional travel lanes are added and the minimum required roadway typical section is used based on traffic and safety considerations. • New or altered drainage ditches, roadside ditches and stormwater outfalls provided that a stormwater management facility is installed to control nutrients and attenuate flow before the conveyance discharges through the riparian buffer • New drainage ditches, roadside ditches and stormwater conveyances applicable to linear projects that do not provide a stormwater management facility due to topography constraints provided that other practicable BMPs are employed. 	<p>X</p>	<p>X</p> <p>X</p>	<p>X</p>

* To qualify for the designation indicated in the column header, an activity must adhere to the limitations defined for it in a given listing as well as the requirements established in Section 15-269.4 (Diffuse Flow Requirement)..

Use	Exempt *	Allowable *	Allowable with Mitigation*
Driveway crossings of streams and other surface waters subject to this Ordinance: <ul style="list-style-type: none"> • Driveway crossings on single family residential lots that disturb equal to or less than 25 linear feet or 2,500 square feet of riparian buffer • Driveway crossings on single family residential lots that disturb greater than 25 linear feet or 2,500 square feet of riparian buffer • In a subdivision that cumulatively disturb equal to or less than 150 linear feet or one-third of an acre of riparian buffer • In a subdivision that cumulatively disturb greater than 150 linear feet or one-third of an acre of riparian buffer 	X	X X	X
Driveway impacts other than crossing of a stream or other surface waters subject to this Ordinance			X
Fences: <ul style="list-style-type: none"> • Fences provided that disturbance is minimized and installation does not result in removal of trees as defined in this Ordinance • Fences provided that disturbance is minimized and installation results in removal of trees as defined in this Ordinance 	X	X	
Fertilizer application: one-time application to establish vegetation	X		
Grading and revegetation in Zone Two provided that diffuse flow and the health of existing vegetation in Zone One is not compromised and disturbed areas are stabilized until they are revegetated.	X		

* To qualify for the designation indicated in the column header, an activity must adhere to the limitations defined for it in a given listing as well as the requirements established in Section 15-269.4 (Diffuse Flow Requirement)..

Use	Exempt *	Allowable *	Allowable with Mitigation*
Greenway / hiking trails designed, constructed and maintained to maximize nutrient removal and erosion protection, minimize adverse effects on aquatic life and habitat, and protect water quality to the maximum extent practical.		X	
Preservation or maintenance of historic or cultural sites	X		
Maintenance access on modified natural streams: a grassed travel way on one side of the water body when less impacting alternatives are not practical. The width and specifications of the travel way shall be only that needed for equipment access and operation. The travel way shall be located to maximize stream shading.		X	
Mining activities: <ul style="list-style-type: none"> • Mining activities that are covered by the Mining Act provided that new riparian buffers that meet the requirements of this section are established adjacent to the relocated channels • Mining activities that are not covered by the Mining Act OR where new riparian buffers that meet the requirements of this section are not established adjacent to the relocated channels • Wastewater or mining dewatering wells with approved NPDES permit 	X	X	X
Playground equipment: <ul style="list-style-type: none"> • Playground equipment on single family lots provided that installation and use does not result in removal of vegetation • Playground equipment installed on lands other than single-family lots or that requires removal of vegetation 	X	X	

* To qualify for the designation indicated in the column header, an activity must adhere to the limitations defined for it in a given listing as well as the requirements established in Section 15-269.4 (Diffuse Flow Requirement).

Use	Exempt *	Allowable *	Allowable with Mitigation*
Ponds created by impounding streams and not used as stormwater BMPs: <ul style="list-style-type: none"> • New ponds provided that a riparian buffer that meets the requirements of this section is established adjacent to the pond • New ponds where a riparian buffer that meets the requirements of this section of this Ordinance is NOT established adjacent to the pond 		X	X
Protection of existing structures, facilities and stream banks when this requires additional disturbance of the riparian buffer or the stream channel		X	
Railroad impacts other than crossings of streams and other surface waters subject to this Ordinance.			X
Railroad crossings of streams and other surface waters subject to this Ordinance: <ul style="list-style-type: none"> • Railroad crossings that impact equal to or less than 40 linear feet of riparian buffer • Railroad crossings that impact greater than 40 linear feet but equal to or less than 150 linear feet or one-third of an acre of riparian buffer • Railroad crossings that impact greater than 150 linear feet or one-third of an acre of riparian buffer 	X	X	X

** To qualify for the designation indicated in the column header, an activity must adhere to the limitations defined for it in a given listing as well as the requirements established in Section 15-269.4 (Diffuse Flow Requirement)..

Use	Exempt *	Allowable *	Allowable with Mitigation*
Road relocation: Relocation of existing private access roads associated with public road projects where necessary for public safety: <ul style="list-style-type: none"> • Less than or equal to 2,500 square feet of buffer impact • Greater than 2,500 square feet of buffer impact 		X	X
Stormwater BMPs: <ul style="list-style-type: none"> • Wet detention, bioretention, and constructed wetlands in Zone Two if diffuse flow of discharge is provided into Zone One • Wet detention, bioretention, and constructed wetlands in Zone One 		X	X
Scientific studies and stream gauging	X		
Streambank or shoreline stabilization		X	
Temporary roads, provided that the disturbed area is restored to pre-construction topographic and hydrologic conditions immediately after construction is complete and replanted immediately with comparable vegetation, except that tree planting may occur during the dormant season. . A one-time application of fertilizer may be used to establish vegetation: At the end of five years the restored buffer shall comply with the restoration criteria in Section 15-269.7 (g). <ul style="list-style-type: none"> • Less than or equal to 2,500 square feet of buffer disturbance • Greater than 2,500 square feet of buffer disturbance • Associated with culvert installation or bridge construction or replacement. 	X	X X	

* To qualify for the designation indicated in the column header, an activity must adhere to the limitations defined for it in a given listing as well as the requirements established in Section 15-269.4 (Diffuse Flow Requirement)...

Use	Exempt *	Allowable *	Allowable with Mitigation*
<p>Temporary sediment and erosion control devices, provided that the disturbed area is restored to pre-construction topographic and hydrologic conditions immediately after construction is complete and replanted immediately with comparable vegetation, except that tree planting may occur during the dormant season. A one-time application of fertilizer may be used to establish vegetation. At the end of five years the restored buffer shall comply with the restoration criteria in 15-269.7 (g).</p> <ul style="list-style-type: none"> • In Zone Two provided ground cover is established within timeframes required by the Sedimentation and Erosion Control Act, vegetation in Zone One is not compromised, and runoff is released as diffuse flow in accordance with Section 7.(E) of this Ordinance. • In Zones one and two to control impacts associated with uses approved by the Town or that have received a variance, provided that sediment and erosion control for upland areas is addressed, to the maximum extent practical, outside the buffer. • In-stream temporary erosion and sediment control measures for work within a stream channel that is authorized under Sections 401 and 404 of the Federal Water Pollution Control Act. • In-stream temporary erosion and sediment control measures for work within a stream channel. 	<p>X</p> <p>X</p>	<p>X</p> <p>X</p>	
<p>Utility, electric, aerial, perpendicular crossings of streams and other surface waters subject to this Ordinance^{2,3,5}:</p> <ul style="list-style-type: none"> • Disturb equal to or less than 150 linear feet of riparian buffer • Disturb greater than 150 linear feet of riparian buffer 	<p>X</p>	<p>X</p>	

* To qualify for the designation indicated in the column header, an activity must adhere to the limitations defined for it in a given listing as well as the requirements established in Section 15-269.4 (Diffuse Flow Requirement).

Use	Exempt *	Allowable *	Allowable with Mitigation*
Utility, electric, aerial, other than perpendicular crossings ⁵ : <ul style="list-style-type: none"> • Impacts in Zone Two • Impacts in Zone One^{2,3} 		X	X
Utility, electric, underground, perpendicular crossings ^{3,4,5} : <ul style="list-style-type: none"> • Disturb less than or equal to 40 linear feet of riparian buffer • Disturb greater than 40 linear feet of riparian buffer 	X	X	
Utility, electric, underground, other than perpendicular crossings ⁴ : <ul style="list-style-type: none"> • Impacts in Zone Two • Impacts in Zone One¹ 	X X		
Utility, non-electric, perpendicular crossings of streams and other surface waters subject to this Ordinance ^{3,5} : <ul style="list-style-type: none"> • Disturb equal to or less than 40 linear feet of riparian buffer with a maintenance corridor equal to or less than 10 feet in width • Disturb equal to or less than 40 linear feet of riparian buffer with a maintenance corridor greater than 10 feet in width • Disturb greater than 40 linear feet but equal to or less than 150 linear feet of riparian buffer with a maintenance corridor equal to or less than 10 feet in width • Disturb greater than 40 linear feet but equal to or less than 150 linear feet of riparian buffer with a maintenance corridor greater than 10 feet in width • Disturb greater than 150 linear feet of riparian buffer 	X	X X	 X X

* To qualify for the designation indicated in the column header, an activity must adhere to the limitations defined for it in a given listing as well as the requirements established in Section 15-269.4 (Diffuse Flow Requirement).

Use	Exempt *	Allowable *	Allowable with Mitigation*
Utility, non-electric, other than perpendicular crossings ^{4,5} : <ul style="list-style-type: none"> • Impacts in Zone Two • Impacts in Zone One¹ 		X	X
Vegetation management: <ul style="list-style-type: none"> • Emergency fire control measures provided that topography is restored • Mowing or harvesting of plant products in Zone Two • Planting vegetation to enhance the riparian buffer • Pruning forest vegetation provided that the health and function of the forest vegetation is not compromised • Removal of individual trees that are in danger of causing damage to dwellings, other structures or human life, or are imminently endangering stability of the streambank. • Removal of individual trees which are dead, diseased or damaged. • Removal of poison ivy • Removal of invasive exotic vegetation as defined in: <i>Smith, Cherri L. 1998. Exotic Plant Guidelines. Dept. of Environment and Natural Resources. Division of Parks and Recreation. Raleigh, NC. Guideline #30</i> 	X X X X X X X		
<ul style="list-style-type: none"> • Vehicular access roads leading to water-dependent structures as defined in 15A NCAC 02B .0202, provided they do not cross the surface water and have minimum practicable width not exceeding ten feet. 		X	
<ul style="list-style-type: none"> • Water dependent structures as defined in 15A NCAC 02B .0202 where installation and use result in disturbance to riparian buffers. 		X	

* To qualify for the designation indicated in the column header, an activity must adhere to the limitations defined for it in a given listing as well as the requirements established in Section 15-269.4 (Diffuse Flow Requirement)...

Use	Exempt *	Allowable *	Allowable with Mitigation*
Water supply reservoirs: <ul style="list-style-type: none"> • New reservoirs where a riparian buffer that meets the requirements of Section 15-269.3 is established adjacent to the reservoir • New reservoirs where a riparian buffer that meets the requirements of Section 15-269.3 is not established adjacent to the reservoir 		X	X
Water wells <ul style="list-style-type: none"> • Single family residential water wells • All other water wells 	X	X	
Wetland, stream and buffer restoration that results in impacts to the riparian buffers: <ul style="list-style-type: none"> • Wetland, stream and buffer restoration that requires NC Division of Water Quality approval for the use of a 401 Water Quality Certification • Wetland, stream and buffer restoration that does not require Division of Water Quality approval for the use of a 401 Water Quality Certification 	X	X	
Wildlife passage structures		X	

¹Provided that:

- No heavy equipment is used in Zone One.
- Vegetation in undisturbed portions of the buffer is not compromised.
- Felled trees are removed by chain.
- No permanent felling of trees occurs in protected buffers or streams.
- Stumps are removed only by grinding.
- At the completion of the project the disturbed area is stabilized with native vegetation.
- Zones one and two meet the requirements of Section 15-269.3.

²Provided that, in Zone One, all of the following BMPs for overhead utility lines are used. If all of these BMPs are not used, then the overhead utility lines shall require a no practical alternative evaluation by the Town as defined in Section 15-269.6

- A minimum zone of 10 feet wide immediately adjacent to the water body shall be managed such that only vegetation that poses a hazard or has the potential to grow tall enough to interfere with the line is removed.
- Woody vegetation shall be cleared by hand. No land grubbing or grading is allowed.
- Vegetative root systems shall be left intact to maintain the integrity of the soil. Stumps shall remain where trees are cut.
- Riprap shall not be used unless it is necessary to stabilize a tower.
- No fertilizer shall be used other than a one-time application to re-establish vegetation.

- **Construction activities shall minimize the removal of woody vegetation, the extent of the disturbed area, and the time in which areas remain in a disturbed state.**
- **Active measures shall be taken after construction and during routine maintenance to ensure diffuse flow of stormwater through the buffer.**
- **In wetlands, mats shall be utilized to minimize soil disturbance.**

³Provided that poles or aerial infrastructure shall not be installed within 10 feet of a water body unless Town completes a no practical alternative evaluation as defined in Section 15-269.6.

⁴Provided that, in Zone One, all of the following BMPs for underground utility lines are used. If all of these BMPs are not used, then the underground utility line shall require a no practical alternative evaluation by Town as defined in Section 15-269.6.

- Woody vegetation shall be cleared by hand. No land grubbing or grading is allowed.
- Vegetative root systems shall be left intact to maintain the integrity of the soil. Stumps shall remain, except in the trench where trees are cut.
- Underground cables shall be installed by vibratory plow or trenching.
- The trench shall be backfilled with the excavated soil material immediately following cable installation.
- No fertilizer shall be used other than a one-time application to re-establish vegetation.
- Construction activities shall minimize the removal of woody vegetation, the extent of the disturbed area, and the time in which areas remain in a disturbed state.
- Measures shall be taken upon completion of construction and during routine maintenance to ensure diffuse flow of stormwater through the buffer.
- In wetlands, mats shall be utilized to minimize soil disturbance.

⁵Perpendicular crossings are those that intersect the surface water at an angle between 75 degrees and 105 degrees.

Section 3. Subdivision (4)(g) of Section 15-198 (Open Space) is amended to read as follows:

(g). Road buffers as required by Section 15-312 of the Chapter, except for those portions of the buffers that must be included in road or utility crossings, site triangles and planned pedestrian and bicycle improvements.

Section 4. Section 15-92.1 (Special Exception Permits) is amended by replacing the term “special exception permit” in all instances with the term “setback variance.”

Section 5. Section 15-184(3)(b) is amended with the addition of a definition of “substantially opaque” so that the subdivision now reads as follows:

(b). Fences, walls or berms running along right-of-way or lot boundaries adjacent to public street rights of way if such fences, walls or berms exceed three feet in height and are substantially opaque except that fences, walls or berms shall not be regarded as “buildings” within the meaning of this subdivision if they are located along the rear lot line of lots that have street frontage along both the front and rear of such lots. For the purpose of this section, any portion of a fence higher than three feet located horizontally along or perpendicular to a right-of-way that does not meet the applicable setback requirement must be at least 50 percent open/revealed to 50 percent

closed/opaque.

Section 6. Section 15-146 (Table of Permissible Uses) is amended by the addition of a new use classification, 35.00 (Fence), with a “Z” entered in each column indicating that a zoning permit is required for the installation of a fence in each zoning district.

Section 7. All provisions of any Town Ordinance in conflict with this Ordinance are repealed.

Section 8. This Ordinance shall become effective upon adoption.

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life or property, or because the violation is transitory in nature, a stay would seriously interfere with enforcement of the ordinance. In that case, enforcement proceedings shall not be stayed except by a restraining order, which may be granted by a court. If enforcement proceedings are not stayed, the appellant may file with the administrator a request for an expedited hearing of the appeal, and the board of adjustment shall meet to hear the appeal within 15 days after such a request is filed. Notwithstanding the foregoing, appeals of decisions granting a permit or otherwise affirming that a proposed use of property is consistent with the ordinance shall not stay the further review of an application for permits or permissions to use such property; in these situations the appellant may request and the board may grant a stay of a final decision of permit applications or building permits affected by the issue being appealed.

(h) Subject to the provisions of subdivision (g) of this section, the board of adjustment shall hear and decide the appeal within a reasonable time.

(i) The administrator shall be present at the hearing as a witness. The appellant shall not be limited at the hearing to matters stated in the notice of appeal. If any party or the town would be unduly prejudiced by the presentation of matters not presented in the notice of appeal, the board shall continue the hearing. The board of adjustment may reverse or affirm, wholly or partly, or may modify the decision appealed from and shall make any order, requirement, decision, or determination that ought to be made. The board shall have all the powers of the administrator.

(j) The parties to an appeal that has been made under this section may agree to mediation or other forms of alternative dispute resolution.

Section 15-92 Variances. (AMENDED 11/10/81; 4/21/87; 12/05/89; 4/23/96; 10/24/06; 6/26/12; 10/21/14; REPEALED & AMENDED 3/24/09; REWRITTEN 10/26/10)

(a) An application for a variance shall be submitted to the board of adjustment by filing a copy of the application with the administrator in the planning department. Applications shall be handled in the same manner as applications for special use permits-B in conformity with the provisions of Sections 15-48, 15-49, and 15-56.

(b) Subject to the remaining provisions of this section, when unnecessary hardships would result from carrying out the strict letter of this ordinance, the board of adjustment shall vary any of the provisions of the ordinance upon a showing of all of the following:

- (1) Unnecessary hardship would result from the strict application of this ordinance. It shall not be necessary to demonstrate that, in the absence of the variance, no reasonable use can be made of the property.
- (2) The hardship results from conditions that are peculiar to the property, such as location, size, or topography. Hardships resulting from personal circumstances, as well as hardships resulting from conditions that are common to the neighborhood or the general public, may not be the basis for granting a variance

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- (3) The hardship did not result from actions taken by the applicant or the property owner. The act of purchasing property with knowledge that circumstances exist that may justify the granting of a variance shall not be regarded as a self-created hardship
 - (4) The requested variance is consistent with the spirit, purpose, and intent of the ordinance, such that public safety is secured, and substantial justice is achieved.
- (c) No change in permitted uses may be authorized by variance.
- (d) Appropriate conditions may be imposed on any variance, provided the conditions are reasonably related to the variance.
- (e) A variance may be issued for an indefinite duration or for a specified duration only.
- (f) In determining whether a variance should be granted from any of the provisions of Article XVI, Part I, the board of adjustment shall consider the following factors, each of which shall be addressed in a written report that accompanies the application.
- (1) The danger that materials may be swept onto other lands to the injury of others;
 - (2) The danger to life and property due to flooding or erosion damage;
 - (3) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
 - (4) The importance of the services provided by the proposed facility to the community;
 - (5) The availability of alternative locations, not subject to flooding or erosion damage, for the proposed use;
 - (6) The compatibility of the proposed use with existing and anticipated development;
 - (7) The relationship of the proposed use to the comprehensive plan and floodplain management program for that area;
 - (8) The safety of access to the property in times of flood for ordinary and emergency vehicles;
 - (9) The expected heights, velocity, duration, rate of rise, and sediment transport of the floodwaters expected at the site; and

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- (10) The costs of providing governmental services during and after flood conditions including maintenance and repair of public utilities and facilities such as sewer, gas, electrical and water systems, and streets and bridges.

(g) Any applicant to whom a variance is granted from the provisions of Article XVI, Part I, shall be given written notice specifying the difference between the Base Flood Elevation (BFE) and the elevation to which the structure is to be built and that such construction below the BFE increases risks to life and property, and that the issuance of a variance to construct a structure below the BFE will result in increased premium rates for flood insurance up to \$25 per \$100 of insurance coverage. Such notification shall be maintained with a record of all variance actions, including justification for their issuance.

(h) With respect to the provisions of Article XVI, Part I, the administrator shall maintain the records of all appeal actions and report any variances to the Federal Emergency Management Agency and the State of North Carolina upon request.

- (i) With respect to the provisions of Article XVI

Part I:

- (1) Variances shall not be issued when the variance will make the structure in violation of other Federal, State, or local laws, regulations, or ordinances
- (2) Variances shall not be issued within any designated floodway or non-encroachment area if the variance would result in any increase in flood levels during the base flood discharge
- (3) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief
- (4) Variances shall only be issued prior to development permit approval
- (5) The Town shall notify the Secretary of the North Carolina Department of Crime Control and Public Safety that a variance has been requested at least 30 days prior to consideration of the application by the board of adjustment

(j) If the board votes to grant a major variance from any of the provisions of Section 15-266, dealing with requirements peculiar to areas within the University Lake Watershed or Jordan Lake Watershed Protection District, the administrator shall forthwith prepare and send to the Environmental Management Commission a record of the proceedings before the board. The variance shall not be issued until it is approved by the EMC. For purposes of this subsection, a major variance is one that authorizes a relaxation of greater than 10% of any requirement set forth in Section 15-266.

(k) If the board votes to grant a major variance from any of the provisions of Part III (Water Quality Buffers) of Article XVI, the administrator shall forthwith prepare and send to the Environmental Management Commission a record of the proceedings before the board. The variance shall not be issued until it is approved by the EMC. For purposes of this subsection, a major variance

is one that pertains to prohibited activities that will impact that portion of Zone One of the riparian buffers that lies within 30 feet of the surface waters subject to buffer requirements of the Jordan Reservoir.

(l) The administrator shall keep a record of all variances granted during any calendar year from the provisions of Sections 15-266 or Part III of Article XVI and shall submit the record of such variances on or before January 1 of the following year to the Division of Water Quality. The record shall contain a description of each project receiving a variance and the reason for granting the variance.

(m) If the board votes to grant a major variance from the provisions of Section 15-263, the board shall then prepare a preliminary record of the hearing and submit it to the Environmental Management Commission for review and approval. If the Commission approves the major variance or approves with conditions or stipulations added, then the Commission shall prepare a Commission decision which authorizes the board to issue a final decision which would include any conditions or stipulations added by the Commission. If the Commission denies the major variance, then the Commission shall prepare a Commission decision to be sent to the board. The board shall prepare a final decision denying the major variance. For all proposed major and minor variances from the other local governments having jurisdiction within the Jordan Lake Watershed Area and any local governments using Jordan Lake as a water supply for consumption. Appeals from a board decision on a major or minor variance request are made on certiorari to the local Superior Court. Appeals from the Commission decision on a major variance request are made on judicial review to Superior Court. For purposes of this subsection, a major variance is one that authorizes a relaxation by more than five percent of any requirement set forth in Section 15-263.

Section 15-92.1 Special Exception Permits. (AMENDED 6/21/94)

[PLEASE REFERENCE "APPENDIX H"]

(a) An application for a special exception permit shall be submitted to the board of adjustment by filing a copy of the application with the administrator in the planning department.

(b) All of the provisions of this article applicable to the processing of variance applications shall also apply to special exception permit requests, except the provisions of Subsections 15-92(b) and 15-96(b) and (c).

(c) The board of adjustment may issue a special exception permit for the purposes and under the circumstances set forth in the remaining subsections of this section if it concludes, in addition to any other findings required below, that:

- (1) Issuance of the permit will not create a threat to the public health or safety; and
- (2) Issuance of the permit will not adversely affect the value of adjoining or neighboring properties. If the applicant presents a petition, signed by the owners of all properties entitled to receive notice of the hearing on the application pursuant to Section 15-102(2), and stating that such property

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owners believe their property values will not be adversely affected by the proposed use, this shall be sufficient evidence from which the board may (but shall not be required to) make the required finding. The board may also make the required finding based on other competent evidence.

(d) The board of adjustment may issue a special exception permit under this section to allow a reduction of up to 50% in the required distances that buildings must be set back from lot boundary lines under Subsection 15-184(a)(4), provided that:

- (1) The reduction may be permitted only for buildings on lots used for conforming residential purposes in residential districts, where (i) the building in question has existed for at least three years prior to the application for the special exception permit, or (ii) the lot is to be developed or redeveloped using the residential density bonus for affordable housing provided for elsewhere in this chapter at Section 15-184. **(Amended 5/14/02)**
- (2) In no case may the reduction allow a building to be located closer to a lot boundary line than a distance equal to one-half of the minimum building separation requirement established by the North Carolina State Building Code or allow the location of a building in such proximity to a pre-existing building as to violate the minimum building separation requirement of the North Carolina State Building Code;
- (3) Reductions may be allowed under this section only for setbacks from lot boundary lines, not setbacks from street right-of-way lines.

(e) The board of adjustment may issue a special exception permit to authorize a structure to encroach upon a setback required under Section 15-184 if it finds that:

- (1) The proposed encroachment results from an addition to or an extension of an existing structure that already is nonconforming with respect to the requirements of section 15-184; and
- (2) The proposed addition or extension will not encroach upon any required front, rear, or side yard to a greater extent than the existing structure on that lot.

Section 15-93 Interpretations. (REWRITTEN 10/21/14)

(a) The administrator is authorized to interpret the official zoning map and to pass upon disputed questions of district boundary lines and similar questions.

(b) Where uncertainty exists as to the boundaries of districts as shown on the Official Zoning Map, the following rules shall apply:

Section 15-184 Building Setback Requirements

- (a) Subject to Section 15-187 (Architecturally Integrated Subdivisions) and the other provisions of this section, no portion of any building or any freestanding sign may be located on any lot closer to any lot line or to the street right-of-way line or centerline than is authorized in the table set forth below: **(AMENDED 1/22/85)**
- (1) If the street right-of-way line is readily determinable (by reference to a recorded map, set irons, or other means), the setback shall be measured from such right-of-way line. If the right-of-way line is not so determinable, the setback shall be measured from the street centerline.
 - (2) As used in this section, the term “lot boundary line” refers to lot boundaries other than those that abut streets.
 - (3) As used in this section, the term “building” includes any substantial structure, which, by nature of its size, scale, dimensions, bulk, or use tends to constitute a visual obstruction or generate activity similar to that usually associated with a building. Without limiting the generality of the foregoing, the following structures shall be deemed to fall within this description:
 - a. Gas pumps and overhead canopies or roofs.
 - b. Fences, walls or berms running along lot boundaries adjacent to public street rights-of-way if such fences, walls or berms exceed three feet in height and are substantially opaque except that fences, walls or berms shall not be regarded as “buildings” within the meaning of this subsection if they are located along the rear lot line of lots that have street frontage along both the front and rear of such lots. **(AMENDED 5/19/98)**
 - c. Pergolas, except that a pergola will not be considered a “building” for purposes of this section if it consists merely of an insubstantial frame, no larger than 15 feet long on any side, presents itself visually more as a part of the landscape than as a building. **(AMENDED 10/22/13)**
 - d. Facilities that house and/or contain domesticated livestock except that the building setbacks for rabbits and fowl shall adhere to the requirements in Chapter 10, Article III, Domesticated Livestock and Wild Animals, of the Town Code. **(AMENDED 2/28/17)**
 - (4) Notwithstanding any other provision of this chapter, signs that do not meet the definition of freestanding signs may be erected on or affixed to structures (e.g., some fences) that are not subject to the setback requirements applicable to buildings only if such signs are located such that they satisfy the setback requirements applicable to freestanding signs in the district where located. **(AMENDED 5/26/81; 12/7/83; 2/4/86; 11/14/88; 5/15/90; 4/16/91; 1/16/01)**

Art. XII DENSITY AND DIMENSIONAL REGULATIONS

- (5) Notwithstanding the foregoing, the first three feet of roof overhang on a residential structure constructed in a residential zoning district is not considered a building for the purposes of this section and is not subject to the building setback requirements. **(AMENDED 4/22/14; 10/22/19)**
- (6) Notwithstanding the foregoing, exterior steps whether of masonry or wood construction may extend up to 50-percent into the building setback for the property boundary lines on residentially zoned lots so long as the height of the steps and associated landing are no taller than three feet above the finished grade as determined by Section 15-185(g)(1). The landing may be no larger than five feet in width by five feet in length, and the combined length of the landing and steps no longer than ten feet. The minimum separation from buildings on adjacent lots as required by the fire code must be maintained. **(AMENDED 4/19/22)**

ZONE	Minimum Distance from Street Right of Way line		Minimum Distance from Street Centerline		Minimum Distance from Lot Boundary Line
	Building	Freestanding Sign	Building	Freestanding Sign	Building and Freestanding Sign
C	25	12.5	55	42.5	20
WR	35	17.5	65	47.5	20
RR	40	20	70	50	20
R-20	40	20	70	50	20
R-15	35	17.5	55	47.5	20
R-10	25	12.5	55	42.5	12
R-S.I.R.	25	12.5	55	42.5	10
R-7.5	25	12.5	55	42.5	10
R-3	15	7.5	45	37.5	8
B-1(c)	--	--	30	--	--
B-1(g)	--	--	30	--	--
B-2	15	7.5	45	37.5	10
B-3	15	7.5	45	37.5	15
B-3-T	15	7.5	45	37.5	15
B-4	30	15	60	45	10
CT	--	--	30	--	--
B-5	40	20	70	50	20
M-1	--	--	30	--	--
M-2	--	--	30	--	--
WM-3	30	15	60	45	20
O	15	7.5	45	37.5	15
O/A	15	7.5	45	37.5	15

pre-existing multi-family units, except to the extent that such reconstruction or renovation of multi-family residences increases the number of dwelling units or bedrooms within any such residential development. (AMENDED 10/08/96)

Section 15-198 Open Space. (AMENDED 4/24/84; 3/26/85; 12/10/85; 11/11/86; REWRITTEN 6/27/95; 6/20/06; AMENDED 3/24/09; 3/23/10)

(a) The Council finds that when land is developed for residential purposes, the public health, safety, and welfare are best served when substantial portions of the tracts so developed remain as common open space. The preservation of such open space areas serves the following important objectives, to the benefit of the residents of such developments as well as the general public:

- (1) Preservation of open vistas, providing relief from an urban landscape;
- (2) Preservation of environmentally sensitive lands;
- (3) Preservation of habitat for wildlife;
- (4) Preservation of historically or archaeologically significant areas;
- (5) Provision of areas for passive recreation, such as walking or jogging.

(b) For purposes of this section:

- (1) Open space refers to an area that:
 - a. Is not encumbered with any substantial structure;
 - b. Is not devoted to use as a roadway, parking area, or sidewalk;
 - c. Is not part of any privately owned lot that is used or intended for use for residential purposes;
 - d. Is legally and practicably accessible to the general public or to the residents of the development where the open space is located.
- (2) Narrow strips of common area that separate lots within a development from each other, from streets, or from adjoining tracts shall generally not be regarded as open space within the meaning of this section unless such areas:
 - a. Are at least 50 feet in width and capable of functioning as a substantial visual buffer; or
 - b. Are configured and/or improved (e.g. through the installation of trails) in such a way as to be conducive to actual use for passive recreational purposes (i.e. walking or jogging) by residents of the development where located.

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- (3) The following areas shall be regarded as open space if such areas satisfy at least the criteria set forth in Subdivision (1) a, b, and c of subsection (b) of this section:
- a. Utility easements located outside of street rights of way;
 - b. Cemeteries located on a tract prior to its development.
 - c. Areas used for the growing of crops, such as hay, corn, or vegetables, if and to the extent that such uses occur within an area that is subject to the control of a homeowners association and such uses are approved by the homeowners association. **(AMENDED 5/25/99)**
- (4) The term “primary conservation areas” shall mean: **(AMENDED 5/25/99; 6/20/99)**
- a. Areas containing slopes greater than 25%
 - b. Hardwood areas as designated in the Geographic Information System (GIS) of the Town of Carrboro. **(AMENDED 3/24/09)**
 - c. Wetlands as defined pursuant to Section 404 of the Clean Water Act
 - d. Floodplains
 - e. Water quality buffers on perennial and intermittent streams. **(AMENDED 3/24/09)**
 - f. Lakes and ponds;
 - g. Road buffers as required by Section 15-312 of this Chapter, except for those portions of the buffers that must be included in road or utility crossings.
- (5) The term “secondary conservation areas” shall mean: **(AMENDED 5/25/99)**
- a. Areas containing slopes greater than 15% but not more than 25%;
 - b. Wooded areas other than hardwood areas as designated in the Geographic Information System (GIS) of the Town of Carrboro. **(AMENDED 3/23/10)**
 - c. Vistas along entranceways to the town;
 - d. Other areas containing unusual natural features (such as major rock formations);

Art. XIII RECREATIONAL FACILITIES AND OPEN SPACE

- e. With respect to streams designated on the adopted Stream Classification Map of the Town of Carrboro, those areas within an average perpendicular distance of sixty feet from the edge of the floodway of the stream, if the floodway is designated on the “Flood Boundary and Flood Map” prepared by the U.S. Department of Housing and Urban Development or sixty feet from the centerline of the stream where the floodway is not designated on the map.
- f. Other environmentally, historically, or archaeologically significant or unique areas, including water quality buffers on ephemeral streams. **(AMENDED 3/24/09)**

(c) Except as otherwise provided in subsection (j) and Section 15-203, every residential development in zoning districts other than the R-2, OR-MU, B-1(c), B-1(G), B-2, and CT zoning districts shall be developed so that at least forty percent (40 percent) of the total area of the development remains permanently in open space. Every residential development in the R-2 and OR-MU district shall be developed so that at least twenty percent (20 percent) of the total area of the development remains permanently as open space. **(AMENDED 9/05/95; 6/20/06; 6/12/07)**

(d) Subject to subsection (g), every residential development containing at least 25 lots or dwelling units shall contain, as part of its required open space, one or more areas that are relatively flat, well drained, grassed, and otherwise well suited for use as a play field:

- (1) Each such area shall contain a minimum of 20,000 square feet configured in such a manner as to be useful as a play field.
- (2) Every development covered by this subsection shall set aside in one or more play fields meeting the criteria of this subsection a minimum of 400 square feet of area per lot or dwelling unit within the development.
- (3) Play fields provided under this section shall be located with due regard for the safety and convenience of those using such facilities as well as the welfare of residents living nearby. The play fields required by this subsection shall be located such that 90% of the lots or dwelling units within any development that is required to install such play field are within 1,500 feet of a play field installed to meet the requirements of this subsection, unless the developer demonstrates by clear and convincing evidence that adherence to this requirement would not be feasible.
- (4) Play fields constructed to meet the requirements of this subsection may be used by the developer to satisfy the active recreational requirements set forth in Section 15-196 as well as the open space requirements of this section. However, the recreation points assigned to such play fields shall be based upon the actual cost of constructing such play fields, exclusive of land costs. **(AMENDED 5/25/99)**

PART III. WATER QUALITY BUFFERS

Section 15-269 Findings, Purpose and Applicability (REPEALED AND REWRITTEN 3/24/09; REWRITTEN 10/26/10; AMENDED 3/4/14)

- (a) The Council finds that:
- (1) Soil and pollutants carried overland from upstream land uses can be effectively trapped by leaving a relatively undisturbed strip of vegetation parallel and adjacent to a drainage feature.
 - (2) Properly managed overland water flow can be directed into this water quality buffer area in a manner that will minimize the concentration of flow and promote diffuse flow and infiltration of the water.
 - (3) Sediments and other pollutants carried by water will be reduced as a result of the dispersion and infiltration of flow and associated filtering, absorption, and uptake of pollutants.

(b) The purpose of this part is to protect, preserve, and enhance water quality buffers in order to maintain their pollutant removal functions and protect the quality of surface waters and water supplies. With regard to the Jordan Buffer Rules, it should be noted that nutrient removal is the primary function of riparian buffers. The NC Division of Water Quality shall administer the portion of these requirements of Rule 15 A NCAC 02B .0267 and .0268 (Jordan Water Supply Nutrient Strategy: Protection of Existing Riparian Buffers and Mitigation of Existing Riparian Buffers, respectively) for activities conducted under the authority of the State, the United States, multiple jurisdictions, or local units of governments, and forest harvesting and agricultural activities. The Town of Carrboro shall administer those provisions for all other landowners and shall administer the remaining provisions of this Article for all other land disturbing activities and developments.

(c) Wetlands adjacent to surface waters or within 50 feet of surface waters shall be considered as part of the water quality buffers but are also regulated pursuant to other State and Federal regulations.

Section 15-269.1 Definitions.

For purposes of this part, the following terms shall have the meaning as indicated:

- (a) ‘Access Trails’ means pedestrian trails constructed of pervious or impervious surfaces, and related structures to access a surface water including boardwalks, steps, rails, signage.

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- (b) ‘Archaeological Activities’ means activities conducted by a Registered Professional Archaeologist (RPA).
- (c) ‘Buffer’ means a water quality buffer, or an undeveloped area parallel and adjacent to a drainage feature to protect and enhance water quality.
- (d) ‘DBH’ means diameter at breast height of a tree measured at 4.5 feet above ground surface level.
- (e) ‘Development’ means the same as defined in Rule 15A NCAC 2B .0202(23).
- (f) ‘Diffuse flow’ means flow that generally moves down slope via sheet flow rather than concentrating in rills, gullies, and ditches and in doing so is able to infiltrate into the soil and plant root zone.
- (g) ‘Ditch’ means a human-made channel other than a modified natural stream.
- (h) ‘Ephemeral stream’ means a drainage feature that carries only surface runoff in direct response to precipitation. An ephemeral stream may or may not have a well-defined channel and the stream bed is always above the water table. An ephemeral stream lacks the biological, hydrological, and physical characteristics commonly associated with perennial or intermittent streams.
- (i) ‘Existing development’ means development, other than that associated with agricultural or forest management activities that meets one of the following criteria:
 - 1. It either is built or has established a vested right based on statutory or common law as interpreted by the courts, for projects that do not require a state permit, as of the effective date of either local new development stormwater programs implemented under Rule 15A NCAC 2B .0265 (Jordan Water Supply Nutrient Strategy: Stormwater Management for New Development) or, for projects requiring a state permit, as of the applicable compliance date established in Rule 15A NCAC 2B .0271 (Jordan Water Supply Nutrient Strategy: Stormwater Management for New Development), Items (5) and (6); or
 - 2. It occurs after the compliance date set out in Sub-Item (4)(d) of Rule .0265 (Jordan Water Supply Nutrient Strategy: Stormwater Management for New Development) but does not result in a net increase in built-upon area.
- (j) ‘Greenway / Hiking Trails’ means pedestrian and bicycle trails constructed of pervious or impervious surfaces and related structures including but not limited to boardwalks, steps, rails, and signage and that generally run parallel to the shoreline.
- (k) ‘High Value Tree’ means a tree that meets or exceeds the following standards: for pine species, 14-inch DBH or greater or 18-inch or greater stump diameter; or for

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hardwoods and wetland species, 16-inch DBH or greater or 24-inch or greater stump diameter.

- (l) 'Intermittent stream' means a well-defined channel that contains water for only part of the year, typically during winter and spring when the aquatic bed is below the water table. The flow may be heavily supplemented by stormwater runoff. An intermittent stream often lacks the biological and hydrological characteristics commonly associated with the continuous conveyance of water.
- (m) 'New development,' for the purpose of this Article, means any development project that does not meet the definition of existing development set out in this Section.
- (n) 'Perennial stream' means a well-defined channel that contains water year round during a year of normal rainfall with the aquatic bed located below the water table for most of the year. Groundwater is the primary source of water for a perennial stream, but it also carries stormwater runoff. A perennial stream exhibits the typical biological, hydrological, and physical characteristics commonly associated with the continuous conveyance of water.
- (o) For purposes of this Article only, 'Public utility' means any governmental entity, nonprofit organization, corporation, or any entity defined as a public utility for any purpose by Section 62.3 of the North Carolina General Statutes that is engaged in the production, generation, transmission, delivery, collection, or storage of water, sewage electricity, gas, oil, or electronic signals 'Riparian buffer enhancement' is defined as the process of converting a non-forested riparian area, where woody vegetation density is greater than or equal to 100 trees per acre but less than 200 trees per acre, to a forested riparian buffer area. The enhanced, forested riparian buffer area shall include at least two native hardwood tree species planted at a density sufficient to provide 320 trees per acres at maturity, and diffuse flow through the riparian buffer shall be maintained.
- (p) 'Riparian buffer restoration' is defined as the process of converting a non-forested riparian area, where woody vegetation density is less than 100 trees per acre, to a forested riparian buffer area. The restored, forested riparian buffer area shall include predominately native hardwood tree species planted at a density sufficient to provide 320 trees per acres at maturity, and diffuse flow through the riparian buffer shall be maintained.
- (q) 'Shoreline stabilization' is the in-place stabilization of an eroding shoreline. Stabilization techniques which include "soft" methods or natural materials (such as root wads or rock vanes) may be considered as part of a restoration design. However, stabilization techniques that consist primarily of "hard" engineering, such as concrete line channels, riprap or gabions, while providing bank stabilization, shall not be considered stream restoration.
- (r) 'Stream' means a body of concentrated flowing water in a natural low area or natural channel on the land surface.

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- (s) 'Stream restoration' is defined as the process of converting an unstable, altered or degraded stream corridor, including adjacent riparian zone and flood-prone areas to its natural or referenced, stable conditions considering recent and future watershed conditions. This process also includes restoring the geomorphic dimension, pattern, and profile as well as biological and chemical integrity, including transport of water and sediment produced by the stream's watershed in order to achieve dynamic equilibrium. 'Referenced' or 'referenced reach' means a stable stream that is in dynamic equilibrium with its valley and contributing watershed. A reference reach can be used to develop natural channel design criteria for stream restoration projects.
- (t) 'Stump diameter' means the diameter of a tree measured at six inches above the ground surface level.
- (u) 'Surface waters' means any ephemeral, intermittent, or perennial stream, lake, pond, or reservoir, and including waters of the state as defined in G.S. 143-212 except underground waters".
- (v) 'Temporary road' means a road constructed temporarily for equipment access to build or replace hydraulic conveyance structures or water dependent structures, or to maintain public traffic during construction.
- (w) 'Tree,' for the purposes of this Part, means a woody plant with a DBH equal to or exceeding five inches or a stump diameter exceeding six inches.
- (x) 'Water dependent structures' are those structures for which the use requires access or proximity to or siting within surface waters to fulfill its basic purpose, such as boat ramps, boat houses, docks and bulkheads.

Section 15-269.2 Required Buffers.

(a) Subject to the remaining provisions of this part, the water quality buffer areas described in this section are hereby designated as described below. The width of these buffers shall be as prescribed in Section 15-269.3. Disturbance of the area within, or outside causing hydrologic impacts upon, these buffers is restricted or prohibited as provided in Sections 15-269.4 and 15-269.5.

(b) Buffers shall be established adjacent to all surface waters designated as such on either the most recent version of the soil survey map prepared by the Natural Resources Conservation Service of the United States Department of Agriculture, ii the most recent version of the 1:24,000 scale (7.5 minute) quadrangle topographic maps prepared by the United States Geologic Survey (USGS), or iii other more accurate mapping approved by the Geographic Information Coordinating Council (GICC) and the N.C. Environmental Management Commission (EMC). Prior to approving a map under item iii., the EMC shall provide a 30-day public notice and opportunity for public comment.

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- (1) If surface water is not designated as such on any of the foregoing maps, then the buffer requirements of this article applicable to perennial streams, intermittent streams, lakes, or ponds that are shown on such maps shall not apply, but buffers applicable to ephemeral streams may apply.
- (2) Where the specific origination point of a stream is in question, a publication of the N.C. Division of Water Quality entitled *Identification Methods for the Origins of Intermittent and Perennial Streams* shall be used by town representatives who have successfully completed the Division's Surface Water Identification Training Certification course to establish that point.
- (3) When a landowner or other affected party believes that surface waters shown on the above described maps have been inaccurately depicted as perennial streams, intermittent stream, lakes or ponds, then such landowner or other affected party may have an on-site evaluation completed by a party who has successfully completed the NC Division of Water Quality *Surface Water Identification Training Certification* course, its successor, or other equivalent training curriculum approved by the Division, and submit the results of that evaluation to the town. Any disputes over onsite determinations made according to this Item shall be referred to the Director of the Division of Water Quality c/o the 401 Oversight Express Permitting Unit, or its successor, in writing. The Director's determination is subject to review as provided in Articles 3 and 4 of G.S. 150B.

(c) Buffers shall also be established adjacent to all ephemeral streams and ponds not shown on the above described maps that have a contributing drainage area that is at least five acres in size, as depicted in the Town's GIS database.

- (1) When a landowner or other affected party believes that the designation of an area by the town as an ephemeral stream or pond with a contributing drainage area of at least five acres is in error, such landowner or other affected party may request that Town staff perform an onsite visit and/or submit to the Town data sufficient to make this case. Upon request, Town staff shall make a site visit and consider the information submitted by the landowner or other affected party as well as other relevant information.
- (2) The decision as to the existence of an ephemeral stream or pond with a contributing drainage area of at least five acres shall be made by the permit issuing authority when it makes a final decision on the issuance of the permit.

(d) The administrator may require that the precise location of any surface water be surveyed and accurately shown on development plans whenever necessary to ensure that a proposed development complies with the provisions of this article.

Section 15-269.3 Width of Buffers

(a) ZONES OF THE RIPARIAN BUFFER. The protected riparian buffer shall have two zones as follows:

- (1) A streamside zone ('Zone 1') shall consist of an undisturbed area except as provided for in Section 15-269.5. The function of the streamside zone is to protect the physical and ecological integrity of the stream ecosystem, and filter runoff received from Zone 2. The desired vegetation for Zone 1 is mature forest. The location of Zone 1 shall be as follows:
 - a. Zone 1 shall begin at the most landward limit of the top of the bank. Zone 1 shall extend landward on either side of perennial and intermittent stream, and ephemeral streams with clearly defined streambanks, as indicated in Table 1, measured horizontally on a line perpendicular to a vertical line marking the origin of the buffer as defined above. For ephemeral streams without clearly defined streambanks, Zone 1 shall be measured from the centerline of the stream.
 - b. For ponds, lakes and reservoirs, Zone 1 shall begin at the most landward limit of the normal water level and extend landward as indicated in Table 1, measured horizontally on a line perpendicular to a vertical line marking the edge of the surface water.
- (2) Zone 2 shall consist of an undisturbed area except as provided for in Section 15-269.5. The functions of this zone are to: protect the streamside zone, to filter runoff from upland development, and deliver runoff to Zone 1 in a dispersed fashion. Grading and revegetating Zone 2 is allowed provided that the health of the vegetation in Zone 1 is not compromised. Zone 2 shall begin at the outer edge of Zone 1 and extend landward as indicated in Table 1 as measured horizontally on a line perpendicular to the surface water. The desired vegetation for this zone is mature native vegetation; forest cover is encouraged.
- (3) The total buffer width shall be the sum of the widths of the two zones, as indicated in Table 1, and shall extend on all sides of the waterbody.

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Table 1: Required Minimum Buffer Width (*)

Waterbody type	Zone 1 width		Zone 2 width		Total width	
	Watershed	Outside of Watershed	Watershed	Outside of Watershed	Watershed	Outside of Watershed
Perennial Streams, Ponds, Lakes, Reservoirs	100'	50'	--	50'	100'	100'
Intermittent Streams, Ponds	60'	30'	--	30'	60'	60'
Ephemeral Streams, Ponds	--	--	30'	15'	30'	15'

* “Watershed” means within the University Lake Watershed, and “Outside of watershed” means the remainder of the Town’s planning jurisdiction. For streams, the width indicated is in one direction from the stream channel; the total width is therefore twice the width indicated.

- (4) Notwithstanding the other provisions of this section, in no case shall the width of any buffer be less extensive than the special flood hazard area for the same stream, pond, or lake drainage feature designated in accordance with the provisions of Part I of this article.

Section 15- 269.4 Diffuse Flow Requirement.

Concentrated runoff from new ditches or human-made conveyances shall be converted to diffuse flow at non-erosive velocities before the runoff enters the buffer, and maintained in the buffer by dispersing runoff that has concentrated into rills, gullies, and ditches, and reestablishing vegetation where concentrated flow has displaced vegetation. Corrective action to restore diffuse flow shall be taken if necessary to impede the formation or expansion of erosion rills or gullies. Where site conditions constrain the ability to ensure diffuse flow through both Zones 1 and 2, emphasis will be placed on ensuring diffuse flow through Zone 1, as provided for in 15-269.3. No new engineered stormwater devices or conveyances are allowed in the buffers except as provided for in Section 15-269.5.

Section 15-269.5 Exempt and Allowable Activities.

- (a) The table set forth in subsection (d) below sets out the activities and their designation under this part as exempt, allowable, or allowable with mitigation, except as provided for in 15-269.2. All activities not designated as exempt, allowable, or allowable with mitigation are prohibited within the buffer unless a variance is granted pursuant to Section 15-269.8.

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(b) Activities designated in the table below as exempt, allowable, and allowable with mitigation shall be subject to the following requirements. All activities shall be designed, constructed and maintained to minimize soil and vegetation disturbance and to provide the maximum water quality protection practicable, including construction, monitoring, and maintenance activities. Activities designated in the table as allowable and allowable with mitigation require written authorization from the Town.

- (1) Exempt. Activities designated as exempt are allowed within the buffer. In addition, exempt uses shall meet the requirements listed in the table and the accompanying notes for the specific use.
- (2) Allowable. Activities designated as allowable are permissible within the buffer provided that there are no practical alternatives to the requested use as determined in accordance with Section 15-269.6.
- (3) Allowable With Mitigation. Activities designated as allowable with mitigation are permissible within the buffer provided that there are no practical alternatives to the requested use as determined in accordance with Section 15-269.6, and an appropriate mitigation strategy has been approved pursuant to Section 15-269.7.

(c) For public utilities as defined in this Article, the activities and their designation as set forth in the table in subsection (d) apply to expansions and extensions. The requirements do not apply to routine or emergency maintenance and repairs.

(d) Table of Exempt and Allowable Activities in Water Quality Buffers (AMENDED 3/4/14)

Activity	Exempt	Allowable	Allowable with Mitigation
Drainage, Stormwater, Erosion Control, and other Water-based activities			
<ul style="list-style-type: none"> • Dam maintenance activities that do not cause additional buffer disturbance beyond the footprint of the existing dam or those covered under the U.S. Army Corps of Engineers Nationwide Permit No. 3 • Dam maintenance activities that do cause additional buffer disturbance beyond the footprint of the existing dam or those not covered under the U.S. Army Corps of Engineers Nationwide Permit No. 3 	X	X	
<p>Drainage ditches, roadside ditches and stormwater conveyances through buffers:</p> <ul style="list-style-type: none"> • New stormwater flows to existing drainage ditches, roadside ditches, and stormwater conveyances provided that flows do not alter or result in the need to alter the conveyance and are managed to minimize the sediment, nutrients and other pollution that convey to surface waters Realignment of roadside drainage ditches retaining the design dimensions provided that no additional travel lanes are added and the minimum required roadway typical section is used based on traffic and safety considerations. • New or altered drainage ditches, roadside ditches and stormwater outfalls provided that a stormwater management facility is installed to control nutrients and attenuate flow before the conveyance discharges through the riparian buffer. • New drainage ditches, roadside ditches and stormwater conveyances applicable to linear projects that do not provide a stormwater management facility due to topographic constraints provided that other practicable BMPs have been employed. 	X	X	X X
<ul style="list-style-type: none"> • Ponds created by impounding streams and not used as stormwater BMPs: • New ponds in Zone 2 only provided that a riparian buffer meeting the requirements of Section 15-269.3 and 15-269.4 is established adjacent to the pond • All other new ponds 		X	X

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Activity	Exempt	Allowable	Allowable with Mitigation
<ul style="list-style-type: none"> • Drainage of a pond in a natural drainage way provided that a new riparian buffer that meets the requirements of this section is established adjacent to the new channel. [Ponds that are not in a natural drainage way are not subject to the buffer requirements of this part.] AMENDED 2/21/12) 	X		
Scientific studies and stream gauging	X		
Stormwater BMPs: <ul style="list-style-type: none"> • Constructed wetlands in Zone 1, if not closer than 30' to surface waters and diffuse flow is provided into the remainder of Zone 1. • Wet detention, bioretention, and constructed wetlands in Zone 2 if diffuse flow of discharge is provided into Zone 1 		X	
See Wetland, stream and buffer restoration			
Shoreline stabilization, including armoring of stream banks with rip rap or retaining walls			X
Temporary sediment and erosion control devices provided that the disturbed area is restored to preconstruction topographic and hydrologic conditions and comparable vegetation is replanted immediately after construction is complete. Tree planting may occur during the dormant season; the restored buffer shall comply with Section 15-269.7(g) within five years: <ul style="list-style-type: none"> • In Zone 2, provided that the vegetation in Zone 1 is not compromised, that discharge is released as diffuse flow in accordance with Section 15-269.5 , and that ground cover is established within time frames required by the Sedimentation and Erosion Control Act In Zones 1 and 2 to control impacts associated with uses approved by the Town or that have received a variance provided that sediment and erosion control for upland areas is addressed, to the maximum extent practical, outside the buffer. • In-stream temporary erosion and sediment control measures for work within a stream channel that is authorized under Sections 401 and 404 of the Federal Water Pollution Control Act. • In-stream temporary erosion and sediment control measures for work within a stream channel. 	X	X	
Water dependent structures where installation and use result in disturbance to riparian buffers.		X	

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Activity	Exempt	Allowable	Allowable with Mitigation
Water wells <ul style="list-style-type: none"> • Single family residential water wells • All other water wells 	X	X	
Wetland, stream and buffer restoration that results in impacts to the riparian buffers: <ul style="list-style-type: none"> • Wetland, stream and buffer restoration that requires DWQ approval for the use of a 401 Water Quality Certification • Wetland, stream and buffer restoration that does not require DWQ approval for the use of a 401 Water Quality Certification 	X	X	
Miscellaneous			
Archaeological activities	X		
Fences: <ul style="list-style-type: none"> • Fences provided that disturbance is minimized and installation does not result in removal of trees as defined in Section 15-316 • Fences provided that disturbance is minimized and installation results in removal of trees as defined in Section 15-316 	X	X	
Grading and revegetation in Zone 2 only provided that diffuse flow and the health of existing vegetation in Zone 1 is not compromised and disturbed areas are stabilized until they are revegetated		X	
Maintenance access on modified natural streams: a grassed travel way on one side of the water body where less impacting alternatives are not practical. The width and specifications of the travel way shall be only that needed for equipment access and operation. The travel way shall be located to maximize stream shading.		X	
Mining activities: <ul style="list-style-type: none"> • Mining activities that are covered by the Mining Act provided that new buffers that meet the requirements of this section are established adjacent to the relocated channels Mining activities that are not covered by the Mining Act OR where new buffers that meet the requirements of this section are not established adjacent to the relocated channels Wastewater or mining dewatering wells with approved NPDES permit 	X	X	X

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Activity	Exempt	Allowable	Allowable with Mitigation
Preservation or maintenance of historic or cultural sites	X		
Protection of existing structures, facilities and stream banks when this requires additional disturbance of the riparian buffer or the stream channel		X	
Removal of previous fill or debris provided that diffuse flow is maintained, a stabilizing ground cover sufficient to restrain erosion is established, and any woody vegetation removed is restored		X	
Wildlife passage structures		X	

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Recreation			
<p>Access trails: Pedestrian access trails leading to the surface water, docks, fishing piers, boat ramps and other water dependent activities:</p> <ul style="list-style-type: none"> • Pedestrian access trails that are restricted to the minimum width practicable and do not exceed 4 feet in width of buffer disturbance, and provided that installation and use does not result in removal of trees as defined in Section 15-316 and no impervious surface is added to the buffer. • Pedestrian access trails that exceed 4 feet in width of buffer disturbance, the installation or use results in removal of trees as defined in this Section or impervious surface is added to the buffer. 	X	X	
Canoe Access provided that installation and use does not result in removal of trees as defined in Section 15-316 and no impervious surface is added to the buffer.	X		
Greenway / hiking trails ¹ designed, constructed and maintained to maximize nutrient removal and erosion protection, minimize adverse effects on aquatic life and habitat, and protect water quality to the maximum extent practical		X	
<p>Playground equipment:</p> <ul style="list-style-type: none"> • Playground equipment on single family lots provided that installation and use does not result in removal of vegetation • Playground equipment installed on lands other than single-family lots or that requires removal of vegetation 	X	X	
Transportation			
Bridges		X	

¹ To the extent practicable, greenway easements shall be located a minimum of 10 feet from the top of bank; surfaces shall be a minimum of 15 feet from the top of bank

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<p>Driveway crossings of streams and other surface waters subject to this Section:</p> <ul style="list-style-type: none"> • Individual driveway crossings that disturb equal to or less than 25 linear feet or 2,500 square feet of buffer • Individual driveway crossings that disturb greater than 25 linear feet or 2,500 square feet of buffer • Multiple driveway crossings in any development that cumulatively disturbs equal to or less than 150 linear feet or one-third of an acre of buffer • Multiple driveway crossings in any development that cumulatively disturbs greater than 150 linear feet or one-third of an acre of buffer • Driveway impacts other than crossing of a stream or other surface waters subject to this Section 	X	X X	X X
<p>Railroad impacts other than crossings of streams and other surface waters subject to this Part.</p>			X
<p>Railroad crossings of streams and other surface water drainage features subject to this Part:</p> <ul style="list-style-type: none"> • Railroad crossings that impact equal to or less than 40 linear feet of riparian buffer • Railroad crossings that impact greater than 40 linear feet but equal to or less than 150 linear feet or one-third of an acre of riparian buffer • Railroad crossings that impact greater than 150 linear feet or one-third of an acre of riparian buffer 	X	X	X
<p>Road relocation: Relocation of existing private access roads associated with public road projects where necessary for public safety:</p> <ul style="list-style-type: none"> • Less than or equal to 2,500 square feet of buffer impact • Greater than 2,500 square feet of buffer impact 		X	X

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<p>Temporary roads, provided that restoration activities, including re-establishment of pre-construction topographic and hydrologic conditions and replanting with comparable vegetation occur immediately after construction. Tree planting may occur during the dormant season; the restored buffer shall comply with Section 15-269.7(g) within five years:</p> <ul style="list-style-type: none"> • Less than or equal to 2,500 square feet of buffer disturbance • Greater than 2,500 square feet of buffer disturbance • Associated with culvert installation of bridge construction or replacement 	X	X X	
<p>Transportation (vehicular, bike) crossings of streams and other surface waters subject to this Section:</p> <ul style="list-style-type: none"> • Transportation crossings that impact equal to or less than 40 linear feet of riparian buffer • Transportation crossings that impact greater than 40 linear feet but equal to or less than 150 linear feet or one-third of an acre of riparian buffer • Transportation crossings that impact greater than 150 linear feet or one-third of an acre of riparian buffer 	X	X	X
<p>Transportation impacts other than crossings of streams and other surface waters subject to this Section</p>			X
<p>Vehicle access roads and boat ramps leading to the surface water, docks, fishing piers, and other water dependent activities, but not crossing the surface water and having a minimum practicable width of not more than 10 feet.</p>		X	

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Utilities			
Electric utility, aerial, perpendicular crossings ^{2,3,4} : <ul style="list-style-type: none"> • Disturb equal to or less than 100 linear feet of buffer • Disturb greater than 100 linear feet of buffer 	X	X	
Electric utility, aerial, other than perpendicular crossings ³ : <ul style="list-style-type: none"> • Impacts greater than 50 feet from surface waters • Impacts within 30-50 feet of surface waters • Impacts within 30 feet of surface waters^{2,4,5} 	X	X	X
Electric utility, underground, perpendicular crossings ^{3,4,6} : <ul style="list-style-type: none"> • Disturb less than or equal to 40 linear feet of buffer • Disturb greater than 40 linear feet of buffer 	X	X	

² Provided that within 30 feet of surface waters, all of the following BMPs for overhead utility lines are used. If all of these BMPs are not used, then the overhead utility lines shall require a no practical alternative evaluation by the Administrator as defined in Section 15-269.6.

- A zone at least 10 feet wide immediately adjacent to the water body shall be managed such that only vegetation that poses a hazard or has the potential to grow tall enough to interfere with the line is removed.
- Woody vegetation shall be cleared by hand. No land grubbing or grading is allowed.
- Vegetative root systems shall be left intact to maintain the integrity of the soil. Stumps shall remain where trees are cut.
- Riprap shall not be used unless it is necessary to stabilize a tower.
- No fertilizer shall be used other than a one-time application to re-establish vegetation.
- Construction activities shall minimize the removal of woody vegetation, the extent of the disturbed area, and the time in which areas remain in a disturbed state.
- Active measures shall be taken after construction and during routine maintenance to ensure diffuse flow of stormwater through the buffer.
- In wetlands, mats shall be utilized to minimize soil disturbance.

³ Perpendicular crossings are those that intersect the surface water at an angle between 75 degrees and 105 degrees.

⁴ Provided that poles or aerial infrastructure shall not be installed within 10 feet of a water body unless the Administrator completes a no practical alternative evaluation as defined in Section 15-269.6

⁵ Provided that:

- No heavy equipment shall be used within 30 feet of surface waters.
- A tree protection plan shall be developed and approved by Administrator that will protect the buffer to the maximum extent practicable.
- Trees shall be: 1) felled so as not to damage trees not intended for removal or stream banks; and 2) removed by chain.
- No permanent felling of trees occurs in protected buffers or streams.
- Stumps shall be removed only by grinding.
- Construction activities shall minimize the removal of woody vegetation, the extent of the disturbed area, and the time in which areas remain in a disturbed state.
- At the completion of the project the disturbed area shall be stabilized with native vegetation.
- The condition and use of the area within 50 feet of surface waters shall be consistent with Sections 15-269.3 and 15-269.4.

⁶ •A tree protection plan shall be developed and approved by Administrator that will protect the buffer to the maximum extent practicable.

- Trees shall be felled so as not to damage trees not intended for removal or stream banks.
- Construction activities shall minimize the removal of woody vegetation, the extent of the disturbed area, and the time in which areas remain in a disturbed state.
- Stump grinding is allowable only for stumps more than 30 feet from surface waters.

Art. XVI. FLOOD DAMAGE PREVENTION, STORMWATER MANAGEMENT, AND WATERSHED PROTECTION

<p>Electric utility, underground, other than perpendicular crossings ^{3,6}:</p> <ul style="list-style-type: none"> • Impacts greater than 50 feet from surface waters • Impacts within 30-50 feet of surface waters • Impacts within 30 feet of surface waters ⁵ 	X	X	X
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• Within 30 feet of surface water, all of the following BMPs for underground utility lines shall be used. If all of these BMPs are not used, then the underground utility line shall require a no practical alternative evaluation by the Administrator, as defined in Section 15-269.6.

- Trees shall be removed by chain. Woody vegetation shall be cleared by hand. No land grubbing or grading is allowed.
- Vegetative root systems shall be left intact to maintain the integrity of the soil. Stumps shall remain, except in the trench created for the line installation.
- Underground cables shall be installed by vibratory plow or trenching.
- The trench shall be backfilled with the excavated soil material immediately following cable installation.
- No fertilizer shall be used other than a one-time application to re-establish vegetation.
- In wetlands, mats shall be utilized to minimize soil disturbance.
- At the completion of the project the disturbed area shall be stabilized with native vegetation.
- The condition and use of the area within 50 feet of surface waters shall be consistent with Sections 15-269.3 and 15-269.4

⁷ All sewer crossings shall be protected from damage and risk of future leakage to the maximum extent practicable using ductile iron and other appropriate construction materials and practices.

⁸ The width of the corridor that is maintained to exclude woody vegetation will not exceed 20 feet in width except to accommodate vehicle turnaround, preparedness for emergency situations, and state and federal regulatory standards.

Art. XVI. FLOOD DAMAGE PREVENTION, STORMWATER MANAGEMENT, AND WATERSHED PROTECTION

<p>Non-electric utility, perpendicular crossings^{3,4,6,7}:</p> <ul style="list-style-type: none"> • Disturb equal to or less than 40 linear feet of buffer with a maintenance corridor equal to or less than 10 feet in width • Disturb equal to or less than 40 linear feet of buffer with a maintenance corridor greater than 10 feet in width • Disturb greater than 40 linear feet but equal to or less than 150 linear feet of buffer with a maintenance corridor equal to or less than 10 feet in width • Disturb greater than 40 linear feet but equal to or less than 150 linear feet of buffer with a maintenance corridor greater than 10 feet in width • Disturb greater than 150 linear feet of buffer 	X	X	X
<p>Non-electric utility, other than perpendicular crossings^{3,6}:</p> <ul style="list-style-type: none"> • Impacts greater than 50 feet from surface waters • Impacts within 30-50 feet of surface waters • Impacts within 30 feet of surface waters^{5,8} 	X	X	X
Vegetation Management			
Forest harvesting – See Section 15-319.1			
<p>Fertilizer application:</p> <p>One-time fertilizer application to establish vegetation</p>	X		
<p>Vegetation management:</p> <ul style="list-style-type: none"> • Emergency fire control measures provided that topography is restored • Mowing and harvesting of plant products in Zone 2 only • Planting vegetation to enhance the riparian buffer • Pruning forest vegetation provided that the health and function of the forest vegetation is not compromised • Removal of individual trees which are dead, diseased, or damaged, are in danger of causing damage to dwellings, other structures or human life, or are imminently endangering the stability of the streambank • Removal of poison ivy • Removal of invasive exotic vegetation as defined in Smith, Cherri L., 1998 <i>Exotic Plant Guidelines</i>. DENR, Division of Parks and Recreation. Raleigh, N.C. Guideline # 30, or a more recent version or alternative reference approved by the NC EMC. 	X		

Art. XVI. FLOOD DAMAGE PREVENTION, STORMWATER MANAGEMENT, AND WATERSHED PROTECTION

(e) Additional Setback Requirements for Specific Water Pollution Hazards

The following activities are designated as potential water pollution hazards, and must be set back from any stream or waterbody by the required buffer width provided in 15-269.3 or the distance indicated below, whichever is greater:

Activity	Setback
Above or below ground storage of hazardous substances, petroleum or biofuels	150 feet
Animal feedlot operations	250 feet
Land application of biosolids	100 feet
Solid waste landfills or junkyards	300 feet

(f) **(REPEALED 2/21/12)**

(g) No new lot may be created through a major or minor subdivision process that would be undevelopable under the provisions of this part because of the amount or dimensions of protective buffer land included in it, unless such lot has already been developed, or it plainly appears that such lot is intended to be devoted to permanent open space use.

(h) Areas set aside as protective stream buffers as required by this part may be counted towards required open space as set out in Sections 15-198, so long as they meet all the provisions of that section.

(i) Nothing in this part shall prevent a single family residence (including a mobile home) from being located within the required protective stream buffer areas if such home: 1) replaces a home that had been located within such buffer prior to the effective date of this part and is located on the same location as the previous home; or 2) is located on a mobile home pad or foundation that was in existence on the effective date of this part.

(j) Nothing in this part shall prevent the expansion of an existing single family detached residence (including an attached garage) into any buffer area that adjoins an ephemeral stream, if and to the extent that such area was not a regulated stream buffer under the provisions of this chapter in effect prior to the effective date of this section.

Section 15-269.6 Determination of “No Practical Alternatives”.

(a) Persons who wish to undertake uses designated as allowable or allowable with mitigation under Section 15-269.5 or wish to meet a mitigation requirement provided under Section 15-269.7(g) shall submit a written request to the permit issuing authority for a “no practical alternatives” determination. The applicant shall certify that the criteria identified in subsection (b) are met and may submit any information deemed relevant to the permit issuing authority determination, in addition to the plans and other information submitted as part of the application for a permit under Article IV of this chapter.

(b) The permit issuing authority shall make a “no practical alternatives” determination if, after reviewing the project plans and any other applicable information, it concludes that:

Art. XVI. FLOOD DAMAGE PREVENTION, STORMWATER MANAGEMENT, AND WATERSHED PROTECTION

- (1) The basic project purpose cannot be practically accomplished in a manner that would better minimize disturbance, preserve aquatic life and habitat, and protect water quality, and;
 - (2) Best management practices shall be used if necessary to minimize disturbance, preserve aquatic life and habitat, and protect water quality.
- (c) Requests for a “no practical alternatives” determination shall be reviewed and either approved or denied. The permit issuing authority shall issue the decision in writing.
- (d) If the “no practical alternatives” determination is issued in the context of a zoning permit, then the determination is to be made within 60 days of the submission of a completed application, unless:
- (1) The applicant agrees, in writing, to a longer period;
 - (2) The local government determines that the applicant has failed to furnish requested information necessary to the local government's decision;
 - (3) The applicant refuses access to its records or premises for the purpose of gathering information necessary to the local government's decision.
- (e) Any appeals of determinations regarding determinations of “no practical alternatives” shall be referred to the Director of DWQ. The Director's decision is subject to review as provided in G.S. 150B Articles 3 and 4.

Section 15-269.7 Mitigation for Water Quality Buffers. (REWRITTEN 5/22/12)

- (a) **PURPOSE.** The purpose of this section is to set forth the mitigation requirements for water quality buffer protection in relation to either a use shown in Section 15-269.5(d) as “allowable with mitigation” or a use for which a variance has been granted pursuant to Section 15-92(j).
- (b) **THE AREA OF MITIGATION.** Staff shall determine the required area of mitigation, which shall apply to all mitigation options identified in this section, according to the following:
- (1) The impacts in square feet to each zone of the buffer shall be determined by adding the area of the footprint of the activity causing the impact to the riparian buffer, including any clearing and grading within the buffer necessary to accommodate other activities, and the area of any ongoing maintenance corridors within the buffer associated with the activity.
 - (2) The required area of mitigation shall be determined by applying the following multipliers to the impacts determined in subsection (b)(1) to each zone of the riparian buffer:
 - a. Impacts to Zone one of the riparian buffer shall be multiplied by three;

Art. XVI. FLOOD DAMAGE PREVENTION, STORMWATER MANAGEMENT, AND WATERSHED PROTECTION

- b. Impacts to Zone two of the riparian buffer shall be multiplied by one and one-half.

(c) **THE LOCATION OF MITIGATION.** The mitigation effort shall be located within the Town's planning jurisdiction, and as close to the location of the impact as feasible.

(d) **OPTIONS FOR MEETING THE MITIGATION DETERMINATION. (AMENDED 5/22/12)**

- (1) For impacts to buffers on intermittent and perennial streams, payment of a compensatory mitigation fee to the Riparian Buffer Restoration Fund (pursuant to 15A NCAC 02B .0269, Jordan Water Supply Nutrient Strategy: Riparian Mitigation Fees to the NC Ecosystem Enhancement Program), contingent upon acceptance of payments by the NC Ecosystem Enhancement Program, or to a private mitigation bank so long as the mitigation programs alternative to the Riparian Buffer Restoration Fund comply with the most current banking requirements of the US Army Corps of Engineers and the most current applicable trading criteria associated with water quality mitigation. For impacts to ephemeral streams, payment may be made only to the Town's Water Quality Enhancement Fund.
- (2) Donation of real property or of an interest in real property pursuant to subsection (f) of this Section;
- (3) Riparian buffer enhancement, or riparian buffer restoration. This shall be accomplished by the applicant after submittal and approval of a restoration plan pursuant to subsection (g) of this Section.

(e) **PAYMENT TO THE WATER QUALITY ENHANCEMENT FUND.** Persons who choose to satisfy their mitigation determination by paying a compensatory mitigation fee to the Water Quality Enhancement Fund as allowed here shall use the following procedure:

- (1) The Town shall establish annually, and include on the Miscellaneous Fees and Charges Schedule, a per square foot buffer mitigation fee. The fee shall be based upon a reasonable estimate of the per square foot cost of accomplishing riparian buffer restoration.
- (2) The amount of the compensatory mitigation fee due shall be determined by multiplying the area in square feet of mitigation calculated in accordance with subsection (b) by the per square foot buffer mitigation fee.
- (3) The required fee shall be submitted to the Town prior to construction plan approval.

(f) **DONATION OF PROPERTY.** Persons who choose to satisfy their mitigation determination by donating real property or an interest in real property to the Town shall meet the following requirements:

Art. XVI. FLOOD DAMAGE PREVENTION, STORMWATER MANAGEMENT, AND WATERSHED PROTECTION

- (1) The donation of real property interests may be used to either partially or fully satisfy the payment of a compensatory mitigation fee to the Riparian Buffer Restoration Fund, the Water Quality Enhancement Fund, or another alternative, private mitigation bank. The value of the property interest shall be determined by an appraisal performed in accordance with subsection (f)(4)d of this Section. The donation shall satisfy the mitigation determination if the appraised value of the donated property interest is equal to or greater than the required fee. If the appraised value of the donated property interest is less than the required fee, the applicant shall pay the remaining balance due.
- (2) The donation of conservation easements to satisfy compensatory mitigation requirements shall be accepted only if the conservation easement is granted in perpetuity.
- (3) Donation of real property interests to satisfy the mitigation determination shall be accepted only if such property meets all of the following requirements:
 - a. The property shall be located within an area that is identified as a priority for restoration in, or is otherwise consistent with the goals of the Basinwide Wetlands and Riparian Restoration Plan for the Cape Fear River Basin developed by the NC Division of Water Quality.
 - b. The property shall contain riparian buffers not currently protected by the State's riparian buffer protection program that are in need of restoration.
 - c. The restorable riparian buffer on the property shall have a minimum length of 1000 linear feet along a surface water and a minimum width of 50 feet as measured horizontally on a line perpendicular to the surface water.
 - d. The size of the restorable riparian buffer on the property to be donated shall equal or exceed the acreage of riparian buffer required to be mitigated under the mitigation responsibility determined pursuant to Item (b) of this Section.
 - e. The property shall not require excessive measures for successful restoration, such as removal of structures or infrastructure. Restoration of the property shall be capable of fully offsetting the adverse impacts of the requested use.
 - f. The property shall be suitable to be successfully restored, based on existing hydrology, soils, and vegetation.
 - g. The estimated cost of restoring and maintaining the property shall not exceed the value of the property minus site identification and land acquisition costs.
 - h. The property shall not contain any building, structure, object, site, district that is listed in the National Register of Historic Places established pursuant to Public Law 89-665, 16 U.S.C. 470 as amended.

Art. XVI. FLOOD DAMAGE PREVENTION, STORMWATER MANAGEMENT, AND WATERSHED PROTECTION

- i. The property shall not contain any hazardous substance or solid waste.
 - j. The property shall not contain structures or materials that present health or safety problems to the general public. If wells, septic, water or sewer connections exist, they shall be filled, remediated or closed at owner's expense in accordance with state and local health and safety regulations.
 - k. The property and adjacent properties shall not have prior, current, and known future land use that would inhibit the function of the restoration effort.
 - l. The property shall not have any encumbrances or conditions on the transfer of the property interests.
- (4) At the expense of the applicant or donor, the following information shall be submitted to the Town with any proposal for donations or dedications of interest in real property:
- a. Documentation that the property meets the requirements laid out in subsection (f)(3) of this Section;
 - b. USGS Survey 1:24,000 scale topographic map, county tax map, USDA Natural Resource Conservation Service County Soil Survey Map, and county road map showing the location of the property to be donated along with information on existing site conditions, vegetation types, presence of existing structures and easements;
 - c. A current property survey performed in accordance with the procedures of the North Carolina Department of Administration, State Property Office as identified by the State Board of Registration for Professional Engineers and Land Surveyors in "Standards of Practice for Land Surveying in North Carolina." Copies may be obtained from the North Carolina State Board of Registration for Professional Engineers and Land Surveyors, 3620 Six Forks Road, Suite 300, Raleigh, North Carolina 27609;
 - d. A current appraisal of the value of the property performed in accordance with the procedures of the North Carolina Department of Administration, State Property Office as identified by the Appraisal Board in the "Uniform Standards of Professional North Carolina Appraisal Practice." Copies may be obtained from the Appraisal Foundation, Publications Department, P.O. Box 96734, Washington, D.C. 20090-6734; and
 - e. A title certificate from a licensed NC attorney.
- (5) The deed conveying the real property interest must be delivered to the Town prior to final plat approval (for mitigation that is required in connection with a subdivision) or to the issuance of a certificate of occupancy (for mitigation that is required in connection with an unsubdivided development) **(AMENDED 5/22/12).**

(g) **RIPARIAN BUFFER RESTORATION OR ENHANCEMENT.** Persons who choose to meet their mitigation requirement through riparian buffer restoration or enhancement shall meet the following requirements:

- (1) The applicant may restore or enhance a non-forested riparian buffer if either of the following applies:
 - a. The area of riparian buffer restoration is equal to the required area of mitigation determined pursuant to subsection (b) of this Section; or
 - b. The area of riparian buffer enhancement is three times larger than the required area of mitigation determined pursuant to subsection (b) of this Section.
- (2) The location of the riparian buffer restoration or enhancement shall comply with the requirements in subsection (d) of this Section.
- (3) The width of the riparian buffer restoration or enhancement site shall comply with Section 15-269.3 as measured horizontally on a line perpendicular to the surface water.
- (4) The applicant shall submit a restoration or enhancement plan for approval. The restoration or enhancement plan shall contain the following:
 - a. A map of the proposed restoration or enhancement site;
 - b. A vegetation plan. The vegetation plan shall include a minimum of at least two native hardwood tree species planted at a density sufficient to provide 320 trees per acre at maturity;
 - c. A grading plan. The site shall be graded in a manner to ensure diffuse flow through the riparian buffer;
 - d. A fertilization plan; and
 - e. A schedule for implementation.
- (5) Within one year after the permit issuing authority has approved the restoration or enhancement plan, the applicant shall present proof that the riparian buffer has been restored or enhanced. If proof is not presented within this timeframe, then the person shall be in violation of the riparian buffer protection program.
- (6) The mitigation area shall be placed under a perpetual conservation easement that will provide for protection of the property's nutrient removal and other water quality enhancement functions.
- (7) The applicant shall submit annual reports for a period of five years after the restoration or enhancement showing that the trees planted have survived and that diffuse flow through the riparian buffer has been maintained. The applicant shall replace trees that do not survive and restore diffuse flow if needed during that five-year period.

(h) The Town may determine that the option described in 15-269.7(e) does not apply to a public utility as defined in this Article if the mitigation options specified above in 15-269.7(f) and (g) are found to not be feasible.

Section 269.8 Permits and Enforcement of Buffer Requirements.

Like the other requirements of this chapter, the provisions of Part III of Article XVI (water quality buffers) shall ordinarily be enforced by requiring compliance as development permits (i.e., zoning, special use permit-B, or special use permit-A) are issued. Accordingly, a determination as to whether a proposed disturbance of a buffer is exempt, allowable, or allowable with mitigation will ordinarily be made in the context of the review process for such a development permit. To the extent that the activities identified in the Table of Exempt and Allowable Activities (set forth in Subsection 15-269.5(d) above) are proposed to be conducted or undertaken under circumstances where no such development permit is likely to be required (e.g., archeological activities or the installation of playground equipment), such activities may not be conducted or undertaken until a buffer disturbance permit has been issued by the zoning administrator. Such permit shall be issued if the administrator concludes, based upon the information submitted with the application for such permit, that the proposed disturbance will be consistent with the requirements of this article.

Race and Equity Pocket Questions

Title and purpose of this initiative:

Request to Set Legislative Public Hearing Relating to the Text of the Carrboro Land Use Ordinance. The purpose of this agenda item is to request the Town Council consider setting a public hearing on text amendments to the Land Use Ordinance relating to water quality buffers, road buffers, fences, and setback variances.

Department: Planning

What are the racial and equity impacts?

Lack of representation, including on elected and appointed boards (advisory boards also provide comments for items that are considered by the Town Council at public hearings) by persons of color, persons of a range of incomes and life experiences can reduce participation. This may be especially prevalent for those who do not learn about these types of processes and/or are unable to participate in meetings. Without such involvement, there is a risk that decisions might be made without considering these points of view.

Who is or will experience community burden?

Persons who may have difficulty finding the time to learn about a proposal, attend meetings, have understanding and/or experiences about such public process, including how and when to provide input, and to whom may experience burdens related to this type of governmental action. Such persons could include but not be limited to shift workers and people who have limited time, people who experience barriers to accessing information in English, via digital platforms, people who utilize shared transportation choices, have children or others for whom they are responsible and/or children. It also takes time to learn about land use and development-related process and to reach a comfort level to participate.

Who is or will experience community benefit?

The public hearing process requires that these types of legislative decisions occur in a public form and that the community can comment before a decision is made. Beneficiaries include those who are able/available to and do participate in these ways and those who support or see no negative effects from the changes, and those who experience improved living, working and related conditions because of the amendments to Town regulations. Staff has identified these changes as needed to revise provisions, so they are clearer to all users, provide definitions and better match provisions in the North Carolina Administrative Code.

What are the root causes of inequity?

Structural racism in government decisions, particularly those relating to land use, as well as residents' personal experiences with government, can further alienate those who may find it difficult to attend meetings—like working individuals and families—and contribute to a reticence by historically marginalized people to speak in a public setting. Disparate access to education, which in turn affects economic outcomes, as well as historical barriers to participation in government actions and processes for community members based on race, ethnicity, age, and other characteristics can lead to undue burden.

What might be the unintended consequences of this action or strategy?

Changes to land use regulations can affect land values and quality of life experiences for surrounding property owners and occupants in ways that can be beneficial and, albeit for some, less desirable. The request for this text amendment would, if approved, clarify and update Town's land use regulations

relating to water quality buffers allowable uses and variances, road buffers, fence requirements and setbacks.

The public hearing process is intended to provide a way for developers and community members to learn about a proposal and provide input in a public setting. Even with published notice and social media releases, some people may not learn of a proposed amendment to the Land Use Ordinance in time to provide input and/or feel that that they understand the project and/or approval process enough to fully participate. The Planning Department has nearly completed a REAL for the text amendment process.

How is your department planning to mitigate any burdens, inequities, and unintended consequences?

The department will continue to review and modify the ways in which planning processes are scoped and carried out. The department will work to prevent and remove requirements that result in new or perpetuate existing disparities based on race. The department will continue to evaluate the environmental justice and equity tools used in these processes to determine if they assist with improving and expanding engagement beyond the requirements associated with state law and the Town's authority to adopt and amend its land use regulations.



Agenda Item Abstract

File Number: 24-070

Agenda Date: 4/23/2024
In Control: Town Council
Version: 1

File Type: Agendas

Resolution Issuing a Business Revolving Loan

PURPOSE: To approve a resolution authorizing the Town Manager to issue a Business Revolving Loan Program loan of \$32,000 plus closing costs to Heather Swanson.

DEPARTMENT: Economic Development

CONTACT INFORMATION: Jon Hartman-Brown; JHartman-Brown@CarrboroNC.gov; 919-918-7319

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

This loan would follow Comprehensive Plan Strategy 1.3: Expand access to capital for entrepreneurs, locally owned, small and BIPOC businesses.

INFORMATION: The current owner of Neal's Deli is selling the business and Heather Swanson (the current manager) is requesting a loan to purchase the 15-year-old business. Relating to requirements of the loan, this loan would save five full-time jobs and five part-time jobs which pay a living wage. In addition to other financing, the applicant is requesting \$32,000 in a loan for working capital.

The owner has ten years of experience with Neal's and five years at the management level. Staff concur with the market study findings in the application that, while the restaurant industry continues to recover from the COVID pandemic, our local market will continue to see growth. Additionally, Neal's Deli also offers other related services such as catering which help diversify their business model.

The business appears to, at least temporarily, be experiencing negative profits which is of concern. This has the biggest impact on the business' ability to pay back their loan and be sustainable into the future. All other aspects of the business appear to be in good to great condition and would otherwise be considered a very successful business.

FISCAL IMPACT: The Revolving Loan Fund currently has approximately \$261,000 available to be loaned, so no significant impact should be expected from the issuing of this loan.

RECOMMENDATION: The Economic Sustainability Commission recommend the loan request for \$32,000 plus closing costs be granted (an estimated payment of approximately \$396.75 per month) and that semi-annual check-ins with the SBTDC be required for at least the first year.

**A RESOLUTION AUTHOIZING THE TOWN
MANAGER TO ISSUE A REVOLVING BUSINESS
LOAN TO HEATHER SWANSON**

April 23, 2024

WHEREAS the Carrboro Town Council created the Business Revolving Loan Fund in 1986 for business and development projects that result in the creation or retention of jobs; and

WHEREAS, on January 30, 2024, the Carrboro Town Council approved a rewrite of the Business Revolving Loan Policy to decrease barriers of its use and make it more equitable; and

WHEREAS, the Economic Sustainability Commission has reviewed an application for a loan from Heather Swanson for working capital at Neal’s Deli; and

WHEREAS, the Economic Sustainability Commission has recommended that the loan be granted to the Town Council at the terms staff presented which include the request for \$32,000 be granted and that semi-annual check-ins with the SBTDC be required for at least the first year.

NOW THEREFORE, BE IT RESOLVED by the Carrboro Town Council that:

- Section 1. The Town Manager is authorized to issue a Revolving Business Loan to Heather Swanson for \$32,000 plus closing costs in accordance with the Business Revolving Loan Policy and incorporating the Economic Sustainability Commission’s recommendations.
- Section 2. The Town Manager is authorized to draft and sign all related documents related to issue the loan.
- Section 2. This resolution is effective immediately and a copy of this resolution shall be forwarded to the Town’s Finance Officer.

Barbara Foushee, Mayor

ATTEST:

Lamar Joyner, Town Clerk



Economic Sustainability Commission

Staff Report

Agenda Item: 4. Revolving Loan Application – Neal’s Deli

Bottom Line: Review the application packet and make a recommendation to the Town Council.

Background: In February 2024, Town Council adopted a new Business Revolving Loan Program Policy.

Findings: The current owner of Neal’s Deli is selling the business and Heather Swanson (the current manager) is requesting a loan to purchase the 15-year-old business. Relating to requirements of the loan, this loan would save 5 full-time jobs and 5 part-time which pay a living wage. In addition to other financing, the applicant is requesting \$32,000 in a loan for working capital.

The owner has 10 years of experience with Neal’s and 5 years at the management level. Staff concur with the market study findings in the application that, while the restaurant industry continues to recover from the COVID pandemic, our local market will continue to see growth. Additionally, Neal’s Deli also offers other related services such as catering which help diversify their business model.

The business appears to, at least temporarily, be experiencing negative profits which is of concern. The new owner does propose some changes in their application, so staff would recommend the Commission presses the applicant on their plan to make the business turn a profit. This has the biggest impact on the business’ ability to pay back their loan and be sustainable into the future. All other aspects of the business appear to be in good to great condition and would otherwise be considered a very successful business.

Complete findings and analysis for this business loan can be found on the next page in the Business Assessment and Loan Risk sheet.

Impacts: The Business Revolving Loan Fund has enough funds to grant the request of the loan.

Staff Recommendation: The ESC should take into consideration the experience of the new owner, the success of the business model and proposed changes, the current financial health of the business, the impact on jobs and salaries, and the broader impact on the community. Staff would recommend the Commission press to find out about future plans and changes to help make the business profitable.

Staff have categorized this loan as a Risky loan primarily because the business has had negative net operating income over the last two years. This has primarily led to the maximum loan analysis to produce numbers which are much lower than the requested amount. Additionally, while the business has a lot of equity, there is not enough equity to cover all of the capitalization amounts (a total of \$176,000). The addition of the applicants' assets help contribute to this gap and a high credit score indicate the loan would likely be paid back.

Based on the experience of the applicant, the retention of 10 well paid jobs, the longevity of the business in the community, and pending a convincing approach to the business model to generate additional income, staff would recommend the loan request for \$32,000 be granted at 8.5% for 10 years (a payment of approximately \$396.75 per month) and that semi-annual check-ins with the SBTDC be required for at least the first year.

Attachments:

Business Assessment
Loan Application

Business Assessment and Loan Risk

BUSINESS HEALTH ANALYSIS

Tells us the health of the current business in a snapshot.

	Current Status	Standard	Current Status Comments
Assets			
How many days it takes to collect money owned to you?	0	Ideally less than 30	Good - they collect immediately
How many days it takes to sell/turnover your inventory?	6	Lower is better	Seems good since this is a restaurant business
Liquidity			
Is there enough capital/cash to operate the business daily?	\$ 55,747	Must be a positive	Good - plenty of capital
Assets (non-inventory) that can be used to cover liabilities.	9.1 times	1 or higher is preferred Higher is better (ideally >2)	Good - plenty of assets
What is the company's ability to pay short-term debt?	10.1 times		Good - no short-term debt
Debt			
Does the company have enough equity to cover debt?	0.1	Less than 3 is ideal Lower is better (ideally <30)	Good - again plenty of equity and no debt
How many days a business pays it's suppliers?	2.6		Good - suppliers are paid quickly
Profit			
How much is available to pay \$1 worth of debt?	NA	≥\$2 is preferred	Good - no debt payments
How much of each dollar go to profits (profit margin)?	--	Higher is better	Bad - both sales and profits are in the negative

LOAN SECURITY ANALYSIS

Tells us the maximum that the business can afford in a loan.

	Loan Value
Discounted Collateral Calculation	\$ 6,852
The Ability to Repay Calculation	\$ 1
Equity Calculation	\$ 189,767

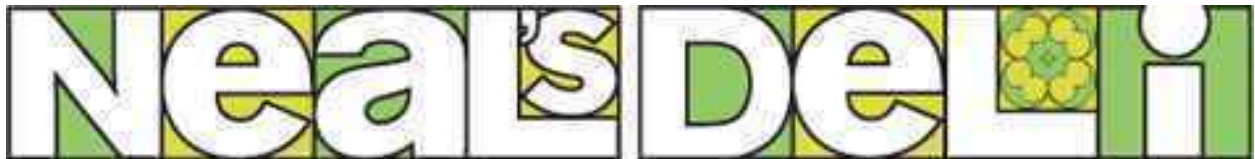




TOWN OF CARRBORO • NC

Revolving Loan Fund

Application for



Operated by Art in a Pickle LLC

February 26, 2024

Confidential

INSTRUCTIONS: Please read the Business Revolving Loan Description and Criteria before completing this application. It is important that you fill out all sections of this application completely. Please be advised that this application and the information submitted with it are considered to be public records subject to disclosure in accordance with N.C. General Statutes Chapter 132; information which is considered “trade secret” as defined by law and marked as such (or as “confidential”) may be withheld from public disclosure as provided by law. Questions regarding this application or the application process should be directed to the Town’s Economic and Community Development Director.

NAME OF APPLICANT (S): Heather Swanson, Owner and Manager of *Neal’s Deli*
APPLICANT MAILING ADDRESS: [REDACTED] Jones Branch Rd
PHONE: 904-910-[REDACTED], 919-967-[REDACTED]
EMAIL: heather@nealsdeli.com, heatherswanson904[REDACTED]
NAME OF BUSINESS: Neal’s Deli, operated by Art in a Pickle, LLC
NUMBER OF YEARS IN OPERATION: 15
CORPORATION____ **PARTNERSHIP**____ **SOLE PROPRIETORSHIP**____ **LLC** **X**

FED TAX ID# 20-2353514
PRIVILEGE LICENSE # N/A
PHYSICAL LOCATION OF BUSINESS: 100-C E Main St, Carrboro, 27510-2389
PHONE: 919-967-2185
EMAIL: heather@nealsdeli.com

UPDATED APPLICATION ITEMS:

5. Business Type: *For-profit* *Social Business* *Agricultural-based** **If Agricultural-based, please list the NAICS code for 50% of revenue:* _____

6. Is this/will this be a low-to-moderate income or BIPOC business? *Yes* *No*
(and female owned)

7. Number of Employees (FTEs): 5

8. Hourly Rate of Lowest Paid Employee: \$ 19.00+ per hour (\$13.50 per hour plus \$5.50+ per hour tips)

1. FINANCIAL INFORMATION:

CAPITAL NEEDED FOR START UP AND FIRST YEAR OPERATING EXPENSES:

The estimated Financing need is \$135k. This includes:

- \$48k for the transfer of ownership (paid by Heather Swanson),
- \$55k for a recapitalization of working capital brought on by the transfer (provided by PNC bank, Heather Swanson and other sources), and
- \$32k to fund growth opportunities and shore up working capital during that growth.

Neal's Deli's 2023 Cost of Goods Sold were \$356k, and additional operating expenses were \$166,000, coming out to an average of \$43,500. Since *Neal's Deli* is an existing enterprise with known and predictable cash flows, \$522k would be an excessive amount of capital reserves. *Neal's Deli* operates on less than a 5-week cash flow cycle. Therefore, 1.25 months of working capital, or \$54.375k ($=\$43.5k \times 1.25$), rounded up to \$55k, is more appropriate. Most of this working capital need is covered by an existing line of credit from PNC bank and the remainder is expected to be covered by an extension of that same line of credit (estimated approval by April 10, 2024).

The application to the Carrboro Revolving Loan Fund is intended to supplement this working capital in order to enable an expansion of business to pursue identified opportunities.

LOAN AMOUNT REQUESTED: \$32,000

Please see the attached *Financial Model* and *Capitalization Table* for additional information.

Town of Carrboro, NC
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A. List other sources of capital and financing to be involved, including equity contributions from the applicants resources. Project must demonstrate at least 50% funding for start-up and first year operating expenses.

Please see the attached *Capitalization Table*.

B. Describe the financial need to include specific need for the Revolving Loan Funds in addition to or in lieu of private financing.

Matt Neal and Sheila Dalton founded *Neal's Deli* in 2008 with the help of Revolving Loan Funds (RLF). The RLF provided critical startup funding that enabled *Neal's Deli* to become a success.

After more than 15-years and due to *urgent* life events not related to the restaurant, Sheila Dalton has decided to sell the restaurant to its current manager, Heather Swanson. The Revolving Loan Funds will enable the smooth transfer of ownership (startup capital) without interrupting service (working capital) to the downtown Carrboro community during the transition and help pursue foreseeable growth opportunities (supplemental working capital to fund growth).

2. PROJECT DESCRIPTION: Describe the type of service, retail, technology or manufacturing business that is being proposed.

Neal's Deli is a staple of the downtown Carrboro restaurant scene and a beloved caterer to UNC, local businesses and community events (e.g., Carrboro Music Fest, Oktoberfest, etc.). It primarily focuses on providing the best deli sandwiches, soups and salads in the area during lunch. However, it also provides ready made meals for takeaway and breakfast on the weekends.

With the help of the RLF, *Neal's Deli* plans to expand to satisfy observed growth opportunities. For example, *Neal's Deli* will expand its catering services back to pre-pandemic levels, to increase operating hours to serve breakfast on weekdays (e.g., back to pre-pandemic schedule) to the new library's visitors, and experiment with staying open later to serve the evening commute / happy hour scene.

3. PROJECT BENEFIT TO THE COMMUNITY:

A. What are the estimated annual sales/revenue projections? Detail any improvements to real property.

2023 was one of the best years at *Neal's Deli* with annual sales of \$513k. This is, essentially, a return to 2018's pre-pandemic revenues.

Neal's Deli does not plan to make any real property improvements in 2024. However, we plan to continue to lead by example to improve working conditions and food quality in town. For example, *Neal's Deli* was an early Living Wage Employer. We are proud to continue to offer great pay and benefits to our 10 employees, and we are happy to report very low attrition of our staff (who usually leave for careers outside of a restaurant). *Neal's Deli* was also an early advocate for local and sustainable food in Carrboro. We continue to source produce and meats from local sustainable farms. In addition, we offer and serve more vegetarian offerings than most delis, further reducing our environmental impact as compared to our peers.

B. COMMUNITY ECONOMIC TIES: How will the project benefit or serve the community or targeted clients/customers? Why are these needs not currently being met and how will this project satisfy these needs?

Neal's Deli has proudly fed Carrboro for over 15 years. We offer delicious and high-value food made from scratch, whether it's lunch, grab-and-go options to take home, Saturday breakfast, or large events. We provide catering orders for conferences and faculty meetings at UNC, as well as lunches for small local businesses, and banquets and spreads for private events. We take pride in providing locally-sourced produce that corresponds with the seasons, and making each meal a personally crafted experience. *Neal's Deli* will continue to provide the service and quality that Carrboro has come to depend on, and will be a great walkable option for hungry patrons of the new library.

We have given back to multiple organizations including the Community Empowerment Fund (CEF) and the Inter-Faith Council (IFC) here in Orange County, by providing food and fundraising for specific events. Because of our belief that all people should have access to healthy, delicious food, we have begun discussions to expand this relationship to include regular food donations to the community fridge at the Campus Y. We hope to pursue other opportunities to encourage the health of our community ecosystem with these organizations as they arise

4. JOB CREATION AND RETENTION: How many jobs will be created or retained in this project? What are the estimated number of hours and salaries for these positions? What types of benefits or policies are proposed to ensure employee retention?

The Revolving Loan Funds will immediately save 10 jobs, including 5 full-time positions at approximately \$40,000 per year and 5 part-time/ flex positions at over \$17/hr. The full-time positions include benefits, namely, paid time off and shift meals / discounted meals.

Neal's Deli has identified two near-term and achievable growth opportunities. First, for the first time since Covid-19, there are signs that business catering opportunities are returning to pre-pandemic levels. *Neal's Deli* plans to increase marketing, advertising and sales activities, particularly in and around UNC, to recapture this market. Second, the completion of the new library on South Greensboro Street will result in new foot traffic, particularly in the early hours of the day. *Neal's Deli* will re-introduce breakfast service to meet this demand as it emerges. In

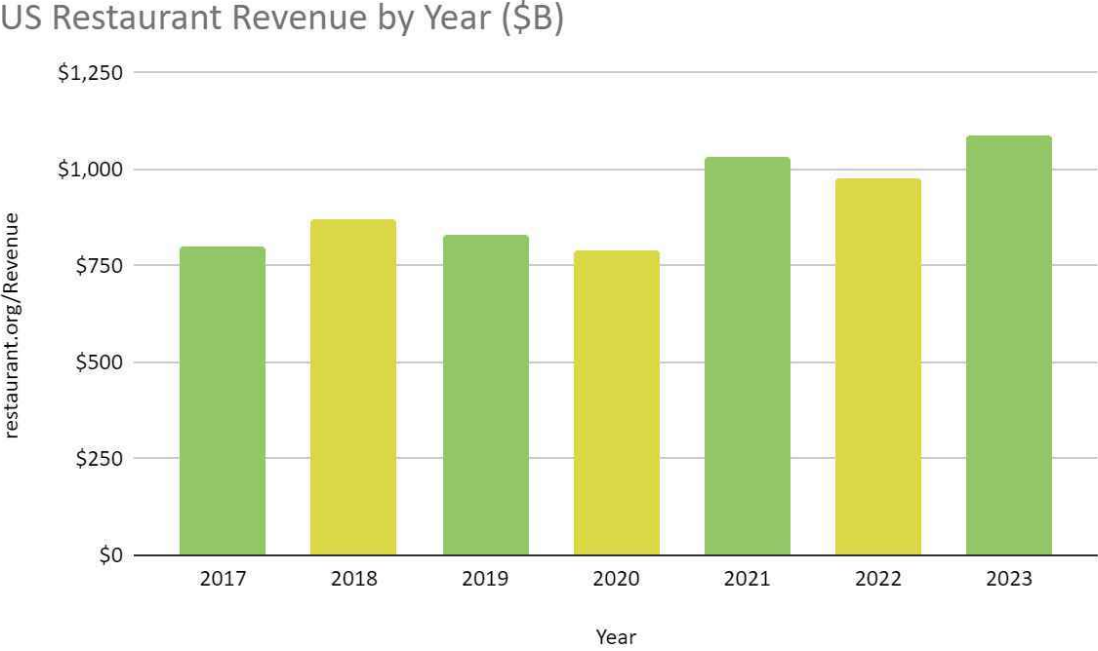
addition, *Neal's Deli* will experiment with staying open later (e.g., into the evening commute / happy hour window) if there is enough new demand at these times. Combined, these opportunities will likely result in the creation of 1-2 full-time hires and 1-5 part-time hires with similar pay ranges and benefits. The Revolving Loan Funds will be instrumental in ensuring that the business continues to move forward without interruption to expand catering in 2024 and beyond.

5. BACKGROUND, BUSINESS PLAN AND MARKET ANALYSIS

A. What is your previous business experience or education?

I started working at *Neal's Deli* 10 years ago, the last 5 as the manager. During this time, I took on greater responsibilities, from: migrating to a new point-of-sale and online presence; managing inventory and supplier negotiations; expanding the catering business; and, finally, to taking on owner-responsibilities around the property and banks.

B. What are the market trends and who are you trying to serve?



The US restaurant industry recovered rapidly from the pandemic and has exceeded pre-pandemic revenues by approximately 30%. After accounting for inflation, this reflects a complete return to pre-pandemic consumer behavior plus some minor growth. Now that inflation

has been tamed and consumers' bank accounts have recovered from the sticker shock of the last few years, we should expect to see restaurant sales to grow at around 5% per year to account for demographics and ongoing shifts in consumer behavior toward more restaurant purchases.

In the catering sector, we are finally seeing a bounce back to pre-pandemic levels. This should occur in the next 1-2 years as businesses implement more structured policies on remote work that includes more in-office overlap and, therefore, in office dining needs.

Please see the attached *Business Plan* for additional information on market trends.

C. Have you developed a business plan and/or a market analysis? Either attach copies of the business plan and market analysis or briefly describe.

Please find attached a copy of our *Business Plan* including Market Analysis.

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D. Describe your facility, size and location. Also attach any building elevations, floor or facility plans.

Neal's Deli is located at 100-C & -D East Main St on the corner of S Greensboro St. This includes a small office next to the kitchen, retail space, indoor dining area and restroom (combined 1,247 sq ft). Since the pandemic, the indoor dining area has been reclaimed for additional kitchen, prep and staging activities, which has enabled business to expand. Regarding dining areas, the outside seating was expanded, and a new relationship has been established with the *Speakeasy* (100-B), which provides indoor seating for over 30 people during operating hours.

E. If you are leasing, describe the terms of your lease.

The lease with Humage Holdings LLC has been recently renewed due to the change in ownership structure. The lease provides standard terms for a restaurant space in the area (e.g. 5 year term, monthly rent, with TICAM covering the majority of initial capital outlays and upgrades, etc.).

6. PLEASE ATTACH THE FOLLOWING DOCUMENTATION:

A. Detailed budget of start-up cost, first year operating expenses, and 3 to 5 years proforma cost/revenue projections.

Please see the attached *Financial Model*.

B. Documentation of other capital revenue sources.

Please see the attached *Capitalization Table*.

C. Personal or business financial statements.

Please see the attached *Personal Balance Sheet* and *Business Financial Statements*.

D. Personal credit report.

Please see the attached *Personal Credit Report* for Heather Swanson.

Note: I attempted to pull the Dunn & Bradstreet Credit Report for Art in a Pickle LLC but received an error. I will continue to try to get this report and will provide it as soon as I can.

E. Documentation of real property that will be used for collateral, any outstanding liens and tax values.

Please see the *Balance Sheet* in the *Business Financial Statements* and the *Fixed Asset registry* for a list of assets that can be securitized. In summary, there are \$46,619 of Fixed Assets/Equipment that can be used for collateral. The requested loan amount of \$32,000 is less than \$37,295, which is roughly 80% of the appraised value of the collateral assets.

I (we) the undersigned certify that the information provided in this application, documents and attachments provided are true and complete to the best of my knowledge. I further commit to the following actions;

A) I understand that the Town is not obligated to fund any project and that funding is fully at the discretion of the Board of Aldermen and limited based on available funds.

B) Undertake and carry out the project as described in the application and documents as submitted.

C) Agree to create/retain jobs as described in the application. I understand and that 51% of the jobs created must be filled by persons who earned less than 80% of the median income for the county they resided in the previous 12 months.

D) Submit annual employment reports to the Town showing the number of jobs created or retained which would otherwise have been lost.

E) Make all relevant records available to the Town or State available upon request for reporting purposes.

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F) I understand that the Town is not committed to provide funding until loan documents have been fully executed and the release of any other conditions have been satisfied by the applicant.

G) Project must be completed by _____ .

H) Secure and obtain additional loan funds in the amount of \$_____ as described in this application, and provide \$ _____ in equity for the applicants own resources for the project.

I) Be responsible for any cost overruns.

J) I will not discriminate against any individual on the basis of race, color, religion, sex, gender, or national origin, disability, sexual orientation or gender expression/identity in any of my business activities or operations whether financed in whole or in part by funds received by the Town.

PARTNERSHIP AND SOLE PROPRIETORSHIPS	CORPORATIONS
SIGNED:	NAME OF CORPORATION:
TITLE:	SIGNED BY:
DATE:	ATTEST: (seal)
	Date:
LLC	
NAME OF LLC: Art in a Pickle LLC	
SIGNED: (Heather Swanson)	
TITLE Owner and Manager, <i>NEAL'S DELI</i>	
DATE:2/26/24	

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4	2023 Income Statement
5	2023 Balance Sheet
6	2023 Statement of Cash Flows
7	2022 Federal Tax Return
8	2021 Federal Tax Return
9	Dun & Bradstreet Business Credit Report
10	Orange County Living Wage Employer Certificate
11	Press: 2023 Facebook / Chapel Hill Carrboro Foodies discussion
12	Press: 2017 Food & Wine article
13	Press: 2012 Our State article
14	Press: 2010 New York Times article
15	Press: 2009 Saveur article
16	Press: 2008 Bon Appetit article
17	Press: 2008 The Carrboro Citizen article
18	Press: 2007 The Carrboro Citizen article
19	Personal Financial Statement (Heather Swanson)
20	Personal Credit Report (Heather Swanson)
21	Employment Reports (2024'Q1 forward)
22	<intentionally left blank>
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25	<intentionally left blank>



Art in a Pickle LLC • Owner and Manager Heather Swanson

Executive Summary

Neal's Deli is a NYC Style Delicatessen with a Southern twist located in downtown Carrboro, NC. Founded in 2008, *Neal's Deli* has been a staple of the town's restaurant scene and a driver of significant amounts of national and state-wide media attention to Carrboro.

Neal's Deli successfully navigated the challenges of the last few years, which were particularly hard for restaurants. First, the COVID-19 pandemic impacted all aspects of daily life. Restaurants were forced to adapt to changing consumer behavior and new regulations on public spaces. At the same time, industry-wide sales fell by about 20%. Second, as businesses and universities (including UNC) shifted to remote work, the demand for catering services fell even more. Catering has only just started to recover as people go back to work at their offices more regularly. Third, downtown Carrboro restaurants have been hurt by multiple waves of construction on Greensboro St, which has reduced vehicle and foot traffic. The new library should be completed in a few months, and business should return to normal after almost 5-years of interruption. *Neal's Deli* weathered these challenges, and is operating at pre-pandemic levels with strong fundamentals.

Heather Swanson, the manager for the last 5-years, is purchasing the business from founding owner, Sheila Dalton. At present, *Neal's Deli* is seeking \$130,000 of total financing (equity, debt and grants) that will go toward the purchase price of the business and enable it to:

- continue to offer dine-in and take-out soups, salads, sandwiches for lunch;
- expand catering to seize on pent-up and late-to-return demand (e.g., from UNC);
- re-introduce breakfast options (discontinued during the pandemic) in time for the opening of the new library; and
- extend hours to service the evening commute and happy hour crowds.

Now is a great time for *Neal's Deli* to solidify its place at the heart of downtown Carrboro's food scene, and expand to meet new demand.

Americans spend almost \$2T annually on food. In 2019, slightly *less* than half of America’s food budget was spent on food purchased for consumption at home, and slightly *more* than half was spent away from the home at restaurants and the like. This reflects a critical inflection point after decades of consistent trend -- Americans are eating out more than they are staying in.¹ Americans eat out for a variety of reasons ranging from convenience and quality to socializing and business. This is the overwhelming and clear trend in the food industry.

Then, in March 2020, the Covid-19 pandemic hit and Americans locked down at home. Now that the lockdown is behind us and America is reopening, there are three new trends emerging that need to be considered when planning for the post-Covid recovery era of restaurants.

First, while Americans were locked down, they were forced to eat at home. For avid restaurant goers, takeout was a good hold over - but not what people craved. Even homebodies missed going out sometimes. There is tremendous pent up demand for the restaurant experience that will result in a V-shaped recovery and rapid growth spurt in 2021 and beyond.

US Restaurant Revenue by Year (\$B)

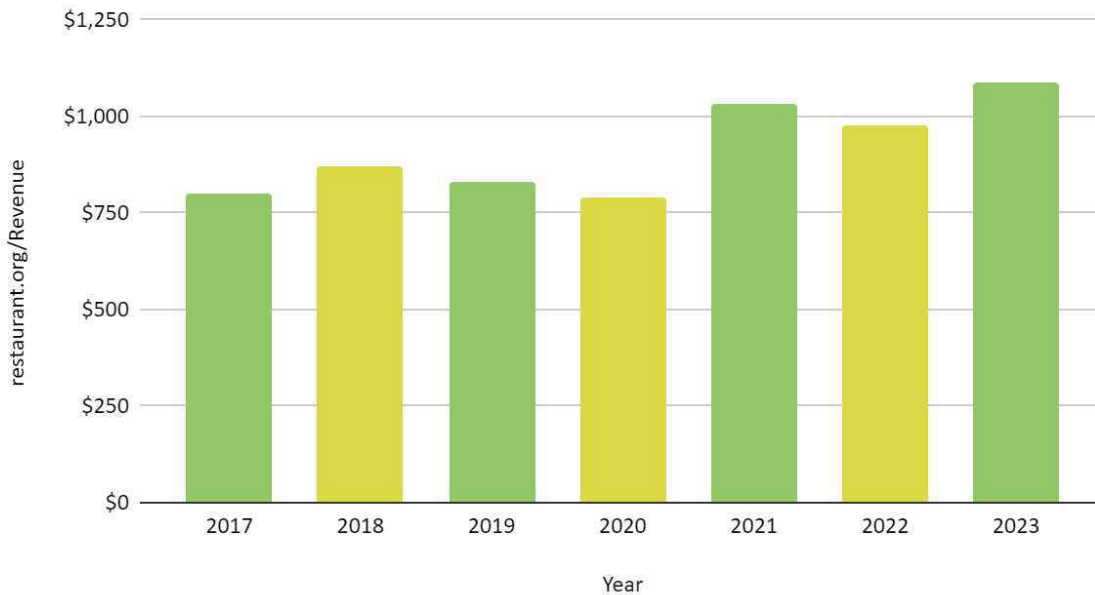


Figure 1 - US Restaurant Revenue by Year (\$B)

Second, for several years, employers allowed their employees to work from home. This drastically reduced attendance at the workplace and, as a result, gutted the catering industry. But after several years of remote work, employers are encouraging employees to come back

¹ <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/food-prices-and-spending>

to the office for structured amounts each week. This is reigniting the need for catering on a longer delay.

Third, the pandemic brought on a sharp rise in all categories of take-out (ready-to-eat meals, delivery, etc.). This allowed consumers to still enjoy their favorite meals at home and on the go. It was also the result of regulations limiting dining areas to 50% of capacity or less in most states. As a result, there has been an enduring shift toward more takeout – which happens to be a format that is well suited for delicatessens.

Combined, the restaurant industry is facing a good -- even great -- recovery and future. Restaurants that survived the pandemic are best positioned to capture this growth. And restaurants that are well suited to take-out should also have an advantage going forward.

Triangle Area Restaurant Landscape

Demographics and Traffic

The Triangle (Raleigh-Durham MSA) comprises approximately 2.2M residents and is growing at over 20k (or +1%) new residents each year. *Neal's Deli* is located at the heart of Carrboro (population 20k) and a short 1.5mi to the UNC's main campus in Chapel Hill (population 64k). This location is surrounded by 560k residents within a 25-mile radius, 375k residents within 15-miles, and 85k residents within 5-miles.

It should be no surprise that there are over 500 restaurants, food trucks and other options in the area. For example, Downtown Carrboro's walkable Main Street corridor features approximately 35 restaurants, representing a healthy mix of cuisines and price points. This strip of restaurants runs into Chapel Hill's Franklin and Rosemary Streets that are home to another 50+ restaurants and UNC's campus. Approximately half of these restaurants offer lunch service, and about the same focus on soups, salads and sandwiches (or tacos, burritos and similar hand foods). This is a clear sign of a vibrant restaurant scene with strong demand.

Gaps In The Triangle Food Landscape

Market Analysis

In view of its ongoing presence alone, it is clear that *Neal's Deli* satisfies a certain gap for lunch options in the area. *Neal's Deli* has been operating out of the same location for over 15 years, far in excess of the 5-year average lifespan of a restaurant. *Neal's Deli* was started in the shadow of the 2008 Great Recession, and yet it thrived and grew. *Neal's Deli* survived through the turbulent times of the Covid-19 pandemic, and is looking to expand. These downturns shuttered many of Chapel Hill and Carrboro's iconic restaurants, including Crook's Corner, Ye

Olde Waffle House and, most recently, Linda's². Yet, Neal's Deli continues to push ahead and make the best sandwiches in the area.

Around the Triangle, *Neal's Deli* is an established and well-liked fixture of the restaurant scene. *Neal's Deli* is the highest rated "delicatessen" on Yelp! within 10-miles and is in the top-3 for "sandwiches" within 25-miles³. In addition, it is the focus of praise and enthusiasm among the town's leading dining group, the Chapel Hill Foodies⁴. Based on consumer sentiment, it is clear that Neal's Deli has been doing a great job of feeding its customers.

Regarding the catering market, only a handful of Chapel Hill and Carrboro restaurants specialize in catering and serving the needs of the UNC community. This is a known pain point for UNC staff as well as for surrounding businesses and private events. UNC faculty and students are now back on campus full-time without covid restrictions in place. As a result, there is an increasing demand for catering services.

But, one of the most popular catering options, *Mediterranean Deli*, was hit by a kitchen fire in July 2023 and has been operating at reduced capacity ever since. Therefore, there is a time-sensitive gap in the catering landscape for a competitor, like *Neal's Deli*, to seize.

A Legacy of Deli-cious Food

Company History and Team

Neal's Deli was founded in 2008 to bring a top notch deli experience to the center of downtown Carrboro. At the time, Carrboro was going through a restaurant revival. There were a number of local restaurant groups extending their reach into Carrboro with additions like *Tyler's Restaurant and Taproom* (opened 2005) and *Milltown* gastropub (opened 2006). *Neal's Deli* targeted the underserved breakfast and lunch scene.

Neal's Deli's breakfast service focused on a short and tight list of Southern classics like biscuit sandwiches and grits bowls accompanied by great coffee from neighboring Carrboro Coffee Roasters. For over a decade, breakfast service was successful both in terms of volume of business and profit margins. The concise menu also kept cook times short in order to allow the kitchen to do lunch prep and catering without interruption. Unfortunately, Covid-19 hit breakfast restaurants particularly hard and breakfast service was discontinued in March 2020.

² <https://www.newsobserver.com/news/business/article284289498.html>

³ See <https://yelp.com> for the latest rating and reviews

⁴ <http://tinyurl.com/yhfuhzzm>

Neal's Deli plans to re-introduce breakfast service in 2024 corresponding with the opening of the library.

Neal's Deli's lunch service continues to focus on artisanal sandwiches made with high quality local produce, meats and cheeses, and an array of soups, salads and sides that blend traditional Jewish cuisine with Southern preparation and flavors. This model did so well it was copied by followers like *Sandwich* (opened 2010) on Franklin Street and, to a lesser extent, *Rise* (opened in 2017) and *Brandwein's Bagels* (opened 2020).

As opportunity emerged, *Neal's Deli* expanded into catering. The catering business was primarily driven by UNC's faculty and student functions, and secondarily by local businesses and private events. Covid-19 hit each of these submarkets quite hard, and caused catering to shrink significantly for several years. *Neal's Deli* plans to double down on catering service once again now that there is a strong indication that businesses are returning to pre-pandemic habits.

Over the last 15-years, *Neal's Deli* has faced several massive challenges and adapted to changing market dynamics to survive. *Neal's Deli* will continue to adapt and adjust to avert downturns and seize opportunities. At present, there are several underserved needs on the horizon and *Neal's Deli* is ready to meet them with a sandwich and a smile.

Neal's Deli in the News

Press Coverage

Julia Moskin, "Can the Jewish Deli be Reformed?", *New York Times*, April 13, 2010, available at: <https://www.nytimes.com/2010/04/14/dining/14deli.html> .

Our State Staff, "Lunch and Legacy", *Our State*, January 27, 2012, available at: <https://www.ourstate.com/neals-deli-carrboro/> .

Travel Staff, "36 Hours in Chapel Hill-Carrboro", *New York Times*, May 27, 2015, available at: <https://www.nytimes.com/interactive/2015/05/27/travel/36-hours-chapel-hill-carrboro-interactive-map.html> .

Food & Wine Editors, "A Tale of Pastrami, Biscuits & Beyond", *Food and Wine*, June 12, 2017. Available at: <https://www.foodandwine.com/news/dixie-deli> .

Chapel Hill Carrboro Foodies, “What do we know about Neal’s Deli?” discussion, *facebook.com*, November 12, 2023, available at: https://m.facebook.com/story.php/?id=2343007592634012&story_fbid=3569655756635850

Menus

Products and Services

Neal’s Deli is a New York-style delicatessen that currently provides:

1. Made to order meals (soup, salad, sandwiches and specials)
2. Deli services, such as meats and cheeses by the pound and B2B wholesaling
3. Catering

At various points in its history, *Neal’s Deli* offered other services like: ready to eat meals, pre-packaged meal kits, breakfast service, dinner service, beer and wine beverage service, and more. These other offerings were met with moderate success, at least for a time, but shifting conditions (eg the covid-19 pandemic, Carrboro library construction, the fall-and-return of neighboring Speakeasy bar, etc.) made these less attractive from a business perspective. That said, *Neal’s Deli* knows how to identify when new demand and opportunities materialize, how to take action to capture those opportunities, and when to discontinue the offerings as conditions change.

An illustrative menu is included below. See <https://nealsdeli.square.site/> for an up-to-date daily menu including seasonal offerings and specials.

SAMPLE MENU

Soup		Salads and Sides	
Creamy Roasted Tomato Soup (qt)	14.00	Side Salad	5.00
Chestnut Bisque (qt)	15.00	Chicken Salad Salad	12.00
Chicken Noodle Soup (qt)	14.00	Chicken Salad	6.50
Chicken Bone Broth (qt)	7.00	Egg Salad	6.00
Bretzel Roll	2.75	Roasted Turnips with smoked paprika, lemon, scallions	4.75
		Roasted Brussel Sprouts with Olive oil, Garlic	4.75
Other		Mediterranean Chickpea	4.50
Baked Cheese Grits	4.25	Castelvetrano Olives	6.25
Variety of fresh cookies, desserts	2.00+	Creamy Coleslaw	4.50
Mandarin orange	1.00		
		<i>Sides Plate Special: \$3 off order of 3 sides</i>	
Hot Sandwiches		Cold Sandwiches	
Pastrami Reuben/Manhattan	11.00	Smoked Salmon Sandwich	13.50
Turkey Reuben/Manhattan	10.50	Marinated Tuna Salad	10.50
Muffuletta	10.75	Muffuletta	10.75
Veggie Muffuletta	10.75	Veggie Muffuletta	10.50
Chicago-style Italian Beef Sub	12.50	Veggie Sub	10.50
Neal's Pimento Cheese	9.00	Turkey Sub	10.25
Cheesy (grilled cheese)	7.00	Italian Sub	10.25
El Completo (loaded hot dog)	9.50		
Apple Cheddar Dog	9.00	Beverages	

Hot Dog

7.00

Soda, sweet tea, coffee, beer

3.00+

The Future of Neal's Deli

Financials

Neal's Deli is transferring ownership to better align management-and-ownership in preparation for foreseeable growth opportunities in 2024. As a result, it is seeking debt financing from several sources to: facilitate the transfer of ownership; increase marketing, advertising and sales activities; and shore up working capital reserves to enable the expansion.

Specifically, Neal's Deli is looking for \$135,000.00 of debt financing and grants. Standard bank terms and interest rates (currently ~6-8%) would apply. This will be enough to transfer the business with enough capital to increase marketing expenditures and satisfy working capital needs as the business grows.

Please see the attached *Financial Model* for additional information and detail.

Contacting Neal's Deli

Contact Info

Website: <https://nealsdeli.com/>

Online Ordering: <https://nealsdeli.square.site>

Social Media

Facebook: <https://www.facebook.com/nealsdeli>

Instagram: <https://www.instagram.com/nealsdeli/> or @nealsdeli

Art in a Pickle LLC
100-C East Main St
Carrboro, NC 27510
NCSOS ID # 0767624

Heather Swanson
(904) 910-
heather@nealsdeli.com
heatherswanson904-

Neal's Deli - Capitalization Table				Last updated: 20240223	
No.	Date	Debt / Equity	Amount	Name	Terms
1	20240331	Equity	\$69,000	Heather Swanson	<i>Maximum</i> contribution to purchased 100% share in LLC from Sheila Dalton, and shore up working capital during transition.
2	20240301	Debt	\$10,000	Elizabeth [REDACTED]h	5 years, 5% APR, no payments for first year
3	20240301	Debt	\$5,000	Elizabeth [REDACTED]	5 years, 5% APR, no payments for first year
4	20240301	Debt	\$5,000	William [REDACTED]	3 years, 5% APR, no payments for first year
5	20240301	Debt	\$5,000	Jairo [REDACTED]	TBD (probably 5 years, 5%, no payments for first year)
6	20080101	Debt - LOC	\$25,000	PNC Business Line of Credit	Long-standing LOC for working capital.
Additional Sources being pursued					
7	20240415	<i>Debt - LOC</i>	<i>\$25,000</i>	<i>PNC Business Line of Credit</i>	<i>Ownership Transfer required prior to submitting request, but approval is "likely" and expected by April 31, 2024.</i>
8	20240315	Debt	\$32,000	Carrboro Revolving Loan Fund	Application under review. Terms TBD (eg 10 years, ? APR).
TOTAL			\$176,000		

Financial Model (Summary)												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
	<-- actuals						projections -->					
Sales												
Delicatessen	442,024	495,896	333,726	409,718	437,271	475,689	523,258	554,653	579,613	605,695	629,923	
Catering	66,719	85,940	19,035	9,197	25,018	37,136	44,234	45,039	45,405	46,233	48,010	
Total Sales	508,743	581,836	352,761	418,915	462,288	512,825	567,492	599,693	625,018	651,929	677,933	
Cost of Goods Sold												
Meat	52,276	54,699	33,415	43,373	51,673	50,022	54,427	56,332	58,022	59,763	61,257	
Cheese	8,407	11,467	7,153	7,031	10,221	11,374	10,874	11,254	11,592	11,940	12,238	
Bread	20,689	19,773	11,712	15,049	16,792	18,806	19,313	19,989	20,589	21,207	21,737	
Produce	28,301	30,190	17,806	18,885	24,358	25,338	27,623	28,590	29,448	30,331	31,089	
Dry Goods and Misc	49,166	47,645	25,890	30,289	34,158	60,019	45,571	47,165	48,580	50,038	51,289	
Packaging	3,341	5,633	4,890	8,803	1,395	208	5,048	5,225	5,382	5,543	5,682	
Other Materials	10,116	8,789	6,696	3,123	4,080	6,488	28,347	31,251	34,186	37,290	41,464	
Subtotal	172,296	178,196	107,561	126,553	142,678	172,255	191,203	199,807	207,799	216,111	224,756	
Labor	181,323	200,299	111,586	147,787	162,445	184,460	202,906	217,109	232,307	248,568	265,968	
Total COGS	353,619	378,496	219,147	274,340	305,122	356,715	394,109	416,916	440,106	464,680	490,724	
Gross Margin	155,124	203,340	133,614	144,575	157,166	156,110	173,383	182,776	184,911	187,249	187,209	
as %	30.5%	34.9%	37.9%	34.5%	34.0%	30.4%	30.6%	30.5%	29.6%	28.7%	27.6%	
Expenses												
Rent	28,966	27,042	23,135	22,364	30,714	30,761	31,127	31,727	32,527	33,327	34,127	
CC, Bank and Financial	15,055	19,384	16,690	19,388	20,568	20,992	21,537	22,291	22,960	23,649	24,240	
Advertising & Marketing	1,018	2,264	599	2,520	1,673	1,225	3,224	3,336	3,437	3,540	3,628	
Equipment Rental	3,515	2,946	2,132	3,462	545	2,314	2,585	2,676	2,756	2,839	2,910	
Repairs and Maintenance	5,363	6,511	6,943	12,175	9,228	9,302	8,670	8,973	9,242	9,519	9,757	
Depreciation and Amortization	474	370	1,686	9,188	5,628	0	3,007	3,112	3,205	3,301	3,384	
Professional Services	9,697	8,390	6,602	10,309	19,676	20,172	3,866	4,001	4,121	4,245	4,351	
Payroll Taxes	16,059	22,596	-12,979	-54,024	20,055	21,907	21,907	22,783	23,695	24,643	25,628	
Other Taxes	1,131	1,587	624	1,013	1,284	1,528	1,242	1,286	1,324	1,364	1,398	
Misc Other	66,027	118,502	94,647	98,552	107,459	58,106	39,703	37,674	38,488	39,342	39,789	
Total Expenses	147,305	209,592	140,079	124,947	216,830	166,306	136,868	137,859	141,755	145,768	149,212	
Net Operating Income	7,819	-6,252	-6,465	19,628	-59,664	-10,197	36,515	44,917	43,156	41,481	37,997	
Other Income and Expenses												
Other Income	323	0	9,490	117,546	161,279	11	0	0	0	0	0	
Other Expenses	900	0	0	0	0	20	11,940	18,000	18,000	18,000	18,000	
Net Other	-577	0	9,490	117,546	161,279	-10	-11,940	-18,000	-18,000	-18,000	-18,000	
Net Income	7,242	-6,252	3,025	137,174	101,616	-10,207	24,575	26,917	25,156	23,481	19,997	
Income Before Tax	7,242	-6,252	3,025	137,174	101,616	-10,207	24,575	26,917	25,156	23,481	19,997	
Income Tax 20%	1,448	-1,250	605	27,435	20,323	-2,041	4,915	5,383	5,031	4,696	3,999	
Net Income	5,794	-5,002	2,420	109,739	81,293	-8,165	19,660	21,534	20,125	18,785	15,997	
Cumulative Earnings							19,660	41,194	61,319	80,104	96,101	

Neal's Deli

Balance Sheet

As of January 29, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Cash on hand	-10,829.61
Deli Register	56.02
Line of Credit	0.00
Market cash box	0.00
Petty cash	-120.00
PNC Money Market -3771	54,001.21
PNC Operating Checking -8569	10,339.20
PNC Payroll Checking -7446	13,237.14
Square	-10,817.12
Total Bank Accounts	\$55,866.84
Accounts Receivable	
Accounts Receivable	0.00
Total Accounts Receivable	\$0.00
Other Current Assets	
Employee Advance	0.00
Inventory	5,987.23
Payroll Refunds	0.00
Undeposited Funds	0.00
Total Other Current Assets	\$5,987.23
Total Current Assets	\$61,854.07
Fixed Assets	
Accumulated Depreciation	-116,853.00
Equipment	46,618.98
Furniture and Fixtures	1,365.00
Leasehold Improvements	-14,917.15
Custom Carpentry	26,729.05
electrician	11,100.72
hood	11,917.57
jack/carpentry	7,536.36
plumbing	25,749.58
Total Leasehold Improvements	68,116.13
Office Equipment and Computers	3,330.09
Total Fixed Assets	\$2,577.20
Other Assets	
Security deposit	4,931.50
Total Other Assets	\$4,931.50
TOTAL ASSETS	\$69,362.77

Neal's Deli

Balance Sheet

As of January 29, 2024

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	1,215.56
Total Accounts Payable	\$1,215.56
Credit Cards	
PNC VISA - 0737	0.00
Total Credit Cards	\$0.00
Other Current Liabilities	
Borrowed Money	
Catering Deposits	0.00
Employee Tips Payable	146.66
Gift Certificates	3,373.88
NC Dept of Revenue Payable	1,103.36
NC Sales Tax	0.00
NC Sales Tax 2%	0.00
Total NC Dept of Revenue Payable	1,103.36
Payroll Tax Liability	
941	0.00
FUTA/SUTA	116.55
NC Withholding	151.00
Total Payroll Tax Liability	267.55
RRF Loan	
SBA EIDL Loan Payable	0.00
SBA PPP Loan - 1	0.00
SBA PPP Loan - 2	0.00
Total Other Current Liabilities	\$4,891.45
Total Current Liabilities	\$6,107.01
Long-Term Liabilities	
Line of Credit -PNC - 2668	0.00
Total Long-Term Liabilities	\$0.00
Total Liabilities	\$6,107.01
Equity	
Opening Bal Equity	0.00
Retained Earnings	63,485.26
Shareholder Distribution	-2,500.00
Due from Youtrition, LLC	0.00
Total Shareholder Distribution	-2,500.00

Neal's Deli

Balance Sheet

As of January 29, 2024

	TOTAL
Net Income	2,270.50
Total Equity	\$63,255.76
TOTAL LIABILITIES AND EQUITY	\$69,362.77

Neal's Deli

Statement of Cash Flows January 2018 - December 2023

	TOTAL
OPERATING ACTIVITIES	
Net Income	207,629.70
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	3,339.10
Employee Advance	5,652.70
Inventory	1,273.73
Payroll Refunds	0.00
Accounts Payable	-22,042.81
PNC Credit Card -3422 (deleted)	-47.89
PNC VISA - 0737	-8,914.82
VISA - 1805 (formally 3430) (deleted)	-8,956.95
Borrowed Money:Adele McLean (deleted)	-4,105.95
Borrowed Money:Carter Thompson (deleted)	-9,800.00
Borrowed Money:Elliott S. Neal (deleted)	-11,790.00
Borrowed Money:Gene Hammer (deleted)	-2,000.00
Borrowed Money:Jimmy Fountain (deleted)	-2,000.00
Borrowed Money:Julie & Kyle Lauver (deleted)	-1,000.00
Borrowed Money:Kevin Riley (deleted)	-7,280.00
Borrowed Money:Scotty McLean (deleted)	-15,900.00
Borrowed Money:Town of Carrboro (deleted)	-43,276.40
Employee Tips Payable	757.78
Gift Certificates	2,212.92
NC Dept of Revenue Payable	-925.28
NC Dept of Revenue Payable:NC Sales Tax 2%	0.00
Payroll Tax Liability	0.00
Payroll Tax Liability:941	0.00
Payroll Tax Liability:FUTA/SUTA	-43.46
Payroll Tax Liability:NC Withholding	0.00
RRF Loan	0.00
SBA EIDL Loan Payable	0.00
SBA PPP Loan - 1	0.00
SBA PPP Loan - 2	0.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-124,847.33
Net cash provided by operating activities	\$82,782.37
INVESTING ACTIVITIES	
Accumulated Depreciation	10,681.00
Equipment	1,534.02
Furniture and Fixtures	205.00
Leasehold Improvements	-11,244.13
Office Equipment and Computers	-1,471.36
Net cash provided by investing activities	\$ -295.47
FINANCING ACTIVITIES	
Line of Credit -PNC - 2668	0.00
Line of Credit -PNC -1748 (deleted)	-4,845.96

Neal's Deli

Statement of Cash Flows January 2018 - December 2023

	TOTAL
Retained Earnings	14,473.25
Shareholder Distribution	-33,695.98
Shareholder Distribution:Due from Youtrition, LLC	0.00
Net cash provided by financing activities	\$ -24,068.69
NET CASH INCREASE FOR PERIOD	\$58,418.21
Cash at beginning of period	6,603.09
CASH AT END OF PERIOD	\$65,021.30

E-file Authorization for Corporations

(December 2022)

For calendar year 2022, or tax year beginning _____, 20____, ending _____, 20_____

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

Use for efile authorizations for Form 1120, 1120-F or 1120S.
Do not send to the IRS. Keep for your records.
Go to www.irs.gov/Form8879CORP for the latest information.

Name of corporation

ART IN A PICKLE LLC

Employer identification number

20-2353514

Part I Information (Whole dollars only)

1	Total income (Form 1120, line 11)	1	
2	Total income (Form 1120-F, Section II, line 11)	2	
3	Total income (loss) (Form 1120-S, line 6)	3	156,364.

Part II Declaration and Signature Authorization of Officer. Be sure to get a copy of the corporation's return.

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's electronic income tax return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgment of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize _____ to enter my PIN

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 as my signature
ERO firm name
on the corporation's electronically filed income tax return.

As an officer of the corporation, I will enter my PIN as my signature on the corporation's electronically filed income tax return.

Officer's signature _____ Date _____ Title PRESIDENT


Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

5	6	3	5	0	0	2	6	1	7	5
---	---	---	---	---	---	---	---	---	---	---

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature  Date 02/02/2023

ERO Must Retain This Form — See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

Did you know you can pay online?

Benefits of Paying Taxes Online

- Accurate, secure, convenient
- Schedule payments in advance
- Bank drafts (free), MasterCard or Visa (\$2 convenience fee for every \$100 paid)
- Enjoy peace of mind, knowing your payment will be processed timely and efficiently

How to Pay Taxes Online

Visit www.ncdor.gov and search for online file and pay.

How to Pay Taxes Using Paper

If you are unable to pay online, complete the voucher (below), cut across the dotted line, and send the completed voucher and your check or money order to the NCDOR, PO Box 25000, Raleigh, NC 27640-0650. If you pay taxes online, DO NOT submit the paper voucher.

Mail to: NCDOR, PO Box 25000, Raleigh NC 27640-0530



Cut Here



CD-V (91)

9-24-12

Franchise Tax Payment Voucher

North Carolina Department of Revenue

For calendar year	2022	or other tax year beginning	and ending
ART IN A PICKLE LLC			202353514
301 HILLSBOROUGH RD APT D			Total Franchise Tax Due
CARRBORO	NC	27510	\$ 25.00

N	NP/TE	N	NF	N	CO/MA
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REV 12/13/22 PRO

6610191004



12220 2023535141 0000000 05002

DeVine & Reinheimer, CPAs PC

PO Box 743
Carrboro, NC 27510-0743
Telephone 919-942-2199
FAX 919-869-1328

February 2, 2023

Art in a Pickle LLC
301 Hillsborough Rd Apt D
Carrboro, NC 27510

Dear Sheila,

We have prepared and enclosed your 2022 Form 1120S, U.S. Income Tax Return for an S Corporation for Art in a Pickle LLC for the tax year ending December 31, 2022.

We prepared your returns based on the information you provided us. Please review the returns carefully to ensure that there are no omissions or misstatements of material facts.

Your 2022 Form 1120S, U.S. Income Tax Return for an S Corporation for Art in a Pickle LLC will be electronically filed.

No payment is due with this return.

Enclosed is the 2022 Form CD-401S, North Carolina S Corporation Franchise & Income Tax Return for Art in a Pickle LLC.

Your 2022 Form CD-401S, North Carolina S Corporation Franchise & Income Tax Return for Art in a Pickle LLC will be electronically filed.

You have a balance due of \$25.00. Listed below are the filing instructions for the Form CD-V.

The due date of Form CD-V, Franchise Tax Payment Voucher, is April 17, 2023.

Include Form CD-V and a check or money order in the amount of \$25.00, payable to "North Carolina Department of Revenue." Write your North Carolina secretary of state ID number on the check.

Mail to:

North Carolina Department of Revenue
PO Box 25000
Raleigh NC 27640-0530

We appreciate this opportunity to serve you. If you have any questions, please contact us.

Sincerely,


Gina DeVine CPA

Department of the Treasury
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
Go to www.irs.gov/Form1120S for instructions and the latest information.

2022

For calendar year 2022 or tax year beginning _____, 2022, ending _____, 20

A S election effective date 01/01/2008	TYPE OR PRINT	Name Art in a Pickle LLC	D Employer identification number 20-2353514
B Business activity code number (see instructions) 722513		Number, street, and room or suite no. If a P.O. box, see instructions. 301 Hillsborough Rd Apt D	E Date incorporated 03/01/2005
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code Carrboro NC 27510	F Total assets (see instructions) \$ 160,065.

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. Yes No
H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination
I Enter the number of shareholders who were shareholders during any part of the tax year _____ 1
J Check if corporation: (1) Aggregated activities for section 465 at-risk purposes (2) Grouped activities for section 469 passive activity purposes

Caution: Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a	463,552.	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a			1c 463,552.
	2 Cost of goods sold (attach Form 1125-A)			2 307,188.
	3 Gross profit. Subtract line 2 from line 1c			3 156,364.
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)			4
5 Other income (loss) (see instructions—attach statement)			5	
6 Total income (loss). Add lines 3 through 5			6 156,364.	
Deductions (see instructions for limitations)	7 Compensation of officers (see instructions—attach Form 1125-E)			7 44,739.
	8 Salaries and wages (less employment credits)			8
	9 Repairs and maintenance			9 13,047.
	10 Bad debts			10
	11 Rents			11 30,714.
	12 Taxes and licenses			12 17,413.
	13 Interest (see instructions)			13 6,192.
	14 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			14 5,628.
	15 Depletion (Do not deduct oil and gas depletion.)			15
	16 Advertising			16 1,673.
	17 Pension, profit-sharing, etc., plans			17
	18 Employee benefit programs			18
	19 Other deductions (attach statement) See Statement			19 90,713.
	20 Total deductions. Add lines 7 through 19			20 210,119.
	21 Ordinary business income (loss). Subtract line 20 from line 6			21 -53,755.
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a		
	b Tax from Schedule D (Form 1120-S)	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)			22c
	23a 2022 estimated tax payments and 2021 overpayment credited to 2022	23a		
	b Tax deposited with Form 7004	23b		
	c Credit for federal tax paid on fuels (attach Form 4136)	23c		
	d Add lines 23a through 23c			23d
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			24
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26
27 Enter amount from line 26: Credited to 2023 estimated tax Refunded			27	

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____	Date _____	Title President	May the IRS discuss this return with the preparer shown below? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
----------------------------	------------	------------------------	--

Paid Preparer Use Only	Print/Type preparer's name Gina DeVine CPA	Preparer's signature <i>Gina DeVine CPA</i>	Date 02/02/2023	Check <input type="checkbox"/> if self-employed	PTIN P01230861
	Firm's name GINA DEVINE, CPA, PC				Firm's EIN 20-2063174
	Firm's address 304 WEST WEAVER ST CARRBORO NC 27510				Phone no. (919) 942-2199

Schedule B Other Information (see instructions)

- | | Yes | No |
|---|-----|----|
| 1 Check accounting method: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual
c <input checked="" type="checkbox"/> Other (specify) <u>Modified cash</u> | | |
| 2 See the instructions and enter the:
a Business activity <u>Food Service</u> b Product or service <u>Delicatessen</u> | | |
| 3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation . . . | | X |
| 4 At the end of the tax year, did the corporation:
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below | | X |

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) Is 100%, Enter the Date (if applicable) a Qualified Subchapter S Subsidiary Election Was Made

- | | Yes | No |
|--|-----|----|
| b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below | | X |

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

- | | Yes | No |
|---|-----|----|
| 5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock?
If "Yes," complete lines (i) and (ii) below.
(i) Total shares of restricted stock
(ii) Total shares of non-restricted stock | | X |
| b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments?
If "Yes," complete lines (i) and (ii) below.
(i) Total shares of stock outstanding at the end of the tax year
(ii) Total shares of stock outstanding if all instruments were executed | | X |
| 6 Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction? | | X |
| 7 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>
If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. | | |
| 8 If the corporation (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation, and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions \$ _____ | | |
| 9 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions | | X |
| 10 Does the corporation satisfy one or more of the following? See instructions | | X |
| a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense. | | |
| b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$27 million and the corporation has business interest expense. | | |
| c The corporation is a tax shelter and the corporation has business interest expense.
If "Yes," complete and attach Form 8990 , Limitation on Business Interest Expense Under Section 163(j). | | |
| 11 Does the corporation satisfy both of the following conditions? | | X |
| a The corporation's total receipts (see instructions) for the tax year were less than \$250,000. | | |
| b The corporation's total assets at the end of the tax year were less than \$250,000.
If "Yes," the corporation is not required to complete Schedules L and M-1. | | |

Schedule B Other Information (see instructions) <i>(continued)</i>		Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
	If "Yes," enter the amount of principal reduction \$ _____		
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
14a	Did the corporation make any payments in 2022 that would require it to file Form(s) 1099?		X
b	If "Yes," did or will the corporation file required Form(s) 1099?		
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		X
	If "Yes," enter the amount from Form 8996, line 15 \$ _____		

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	-53,755.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a 3c		
	4 Interest income	4	3,077.
	5 Dividends: a Ordinary dividends 5a		
	b Qualified dividends 5b		
	6 Royalties 6		
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S)) 7		
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) 8a			
	b Collectibles (28%) gain (loss) 8b		
	c Unrecaptured section 1250 gain (attach statement) 8c		
	9 Net section 1231 gain (loss) (attach Form 4797) 9		
10 Other income (loss) (see instructions) Type: 10			
Deductions	11 Section 179 deduction (attach Form 4562) 11		
	12a Charitable contributions Cash contributions (60%) 12a		839.
	b Investment interest expense 12b		
	c Section 59(e)(2) expenditures Type: _____ 12c		
d Other deductions (see instructions) Type: _____ 12d			
Credits	13a Low-income housing credit (section 42(j)(5)) 13a		
	b Low-income housing credit (other) 13b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) 13c		
	d Other rental real estate credits (see instructions) Type: _____ 13d		
	e Other rental credits (see instructions) Type: _____ 13e		
	f Biofuel producer credit (attach Form 6478) 13f		
	g Other credits (see instructions) Type: Form 8846 Credit for Empl Soc Sec/Medicare taxes 13g		3,926.
Inter-national	14 Attach Schedule K-2 (Form 1120-S), Shareholders' Pro Rata Share Items—International, and check this box to indicate you are reporting items of international tax relevance <input type="checkbox"/>		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment 15a		-1,458.
	b Adjusted gain or loss 15b		
	c Depletion (other than oil and gas) 15c		
	d Oil, gas, and geothermal properties—gross income 15d		
	e Oil, gas, and geothermal properties—deductions 15e		
	f Other AMT items (attach statement) 15f		
Items Affecting Shareholder Basis	16a Tax-exempt interest income 16a		
	b Other tax-exempt income 16b		
	c Nondeductible expenses 16c		4,955.
	d Distributions (attach statement if required) (see instructions) 16d		49,974.
	e Repayment of loans from shareholders 16e		
	f Foreign taxes paid or accrued 16f		

Schedule K		Shareholders' Pro Rata Share Items (continued)	Total amount	
Other Information	17a	Investment income	17a	3,077.
	b	Investment expenses	17b	
	c	Dividend distributions paid from accumulated earnings and profits	17c	0.
	d	Other items and amounts (attach statement) ** SEC 199A INFO: SEE STMT A		
Reconciliation	18	Income (loss) reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 16f .	18	-51,517.

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)		
Assets							
1	Cash		218,080.		149,085.		
2a	Trade notes and accounts receivable						
b	Less allowance for bad debts	()		()			
3	Inventories		4,887.		5,987.		
4	U.S. government obligations						
5	Tax-exempt securities (see instructions)						
6	Other current assets (attach statement) Ln 6 St		101,734.		0.		
7	Loans to shareholders		0.				
8	Mortgage and real estate loans						
9	Other investments (attach statement)						
10a	Buildings and other depreciable assets	114,059.		119,647.			
b	Less accumulated depreciation	(113,958.)	101.	(119,586.)	61.		
11a	Depletable assets						
b	Less accumulated depletion	()		()			
12	Land (net of any amortization)						
13a	Intangible assets (amortizable only)						
b	Less accumulated amortization	()		()			
14	Other assets (attach statement) Ln 14 St		4,932.		4,932.		
15	Total assets		329,734.		160,065.		
Liabilities and Shareholders' Equity							
16	Accounts payable						
17	Mortgages, notes, bonds payable in less than 1 year						
18	Other current liabilities (attach statement) Ln 18 St		16,508.		12,106.		
19	Loans from shareholders						
20	Mortgages, notes, bonds payable in 1 year or more						
21	Other liabilities (attach statement) Ln 21 St		212,854.		0.		
22	Capital stock						
23	Additional paid-in capital		79,368.		56,612.		
24	Retained earnings		21,004.		91,347.		
25	Adjustments to shareholders' equity (attach statement)						
26	Less cost of treasury stock		()		()		
27	Total liabilities and shareholders' equity		329,734.		160,065.		

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	94,953.	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) -----		a	Tax-exempt interest \$ -----	
				Tax Exempt Grant Forgiveness 151,425.	151,425.
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 16f (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 16f, not charged against book income this year (itemize):	
a	Depreciation \$ -----		a	Depreciation \$ -----	
b	Travel and entertainment \$ 1,029.		7	Add lines 5 and 6	151,425.
	Payroll taxes for employer tax on tips credit 3,926.	4,955.	8	Income (loss) (Schedule K, line 18). Subtract line 7 from line 4	-51,517.
4	Add lines 1 through 3	99,908.			

Schedule M-2 Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1 Balance at beginning of tax year	24,610.	0.	0.	0.
2 Ordinary income from page 1, line 21				
3 Other additions Interest income	3,077.			
4 Loss from page 1, line 21	(53,755.)			
5 Other reductions See M-2 Line 5 Stmt.	(5,794.)			()
6 Combine lines 1 through 5	-31,862.	0.	0.	0.
7 Distributions	24,610.	0.	0.	0.
8 Balance at end of tax year. Subtract line 7 from line 6	-56,472.	0.	0.	0.

(Rev. November 2018)
Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
▶ **Go to www.irs.gov/Form1125A for the latest information.**

Name Art in a Pickle LLC		Employer identification number 20-2353514	
1	Inventory at beginning of year	1	4,887
2	Purchases	2	143,843
3	Cost of labor	3	163,614
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) Çaşuall Labor - Kitchen	5	831
6	Total. Add lines 1 through 5	6	313,175
7	Inventory at end of year	7	5,987
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	307,188

9a Check all methods used for valuing closing inventory:

(i) Cost

(ii) Lower of cost or market

(iii) Other (Specify method used and attach explanation.) ▶ _____

b Check if there was a writedown of subnormal goods ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO **9d** _____

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions . . . Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

Small business taxpayers. For tax years beginning after December 31, 2017, the following apply.

- A small business taxpayer (defined below), may use a method of accounting for inventories that either: (1) treats inventories as nonincidental materials and supplies, or (2) conforms to the taxpayer's financial accounting treatment of inventories.
- A small business taxpayer is not required to capitalize costs under section 263A.

General Instructions

Purpose of Form

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

Who Must File

Filers of Form 1120, 1120-C, 1120-F, 1120S, or 1065, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

Inventories

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of

merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

Exception for certain taxpayers. A small business taxpayer (defined below), can adopt or change its accounting method to account for inventories in the same manner as material and supplies that are non-incidental, or conform to its treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or if it does not have an applicable financial statement, the method of accounting used in its books and records prepared in accordance with its accounting procedures. See section 471(c)(3).

A small business taxpayer claiming exemption from the requirement to keep inventories is changing its method of accounting for purposes of section 481. For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on changing to this method of accounting, see Form 3115 and the Instructions for Form 3115.

Small business taxpayer. A small business taxpayer is a taxpayer that (a) has average annual gross receipts of \$25 million or less (indexed for inflation) for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)). See Pub. 538.

Uniform capitalization rules. The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property for use in its trade or business or in an activity engaged in for profit.

A small business taxpayer (defined above) is not required to capitalize costs under section 263A. See section 263A(i).

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

Schedule K-1 (Form 1120-S)

2022

Department of the Treasury Internal Revenue Service

For calendar year 2022, or tax year

beginning [] / [] / 2022 ending [] / [] / []

Shareholder's Share of Income, Deductions, Credits, etc. See separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number 20-2353514
B Corporation's name, address, city, state, and ZIP code Art in a Pickle LLC 301 Hillsborough Rd Apt D Carrboro NC 27510
C IRS Center where corporation filed return Kansas City, MO 64999-0013
D Corporation's total number of shares Beginning of tax year 100 End of tax year 100

Part II Information About the Shareholder

E Shareholder's identifying number [REDACTED]
F Shareholder's name, address, city, state, and ZIP code Sheila Dalton 301 Hillsborough St Apt D Carrboro NC 27510
G Current year allocation percentage 100.00000 %
H Shareholder's number of shares Beginning of tax year 100 End of tax year 100
I Loans from shareholder Beginning of tax year \$ End of tax year \$

For IRS Use Only

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Code, and Amount. Rows include Ordinary business income (loss) -53,755.00, Net rental real estate income (loss), Other net rental income (loss), Interest income 3,077.00, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss) 4,955.00, Other income (loss) 49,974.00, Section 179 deduction, Other deductions 839.00, and Other information 3,077.00.

18 More than one activity for at-risk purposes*
19 More than one activity for passive activity purposes*
* See attached statement for additional information.

Statement A—QBI Pass-through Entity Reporting

Corporation's name: Art in a Pickle LLC		Corporation's EIN: 20-2353514	
Shareholder's name: Sheila Dalton		Shareholder's identifying no: [REDACTED]	
Shareholder's share of:		1120S, Line 21	
		<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB
QBI or qualified PTP items subject to shareholder-specific determinations:			
	Ordinary business income (loss)	-53,755.	
	Rental income (loss)		
	Royalty income (loss)		
	Section 1231 gain (loss)		
	Other income (loss)		
	Section 179 deduction		
	Other deductions		
	W-2 wages	208,353.	
	UBIA of qualified property	75,787.	
	Section 199A dividends		

Statement A—QBI Pass-through Entity Reporting

Corporation's name:		Corporation's EIN:	
Shareholder's name:		Shareholder's identifying no:	
Shareholder's share of:			
		<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB
QBI or qualified PTP items subject to shareholder-specific determinations:			
	Ordinary business income (loss)		
	Rental income (loss)		
	Royalty income (loss)		
	Section 1231 gain (loss)		
	Other income (loss)		
	Section 179 deduction		
	Other deductions		
	W-2 wages		
	UBIA of qualified property		
	Section 199A dividends		

Compensation of Officers

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120-REIT, 1120-RIC, or 1120S.**
▶ **Information about Form 1125-E and its separate instructions is at www.irs.gov/form1125e.**

Name Art in a Pickle LLC	Employer identification number 20-2353514
------------------------------------	---

Note: Complete Form 1125-E only if total receipts are \$500,000 or more. See instructions for definition of total receipts.

(a) Name of officer	(b) Social security number (see instructions)	(c) Percent of time devoted to business	Percent of stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1 Sheila Dalton	XXXXXXXXXX	100%	100%	0%	44,739.
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					2 44,739.
3 Compensation of officers claimed on Form 1125-A or elsewhere on return					3
4 Subtract line 3 from line 2. Enter the result here and on Form 1120, page 1, line 12 or the appropriate line of your tax return					4 44,739.

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service

Attach to your tax return. Go to www.irs.gov/Form4562 for instructions and the latest information.

Table with 3 columns: Name(s) shown on return, Business or activity to which this form relates, Identifying number. Values: Art in a Pickle LLC, Form 1120S Food Service, 20-2353514

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 columns: Line number, Description, Amount, and sub-columns (a) Description of property, (b) Cost, (c) Elected cost. Lines 1-13.

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

Table with 3 columns: Line number, Description, Amount. Lines 14-16.

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

Table with 3 columns: Line number, Description, Amount. Lines 17-18.

Section B—Assets Placed in Service During 2022 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 19a-i.

Section C—Assets Placed in Service During 2022 Tax Year Using the Alternative Depreciation System

Table with 7 columns: Line number, Description, Amount, and sub-columns (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 20a-d.

Part IV Summary (See instructions.)

Table with 3 columns: Line number, Description, Amount. Lines 21-23.

**Credit for Employer Social Security and Medicare Taxes
Paid on Certain Employee Tips**

Department of the Treasury
Internal Revenue Service

Attach to your tax return.
Go to www.irs.gov/Form8846 for the latest information.

Name(s) shown on return

Art in a Pickle LLC

Identifying number

202353514

Note: Claim this credit **only** for employer social security and Medicare taxes paid by a food or beverage employer where tipping is customary for providing food or beverages. See the instructions for line 1.

1	Tips received by employees for services on which you paid or incurred employer social security and Medicare taxes during the tax year (see instructions)	1	51,318.
2	Tips not subject to the credit provisions (see instructions)	2	0.
3	Creditable tips. Subtract line 2 from line 1	3	51,318.
4	Multiply line 3 by 7.65% (0.0765). If you had any tipped employees whose wages (including tips) exceeded \$147,000, see instructions and check here <input type="checkbox"/>	4	3,926.
5	Credit for employer social security and Medicare taxes paid on certain employee tips from partnerships and S corporations	5	
6	Add lines 4 and 5. Partnerships and S corporations, report this amount on Schedule K. All others, report this amount on Form 3800, Part III, line 4f	6	3,926.

For Paperwork Reduction Act Notice, see instructions.

BAA

REV 01/27/23 PRO

Form **8846** (2022)

QuickZoom to Other Copy _____

Page 1

Corporation's Name: <u>Art in a Pickle LLC</u>		Corporation's EIN: <u>20-2353514</u>	
1120S, Line 21			
<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	
<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	
<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	
Shareholder's share of:			
QBI or qualified PTP items subject to shareholder-specific determinations:			
Ordinary business inc (loss)	-53,755.	_____	_____
Rental income (loss)	_____	_____	_____
Royalty income (loss)	_____	_____	_____
Section 1231 gain (loss)	_____	_____	_____
Other income (loss)	_____	_____	_____
Section 179 deduction	_____	_____	_____
Other deductions	_____	_____	_____
W-2 wages	208,353.	_____	_____
UBIA of qualified property	75,787.	_____	_____
Qualified REIT dividends	_____		

Corporation's Name: _____ Corporation's EIN: _____

<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB

Shareholder's share of:
 QBI or qualified PTP items subject to shareholder-specific determinations:

Ordinary business inc (loss) .					
Rental income (loss)					
Royalty income (loss)					
Section 1231 gain (loss) . . .					
Other income (loss)					
Section 179 deduction					
Other deductions					
W-2 wages					
UBIA of qualified property . . .					
Qualified REIT dividends					

Name Art in a Pickle LLC	Employer ID Number 20-2353514
-----------------------------	----------------------------------

Other Current Assets:	Beginning of tax year	End of tax year
Employee Advance	4,545.	0.
ERC Receivable	97,189.	0.
Total to Form 1120S, Schedule L, line 6 ▶	101,734.	0.

Other Investments:	Beginning of tax year	End of tax year
Total to Form 1120S, Schedule L, line 9 ▶		

Other Assets:	Beginning of tax year	End of tax year
Deposits	4,932.	4,932.
Total to Form 1120S, Schedule L, line 14 ▶	4,932.	4,932.

Name Art in a Pickle LLC	Employer ID Number 20-2353514
-----------------------------	----------------------------------

Other Current Liabilities:	Beginning of tax year	End of tax year
Gift Certificates	8,906.	2,681.
Sales Tax Payable	2,430.	2,876.
Payroll Tax Payable	4,785.	4,901.
Tips Payable	387.	1,648.
Total to Form 1120S, Schedule L, line 18 ▶	16,508.	12,106.
Other Liabilities:	Beginning of tax year	End of tax year
EIDL Loan	96,972.	0.
PPP Loan	0.	0.
RRF Loan	115,882.	0.
Total to Form 1120S, Schedule L, line 21 ▶	212,854.	0.
Adjustments to Shareholders' Equity:	Beginning of tax year	End of tax year
Total to Form 1120S, Schedule L, line 25 ▶		

199A Worksheet by Activity

2022

► Keep for your records

Corporation's name <u>Art in a Pickle LLC</u>	Corporation's EIN <u>20-2353514</u>
--	--

QuickZoom to 199A Summary ► _____

Aggregation Code: _____	Trade or Business: <u>1120S, Line 21</u>
	EIN: <u>20-2353514</u>
Is this activity a qualified trade/business? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Specified Service Trade or Business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

QBI or qualified PTP items subject to shareholder-specific determinations:

1 a Ordinary business income (loss)	1 a	<u>-53,755.</u>		
b Adjustments	b			
c Adjusted ordinary business income (loss)	1 c		<u>-53,755.</u>	
2 a Rental income (loss)	2 a			
b Adjustments	b			
c Adjusted rental income (loss)	2 c			
3 a Royalty income (loss)	3 a			
b Adjustments	b			
c Adjusted royalty income (loss)	3 c			
4 a Section 1231 gain (loss)	4 a			
b Adjustments	b			
c Adjusted section 1231 gain (loss)	4 c			
5 Other income (loss)	5			
6 a Section 179 deduction	6 a			
b Adjustments	b			
c Adjusted section 179 deduction	6 c			
7 Other deductions	7			
8 a W-2 wages	8 a	<u>208,353.</u>		
b Adjustments	b			
c Adjusted W-2 Wages	8 c		<u>208,353.</u>	
9 a UBIA of qualified property	9 a	<u>75,787.</u>		
b Adjustments	b			
c Adjusted UBIA of qualified property	9 c		<u>75,787.</u>	

Section 179 Carryover Detail for this Activity

Tentative Section 179 deduction from current year assets

Part I: Prior Year Carryovers

by Year and Category

- A Before 2018
- B 2018
- C 2019
- D 2020
- E 2021
- Total prior year carryovers to this year**

Section 179 Regular Tax	Section 179 QBI
	0.
	0.
0.	0.

**Part II: 179 Deduction Allowed
by Year and Category**

Total 179 deduction allowed for this activity in current year

- A Amount allowed from 2022
- B Amount allowed from before 2018
- C Amount allowed from 2018
- D Amount allowed from 2019
- E Amount allowed from 2020
- F Amount allowed from 2021

Section 179 Regular Tax	Section 179 QBI

**Part III: Total Carryforward to 2023
by Year and Category**

- A Carryforward from 2022
- B Carryforward from before 2018
- C Carryforward from 2018
- D Carryforward from 2019
- E Carryforward from 2020
- F Carryforward from 2021
- Total carryforward to next year**

Section 179 Regular Tax	Section 179 QBI
	0.
0.	0.
0.	0.

Additional Information From 2022 US Form 1120S: Income Tax Return for S Corp

Form 1120S: S-Corporation Tax Return

Other Deductions

Continuation Statement

Description	Amount
Automobile and truck expense	209.
Bank charges	20,568.
Credit and collection costs	3,085.
Dues and subscriptions	953.
Gifts	39.
Insurance	6,138.
Laundry and cleaning	4,349.
Legal and professional	16,247.
Meals (50%)	1,030.
Meals (100%)	2,040.
Office expense	827.
Supplies	13,980.
Telephone	6,403.
Tools	545.
Training/continuing education	497.
Travel	22.
Utilities	9,692.
Website	642.
Books & Publications	18.
Payroll Service	3,429.
Total	90,713.

Form 1120S: S-Corporation Tax Return

M-2 Line 5, Other Reductions

Continuation Statement

Description	AAA Amount	OAA Amount
Charitable contributions	839.	
Meals and entertainment	1,029.	
Payroll taxes for employer tax on tips credit	3,926.	
Total	5,794.	

CD-401S (91)

8-25-22

S Corporation Tax Return 2022

North Carolina Department of Revenue

DOR Use Only

For calendar year 2022, or other tax year beginning 22 and ending

ART IN A PICKLE LLC
301 HILLSBOROUGH RD APT D
CARRBORO NC 27510

Federal Employer ID Number 202353514
N.C. Secretary of State ID Number 0767624
NAICS Code 722513

Initial Return, Final Return, Short Year Return, NC-Rehab, NC-478, Amended Return, Has Nonresident Shareholders, Has Escheatable Property, NC-PE is attached

Qualified Subchapter S Subsidiary, Parent of a Qualified Subchapter S Subsidiary, Qualified Subchapter S Subsidiary

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund.

Taxed S Corporation Is the S Corporation making the election to be a Taxed S Corporation for tax year 2022? Yes No
Federal Extension Were you granted an automatic extension to file your 2022 federal income tax return (Form 1120S)? Yes No

ART 301 27510 202353514 0767624 722513 IR N FR N SR N NCR N
478 N AR N NRS N EP N PE Y PQSS N QSSS N TSCO N FDEXT N
ART IN A PICKLE LLC

301 HILLSBOROUGH RD APT D CARRBORO NC 27510

GR 463552 07 -50678 18 0 27 0

TA 160065 08 4115 19 0 EU

01 147959 10 0 20A 0 28A 0

HCE N 11 -46563 20B 0 28B 0

02 200 12 1000000 20C 0 31 0

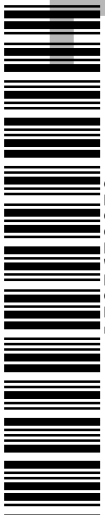
03 0 13 -46563 20D 0 32 0

04 175 14 0 20E 0 33 0

05 25 16 0 22 0 34 0

06 0 17 0 23 0

PFSP P PP TN 9192607465



Sch. A Computation of Franchise Tax

Table with 4 columns: Description, Amount, Description, Amount. Rows include Net Worth, Total Franchise Tax Due, Tax Credits, Franchise Tax Due, Franchise Tax Overpaid.

I declare and certify that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Refund Due 0 Payment Due 25

PRESIDENT Signature and Title of Officer: Date 919-260-7465 Corporate Phone Number

PAID PREPARER USE ONLY If prepared by a person other than taxpayer, this certification is based on all information of which the preparer has any knowledge. GINA DEVINE, CPA, 304 WEST WEAVER ST CARRBORO NC 27510

Mail to: NCDOR, P.O. Box 25000, Raleigh, N.C. 27640-0500. Returns are due by the 15th day of the 4th month after the end of the income year.

Legal Name (First 10 Characters)

ART IN A P

Federal Employer ID Number

202353514

CD-401S Line-by-Line Information

Sch. B Computation of Corporate Income Tax		Sch. C Net Worth	
7. Shareholders' Shares of Corporation Income (Loss)	-50678	6. Affiliated indebtedness (Attach schedule)	0
8. Adjustments to Corporation Income (Loss)	4115	7. Line 5 plus (or minus) Line 6	147959
9. N.C. Taxable Income	-46563	8. Apportionment factor	100.0000%
10. Nonapportionable Income	0	9. Net Worth	147959
11. Apportionable Income	-46563	Sch. F Other Information - All Taxpayers Must Complete Schedule	
12. Apportionment Factor	100.0000%	1. a. State of incorporation	NC
13. Income Apportioned to N.C.	-46563	b. Date incorporated	03 01 05
14. Nonapportionable Income Allocated to N.C.	0	2. Date of N.C. Certificate of Authority	
15. Total Net Taxable Income	-46563	3. Trade or business: a. In N.C.	FOOD SERVICE
16. Amount of Line 15 Attributable to Nonresidents		b. Everywhere	FOOD SERVICE
Filing Composite Return or to Nonresidents When		4. Principal place of business	CARRBORO
a Taxed S Corporation Election is Made	0	5. a. What was the last year the IRS redetermined	
17. Amount of Line 9 Attributable to Residents When		the corporation's federal taxable income?	
a Taxed S Corporation Election is Made	0	b. Were adjustments reported to N.C.?	
18. Separately Stated Items of Income Attributable		c. If so, when?	
to Nonresidents Filing Composite or to All Shareholders		6. Is corporation subject to franchise tax but not N.C. income tax because its'	
When a Taxed S Corporation Election is Made	0	income tax activities are protected? (If yes, attach explanation)	N
19. N.C. Income Tax	0	7. If corporation is a Qualified Subchapter S Subsidiary, enter parent's name and	
20. Payments and Credits		FEIN below, and attach a schedule of affiliates.	
a. Income Tax Extension	0	Parent Name	
b. Other Prepayments of Tax	0	FEIN	
c. Partnership (Include Form D-403, NC K-1)	0	If corporation is the Parent of a Qualified Subchapter S Subsidiary, attach a	
d. Nonresident Withholding (Include 1099 or W-2)	0	schedule of affiliates.	
e. Tax Credits	0	Sch. G Ordinary Income (Loss) from Trade or Business Activities	
21. Add Lines 20a through 20e	0	1. a. Gross receipts or sales	463552
22. Income Tax Due	0	b. Returns and allowances	0
23. Income Tax Overpaid	0	c. Balance - Line 1a minus Line 1b	463552
Tax Due or Refund		2. Cost of goods sold (Attach schedule)	307188
24. Franchise Tax Due or Overpayment	25	3. Gross Profit (Line 1c minus Line 2)	156364
25. Income Tax Due or Overpayment	0	4. Net gain (loss) (Attach schedule)	0
26. Balance of Tax Due or Overpayment	25	5. Other income (loss) (Attach schedule)	0
27. Underpayment of Estimated Income Tax	0	6. Total Income (Loss)	156364
EU Exception to Underpayment of Estimated Tax		7. Compensation of officers (Attach sch., including addresses)	44739
28. a. Interest	0	8. Salaries and wages (less employment credits)	0
b. Penalties	0	9. Repairs and maintenance	13047
c. Add Lines 28a and 28b	0	10. Bad debts	0
29. Total Due	25	11. Rents	30714
30. Overpayment	0	12. Taxes and licenses	17413
31. 2023 Estimated Income Tax	0	13. Interest	6192
32. N.C. Nongame and Endangered	0	14. a. Depreciation	5628
33. N.C. Education Endowment Fund	0	b. Depreciation included in cost of goods sold	0
34. Amount to be Refunded	0	c. Balance - Line 14a minus 14b	5628
Sch. C Net Worth		15. Depletion	0
1. Total assets	279651	16. Advertising	1673
2. Total liabilities	12106	17. Pension, profit-sharing, and similar plans	0
3. Line 1 minus Line 2	267545	18. Employee benefit programs	0
4. Accumulated depreciation, depletion, and amortization		19. Other deductions (Attach schedule) See Sch C, Line 7	90713
permitted for income tax purposes (Attach schedule)	119586	20. Total Deductions	210119
5. Line 3 minus Line 4	147959	21. Ordinary Business Income (Loss)	-53755

This page must be filed with the first page of Form CD-401S.

Sch. H Computation of Income (Loss)

1. Ordinary business income (loss)	-53755
2. Net rental real estate income (loss)	0
3. Other net rental income (loss)	0
4. Interest income	3077
5. Ordinary dividends	0
6. Royalties (Attach Schedule)	0
7. Net short-term capital gain (loss)	0
8. Net long-term capital gain (loss)	0
9. Net section 1231 gain (loss)	0
10. Other income (loss) (Attach Schedule)	0
11. Total Income (Loss)	-50678

Sch. I Adjustments to Income (Loss)

1. Additions to Federal Adjusted Gross Income (Loss)	5887
2. Deductions from Federal Adjusted Gross Income (Loss)	1772
3. Adjustments to Income (Loss)	4115

Sch. J Explanation of Changes for Amended Return

Sch. K Shareholders' Pro Rata Share Items

	Shareholder 1	Shareholder 2	Shareholders' Total
1. Identifying Number	238989663		
2. Name	SHEILA DALTON		
3. a. Address	301 HILLSBOROU CARRBORO NC 2		
b. Is shareholder a nonresident	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Ownership %	100.0000%	%	100.0000%
5. Share of income (loss)	-50678		-50678
6. Additions to income (loss)	5887		5887
7. Deductions from income (loss)	1772		1772
8. Income subject to N.C. tax	-46563		-46563
9. Share of tax credits	0		0
10. Tax withheld from nonwage compensation	0		0
11. Amount of Line 8 apportioned or allocated to N.C. (nonresidents only)	0		0
12. Separately stated items of income (nonresidents only)	0		0
13. Net tax paid for shareholder by corporation (nonresidents only)	0		0
14. Taxed S Corporation Additions (Share of NC taxable income, if negative)	0		0
15. Taxed S Corporation Deductions (Share of NC taxable income, if positive)	0		0
16. Is the corporation filing a Nonresident Shareholder Agreement, Form NC-NA, for this shareholder with this return?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
17. Has the corporation filed a Nonresident Shareholder Agreement, Form NC-NA, for this shareholder in a previous tax year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	

If yes, what tax year?

This page must be filed with the first page of Form CD-401S.

Legal Name (First 10 Characters)

ART IN A P

Federal Employer ID Number

202353514

Sch. L Balance Sheet per Books

	Beginning of Tax Year		End of Tax Year	
	(a)	(b)	(c)	(d)
Assets				
1. Cash		218080		149085
2. a. Trade notes and accounts receivable	0		0	
b. Less allowance for bad debts	(0)	0	(0)	0
3. Inventories		4887		5987
4. a. U.S. government obligations		0		0
b. State and other obligations		0		0
5. Tax-exempt securities		0		0
6. Other current assets (Attach end of year schedule) L6 STMT		101734		0
7. Loans to shareholders		0		0
8. Mortgage and real estate loans		0		0
9. Other investments (Attach end of year schedule)		0		0
10. a. Buildings and other depreciable assets	114059		119647	
b. Less accumulated depreciation	(113958)	101	(119586)	61
11. a. Depletable assets	0		0	
b. Less accumulated depletion	(0)	0	(0)	0
12. Land (net of any amortization)		0		0
13. a. Intangible assets (amortizable only)	0		0	
b. Less accumulated amortization	(0)	0	(0)	0
14. Other assets (Attach end of year schedule) L14 STMT		4932		4932
15. Total Assets		329734		160065
Liabilities and Shareholders' Equity				
16. Accounts payable		0		0
17. Mortgages, notes, and bonds payable in less than 1 year		0		0
18. Other current liabilities (Attach end of year schedule) L18 STMT		16508		12106
19. Loans from shareholders		0		0
20. Mortgages, notes, and bonds payable in 1 year or more		0		0
21. Other liabilities (Attach end of year schedule) L21 STMT		212854		0
22. Capital stocks		0		0
23. Additional paid-in capital		79368		56612
24. Retained earnings		21004		91347
25. Adjustments to shareholders' equity (Attach end of year schedule)		0		0
26. Less cost of treasury stock	(0)		(0)	
27. Total Liabilities and Shareholders' Equity		329734		160065

Sch. M-1 Federal Schedule

1. Net income (loss) per books	94953	5. Income recorded on books this year not included on Federal Sch. K, Lines 1 through 10 (itemize):	
2. Income included on Federal Sch. K, Lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9 and 10 not recorded on books this year (itemize):	0	Tax-exempt interest	0
		See Sch M-1, Line 5	151425
3. Expenses recorded on books this year not included on Federal Sch. K, Lines 1 through 12, and 14I (itemize):		6. Deductions included on Federal Sch. K, Lines 1 through 12, 14I not charged against book income this year (itemize):	
a. Depreciation	0	Depreciation	0
b. Travel and entertainment	1029		
See Sch M-1, Line 3	4955	7. Add Lines 5 and 6	151425
4. Add Lines 1 through 3	99908	8. Income or Loss (Fed. Sch. K, Line 18)	-51517

This page must be filed with the first page of Form CD-401S.

Legal Name (First 10 Characters) ART IN A P Federal Employer ID Number 202353514

Sch. M-2 Analysis of N.C. AAA

	N.C. Accumulated Adjustments	N.C. Other Adjustments	Undistributed Taxable Income Previously Taxed
1. Balance at beginning of year	-66973	0	0
2. Ordinary income from Sch. G, Line 21	0		
3. Other additions See Sch M-2, Line 3	3077	0	
4. Loss from Sch. G, Line 21	(53755)		
5. Other reductions See Sch M-2 Line 5	(5794)	(0)	
6. Compute Lines 1 through 5	-123445	0	0
7. Distributions other than dividend distributions	24610	0	0
8. Balance at end of tax year	-148055	0	0

Sch. N Nonapportionable Income

(A) Nonapportionable Income	(B) Gross Amounts	(C) Related Expenses	(D) Net Amounts	(E) Net Amounts Allocated Directly to N.C.
1. Nonapportionable Income			0	
2. Nonapportionable Income Allocated to N.C.				0

Explanation of why income listed is nonapportionable income rather than apportionable income:

FORM NOT FINAL

Sch. O Computation of Apportionment Factor

Part 1. Domestic and Other Corporations Not Apportioning Franchise or Income Outside N.C. 100.0000 %

Part 2. Corporations Apportioning Franchise or Income to N.C. and to Other States

	1. Within North Carolina	2. Total Everywhere
1. Gross Receipts Subject to Apportionment	0	0
2. Gross Rents Subject to Apportionment	0	0
3. Gross Royalties Subject to Apportionment	0	0
4. Dividends Subject to Apportionment	0	0
5. Interest Subject to Apportionment	0	0
6. Other Apportionable Income	0	0
7. Share of Receipts from Noncorporate Entities Subject to Apportionment	0	0
8. Total	0	0
9. N.C. Apportionment Factor		%

Part 3. Special Apportionment Formulas %

This page must be filed with the first page of Form CD-401S.

2022 Corporate Tax Credit Summary
North Carolina Department of Revenue

DOR
Use
Only

Legal Name (First 10 Characters)	ART IN A P	Federal Employer ID Number	202353514
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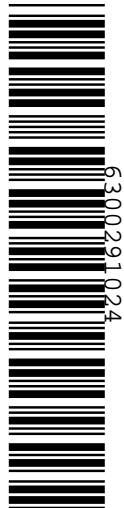
01	0	15B	0	21	0
02	0	16A	0	22	0
03	0	16B	0	28	0
04	0	17A	0	32	0
05	0	17B	0	33	0
06	RF N AA Y	18A	0	35	0
06	175	18B	0	37	0
07	0	19	0	38A	0
12	0	20	0	38B	0
15A	0	21 RF N CP N			

Part 1. Franchise Tax Credits Not Subject to 50% of Tax Limit

1. Short period credit for change in income year	$365 - 0 = \frac{0}{365} \times$	0 =	1.	0
2. Revitalizing an income-producing historic mill facility			2.	0
3. Revitalizing a nonincome-producing historic mill facility			3.	0
4. Rehabilitating an income-producing historic structure (Article 3L)			4.	0
5. Rehabilitating a nonincome-producing historic structure (Article 3L)			5.	0
6. Other franchise and tax credits not subject to 50% of tax limit			6.	175
<input type="checkbox"/> Investing in recycling facilities				
<input checked="" type="checkbox"/> Additional annual report fee paid				
7. Franchise tax credits not subject to 50% of tax limit carried over from previous years			7.	0
8. Total franchise tax credits not subject to 50% of tax limit			8.	175

Part 2. Computation of Franchise Tax Credits Taken in 2022

9. Total franchise tax due	9.	200
10. Nonrefundable franchise tax credits	10.	175
11. Enter the lesser of Line 9 or 10	11.	175
12. Total franchise tax credits subject to 50% of tax limit taken in 2022	12.	0
13. Refundable franchise tax credits	13.	0
14. Franchise Tax Credits Taken in 2022	14.	175



**Submit this form directly after Form CD-405 or CD-401S.
Attach separate schedule to substantiate any credit taken.**

Legal Name (First 10 Characters) ART IN A P

Federal Employer ID Number 202353514

Part 3. Income Tax Credits Not Subject to 50% of Tax Limit

(S Corporations enter only the amount of tax credits attributable to nonresidents filing composite or to Taxed S Corporations on Lines 15 through 21.)

15. Rehabilitating an income-producing historic structure (Article 3D)		
A. Enter qualified rehabilitation expenditures	15a.	0
B. Enter installment amount of credit	15b.	0
16. Rehabilitating a nonincome-producing historic structure (Article 3D)		
A. Enter rehabilitation expenses	16a.	0
B. Enter installment amount of credit	16b.	0
17. Revitalizing an income-producing historic mill facility		
A. Enter qualified rehabilitation expenditures	17a.	0
B. Enter credit amount	17b.	0
18. Revitalizing a nonincome-producing historic mill facility		
A. Enter rehabilitation expenses	18a.	0
B. Enter installment amount of credit	18b.	0
19. Rehabilitating an income-producing historic structure (Article 3L)	19.	0
20. Rehabilitating a nonincome-producing historic structure (Article 3L)	20.	0
21. Other income tax credits not subject to 50% of tax limit	21.	0
<input type="checkbox"/> Investing in Recycling Facilities <input type="checkbox"/> Cogeneration Plant		
22. Income tax credits not subject to 50% of tax limit carried over from previous years	22.	0
23. Credit for Income Tax Paid to Another State or Country	23.	0
24. Total income tax credits not subject to 50% of tax limit	24.	0

Part 4. Computation of Income Tax Credits Taken in 2022

25. N.C. net income tax due	25.	0
26. Nonrefundable income tax credits	26.	0
27. Enter lesser of Line 25 or 26	27.	0
28. Total income tax credits subject to 50% of tax limit taken in 2022	28.	0
29. Add Lines 27 and 28	29.	0
30. Income tax credit adjustment (C Corporations only)	30.	0
31. Income Tax Credits Taken in 2022	31.	0

Part 5. Credit for Income Tax Paid to Another State or Country

32. Total of all resident shareholders' share of income (loss) from all sources modified by N.C. adjustments applicable to resident shareholders' share of income (loss) adjustments to federal gross income	32.	0
33. Portion of Line 32 that was taxed by another state or country	33.	0
34. Divide Line 33 by Line 32 and enter the result as a decimal amount	34.	0.0000
35. Total of all resident shareholders' share of the tax due amount	35.	0
36. Multiply Line 35 by Line 34	36.	0
37. Amount of net tax paid to the other state or country on the income shown on Line 33	37.	0
38a. Credit for Income Tax Paid to Another State or Country	38a.	0
38b. Enter the number of states or countries for which a credit is claimed	38b.	0

Form CD-425 must be attached to the last page of Form CD-405 or CD-401S if a tax credit is taken.
Failure to substantiate a tax credit may result in the disallowance of that credit.

**Shareholder's Share of
N.C. Income, Adjustments, and Credits**
North Carolina Department of Revenue

DOR Use Only

For calendar year **2022** or other year starting _____ and ending _____

Part. 1 Information about the Corporation	Part. 2 Information about the Shareholder
<p>A. Corporation's Employer Identification Number 202353514</p> <p>B. Corporation's Name, Address, and Zip Code ART IN A PICKLE LLC 301 HILLSBOROUGH RD APT D CARRBORO, NC 27510</p> <p>C. Is the S Corporation a Taxed S Corporation Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>A. Shareholder's Identifying Number 238989663</p> <p>B. Shareholder's Name, Address, and Zip Code SHEILA DALTON ██████ HILLSBOROUGH ST ██████ CARRBORO, NC 27510</p> <p>C. Shareholder's percentage of stock ownership for tax year 100.0000</p>

Part 3. Shareholder's Pro Rata Share Items	Amount	Individuals Filing Form D-400 Enter Amount on:
All Shareholders		
1. Share of corporation income (loss)	-50678	This amount should already be included in federal taxable income
2. Additions to income (loss)	5887	D-400, Schedule S; Part A
3. Deductions from income (loss)	1772	D-400, Schedule S; Part B
4. Share of tax credits	0	D-400TC; see D-400 Instructions
5. Share of tax withheld from nonwage compensation paid for personal services performed in N.C.	0	D-400; Line 20
Nonresidents Only		
6. Nonresident's share of N.C. taxable income (loss)	0	See D-400 Instructions
7. Nonresident's share of separately stated items of income	0	This amount should already be included in federal taxable income
8. Nonresident's share of net tax paid by the S Corporation	0	D-400; Line 21d
Taxed S Corporations Only		
9. Share of North Carolina Taxable Income, if the amount is less than zero	0	Form D-400 Schedule S, Part A (all shareholders) and Form D-400 Schedule PN-1, Column B, Part A (nonresidents only)
10. Share of North Carolina Taxable Income, if the amount is greater than zero	0	Form D-400 Schedule S, Part B (all shareholders) and Form D-400 Schedule PN-1, Column B, Part B (nonresidents only)

Attach additional NC K-1s if needed.

**2022 N.C. Additions and Deductions for
Pass-Through Entities, Estates, and Trusts**
North Carolina Department of Revenue

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Only

A pass-through entity, estate, or trust is required to attach Form NC-PE to the applicable N.C. tax return if the entity is required to add certain items to federal income, or if the entity is allowed to deduct certain items from federal income. If the form is not attached to the applicable tax return, the Department may be unable to process the tax return.

Form NC-PE is identical to Form D-400, Schedule S and includes all N.C. adjustments applicable to individuals. The adjustments listed MAY NOT be applicable to every entity. For additional information, see the instructions for the specific entity.

Entity's Legal Name	ART IN A PICKLE LLC	Federal Employer ID Number	202353514
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Part A. Additions to Income

1.	Interest Income From Obligations of States Other Than N.C.	1.	0
2.	Deferred Gains Reinvested Into an Opportunity Fund	2.	0
3.	Bonus Depreciation	3.	4750
4.	IRC Section 179 Expense	4.	0
5.	S-Corporation Shareholder Built-in Gains Tax	5.	0
6.	Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2022	6.	0
7.	Federal Net Operating Loss Deduction	7.	0
8.	State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust	8.	228
9.	Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose	9.	0
10.	Discharge of Qualified Principal Residence Indebtedness	10.	0
11.	Qualified Education Loan Payments Paid by Employer	11.	0
12.	Business Meal Deduction in Excess of 50%	12.	909
13.	Discharge of Certain Student Loan Debt	13.	0
14.	Taxed Pass-Through Entity Loss (New for 2022)	14.	0
15.	Reserved for Future Use	15.	0
16.	Total Additions - Add Lines 1 through 15	16.	5887

Part B. Deductions From Income

17.	State or Local Income Tax Refund	17.	0
18.	Interest Income From Obligations of the United States or United States' Possessions	18.	0
19.	Taxable Portion of Social Security and Railroad Retirement Benefits	19.	0
20.	Retirement Benefits Received by Vested N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. Bailey Settlement	20.	0
21.	Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Services Not Deducted on Line 20	21.	0
22.	Bonus Asset Basis	22.	0
23.	Bonus Depreciation	a. 2017 0 b. 2018 0 c. 2019 0	
		d. 2020 237 e. 2021 1535	
		23f. Total	1772
24.	IRC Section 179 Expense	a. 2017 0 b. 2018 0 c. 2019 0	
		d. 2020 0 e. 2021 0	
		24f. Total	0
25.	Recognized IRC Section 1400Z-2 Gain	25.	0
26.	Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995	26.	0
27.	Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe	27.	0
28.	Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2022	28.	0
29.	Ordinary and Necessary Business Expense Reduced or not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction	29.	0
30.	Personal Education Student Account Deposits	30.	0
31.	Certain State Emergency Response and Disaster Relief Reserve Fund Payments	31.	0
32.	Certain Economic Incentive Payments	32.	0
33.	Certain N.C. Grant Payments	33.	0
34.	Certain Net Operating Loss Carrybacks	34.	0
35.	Excess Net Operating Loss Carryforward	35.	0
36.	Excess Business Loss	36.	0
37.	Business Interest Limitation	37.	0
38.	Taxed Pass-Through Entity Income (New for 2022)	38.	0
39.	N.C. Net Operating Loss (New for 2022)	39.	0
40.	Reserved for Future Use	40.	0
41.	Total Deductions - Add Lines 17 through 22, 23f, 24f, and 25 through 40	41.	1772

**NC K-1 (91)
Supplemental
Schedule**

8-23-22

**2022 Owner or Beneficiary's Share
of N.C. Additions and Deductions**
North Carolina Department of Revenue

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A pass-through entity, estate, or trust that reported N.C. additions or N.C. deductions to an owner or beneficiary on a NC K-1 form must provide each owner or beneficiary the information necessary for the owner or beneficiary to prepare the appropriate N.C. tax return. The pass-through entity, estate, or trust may use this schedule to provide the necessary information to the owner or beneficiary. (For more information, see the instructions for the appropriate N.C. tax return.)

DO NOT FILE

Entity's Legal Name ART IN A PICKLE LLC		Federal Employer ID Number 202353514	
Individual Owner or Beneficiary's First Name SHEILA	M.I.	Individual Owner or Beneficiary's Last Name DALTON	Individual Owner or Beneficiary's SSN [REDACTED]
Non-Individual Owner or Beneficiary's Legal Name		Federal Employer ID Number	

Part A. Additions to Income	COLUMN A		COLUMN B	
	Enter the Amount from all Sources		Enter the Amount from N.C. Sources	
1. Interest Income From Obligations of States Other Than North Carolina	1.	0	1.	0
2. Deferred Gains Reinvested Into an Opportunity Fund	2.	0	2.	0
3. Bonus Depreciation	3.	4750	3.	4750
4. IRC Section 179 Expense	4.	0	4.	0
5. S-Corporation Shareholder Built-in Gains Tax	5.	0	5.	0
6. Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2022	6.	0	6.	0
7. Federal Net Operating Loss Deduction	7.	0	7.	0
8. State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust	8.	228	8.	228
9. Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose	9.	0	9.	0
10. Discharge of Qualified Principal Residence Indebtedness	10.	0	10.	0
11. Qualified Education Loan Payments Paid by Employer	11.	0	11.	0
12. Business Meal Deduction in Excess of 50%	12.	909	12.	909
13. Discharge of Certain Student Loan Debt	13.	0	13.	0
14. Taxed Pass-Through Entity Loss (New for 2022)	14.	0	14.	0
15. Reserved for Future Use	15.	0	15.	0
16. Total Additions - Add Lines 1 through 15	16.	5887	16.	5887

DO NOT FILE

NC K-1 Supplemental Schedule 2022 Page 2 (91)

Entity's Legal Name (First 10 Characters) ART IN A PICKLE LLC	Federal Employer ID Number 202353514	Owner or Beneficiary's Name (First 10 Characters) SHEILA DALTON	Identifying Number [REDACTED]
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Part B. Deductions From Income						COLUMN A Enter the Amount from all Sources	COLUMN B Enter the Amount from N.C. Sources			
17.	State or Local Income Tax Refund					17.	0	17.	0	
18.	Interest Income From Obligations of the United States or United States' Possessions					18.	0	18.	0	
19.	Taxable Portion of Social Security and Railroad Retirement Benefits					19.	0	19.	0	
20.	Bailey Retirement Benefits					20.	0	20.	0	
21.	Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Service Not Deducted on Line 20					21.	0	21.	0	
22.	Bonus Asset Basis					22.	0	22.	0	
23.	Bonus Depreciation	a. 2017	0	b. 2018	0	c. 2019	0			
		d. 2020	237	e. 2021	1535	Total	23f.	1772	23f.	1772
24.	IRC Section 179 Expense	a. 2017	0	b. 2018	0	c. 2019	0			
		d. 2020	0	e. 2021	0	Total	24f.	0	24f.	0
25.	Recognized IRC Section 1400Z-2 Gain					25.	0	25.	0	
26.	Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995					26.	0	26.	0	
27.	Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe					27.	0	27.	0	
28.	Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2022					28.	0	28.	0	
29.	Ordinary and Necessary Business Expense Reduced or not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction					29.	0	29.	0	
30.	Personal Education Student Account Deposits					30.	0	30.	0	
31.	Certain State Emergency Response and Disaster Relief Reserve Fund Payments					31.	0	31.	0	
32.	Certain Economic Incentive Payments					32.	0	32.	0	
33.	Certain N.C. Grant Payments					33.	0	33.	0	
34.	Certain Net Operating Loss Carrybacks					34.	0	34.	0	
35.	Excess Net Operating Loss Carryforward					35.	0	35.	0	
36.	Excess Business Loss					36.	0	36.	0	
37.	Business Interest Limitation					37.	0	37.	0	
38.	Taxed Pass-Through Entity Income (New for 2022)					38.	0	38.	0	
39.	N.C. Net Operating Loss (New for 2022)					39.	0	39.	0	
40.	Reserved for Future Use					40.	0	40.	0	
41.	Total Deductions - Add Lines 17 through 22, 23f, 24f, and 25 through 40					41.	1772	41.	1772	

**CD-401S
Schedule L**

**Other Liabilities
and Adjustments to Shareholders' Equity**

2022

Name ART IN A PICKLE LLC	Employer Identification No. 202353514
-----------------------------	--

Other Current Liabilities:	Beginning of tax year	End of tax year
GIFT CERTIFICATES	8906	2681
SALES TAX PAYABLE	2430	2876
PAYROLL TAX PAYABLE	4785	4901
TIPS PAYABLE	387	1648
Total to Form CD-401S, Schedule L, line 18 ▶	16508	12106

Other Liabilities:	Beginning of tax year	End of tax year
EIDL LOAN	96972	0
PPP LOAN	0	0
RRF LOAN	115882	0
Total to Form CD-401S, Schedule L, line 21 ▶	212854	0

Adjustments to Shareholders Equity:	Beginning of tax year	End of tax year
Total to Form CD-401S, Schedule L, line 25 ▶		

Additional Information From 2022 North Carolina S Corporation Tax Return

Form CD401S: NC S Corporation Tax Return Schedule G, Other Deductions

Continuation Statement

Description	Amount
AUTOMOBILE AND TRUCK EXPENSE	209
BANK CHARGES	20568
CREDIT AND COLLECTION COSTS	3085
DUES AND SUBSCRIPTIONS	953
GIFTS	39
INSURANCE	6138
LAUNDRY AND CLEANING	4349
LEGAL AND PROFESSIONAL	16247
MEALS (50%)	1030
MEALS (100%)	2040
OFFICE EXPENSE	827
SUPPLIES	13980
TELEPHONE	6403
TOOLS	545
TRAINING/CONTINUING EDUCATION	497
TRAVEL	22
UTILITIES	9692
WEBSITE	642
BOOKS & PUBLICATIONS	18
PAYROLL SERVICE	3429
Total	90713

Form CD401S: NC S Corporation Tax Return Schedule M1, line 3

Continuation Statement

Description	Amount
PAYROLL TAXES FOR EMPLOYER TAX ON TIPS CREDIT	3926
Total	3926

Form CD401S: NC S Corporation Tax Return Schedule M1, line 5

Continuation Statement

Description	Amount
TAX EXEMPT GRANT FORGIVENESS	151425
Total	151425

Form CD401S: NC S Corporation Tax Return Schedule M-2, Other Additions

Continuation Statement

Description	Amount	Amount
INTEREST INCOME	3077	

Form CD401S: NC S Corporation Tax Return
Schedule M-2, Other Additions

Continuation Statement

Description	Amount	Amount
Total	3077	

Form CD401S: NC S Corporation Tax Return
Schedule M-2, Other Reductions

Continuation Statement

Description	Amount	Amount
CHARITABLE CONTRIBUTIONS	839	
MEALS AND ENTERTAINMENT	1029	
PAYROLL TAXES FOR EMPLOYER TAX ON TIPS CREDIT	3926	
Total	5794	

▶ ERO must obtain and retain completed Form 8879-S.
▶ Go to www.irs.gov/Form8879S for the latest information.

2021

Department of the Treasury
Internal Revenue Service

For calendar year 2021, or tax year beginning _____, 2021, and ending _____, 20__.

Name of corporation

Art in a Pickle LLC

Employer identification number

20-2353514

Part I Tax Return Information (whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1120-S, line 1c)	1	415,972.
2	Gross profit (Form 1120-S, line 3)	2	212,039.
3	Ordinary business income (loss) (Form 1120-S, line 21)	3	25,180.
4	Net rental real estate income (loss) (Form 1120-S, Schedule K, line 2)	4	
5	Income (loss) reconciliation (Form 1120-S, Schedule K, line 18)	5	24,610.

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return.)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2021 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize _____ to enter my PIN _____ as my signature on the corporation's 2021 electronically filed income tax return.
ERO firm name Don't enter all zeros

As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2021 electronically filed income tax return.

Officer's signature ▶ _____ Date ▶ _____ Title ▶ President

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

5 6 3 5 0 0 2 6 1 7 5

Don't enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2021 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ Date ▶ 03/02/2022

**ERO Must Retain This Form — See Instructions
Don't Submit This Form to the IRS Unless Requested To Do So**

Gina DeVine, CPA, PC

March 2, 2022

Art in a Pickle LLC
301 Hillsborough Rd Apt D
Carrboro, NC 27510

Dear Sheila,

We have prepared and enclosed your 2021 Form 1120S, U.S. Income Tax Return for an S Corporation for Art in a Pickle LLC for the tax year ending December 31, 2021.

We prepared your returns based on the information you provided us. Please review the returns carefully to ensure that there are no omissions or misstatements of material facts.

Your 2021 Form 1120S, U.S. Income Tax Return for an S Corporation for Art in a Pickle LLC will be electronically filed.

No payment is due with this return.

Enclosed is the 2021 Form CD-401S, North Carolina S Corporation Franchise & Income Tax Return for Art in a Pickle LLC.

Your 2021 Form CD-401S, North Carolina S Corporation Franchise & Income Tax Return for Art in a Pickle LLC will be electronically filed.

Your balance due of \$25.00 will be automatically withdrawn from your Checking Account on 03/15/2022.

We appreciate this opportunity to serve you. If you have any questions, please contact us.

Sincerely,


Gina DeVine CPA

U.S. Income Tax Return for an S Corporation

Department of the Treasury
Internal Revenue Service

▶ **Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.**
▶ **Go to www.irs.gov/Form1120S for instructions and the latest information.**

2021

For calendar year 2021 or tax year beginning _____, 2021, ending _____, 20

A S election effective date 01/01/2008	TYPE OR PRINT	Name Art in a Pickle LLC	D Employer identification number 20-2353514
B Business activity code number (see instructions) 722513		Number, street, and room or suite no. If a P.O. box, see instructions. 301 Hillsborough Rd Apt D	E Date incorporated 03/01/2005
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code Carrboro NC 27510	F Total assets (see instructions) \$ 342,983.

G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. Yes No
H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination
I Enter the number of shareholders who were shareholders during any part of the tax year ▶ _____ 1
J Check if corporation: (1) Aggregated activities for section 465 at-risk purposes (2) Grouped activities for section 469 passive activity purposes

Caution: Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a	415,972.	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a			1c 415,972.
	2 Cost of goods sold (attach Form 1125-A)			2 203,933.
	3 Gross profit. Subtract line 2 from line 1c			3 212,039.
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)			4 0.
5 Other income (loss) (see instructions—attach statement)			5 10,164.	
6 Total income (loss). Add lines 3 through 5 ▶			6 222,203.	
Deductions (see instructions for limitations)	7 Compensation of officers (see instructions—attach Form 1125-E)			7 46,955.
	8 Salaries and wages (less employment credits)			8
	9 Repairs and maintenance			9 15,164.
	10 Bad debts			10
	11 Rents			11 22,364.
	12 Taxes and licenses			12 19,498.
	13 Interest (see instructions)			13
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			14 9,188.
	15 Depletion (Do not deduct oil and gas depletion.)			15
	16 Advertising			16 2,108.
	17 Pension, profit-sharing, etc., plans			17
	18 Employee benefit programs			18
	19 Other deductions (attach statement) See Statement			19 81,746.
	20 Total deductions. Add lines 7 through 19 ▶			20 197,023.
	21 Ordinary business income (loss). Subtract line 20 from line 6			21 25,180.
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a		
	b Tax from Schedule D (Form 1120-S)	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)			22c
	23a 2021 estimated tax payments and 2020 overpayment credited to 2021	23a		
	b Tax deposited with Form 7004	23b		
	c Credit for federal tax paid on fuels (attach Form 4136)	23c		
	d Add lines 23a through 23c			23d
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/>			24
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26
27 Enter amount from line 26: Credited to 2022 estimated tax ▶ Refunded ▶			27	

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____	Date _____	President _____	May the IRS discuss this return with the preparer shown below? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
-------------------------------	---------------	--------------------	---

Paid Preparer Use Only	Print/Type preparer's name Gina DeVine CPA	Preparer's signature <i>Gina DeVine CPA</i>	Date 03/02/2022	Check <input type="checkbox"/> if self-employed	PTIN P01230861
	Firm's name ▶ GINA DEVINE, CPA, PC				Firm's EIN ▶ 20-2063174
	Firm's address ▶ 304 WEST WEAVER ST CARRBORO NC 27510				Phone no. (919) 942-2199

Schedule B Other Information (see instructions)

- | | Yes | No |
|---|-----|----|
| 1 Check accounting method: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual
c <input checked="" type="checkbox"/> Other (specify) ▶ <u>Modified cash</u> | | |
| 2 See the instructions and enter the:
a Business activity ▶ <u>Food Service</u> b Product or service ▶ <u>Delicatessen</u> | | |
| 3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation . . . | | X |
| 4 At the end of the tax year, did the corporation:
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below | | X |

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) Is 100%, Enter the Date (if applicable) a Qualified Subchapter S Subsidiary Election Was Made

- | | Yes | No |
|--|-----|----|
| b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below | | X |

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

- | | | |
|--|--|---|
| 5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock?
If "Yes," complete lines (i) and (ii) below. | | X |
|--|--|---|

- | | | |
|---|--|--|
| (i) Total shares of restricted stock ▶ _____ | | |
| (ii) Total shares of non-restricted stock ▶ _____ | | |

- | | | |
|--|--|---|
| b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments?
If "Yes," complete lines (i) and (ii) below. | | X |
|--|--|---|

- | | | |
|--|--|--|
| (i) Total shares of stock outstanding at the end of the tax year ▶ _____ | | |
| (ii) Total shares of stock outstanding if all instruments were executed ▶ _____ | | |

- | | | |
|---|--|---|
| 6 Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction? | | X |
|---|--|---|

- | | | |
|---|--|--|
| 7 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>
If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. | | |
|---|--|--|

- | | | |
|---|--|--|
| 8 If the corporation (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation, and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions ▶ \$ _____ | | |
|---|--|--|

- | | | |
|--|--|---|
| 9 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions | | X |
|--|--|---|

- | | | |
|---|--|---|
| 10 Does the corporation satisfy one or more of the following? See instructions | | X |
|---|--|---|

- | | | |
|---|--|--|
| a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense. | | |
| b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense. | | |
| c The corporation is a tax shelter and the corporation has business interest expense.
If "Yes," complete and attach Form 8990. | | |

- | | | |
|---|--|---|
| 11 Does the corporation satisfy both of the following conditions? | | X |
|---|--|---|

- | | | |
|--|--|--|
| a The corporation's total receipts (see instructions) for the tax year were less than \$250,000. | | |
| b The corporation's total assets at the end of the tax year were less than \$250,000.
If "Yes," the corporation is not required to complete Schedules L and M-1. | | |

Schedule B Other Information (see instructions) <i>(continued)</i>		Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction ▶ \$		X
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
14a	Did the corporation make any payments in 2021 that would require it to file Form(s) 1099?	X	
b	If "Yes," did the corporation file or will it file required Form(s) 1099?	X	
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 15 ▶ \$		X

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	25,180.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a 3c		
	4 Interest income	4	31.
	5 Dividends: a Ordinary dividends 5a b Qualified dividends 5b		
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S))	7	
	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) 8a b Collectibles (28%) gain (loss) 8b c Unrecaptured section 1250 gain (attach statement) 8c		
9 Net section 1231 gain (loss) (attach Form 4797)	9	-201.	
10 Other income (loss) (see instructions) Type ▶	10		
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Charitable contributions Cash contributions (60%)	12a	400.
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures Type ▶	12c	
d Other deductions (see instructions) Type ▶	12d		
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Biofuel producer credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
International Transactions	14 Attach Schedule K-2 (Form 1120-S), Shareholders' Pro Rata Share Items—International, and check this box to indicate you are reporting items of international tax relevance ▶ <input type="checkbox"/>		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	-1,458.
	b Adjusted gain or loss	15b	0.
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties—gross income	15d	
	e Oil, gas, and geothermal properties—deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Distributions (attach statement if required) (see instructions)	16d	
	e Repayment of loans from shareholders	16e	
	f Foreign taxes paid or accrued	16f	

Schedule K		Shareholders' Pro Rata Share Items (continued)	Total amount	
Other Information	17a	Investment income	17a	31.
	b	Investment expenses	17b	
	c	Dividend distributions paid from accumulated earnings and profits	17c	
	d	Other items and amounts (attach statement) ** SEC 199A INFO: SEE STMT A		
Reconciliation	18	Income (loss) reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 16f .	18	24,610.

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)		
Assets							
1	Cash		110,068.		218,080.		
2a	Trade notes and accounts receivable						
b	Less allowance for bad debts	()		()			
3	Inventories		4,353.		4,887.		
4	U.S. government obligations						
5	Tax-exempt securities (see instructions)						
6	Other current assets (attach statement) Ln 6 St		26,418.		114,983.		
7	Loans to shareholders		0.		0.		
8	Mortgage and real estate loans						
9	Other investments (attach statement)						
10a	Buildings and other depreciable assets	109,248.		114,059.			
b	Less accumulated depreciation	(108,789.)	459.	(113,958.)	101.		
11a	Depletable assets						
b	Less accumulated depletion	()		()			
12	Land (net of any amortization)						
13a	Intangible assets (amortizable only)						
b	Less accumulated amortization	()		()			
14	Other assets (attach statement) Ln 14 St		4,932.		4,932.		
15	Total assets		146,230.		342,983.		
Liabilities and Shareholders' Equity							
16	Accounts payable						
17	Mortgages, notes, bonds payable in less than 1 year						
18	Other current liabilities (attach statement) Ln 18 St		14,676.		16,508.		
19	Loans from shareholders						
20	Mortgages, notes, bonds payable in 1 year or more						
21	Other liabilities (attach statement) Ln 21 St		152,700.		212,854.		
22	Capital stock						
23	Additional paid-in capital		78,200.		79,368.		
24	Retained earnings		-99,346.		34,253.		
25	Adjustments to shareholders' equity (attach statement)						
26	Less cost of treasury stock	()		()			
27	Total liabilities and shareholders' equity		146,230.		342,983.		

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	133,599.	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) -----		a	Tax-exempt interest \$ -----	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 16f (itemize):			PPP Loan/Forgiveness 108,989.	108,989.
a	Depreciation \$ -----		6	Deductions included on Schedule K, lines 1 through 12 and 16f, not charged against book income this year (itemize):	
b	Travel and entertainment \$ -----		a	Depreciation \$ -----	
4	Add lines 1 through 3	133,599.	7	Add lines 5 and 6	108,989.
			8	Income (loss) (Schedule K, line 18). Subtract line 7 from line 4	24,610.

Schedule M-2 Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1 Balance at beginning of tax year		0.	0.	0.
2 Ordinary income from page 1, line 21	25,180.			
3 Other additions Interest income	31.			
4 Loss from page 1, line 21	()			
5 Other reductions See M-2 Line 5 Stmt.	(601.)			()
6 Combine lines 1 through 5	24,610.	0.	0.	0.
7 Distributions				
8 Balance at end of tax year. Subtract line 7 from line 6	24,610.	0.	0.	0.

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

Department of the Treasury
Internal Revenue Service

▶ **Attach to your tax return.**
 ▶ **Go to www.irs.gov/Form4797 for instructions and the latest information.**

Attachment
Sequence No. **27**

Name(s) shown on return Art in a Pickle LLC	Identifying number 20-2353514
---	---

1a Enter the gross proceeds from sales or exchanges reported to you for 2021 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions	1a	
b Enter the total amount of gain that you are including on lines 2, 10, and 24 due to the partial dispositions of MACRS assets.	1b	
c Enter the total amount of loss that you are including on lines 2 and 10 due to the partial dispositions of MACRS assets	1c	

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
	Pathosans Ps30 System	12/09/2016	01/01/2021	0.	2,052.	2,253.	-201.

3 Gain, if any, from Form 4684, line 39	3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824.	5	
6 Gain, if any, from line 32, from other than casualty or theft	6	0.
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows	7	-201.

Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years. See instructions	8	
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions.	9	

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):		

11 Loss, if any, from line 7	11	
12 Gain, if any, from line 7 or amount from line 8, if applicable	12	
13 Gain, if any, from line 31	13	0.
14 Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17 Combine lines 10 through 16.	17	0.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.		
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions	18a	
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), Part I, line 4	18b	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A	Hand Truck	06/16/2011	01/01/2021
B	iPad for Deli	08/03/2014	01/01/2021
C			
D			

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1a before completing.)	20	0.	0.	
21	Cost or other basis plus expense of sale	21	108.	570.	
22	Depreciation (or depletion) allowed or allowable.	22	108.	570.	
23	Adjusted basis. Subtract line 22 from line 21.	23	0.	0.	
24	Total gain. Subtract line 23 from line 20	24	0.	0.	
25	If section 1245 property:				
a	Depreciation allowed or allowable from line 22	25a	108.	570.	
b	Enter the smaller of line 24 or 25a.	25b	0.	0.	
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975. See instructions	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions.	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976.	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27	If section 1252 property: Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.				
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage. See instructions	27b			
c	Enter the smaller of line 24 or 27b	27c			
28	If section 1254 property:				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a			
b	Enter the smaller of line 24 or 28a.	28b			
29	If section 1255 property:				
a	Applicable percentage of payments excluded from income under section 126. See instructions	29a			
b	Enter the smaller of line 24 or 29a. See instructions	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	0.
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	0.
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	0.

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years.	33	
34	Recomputed depreciation. See instructions	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

(Rev. November 2018)
Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
▶ **Go to www.irs.gov/Form1125A for the latest information.**

Name Art in a Pickle LLC		Employer identification number 20-2353514	
1	Inventory at beginning of year	1	4,353
2	Purchases	2	127,451
3	Cost of labor	3	76,684
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) Çaşuəl Labor - Kitchen	5	332
6	Total. Add lines 1 through 5	6	208,820
7	Inventory at end of year	7	4,887
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	203,933
9a Check all methods used for valuing closing inventory:			
(i) <input checked="" type="checkbox"/> Cost			
(ii) <input type="checkbox"/> Lower of cost or market			
(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.) ▶ _____			
b Check if there was a writedown of subnormal goods ▶ <input type="checkbox"/>			
c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ <input type="checkbox"/>			
d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO 9d _____			
e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

Small business taxpayers. For tax years beginning after December 31, 2017, the following apply.

- A small business taxpayer (defined below), may use a method of accounting for inventories that either: (1) treats inventories as nonincidental materials and supplies, or (2) conforms to the taxpayer's financial accounting treatment of inventories.
- A small business taxpayer is not required to capitalize costs under section 263A.

General Instructions

Purpose of Form

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

Who Must File

Filers of Form 1120, 1120-C, 1120-F, 1120S, or 1065, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

Inventories

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of

merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

Exception for certain taxpayers. A small business taxpayer (defined below), can adopt or change its accounting method to account for inventories in the same manner as material and supplies that are nonincidental, or conform to its treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or if it does not have an applicable financial statement, the method of accounting used in its books and records prepared in accordance with its accounting procedures. See section 471(c)(3).

A small business taxpayer claiming exemption from the requirement to keep inventories is changing its method of accounting for purposes of section 481. For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on changing to this method of accounting, see Form 3115 and the Instructions for Form 3115.

Small business taxpayer. A small business taxpayer is a taxpayer that (a) has average annual gross receipts of \$25 million or less (indexed for inflation) for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)). See Pub. 538.

Uniform capitalization rules. The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property for use in its trade or business or in an activity engaged in for profit.

A small business taxpayer (defined above) is not required to capitalize costs under section 263A. See section 263A(i).

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

**Schedule K-1
(Form 1120-S)**

2021

Department of the Treasury
Internal Revenue Service

For calendar year 2021, or tax year

beginning / / 2021 ending / /

Shareholder's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
20-2353514

B Corporation's name, address, city, state, and ZIP code
Art in a Pickle LLC

301 Hillsborough Rd Apt D
Carrboro NC 27510

C IRS Center where corporation filed return
Kansas City, MO 64999-0013

D Corporation's total number of shares
Beginning of tax year 100
End of tax year 100

Part II Information About the Shareholder

E Shareholder's identifying number
[REDACTED]

F Shareholder's name, address, city, state, and ZIP code
Sheila Dalton

301 Hillsborough St Apt D
Carrboro NC 27510

G Current year allocation percentage 100.00000 %

H Shareholder's number of shares
Beginning of tax year 100
End of tax year 100

I Loans from shareholder
Beginning of tax year \$
End of tax year \$

For IRS Use Only

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) 25,180.	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income 31.		
5a	Ordinary dividends		
5b	Qualified dividends	14	Schedule K-3 is attached if checked <input type="checkbox"/>
6	Royalties	15	Alternative minimum tax (AMT) items
7	Net short-term capital gain (loss)	A	-1,458.
		B	0.
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss) -201.	16	Items affecting shareholder basis
10	Other income (loss)		
		17	Other information
		A	31.
11	Section 179 deduction	K	* STMT
12	Other deductions 400.	V	* STMT

18 More than one activity for at-risk purposes*
19 More than one activity for passive activity purposes*

* See attached statement for additional information.

Additional information from your Schedule K-1:Shareholder's Share of Income, Deductions, Credits, etc. (Sheila Dalton)

Schedule K-1:Shareholder's Share of Income, Deductions, Credits, etc. (Sheila Dalton)

Supplemental Information

Continuation Statement

Description	Amount
BOX 17, CODE K:	
SEE ATTACHED SECTION 179 DISPOSITION REPORT	

Name as Shown on Return
 Art in a Pickle LLC

Identifying No.
 20-2353514

Shareholder's Disposition Report for all Assets with Section 179 Expense Taken

Shareholder's Name Sheila Dalton				Identifying No. [REDACTED]		
(a) Description	(b) Date acquired	(d) Gross sales price	(f) Cost or basis, plus improve- ments and expense of sale	(g) Depreciation allowed or allowable	(h) Amount of section 179 expense deduction taken	(i) Tax Year section 179 expense deduction taken
Check this Box if from a Casualty or theft	(c) Date sold	(e) Qualified Real Prop. With s 179		AMT Depreciation		
	06/03/13	0.	1,289.	0.	1,289.	2013
	01/01/21			0.		

SPSW9701.SCR 04/13/21

Statement A—QBI Pass-through Entity Reporting

Corporation's name: Art in a Pickle LLC		Corporation's EIN: 20-2353514	
Shareholder's name: Sheila Dalton		Shareholder's identifying no: [REDACTED]	
Shareholder's share of:		1120S, Line 21	
		<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB
QBI or qualified PTP items subject to shareholder-specific determinations:			
	Ordinary business income (loss)	25,180.	
	Rental income (loss)		
	Royalty income (loss)		
	Section 1231 gain (loss)	-201.	
	Other income (loss)		
	Section 179 deduction		
	Other deductions		
	W-2 wages	123,639.	
	UBIA of qualified property	70,199.	
	Section 199A dividends		

Statement A—QBI Pass-through Entity Reporting

Corporation's name:		Corporation's EIN:	
Shareholder's name:		Shareholder's identifying no:	
Shareholder's share of:			
		<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB
QBI or qualified PTP items subject to shareholder-specific determinations:			
	Ordinary business income (loss)		
	Rental income (loss)		
	Royalty income (loss)		
	Section 1231 gain (loss)		
	Other income (loss)		
	Section 179 deduction		
	Other deductions		
	W-2 wages		
	UBIA of qualified property		
	Section 199A dividends		

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service (99)

Attach to your tax return.

Go to www.irs.gov/Form4562 for instructions and the latest information.

Table with 3 columns: Name(s) shown on return, Business or activity to which this form relates, Identifying number. Values: Art in a Pickle LLC, Form 1120S Food Service, 20-2353514

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 columns: Line number, Description, Amount, Line number, Amount. Rows 1-13 covering Section 179 election details.

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

Table with 3 columns: Line number, Description, Amount. Rows 14-16 covering Special Depreciation Allowance.

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

Table with 3 columns: Line number, Description, Amount. Rows 17-18 covering MACRS deductions.

Section B - Assets Placed in Service During 2021 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 19a-i.

Section C - Assets Placed in Service During 2021 Tax Year Using the Alternative Depreciation System

Table with 7 columns: (a) Class life, (b) Recovery period, (c) Convention, (d) Method. Rows 20a-d.

Part IV Summary (See instructions.)

Table with 3 columns: Line number, Description, Amount. Rows 21-23 covering Summary.

QuickZoom to Other Copy _____

Page 1

Corporation's Name: <u>Art in a Pickle LLC</u>		Corporation's EIN: <u>20-2353514</u>	
	1120S, Line 21		
<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP	<input type="checkbox"/> PTP
<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated	<input type="checkbox"/> Aggregated
<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB	<input type="checkbox"/> SSTB
Shareholder's share of:			
QBI or qualified PTP items subject to shareholder-specific determinations:			
Ordinary business inc (loss)	25,180.		
Rental income (loss)			
Royalty income (loss)			
Section 1231 gain (loss)	-201.		
Other income (loss)			
Section 179 deduction			
Other deductions			
W-2 wages	123,639.		
UBIA of qualified property	70,199.		
Section 199A dividends			

Corporation's Name: _____ Corporation's EIN: _____



<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB
--	--	--

Shareholder's share of:
QBI or qualified PTP items subject to shareholder-specific determinations:

Ordinary business inc (loss)	_____	_____	_____	_____
Rental income (loss)	_____	_____	_____	_____
Royalty income (loss)	_____	_____	_____	_____
Section 1231 gain (loss)	_____	_____	_____	_____
Other income (loss)	_____	_____	_____	_____
Section 179 deduction	_____	_____	_____	_____
Other deductions	_____	_____	_____	_____
W-2 wages	_____	_____	_____	_____
UBIA of qualified property	_____	_____	_____	_____
Section 199A dividends	_____	_____		

Name as Shown on Return
 Art in a Pickle LLC

Identifying No.
 20-2353514

Dispositions Report for all Assets with Section 179 Expense Taken

► Keep for your records

Total Assets with Section 179 Expense Taken						
(a) Description	(b) Date acquired	(d) Gross sales price	(f) Cost or basis, plus improve- ments and expense of sale	(g) Depreciation allowed or allowable	(h) Amount of section 179 expense deduction taken	(i) Tax Year section 179 expense deduction taken
Check this Box if from a Casualty or theft	(c) Date sold	(e) Qualified Real Prop. With s 179		AMT Depreciation		
	06/03/13	0.	1,289.	0.	1,289.	2013
	01/01/21			0.		

199A Worksheet by Activity

2021

▶ Keep for your records

Corporation's name <u>Art in a Pickle LLC</u>	Corporation's EIN <u>20-2353514</u>
--	--

QuickZoom to 199A Summary ▶ _____	
Aggregation Code: _____	Trade or Business: <u>1120S, Line 21</u> EIN: <u>20-2353514</u>
Is this activity a qualified trade/business? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Specified Service Trade or Business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

QBI or qualified PTP items subject to shareholder-specific determinations:

1 a Ordinary business income (loss)	1 a	25,180.		
b Adjustments	b			
c Adjusted ordinary business income (loss)	1 c			25,180.
2 a Rental income (loss)	2 a			
b Adjustments	b			
c Adjusted rental income (loss)	2 c			
3 a Royalty income (loss)	3 a			
b Adjustments	b			
c Adjusted royalty income (loss)	3 c			
4 a Section 1231 gain (loss)	4 a	-201.		
b Adjustments	b			
c Adjusted section 1231 gain (loss)	4 c			-201.
5 Other income (loss)	5			
6 a Section 179 deduction	6 a			
b Adjustments	b			
c Adjusted section 179 deduction	6 c			
7 Other deductions	7			
8 a W-2 wages	8 a	123,639.		
b Adjustments	b			
c Adjusted W-2 Wages	8 c			123,639.
9 a UBIA of qualified property	9 a	70,199.		
b Adjustments	b			
c Adjusted UBIA of qualified property	9 c			70,199.

Section 179 Carryover Detail for this Activity

Tentative Section 179 deduction from current year assets

Part I: Prior Year Carryovers

by Year and Category

- A Before 2018
- B 2018
- C 2019
- D 2020
- Total prior year carryovers to this year**

Section 179 Regular Tax	Section 179 QBI
	0.
	0.
0.	0.

**Part II: 179 Deduction Allowed
by Year and Category**

Total 179 deduction allowed for this activity in current year

- A Amount allowed from 2021
- B Amount allowed from before 2018
- C Amount allowed from 2018
- D Amount allowed from 2019
- E Amount allowed from 2020

Section 179 Regular Tax	Section 179 QBI

**Part III: Total Carryforward to 2022
by Year and Category**

- A Carryforward from 2021
- B Carryforward from before 2018
- C Carryforward from 2018
- D Carryforward from 2019
- E Carryforward from 2020
- Total carryforward to next year**

Section 179 Regular Tax	Section 179 QBI
	0.
0.	0.
0.	0.

Additional information from your 2021 US Form 1120S: Income Tax Return for S Corp

Form 1120S: S-Corporation Tax Return

Other Income

Continuation Statement

Description	Amount
Assistance Grant - Orange County NC	10,140.
Cash Back Rewards	24.
Total	10,164.

Form 1120S: S-Corporation Tax Return

Other Deductions

Continuation Statement

Description	Amount
Automobile and truck expense	405.
Bank charges	19,388.
Computer services and supplies	1,824.
Dues and subscriptions	938.
Equipment rent	2,112.
Gifts	558.
Insurance	7,171.
Laundry and cleaning	3,186.
Legal and professional	8,897.
Meals (100%)	7,839.
Office expense	1,021.
Postage	102.
Printing	2.
Supplies	7,421.
Telephone	6,917.
Tools	1,531.
Travel	808.
Utilities	9,156.
Website	601.
Books & Publications	13.
Payroll Service	1,856.
Total	81,746.

Form 1120S: S-Corporation Tax Return

M-2 Line 5, Other Reductions

Continuation Statement

Description	AAA Amount	OAA Amount
Net loss under section 1231	201.	
Charitable contributions	400.	
Total	601.	

CD-401S (91)

8-17-21

S Corporation Tax Return 2021

North Carolina Department of Revenue

DOR Use Only

For calendar year 2021, or other tax year beginning 21 and ending

ART IN A PICKLE LLC
301 HILLSBOROUGH RD APT D
CARRBORO NC 27510

Federal Employer ID Number 202353514
N.C. Secretary of State ID Number 0767624
NAICS Code 722513

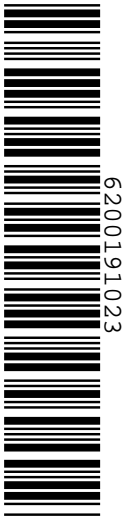
Initial Return NC-Rehab Has Nonresident Shareholders
Final Return NC-478 Has Escheatable Property
Short Year Return Amended Return NC-PE is attached

Qualified Subchapter S Subsidiary Parent of a Qualified Subchapter S Subsidiary Qualified Subchapter S Subsidiary
Federal Extension Were you granted an automatic extension to file your 2021 federal income tax return (Form 1120S)? Yes No

ART 301 27510 202353514 0767624 722513 IR N FR N SR N
NCR N 478 N AR N NRS N EP N PE Y PQSS N QSS N FDEXT N

ART IN A PICKLE LLC

Table with columns for address (301 HILLSBOROUGH RD APT D, CARRBORO, NC 27510) and various codes (GR, TA, 01, HCE, 02, 03, 05, 06, PFSP) and values.



Sch. A Computation of Franchise Tax and Sch. B Computation of Corporate Income Tax. Includes rows for Net Worth, Investment in N.C. Tangible Property, Appraised Value, Taxable Amount, Total Franchise Tax Due, Application for Franchise Tax Extension, Tax Credits, Franchise Tax Due, Franchise Tax Overpaid, Shareholder's Shares of Corporation Income (Loss), Adjustments to Corporation Income (Loss), N.C. Taxable Income, Nonapportionable Income, Apportionable Income, Apportionment Factor, Income Apportioned to N.C., Nonapportionable Income Allocated to N.C., Total Net Taxable Income.

I declare and certify that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Refund Due 0 Payment Due 25
Signature and Title of Officer: PRESIDENT Date Corporate Phone Number 919 260-7465

PAID PREPARER USE ONLY If prepared by a person other than taxpayer, this certification is based on all information of which the preparer has any knowledge.
GINA DEVINE, CPA, 304 WEST WEAVER ST CARRBORO NC 27510
GINA DEVINE CPA 03 02 22 919 942-2199
Signature of Paid Preparer: Date Preparer's Phone Number Preparer's FEIN, SSN, or PTIN

Mail to: NCDOR, P.O. Box 25000, Raleigh, N.C. 27640-0500. Returns are due by the 15th day of the 4th month after the end of the income year.

CD-401S Line-by-Line Information

Sch. B Computation of Corporate Income Tax	Sch. E Appraised Value of N.C. Tangible Property
19. Amount of Line 18 Attributable to Nonresidents Filing Composite 0	1. County tax value of N.C. tangible property 0
20. Separately Stated Items of Income Attributable to Nonresidents Filing Composite 0	2. Appraised value of N.C. tangible property 0
21. N.C. Income Tax 0	Sch. F Other Information - All Taxpayers Must Complete Schedule
22. Payments and Credits	1. a. State of incorporation NC
a. Income Tax Extension 0	b. Date incorporated 03 01 05
b. Other Prepayments of Tax 0	2. Date of N.C. Certificate of Authority
c. Partnership (Include Form D-403, NC K-1) 0	3. Trade or business: a. In N.C. DELI
d. Nonresident Withholding (Include 1099 or W-2) 0	b. Everywhere DELI
e. Tax Credits 0	4. Principal place of business CARRBORO
23. Add Lines 22a through 22e 0	5. a. What was the last year the IRS redetermined the corporation's federal taxable income?
24. Income Tax Due 0	b. Were adjustments reported to N.C.?
25. Income Tax Overpaid 0	c. If so, when?
Tax Due or Refund	6. Is corporation subject to franchise tax but not N.C. income tax because its' income tax activities are protected? (If yes, attach explanation) N
26. Franchise Tax Due or Overpayment 25	7. If corporation is a Qualified Subchapter S Subsidiary, enter parent's name and FEIN below, and attach a schedule of affiliates.
27. Income Tax Due or Overpayment 0	Parent Name
28. Balance of Tax Due or Overpayment 25	FEIN
29. a. Interest 0	If corporation is the Parent of a Qualified Subchapter S Subsidiary, attach a schedule of affiliates.
b. Penalties 0	Sch. G Ordinary Income (Loss) from Trade or Business Activities
c. Add Lines 29a and 29b 0	1. a. Gross receipts or sales 415972
30. Total Due 25	b. Returns and allowances 0
31. Amount to be Refunded 0	c. Balance - Line 1a minus Line 1b 415972
Sch. C Net Worth	2. Cost of goods sold (Attach schedule) 203933
1. Total assets 456941	3. Gross Profit (Line 1c minus Line 2) 212039
2. Total liabilities 229362	4. Net gain (loss) (Attach schedule) 0
3. Line 1 minus Line 2 227579	5. Other income (loss) (Attach schedule) See Sch G, Line 5 10164
4. Accumulated depreciation, depletion, and amortization permitted for income tax purposes (Attach schedule) 113958	6. Total Income (Loss) 222203
5. Line 3 minus Line 4 113621	7. Compensation of officers (Attach sch., including addresses) 46955
6. Affiliated indebtedness (Attach schedule) 0	8. Salaries and wages (less employment credits) 0
ABCDEFGHIJKLMNQRSTUWXYZABCDEFGHIG	9. Repairs and maintenance 15164
7. Line 5 plus (or minus) Line 6 113621	10. Bad debts 0
8. Apportionment factor 100.0000%	11. Rents 22364
9. Net Worth 113621	12. Taxes and licenses 19498
Sch. D Investment in N.C. Tangible Property	13. Interest 0
Inventory valuation method	14. a. Depreciation 9188
1. Total inventories located in N.C. 0	b. Depreciation included in cost of goods sold 0
2. Total furniture, fixtures, and M & E located in N.C. 0	c. Balance - Line 14a minus 14b 9188
3. Total land and buildings located in N.C. 0	15. Depletion 0
4. Total leasehold improvements and other N.C. tangible property 0	16. Advertising 2108
5. Add Lines 1 through 4 0	17. Pension, profit-sharing, and similar plans 0
6. Accumulated depreciation, depletion, and amortization with respect to N.C. tangible property 0	18. Employee benefit programs 0
7. Debts existing for the purchase or improvement of N.C. real estate 0	19. Other deductions (Attach schedule) See Sch C, Line 7 81746
8. Investment in N.C. Tangible Property 0	20. Total Deductions 197023
	21. Ordinary Business Income (Loss) 25180

Sch. H Computation of Income (Loss)

1. Ordinary business income (loss)	25180
2. Net rental real estate income (loss)	0
3. Other net rental income (loss)	0
4. Interest income	31
5. Ordinary dividends	0
6. Royalties (Attach Schedule)	0
7. Net short-term capital gain (loss)	0
8. Net long-term capital gain (loss)	0
9. Net section 1231 gain (loss)	-201
10. Other income (loss) (Attach Schedule)	0
11. Total Income (Loss)	25010

Sch. I Adjustments to Income (Loss)

1. Additions to Federal Adjusted Gross Income (Loss)	8632
2. Deductions from Federal Adjusted Gross Income (Loss)	237
3. Adjustments to Income (Loss)	8395

Sch. J Explanation of Changes for Amended Return

Sch. K Shareholders' Pro Rata Share Items

	Shareholder 1	Shareholder 2	Shareholders' Total
1. Identifying Number	[REDACTED]		
2. Name	SHEILA DALTON		
3. a. Address	301 HILLSBOROU CARRBORO NC 2		
b. Is shareholder a nonresident	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Ownership %	100.0000%	%	100.0000%
5. Share of income (loss)	25010		25010
6. Additions to income (loss)	8632		8632
7. Deductions from income (loss)	237		237
8. Income subject to N.C. tax	33405		33405
9. Share of tax credits	0		0
10. Tax withheld from nonwage compensation	0		0
11. Amount of Line 8 apportioned or allocated to N.C. (nonresidents only)	0		0
12. Separately stated items of income (nonresidents only)	0		0
13. Net tax paid for shareholder by corporation (nonresidents only)	0		0
14. Is the corporation filing a Nonresident Shareholder Agreement, Form NC-NA, for this shareholder with this return?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
15. Has the corporation filed a Nonresident Shareholder Agreement, Form NC-NA, for this shareholder in a previous tax year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	

If yes, what tax year?

Legal Name (First 10 Characters)

ART IN A P

Federal Employer ID Number

202353514

Sch. L Balance Sheet per Books

	Beginning of Tax Year		End of Tax Year	
	(a)	(b)	(c)	(d)
Assets				
1. Cash		110068		218080
2. a. Trade notes and accounts receivable	0		0	
b. Less allowance for bad debts	(0)	0	(0)	0
3. Inventories		4353		4887
4. a. U.S. government obligations		0		0
b. State and other obligations		0		0
5. Tax-exempt securities		0		0
6. Other current assets (Attach end of year schedule) L6 STMT		26418		114983
7. Loans to shareholders		0		0
8. Mortgage and real estate loans		0		0
9. Other investments (Attach end of year schedule)		0		0
10. a. Buildings and other depreciable assets	109248		114059	
b. Less accumulated depreciation	(108789)	459	(113958)	101
11. a. Depletable assets	0		0	
b. Less accumulated depletion	(0)	0	(0)	0
12. Land (net of any amortization)		0		0
13. a. Intangible assets (amortizable only)	0		0	
b. Less accumulated amortization	(0)	0	(0)	0
14. Other assets (Attach end of year schedule) L14 STMT		4932		4932
15. Total Assets		146230		342983
Liabilities and Shareholders' Equity				
16. Accounts payable		0		0
17. Mortgages, notes, and bonds payable in less than 1 year		0		0
18. Other current liabilities (Attach end of year schedule) L18 STMT		14676		16508
19. Loans from shareholders		0		0
20. Mortgages, notes, and bonds payable in 1 year or more		0		0
21. Other liabilities (Attach end of year schedule) L21 STMT		152700		212854
22. Capital stocks		0		0
23. Additional paid-in capital		78200		79368
24. Retained earnings		-99346		34253
25. Adjustments to shareholders' equity (Attach end of year schedule)		0		0
26. Less cost of treasury stock		(0)		(0)
27. Total Liabilities and Shareholders' Equity		146230		342983

Sch. M-1 Federal Schedule

1. Net income (loss) per books	133599	5. Income recorded on books this year not included on Federal Sch. K, Lines 1 through 10 (itemize):	
2. Income included on Federal Sch. K, Lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9 and 10 not recorded on books this year (itemize):	0	Tax-exempt interest	0
		See Sch M-1, Line 5	108989
3. Expenses recorded on books this year not included on Federal Sch. K, Lines 1 through 12, and 14l (itemize):		6. Deductions included on Federal Sch. K, Lines 1 through 12, 14l not charged against book income this year (itemize):	
a. Depreciation	0	Depreciation	0
b. Travel and entertainment	0		0
	0	7. Add Lines 5 and 6	108989
4. Add Lines 1 through 3	133599	8. Income or Loss (Fed. Sch. K, Line 18)	24610

This page must be filed with the first page of Form CD-401S.

Legal Name (First 10 Characters) ART IN A P Federal Employer ID Number 202353514

Sch. M-2 Analysis of N.C. AAA

	N.C. Accumulated Adjustments	N.C. Other Adjustments	Undistributed Taxable Income Previously Taxed
1. Balance at beginning of year	-91583	0	0
2. Ordinary income from Sch. G, Line 21	25180		
3. Other additions See Sch M-2, Line 3	31	0	
4. Loss from Sch. G, Line 21	(0)		
5. Other reductions See Sch M-2 Line 5	(601)	(0)	
6. Compute Lines 1 through 5	-66973	0	0
7. Distributions other than dividend distributions	0	0	0
8. Balance at end of tax year	-66973	0	0

Sch. N Nonapportionable Income

(A) Nonapportionable Income	(B) Gross Amounts	(C) Related Expenses	(D) Net Amounts	(E) Net Amounts Allocated Directly to N.C.
1. Nonapportionable Income			0	
2. Nonapportionable Income Allocated to N.C.				0

Explanation of why income listed is nonapportionable income rather than apportionable income:

Sch. O Computation of Apportionment Factor

Part 1. Domestic and Other Corporations Not Apportioning Franchise or Income Outside N.C. 100.0000 %

Part 2. Corporations Apportioning Franchise or Income to N.C. and to Other States

	1. Within North Carolina	2. Total Everywhere
1. Gross Receipts Subject to Apportionment	0	0
2. Gross Rents Subject to Apportionment	0	0
3. Gross Royalties Subject to Apportionment	0	0
4. Dividends Subject to Apportionment	0	0
5. Interest Subject to Apportionment	0	0
6. Other Apportionable Income	0	0
7. Share of Receipts from Noncorporate Entities Subject to Apportionment	0	0
8. Total	0	0
9. N.C. Apportionment Factor		%

Part 3. Special Apportionment Formulas %

This page must be filed with the first page of Form CD-401S.

2021 Corporate Tax Credit Summary
North Carolina Department of Revenue

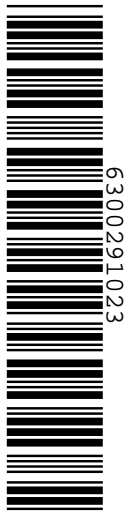
DOR
Use
Only

Legal Name (First 10 Characters)	ART IN A P	Federal Employer ID Number	202353514
----------------------------------	------------	----------------------------	-----------

01	0	12	0	18B	0
02	0	15A	0	19	0
03	0	15B	0	20	0
04	0	16A	0	21 RF N CP N	
05	0	16B	0	21	0
06 RF N AA Y		17A	0	22	0
06	175	17B	0	27	0
07	0	18A	0		

Part 1. Franchise Tax Credits Not Subject to 50% of Tax Limit		
1. Short period credit for change in income year	365 - 0 = $\frac{0}{365}$ x	0 = 1. 0
2. Revitalizing an income-producing historic mill facility		2. 0
3. Revitalizing a nonincome-producing historic mill facility		3. 0
4. Rehabilitating an income-producing historic structure (Article 3L)		4. 0
5. Rehabilitating a nonincome-producing historic structure (Article 3L)		5. 0
6. Other franchise and tax credits not subject to 50% of tax limit		6. 175
<input type="checkbox"/> Investing in Recycling Facilities <input checked="" type="checkbox"/> Additional Annual Report Fee Paid		
7. Franchise tax credits not subject to 50% of tax limit carried over from previous years		7. 0
8. Total franchise tax credits not subject to 50% of tax limit		8. 175

Part 2. Computation of Franchise Tax Credits Taken in 2021		
9. Total franchise tax due		9. 200
10. Nonrefundable franchise tax credits		10. 175
11. Enter the lesser of Line 9 or 10		11. 175
12. Total franchise tax credits subject to 50% of tax limit taken in 2021		12. 0
13. Refundable franchise tax credits		13. 0
14. Franchise Tax Credits Taken in 2021		14. 175



**Submit this form directly after Form CD-405 or CD-401S.
Attach separate schedule to substantiate any credit taken.**

Legal Name (First 10 Characters) ART IN A P

Federal Employer ID Number 202353514

Part 3. Income Tax Credits Not Subject to 50% of Tax Limit

(S Corporations enter only the amount of tax credits attributable to nonresidents filing composite on Lines 15 through 21.)

15. Rehabilitating an income-producing historic structure (Article 3D)		
A. Enter qualified rehabilitation expenditures	15a.	0
B. Enter installment amount of credit	15b.	0
16. Rehabilitating a nonincome-producing historic structure (Article 3D)		
A. Enter rehabilitation expenses	16a.	0
B. Enter installment amount of credit	16b.	0
17. Revitalizing an income-producing historic mill facility (Article 3H)		
A. Enter qualified rehabilitation expenditures	17a.	0
B. Enter credit amount	17b.	0
18. Revitalizing a nonincome-producing historic mill facility (Article 3H)		
A. Enter rehabilitation expenses	18a.	0
B. Enter installment amount of credit	18b.	0
19. Rehabilitating an income-producing historic structure (Article 3L)	19.	0
20. Rehabilitating a nonincome-producing historic structure (Article 3L)	20.	0
21. Other income tax credits not subject to 50% of tax limit	21.	0
<input type="checkbox"/> Investing in Recycling Facilities		
<input type="checkbox"/> Cogeneration Plant		
22. Income tax credits not subject to 50% of tax limit carried over from previous years	22.	0
23. Total income tax credits not subject to 50% of tax limit	23.	0

Part 4. Computation of Income Tax Credits Taken in 2021

24. N.C. net income tax due	24.	0
25. Nonrefundable income tax credits	25.	0
26. Enter lesser of Line 24 or 25	26.	0
27. Total income tax credits subject to 50% of tax limit taken in 2021	27.	0
28. Add Lines 26 and 27	28.	0
29. Income tax credit adjustment (C Corporations only)	29.	0
30. Income Tax Credits Taken in 2021	30.	0

**Form CD-425 must be attached to the last page of Form CD-405 or CD-401S if a tax credit is taken.
Failure to substantiate a tax credit may result in the disallowance of that credit.**

**Shareholder's Share of
N.C. Income, Adjustments, and Credits**
North Carolina Department of Revenue

DOR Use Only

For calendar year **2021** or other year starting _____ and ending _____

Part. 1 Information about the Corporation	Part. 2 Information about the Shareholder
<p>A. Corporation's Employer Identification Number 202353514</p> <p>B. Corporation's Name, Address, and Zip Code ART IN A PICKLE LLC 301 HILLSBOROUGH RD APT D CARRBORO, NC 27510</p>	<p>A. Shareholder's Identifying Number [REDACTED]</p> <p>B. Shareholder's Name, Address, and Zip Code SHEILA DALTON [REDACTED] HILLSBOROUGH ST [REDACTED] CARRBORO, NC 27510</p> <p>C. Shareholder's percentage of stock ownership for tax year 100.0000%</p>

Part 3. Shareholder's Pro Rata Share Items	Amount	Individuals Filing Form D-400 Enter Amount on:
All Shareholders		
1. Share of corporation income (loss)	25010	This amount should already be included in federal taxable income
2. Additions to income (loss)	8632	D-400, Schedule S; Part A
3. Deductions from income (loss)	237	D-400, Schedule S; Part B
4. Share of tax credits	0	D-400TC; see D-400 Instructions
5. Share of tax withheld from nonwage compensation paid for personal services performed in N.C.	0	D-400; Line 20
Nonresidents Only		
6. Nonresident's share of N.C. taxable income (loss)	0	See D-400 Instructions
7. Nonresident's share of separately stated items of income	0	This amount should already be included in federal taxable income
8. Nonresident's share of net tax paid by the S Corporation	0	D-400; Line 21d

Attach additional NC K-1s if needed.

**NC K-1 (91)
Supplemental
Schedule**

12-1-21

**2021 Owner or Beneficiary's Share
of N.C. Additions and Deductions**

North Carolina Department of Revenue

DOR
Use
Only

A pass-through entity, estate, or trust that reported N.C. additions or N.C. deductions to an owner or beneficiary on a NC K-1 form must provide each owner or beneficiary the information necessary for the owner or beneficiary to prepare the appropriate N.C. tax return. The pass-through entity, estate, or trust may use this schedule to provide the necessary information to the owner or beneficiary. (For more information, see the instructions for the appropriate N.C. tax return.)

Entity's Legal Name ART IN A PICKLE LLC		Federal Employer ID Number 202353514	
Individual Owner or Beneficiary's First Name SHEILA	M.I.	Individual Owner or Beneficiary's Last Name DALTON	Individual Owner or Beneficiary's SSN [REDACTED]
Non-Individual Owner or Beneficiary's Legal Name		Federal Employer ID Number	

Part A. Additions to Income		COLUMN A		COLUMN B	
		Enter the Amount from all Sources		Enter the Amount from N.C. Sources	
1.	Interest Income From Obligations of States Other Than North Carolina	1.	0	1.	0
2.	Deferred Gains Reinvested Into an Opportunity Fund	2.	0	2.	0
3.	Bonus Depreciation	3.	7676	3.	7676
4.	IRC Section 179 Expense	4.	0	4.	0
5.	S-Corporation Shareholder Built-in Gains Tax	5.	0	5.	0
6.	Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2021	6.	0	6.	0
7.	Unabsorbed Net Operating Loss Deduction	7.	0	7.	0
8.	State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust	8.	228	8.	228
9.	Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose	9.	0	9.	0
10.	Discharge of Qualified Principal Residence Indebtedness	10.	0	10.	0
11.	Qualified Education Loan Payments Paid by Employer	11.	0	11.	0
12.	Business Meal Deduction in Excess of 50%	12.	728	12.	728
13.	Discharge of Certain Student Loan Debt	13.	0	13.	0
14.	Reserved for Future Use	14.	0	14.	0
15.	Total Additions - Add Lines 1 through 14	15.	8632	15.	8632

NC K-1 Supplemental Schedule 2021 Page 2 (91)

Entity's Legal Name (First 10 Characters) ART IN A PICK	Federal Employer ID Number 202353514	Owner or Beneficiary's Name (First 10 Characters) SHEILA DAL	Identifying Number [REDACTED]
--	---	---	----------------------------------

Part B. Deductions From Income

		COLUMN A		COLUMN B	
		Enter the Amount		Enter the Amount	
		from all Sources		from N.C. Sources	
16.	State or Local Income Tax Refund	16.	0	16.	0
17.	Interest Income From Obligations of the United States or United States' Possessions	17.	0	17.	0
18.	Taxable Portion of Social Security and Railroad Retirement Benefits	18.	0	18.	0
19.	Bailey Retirement Benefits	19.	0	19.	0
20.	Certain Retirement Benefits Received by a Retired Member of the United States Armed Forces Not Deducted on Line 19	20.	0	20.	0
21.	Bonus Asset Basis	21.	0	21.	0
22.	Bonus Depreciation	a. 2016	0	b. 2017	0
		d. 2019	0	e. 2020	237
		22f. Total		237	237
23.	IRC Section 179 Expense	a. 2016	0	b. 2017	0
		d. 2019	0	e. 2020	0
		23f. Total		0	0
24.	Recognized IRC Section 1400Z-2 Gain	24.	0	24.	0
25.	Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995	25.	0	25.	0
26.	Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe	26.	0	26.	0
27.	Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2021	27.	0	27.	0
28.	Ordinary and Necessary Business Expense Reduced or not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction	28.	0	28.	0
29.	Personal Education Savings Account Deposits	29.	0	29.	0
30.	Certain State Emergency Response and Disaster Relief Reserve Fund Payments	30.	0	30.	0
31.	Certain Economic Incentive Payments	31.	0	31.	0
32.	Certain N.C. Grant Payments	32.	0	32.	0
33.	Certain Net Operating Loss Carrybacks	33.	0	33.	0
34.	Excess Net Operating Loss Carryforward	34.	0	34.	0
35.	Excess Business Loss	35.	0	35.	0
36.	Business Interest Limitation	36.	0	36.	0
37.	Reserved for Future Use	37.	0	37.	0
38.	Total Deductions - Add Lines 16 through 21, 22f, 23f, and 24 through 37	38.	237	38.	237

Additional information from your 2021 North Carolina S Corporation Tax Return

Form CD401S: NC S Corporation Tax Return Schedule G, Other Income

Continuation Statement

Description	Amount
ASSISTANCE GRANT - ORANGE COUNTY NC	10140
CASH BACK REWARDS	24
Total	10164

Form CD401S: NC S Corporation Tax Return Schedule G, Other Deductions

Continuation Statement

Description	Amount
AUTOMOBILE AND TRUCK EXPENSE	405
BANK CHARGES	19388
COMPUTER SERVICES AND SUPPLIES	1824
DUES AND SUBSCRIPTIONS	938
EQUIPMENT RENT	2112
GIFTS	558
INSURANCE	7171
LAUNDRY AND CLEANING	3186
LEGAL AND PROFESSIONAL	8897
MEALS (100%)	7839
OFFICE EXPENSE	1021
POSTAGE	102
PRINTING	2
SUPPLIES	7421
TELEPHONE	6917
TOOLS	1531
TRAVEL	808
UTILITIES	9156
WEBSITE	601
BOOKS & PUBLICATIONS	13
PAYROLL SERVICE	1856
Total	81746

Form CD401S: NC S Corporation Tax Return Schedule M1, line 5

Continuation Statement

Description	Amount
PPP LOAN/FORGIVENESS	108989
Total	108989

Form CD401S: NC S Corporation Tax Return
Schedule M-2, Other Additions

Continuation Statement

Description	Amount	Amount
INTEREST INCOME	31	
Total	31	

Form CD401S: NC S Corporation Tax Return
Schedule M-2, Other Reductions

Continuation Statement

Description	Amount	Amount
NET LOSS UNDER SECTION 1231	201	
CHARITABLE CONTRIBUTIONS	400	
Total	601	

Orange County LIVING WAGE EMPLOYER

Neal's Deli

February 13, 2024 - February 13, 2026

CERTIFICATION TERM



ORANGECOUNTYLIVINGWAGE.ORG

FAIRNESS. DIGNITY. PROSPERITY.



Barry Covert Chapel Hill Carrboro Foodies

November 12, 2023 · 🌐



What do we know about Neal's Deli? Just noticed it in Carrboro and it looks like it has pretty good reviews.

Kimberley Mahaffey, Erin Fekete and 57 others

67 comments

Like

Comment

Share

Top comments



Write an answer...



Andy Hunt

The idea of living around here and not knowing about Neal's is truly wild.

9w Like Reply Share

14

View all 7 replies



Rachael Purvis Veazey

One of my favorite spots in the area!!

9w Like Reply Share



Will Rawlings

Looks like I need to try it out next time on downtown.

9w Like Reply Share



Steven James Kapela

Get the hotdog on a pretzel bun with mustard and their homemade sauerkraut with some chips and a Mexican coke 😊😊

9w Like Reply Share

6



Claudia L. Sanders

A local institution of foodie goodness! They source locally keeping the menu seasonal and delicious! Do yourself a big favor and go eat there asap!

9w Like Reply Share

5



Matt Barrett Econopouly

If you don't know about Neal's Deli then someone must be trying to hide it from you and you need to ask yourself why.

9w Like Reply Share

13



Lena Wegner

Try the pastrami Manhattan. 5

9w Like Reply Share



Jackie Helvey

Neal's Deli is kinda famous and really good! 😊❤️





Hayley Katherine

The food is good but the staff is amazing

9w Like Reply Share



Kit Carson

Best breakfast biscuits!

9w Like Reply Share



Yvonne Stam

Muffulettas!

9w Like Reply Share



Susan Amanda Yarborough

OUTSTANDING!! I eat there several times a week for lunch.

9w Like Reply Share



Rebecca Hosch Sylvia

I crave their Muffuletta way more than I should! The olivw salad on it is really the best

9w Like Reply Share



Kelley Knight

It's excellent!!! Love the Turkey Reuben!

8w Like Reply Share



View 1 reply



Selena Beckman-Harned

I have dreams about their pastrami biscuits

9w Like Reply Share



Kim Stahl

I usually dread boxed lunch meetings but if it's Neal's Deli I always lurk to see if there's a spare 😊

9w Like Reply Share



Gillian Hadden

Been there a long time (15+ years?), consistently delicious. Manhattan sandwich is fantastic, as are breakfast pastrami biscuits.

9w Like Reply Share



Rachel Kiel

I love the turkey sub and the veggie sub! They only have tomatoes when in season, so I would go soon so that you can get the sandwiches with the last tomatoes of the year. 😊

9w Like Reply Share



Katie Zimpel

Best chicken salad I've ever had.





Jean Boswell Mankowski

They are also fantastic members of our community!

9w Like Reply Share



Andy Hunt

We know that it's been there for decades and is one of the best delis in the state.

9w Like Reply Share



Jennifer Prather

It's great! I used to crave the tuna vinaigrette sandwich they made, but they took it off the menu, sadly. It was the only place to get a tuna sandwich without mayo. Haven't been back since, but I wouldn't discourage others.

8w Like Reply Share

View 1 reply



Val Komives

We keep their bone broth and chicken noodle soup in our freezer. The Best!

8w Like Reply Share



Amanda Shirreffs Darnell

It's really good.

9w Like Reply Share



Susan Bauman Smith

Great food & great owner/staff!

9w Like Reply Share



Susan Abed

We know you will love it when you go!

9w Like Reply Share



Megan Ray

Their potato salad is amazing.

9w Like Reply Share



Toni Rabinowitz

Best biscuits ever! delicious Soup , too!

9w Like Reply Share



Donna Campbell

The pastrami would be enough—but there is so much more. Go!

8w Like Reply Share



Jane Rambo DeHart

Yes! Yes to all the well deserved love for Neal's! Go soon, and let us know what you think. ❤️

9w Like Reply Share



Stephanie Vandergrift





Suzanne Witzen
It's fantastic

9w Like Reply Share



Kathleen Jasinskas
So good!!

9w Like Reply Share



Shelby Bishop
Get some! 😊

8w Like Reply Share



Carla Sartor
Delicious.

9w Like Reply Share



Louise Turrentine
Their chicken noodle soup is divine.

9w Like Reply Share



Bronwyn Merritt
The hotdog is so good, it's the only place I ever order a hotdog. Pastrami sandwich platter is the hit of the parties I have ordered it for.

9w Like Reply Share



Marrel Foushee
What's the address for Neal's

9w Like Reply Share



Joe Nanney
Love that place!

8w Like Reply Share



Laurie Ray
It is excellent! Highly recommend.

9w Like Reply Share



Melissa Temple-Agosta
Love the egg salad!!

8w Like Reply Share



Leigh Griffith
Absolutely fabulous!

9w Like Reply Share



Christine Cox
Great sandwiches

9w Like Reply Share





Kim Gardner Duval

Amazing soups, house-made pastrami, house-made goodness for muffulettas, hotdogs are amazing, check their site for daily specials. They come from pillars of the CH food scene.

They're all that...and bag of chips. 😊

9w Like Reply Share Edited



Priscilla Dennison

<https://www.ourstate.com/neals-deli-carrboro/>



OURSTATE.COM

Lunch and a Legacy | Our State

9w Like Reply Share



John Lindsey



9w Like Reply Share



NEWS > FOOD NEWS

A Tale of Pastrami, Biscuits & Beyond

In Carrboro, North Carolina, the brilliant Neal's Deli serves Italian-American subs, Provençal-style sandwiches and the world's best (and only) pastrami biscuits.

By [Food & Wine Editors](#) | Updated on June 12, 2017



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Matt Neal didn't learn to cook from his father. "We had his books for that," says the 39-year-old owner of [Neal's Deli](#), a shotgun café in Carrboro, the onetime mill village that abuts the University of North Carolina at Chapel Hill. "But I did learn how to eat from him." Matt's father was Bill Neal, the pioneering chef who, in 1982, opened a deli with a menu of reinvented Southern dishes, including *Biscuits*, *Spoonbread*, and *serious works on regional American*

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Photo © John Kernick.

But when Matt and his wife, Sheila, built their deli, they reached beyond the Magnolia Curtain for inspiration. They bake [biscuits](#) that wouldn't taste out of place at a meat-and-three, but they also [smoke brisket for pastrami](#) to rival Katz's Delicatessen's in New York City. And they serve that [pastrami on those biscuits](#), not for shock 'n awe, but for copacetic. [Trending Videos](#)

"We're from the South, but we're opening the deli two years ago, a trending bar and smoking whole And by grits-and-eggs diners all restaurants, the kind with the fa

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The vibe of Neal's Deli, which is open only for breakfast and lunch, is casual and eclectic. Walls are covered in a brightly patterned wallpaper that recalls Moroccan tile work. The sound system plays indie-music favorites like the New Pornographers. A line cook wears a Krispy Kreme paper hat. The cooking at Neal's Deli is also are topped with butter-fried apples. Madeline's idea," Matt says. "She dog. And the taste worked, kind chops."

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Of course, the Neals rely on North Carolina–raised ingredients. (Before she became a restaurateur, Sheila managed the local farmers' market for four years.) That means Matt mixes his biscuit dough with organic flour from Lindley Mills in Graham, North Carolina. For the pastrami, he buys antibiotic- and hormone-free brisket from Cliff's Meat Market down the street. He cures it for a week and smokes it in a metal box the size of a home refrigerator. "Around here, we know what smoke does for meat," says Matt, tipping his hat to local barbecue tradition.

But many of the choices on the menu have little connection to the South. The Neals construct [zucchini sandwiches](#), layered with tomatoes and *olivada*, that taste like market lunches airmailed from Provence. They sell slow-roasted-pork subs instead of barbecue sandwiches, because, as Matt puts it, "Whole-hog barbecue is a life's work, not just lunch."

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Photo © John Kernick.

A close read of Bill Neal's work reveals a family precedent for such an expansive approach. Neither his food nor his writings were wholly provincial. At La Résidence, the French farmhouse restaurant he ran in the 1970s, he built an early reputation not on collards with ham hocks but on [ratatouille](#), which was similar to [Trending Videos](#) [with goat cheese](#).

And so it goes with Matt and She a few blocks from the deli, in a bu making their own way, too. "We' trying to cook Northern," Matt s family likes to eat."

John T. Edge director of the Sou

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CENTRAL

Lunch and a Legacy

At Neal's Deli in Carrboro, Matt and Sheila Neal carve their own slice of culinary history.

by Our State Staff



It's noon at Neal's Deli in Carrboro, and a steady rain falls outside.

Behind the counter, owner Matt Neal — a round-shouldered guy who is built more like a running back than a chef — works the hot side, shuttling corned beef and pastrami sandwiches to and from the oven and giving grilled pimento cheese sandwiches a quick tan in the sandwich press.

His wife, Sheila — her short, blond hair poking out from under a camouflage cap — has the cold side under control, layering Italian subs, assembling marinated tuna salads, and spooning up slow-roasted broad beans.

They work side by side in the galley kitchen, their bob-and-weave dance synchronized over a black rubber floor mat, their constant patter about orders punctuated with shouts to patrons.

“Jennifer, for takeout — Jennifer!”

“Hey, where have you been?”

“Good to see you! Hope you enjoyed it!”

On top of the deli case, plastic bags of this morning’s buttermilk biscuits are on sale, four for \$4. A T-shirt hanging on a wall announces that you’re in the “Home of the Pastrami Biscuit.”

This is deli done Southern style. Specifically, Carrboro style and, most important, Neal style, which means a lot in these parts.

Living legacy

Matt Neal’s daddy, the late Bill Neal, was culinary royalty. He and his wife, Moreton, opened the restaurant La Résidence in nearby Chatham County in 1976. When they decided that a French place would be better off in a county that allowed wine sales, they moved La Rés — as it is known among locals — to Rosemary Street in Chapel Hill, and their version of Paris-in-the-Piedmont took off, snaring praise from food critics, including Craig Claiborne of *The New York Times*.

When the couple split in the early 1980s, Bill took over Crook’s Corner on West Franklin Street a few blocks away and made it the high altar of down-home. Foodies from far and wide fawned over his twists on classics like shrimp and grits.

They also snapped up his books — *Bill Neal's Southern Cooking*, *Good Old Grits Cookbook*, and *Biscuits, Spoonbread and Sweet Potato Pie* — minting his legend even before he died in 1991, at age 41.

Matt Neal absorbed all of this culinary exposure growing up — he bused tables, he washed dishes, and he smoked the heck out of a pig — but he wanted something different.

He wanted to be an artist, to study drawing, painting, and design.

He went to the University of North Carolina School of the Arts, then to the Savannah College of Art and Design. He stayed in touch with the hospitality business back home by bartending off and on in Chapel Hill.

His friend Silvia Pahola, then the chef at Acme Food & Beverage Co. in Carrboro, introduced him to one of her employees, Sheila Dalton. The chemistry extended to the kitchen.

On one of their first dates, Sheila and Matt went to a movie toting cheese straws and Bene crackers that Sheila made from recipes in Bill Neal's cookbooks.

"It was sweet," Matt says. "And even if they hadn't been from my dad's recipes, I still would have appreciated it."

"We had a lot of the same interests, and food was part of that," Sheila says.

A native of High Point, Sheila grew up with a Betty Crocker cookbook, an Easy Bake Oven, parents who liked to eat at nice restaurants, and grandparents who loved to eat close to the earth.

Her maternal grandmother in High Point pickled green beans from the garden. Her paternal grandparents in Rockingham County made pork sausage, sipped homemade peach brandy, and cooked quail and grits with fresh-shot birds.

When Sheila packed off to the University of North Carolina at Chapel Hill to study for an English degree, she polished her food smarts, too, by baking in the cafe at Wellspring Grocery.

Later, she waited tables at the family-owned restaurant 411 West on Franklin Street, and she spent three months nibbling her way through Europe, with M.F.K. Fisher's *The Art of Eating* as a guide.

A stint at The French Culinary Institute in New York cemented Sheila's desire to cook for a living. She logged time at a couple of white-tablecloth restaurants and managed the Carrboro farmers market before launching the deli with Matt in 2008.

For his part, Matt chucked the idea of making art for a living. "It was the starving-artist thing," he says. "I'm a big guy, and I like to eat. I said, 'You know what? I'm going back into food.'"

Why a deli?

"That's what everyone asks," says Sheila, flashing a warm smile that must have made her a good cheerleader at High Point Central High School.

The couple chose a deli for several reasons. One, they knew they wanted children, and they figured a breakfast and lunch place would be easier on family life than a dinner place.

Two, Carrboro was shy on lunch places, and Matt wanted to stay close to the family's home — his father's old home — near downtown Carrboro, on the western flank of Chapel Hill.

"I didn't want us and everybody else in the world to have to drive here," he says.

He and Sheila also hoped to draw a wide variety of customers and draw them repeatedly for the business, yes, and also for the fun of developing relationships. Both had worked in expensive restaurants and found that many customers were rather monolithic middle-agers.

“I like to see a lot of different people coming through the doors,” Matt says.

Neal’s Deli has them. Hippies. Hipsters. Grannies. Graduate students. Yang Guo is a UNC graduate student from China. A devotee of the pastrami and Italian sausages, he comes into Neal’s at least three times a week.

“Two things attract me the most here,” Guo says. “The first is the food quality. The second is the staff here are very friendly. Also, the menu keeps changing. It’s a nice surprise.”

Food philosophy

Neal’s strives for freshness. Granted, they fly in Hofmann’s franks from Syracuse, New York, and the Zapp’s potato chips hail from Louisiana, but most ingredients come from within 50 miles. They get produce from the Carrboro farmers market; bread from Guglhupf Bakery in Durham; Italian sausage from San Giuseppe Salami Company in Elon; beef and chicken from Cliff’s Meat Market in Carrboro.

The Neals make their own pastrami and corned beef. They devote almost half of their refrigerator space to tubs where they brine beef briskets for at least a week in sugar, salt, and spices before smoking them over hickory for several hours.

The succulent meat leaves the deli inside breakfast biscuits and two of the most popular lunchtime sandwiches — the pastrami-based Manhattan, and the corned-beef stuffed Reuben.

Customers also crave the pimento cheese mixed with a splash of bourbon; chicken soup; pickled okra; and, during Mardi Gras, the gumbo.

The hot dogs served on Brezel rolls — large, soft pretzel twists — always sell well. Specials include an apple and cheddar dog, made with fried apples and Cabot cheddar, and a creation called Chileanos

Completo, a dog dressed with avocado salsa, sauerkraut, chipotle Tabasco sauce, and mayonnaise.

So what the heck does that make Neal's? A Jewish deli? An Italian deli? A New Orleans deli? A Chilean deli?

"It's our deli," Matt says. "It's our take on deli food."

Their version earned favorable bumps in *The New York Times*; on Cooking Channel's "Unique Eats"; on Oprah.com; and in *Food & Wine* and *Bon Appetit* magazines.

Matt knows the comparisons between him and his father are inevitable, and yes, he feels the pressure.

"It needs to be good," he says of his cooking. "It needs to be honest."

He's not going to be rushed, though. He waves off questions about expanding beyond the tiny deli, which seats a dozen people inside and another 15 outside on nice days.

For now, he and Sheila, both of whom just turned 40, have their hands full, managing work and home life with two children, 6-year-old Hank and 2-year-old Anne.

Every so often, Matt opens one of his father's cookbooks to study a recipe.

"Then I close the book and do it my way," he says. That's Neal style.

Neal's Deli

100 East Main Street

Carrboro, N.C. 27510

(919) 967-2185

nealsdeli.com

Hours: Monday-Saturday,

7:30 a.m.-4 p.m.

Maria Johnson is an award-winning writer in Greensboro. Her most recent story for Our State was “Forged from the Soil” (September 2011).

This story was published on Jan 27, 2012

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Durham, a Tobacco Town, Turns to Local Food



Watts Grocery, near Duke, offers braised rabbit, polenta and seasonal vegetables.

Travis Dove for The New York Times

By Julia Moskin

April 20, 2010

Durham, N.C.

TEN years ago, Matthew Beason's duties as a restaurant manager here included driving to the airport to retrieve a weekly shipment of duck confit and pâté from New York.

"We couldn't even buy anything like that around here," said Mr. Beason, who went on to open Six Plates Wine Bar, now one of many ambitious restaurants around Durham. "Now, virtually every place in town makes its own."

Of the rivalrous cities that make up the so-called Research Triangle — Chapel Hill, Raleigh and Durham — Durham 10 years ago was the unkempt sibling: scruffy and aging.

"There was no one on the street at night, just the smell of tobacco drying in the warehouses," Mr. Beason said.

Now, a drive around town might yield the smell of clams from the coastal town of Snead's Ferry, steaming in white wine, mustard and shallots at Piedmont restaurant; pungent spice and sweet fennel from the "lamby joe" sandwich at Six Plates; and seared mushrooms and fresh asparagus turned in a pan with spring garlic at Watts Grocery.



Barbecued beef brisket with potato salad, and chicken-fried South Carolina quail with spoon bread, from Watts Grocery in Durham, N.C.

Photographs by Travis Dove for The New York Times

The vast brick buildings still roll through the city center, emblazoned with ads for Lucky Strike and Bull Durham cigarettes. They are being repurposed as art studios, biotechnology laboratories and radio stations.

More important for food lovers, hundreds of outlying acres of rich Piedmont soil have "transitioned" from tobacco, and now sprout peas, strawberries, fennel, artichokes and lettuce. Animals also thrive in the gentle climate, giving chefs access to local milk, cheese, eggs, pigs, chickens, quail, lambs and rabbits.

“You can see the change, just driving from here to the coast,” two hours away, said Amy Tornquist, the chef and an owner of Watts Grocery, a restaurant near the Duke campus. Ms. Tornquist, 44, has lived in the area all her life. “You never saw sheep when I was young, you never saw cattle in the fields it was all tobacco all the time,” she said. Ms. Tornquist’s restaurant isn’t blatantly farm to fork: it’s simply a given in Durham these days.

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“One of our farmers said that at this point, it would make more sense for us to list the things on the menu that *aren’t* local,” said Drew Brown, a chef-owner of Piedmont, a restaurant a few steps from Durham’s farmer’s market and right next door to the city’s public herb garden.

Spring is just blowing into the Triangle, bringing strawberries, mushrooms and the first Sugar Snack carrots and small white turnips. “We’re raising things I never would have dreamed of,” said Michael Brinkley, a farmer whose family farm in nearby Creedmoor produced up to 60 acres of tobacco until about five years ago, when the Brinkleys shifted entirely to produce.



Matt Neal of Neal’s Deli in Carrboro, N.C. announces the return of tomatoes to his menu.

There are still plenty of good places for a barbecue plate, excellent French bistros like Vin Rouge and Rue Cler, and some white-tablecloth dining rooms, both traditional and modern.

But the most intriguing cooks here have a few things in common: an understanding of how to give a menu a sense of place; a true love of pork and greens in all their forms; and a lack of interest in linens and glassware. Watts Grocery, for example, looks like an upscale sports bar, but it tastes like a Southern-artisanal Union Square Cafe.

“In the old days, people would have to get out of here to really learn about food,” said Matt Neal, the owner of Neal’s Deli in Carrboro, near Chapel Hill, where he grew up.

These days, a chef here is made by learning all the ways to cook cornmeal and butcher hogs, not by taking a Grand Tour of Europe followed by hotel school in Switzerland.

Tanya Catolos, the pastry chef at the formal Washington Duke Inn in Durham, moonlights at the city’s farmer’s market, selling handmade “Pop’t-Arts” filled with Nutella or jam from a vintage Airstream trailer. “You can be very playful with food around here” she said. “People really get it now.” (She’ll be making local-rhubarb ones soon.)

The food at Neal’s Deli is resolutely everyday and American like breakfast biscuits stuffed with egg and sausage but the eggs are steamed tender with a touch of pepper and parsley, and the wide, crisp biscuits are mixed from high-fat local buttermilk and organic flour from a nearby mill that’s been held by the same family for nine generations. The sausage patty is from Cane Creek Farm in Alamance County, where Eliza MacLean, an owner of the farm and a former veterinarian, advises farmers across the state on the transition from tobacco to pork. Every bit of that care comes through in the flavor of the finished product, a stunning bargain at \$3.25.

Mr. Neal prides himself on high-quality, low-brow food, like a house-made porchetta sandwich with spinach and pickled peppers, served with a bag of Zapp’s potato chips from Louisiana. “I honestly do not know how to make a soufflé,” said Mr. Neal, whose father, Bill Neal, was the founding chef of Crook’s Corner and La Residence in Chapel Hill and one of the most famous chefs in the South until his death in 1991.

Bill Neal, his son added hastily, certainly did know how to make a soufflé. “But soufflés are not what I want to cook,” he said.

What Mr. Neal and others like him do want to cook are full-flavored versions of the food they learned at their parents’ elbows, and in influential local kitchens like Crook’s Corner, Nana’s and Magnolia Grill, where many of them polished their craft. The tender cornmeal butter cakes at Watts Grocery are like a combination of a French financier and Southern spoon bread; at Six Plates, the slick-sounding sautéed crawfish on red pepper polenta with tomato broth is a take on shrimp and grits, the Carolina coastal classic.

Mr. Brinkley, the farmer, says that his family’s farm, and many others, might not have made it through the loss of the tobacco cash crop without the lucky coincidence of the rise in the local food movement. Now, chefs compete over his lady peas, pink-eyed peas and butternut squash a relatively exotic vegetable here, he said, where the sweet potato was once the king of the winter table.

Then again, “We’re also working hours I never would have dreamed of,” he said, adding that raising such diverse crops and marketing them has more than doubled his workload. He makes weekly appearances at the Durham farmer’s market. Mr. Brown, of Piedmont, said that the farmers there are treated like rock stars, that dogs and babies abound and that hipsters mingle with hippies.

As Mr. Brinkley said, “It’s a lot different from dropping off your tobacco at the station and picking up your check.”

A version of this article appears in print on , Section D, Page 1 of the New York edition with the headline: A Tobacco Town Puts Its Soil To Another Use

TRAVEL

We Are Family

TRAVEL

By [DANA BOWEN](#)

Published on March 10, 2009

Each era has its breeding-ground restaurants—places whose kitchens act as incubators for pioneering young talent. One of the more famous in our own epoch is the 32-year-old River Cafe in New York City, which nurtured the successful restaurateurs Larry Forgione, David Burke, and Charlie Palmer. (See [Fertile Grounds](#) for other examples.) One of my favorite breeding-ground restaurants—one of my favorite restaurants, period—is perhaps less renowned nationally, but its graduates are no less gifted, and few places offer a more inspiring model for hands-on culinary education.

The restaurant, Crook's Corner, sits in a funky old taxi depot on the fringes of Chapel Hill, a university town in central North Carolina. I didn't have an inkling of its significance when I first visited, in the late 1980s; to me, Crook's—with its walls of folk art and bar covered in black-and-white tile—was simply the most popular place in town. The vibe was elegant but unstuffy, and the fare put a fresh spin on Southern comforts; the house favorite was and still is a rich mess of [se grits with shrimp](#), mushrooms, and bacon, a riff on a Lowcountry staple.

The chef, a self-taught cook named Bill Neal, opened Crook's Corner in 1982, a few years after he and his ex-wife, Moreton, had launched their first restaurant, the more formal La Residence. When other restaurants were dotting their menus with sun-dried tomatoes, Neal was proudly cooking with and writing about Southern ingredients, like country ham, that had long been relegated to the home cook's repertoire. His first cookbook, *Bill Neal's Southern Cooking* (UNC Press, 1985), celebrates those foods, and it drew aspiring young chefs his way.

Neal had a thing against cooking-school kids; when the Culinary Institute of America grads Ben and Karen Barker, now the chef-owners of Magnolia Grill in Durham, North Carolina, applied for a job with Neal, he turned them away; Moreton later hired them at "La Res". His staff was untrained: people like Robert Stehling, who spent six years with Neal before founding the Hominy Grill in Charleston, South Carolina; and John Currence, who opened the now landmark City Grocery in Oxford, Mississippi, in 1991. In Neal's kitchen, talent trumped hierarchy. "I started at Crook's as a dishwasher," Currence told me recently. "It seemed like a week later, I was the pastry chef." Since Neal's death, in 1992, many of his students have spread the gospel of regional Southern cooking far and wide. But others (like Bill Smith, who now runs the Crook's kitchen) have stayed on in Chapel Hill, helping transform the area into one of the nation's most exciting places to eat.

A certain protege of Neal's not only worked at Crook's; he grew up there. I remember Matt Neal, the oldest of Neal's three children, when he worked behind the bar; he remembers peeling buckets of shrimp after school before graduating to the line. Over the years, I've run into Matt and his wife, Sheila, at the local farmers' market, and recently I stumbled across their first restaurant, a lunch counter not far from Crook's called Neal's Deli. Inside, the couple prepared biscuits, house-cured pastrami, and more. The food was darned good—rooted in the region but inspired by the world around it. His father, I imagined, would be very proud.

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CULTURE

Photos from America's Foodiest Small Town

BY ANDREW KNOWLTON

September 11, 2008

In researching "[America's Foodiest Small Town](#)" for the October issue, I made several trips over the course of six months to the Durham-Chapel Hill area, our eventually top pick. During my visits, I met lots of great folks, ate way too many biscuits, and photographed just about every site along the way. Below, a few favorite shots of the local flavor.

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BY AMANDA SHAPIRO

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Your Local Newspaper 2007–2012

Menu

HOME NEWS COMMUNITY SCHOOLS BUSINESS OPINION
 OBITUARIES SPORTS MILL FLORA PRINT ARCHIVE ABOUT

Menu

Recently: Brown bagging on the streets of Carrboro

Posted on May 8, 2008 by Staff

By Valarie Schwartz

There have been recent reports of Carrboro pedestrians walking around in the vicinity of South Greensboro and Main streets covetously carrying brown paper bags. There have been no reports of people drinking from the bags, but some may have been “huffing” from them.

Further investigation revealed more of the same.

No wonder “the classic brown paper bags have been streaming from Neal’s Deli, where the surge is not for the bags, but the real deal inside “delicatessen sandwiches” and the bodacious aromas they provide.

The deli-done-right duo of Matt and Sheila Neal have been talking about how to venture forth culinary-wise during much of their 10-year relationship.

“Sheila was looking at doing something hospitality- and food-oriented,” said Matt, son of Moreton and Bill Neal, who together opened La Residence in the 1980s, while Bill later opened Crook’s Corner, two iconic Chapel Hill restaurants.

Matt and Sheila opened Neal’s Deli on April 4.

A deli, you may ask?

“That was Matt’s idea,” Sheila said.

“It seemed like a good fit for a neighborhood town,” Matt said. “And there was no deli in town.”

“It’s simple food done well,” Sheila added. “But it’s more deli than sandwich shop.”

Walk in “ or simply drive past “ on a day when they’re smoking pastrami and you’ll not only know it’s a deli, you may also be transcended back to your first delicatessen experience. If the aroma sends you “ wait until that first bite (especially of the Manhattan). Then you’ll understand the gaze on the faces of the brown-baggers looking for a place to sit down and dive in.

Some folks forego the bag altogether and stay at Neal’s, where there are three tables inside and a counter outside.

On market days, the atmosphere is like a family kitchen.

“We’re headed over to Neal’s,” Cathy Jones announced at noon-sharp the first Saturday that Neal’s was open, as she slammed shut the back of her Perry-winkle Farms truck and headed over with her husband, Mike Perry, and their helpers. Moments later, Neal’s had people lined up out the door, as farmers and market shoppers ordered from Matt and called out to Sheila, the former Carrboro Farmers’ Market manager, making sandwiches with the crew.

“They’ve been coming back,” Sheila said this week of the farmers who come over hungry after Wednesday and Saturday markets. They buy from her, but she also buys from them, creating daily sides and special sandwiches from ingredients she knows were grown or produced nearby, like the “Cheesy,” made with Hickory Grove cheese, or the “Frenchy,” made with Carolina Moon, both cheeses from Chapel Hill Creamery. The Italian deli meats come from Giacomo’s in Greensboro and the oh-so-good bread comes from Guglhupf Bakery in Durham.

Matt grew up here and considers Carrboro home and where he wanted to own a business.

“We looked at a bunch of places,” he said. “We held out for a place in Carrboro.”

Chandra Noyes, who works with the couple, has heard how happy people are that they opened where they did.

“People say a lot that they’re glad we’re here,” Noyes said. “I’m glad to be here too. I met Matt when I was a little kid,” when Matt worked at Margaret’s Cantina, which her father co-owned. “

just moved back to town and saw Matt out here on the street one day trying to get the place ready.â€ Matt offered her a job. â€œIâ€™m excited to be part of a new great business.â€

â€œItâ€™s really exciting to be part of the Carrboro business community,â€ Sheila said. â€œThis is a bustling little area.â€

â€œItâ€™s a busy intersection, and Open Eye got people in the habit of hanging out,â€ Matt said. â€œIâ€™ve been walking around this block my whole life wanting to do something like this.â€

Popular opinion and brown bags about town would suggest that heâ€™s doing it right.

Contact Valarie Schwartz at 923-3746 or valariekays@mac.com

WEB ARCHIVE

Welcome to the Archive of *The Carrboro Citizen*

Your Local Newspaper 2007–2012

[Menu](#)

HOME NEWS COMMUNITY SCHOOLS BUSINESS OPINION
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[Menu](#)

'Nothing fancy'

Posted on December 20, 2007 by Staff



Matt and Sheila Neal *Matt and Sheila planning to open Neal's Deli*
 contemplate the work ahead
 getting Neal's Deli ready **By Kirk Ross**
 to open. Photo by Kirk Ross *Staff Writer*

From the intersection of Main and Greensboro, you'll take the sidewalk along the east side and veer onto the ramp. Further down the sidewalk, there'll also be a short flight of stairs to the porch and entryway.

That how to get to Neal's Deli, due to open in early 2008 and judging from the buzz already going on around town, if you're planning on heading there around lunchtime, expect some company.

Right now, though, the roughly 700-square-foot space at 100C South Greensboro Street is being stripped down and rebuilt. The framing is up where the counter will be and only a temporary table sits where there'll be a line of fourtops. The vision, though, is pretty clear — classic deli. The Neals, freshly returned from a tour of neighborhood delis in New York City, are determined to create for Carrboro the kind of places they saw there — community institutions with regulars lined up each lunch out the door.

"We walked through Italian, Jewish and Chinese neighborhoods," Matt Neal said. "We ate pickles on the Lower East Side, right on the sidewalk."

They're borrowing from the traditions of those Italian, Jewish, Chinese and Vietnamese neighborhood delis, but not trying to mimic them. "That's why the name made sense"

this is our take on the deli," Sheila Neal said.

"Our favorite places have family names," her husband added.

The exact menu has been in evolution over the past four years, since the idea of starting a deli first took hold. Now, with the opening not far away, it's started to come together. First, a few absolutes: "We are definitely going to make our own corned beef," Matt Neal says.

"And pastrami," Sheila Neal adds.

Pickles, though, are going to be tough. Because of concerns about a good steady supply of cucumbers, they might be seasonal. A pickle barrel, however, is already on the list of regular fixtures.

The couple has been experimenting with pickling for some time " Matt makes a mean kimchi " and plenty of pickled condiments are planned. Sides will include slaws and greens.

Naturally, a selection of meats and featured local cheeses will be available by the pound as well. For Sheila Neal, it's an especially hectic time as she prepares to leave her job as manager of the Carrboro Farmers' Market.

Then there's Hank, the couple's occasionally rambunctious two year old, who keeps his parents busy.

Matt Neal literally grew up in the food business and could often be found at his mother Moreton Neal's place, La Residence, or at Crooks Corner, where his father, chef Bill Neal, honed his now-legendary take on southern cooking.

And though Matt's spent most of his time in the business as a bartender at Crooks and the Orange County Social Club, he's never lost touch with his roots in the kitchen. He's not a Carrboro native, but he's lived here most of his childhood and, though he lived occasionally in Chapel Hill, Carrboro is home, and Matt's especially proud to have the chance to cook for the town.

Sheila and Matt say the response already has been a boost, and say it's coming together thanks to the town's revolving loan program and help from friends like Cray Gunn, a childhood chum of Matt's whose Custom Carpentry is handling construction, and veteran restaurant designer John Lindsey, who came out of retirement to work on the design and is said to already be waiting for a liverwurst on rye.

And while there are plenty of local examples of more elaborate cooking, one of Neal's early mottos is "nothing fancy." The price point, Sheila Neal said, is a good lunch for a little more than \$8 so that Neal's will become the kind of place you return to on a regular basis. Neither Neal is willing to guess when that first lunch rush will come, saying only that it should

happen long before spring. Both of them agree, though, on what the vision is for a typical noon hour at Neal's.

"What'll it be like?" Sheila Neal said, repeating the question, then sweeping her arm from the counter to the sidewalk on Greensboro Street, adding: "Lined up out the door."

Search ...

WEB ARCHIVE

Select Month ▼

Personal Financial Statement of Heather Swanson		
Prepared on February 26th 2024		
Assets		
Checking Accounts		3,603.73
+Discover Personal Loan/Cash		40,000.00
Savings Accounts		10,206.03
Brokerage Account		16,015.75
Roth IRA		22,437.58
Savings Bonds		1,350.00
Total Assets		93,613.09
Liabilities		
Credit Cards		8,701.13
Auto Loan		2,300.17
+Discover Personal Loan/Debt		40,000.00
Total Liabilities		51,001.30
Net Worth		42,611.79



View report from

Feb 05, 2024 ▼

HEATHER SWANSON

806

Calculated using VantageScore 3.0

Provided by Equifax

Personal Information



Today



Credit



Cards



Loans



Money




HEATHER SWANSON


EMPLOYMENT INFO


NOT PROVIDED


ART IN A PICKLE LLC


ADDRESSES REPORTED

 [Redacted]
CHAPEL HILL, NC
27517

 [Redacted]
RALEIGH, NC
27609

 [Redacted]
CHAPEL HILL, NC
27516

 [Redacted]
JACKSONVILLE, FL
32204

 [Redacted]
CARRBORO, NC
27510

Show more



Accounts

Here's every account on your Equifax report. Click on the account name for more details.



Today



Credit



Cards



Loans



Money



Overview

You have **35%** left to pay on this loan.

Balance	\$2625	Highest Balance	\$7472
Monthly payment			\$168
Opened		Mar. 29, 2021 (2 yrs, 10 mos)	
Term			49 months

Payment History

You've made **100%** of payments for this account on time.

	J	F	M	A	M	J	J	A	S	O	N	D
2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2021			●	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Current
✗ Late
● Unknown

Last payment	Dec. 01, 2023
Current Payment Status	Current
Worst Payment Status	Current





Account status	Open
Type	Auto
Responsibility	Individual Account.
Remarks	Fixed rate
Times 30/60/90 days late	0/0/0
Closed	No Info

You could dispute an error with Equifax

SEE AN ERROR?

If there's an error on your report, you can submit a dispute.

[GO TO EQUIFAX](#)

Creditor Information

CAPITAL ONE AUTO FIN
PO BOX 259407
PLANO, TX 75025

[\(800\) 946-0332](tel:(800)946-0332)

VYSTAR CREDIT UNION

Reported: Jun. 04, 2018

\$0.00 -
Closed

Overview



Today



Credit



Cards



Loans



Money



Monthly payment	No Info
Opened	Jan. 15, 2015 (9 yrs)
Term	48 months

Payment History

Last payment	May 01, 2018
Current Payment Status	Current
Worst Payment Status	Current

Account Details

Account status	Paid and Closed
Type	Auto
Responsibility	Joint Account
Remarks	Fixed rate
Times 30/60/90 days late	0/0/0
Closed	May 01, 2018

You could dispute an error with Equifax

SEE AN ERROR?



Today



Credit



Cards



Loans



Money



Creditor Information

VYSTAR CREDIT UNION
76 S LAURA ST
JACKSONVILLE, FL 32202

(904) 777-6000

^
Hide closed (1)

CREDIT CARDS

SYNCB/TJX CO DC

Reported: Jan. 26, 2024

\$0.00

In good standing

Overview

You're currently using **0%** of your account's limit.

Balance	Credit limit
\$0	\$10000
<hr/>	
Monthly payment	No Info
<hr/>	
Opened	Oct. 26, 2014 (9 yrs, 3 mos)

Payment History

You've made **100%** of payments for this account on time.

I F M A M J J A S O N D



Today



Credit



Cards



Loans



Money



2021	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2020	●	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



✓ Current
✗ Late
● Unknown

Last payment Aug. 01, 2023

Current Payment Status Current

Amount past due \$0

Worst Payment Status Current

Account Details

Account status Open

Type Credit Card

Responsibility Individual Account.

Remarks No Info

Times 30/60/90 days late 0/0/0

Closed No Info

You could dispute an error with Equifax

SEE AN ERROR?

If there's an error on your report, you can submit a dispute.

[GO TO EQUIFAX](#)



Today



Credit



Cards



Loans



Money



4125 WINDWARD PLAZA
ALPHARETTA, GA 30005

(877) 890-3150

DISCOVER BANK

Reported: Jan. 25, 2024

\$266.00 -
In good standing

Overview

You're currently using **2%** of your account's limit.

Balance	\$266	Credit limit	\$15500
Monthly payment			\$35
Opened			Nov. 28, 2018 (5 yrs, 2 mos)

Payment History

You've made **100%** of payments for this account on time.

	J	F	M	A	M	J	J	A	S	O	N	D
2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2021	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2020	●	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



✓ Current ✗ Late ● Unknown

Today

Credit

Cards

Loans

Money



Amount past due \$0

Worst Payment Status Current

Account Details

Account status Open

Type Credit Card

Responsibility Individual Account.

Remarks No Info

Times 30/60/90 days late 0/0/0

Closed No Info

You could dispute an error with Equifax

SEE AN ERROR?

If there's an error on your report, you can submit a dispute.

[GO TO EQUIFAX](#)

Creditor Information

DISCOVER BANK
PO BOX15316
WILMINGTON, DE 19850-5316

[\(800\) 347-2683](tel:(800)347-2683)



Today



Credit



Cards



Loans



Money



Overview

You're currently using **3%** of your account's limit.

Balance	Credit limit
\$218	\$7100

Monthly payment	\$35
-----------------	------

Opened	Dec. 14, 2021 (2 yrs, 2 mos)
--------	------------------------------

Payment History

You've made **100%** of payments for this account on time.

	J	F	M	A	M	J	J	A	S	O	N	D
2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2021												✓

✓ Current
✗ Late
● Unknown

Last payment	Jan. 01, 2024
--------------	---------------

Current Payment Status	Current
------------------------	---------

Amount past due	\$0
-----------------	-----

Worst Payment Status	Current
----------------------	---------



Today



Credit



Cards



Loans



Money



Account status	Open
Type	Credit Card
Responsibility	Individual Account.
Remarks	No Info
Times 30/60/90 days late	0/0/0
Closed	No Info

You could dispute an error with Equifax

SEE AN ERROR?

If there's an error on your report, you can submit a dispute.

[GO TO EQUIFAX](#)

Creditor Information

CITICARDS CBNA
5800 SOUTH CORPORATE PLACE
SIOUX FALLS, SD 57108

BANK OF AMERICA
Reported: Jan. 17, 2024

\$240.00 -
In good standing

Overview

You're currently using **3%** of your account's limit.



Today



Credit



Cards



Loans



Money



Monthly payment

\$25

Opened

Apr. 18, 2019 (4 yrs, 9 mos)

Payment History

You've made **100%** of payments for this account on time.

	J	F	M	A	M	J	J	A	S	O	N	D
2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2021	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2020	●	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



✓ Current ✗ Late ● Unknown

Last payment

Jan. 01, 2024

Current Payment Status

Current

Amount past due

\$0

Worst Payment Status

Current



Today



Credit



Cards



Loans



Money



Account status	Open
Type	Credit Card
Responsibility	Individual Account.
Remarks	No Info
Times 30/60/90 days late	0/0/0
Closed	No Info

You could dispute an error with Equifax

SEE AN ERROR?

If there's an error on your report, you can submit a dispute.

[GO TO EQUIFAX](#)

Creditor Information

BANK OF AMERICA
4060 OGLETOWN/STANTON RD
NEWARK, DE 19713

[\(800\) 421-2110](tel:(800)421-2110)

CAPITAL ONE

Reported: Jan. 10, 2024

\$1,353.00 -
In good standing

Overview



Today



Credit



Cards



Loans



Money



Monthly payment \$25

Opened Mar. 06, 2018 (5 yrs, 11 mos)

Payment History

You've made **100%** of payments for this account on time.

	J	F	M	A	M	J	J	A	S	O	N	D
2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2021	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2020	●	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



✓ Current ✗ Late ● Unknown

Last payment Jan. 01, 2024

Current Payment Status Current

Amount past due \$0

Worst Payment Status Current



Today



Credit



Cards



Loans



Money



Account status	Open
Type	Flexible Spending Credit Card
Responsibility	Individual Account.
Remarks	No Info
Times 30/60/90 days late	0/0/0
Closed	No Info

You could dispute an error with Equifax

SEE AN ERROR?

If there's an error on your report, you can submit a dispute.

[GO TO EQUIFAX](#)

Creditor Information

CAPITAL ONE
PO BOX 31293
SALT LAKE CITY, UT 84131-1293

[\(800\) 955-7070](tel:(800)955-7070)

SYNCB/PPC

Reported: Jan. 13, 2020

\$0.00 -
Closed

Overview



Today



Credit



Cards



Loans



Money



Monthly payment No Info

Opened Jan. 05, 2014 (10 yrs, 1 mo)

Payment History

Last payment No Info

Current Payment Status Current

Amount past due \$0

Worst Payment Status Current

Account Details

Account status Paid and Closed

Type Credit Card

Responsibility Individual Account.

Remarks Account closed due to inactivity

Times 30/60/90 days late 0/0/0

Closed Nov. 01, 2019

You could dispute an error with Equifax

SEE AN ERROR?



Today



Credit



Cards



Loans



Money



Creditor Information

SYNCB/PPC
PO BOX 965005
ORLANDO, FL 32896

(844) 373-4961

WELLS FARGO CARD SER

Reported: Aug. 26, 2016

\$0.00

Closed

Overview

You're currently using **0%** of your account's limit.

Balance	Credit limit
\$0	\$1500
Monthly payment	No Info
Opened	May 27, 2012 (11 yrs, 8 mos)

Payment History

Last payment	No Info
Current Payment Status	Current
Amount past due	\$0
Worst Payment Status	Current



Today



Credit



Cards



Loans



Money



Account status	Paid and Closed
Type	Credit Card
Responsibility	Individual Account.
Remarks	Account closed at consumers request
Times 30/60/90 days late	0/0/0
Closed	Mar. 01, 2016

You could dispute an error with Equifax

SEE AN ERROR?

If there's an error on your report, you can submit a dispute.

[GO TO EQUIFAX](#)

Creditor Information

WELLS FARGO CARD SER
CREDIT BUREAU DISPUTE RESOLUT
DES MOINES, IA 50306

[\(800\) 642-4720](tel:(800)642-4720)

^
Hide closed (2)

STUDENT LOANS



Today



Credit



Cards



Loans



Money



Overview

You have **0%** left to pay on this student loan.

Balance	Highest Balance
\$0	\$15000
Monthly payment	No Info
Opened	Sep. 14, 2011 (12 yrs, 5 mos)
Term	No Info

Payment History

Last payment	Sep. 01, 2019
Current Payment Status	Current
Worst Payment Status	Current

Account Details

Account status	Paid and Closed
Type	Education Loan
Responsibility	Individual Account.
Remarks	No Info
Times 30/60/90 days late	0/0/0
Closed	Sep. 01, 2019



Today



Credit



Cards



Loans



Money



You could dispute an error with Equifax

SEE AN ERROR?

If there's an error on your report, you can submit a dispute.

[GO TO EQUIFAX](#)

Creditor Information

US DEPT. OF EDUCATIO
PO BOX 7860
MADISON, WI 53704

US DEPT. OF EDUCATIO

Reported: Feb. 28, 2018

\$0.00 -
Closed

Overview

You have **0%** left to pay on this student loan.

Balance	Highest Balance
\$0	\$3639
Monthly payment	No Info
Opened	May 14, 2010 (13 yrs, 9 mos)
Term	No Info

Payment History



Today



Credit



Cards



Loans



Money



Worst Payment Status

Current

Account Details

Account status	Paid and Closed
Type	Education Loan
Responsibility	Individual Account.
Remarks	No Info
Times 30/60/90 days late	0/0/0
Closed	Feb. 01, 2018

You could dispute an error with Equifax

SEE AN ERROR?

If there's an error on your report, you can submit a dispute.

[GO TO EQUIFAX](#)

Creditor Information

US DEPT. OF EDUCATIO
P O BOX 7860
MADISON, WI 53704

UNC STUDENT AID OFFI

Reported: Oct. 31, 2016

\$0.00 -
Closed



Today



Credit



Cards



Loans



Money



Overview

You have **0%** left to pay on this student loan.






Balance	Highest Balance
\$0	\$2750
Monthly payment	No Info
Opened	Oct. 23, 2012 (11 yrs, 3 mos)
Term	82 months

Payment History

Last payment	Sep. 01, 2016
Current Payment Status	Current
Worst Payment Status	Current

Account Details

Account status	Paid and Closed
Type	Education Loan
Responsibility	Individual Account.
Remarks	No Info
Times 30/60/90 days late	0/0/0
Closed	Sep. 01, 2016

- 
Today
- 
Credit
- 
Cards
- 
Loans
- 
Money



You could dispute an error with Equifax

SEE AN ERROR?

If there's an error on your report, you can submit a dispute.

[GO TO EQUIFAX](#)

Creditor Information

UNC STUDENT AID OFFI
111 PETTIGREW HALL
CHAPEL HILL, NC 27599

[\(919\) 962-6824](#)

Hard Inquiries

When you apply for a new credit account, a hard inquiry will usually get added to your report, which can make a small dent in your score. Here are the inquiries on your Equifax report.

Collections

If you've fallen behind on payments, your account could be sent to a collections agency. This can have a big impact on your credit score.

Clean slate! As of Feb. 05, 2024, you have no collection accounts on your credit report.

Public Records

Things like bankruptcies and legal judgments against you can show up on your credit report and do some damage to your score.

Lookin' good! As of Feb. 05, 2024, you have no public records on your report.



Today



Credit



Cards



Loans



Money



We suggest offers based on your credit, Approval Odds, and money we make from our partners.

Advertiser Disclosure

Wells Fargo Active Cash® Card



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Congrats: your chance of approval is **outstanding!**



<p>REWARDS RATE ⓘ</p> <p>2%</p> <p>Cash Back</p>	<p>ANNUAL FEE</p> <p>\$0</p>
<p>WELCOME BONUS ⓘ</p> <p>\$200</p>	<p>CK ESTIMATED CREDIT LIMIT ⓘ</p> <p>\$12,000 - \$20,000</p>

Continue

[See details, rates, and fees](#)



Today



Credit



Cards



Loans



Money



**TOWN OF CARRBORO • NC
FACING RACE, EMBRACING EQUITY**

Racial Equity Assessment Lens (REAL)

NAME OF INITIATIVE PROGRAM/PROJECT: Revolving Loan Equity Lens

Department: Economic Development

ORIGIN AND DESCRIPTION

Existing initiative – The Revolving Loan Program was originally started from a grant received by the Town to seed a revolving loan for small businesses to purchase or make improvements to their building in the 1990s. Since then, the original program funds have been 100 percent turned over and the program has morphed into a general revolving loan fund available for a variety of uses for small businesses – including start-up funding, gap financing, and building purchases and improvements.

What is the specific desired result statement –

The outcome goals are to generally increase the number of small businesses in Carrboro, the growth of existing small businesses in Carrboro, a general improvement in the appearance of business buildings, and to help small businesses purchase their buildings.

BENEFITTING INDIVIDUALS OR GROUPS

1. Downtown will see an increase in property values and increase in demand for more businesses.
2. Willow Creek/Carrboro Plaza Shopping Center will see an increase in demand for more businesses

BURDENED INDIVIDUALS OR GROUPS

1. Likely cause an increase in rent rates making it more difficult for low capitalized businesses.

Type	Potential Unintended Consequence	Mitigation Strategies to Prevent Consequences and Advance Racial Equity
<p>SOCIAL Consider native and long term residents, rural residents, transit, trust in government, education, etc.</p>	<p>Certain populations in the community are excluded from access the fund.</p>	<p>The policy should be modified to lower the barriers to take out a loan.</p>
<p>ECONOMIC Consider wages, competition, tourism, unemployment, small businesses, etc.</p>	<p>Less businesses would be started as a limit on access to the fund.</p>	<p>The policy should be modified to make the fund more accessible for first-time entrepreneurs.</p>
<p>HEALTH Consider impacts on pollution, health access, existing health disparities, etc.</p>	<p>With fewer businesses and certain populations excluded from the fund, there would be less opportunity to afford or provide healthcare. There are lots of health-based/focused businesses that may or may not be opening based on available space and funding.</p>	<p>Successful business creation should be at the center of the policy which would include removing certain barriers for low resourced populations.</p>
<p>ENVIRONMENT Consider impacts on pollution, natural resources, transit, etc.</p>	<p>None expected. Businesses by their nature require resources and energy. If new facilities are being constructed, there will be an environmental impact. Supplies and raw materials that the business requires all have an environmental impact. Increased energy use will result in increases in pollution and greenhouse gas emissions making it harder to meet the Town's climate goals. There are ways to mitigate this - for example the business uses renewable energy or the nature of the business is focused on more sustainable solutions and/or products.</p>	<p>NA</p>

	Also, a new business could increase vehicular traffic to an area and its associated impacts. The degree of the impacts depends entirely on the nature of the business.	
OTHER Consider how a resident might interact with this measure "start to finish." Think through the best and worst case scenarios	Businesses and entrepreneurs who may not have business or personal finances in-order will struggle to illustrate their financial need and may not get funding needed.	Provide application assistance through Town staff or third-parties to ensure all documentation is complete and submitted.

RECOMMENDATIONS

1. Attach policy
2. Provide a few simple sentences on how the program works. I see the criteria and application on the website but no further description.
3. After review of the Policy through the equity lens, it has become clear that there is a strong need to revamp to policy to make it much more accessible to more populations in our community – including low-income and minority populations.
4. Lower or remove real property or other collateral requirements, Could there be differing interest rates? Could those with fewer resources be allowed to pay a lower interest rate which may make it easier to pay back the loan. Maybe this is done in conjunction with longer payback periods. Could there be potential deferments allowed, similar to student loans in times of economic crises (community or personal)? Maybe they only have to pay the interest during these times. Could repaying the loan be deferred until the business is up and running? EP especially for smaller loan amounts.
5. Provide opportunities for those with poor credit ratings to still access some level of funding.
6. Allow opportunities for BIPOC or low-income entrepreneurs to access additional funding, since access to funding may be more difficult in the private market.
7. Obtain feedback and input on the policy from other local, knowledgeable organizations – especially those that work with BIPOC entrepreneurs.
8. Emphasize in the description that this policy provides administrative/financial opportunities to businesses. Impact of physical business structures should be evaluated within another lens.
9. Track data of the program
10. Engage stakeholders to seek recommendations
11. Evaluate annually and share with business community
12. Reach out to communities about the benefits of business ownership and advertise this opportunity including flyers with contact information and QR codes for more information.
13. Decision makers of this loan program should be a diverse group.
14. REC supports this program and the recommendations from staff.



Agenda Item Abstract

File Number: 24-078

Agenda Date: 4/23/2024
In Control: Town Council
Version: 1

File Type: Agendas

An Ordinance to Amend the Town Code

PURPOSE: To increase the civil penalty of parking in a handicapped parking space without the appropriate tag or identification from \$50 to \$250.

DEPARTMENT: Economic Development

CONTACT INFORMATION: Jon Hartman-Brown, JHartman-Brown@CarrboroNC.gov, 919-918-7319

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

The accepted Parking Study recommends an increase in the Handicap Parking civil penalty from \$50 to \$250.

INFORMATION: The Parking Study conducted by Walker Consultants and accepted by the Town Council on April 26, 2022, recommended that the Handicap Parking Space civil penalty be increased from \$50 to \$250 after a comparative analysis of other communities. At a March 5, 2024, work session on parking, a consensus of the Council requested staff to bring back an ordinance proposal that would make this increase. There was one handicap parking ticket issued in 2023 and only one handicap parking ticket issued so far this year.

FISCAL IMPACT: No significant fiscal impact is expected at this time.

RECOMMENDATION: Staff recommend approval of the ordinance.

A motion was made by _____, seconded by _____ to approve the following ordinance:

**AN ORDINANCE AMENDING THE CARRBORO
TOWN CODE TO INCREASE THE
HANDICAPPED PARKING SPACE VIOLATION
CIVIL PENALTY**

BE IT ORDAINED by the Carrboro Town Council that:

Section 1. Section 6-41(c) of the Carrboro Town Code is amended to read:
Any violation of the following sections shall subject the offender to a civil penalty as indicated. If the offender fails to pay this penalty within 10 days after being cited for a violation and notified of the penalty, the Town may seek to collect it in a civil action in nature of debt:

Section	Civil Penalty
6-14.1, 6-24, 6-25, 6-26, 6-28, 6-28.1, 6-28.2, 6-29, 6-35, 6-37, 6-38, 6-40.1	\$25.00
6-18 (except 6-18(a)(13), 6-19, 6-20, 6-21, 6-22	\$35.00 for the first offense, \$50.00 for the second offense, \$100.00 for each subsequent offense within a 365 day period
6-18(a)(13)	\$250.00
6-28.3	\$250.00

Section 2. This ordinance shall become effective on adoption.

Ayes:

Noes:

Absent or Excused:

Race and Equity Pocket Questions

Title and purpose of this initiative: An Ordinance to Amend the Town Code to Increase the Handicapped Parking Space Civil Penalty

Department: Economic Development

What are the racial and equity impacts? Communities of color and those with disabilities may face higher rates of poverty and economic insecurity, potentially increasing the likelihood of encountering financial burdens should they park illegally in a handicap parking space or without the appropriate identification.

Who is or will experience community burden? Primarily, those without a disability and illegally park in a handicap space will be burdened with the increased penalty of the ticket. Individuals with disabilities may experience a burden from the increased penalty. If they or their caregivers inadvertently park in a handicap space without proper authorization or permit, the higher penalty could worsen their financial situation or, should this occur, they would have to travel further to their destination. Additionally, a burden exists to those who have a disability and yet are unable to utilize a handicap parking space due to someone without a disability occupying that space.

Who is or will experience community benefit? The primary community benefit of this ordinance change is the potential improvement in accessibility and enforcement of handicap parking spaces. An increase to the penalty may help deter illegal parking and ensure that designated spaces are available for those who genuinely need them, thereby enhancing accessibility for individuals with disabilities.

What are the root causes of inequity? Root causes of inequity may include insufficient access to affordable and accessible parking, inadequate education or awareness about handicap parking regulations, and systemic barriers that hinder equitable access to resources and services for individuals with disabilities, particularly those from marginalized communities.

What might be the unintended consequences of this action or strategy? One potential unintended consequence of this action could be the exacerbation of financial hardship for low-income individuals or families without a disability who inadvertently violate handicap parking regulations.

How is your department planning to mitigate any burdens, inequities, and unintended consequences? Since this is increasing a civil penalty of an already illegal activity, department staff do not anticipate any additional significant burdens, inequities, and unintended consequences that would need to additional mitigation measures.



Agenda Item Abstract

File Number: 24-071

Agenda Date: 4/23/2024
In Control: Town Council
Version: 1

File Type: Agendas

South Greensboro St. Sidewalk Supplemental Agreement and Capital Project Ordinance

PURPOSE: To request that the Town Council consider authorizing the Town Manager to execute a Supplemental Agreement with NCDOT and to adopt a new capital project ordinance for the South Greensboro Street Sidewalk Project (C-5650) to expand the project scope, reflect additional funding and update the project milestones.

DEPARTMENT: Planning & Finance

CONTACT INFORMATION: Christina Moon, Planning & Transportation Administrator, 919-918-7325, cmoon@carrboronc.gov; Patricia McGuire, Planning Director, 919-918-7327, pmcguire@carrboronc.gov; Bret Greene, Finance Director, 919-918-7439, bgreene@carrboronc.gov

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

This is an administrative step in the design process for the South Greensboro Street Sidewalk project. The South Greensboro Street Sidewalk is included in the Comprehensive Plan as a priority project of advancing multimodal travel options with further the Town’s efforts toward climate action and race/equity. Racial equity pocket questions are provided as (*Attachment B*).

INFORMATION: The Town has been working with NCDOT to coordinate an upcoming resurfacing project for South Greensboro Street with the locally administered sidewalk project (C-5650). This requires modifying the Municipal Agreement for the sidewalk to align with the project boundaries for the resurfacing and to update the schedule. This also provides an opportunity update the funding portion of the agreement to include the additional federal funding (CMAQ and local discretionary STBG-DA) funds allocated to the Town as part of a FY23 Call for Projects. The Council authorized staff to submit a request for additional federal funds on [November 16, 2021 <https://carrboro.legistar.com/MeetingDetail.aspx?ID=902919&GUID=66E660AB-E51C-462B-8285-D8D375D836E6&Options=info/&Search=south+greensboro>](https://carrboro.legistar.com/MeetingDetail.aspx?ID=902919&GUID=66E660AB-E51C-462B-8285-D8D375D836E6&Options=info/&Search=south+greensboro). The amended capital project ordinance reflects the additional Orange County Transit funds and the necessary increase for design services associated with the waterline replacement, approved by the Town Council on June 27, 2023. The amended capital project ordinance also reflects the replacement of the coronavirus funds that were reallocated to NCDOT to avoid recession with federal funds programmed by NCDOT. Unlike the coronavirus allocation, the replacement funds require a 20-percent local match. Staff will bring back a future agenda item to add state funds relating to the resurfacing component of the project at a later date.

FISCAL IMPACT: The project cost would increase from \$1,781,462 to \$2,892,141 which includes \$940,800 of additional federal funds. The combination of Orange County Transit funds and bond proceeds covers all but approximately \$34,879 of the required 20-percent local match. A source for the approximately \$34,879 of additional local match needs to be identified.

RECOMMENDATION: Staff recommends that the Town Council authorize the Town Manager to execute the

Agenda Date: 4/23/2024
In Control: Town Council
Version: 1

File Type: Agendas

updated Supplemental Agreement with NCDOT (SA#4) and approve the new South Greensboro Street Capital Project Ordinance (*Attachment A*).

**AMENDMENT TO SOUTH GREENSBORO STREET SIDEWALK
CAPITAL IMPROVEMENT PROJECT ORDINANCE**

Ordinance No. _____

WHEREAS, the Town Council on June 27, 2017, adopted a Capital Improvement Project Ordinance for the South Greensboro Street Sidewalk design and construction, and subsequently amended it on June 22, 2021; and,

WHEREAS, the Town of Carrboro has been awarded federal funding via the North Carolina Department of Transportation (NCDOT) under the STBG-DA and Congestion Mitigation and Air Quality Improvement Program (CMAQ) Programs; and,

WHEREAS, the Town has executed a Municipal Agreement with NCDOT to administer federal funding to design and construct the South Greensboro Street Sidewalk; and,

WHEREAS, local funds have been identified to provide the required local match for these funding awards; and,

WHEREAS, the Town of Carrboro was allocated \$552,340 of Orange County Transit funds, which may be used toward the local match; on June 22, 2021, the Town Council authorized the reallocation of \$175,000 of Transit Funds from the South Greensboro Street to the Morgan Creek Greenway project; and

WHEREAS, the Town of Carrboro was allocated \$135,000 of additional Orange County Transit Funds to use for the South Greensboro Street Sidewalk project; and

WHEREAS, the Town of Carrboro was allocated \$560,000 of additional CMAQ funds and has programmed \$380,800 of additional federal STBG-DA funds to the project; and

WHEREAS, the Town received \$206,343 of STBGDA Corona Virus Relief Funds through the DCHC MPO, which were allocated to the South Greensboro Street project and subsequently reallocated to NCDOT to avoid rescission. NCDOT has allocated \$206,343 of federal funds to replace the Corona Virus Relief Funds; the replacement funds require a 20 percent local match; and

WHEREAS, the Town Council has authorized the Town Manager to execute an amendment to the Municipal Agreement with NCDOT to reflect the updated funding for the South Greensboro Street Sidewalk, the expanded scope of work to include the resurfacing project and to update the project schedule.

NOW, THEREFORE PURSUANT TO N.C.G.S 159-13.2, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CARRBORO THAT:

1. Revenues for the South Greensboro Street Sidewalk Capital Improvement Project are hereby amended as follows:
2. The South Greensboro Street Sidewalk Capital Improvement Project is hereby authorized to be undertaken until all project activity is completed.

	Current <u>Appropriations</u>	Increase (Decrease)	New <u>Appropriations</u>
STBGDA FUNDS	\$ 714,000.00	\$ 380,800.00	\$ 1,094,800.00
CMAQ FUNDS	\$ 440,000.00	\$560,000.00	\$ 1,000,000.00
ORANGE COUNTY TRANSIT FUNDS	\$ 377,340.00	\$135,000.00	\$ 512,340.00
STBGDA CORONAVIRUS RELIEF FUNDS	\$ 206,343.00	(\$206,343.00)	
STBG FUNDS (NCDOT)		\$ 206,343.00	\$ 206,343.00
BOND PROCEEDS	\$ 43,153.00		\$ 43,153.00
GENERAL FUNDS	\$ 626.00	34,879	\$ 35,505.00
TOTAL	<u>\$ 1,781,462.00</u>	<u>\$879,457.00</u>	<u>\$2,892,141.00</u>

3. The expenditures for the project are amended as follows: 111067

	Current <u>Appropriations</u>	Increase (Decrease)	New <u>Appropriations</u>
Right of Way Acquisition	50,000.00		\$ 50,000.00
Design and Engineering	\$ 415,000.00	\$ 122,794.00	\$ 537,794.00
Construction	\$ 1,163,579.00	\$ 839,702.00	\$ 2,003,281.00
Contingency	<u>\$ 152,883.00</u>	<u>\$ 148,183.00</u>	<u>\$ 301,066.00</u>
TOTAL	<u>\$ 1,781,462.00</u>	<u>\$ 1,110,679.00</u>	<u>\$ 2,892,141.00</u>

4. This Capital Project Improvement Ordinance is hereby authorized until all project activity is completed.

5. Within five (5) days after this ordinance is adopted, the Town Clerk shall file a copy of this ordinance with the Finance Director and Planning Director.

This the 23rd day of April 2024

Race and Equity Pocket Questions

Title and purpose of this initiative: Supplemental Agreement and Capital Project Ordinance Amendment for the South Greensboro Street Sidewalk. The purpose of this item to request that the Town Council authorize the Town Manager to execute a supplemental agreement with NCDOT for the South Greensboro Street Sidewalk and to approve an amendment to the CIP ordinance to increase funding, extend the project scope and milestones.

Department: Planning and Finance.

What are the racial and equity impacts?

This is an administrative step in the design process for the South Greensboro Street Sidewalk to add funding to the project, expand the project boundaries and scope in order to include the resurfacing work and to update the project schedule. Of note, federally funded projects require a 20-percent local match, which may take local funds away from other priorities. Bicycle and pedestrian transportation projects provide residents with improved infrastructure and by extension transportation choices. For those without a car, a sidewalk or paved bicycle facility can significantly improve everyday life. BIPOC populations are more likely to face barriers to accessing reliable transportation and live in communities with limited access to bike-ped facilities for recreation.

Who is or will experience community burden?

Drivers will likely experience delays accessing South Greensboro Street to get to and from the downtown area and may occasionally need to use detours to reach their destinations, particularly during the resurfacing process. The delays may negatively impact local businesses such as restaurants serving lunch; but this inconvenience will only occur during construction. Property owners and residents living along the corridor will likewise experience noise and reduced access to their homes during construction. Landowners along the west side of the street may lose some of their road frontage to temporary or permanent easements to provide space to construct the sidewalk and/or associated stormwater features. Residents along the corridor may experience additional pedestrians walking in front of their homes. Cyclists will still need to walk their bikes up/down the hill on the sidewalk or use one of the alternative routes—Old Pittsboro Road or Purple Leaf/the Roberson Bike Path.

Who is or will experience community benefit?

Once completed, the sidewalk will connect the neighborhoods along Smith Level Road to downtown Carrboro, including the future library at 203 South Greensboro Street. It will complete a significant segment of pedestrian infrastructure along a main north-south corridor in Carrboro, connecting West Carr Street to Carrboro High School. Overtime, the sidewalk will provide a connection to the Morgan Creek Greenway in Chapel Hill and Carrboro, a major off-road investment extending east-west along Morgan Creek, adding a significant segment to the bike/ped network and allowing for more multimodal transportation choices, particularly for households in the QCT, of which more than 15% have no access to a car. Of note, the resurfacing work will include a restriping project for the southern portion of the corridor and will add new bike lanes from the roundabout to the Smith Level Road bridge..



TOWN OF CARRBORO • NC
FACING RACE, EMBRACING EQUITY

What are the root causes of inequity?

Structural racism in government decisions, particularly those relating to land use and transportation projects. Working individuals and families may find it difficult to learn about transportation projects in time to have meaningful input and/or to attend meetings when transportation projects are being discussed. Personal experiences with government can contribute to reluctance by historically marginalized people to speak in a public setting, particularly if there is a concern that personal property may be taken/condemned.

What might be the unintended consequences of this action or strategy?

Transportation infrastructure projects can benefit or harm land values and quality of life experiences for surrounding property owners and occupants. As noted above, some property owners along the corridor may lose some of their frontage along the corridor and/or experience a loss of privacy from increased pedestrian traffic. Overall, however, the completion of this project should be of great benefit to Town residents and provide a much safer way to walk or roll along South Greensboro Street.

How is your department planning to mitigate any burdens, inequities, and unintended consequences?

Public outreach before and during the construction process will be an important part of keeping residents apprised of the project and when noise is anticipated, and when residents may have restricted access to South Greensboro Street and or individual homes.



Agenda Item Abstract

File Number: 24-079

Agenda Date: 4/23/2024
In Control: Town Council
Version: 1

File Type: Agendas

Legislative Public Hearing on Land Use Ordinance Text Amendments

PURPOSE: The Town has received a request for text amendments to the Land Use Ordinance to add a new restaurant use for neighborhood cafes and to allow additional residential density in certain zoning districts. A draft ordinance has been prepared. The Town Council must receive public comment before making a decision.

DEPARTMENT: Planning

CONTACT INFORMATION: Christina Moon, Planning & Transportation Administrator, 919-918-7325, cmoon@carrboronc.gov; Patricia McGuire, Planning Director, 919-918-7327, pmcguire@carrboronc.gov; Nick Herman - 919-929-3905, herman@broughlawfirm.com

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

Legislative public hearings are a necessary step for text amendments in accordance with North Carolina state statutes and Town regulations. The Council is required to adopt a statement of consistency as part of its decision. Pocket questions have been provided.

INFORMATION: The Town has received two requests from Heather Washburn of Calico Studio, to modify the text amendment of the Land Use Ordinance: 1) to increase in the amount of residential density in the O Zoning District (Office, 7,500 square feet per dwelling unit) and 2) to allow for the establishment of a new restaurant land use selling coffee/tea products prepared on site and baked goods prepared off-site (*Attachment C*). The requests are to support a pending application for a major modification to an existing special use permit -A for property at 603 Jones Ferry Road.

Background

On June 26, 2018, the Town Council approved a proposal for a small mixed-use project at 603 Jones Ferry Road. The project allowed for the development of four live-work units consisting of 1,200-square-foot office space on the ground floor and 1,200 square-foot residential units above. Ms. Washburn is seeking to purchase the 1.10 acre (47,916 square foot) property and request a major modification to the permit to allow for approximately 14 residential units, including a combination of 500-1000 square foot live-work units, and a small café space.

A draft ordinance (*Attachment B*) has been prepared. If adopted, the Land Use Ordinance would be amended to allow for an increase in residential density in the O and O/A districts subject to certain criteria. In addition, a new restaurant use category called “neighborhood café” would be added to the Permissible Use Table to allow

for a coffee-house type use for the brewing of beverages on site and the sale of prepared foods made off-site.

The Town Council must receive public comments before adopting amendments to the Land Use Ordinance. The draft ordinance was referred to Orange County and presented to the Planning Board and Transportation Advisory Board on the April 4th Joint Advisory Board review meeting; some members from the Appearance Commission and Economic Sustainability Commission also attended the joint review meeting. Comments are provided as *Attachment E*.

FISCAL IMPACT: The applicant has paid the fees associated with a request for a text amendment. Staff time is necessary for public notice and agenda preparation for advisory board review and public hearings.

RECOMMENDATION: Staff recommends that the Town Council receive public input and consider whether the proposed text amendment is consistent with Town plans and policies. A resolution for consistency (*Attachment A*) and a draft ordinance for the text amendments (*Attachment B*) are provided.

A RESOLUTION ADOPTING A STATEMENT EXPLAINING THE TOWN COUNCIL’S REASONS FOR ADOPTING AN AMENDMENT TO THE TEXT OF THE CARRBORO LAND USE ORDINANCE (N.C. Gen. Stat. 160A-383)

WHEREAS an amendment to the text of the Carrboro Land Use Ordinance has been proposed, which amendment is described or identified as follows: “An Ordinance Relating to Cafes and Residential Density in Certain Zoning Districts.”

NOW, THEREFORE, the Town Council of the Town of Carrboro Resolves:

Section 1. The Council has reviewed the draft amendment to the text of the Land Use Ordinance and concludes that the proposed amendment is:

_____ *Consistent* with the Town of Carrboro 2022-2042 Comprehensive Plan, Affordable Housing, Economic Sustainability and Land Use strategies noted below:

- Affordable Housing Strategy 1.1: Increase development of for-sale affordable housing units for households earning up to 80% of AMI.
- Affordable Housing Strategy 2.3 Ease the pressure on rental prices by increasing affordable rental housing stock, particularly in high-transit areas.
- Economic Sustainability Strategy 2.2: Strengthen other business districts and commercial areas in Carrboro’s neighborhoods.
- Economic Sustainability Strategy 3.4: Support business opportunities and unique ownership models.
- Land Use Strategy 2.5: Fully evaluate and reduce housing density restrictions to slow the increase of housing prices and diversify the housing stock.

_____ *Inconsistent* with current adopted plans. The proposed action is *inconsistent* with the comprehensive plan for the following reason(s):

_____ *Inconsistent* with the current adopted plans; however, because of the following changed circumstance(s), the Council’s approval shall also be deemed an amendment to the existing adopted plan, _____, as described below.

Changed circumstance(s):

Amendment to current adopted plan:

Section 2. The Town Council’s action is reasonable and in the public interest for the following reason(s):

The proposed text amendment is reasonable and in the public interest because of the specific criteria required: public hearings for restaurant uses in less intensive commercial districts and, mixed use and affordable housing associated with increased residential density.

Section 3. Therefore, the Carrboro Town Council has: approved / denied the proposed amendment to the text of the Carrboro Land Use Ordinance.

Section 4. This resolution becomes effective upon adoption.

Adopted by the Carrboro Town Council this 23rd day of April 2024.

AN ORDINANCE AMENDING THE CARRBORO LAND USE ORDINANCE RELATING TO
CAFES AND RESIDENTIAL DENSITY IN CERTAIN ZONING DISTRICTS.

DRAFT 3-13-2024

THE TOWN COUNCIL OF THE TOWN OF CARRBORO ORDAINS:

Section 1. Article II, Section 15-15 Definition of Basic Terms of the Carrboro Land Use Ordinance is amended by the addition of a new definition, in appropriate alphabetical order, that reads as follows:

NEIGHBORHOOD CAFÉ. A retail business that sells principally coffee and tea along with baked goods and similar foods prepared off site.

Section 2. Article X, Section 15-146 Table of Permissible Uses is by adding a new use classification, 8.900, Neighborhood Cafe, and by adding a “ZA(l)” under the columns for the B-1C, B-1G, HR-CC, O, and O/A districts, and an “A” under the columns for the B-2, B-3, B-3T, B-5, and HR-R districts.

Section 3. Article X, Section 15-147 Use of the Designations A, B, Z in Table of Permissible Uses is amended by rewriting subsection (i) to read as follows:

(i) When used in connection with 8.100, 8.200, 8.500 and 8.600 uses, the designation “ZA(l)” means that a zoning permit must be obtained if the total area within a development to be used for this purpose does not exceed 1,500 square feet and the use is to take place in a building in existence on the effective date of this subsection while a special use permit-A must be obtained whenever the total area to be used for this purpose is equal to or exceeds 1,500 square feet.

When used in conjunction with 8.900 uses, the designation “ZA(l)” means that a zoning permit must be obtained if the total area within a development to be used for this purpose does not exceed 1,000 square feet of gross floor area and a special use permit-A must be obtained whenever the total area to be used for this purpose exceeds 1,000 square feet of gross floor area or the use is proposed within a new building.

Section 4. Article XII, Sub-section 15-182 Residential Density is amended with the addition of a new subsection (j) that reads as follows:

(j) Notwithstanding the foregoing, the minimum square feet per dwelling unit required shall be 3,000 square feet within the O and O/A districts so long as such units are included within a vertically integrated, multi-family residential and mixed-use development that meets the following criteria:

- a. Property location has frontage along an arterial street.
- b. Development includes at least 500 gross square feet of building area dedicated to non-residential uses.
- c. Development includes at least 15 percent affordable housing units that meet the affordable criteria specified in Sections 15-54.1 and 15-182.4

Section 5. Article XVIII, Section 15-291(g) is amended by adding use category 8.900 “Neighborhood Cafe” to Part I of the Table of Parking Requirements and assigning a parking

requirement of 1 space for per every 200 square feet of gross floor area, and 1 space for every eight outside seats.

Section 6. Article XVIII, Section 15-291(h) is amended by adding use category 8.900 “Neighborhood Cafe” to the Table of Bicycle Parking Standards assigning one space per 10 presumptively required auto spaces, with a minimum of 5 spaces.

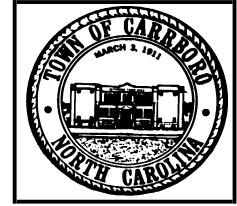
Section 7. All provisions any town ordinance in conflict with this ordinance are repealed.

Section 8. This ordinance shall become effective upon adoption.

APPENDIX A – 3

LAND USE ORDINANCE AMENDMENT REQUEST FORM

TOWN OF CARRBORO



LAND USE ORDINANCE AMENDMENT REQUEST

"Dear Potential Business Operator:

Please be advised that it may be necessary to meet with several members of Town staff as well as outside agencies to identify and fully understand all rules, regulations, and policies applicable to your business."

To the Town Council, the Planning Board, and the Appearance Commission, as appropriate, of the Town of Carrboro:

I (we), the undersigned do hereby respectfully make application and petition the Carrboro Town Council to amend the Land Use Ordinance. In support of this application, the following facts are shown:

- 1) **The Land Use Ordinance, at present, would allow (description/quote, page and number of section in question):**
15-146 Table of Permissible Uses, Use Category 8.000, allows restaurants in some zoning districts...but not in the O (office) zoning district
- 2) **The proposed amendment to the Land Use Ordinance would allow (describe briefly intended change):**
Creation of a new Use Category 8.900: Neighborhood Coffee Shop with a maximum floor area of 1,000 sf, located within a vertically oriented mixed use building with a residential primary use, selling only beverages along with baked goods prepared off site.
The Use Table would be amended to allow this use as a "ZA" Use (Zoning Permit from Town Council) and in the following Districts: B-1C, B-1G, O and O/A. Also as an "A" (Allowed) use in HR-CC, B-2 and B-5, and also a "Z" (Admin. Zoning Permit) in the B-4 District.
- 3) **State the reasons for the proposed amendment:**
Small local gathering places such as coffee shops are a critical component of creating walkable "third place" destinations in residential areas, particularly when they can be combined in a vertical mixed use residential building. These would allow the ability to have social interaction, organic co-working, and a less car-dependent location.

SIGNATURE:


applicant

Heather Washburn
 {print}

ADDRESS:

1155 Smith Level Road
Chapel Hill, NC 27516

TELEPHONE NUMBER: 617.869.9646

TOWN OF CARRBORO



LAND USE ORDINANCE AMENDMENT REQUEST

“Dear Potential Business Operator:

Please be advised that it may be necessary to meet with several members of Town staff as well as outside agencies to identify and fully understand all rules, regulations, and policies applicable to your business.”

To the Town Council, the Planning Board, and the Appearance Commission, as appropriate, of the Town of Carrboro:

I (we), the undersigned do hereby respectfully make application and petition the Carrboro Town Council to amend the Land Use Ordinance. In support of this application, the following facts are shown:

- 1) **The Land Use Ordinance, at present, would allow (description/quote, page and number of section in question):**
15-182 (a) Residential Density - requires a minimum of 7,500 sf of land area per Dwelling Unit, for Multi-Family and Duplex uses in an O (Office) Zoning District.

- 2) **The proposed amendment to the Land Use Ordinance would allow (describe briefly intended change):** The intent would be to allow less land area per unit in specific zoning districts if the proposed project is vertically integrated, adjacent to a transit route, and uses the affordable housing density bonus. Suggested language:

Subject to the other provisions of this section and the provisions of Section 15-186 (Cluster Subdivisions), 15-187 (Architecturally Integrated Subdivisions), 15-182.1 (Density in R-SIR Zoning), **and 15-182 (j)**, every lot developed for residential purposes shall have the number of square feet per dwelling unit indicated in the following table. In determining the number of dwelling units permissible on a tract of land (by dividing the total number of square feet the tract contains by the minimum per dwelling unit), fractions shall be dropped.

Further, add subparagraph (j) to 15-182 with the following language:

(j) Within the zoning districts listed below, residential units that are incorporated into a vertical mixed use building with at least 500 sf of non-residential uses, adjacent to a transit corridor and commits to using the Affordable Housing Density Bonus, may be developed for multi-family residential purposes at a density such that such area contains at least the following number of square feet for each dwelling unit constructed thereon:

Zone	Minimum Square Feet per Dwelling Unit
B-2	3,000
B-3	3,000
B-3-T	3,000
CT	3,000
O	3,000
O/A	3,000

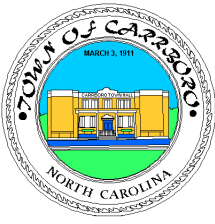
3) **State the reasons for the proposed amendment:**

Greater density in vertically integrated residential projects will encourage walkable communities, especially where affordable housing is provided and proximate to Public Transportation. This should be encouraged in in non-residential zones in order to achieve the Town's goals of providing denser, affordable walkable communities in a manner which makes housing accessible to more residents.

SIGNATURE:  Heather Washburn
applicant {print}

ADDRESS: 1155 Smith Level Road
Chapel Hill, NC 27516

TELEPHONE NUMBER: 617.869.9646



TOWN OF CARRBORO

NORTH CAROLINA

TRANSMITTAL

PLANNING DEPARTMENT

DELIVERED VIA: HAND MAIL FAX EMAIL

To: Marie Parker, Interim Town Manager
Mayor & Town Council

From: Tina Moon, Planning Administrator

Date: April 10, 2024

Subject: Text Amendment Relating to Cafes and Residential Density in Certain Zoning Districts

Overview

Heather Washburn of Calico Studio has submitted two requests for Land Use Ordinance text amendments. The first, to establish a new restaurant land use category for the sale of coffee and other beverages and foods prepared off-site, and the second, to modify the density and dimensional regulations for the Office Zoning District to allow for greater residential density. The requests are in association with a proposal for a major modification to the special use permit-A for 603 Jones Ferry Road. The Town Council approved a special use permit-A for a small mixed-use project at 603 Jones Ferry Road on June 26, 2018, for the development of four live-work units consisting of 1,200-square-foot office space on the ground floor and 1,200 square-foot residential units above ([Town of Carrboro - Meeting of Board of Aldermen on 6/26/2018 at 7:30 PM \(legistar.com\)](#)). Ms. Washburn is seeking to modify the proposal to allow for approximately 14 live-work units, 500-1000 sf in size and a community café of approximately 500-1000 sf. Advisory boards received a presentation on a concept plan for the new proposal on March 21, 2023 (Planning Board agenda materials may be found here: [03022023-4223 \(carrboronc.gov\)](#)). In order for the major modification to move forward, amendments to the Land Use Ordinance are needed.

Draft Ordinance

A draft ordinance, *Amending the Carrboro Land Use Ordinance Relating to Cafes and Residential Density in Certain Zoning Districts*, has been prepared. If adopted, the Land Use Ordinance would be modified in the following ways:

1. A definition for “Neighborhood Café” would be added for the definition section of the ordinance in Article II, Section 15-15.

2. The new use would be added to the Table of Permissible Uses in Article X, Section 15-146, as an allowable use for districts B-1C, B-1G, B-2, B-3, B-3T, B-5, O, O/A, HR-CC, and HR-R. Of note, during the development of the Historic Rogers Road zoning concepts in 2019-2020, Rogers Road residents expressed interest in having an opportunity for a small restaurant use or coffee shop.
3. Article X, Section 15-147(i) would be rewritten to assign permitting requirements based on the district and the proposed size (sf) of the Café as shown in the table below.

Permit Requirement for Neighborhood Café per Zoning District

District	Zoning Permit (Staff Approval)	Special Use Permit-A (Town Council Public Hearing)
B-1C (Town Center Business)	Total area does not exceed 1000 sf of gross floor area	Exceeds 1000 sf and/or in new building.
B-1G (General Business)	Total area does not exceed 1000 sf of gross floor area	Exceeds 1000 sf and/or in new building.
B-2 (Fringe Commercial)	N/A	A
B-3 (Neighborhood Business)	N/A	A
B-3T (Transition Area Business)	N/A	A
B-5 (Watershed Commercial)	N/A	A
O (Office)	Total area does not exceed 1000 sf of gross floor area	Exceeds 1000 sf and/or in new building.
O/A (Office/Assembly)	Total area does not exceed 1000 sf of gross floor area	Exceeds 1000 sf and/or in new building.
HR-CC (Historic Rogers Road-Community Commercial)	Total area does not exceed 1000 sf of gross floor area	Exceeds 1000 sf and/or in new building.
HR-R (Historic Rogers Road-Residential)	N/A	A

4. The parking tables in Article XVIII, Section 15-15-291(g) and 15-291(h) would be amended to assign parking standards for vehicles and bicycles. The proposed standards are roughly half of the standards for restaurant use (use category 8.100) and restaurants with outdoor seating (use category 8.200). Parking standards are needed for new uses in standalone buildings and/or in locations that necessitate some patrons driving. For uses subject to special use permit approval, the existing provisions in Section 15-292 relating to flexibility in the administration of parking standards would be applicable so applicants could request a lower parking standard if desired.
5. Section 15-182 of Article XII, Density and Dimensional Regulations, the Land Use Ordinance would be amended to allow for an increase in residential density in the O and O/A districts (from 7,500 square feet per dwelling unit to 3,000 square feet per dwelling unit) subject to the following:
 - o Property location has frontage along an arterial street.
 - o Development includes at least 500 gross square feet of building area dedicated to non-residential uses.
 - o Development includes at least 15 percent affordable housing units that meet the affordable criteria specified in Sections 15-54.1 and 15-182.4.

Consistency with Adopted Plans/Policies

Carrboro Connects 2022-2042 Comprehensive Plan provides goals, strategies, and projects that are expected to guide the Town's growth and development. Staff has identified the following sections of the Carrboro Connects Comprehensive Plan as relevant to the draft ordinance.

Chapter	Staff Comments	Applicable Strategies
Affordable Housing	The increase in residential density in the O and O/A districts is associated with the inclusion of affordable housing for rent or for sale depending on the proposal.	Consistent with: 1.1, 2.3 Inconsistent with: - Inconclusive: 4.4
Climate Action & Environment	Not applicable	N/A
Transportation & Mobility	Not applicable. The draft ordinance requires frontage on arterial streets which are more likely to have transit for the increase in density, but this is related to land use rather than changes to the transportation system.	N/A
Green Stormwater Infrastructure, Water, & Energy	Not applicable	N/A
Economic Sustainability	The draft ordinance increases opportunities for mixed-use at a small scale, which supports business opportunities and unique ownership models.	Consistent with: 2.2 & 3.4 Inconsistent with: - Inconclusive:-
RPCR	Not applicable	N/A
Land Use	Fully evaluate and reduce housing density restrictions to slow the increase of housing prices and diversify housing stock.	Consistent with: 2.5 Inconsistent with: - Inconclusive: -

Action Requested

Staff requests that the Town Council receive public comment and consider the statement of consistency (*Attachment A*) and the draft ordinance (*Attachment B*).



PLANNING *and* INSPECTIONS

Cy Stober, AICP, Director | cstober@orangecountync.gov | 131 W. Margaret Lane, Hillsborough, NC 27278 | 919.245.2575

TRANSMITTAL DELIVERED VIA EMAIL

March 26, 2024

Christina Moon, AICP
Planning Administrator
Town of Carrboro
301 W. Main St.
Carrboro, NC 27510

SUBJECT: Joint Planning Review of Proposed Ordinance Amendments

Dear Tina:

Thank you for the opportunity to review the following Land Use Ordinance amendments received by us on March 25, 2024 and proposed for town public hearing on April 23, 2024:

- *An Ordinance Amending the Carrboro Land Use Ordinance Relating to Cafes and Residential Density in Certain Zoning Districts.*

We have reviewed the amendments and find no inconsistency with the adopted *Joint Planning Area Land Use Plan*.

If you have any questions or need additional information, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Perdita Holtz". The signature is written in a cursive, flowing style.

Perdita Holtz, AICP
Deputy Director, Long-Range Planning and Administration



TOWN OF CARRBORO

Planning Board

301 West Main Street, Carrboro, North Carolina 27510

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

THURSDAY, APRIL 4, 2024

Land Use Ordinance Text Amendment Relating to Cafes and Residential Density in Certain Zoning Districts

Motion was made by Scales and seconded by Poulton that the Planning Board recommends that the Town Council approve the draft ordinance.

VOTE:

AYES: (6) Buckner, Foushee, Kirkpatrick, Poulton, Scales, Sinclair

NOES: (0)

ABSTENTIONS: (0)

ABSENT/EXCUSED: (2) Gaylord-Miles, Peretin

Associated Findings

By a unanimous show of hands, the Planning Board membership indicated that no members have any financial interests, nor any close familial, business or other associational relationship to the landowner of the property subject to a rezoning petition that would pose a conflict of interest.

Motion was made by Buckner and seconded by Scales that the Planning Board of the Town of Carrboro finds the proposed text amendment is consistent with the Town of Carrboro 2022-2042 Comprehensive Plan, Affordable Housing, Economic Sustainability and Land Use strategies noted below:

- Affordable Housing Strategy 1.1: Increase development of for-sale affordable housing units for households earning up to 80% of AML.
- Affordable Housing Strategy 2.3 Ease the pressure on rental prices by increasing affordable rental housing stock, particularly in high-transit areas.
- Economic Sustainability Strategy 2.2: Strengthen other business districts and commercial areas in Carrboro's neighborhoods.
- Economic Sustainability Strategy 3.4: Support business opportunities and unique ownership models.
- Land Use Strategy 2.5: Fully evaluate and reduce housing density restrictions to slow the increase of housing prices and diversify housing stock.

Furthermore, the Planning Board of the Town of Carrboro finds the proposed text amendment, is reasonable and in the public interest because of the specific criteria required: public hearings for restaurant uses in less intensive commercial districts and, mixed use and affordable housing associated with increased residential density.

VOTE:

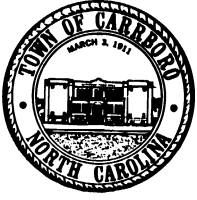
AYES: (6) Buckner, Foushee, Kirkpatrick, Poulton, Scales, Sinclair

NOES: (0)

ABSTENTIONS: (0)

ABSENT/EXCUSED: (2) Gaylord-Miles, Peretin

Bruce Sinclair April 8, 2024
 (Chair) (Date)



TOWN OF CARRBORO

301 West Main Street, Carrboro, North Carolina 27510

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

THURSDAY, APRIL 4, 2024

Land Use Ordinance Text Amendment Relating to Cafes and Residential Density in Certain Zoning Districts

Motion was made by Salvesen and seconded by Keefe that the Transportation Advisory Board recommends that the Town Council approve the draft ordinance with the following conditions:

- That Land Use Strategy 2.5 in the statement of consistency with The Town of Carrboro 2022-2042 Comprehensive Plan be amended to read, “Fully evaluate and reduce housing density restrictions to slow the increase of housing prices and diversify housing stock.”
- That Transportation Strategy 2.1—“ Encourage non-automobile use in the community and reduce vehicle miles travelled through land use decisions of developments that lends itself to public transit use (such as denser mixed-use nodes) and enhancement of public transit itself,” be included in the statement of consistency with The Town of Carrboro 2022-2042 Comprehensive Plan, due to the inextricable link between land use and transportation.

VOTE:

AYES: (5)

NOES: (0)

ABSTENTIONS: (0)

ABSENT/EXCUSED: (0)

Associated Findings

By a unanimous show of hands, the Transportation Advisory Board membership indicated that no member is reasonably likely to have a direct, substantial or readily identified financial impact from the development regulation that would pose a conflict of interest.

Subject to the additions above, a motion was made by Dalton and seconded by Doll that the Transportation Advisory Board of the Town of Carrboro finds the proposed text amendment is consistent with the Town of Carrboro 2022-2042 Comprehensive Plan, Affordable Housing, Economic Sustainability, Transportation and Mobility and Land Use chapters as noted below:

- Affordable Housing Strategy 1.1: Increase development of for-sale affordable housing units for households earning up to 80% of AMI.
- Affordable Housing Strategy 2.3 Ease the pressure on rental prices by increasing affordable rental housing stock, particularly in high-transit areas.
- Economic Sustainability Strategy 2.2: Strengthen other business districts and commercial areas in Carrboro’s neighborhoods.
- Economic Sustainability Strategy 3.4: Support business opportunities and unique ownership models.
- Land Use Strategy 2.5: Fully evaluate and reduce housing density restrictions to slow the increase of housing prices and diversity housing stock.

The Transportation Advisory Board, furthermore, finds the above described text amendment, which is intended to reduce housing costs and protect natural resources is reasonable and in the public interest.

VOTE:

AYES: (5)

ABSENT/EXCUSED: (0)

NOES: (0)

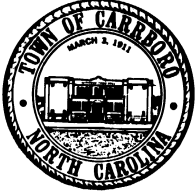
ABSTENTIONS: (0)


(Chair)

April 18, 2024

(Date)

TOWN OF CARRBORO



301 West Main Street, Carrboro, North Carolina 27510

RECOMMENDATION

WEDNESDAY, APRIL 17, 2024

Land Use Ordinance Text Amendment Relating to Cafes and Residential Density in Certain Zoning Districts

Motion was made by Muhsin Omar and seconded by Heather Nash that the Affordable Housing Advisory Commission (AHAC) recommends that the Town Council approve the draft ordinance.

VOTE:

AYES: (Heather Nash, Lindsay Griffin, Muhsin Omar)

NOES: (0)

ABSTENTIONS: (0)

ABSENT/EXCUSED: (Betty Curry)

Comments:

Additionally, AHAC recommends that the developer target households earning 60% AMI and below as their affordability goal.

Associated Findings

By a unanimous show of hands, the AHAC membership indicated that no members have any financial interests, nor any close familial, business or other associational relationship to the landowner of the property subject to a rezoning petition that would pose a conflict of interest.

Motion was made by Heather Nash and seconded by Muhsin Omar that the AHAC of the Town of Carrboro finds the proposed text amendment is consistent with the Town of Carrboro 2022-2042 Comprehensive Plan, Affordable Housing, Economic Sustainability and Land Use strategies noted below:

- Affordable Housing Strategy 1.1: Increase development of for-sale affordable housing units for households earning up to 80% of AML.
Affordable Housing Strategy 2.3 Ease the pressure on rental prices by increasing affordable rental housing stock, particularly in high-transit areas.
Economic Sustainability Strategy 2.2: Strengthen other business districts and commercial areas in Carrboro's neighborhoods.
Economic Sustainability Strategy 3.4: Support business opportunities and unique ownership models.
Land Use Strategy 2.5: Fully evaluate and reduce housing density restrictions to slow the increase of housing prices and diversify housing stock.

Furthermore, the AHAC of the Town of Carrboro finds the proposed text amendment, is reasonable and in the public interest because of the specific criteria required: public hearings for restaurant uses in less intensive commercial districts and, mixed use and affordable housing associated with increased residential density.

VOTE:

AYES: (Heather Nash, Lindsay Griffin, Muhsin Omar)

ABSENT/EXCUSED: (Betty Curry)

NOES: (0)

ABSTENTIONS: (0)

(Chair) 4-17-24 (Date)

Race and Equity Pocket Questions

Title and purpose of this initiative:

Legislative Public Hearing Relating to Cafes and Residential Density in Certain Zoning Districts. The Town has received a request for text amendments to the Land Use Ordinance to add a new restaurant use for neighborhood cafes and to allow additional residential density in certain zoning districts.

Department: Planning

What are the racial and equity impacts?

The request for this particular text amendment would, if approved, allow for additional residential density in the Office and Office/Assembly zoning districts and add a new neighborhood café use, a restaurant use that would not involve a commercial kitchen. There are potential economic impacts. The proposed changes could provide more business opportunities and more housing opportunities to live/rent in Carrboro, including opportunities for more live-work developments. Residents of low-to moderate income, including members of the BIPOC communities, would benefit from start-up opportunities to begin business venture with lower overhead and/or opportunities to seek more diverse housing options such as smaller units. Other impacts may be experienced from existing neighborhoods, including historically Black neighborhoods such as Alabama Avenue, located adjacent to or in proximity to the Office and Office/Assembly districts, where residents may experience crowding from an increase in density or additional traffic. More details are provided in the responses below.

Who is or will experience community burden?

The text amendments provide additional opportunities for new and existing residents/entrepreneurs. The neighborhood café would be an available use in ten zoning districts and the additional residential density in two districts (Office and Office/Assembly). There are currently two areas zoned Office, the Willow Creek office complex along Jones Ferry Road and the undeveloped property across the street at 603 Jones Ferry Road, and three areas zoned Office/Assembly, the Public Storage site on Jones Ferry Road, the Public Works site and antique shop along Smith Level Road, and the health services complex along Smith Level Road near Culbreth which includes the Vocational Rehabilitation Services, Carolina Institute for Developmental Disabilities, and similar office facilities. Some neighboring residents may find the increase in density undesirable, particularly long-time property owners living along Alabama Avenue and residents in the Rocky Road Mobile Home Park. Similarly, some may find the activities associated with a café undesirable; this scenario seems most likely for residents living outside of the downtown area in a residential district that is adjacent to one of the commercial districts where the café would be permitted. The cafe may attract small groups for meetups or study groups, as well as some additional traffic relating to patrons and/or deliveries.

Who is or will experience community benefit?

Increasing residential density is one strategy for creating additional affordable housing, when paired with office use categories, it can also provide live-work opportunities. The neighborhood café land use would create new opportunities for food service businesses that do not require a commercial kitchen—a scenario that would allow entrepreneurs to open a business with less overhead. Both changes to the existing regulations increase chances for residents to gain a foothold in local markets—housing and/or business.

What are the root causes of inequity?

Structural racism in government decisions, particularly those relating to land use, can make it difficult for some residents to gain generational wealth through homeownership and/or business opportunities. Lack of information about development proposals and understanding about the review process limits opportunities to provide meaningful input into projects that may have long-lasting impacts on the Town or specific neighborhoods. Personal experiences with government, can further alienate those that may find it difficult to attend meetings—like working individuals and families—and contribute to a reticence by historically marginalized people to speak in a public setting. Disparate access to quality education, which in turn affects economic outcomes, as well as historical barriers to government for community members of color can lead to undue burden.

What might be the unintended consequences of this action or strategy?

Changes to land use regulations can affect land values and quality of life experiences for surrounding property owners and occupants in ways that can be beneficial and, albeit for some, less desirable. While the increase in residential density includes a requirement for 15-percent affordable housing (for rent or for purchase) the increase in development potential may also increase land values. Neighborhood cafes may generate traffic—vehicular and/or bike-ped. Some patrons may stay for extended period, particularly if Wi-Fi is provided and outdoor seating.

The public hearing process is intended to provide a way for developers and community members to learn about a proposal and provide input in a public setting. Even with published notice and social media releases, some people may not learn of a proposed amendment to the Land Use Ordinance in time to provide input and/or feel that that they understand the project and/or approval process enough to fully participate. The Planning Department has nearly completed the analysis for a REAL lens for the amendment process, which will be submitted soon for staff CORE team and REC review.

How is your department planning to mitigate any burdens, inequities, and unintended consequences?

Suggestions outlined in the REAL lens assessment involves options for better public engagement moving forward, this could include information at tabling events or more targeted outreach for specific communities. Of note, this would involve efforts to go beyond what is required by state statute and the Land Use Ordinance.



Agenda Item Abstract

File Number: 24-067

Agenda Date: 4/23/2024
In Control: Town Council
Version: 1

File Type: Other Matters

American Recovery Plan Act (ARPA) Fund Reallocation

PURPOSE: This agenda item seeks Town Council approval to reallocate funds within the ARPA fund for two proposals from affordable housing nonprofit providers, maintenance and repair of recreation facilities and bolster the program providing financial assistance to qualified Carrboro residents.

DEPARTMENT: Finance

CONTACT INFORMATION: Wendy Welsh, Grants Manager, 919.918.7302, wwelsh@carrboronc.gov, Bret Greene, Finance Director 919.918.7439 bgreene@carrboronc.gov

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

The Town Council approved ARPA funding for race and equity initiatives, housing and community services, and recreation projects on October 11, 2022 - Grant Ordinance #4 Fiscal Year 2022-2023.

INFORMATION:

Housing and Community Service

Affordable Housing Units

The Town issued a Request for Proposals (RFP) on July 2, 2023, for impactful affordable housing projects that would increase the number of affordable housing units in Carrboro. Staff received two submissions from nonprofit affordable housing providers:

EmPOWERment - \$600,000 to preserve 10 existing rental units that are considered naturally occurring affordable housing (NOAH).

Habitat for Humanity - \$1M to support pre-development costs for a community of approximately 75 units for ownership.

Proposals were reviewed by staff and the Affordable Housing Advisory Commission. See Agenda Item 24-087 for a comparison of the projects and copies of the funding proposals. The combined total of the requests is \$1.6M.

A proposed funding scenario to support both projects is provided in Attachment D. Staff are requesting to reallocate the remaining HCS funds in the Emergency Housing Assistance and OWASA Water Bill Debt to the Affordable Housing Unit line item. The \$150,000 allocated to the Economic Development project for Small Business Grants - Part II, \$150,887 from the Information Technology Broadband Consultant for Internet Access

to Affordable Housing, and \$10,000 from the Orange County Veteran’s Memorial (paid out of General Fund in FY22-23) will make the \$1.6M needed to support both projects.

After consulting with the Housing and Community Services Director, Anne-Marie Vanaman, it was confirmed that the Orange County Housing Department did not have the capacity to administer the Emergency Housing Assistance funds and that the OWASA Water Bill Debt project was complete and further funds would not be needed.

Economic Development Director, Jon Hartman-Brown, expressed that limited staffing prevents him from implementing another round of small grant funding before the end of the year, the deadline for allocating all ARPA funds. Mr. Hartman-Brown agreed to reallocating these funds to the Affordable Housing Units project.

The Broadband project has dispersed all its funds due to the inability to complete the work in the specified time. IT Director, Andy Vogel, expressed that Carrboro is well served in terms of internet access from multiple vendors thanks to the past and ongoing efforts of Town Council. Over the past decade, due to vendor competition within Carrboro, the cost of internet access has decreased while access speeds have increased. Carrboro’s residents have access to the internet at many price points, up to multi-gigabit speeds through multiple vendors and wired and wireless formats. According to the NC Broadband Infrastructure Office, the Town of Carrboro has 93% coverage for internet access - this is likely a conservative number. Accessibility and affordability are two distinct concepts. Town staff from multiple departments have been thoughtfully considering the best approach to this project. Building a physical network for designated persons or areas (whose locations may change over time) in Carrboro may be a less efficient way to address affordable internet access. Equally as important is determining how such a service would be equitably delivered in Carrboro. To assess the need of internet affordability and equity would take time to study. If a physical network buildout were pursued to support this effort, the design, construction, and support for a project of this nature would be easily over a million dollars in terms of one time and ongoing costs. The \$250K designated would fall short for a project of this magnitude and would be unlikely to be contractually obligated by the end of the year.

Recreation, Parks and Cultural Resources

Recreation Facilities Maintenance and Repair

Recently staff has noticed some safety concerns at our parks and would like to reallocate ARPA funds to the Recreation Facilities Maintenance and Repair project line item to repair the basketball courts at Anderson Park (\$165,000) and the Pump Track at MLK Jr. Park (\$80,000). See Attachment B for Memo. A proposed funding scenario is provided in Attachment D. RP&CR staff are requesting to reallocate \$145,000 funds from the Music Festival Performers Honoraria (\$31,250) (paid by TDA) and the Horseshoe Pits (\$114,400) to Recreation Facilities Maintenance and Repair and \$650 to Artist Support for two murals. This would result in \$245,000 in Recreation Facilities Maintenance and Repair and \$24,650 in the Artist Support project line item. There is still \$227,000 for the Baldwin Park Renovations.

Town Manager’s Office - Race and Equity

Carrboro Family Financial Assistance Program (CFFAP)

Staff presented this program initiative to the Town Council on November 29, 2023. The Council approved the concept, staff developed a process, and distributed \$121,681 by the end of March 2024. The final push for approved families and vendors to confirm bill payments and submit documentation is underway. Numerous families continue to face challenges resulting from the ongoing pandemic. These challenges primarily pertain to securing necessities such as food, housing, utilities, transportation, and childcare. The lack of these necessities reflects a persistent struggle within our community. The issue of internet connectivity is also one of affordability in Carrboro and the CFFAP will incorporate the need for internet connectivity into the criteria of this project so families can request help paying for their internet connections. Staff would like to reallocate \$99,113 from the IT Broadband Consultant Project, \$40,000 from the Pave Fitch Parking lot and \$10,000 from Pave Butler Lot (paid out of GF) to the Carrboro Family Financial Assistance Program to make \$149,113 to distribute a second round of funding this summer. A proposed funding scenario is provided in Attachment D. This assistance can help lessen the burden. Orange County Department of Social Services, Race and Equity and Housing and Community Services will partner on this program.

FISCAL IMPACT: ARPA Funds were allocated through Grant Ordinance #4 Fiscal Year 2022-2023. Reallocated ARPA funds will support funding the Affordable Housing Units project, RP&CR facilities repairs, and bolster the CFFAP for another round of funding to residents.

RECOMMENDATION: Staff recommends approval of the grand ordinance (Attachment A) to reallocate the ARPA funds the Affordable Housing Units project, RP&CR facilities repairs, and the CFFAP.

**AMENDMENT
GRANT PROJECT ORDINANCE FOR THE TOWN OF CARRBORO AMERICAN
RECOVERY PLAN ACT (ARPA) OF 2021: CORONAVIRUS STATE AND LOCAL
FISCAL RECOVERY FUNDS**

Ordinance No: /FY23-24

WHEREAS, the Town Council on October 11, 2022, adopted Grant Project Ordinance No.4 / FY 22-23 for the American Rescue Plan Act of 2021/Coronavirus State and Local Fiscal Recovery Funds (ARP/CSLFRF); and

WHEREAS the use of ARP/SLFRF funds is subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Part 200 (UG); and

WHEREAS, the Town Council has adopted certain policies and procedures required to comply with the Uniform Guidance, U. S. Treasury rules and directives, and other federal rules and regulations; and

WHEREAS the Grant Project Ordinance allocated amounts to certain projects; and,

WHEREAS the Town Council finds it necessary and appropriate to modify the allocation of grant funding.

NOW THEREFORE, BE IT ORDAINED by the Carrboro Town Council that:

Section 1. The following ARPA Grant Project Ordinance appropriations are modified as follows:

Project/Activity	Current ARPA Appropriation	Change Increase/(Decrease)	New ARPA Appropriation
Economic Development			
Small Business Grants II	\$150,000	(\$150,000)	\$0
Information Technology			
Broadband Consultant for Internet Access to Affordable Housing	\$ 250,000	(\$250,000)	\$0
Public Works			
Pave Fitch Lumber Parking Lot	\$40,000	(\$40,000)	\$0
Pave Butler Parking Lot	\$10,000	(\$10,000)	\$0
General Administration			
Orange County Veteran Memorial Phase III (Paid out of General Funds 2022-23)	\$10,000	(\$10,000)	\$0

Housing and Community Services			
Emergency Housing Assistance	\$259,680	(\$259,680)	\$0
OWASA Water Bill Debt	\$29,433	(\$29,433)	\$0
Affordable Housing Units	\$1,000,000	\$600,000	\$1,600,000
Racial & Equity			
Carrboro Family Financial Assistance Program	\$24,991	\$149,113	\$174,104
Recreation, Parks & Cultural			
Recreation Facilities Maintenance & Repair	\$100,000	\$145,000	\$245,000
Horseshoe Pits - Anderson Park	\$114,400	(\$114,400)	\$0
Baldwin Park Renovation	\$227,000		\$227,000
Artist Support - 2 Murals	\$24,000	\$650	\$24,650
Music Festival Performer Honoraria FY 2023-24 (Paid out of TDA)	\$31,250	(\$31,250)	\$0

Section 2. ARP/CSLFRF funds shall only be used for eligible activities as specified in U. S. Treasury rules and directives.

Section 3. The use of ARP/CSLFRF funds by recipients shall comply with Town adopted policies and procedures, Uniform Guidance (2 CFR Part 200), U. S. Treasury rules and directives, and other federal rules and regulations.

Section 4. This resolution is effective immediately and shall remain until December 31, 2026, or until all ARPA funds are expended.

Section 5. The Town Clerk shall provide a copy of this grant project amendment to the Town's Finance Officer within five days of adoption.

This the 23rd day of April 2024.



memo

Date: October 25, 2023

To: Langston Ramseur, Assistant Finance Director

CC: Marie Parker, Assistant Town Manger

From: JG Ferguson, Recreation Parks & Cultural Resources Director

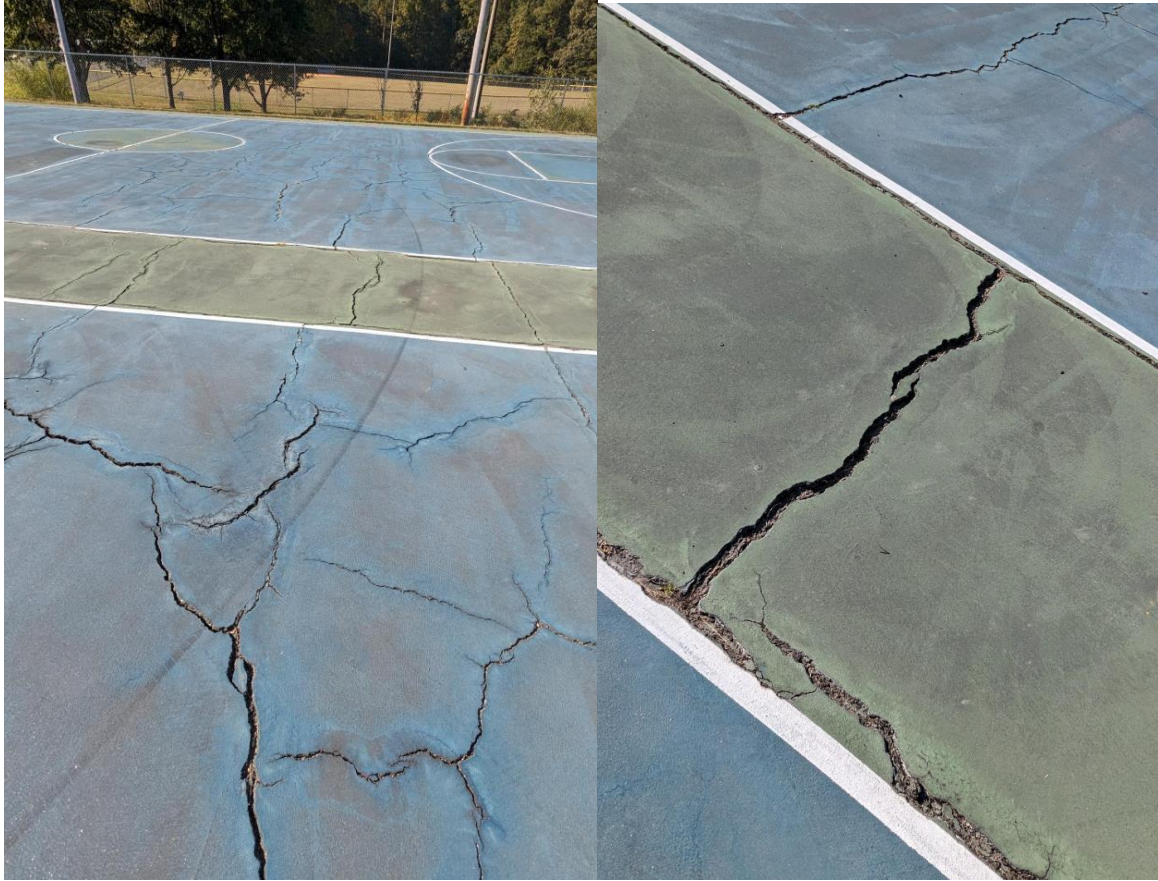
Subject: RPCR - ARPA Projects

The approved ARPA Projects for Recreation Parks & Cultural Resources include Music Festival Performers, Recreation Facilities Maintenance & Repairs, Horseshoe Pits, Artist support for two Murals and Balwin Park Renovation. The total for these projects is \$496,650.

Recently staff has noticed some safety concerns at our parks. We are requesting to reallocate ARPA funds. The projects we recommend removing include Music Festival Performers (these funds were in the current budget and all venders have been paid), Recreation Facilities Maintenance & Repair and Repair to the Horseshoe Pits at Anderson Park. These projects total \$245,650.

We are recommending using the funds to make repairs to the Pump Track at MLK Jr. Park (\$80,000), repair the basketball courts at Anderson Park (\$165,000), and add the remaining \$650 to Artist Support for two murals.

ARPA Projects – Currently Approved	Amount
Music Festival Performers	\$31,250
Horseshoe Pits – Anderson Park	\$114,400
Recreation Facilities Maintenance & Repair	\$100,000
Artist Support – 2 Murals	\$24,000
Baldwin Park Renovation	\$227,000
Total	\$496,650
ARPA Projects – Recommendations	
Artist Support – 2 Murals	\$24,650
Baldwin Park Renovation	\$227,000
Recreation Facilities Maintenance & Repair	\$245,000
Total	\$496,650





Carrboro Family Financial Assistance Program

Purpose

Numerous families continue to face financial challenges resulting from the pandemic. These challenges pertain to securing necessities such as housing, utilities, childcare, and transportation. Carrboro households that are experiencing a financial hardship may be eligible for financial help.

Eligibility

Applicants must:

- Be a U.S. citizen or an eligible alien
- Be a Carrboro resident
- Income below 200% of Federal Poverty Level which provides income guidance for certain programs, benefits and reduced fees, poverty level or meets the Carrboro affordable housing goals & strategies document earning 60% of the area median income or less, spending no more than 30% of household income on housing costs, including utilities.
- Provide proof of need, for an unpaid bill(s) for childcare, rent, utilities, or transportation need.

Information

Applications received by Orange County Department of Social Services from January 15 – 31, 2024.

Drop off completed applications to

Chapel Hill - Southern Human Services Center, 2501 Homestead Rd, Chapel Hill, NC 27516

Hillsborough - Hillsborough Commons, 113-B Mayo Street, Hillsborough, NC 27278

Or

Fax to 919-644-3005.

Include a copy of your identification and proof of need, for example an unpaid bill for childcare, rent, eviction order or transportation need with your application.

Staff will work with Orange County Department of Social Services and other agencies if necessary to confirm eligibility status of applicants in accordance with Federal, State, County and/or Town requirements.

Orange County Department of Social Services will also review application status for other programs potentially available and might contact you with the information.

Dispensing Funds

The Town of Carrboro will send payment on behalf of applicant directly to the recipient such as the childcare provider or apartment complex, and not to the applicant. Funds will be dispensed until resources are depleted and/or application acceptance concluded.

Program Timeline	
ACTION	DATE
Town Council approval	January 9, 2024
Community announcement	By January 15, 2024
Acceptance of applications and documentation	January 15-31, 2024
Eligibility of applicants confirmed	By February 5, 2024
Award funding and dispense payment	By February 19, 2024
Provide final report to Racial Equity Commission	February 28, 2024

For questions, contact Anita Jones-McNair, amcnair@carrboronc.gov, 919.918.7381 or Kannu Taylor, ktaylor@carrboronc.gov, 919.918.7351.

Note: Completing this application for the Family Financial Assistance Program does not automatically guarantee payment under this program.

Carrboro Family Financial Assistance Program Application

Applicant Name: _____
 Address: _____

Date of Application: _____
 Telephone: _____
 Date Received and Time _____

HOUSEHOLD: List all household members

(Household members are required to provide last four digits of social security number and immigrant or citizenship status and race and ethnicity)

Name	Date of Birth	Race/Ethnicity	Gender	Last four digits of your Social Security number	Citizen /Eligible Immigrant	Relationship

Describe the reason for your application, amount needed, and attach documentation (ie: bill or invoice - maximum \$1,500 for transportation and childcare and \$6,000 housing and utilities):

Applicant Statement: I understand that it is against the law for me to make false statements and that I am subject to prosecution if I do. I certify that the information I have provided is a true and complete statement of facts according to my best knowledge and belief. I certify under penalty and perjury, that all persons for whom I am applying are U.S. Citizens or qualifies immigrants. I declare under penalty of perjury (and being subject to prosecution under 28 U.S.C. § 1746) that the foregoing is true and correct.

 Applicant's/Representative's Signature Date

The sections below should be completed by Orange County Department of Social Services and Town of Carrboro Employees Only

Orange County Department of Social Services staff completes this section –
Family/household meet eligibility status? <input type="checkbox"/> Yes <input type="checkbox"/> No
Reason denied: _____ _____ _____
_____ Orange County Department of Social Services staff Signature and Date

Town of Carrboro staff completes this section –
DISPOSITION: <input type="checkbox"/> Approved <input type="checkbox"/> Denied <input type="checkbox"/> Pending
Reason denied: _____ _____ _____
_____ Town of Carrboro staff Signature and Date

**ARPA Reallocation Funding Breakdown
April 2024**

Affordable Housing Units		
Funding Line Item	Current Allocation	Reallocation
ARPA Affordable Housing Units	\$ 1,000,000	\$ 1,600,000
ARPA Emergency Housing Assistance	\$ 259,680	\$ -
ARPA OWASA Balance	\$ 29,433	\$ -
ARPA Small Business Grants Round II	\$ 150,000	\$ -
Orange County Veteran Memorial Phase III (Paid out of GF 2022-23)	\$10,000	\$ -
ARPA Broadband Project	\$ 150,887	\$ -
Total	\$ 1,600,000	\$ 1,600,000
REQUESTS		
Habitat for Humanity		\$ 1,000,000
EmPOWERment		\$ 600,000
Total		\$ 1,600,000

RP&CR Maintenance and Repairs		
Funding Line Item	Current Allocation	Reallocation
ARPA RP&CR Recreation Facilities Maintenance & Repair	\$ 100,000	\$ 245,000
ARPA RP&CR Baldwin Park Renovations	\$ 227,000	\$ 227,000
ARPA RP&CR Artist Support - 2 Murals	\$ 24,000	\$ 24,650
ARPA RP&CR Horseshoe Pits	\$ 114,400	\$ -
ARPA RP&CR Music Festival Performer Honoraria	\$ 31,250	\$ -
Total	\$ 496,650	\$ 496,650

Carrboro Family Financial Assistance Program		
Funding Line Item	Current Allocation	Reallocation
ARPA Broadband Project	\$ 99,113	\$ -
Pave Fitch Lumber Lot	\$ 40,000	\$ -
Pave Butler Parking Lot (paid out of GF)	\$ 10,000	\$ -
ARPA CFFAP	\$ 24,991	\$ 149,113
Total		\$ 174,104

Race and Equity Pocket Questions

Title and purpose of this initiative:

Reallocation of ARPA Funding to Henry Anderson III Community Park Basketball Court and Dr. Martin Luther King, Jr. Park Bicycle Pump Track

Department:

Recreation, Parks & Cultural Resources

What are the racial and equity impacts?

Reallocation of this funding from the Horseshoe Pit Reconstruction and the Music Festival Performer Payment projects will provide a broader impact to the community as more residents utilize the basketball court and pump track facilities than the horseshoe pits and the Music Festival. The Music Festival payments for FY24 were covered by the Town's general fund, so this money is already available for reallocation.

For the basketball courts, while we do not have quantifiable data regarding demographics of the users of this facility, observations by staff have indicated that many of our Latinx and African American community members use the courts on a regular basis. As the courts are used almost daily year-round, this would provide a great benefit.

For the pump track, specific user data is not available, but the site offers opportunities for youth in the community to ride in a safe environment away from potential hazards on the road and non-Town property.

For both facilities, the primary driver for these projects is the safety of current and future users since both facilities have safety concerns that need to be addressed as soon as possible.

Who is or will experience community burden?

Current users and those living around or visiting MLK Jr. Park and Hank Anderson Park will have a slight burden during the construction process as the Town would anticipate brief closure of these facilities to allow for contractors to perform the work. The burden would include extra vehicles, noise, and potential debris while the repairs take place. This could impact users of adjacent facilities, such as the playground and the community gardens at MLK Park, though closures would not be anticipated during the projects.

Who is or will experience community benefit?

The primary beneficiaries of these projects would be community members who utilize these facilities. We see a large cross-section of the community using the basketball courts and many youths that use the pump track. Additionally, the Town would benefit by being able to address concerns we have received from the community, and it would help limit liability that currently



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exists due to the conditions of these sites. It is also likely that the marketing announcing the upgrades of these facilities could result in new patrons utilizing these amenities.

What are the root causes of inequity?

Participation in recreational programs and access to amenities often comes with a cost. This may be in the form of user fees, or it may be availability of transportation to access the sites. More affluent community members may have access to private facilities, may have the means to have alternatives at their home (ex. home basketball goal), or may have a means to access comparable public facilities in surrounding areas, such as pump tracks in Wake and Durham counties. The two facilities being upgraded are both free for all members of the community to access so it is important to keep them in good operating condition. These two amenities are also located in different areas of the Town, so it spreads out upgrades to two different areas and 10-minute walksheds.

What might be the unintended consequences of this action or strategy?

Shifting funding from the Music Festival Performer Payments would not result in any negative consequences as the event has already passed and those payments were made. Shifting of funding from the horseshoe pit reconstruction defers maintenance needed at that site which could impact the playability of the site during Town-sponsored tournaments and rentals.

As with any park project, issues could be identified during the work or issues may occur resulting from the work (ex. accidental damage or lights, fencing, etc.) that could cause extended delays in access to these amenities or result in increased costs.

How is your department planning to mitigate any burdens, inequities, and unintended consequences?

The Department plans to notify the community in advance of, during, and upon completion of the projects to keep patrons informed. Basketball courts at Carrboro Elementary School and Brewer Lane Mini-Park could be publicized as alternatives during construction.

The Department will work with Public Works to supervise the construction to help mitigate any issues and limit any negative impacts. Regarding the horseshoe pit project, this project is more feasible to do in stages through the CIP/budgeting process and could be done by Town staff whereas the basketball courts and pump track would require professional contractors.

Race and Equity Pocket Questions

Title and purpose of this initiative: Carrboro Family Financial Assistance Program (CFFAP)

Department: Race and Equity

What are the racial and equity impacts?

Families continue to struggle in the United States grappling with housing, food and housing insecurity, transportation, and childcare. Food and housing insecurity, transportation, internet, and childcare needs disproportionately affect people from racial and ethnic minority and socioeconomically disadvantaged populations. Black/African American households and Hispanic/Latino households are more likely to be food insecure than White households. [Food Accessibility, Insecurity and Health Outcomes \(nih.gov\)](#). In the United States, the struggle to find affordable housing is a pervasive crisis, with millions of low-income individuals and families feeling the weight of rising rent prices. Nearly 20 million Americans who rent—[almost half of all renters](#)—are now [burdened by housing costs](#), many for the [first time ever](#). [An American Nightmare: The Urgent Need for Low-Income Housing - THE INTEL DROP](#). The struggle to find affordable housing is a pervasive crisis, with millions of low-income individuals and families feeling the weight of rising rent prices. Nearly 20 million Americans who rent—[almost half of all renters](#)—are now [burdened by housing costs](#), many for the [first time ever](#). Carrboro is home to a substantial population of renters, a significant portion of whom belong to BIPOC and socioeconomically disadvantaged communities.

Additional information that substantiates the need in our community -

ASSESSING THE IMPACT OF COVID-19 ON LOW-INCOME HOUSEHOLDS AND COMMUNITIES IN NORTH CAROLINA - [Assessing-the-Impact-of-COVID-19-V5.pdf \(unc.edu\)](#)

Who is or will experience community burden?

Those who may not qualify for the program may feel burdened. Also, those families who need funding however the resources are depleted.

Who is or will experience community benefit?

The intended outcome focuses on “chipping away” at closing the gap of disparities in the lives of some Carrboro families who qualify for the assistance. Those families most in need are often BIPOC and socioeconomically disadvantaged populations.

What are the root causes of inequity?

Food and housing insecurity, transportation and childcare needs disproportionately affect people from racial and ethnic minority and socioeconomically disadvantaged populations. Black/African American households and Hispanic/Latino households are more likely to be food insecure than White households. This is due to red lining, gentrification, and the core issue of the lack of potential in building and sustaining generational wealth.



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What might be the unintended consequences of this action or strategy?

Unintended consequences include not enough funding available to help all community members in need. The dollar amount allocated helps however more is essential for families to achieve stability. Hopefully the administrative requirements and process will not create barriers.

How is your department planning to mitigate any burdens, inequities, and unintended consequences?

By considering additional funding or methods to lessen the burden of families in need. This will help reach further community members and address financial unintentional consequences. This program continues the work of the successful pilot project this winter.



Agenda Item Abstract

File Number: 24-087

Agenda Date: 4/23/2024
In Control: Town Council
Version: 1

File Type: Other Matters

Award American Recovery Plan Act (ARPA) Funds for Affordable Housing Units

PURPOSE: This agenda item seeks Town Council approval to fund two proposals from affordable housing nonprofit providers.

DEPARTMENT: Housing and Community Services

CONTACT INFORMATION: Anne-Marie Vanaman, Housing and Community Services Director, 919.918.7321 amvanaman@carrboronc.gov; Bret Greene, Finance Director 919.918.7439 bgreene@carrboronc.gov; Wendy Welsh, Grants Manager 919.918.7302 wwelsh@carrboronc.gov; Tyler Haugle, Housing and Community Services Coordinator, 919.918.7438 thaugle@carrboronc.gov

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

The Town Council approved ARPA funding for housing and community services initiatives on October 11, 2022 - Grant Ordinance #4 Fiscal Year 2022-2023. Specifically, \$1M was allocated for increasing the number of affordable housing units in Carrboro.

INFORMATION: The Town issued a Request for Proposals (RFP) on July 2, 2023, for impactful affordable housing projects that would increase the number of affordable housing units in Carrboro. Staff received two submissions from nonprofit affordable housing providers:

EmPOWERment - \$600,000 to preserve 10 existing rental units that are considered naturally occurring affordable housing (NOAH).

Habitat for Humanity - \$1M to support pre-development costs for a community of approximately 75 units for ownership.

See Attachment B for a comparison of the projects and copies of the funding proposals. The combined total of the requests is \$1.6M. A proposed funding scenario to support both projects is provided in Attachment C.

Staff are requesting to reallocate the following funds to the \$1M allocated for affordable housing: the remaining HCS funds in the Emergency Housing Assistance (\$259,680) and OWASA Water Bill Debt (\$29,433); \$150,000 allocated to the Economic Development project for Small Business Grants - Part II; \$150,887 from the Information Technology Broadband Consultant for Internet Access to Affordable Housing; and \$10,000 from the Orange County Veteran’s Memorial (paid out of General Fund in FY22-23). Combined, these funds will total the \$1.6M needed to support both projects.

Reallocating funds intended for Emergency Housing Assistance (EHA) and OWASA Water Bill Debt is

necessary because the Orange County Housing Department did not have the capacity to administer the ARPA EHA funds, and the OWASA Water Bill Debt project was completed -further funds are not needed.

Economic Development Director, Jon Hartman-Brown, expressed that limited staffing prevents him from implementing another round of small grant funding before the end of the year, the deadline for allocating all ARPA funds. Mr. Hartman-Brown agreed to reallocating these funds to the Affordable Housing Units project.

The Broadband project has dispersed all its funds due to the inability to complete the work in the specified time. IT Director, Andy Vogel, expressed that Carrboro is well served in terms of internet access from multiple vendors thanks to the past and ongoing efforts of Town Council. Over the past decade, due to vendor competition within Carrboro, the cost of internet access has decreased while access speeds have increased. Carrboro's residents have access to the internet at many price points, up to multi-gigabit speeds through multiple vendors and wired and wireless formats. According to the NC Broadband Infrastructure Office, the Town of Carrboro has 93% coverage for internet access - this is likely a conservative number. Accessibility and affordability are two distinct concepts. Town staff from multiple departments have been thoughtfully considering the best approach to this project. Building a physical network for designated persons or areas (whose locations may change over time) in Carrboro may be a less efficient way to address affordable internet access. Equally as important is determining how such a service would be equitably delivered in Carrboro. To assess the need of internet affordability and equity would take time to study. If a physical network buildout were pursued to support this effort, the design, construction, and support for a project of this nature would be easily over a million dollars in terms of one time and ongoing costs. The \$250K designated would fall short for a project of this magnitude and would be unlikely to be contractually obligated by the end of the year.

FISCAL IMPACT: \$1M was provided through Grant Ordinance #4 Fiscal Year 2022-2023. Reallocated ARPA funds (\$600,000) will support fully funding both projects.

RECOMMENDATION: Staff recommends approval of the resolution (Attachment A) to fully fund two affordable housing projects from (1) EmPOWERment, and (2) Habitat for Humanity of Orange County.

**A RESOLUTION FOR AWARDING AMERICAN RECOVERY PLAN ACT (ARPA)
FUNDS TO SUPPORT ACQUISITION AND CREATION
OF AFFORDABLE HOUSING UNITS**

WHEREAS affordable housing is part of the Carrboro Connects 2022-2042 Comprehensive Plan; and

WHEREAS request for proposals (RFPs) were issued on July 2, 2023, for impactful affordable housing projects that would increase the number of affordable housing units in Carrboro; and

WHEREAS staff received two submissions from nonprofit affordable housing providers; and

WHEREAS staff identified both submissions to fund totaling \$1.6 million; and

WHEREAS EmPOWERment intends to acquire 10 affordable single-family homes to serve the people who earn less than 80% area median income and keep them affordable for at least 20 years; and

WHEREAS Habitat for Humanity recently purchased 15 acres off Rogers Road and will soon begin phase one of their plan to build 75 affordable homes.

NOW, THEREFORE, BE IT RESOLVED that the Carrboro Town Council awards EmPOWERment \$600,000 to contribute to the acquisition and upgrade of the 10 affordable homes.

THEREFORE, BE IT FURTHER RESOLVED that the Carrboro Town Council awards Habitat for Humanity \$1,000,000 to assist in phase one of the 75 affordable homes planned on Rogers Road.

This the 23rd day of April 2024.

Available ARPA Funds

\$1 million

Total Funds Requested

\$1.6 million



EmPOWERment, Inc. – 301 Homestead Rd. Project
\$600,000 requested



**Habitat for Humanity of Orange County – West
Rogers Rd. Project**
\$1 million requested

Overview of Projects

EmPOWERment, Inc.

Type	Acquisition
Units	10 existing units
Lot size	9 acres
Housing type	Rental
Purpose	Protect units (NOAH)
Total Cost	\$2,530,000

Habitat for Humanity of Orange County

Type	Pre-development
Units	75 new units
Lot size	15 acres
Housing type	Ownership
Purpose	Creates units
Total Cost	\$19,099,300

EmPOWERment, Inc.

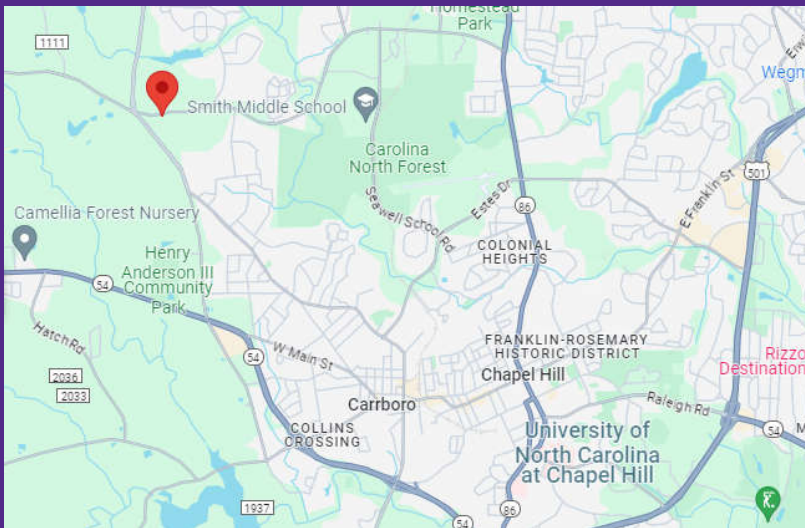
Amount of ARPA funds requested	\$600,000
Amount of ARPA funds requested as percentage of total project cost	23.7%
Cost per person using ARPA funds	\$30,000
Subsidy per unit	\$60,000
AMIs served	31%-60% = 10 units (100% of units)
Target populations served	Housing Choice Voucher families, veterans, homeless, older adults
Long-term Affordability – # of years / mechanism	99 / Deed restrictions

Habitat for Humanity of Orange County

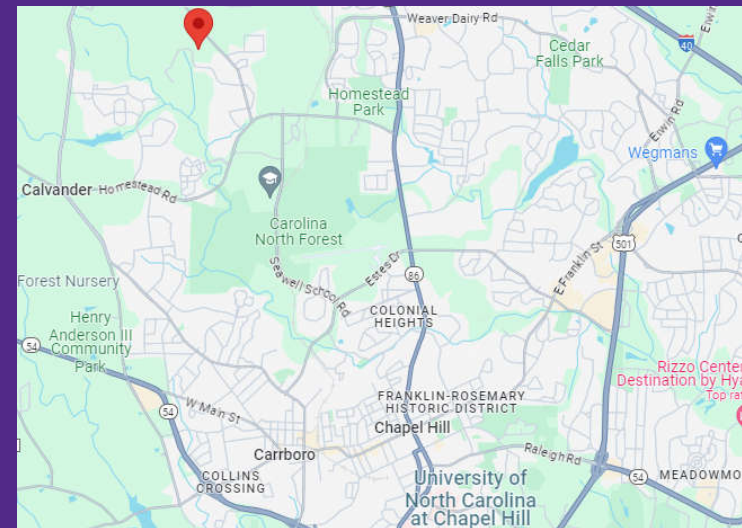
Amount of ARPA funds requested	\$1,000,000
Amount of ARPA funds requested as percentage of total project cost	5.24%
Cost per person using ARPA funds	\$3,333.33
Subsidy per unit	\$13,333
AMIs served	31%-60% = 40 units (53.33% of units) 61%-80% = 35 (46.66% of units)
Target populations served	Housing Choice Voucher families, veterans, homeless, older adults, disabled
Long-term Affordability – # of years / mechanism	99 / Deed restrictions

Location

EmPOWERment, Inc. (Homestead Rd.)



Habitat for Humanity (Rogers Rd.)



Habitat's property is about 2.7 miles northeast of the EmPOWERment property

Cover Sheet

Organization Legal Name	EmPOWERment, Inc.
Organization Unique Entity Identifier (UEI)	F74YP7B7E4RS
Organization Tax ID #	56-1965772
Organization Physical Address	109 N. Graham Street #200, Chapel Hill, NC 27516
Organization Mailing Address	109 N. Graham Street #200, Chapel Hill, NC 27516
Organization Website Address	www.empowermentinc.org
Contact Name, Title	La Tanya Davis, Operations Manager
Contact Email	empowermentincnc@gmail.com
Contact Phone	919-967-8779
Project Name (name of development)	301 Homestead Road Affordable Housing
Project Type	Acquisition
Project Description (100 words or less)	This project consists of the acquisition of 10 affordable single-family homes located off Homestead Road, Carrboro, NC. These single-family homes are nine (2) bedroom 1-bath and one (3) bedroom- 1 bath units that will be added to the affordable housing stock in Carrboro to serve people who earn less than 80 % Area Median Income. These homes will remain affordable for at least 20 years.
Project/Development Address	211,213,215,217,219,301,303,305,307,9014
Project Proposal Submission Date (mm/mm/mm)	7/31/2023
Total Project Cost	\$2,530,000.00
Total Amount of CSLFRF Funds Requested	\$600,000
# of Housing Units (Total Units/CSLFRF Funded Units)	10 units

A. ORGANIZATION PROFILE

1. Describe your organization's mission in 250 words or less.

EMPOWERment, Inc.'s mission is to empower individuals and communities to achieve their destiny through community organizing, affordable housing, and grassroots economic development. EMPOWERment's affordable housing mission is to reduce or remove housing barriers for the most vulnerable populations in Chapel Hill. Priorities are given to that population.

EMPOWERment, Inc. currently owns 62 affordable rental properties and manages those and 6 privately-owned homes in Orange County. All tenants earn less than 80% of the Area Median Income (AMI) and in addition to affordable housing, provides housing counseling, financial education, and utility fund assistance as needed to all households.

EMPOWERment, Inc. founded with the assistance of the predominantly African American community of Northside, led and operated by African American women, is a 501c-3 organization serving some of the most vulnerable community members. EMPOWERment Inc. was recognized as Landlord of The Year by Orange County in 2020 and awarded the Non-Profit of the Year Business Excellence Award in 2021.

2. Identify your organization's type (e.g. for-profit, non-profit, government, etc.).

Non-profit

3. Provide names of staff, contractors, and/or volunteers that will be involved with the project. Describe their responsibilities with the project and experience with successful completion of similar projects in the past.

- a. # of FTE – Full-Time Paid Positions: **4**

- b. # of FTE Part-Time (less than 40 hours/wk) Paid Positions: **2**

- c. # of Volunteers **2**

Delores Bailey (EMPOWERment Executive Director) has served as Executive Director of EMPOWERment, Inc since 2005. Under her leadership EMPOWERment has increased its rental inventory from 12 to 65 units including three manufactured homes. Ms. Bailey has managed ten new construction projects and numerous renovation projects during her seventeen years at the helm.

La Tanya Davis (EMPOWERment Operations Manager) has been part of the EMPOWERment's team since 2007. Prior to her current position, Ms. Davis was the Property Manager for EMPOWERment's rental program. Prior to property management, Ms. Davis was Finance Manager. LaTanya is also a Real Estate Broker.

As Operations Manager Ms. Davis will be responsible for management of timetables and project costs. Ms. Davis has worked alongside Ms. Bailey on acquisitions, new construction, and rehab projects.

Sharon Reid (EMPOWERment's lead HUD Certified Housing Counselor. Sharon maintains the files according to HUD standards, provide services to individual and families seeking housing counseling assistance in the areas of rental, pre-purchase, delinquency and foreclosure, advocate on behalf of clients by contacting landlords, mortgage companies and lenders to help resolve crisis situations. Collaborate with various agencies to connect clients with resources. Instructor of various housing related classes as needed.

Valencia Thompson (EMPOWERment's Property Manager). She holds an MBA in Accounting and Finance and is also a Real Estate Broker. Valencia became property manager, in 2019. She works with tenants, handles administrative rental duties, data collection, manages tenant rental software, and Website management of the Rental Program. Valencia is also a HUD certified Housing Counselor. She works alongside Ms. Reid.

Quintonia Thorpe holds a Bachelor of Arts degree in Accounting from North Carolina Central University and a master's in business administration & Health Administration from Pfeiffer University. As a seasoned financial analyst and money manager with over 25 years of accounting experience in the industry, she is a trusted partner to many who need help with their finances. Quintonia currently provides full accounting services for EMPOWERment Inc. She is reviewing procurement and cash management processes along with working to ensure EMPOWERment is in compliance with grants and projects.




4. Qualifications and History of Success

- a. Describe three (3) relevant and substantially similar affordable housing development or preservation



Town of Carrboro ARPA Affordable Housing RFP

projects completed by the organization in the last 5-10 years. The project description should include:


- i. Location
- ii. Scope and scale of project
- iii. Total development budget and financing sources
- iv. Indication of whether the projects were completed on budget and on time. If not completed on budget and on time, please describe why.
- v. Photos/illustrations of completed project.

Location	Scope and Scale of Project	Budget/Sources	Was the Project completed on time. If not Why?	Photos:
105 Fidelity Street A-20, Carrboro, NC	Acquisition of this unit to add to the affordable house stock to serve people at or below 80% AMI.	\$220,000-\$105,000(OC), \$100,000 (TOC), \$15,000 (EI)	Yes	
338 McMasters	This project was a collaboration with Town of Chapel Hill (TOCH), OC and EI to purchase this home and was a complete renovation. The renovation included making the home ADA compliant and including disability accessibility features for people with disabilities to live safely in the home. This home is occupied by a low-income couple who are disabled.	Budget: \$138,000-\$104,869(HOME), \$27,000 (AHDR), \$6,131 (EI)	Yes	
706 Gomains	Acquisition from Self-Help 2-bedroom 1-bath duplex. Grant funding was awarded for acquisition and exterior renovations.	Budget: \$210,000 - \$105,000 (HOME); \$135,000(CDBG)	Yes	




Town of Carrboro ARPA Affordable Housing RFP

<p>707 Gomains</p>	<p>This project was a collaboration with TOCH, OC, and EI. This home was donated by the TOCH to EI and relocated to a lot in the Northside Community that EI purchased with HOME funds. This home became a safe, quality, affordable home for a teacher's aide and her son from Northside Elementary experiencing homelessness.</p>	<p>Budget: \$215,529 - \$125,319 (HOME); \$26,395 (AHDR) \$63,815(EI)</p>	<p>Yes</p>	<p>Before:</p>  <p>Completed:</p> 
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- b. If you have received Town funding within the last 5 years, please provide the following for each project:
- i. Location
 - ii. Scope and scale of project
 - iii. Total development budget and financing sources
 - iv. Indication of whether the projects were completed on budget and on time. If not completed on budget

Location	Scope and Scale of Project	Budget/Sources	Was the project completed on time. If not Why?	Photos:
<p>Brighton Square</p>	<p>This grant was to assist low-income homeowners of Brighton Square with a special HOA assessment for repairs for roof and siding. There were 6 units that qualified for the assistance and provided repairs to improve the quality and safety of the homes.</p>	<p>\$64,020- \$58,200 HOA, \$5820 (EI)</p>	<p>Yes</p>	

Town of Carrboro ARPA Affordable Housing RFP

124 Fidelity St. #12, Carrboro, NC	Acquisition of this unit to add to the affordable house stock to serve households at or below 60% AMI. Provided housing for people experiencing homelessness.	\$44,000-\$35,000(TOC), \$9,000(EI)	Yes	
124 Fidelity St. #24, Carrboro, NC	Acquisition of this unit to add to the affordable house stock to serve people at or below 80% AMI.	\$75,000-\$72,500(HOME), \$2,500 (EI)	Yes	
124 Fidelity St. #45, Carrboro, NC	Acquisition of this unit to add to the affordable house stock to serve people at or below 80% AMI.	\$75,000-\$72,500(HOME), \$2,500 (EI)	Yes	

- c. Provide a summary of experience with federal grants including but not limited to; financial management; Uniform Guidance; knowledge of, and compliance with state and federal ethics rules; identification and reporting of waste, fraud and abuse; and oversight of disbursement and tracking of federal funds by state or federal agencies.

EMPOWERment Inc. staff has years of experience with federal funding through projects that required a variety of skills, knowledge of complex federal funding sources, identification and reporting of waste, fraud and abuse, compliance, and expertise in affordable housing preservation and development. In one project listed above (707 Gomains, Chapel Hill), EI was awarded HOME funds to purchase the lot, TOCH funds to relocate and then fully rehab a donated single-family home. This endeavor required knowledge and compliance with federal HOME regulations, federal and local protocols, knowledge of local permitting to work through each step of the process.

The projects listed above all involved the oversight of budgeted funds through the procurement of qualified contractors, supplies, and equipment in adherence with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 CFR Part 200. After each project, EI was responsible for the reporting, the accountability of the funds' disbursement, and the projects' satisfactory conclusion.

- d. If available, provide contact information for professional references whom the Town may contact regarding the proposer's services.

Lazarus Repair and Maintenance LLC.
109 N. Graham Street #100
Chapel Hill, NC 27516

New Start Development
P.O. Box 41043
Raleigh, NC 27629

Josh Gurlitz, Architect
308 W. Rosemary Street Ste 304
Chapel Hill, NC 27516

B. PROJECT INFORMATION

1. Project Profile					
<i>Insert project information below</i>					
Location <i>(insert address)</i>	Homestead			Carrboro Qualified Census Tract <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Size <i>(insert acreage of development site)</i>					
Development Type <i>(select one)</i>	<input type="checkbox"/> New construction of affordable and attainable housing (single-family or multifamily) <input checked="" type="checkbox"/> Acquisition and rehabilitation to preserve affordable and attainable housing (single-family or multifamily) <input type="checkbox"/> Conversion of an existing structure from another use to affordable rental housing <input type="checkbox"/> Demolition as it relates to the new construction, acquisition, or rehabilitation of above. <input type="checkbox"/> Project-related soft costs as reasonable and necessary (e.g., architecture, engineering)				
Total Number of Units					
	# of Total Housing Units	# of Bathrooms	Square Footage	Proposed Rent or Sale Price Per Unit	Projected Cost Per Unit Including Utilities
Studios					
One-bedroom					
Two-bedroom	9	1	900	\$1100/month	
Three-bedroom	1	1	1200	\$1500/month	
Four-bedroom					
Area Median Income Served <i>(insert # of units by AMI)</i>					
<30%					
31-60%	10				
61-80%					
81-100%					
>100%					
Target Population <i>(check all that apply)</i>	<input checked="" type="checkbox"/> xHCVFamily <input checked="" type="checkbox"/> xOlder Adults (Age 62+) <input type="checkbox"/> Disabled <input checked="" type="checkbox"/> xHomeless <input checked="" type="checkbox"/> xVeterans <input type="checkbox"/> Other (specify)				
ADA Accessibility <i>(insert # of total units)</i>	0				
Total Development Cost Per Unit	\$2,530,000				
Per Unit Subsidy	\$ 60,000/ unit				
Debt Coverage Ratio (DCR)	Lowest DCR N/A__ Highest DCR: <u>N/A</u>				
Town Planning Approvals Received <i>(as of the date of application)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA				

2. Project Description and Justification

- a. Provide a general overview of your project, including what you are planning to produce (100 words or less).

This project is an attempt to preserve naturally affordable housing (NOAH) in Carrboro, NC with the acquisition of 10 single-family homes located off Homestead Road community. These homes will house people who are earning below 80% AMI and will remain affordable for at least 20 years. EI will identify funds to make needed rehab and repairs and ensure quality, health, and safety of the homes over the affordability period. These homes are currently all occupied by low-income individuals and will not be displaced. This project will ensure that communities like this one will remain safe and affordable.

- b. Describe and explain how and why the project qualifies for CSLFRF funding and specify how the project is a program or service that addresses housing insecurity, or a lack of affordable housing suffered by the eligible population.

This project qualifies for CSLFRF funding under 2.1 of the RFP for eligible activities: “Acquisition and rehabilitation to preserve affordable and attainable housing (single-family or multifamily)”. According to the NC Housing Coalition¹, more than 15,000 households are cost-burdened in Orange County, with 52% of renters and 18% of homeowners reporting having difficulty affording their homes. Research² and experience show that homelessness is a due to a lack of affordable housing and it is well-documented the cost of homelessness on children, households, and communities.³ Further, homelessness has a disproportionate impact on Black, Indigenous, and (ALL) People of Color and is therefore also an important equity issue.⁴

EMPOWERment addresses these community issues is by providing safe, quality, affordable homes to people who are disabled, low-income, and/or experiencing homelessness. EI also provides stabilizing services to the households served through providing housing counseling to those struggling financially, and successfully keeping tenants from being evicted and facing foreclosure as a result of the economic downturn. EI works to provide safe, high quality, affordable housing to help mitigate the burdens of housing displacement. EI also works with non-English speaking communities (that often go underserved) to provide resources and bridge language, housing, transportation, and employment barriers.

If applicable, describe how the proposed project aligns with the Town of Carrboro’s Comprehensive Plan.

This acquisition will continue to add to the affordable housing stock following the Town of Carrboro 2022-2042 Comprehensive Plan “that there is a home for everyone in Carrboro”. The proposed project seeks to protect naturally occurring affordable housing, defined by the article “Preserving affordable housing” in the Washington Post written by Haisten Willis as “rental housing at least two decades old, short on amenities and affordable without a subsidy (2020)”.

3. Project Location

- a. Identify current zoning and any anticipated zoning relief required.

The Current zoning is Residential. No known anticipated zoning relief request at this time.

- b. Current Ownership: if acquisition will be required by the proposer, information related to how the property will be acquired including, but not limited to, anticipated acquisition price, feasibility and/or conditions that would be tied to acquisition, and acquisition time frames.

Acquisition will be required. The purchase will be from a single owner. In a Comparative Market Analysis (CMA) done by a licensed real estate broker the 2 bedrooms, 1 bath in that area average \$250,000. There are nine of those. For the 3-bedroom 1 bath the market analysis shows \$340,000. When combining all the units the cost amounts to \$2,590,000.00 The property cannot be acquired until all funds have been confirmed. EI anticipates applying to the State Employees Credit Union Foundation and Orange County Housing Bond funds in August’2023. Affordability will be maintained for at least 99 years.

¹ <https://nchousing.org/county-fact-sheets/>

² <https://homelessnesshousingproblem.com/>

³ <https://www.caringworksinc.org/our-impact/community-impact/>

⁴ [Data Review_2022.pdf \(ocpehnc.com\)](#) slide #18

4. Affordability

- a. Identify the length of the project’s affordability terms (20 year minimum).

This project will remain affordable in accordance with Carrboro Housing requirements for 99 years.

- b. **Describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, deed restrictions, etc.**

EMPOWERment will include the following documents when preparing the deeds for Carrboro to ensure long term affordability of housing units:

Deed Restrictions, Performance Agreements, and Development agreements.

- c. **Explain your agency’s marketing process to ensure an adequate pool of income-eligible renters to buyers.**

EI makes intentional marketing efforts to ensure an adequate pool of income-eligible renters. These efforts have successfully identified low-income community residents in need of affordable housing for more than twenty years. These efforts are led by the Rental Property Management team, which includes HUD-Certified Housing Counselors, and utilizes current relationships with tenants for effective word-of-mouth marketing strategies. EI’s vacancy rate continues to be maintained at less than 5%. When there is a vacant unit, it is marketed through word of mouth with tenants, EI’s website at empowermentinc.org as well as advertised on NCHousingSearch.org. Community partners are also notified about vacancies to include Community Empowerment Fund (CEF), Department of Social Services (DSS), Family Success Alliance (FSA), and local churches. EI also maintains a waitlist of eligible individuals. Further, EMPOWERment advertises in the neighborhood newsletters such as The Northside News and on social media. EI also posts flyers at community gathering locations such as the Hargraves Community Center and Carrboro Community parks where posting is allowed. Priority is given to those applications that fall into the “most vulnerable population” category.

- d. Describe any supportive services, if any, that will be provided through this project.

By creating more affordable housing, EI has been able to foster a sustainable community environment through several support services available for tenants. EI offers Homebuyers Education Classes, rental counseling, eviction counseling, and financial counseling provided by HUD certified counselors. There is also access to the EMPOWERment Inc. MOM Utility fund for those facing financial hardships. EI has created a Tenant Association that meets to share information and resources with all EMPOWERment Tenants.

5. Project Financing

- a. Description of the financing arrangements required for the proposal and time frames for securing all necessary funding. Indicate which funds are committed or pending and include the percentage of committed funds toward this project.

EMPOWERment is applying for ARAPA funding for this project (7/31/23)- **23%**. It will apply for funding from State Employees Credit Union Foundation-**40%** and Orange County Housing Bond-**36%** funding (8/23). None of these funds have been committed. EI is committed to **1%**.

- b. A description of any equity and/or other funding sources brought to the project by the proposer.

Housing segregation creates inequity in living conditions particularly for low wealth and underserved communities which this community mimics. EI is engaging in conversation with Orange County and State Employees Credit Union Foundation (SECUF). Both have dedicated funds to the preservation of affordable housing and pressing community causes. Orange County has long supported EI’s affordable housing acquisitions. SECF has supported affordable housing like The IFC Community House.

- c. If applicable, provide a description and explanation of how any funds granted by the Town of Carrboro will be used to leverage receipt of additional funding or will be partnered with other sources of funding and equity.

EMPOWERment is applying for ARAPA funding for this project (7/31/23)- **23%**. It will apply for funding from State Employees Credit Union Foundation-**40%** and Orange County Housing Bond-**36%** funding (8/23).

- d. If applicable, provide a copy of the property's appraisal. See attached CMA.

6. Construction

- a. Description of the construction requirements for the proposed project. **No Construction needed.**
- b. Proposed construction schedules for the project. **N/A**
- c. Description of how the proposed use relates to the existing community/neighborhood features, including onsite amenities and distance to public transit, high quality schools, grocery stores, parks, and services.
This is an existing single-family community. The intention is to preserve this community as rental housing that is decades old, short on amenities and affordable without a subsidy- NOAH. By maintaining the affordability of these housing units, the existing community has the opportunity to thrive and develop further through EI's supportive services.
- d. Describe the use of energy efficient principles, universal design, and/or materials with extended life span.
N/A. This is an existing 10-unit single family community built in 1986. Once EI acquires the properties, the current appliances will be changed out for energy efficient units as it becomes necessary.

7. Community Partnerships

- a. Description of all proposed community partnerships, including time frames and/or schedules for the partners to begin working with one another.
EI will continue to partner with several community organizations in order to provide aid to prospective tenants. These are relationships that have existed for years. The Jackson Center, Interfaith Council, Habitat for Humanity, Community Home Trust, and CEF have existing partnerships with EI, and will continue to work together to provide affordable housing for community members. We are all partners in Orange County Affordable Community Housing Coalition.
- b. Description of any proposed community/neighborhood engagement to facilitate support for and/or to determine opposition to the project.
EI intends to reach out to existing renters in the Homestead community. We will meet with them to introduce ourselves and the amenities we bring to the table as landlords. We will invite each tenant to become a member of the Tenant Association. We will survey the tenants for their suggestions or concerns that should bring out support or opposition to the project.

Description of how intended beneficiaries of the proposed project will be involved in the planning and design process (in 100 words or less).
Our intended beneficiaries include the current tenants and prospective tenants on the EI waitlist. Monthly meetings with housing partners from the Orange County Affordable Housing Coalition are primary forms of communication between stakeholders. Other than the preliminary outreach EI will establish call/email outreach to beneficiaries about attending events, enrolling in housing counseling, and connecting with additional resources. These responses help EI understand problems tenants face and create additional programs to support them.

8. Social Equity

- a. Describe whether your project subject to any policies that restrict any external funding sources for rent, security deposits, and/or other tenant costs (e.g., Emergency Housing Assistance, Housing Choice Vouchers, Rapid Re-Housing, family contributions, etc.). If yes, please explain what will not be accepted and why.

EI is not subject to any policies that restrict any external funding sources for rent, security deposits and /or other tenant cost (EHA, HCV, RRH, Family Contributions, etc.).

Identify whether or not the project will accept all types of housing vouchers (i.e., HCV, EHV, RRH, PSH, etc) If not, explain which type(s) of housing voucher will be accepted and why? do you not accept and why?

EI will accept all kinds of housing vouches including VASH for veterans, Housing Choice Vouchers, and other special voucher types. EI’s goal is to provide low-barrier housing access for people who are the most vulnerable in our community. Because many landlord- owners do not accept vouchers in Orange County and Carrboro, these units will add crucial access to people with or without housing vouchers. to access safe, quality, affordable homes.

- a. Describe how the project will address health and education disparities, increase access to opportunity, and build a stronger community through an investment in the neighborhood, especially to Town of Carrboro residents that have been negatively impacted in the past, due to inequity.

Securing affordable housing reduces housing instability, overcrowding and the chance of facing homelessness.⁵ Access to safe and affordable housing is closely linked to positive outcomes for physical and mental health⁶ and living in affordable and stable housing reduces the likelihood of experiencing poor health outcomes.⁷ As for educational outcomes, children in families receiving rental assistance experience lower risks of health problems and miss fewer days of school.⁸ Further, children who live in affordable rental housing have higher earning potentials and lower incarceration rates as young adults compared to similarly situated individuals.⁹

Home rehabilitation and repair not only improves the safety and stability of an existing house but is also associated with reduced crime rates and improved public health for the surrounding neighborhood.¹⁰

This project will help increase the supply of affordable housing in Carrboro and in turn will help strengthen the community, educational outcomes, and equity efforts. Making an investment in affordable housing will help many individuals in all aspects of life. Affordable, stable living is the key to limiting health and education disparities while also providing additional opportunities to residents.

- b. Complete the below questions and provide any additional context on the racial composition of the organization and board leadership:

- i. % of staff that are people of color: **100%**
- ii. % of board that are people of color **60%**
- iii. % of staff that have attended racial equity training: **100%**

- c. Describe your organization’s racial, equity and inclusion goals and any recent training activities.

Securing this property is key for addressing the inequities in housing funding. As a minority led organization EI has found competing against non-minority led housing non-profits challenging an unbalanced. EMPOWERment Inc. is a founded, led, and operated entirely by people of color. It is connected to state and local equity efforts through

⁵ <https://www.huduser.gov/portal/sites/default/files/pdf/Family-Options-Study-Full-Report.pdf>

⁶ <https://pubmed.ncbi.nlm.nih.gov/31675514/>

⁷ <https://publications.aap.org/pediatrics/article/141/2/e20172199/38056/Unstable-Housing-and-Caregiver-and-Child-Health-in?autologincheck=redirected>

⁸ <https://read.dukeupress.edu/demography/article/58/4/1171/173456>

⁹ https://www.nber.org/system/files/working_papers/w22721/w22721.pdf

¹⁰ <https://www.pennmedicine.org/news/news-releases/2021/july/city-funded-housing-repairs-in-low-income-neighborhoods-associated-with-drop-in-crime>

Town of Carrboro ARPA Affordable Housing RFP

providing affordable housing and services to disproportionately impacted community members in need of affordable housing as well as through partnerships with organizations such as NAACP, Kidzu Children’s Museum, and Carol Woods Retirement Center.

EMPOWERment Inc. is dedicated to creating a more equitable community in Orange County through affordable housing, economic development, and community engagement. EI aims to provide all individuals with access to an affordable place of living as that is what helps strengthen the community.

One of these goals is in progress as we continue our work on the P.E.A.C.H Apartments in the Pine Knolls community. This will be a multi-family, multi-generational, affordable housing complex for individuals earning less than the Orange County Living Wage. By raising over 3.5 million dollars, the P.E.A.C.H apartments are set to break ground in the next few months. This is one step in promoting equity in housing in our community, however, much more needs to be done. Operations manager, LaTanya Davis attended a town sponsored training on Racial Equity in June 2023. The entire staff participates in DEI training twice a year to maintain the HUD certified housing counseling status.

d. Please describe any additional activities your organization is doing to address racial equity.

As people of color, EI understands that racial discrimination and bias has created barriers to generational wealth for marginalized communities. Because of this first-hand and historical knowledge, EI serves disproportionately impacted communities of color that have not had access historically to wealth building opportunities and safe, quality, affordable housing. Further, EI has created infrastructure addressing racial equity goals by supplying renters with housing counseling, financial education, and personalized advocacy.

Another way EI is addressing wealth inequities is through the BrightPath Solutions Initiative. EI has been able to empower BIPOC business owners with the needed skills for a prosperous business. Free classes have been held both in-person and virtually to allow a wider audience and greater access to information. After completion of the program, all participants become eligible for micro-grants, providing an additional opportunity for further business growth. As with affordable housing, investing in the success of BIPOC owned businesses creates significant benefits to communities of color as well as the local economy. As an organization EI continues to battle the racial injustices of Orange County through advocacy for communities and individuals with our make-up.

9. Risk Assessment

a. Identify any and all anticipated obstacles to successful completion of the project and describe your plan to overcome those obstacles.

The most significant obstacle to completing this project will be securing an ample amount of funding to make sure the housing units remain affordable for individuals earning less than 80% AMI. By applying for grants such as this one, we believe it is possible to secure the appropriate amount of funding. The project cannot be done if the funding without the procurement of these funds.

b. Provide description of any and all municipal requests or requirements (including permitting and inspections) that might be needed in order to overcome any and all such obstacles and/or facilitate the timely completion of the project on or before the project expenditure deadline stated in the RFP Timeline.

NA

10. **Proposed Measurement Tracking:** As there are no prescribed methods of reaching the goals outlined in this RFP, the proposal should include the proposer’s suggested performance measures in line with the proposed project that achieve compliance with CSLFRF guidelines.

The goal of this project is to provide safe, high quality, affordable housing for individuals making less than 80% AMI and to preserve this community as affordable. The following measures will be used to track progress:

- a. Collaborate with other nonprofits and local government agencies to reach underserved and disenfranchised populations.
- b. Encourage tenants who are experiencing rental hardships to attend counseling with EI’s HUD Certified Housing Counselors.

C. REQUIRED ATTACHMENTS

File names should be in the following form: YYYYMMDD_ARPA_Affordable Housing_Development Name_Description (e.g, 230325_ARPA_Housing_HarvardCourt_Site_Plan).

1. Financial Audit

Please include your organization's most recent financial audit.

2. Completed W-9 Form

3. Organization Budget

Please submit an organizational budget. Among other relevant revenue and expenditure information, please include line items on any government grants or loans by jurisdiction. If your organization has run a deficit, please include that information here.

4. Project Financials

Please submit the following information about the project in a Microsoft Excel document, as relevant:

- a. Project Budget/Development Costs
- b. Sources and Uses
- c. Operating pro forma (rental projects):
 - i. must show 20+ year cash flow projections that includes documentation of key operating assumptions, estimated rental income, operating expenses, net operating income, and any anticipated debt service, including a separate line item for any debt service (principal and/or interest) associated with Town loans requested as part of this application. Pro forma should project expenses far enough out to show when debt service ends (i.e., more than 20 years if necessary). Applicants may use the attached template or a similar version of their own.
 - ii. Rental Income Breakdown: must show rent and utilities by bedroom size and AMI level, using the attached template or something similar.
- d. Housing Affordability and Sale Proceeds (homeownership projects): must show sales price by bedroom size and AMI level and mortgage sources and amounts, using the attached template or something similar. If the applicant is the lender, also include the mortgage amortization schedule.

5. Articles of Incorporation

6. List of Board of Directors

Provide the following information about each board of director's member: name, occupation or affiliation of each member, officer positions, gender, race/ethnicity.

7. Market Analysis

Proposals should provide a market analysis specific to the property.

See CMA for market analysis.

8. Project Information

- a. For all projects, please submit a detailed timeline showing when each work task will be completed over the duration of the project. Please include when you plan to expend the Town's funding for the project. For ARPA funding applications, project funding must be obligated by December 31, 2024 and expended by 12/31/26.
- b. Submit the rental income policy that will be used for the project
- c. Submit the background check policy that will be used to screen potential tenants
NA; EI does not do background checks.
- d. For development and renovation projects, please submit the following:
 - i. Site map showing lot boundaries, locations of structure(s), and other site features
 - ii. General location map (at least ½ mile radius)
 - iii. Floor plan(s)

- iv. Elevation(s)
- v. Property Appraisal **See CMA**
- vi. Evidence of zoning compliance **NA**
- vii. Map showing proximity to bus stops, grocery store, schools and other amenities (including distance in miles from project site and amenities)
Surrounding Transportation

9. IRS Federal Form 990

A copy of the organization's most recent Form 990 is required for nonprofit applicants. The specific form depends upon the organization's financial activity. Review the IRS' table guide, for more details. For Form 990-N (e-postcard) filers, include a copy of the postcard, with the organization's application materials. If Form 990 filings are not current, please explain.

10. NC Solicitation License

A copy of the organization's current solicitation license is required. Organizations that solicit contributions in North Carolina, directly or through a third party, must renew their licenses annually. For more details, refer to the NC Secretary of State's licensing website and its Frequently Asked Questions Guide (PDF), about exemptions. If exempt per N.C.G.S. § 131F-3, include a copy of the exemption letter with the organization's application materials.

11. IRS Federal Tax-Exemption Letter

A copy of the organization's **current** IRS tax-exempt letter that confirms its nonprofit status is required.

D. SUPPLEMENTAL ATTACHMENTS---

Responders are encouraged to include additional information such as maps, site plans, elevations, photos, qualitative and quantitative data. File names should be in the following form: YMMDD_ARPA_Affordable Housing_Development Name_Description (e.g, 230325_ARPA_Housing_HarvardCourt_Site_Plan). List the supplemental files that are being submitted with this proposal below.

1. Supplemental Attachment
2. Supplemental Attachment

Agency Budget

Operating Budget for entire Agency

AGENCY NAME:	EMPOWERment			
PROGRAM REVENUE	Actual 2021-2022	Projected 2022-2023	Projected 2023-2024	Percent Change
Private Donations	\$ 155,624	\$ 163,405	\$ 171,575	5%
Program Generated Revenue	\$ 677,868	\$ 711,761	\$ 747,349	5%
Local Government Grants:				
Human Services - Town of Carrboro	\$ 19,200	\$ 25,000	\$ 30,000	20%
Other - Town of Carrboro	\$ -	\$ -	\$ -	0
Human Services - Town of Chapel Hill	\$ 40,000	\$ 40,000	\$ 25,000	-38%
Other - Town of Chapel Hill	\$ -	\$ -	\$ -	0
Human Services - Orange County	\$ 40,000	\$ 40,000	\$ 60,000	50%
Other - Orange County	\$ -	\$ -	\$ -	0
Other - Town of Hillsborough	\$ -	\$ -	\$ -	0
Other Government Grants				
Triangle United Way	\$ -	\$ -		0
State Government	\$ 25,080.00	\$ 100,000.00	\$ 105,000.00	\$ 0.05
Federal Government (CDBG/HOME/etc.)	\$ 86,734.00		\$ -	\$ (1.00)
Private Foundation Grants	\$ 44,000.00	\$ 55,000.00	\$ 53,000.00	\$ (0.04)
Other Revenue	\$ 5,600	\$ 5,880	\$ 6,174	\$ 0.05
Total Program Revenue	\$ 1,094,106	\$ 1,141,046	\$1,198,098	5%
PROGRAM EXPENSES				
Compensation	\$ 382,772	\$ 401,910	\$ 422,006	5%
Rent & Utilities	\$ 177,764	\$ 186,652	\$ 195,984	5%
Supplies & Equipment	\$ 19,658	\$ 20,640	\$ 21,672	5%
Travel & Training	\$ 816	\$ 857	\$ 897	5%
Other Expenses:	\$ 496,094	\$ 520,898	\$ 546,943	5%
Total Program Expenses	\$ 1,077,104	\$ 1,130,957	\$1,187,502	5%
SURPLUS/(DEFICIT) FOR PERIOD:	\$ 17,002	\$ 10,089	\$ 10,596	5%

Please explain Other Grants

Does your program budget show a surplus or deficit? Please provide a brief explanation for the surplus or deficit.

The agency 17,002 surplus is due to a grant given for El's Bright Path Solutions. All the funds were not expensed before the cycle ended.

Program Budget

Operating Budget for Specific Program

If you are requesting funds for more than one program, a program budget worksheet should be provided for each program.

PROGRAM NAME: **EMPOWERment's Affordable Rental Program**

	Actual 2021-2022	Projected 2022-2023	Projected 2023-2024	Percent Change
PROGRAM REVENUE				
Private Donations			\$ -	0
Program Generated Revenue	\$ 585,493	\$ 614,767	\$ 645,506	5%
Local Government Grants:				
Human Services - Town of Carrboro	\$ 19,200	\$ 25,000	\$ 30,000	20%
Other - Town of Carrboro	\$ -	\$ -	\$ -	0
Human Services - Town of Chapel Hill	\$ 40,000	\$ 40,000	\$ 25,000	-38%
Other - Town of Chapel Hill	\$ -	\$ -	\$ -	0
Human Services - Orange County	\$ 40,000	\$ 40,000	\$ 60,000	50%
Other - Orange County	\$ -	\$ -	\$ -	0
Other - Town of Hillsborough	\$ -	\$ -	\$ -	0
Other Government Grants				
Triangle United Way	\$ -	\$ -	\$ -	0
State Government		\$ -	\$ -	0
Federal Government (CDBG/HOME/etc.)		\$ -	\$ -	0
Private Foundation Grants	\$ -	\$ -	\$ -	0
Other Revenue	\$ -	\$ -	\$ -	0
Total Program Revenue	\$ 684,693	\$ 719,767	\$ 760,506	6%
PROGRAM EXPENSES				
Compensation	\$ 111,089	\$ 116,643	\$ 122,475	5%
Rent & Utilities	\$ 62,410	\$ 65,530	\$ 68,807	5%
Supplies & Equipment	\$ 231,100	\$ 242,655	\$ 254,787	5%
Travel & Training	\$ -	\$ -	\$ -	0
Other Expenses:	\$ 156,385	\$ 164,204	\$ 172,414	5%
Total Program Expenses	\$ 560,984	\$ 589,032	\$ 618,483	5%
SURPLUS/(DEFICIT) FOR PERIOD:	\$ 123,709	\$ 130,735	\$ 142,023	9%

Please explain Other Grants

Does your program budget show a surplus or deficit? Please provide a brief explanation for the surplus or deficit.

The program budget indicates a surplus because the mortgages are reflected in the agency budget.

EMPOWERMENT, INC. ACQUISITION OF HOMESTEAD ROAD COMMUNITY, CHAPEL HILL, NC

301 Homestead Road Housing

This will add 10 houses to Carrboro's affordable housing inventory.

2,500,000.00	Acquisition Price
<u>30,000.00</u>	Upgrades
2,530,000.00	

FUNDING SOURCES

		<u>Percentages</u>
Town of Carrboro	600000	25
SECU Foundation	1000000	40
Orange County ARAPA	900000	34
EMPOWERment Inc	30000	1
Acquisition Price + Upgrades	2530000	100

20-YEAR PRO FORMA, 301 Homestead Road, CHAPEL HILL, NC

EmPOWERment, Inc accepts housing vouchers. We also rent to families without vouchers. Our target tenant population earns 30% to 80% of the area median income. The pro forma is based on initial rent at \$1100 per month for 9 units, \$1500 for 1 unit. Rental increase is calculated at 3% every five years.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>
Income	136,800.00	136,800.00	136,800.00	136,800.00	142,272.00	142,272.00	142,272.00	142,272.00	142,272.00
Vacancy 3% per yr (1 month)	<u>(4,104.00)</u>	<u>(4,104.00)</u>	<u>(4,104.00)</u>	<u>(4,104.00)</u>	<u>(4,268.16)</u>	<u>(4,268.16)</u>	<u>(4,268.16)</u>	<u>(4,268.16)</u>	<u>(4,268.16)</u>
Total Income	132,696.00	132,696.00	132,696.00	132,696.00	138,003.84	138,003.84	138,003.84	138,003.84	138,003.84
Expenses									
Management fee	9,600.00	9,600.00	9,600.00	9,600.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00
Maintenance & Repair	18,000.00	18,720.00	19,468.80	20,247.55	21,057.45	21,899.75	22,775.74	23,686.77	24,634.24
Administrative/Legal	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,360.00	12,730.80	12,730.80
Insurance	12,000.00	12,480.00	12,979.20	13,498.37	14,038.30	14,599.83	15,183.83	15,791.18	16,422.83
Property Taxes	6,000.00	6,240.00	6,489.60	6,749.18	7,019.15	7,299.92	7,591.91	7,895.59	8,211.41
Utilities	14,400.00	14,976.00	15,575.04	16,198.04	16,845.96	17,519.80	18,220.59	18,949.42	19,707.39
Rental Reserves	20,000.00	20,000.00	20,000.00	18,000.00	18,000.00	18,720.00	18,720.00	18,720.00	18,720.00
Turn-over Costs	<u>25,000.00</u>	<u>25,000.00</u>	<u>25,000.00</u>	<u>18,000.00</u>	<u>18,720.00</u>	<u>18,720.00</u>	<u>18,720.00</u>	<u>18,720.00</u>	<u>18,720.00</u>
Total Expenses	117,000.00	119,016.00	121,112.64	114,293.15	117,880.87	120,959.31	123,772.08	126,693.76	129,346.68
Annual Income	132,696.00	132,696.00	132,696.00	132,696.00	138,003.84	138,003.84	138,003.84	138,003.84	138,003.84
Less Expenses	<u>117,000.00</u>	<u>119,016.00</u>	<u>121,112.64</u>	<u>114,293.15</u>	<u>117,880.87</u>	<u>120,959.31</u>	<u>123,772.08</u>	<u>126,693.76</u>	<u>129,346.68</u>
Net Operating Income	15,696.00	13,680.00	11,583.36	18,402.85	20,122.97	17,044.53	14,231.76	11,310.08	8,657.16

<u>Year 10</u>	<u>Year 11</u>	<u>Year 12</u>	<u>Year 13</u>	<u>Year 14</u>	<u>Year 15</u>	<u>Year 16</u>	<u>Year 17</u>	<u>Year 18</u>	<u>Year 19</u>
149,385.60	149,385.60	149,385.60	149,385.60	156,854.88	164,697.62	164,697.60	164,697.60	164,697.60	172,932.48
<u>(4,481.57)</u>	<u>(4,481.57)</u>	<u>(4,481.57)</u>	<u>(4,481.57)</u>	<u>(4,705.65)</u>	<u>(4,940.93)</u>	<u>(4,940.93)</u>	<u>(4,940.93)</u>	<u>(4,940.93)</u>	<u>(4,940.93)</u>
144,904.03	144,904.03	144,904.03	144,904.03	152,149.23	159,756.70	159,756.67	159,756.67	159,756.67	167,991.55
10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00	10,200.00
25,619.61	26,644.40	27,710.17	28,818.58	29,971.32	31,170.18	32,416.98	33,713.66	33,713.66	33,713.66
12,730.80	12,730.80	13,112.72	13,112.72	13,112.72	13,112.72	13,506.11	13,506.11	13,506.11	13,506.11
17,079.74	17,762.93	18,473.45	19,212.39	19,980.88	20,780.12	21,611.32	22,475.77	23,374.81	23,374.81
8,539.87	8,881.47	9,236.72	9,606.19	9,990.44	10,390.06	10,805.66	11,237.89	11,237.99	11,687.40
20,495.69	21,315.52	22,168.14	23,054.86	23,977.06	24,936.14	25,000.00	25,000.00	25,000.00	25,000.00
18,720.00	18,720.00	18,720.00	18,720.00	18,720.00	18,720.00	18,720.00	18,720.00	18,720.00	18,720.00
<u>18,720.00</u>	<u>19,468.80</u>	<u>20,247.55</u>	<u>21,057.45</u>	<u>21,899.75</u>	<u>22,775.74</u>	<u>22,775.74</u>	<u>22,775.74</u>	<u>22,775.74</u>	<u>25,619.61</u>
132,105.72	135,723.91	139,868.76	143,782.20	147,852.18	152,084.96	155,035.81	157,629.17	158,528.30	161,821.59
144,904.03	144,904.03	144,904.03	144,904.03	152,149.23	159,756.70	159,756.67	159,756.67	159,756.67	167,991.55
<u>132,105.72</u>	<u>135,723.91</u>	<u>139,868.76</u>	<u>143,782.20</u>	<u>147,852.18</u>	<u>152,084.96</u>	<u>155,035.81</u>	<u>157,629.17</u>	<u>158,528.30</u>	<u>161,821.59</u>
12,798.32	9,180.12	5,035.27	1,121.83	4,297.05	7,671.74	4,720.86	2,127.50	1,228.37	6,169.96

Year 20

172,932.48
(4,940.93)
167,991.55

10,200.00
33,713.66
13,506.11
23,374.81
11,687.40
25,000.00
18,720.00
25,619.61

161,821.59

167,991.55

161,821.59

6,169.96

HOMESTEAD ROAD TIMELINE



Cover Sheet

Organization Legal Name	Habitat for Humanity, Orange County, N.C., Inc.
Organization Unique Entity Identifier (UEI)	H4C2Z4HVEZM1
Organization Tax ID #	58-1603427
Organization Physical Address	88 Vilcom Center Drive, Suite L110, Chapel Hill, NC 27514
Organization Mailing Address	88 Vilcom Center Drive, Suite L110, Chapel Hill, NC 27514
Organization Website Address	www.orangehabitat.org
Contact Name, Title	Jennifer Player, President & CEO
Contact Email	jplayer@orangehabitat.org
Contact Phone	(919) 932-7077 ext. 215
Project Name (name of development)	West Rogers Road Project
Project Type	Construction of Affordable Homeownership
Project Description (100 words or less)	Habitat for Humanity of Orange County recently purchased 15 acres off of Rogers Road in the Town of Carrboro. Habitat will soon begin phase one of its plan to build 75 affordable homes on the property.
Project/Development Address	7723, 7727, 7729, 7733, 7811, 7815, and 7817 Rogers Road
Project Proposal Submission Date (mm/dd/yy)	07/31/2023
Total Project Cost	\$19,099,300
Total Amount of CSLFRF Funds Requested	\$1,000,000
# of Housing Units (Total Units/CSLFRF Funded Units)	75

A. ORGANIZATION PROFILE

1. Describe your organization's mission in 250 words or less.

Seeking to put God's love into action, Habitat for Humanity of Orange County brings people together to build homes, communities, and hope. Our vision is an Orange County where everyone has a decent place to live.

2. Identify your organization's type (e.g. for-profit, non-profit, government, etc.).

Nonprofit 501(c)3

3. Provide names of staff, contractors, and/or volunteers that will be involved with the project. Describe their responsibilities with the project and experience with successful completion of similar projects in the past.

a. # of FTE – Full-Time Paid Positions: 25

b. # of FTE Part-Time (less than 40 hours/wk) Paid Positions: 3

c. # of Volunteers: Approximately 1,000 volunteers on an annual basis

Habitat's leadership structure, detailed below, demonstrates the distribution of responsibilities that has allowed the organization to successfully build and repair more than 600 homes in Orange County by effectively leveraging funds from Town of Carrboro and other local government funding sources.

Jennifer Player, President & CEO, holds chief oversight responsibilities for the organization. Player has served Habitat in a leadership capacity for more than nine years and assumed the position of CEO in 2019. Richard Turlington, VP of Construction, holds oversight responsibility for the land purchase, project design, infrastructure, preparation of the site and construction of the homes. Turlington has acted in the VP capacity for five years and has thirteen years of Habitat experience, with more than twenty years in the construction industry. Laine Staton, VP of Homeowner Services, brings six years of experience with Habitat in Durham and Orange County. Staton is responsible for recruitment and screening of potential homebuyers, as well as providing homebuyer education for approved applicants and support for community-building where Habitat constructs homes. Habitat's VP of Finance & Administration, Grace Johnston, brings more than a decade of experience with Habitat's Development and Finance operations and will lead long-term monitoring and reporting requirements. Alice Jacoby, VP of Policy & Advocacy, leads government relations and has more than ten years of experience with Habitat. Jacoby manages Habitat's government funding portfolio and acts as liaison with Town staff. Shanell Smaw, VP of Development, holds overall responsibility for securing annual funding from individual donors, organizations, corporations, churches, and foundations to cover the cost of vertical construction. She has nine years of development experience, including Habitat for Humanity in Cabarrus County, NC.

Habitat has a successful history of working with well-respected local contractors, architects, and engineers including Ballentine Associates, Summit Design and Engineering, Civil Consultants, Cline Design Architects, Scott Murray Land Planning, Soil and Environmental Consultants, and TerraQuest. Once Habitat construction begins, a diverse range of community partners and volunteers will help to build and fund the homes through Habitat's proven and unique model, including faith partners, civic groups, University of North Carolina faculty and students, UNC Health employees, and the local business community.

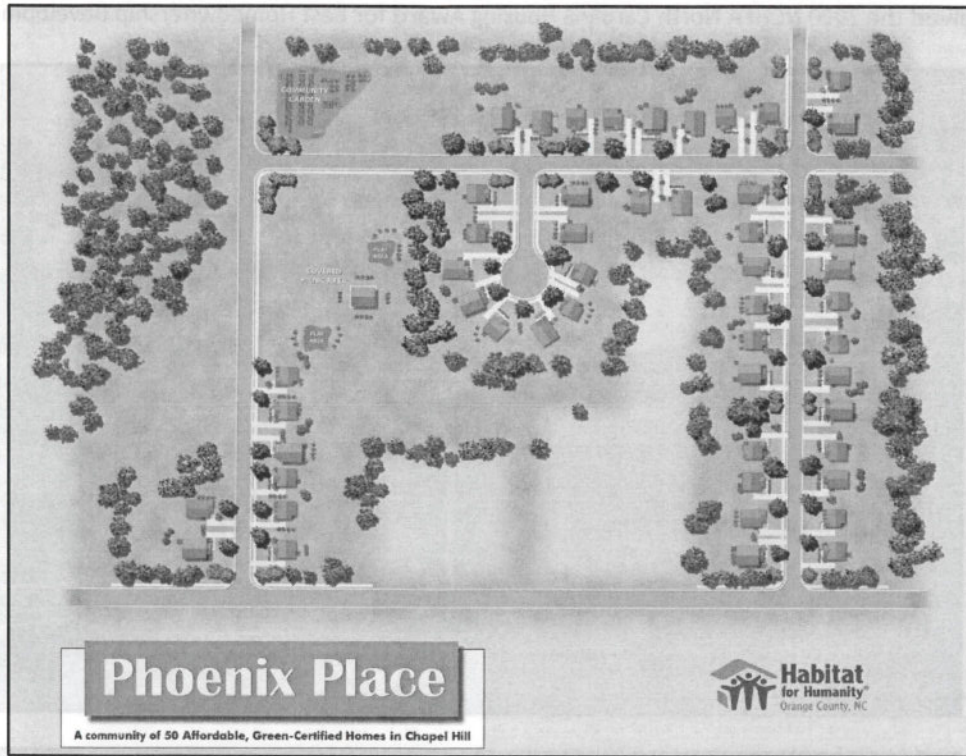
4. Qualifications and History of Success

a. Describe three (3) relevant and substantially similar affordable housing development or preservation projects completed by the organization in the last 5-10 years. The project description should include:

- i. Location
- ii. Scope and scale of project
- iii. Total development budget and financing sources
- iv. Indication of whether the projects were completed on budget and on time. If not completed on budget and on time, please describe why.
- v. Photos/illustrations of completed project

Phoenix Place (completed in 2014)

- 50-unit new construction development of single-family homes off of Rogers Road in Chapel Hill, NC.
- Habitat donated the land for the new Rogers Eubanks Neighborhood Association, dedicated in 2014.
- Community amenities include an open-air picnic pavilion, community garden, and playground.
- Total cost approximately \$7,000,000
- Funding sources include Orange County, NCHFA, community donations, and Orange Habitat.
- Project was completed on budget and on time.
- Received the 2016 NCHFA North Carolina Housing Award for Best Homeownership Development.



Crescent Magnolia (completed in 2020)

- 24-unit new construction townhome development located in Hillsborough, NC.
- All 24 units are one-bedroom homes targeted at seniors ages 55+ and designed specifically to help seniors age in place and make efficient use of space.
- Community amenities include shared green space and an open-air pavilion.
- Total cost approximately \$2.5 million.
- Funding sources include Orange County, Town of Hillsborough, NCHFA, community donations, and Orange Habitat.
- Project was completed on budget and on time.
- Received the 2020 NCHFA North Carolina Housing Award for Best Homeownership Development.



Tinnin Woods (completed in 2019)

- A neighborhood of 30 single-family homes located in Efland, NC.
- Community is adjacent to the local elementary school and community center.
- Total cost \$3.755 million.
- Funding sources include Orange County, HOME funds, NCHFA, community donations, and Orange Habitat.
- Project was completed on budget and on time.



- b. If you have received Town funding within the last 5 years, please provide the following for each project:
- i. Location
 - ii. Scope and scale of project
 - iii. Total development budget and financing sources

- iv. Indication of whether the projects were completed on budget and on time. If not completed on budget

Cobb Street Duplexes (completed in 2022)

- i. Located in downtown Carrboro, NC at the corner of Lloyd Street and Cobb Street.
- ii. Demolition of one home, construction of two duplexes with four affordable units.
- iii. Total cost approximately \$650,000 with \$100,000 from Town of Carrboro. Additional funding sources include Orange County, NCHFA, community donations, and Orange Habitat.
- iv. Project was completed on budget. The initial completion timeframe was delayed due to a reduction of available volunteers during COVID-19.



Home Repair (completed in 2023)

- i. 124 Beechwood Drive
- ii. Fixed a wastewater line compromised by roots from nearby pine tree, and replaced plumbing, drywall, and floor damages from the backup of the waste line.
- iii. Total costs of the project, \$9,875. Sources include: \$5,000 from Carrboro Affordable Housing Special Revenue Fund, \$4,000 from Orange County Outside Agency Funding, and \$875 from Orange Habitat.
- iv. Project was completed on budget and on time.

Home Repair (completed in 2020)

- i. 105 Fowler Street Unit A
- ii. Replaced rotting floor in a bathroom and the hallway beyond.
- iii. Total costs of the project, \$9,383. Sources include: \$7,523 from Carrboro Affordable Housing Special Revenue Fund, \$1,710 from Orange County Outside Agency Funding, and \$150 in payment from the homeowner.
- iv. Project was completed on budget and on time.

Home Repair (completed in 2020)

- i. 218 Broad Street
- ii. Replaced a failing roof.
- iii. Total costs of the project, \$9,133. Sources include: \$7,223 from Carrboro Affordable Housing Special Revenue Fund, \$1,710 from Orange County Outside Agency Funding, and \$200 in payment from the homeowner.
- iv. Project was completed on budget and on time.

Home Repair (completed in 2020)

- v. 116 Eugene Street
- vi. Replaced a failing roof.
- vii. Total costs of the project, \$13,203. Sources include: \$5,000 from Carrboro Affordable Housing Special Revenue Fund, \$1,710 from Orange County Outside Agency Funding, \$6,293 from Orange Habitat, and \$200 in payment from the homeowner.
- viii. Project was completed on budget and on time.

- c. Provide a summary of experience with federal grants including but not limited to; financial management; Uniform Guidance; knowledge of, and compliance with state and federal ethics rules; identification and reporting of waste, fraud and abuse; and oversight of disbursement and tracking of federal funds by state or federal agencies.

Orange Habitat has extensive experience as a federal sub-grantee, including with HOME Funds through Orange County, CDBG Funds through the Town of Chapel Hill, and SHOP Funds through Habitat for Humanity International. Habitat works closely with the grantee organization to ensure that all requirements and deadlines are met, responding fully and promptly to any requests for additional information or documentation.

- d. If available, provide contact information for professional references whom the Town may contact regarding the proposer's services.

- George Retschle, Ballentine Associates, (919) 796-1131, georger@ballentineassociates.com
- Scott Murray, Scott Murray Land Planning, (252) 213-9504, smurray@stmlandplan.com
- Dan Levine, Self-Help, (919) 417-2323, dan.levine@self-help.org

B. PROJECT INFORMATION

1. Project Profile					
<i>Insert project information below</i>					
Location <i>(insert address)</i>	7723, 7727, 7729, 7733, 811, 7815, and 7817 Rogers Road			Carrboro Qualified Census Tract <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Size <i>(insert acreage of development site)</i>	15.961 acres				
Development Type <i>(select one)</i>	<input checked="" type="checkbox"/> New construction of affordable and attainable housing (single-family or multifamily) <input type="checkbox"/> Acquisition and rehabilitation to preserve affordable and attainable housing (single-family or multifamily) <input type="checkbox"/> Conversion of an existing structure from another use to affordable rental housing <input type="checkbox"/> Demolition as it relates to the new construction, acquisition, or rehabilitation of above. <input checked="" type="checkbox"/> Project-related soft costs as reasonable and necessary (e.g., architecture, engineering)				
Total Number of Units					
	# of Total Housing Units	# of Bathrooms	Square Footage	Proposed Rent or Sale Price Per Unit	Projected Cost Per Unit Including Utilities
Studios					
One-bedroom					
Two-bedroom	8	1.5	1250	\$325,000	\$850
Three-bedroom	37	2	1550	\$375,000	\$950
Four-bedroom	30	2.5	1650	\$415,000	\$1050
Area Median Income Served <i>(insert # of units by AMI)</i>					
<30%	0				
31-60%	40				
61-80%	35				
81-100%	0				
>100%	0				
Target Population <i>(check all that apply)</i>	<input checked="" type="checkbox"/> Families <input checked="" type="checkbox"/> Older Adults (Age 62+) <input checked="" type="checkbox"/> Disabled <input checked="" type="checkbox"/> Homeless <input checked="" type="checkbox"/> Veterans <input type="checkbox"/> Other (specify)				
ADA Accessibility <i>(insert # of total units)</i>	All units will have universal design features. Units with full ADA accessibility will be built if identified as a need of the buyer.				
Total Development Cost Per Unit	\$254,657				
Per Unit Subsidy	\$13,333/unit				
Debt Coverage Ratio (DCR)	Lowest DCR <u>13.64</u> Highest DCR <u>13.64</u>				
Town Planning Approvals Received <i>(as of the date of application)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA				

Note:

The projected monthly cost per unit is based on a \$750-\$950 mortgage payment and \$100 in utility costs. The monthly mortgage payment represents an average, as Habitat mortgages are priced individually based on family income. Habitat homeowners' monthly mortgage, HOA, taxes, and insurance will not exceed 30% of their income at closing.

Approved homebuyer applicants earn between 30-80% AMI. In Habitat's most recent application cycle, 50% of approved applicants fell between thirty and fifty percent AMI while 50% of the applicants fell between fifty to eighty percent AMI. This mirrors the AMI distribution of previous application cycles, and we predict similar trends for Rogers Road. Habitat continues to explore options to target specific income ranges in the face of rising house costs and sales prices. Providing homeownership opportunities at the lower end of the AMI range in the current market climate requires robust ongoing support from local government partners.

2. Project Description and Justification

a. Provide a general overview of your project, including what you are planning to produce (100 words or less). Habitat for Humanity of Orange County recently acquired 15 acres of land off Rogers Road in Carrboro. Our vision is to continue our long-time investment in this community by constructing 75 new affordable units, bringing much needed housing options to Rogers Road and the broader Carrboro community. Habitat uses donations and volunteer labor to construct energy-efficient, green-certified, high-quality homes, and then sells those homes to qualifying families. The buyers receive an affordable mortgage, priced so that they pay no more than 30% of their gross monthly income for their monthly mortgage payment, which includes taxes, insurance, and any HOA dues.

b. Describe and explain how and why the project qualifies for CSLFRF funding and specify how the project is a program or service that addresses housing insecurity, or a lack of affordable housing suffered by the eligible population.

During the COVID-19 pandemic, a significant number of households lost their housing—a disproportionate number of them from communities of color. The pandemic had a major effect on both the rental and mortgage market, particularly on low income and minority households. Families that do not have access to safe, affordable, and stable housing, face a host of negative outcomes. Housing insecurity has been associated with higher rates of depression, higher rates of suspension and expulsion from school, and increased risks of chronic health conditions, to name a few. In addition, during the pandemic the local housing costs increased by more than 20% with the current median home price in the area exceeding \$600,000. Federal, state, and local policymakers took major steps to help households navigate housing insecurity during the COVID-19 pandemic—from stimulus payments and enhanced unemployment assistance, to forbearance and moratoria on foreclosure and eviction. While those actions temporarily reduced foreclosures and evictions, many households continue to face difficulties navigating housing insecurity in the long-term. Habitat for Humanity seeks to provide a stable, affordable home on Rogers Road for 75 local families, which could ultimately impact more than 300 individuals including a significant number of children.

c. If applicable, describe how the proposed project aligns with the Town of Carrboro's Comprehensive Plan.

The Town of Carrboro's comprehensive plan has the goals of building community, intentionally addressing race and equity, and advancing climate action. The proposed project advances all of those goals. Specific alignment with the plan includes:

Affordable Housing

- Habitat for Humanity will increase the number of homeownership units that are permanently affordable with targeted strategies to serve households earning 80% of Area Median Income (AMI) or below with priority to historically disadvantaged households.
- Habitat for Humanity will expand a variety of housing options by constructing a variety of affordable housing types which could include but is not limited to smaller homes for seniors and larger duplexes or townhomes for young families,

- Habitat for Humanity homeowners experience reduced utility expenses in their homes, especially those with solar power.

Climate and Environment

- Habitat for Humanity will enable lower-income residents to financially participate and benefit from climate resiliency by building SystemVision certified energy efficient homes. As a result, homeowners pay less than \$30/month for heating and cooling. Habitat also will continue the solar program for all homes with sufficient sun exposure to support solar panels.

Transportation and Mobility

- Habitat for Humanity will sell homes to many of Orange County's BIPOC, lower-income, and differently-abled populations. Many of these homebuyers work in Chapel Hill and Carrboro yet drive from long distances to their jobs. This new community will allow residents to live close to where they work and long a fare-free bus line.
- Habitat for Humanity will also connect to any locations of the current or future greenway plan in addition to ensuring the community roads are safe for pedestrians and cyclists.
-

Economic Sustainability

- Habitat for Humanity makes a tremendous impact on the lives of their homeowners by working toward a world in which everyone has a decent place to live. But the work that Habitat does also contributes to local economies by creating jobs and purchasing local goods and services.
- Habitat for Humanity will create a more inclusive economy by paying a living wage for the organization's employees and creating jobs for BIPOC and minority led sub-contractors. In each fiscal year, Habitat invests millions of dollars in the local economy.

Recreation, Parks, & Culture

- Habitat for Humanity promotes recreational programming and cultural resources by creating green space and other recreational amenities within the development that will be accessible to a variety of ages, genders, races, and abilities.

Land Use

- Habitat for Humanity will promote the design of new development that adds to the character of the existing Rogers Road community and promotes diversity. Habitat will share house designs and plans to the current residents for their input.
- Habitat for Humanity will help the Town of Carrboro expand new affordable housing opportunities and will ensure that all architecturally significant and historic properties are preserved.

3. Project Location

- a. Identify current zoning and any anticipated zoning relief required.

The properties are currently zoned HR-R, which would allow for 65 units with the Affordability Bonus. We would be requesting a rezoning to increase the number of affordable homeownership opportunities as well as an SUP to adjust the lot sizes and setbacks.

- b. Current Ownership: if acquisition will be required by the proposer, information related to how the property will be acquired including, but not limited to, anticipated acquisition price, feasibility and/or conditions that would be tied to acquisition, and acquisition time frames.

The properties are currently owned by Habitat.

4. Affordability

- a. Identify the length of the project's affordability terms (20 year minimum).

Habitat homes in Weavers Grove will be sold in compliance with Orange County's deed of restrictive covenants, which requires 99-year affordability to buyers who earn 80% or less of AMI.

- b. Describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, deed restrictions, etc.

Habitat holds a right of first refusal on all properties. Habitat also uses a shared appreciation model that allows buyers to share a percentage of the appreciation of their property based on the ratio of their first mortgage, which is provided by Habitat, and the original sales price of the home, which is determined by a market appraisal at the time of sale. Homes will be sold in compliance with the HOME Program Development/Written Agreement, including the Orange County Resale Provisions and HOME Affordability Period, Declaration of Restrictive Covenants, and the County's 99-Year Affordability Period.

- c. Explain your agency's marketing process to ensure an adequate pool of income-eligible renters to buyers.

Habitat strives to attract a diverse pool of homebuyer applicants. Prior to accepting applications, Habitat distributes flyers to other local housing organizations like EmPOWERment, CASA, and the Community Home Trust, and to affordable rental programs such as Orange County's Housing Choice Voucher program and Chapel Hill's public housing. Habitat also reaches out to community organizations, businesses, schools, and churches where income-eligible families may work, worship, or receive services. Habitat holds interest sessions throughout the community at local churches and community centers including the RENA center and the Hargraves center. Word-of-mouth marketing through designated community leaders has also been effective, as are presentations in the community where building will take place. Habitat promotes upcoming orientations and application availability on our website and through social media. All written information is available in both Spanish and English, and Habitat provides translations in Burmese, Karen, and other languages as needed. During the last application cycle, Habitat received more than 250 applications for fewer than 10 homes.

- d. Describe any supportive services, if any, that will be provided through this project. N/A

5. Project Financing

- a. Description of the financing arrangements required for the proposal and time frames for securing all necessary funding. Indicate which funds are committed or pending and include the percentage of committed funds toward this project.
- b. A description of any equity and/or other funding sources brought to the project by the proposer.
- c. If applicable, provide a description and explanation of how any funds granted by the Town of Carrboro will be used to leverage receipt of additional funding or will be partnered with other sources of funding and equity.

Habitat has a strong track record of leveraging limited government subsidies to raise private funds. This demonstration of community support and increased visibility in turn helps to advance the Town's affordable housing goals. The West Rogers Road Project will be a high-density community with a total project cost of more than \$19,000,000. To bring this ambitious vision to fruition requires robust funding support from diverse public and private sources. This need has only grown due to supply-chain issues and inflationary pressure impacting the cost of materials and subcontracted labor for housing developers. Habitat is seeking \$1,000,000 in ARPA funds, an investment of \$13,133 per unit. If Habitat receives this award, the investment from the Town of Carrboro will represent approximately 5% of the total project cost. Even in the face of rapidly increasing development costs, Habitat remains committed to the smart leveraging of public dollars.

Habitat completed the land acquisition in late June 2023 through the use of the organization's capital reserves, specifically a portion of the recent donation from philanthropist MacKenzie Scott, which has been restricted by Habitat's Board of Directors. Habitat will also complete related repairs and demolition of existing homes on the properties using capital reserves.

Habitat proposes to use \$1,000,000 in ARPA funding from the Town of Carrboro to cover soft costs related to the project. Habitat plans to obtain short-term financing to cover hard costs related to development and infrastructure, which will be secured by the end of 2025. In the past, Orange Habitat has secured financing through Habitat for Humanity International. Habitat also has experience securing a construction line of credit to complete infrastructure and development work at its Weavers Grove community in Chapel Hill. Vertical construction costs will be covered as part of Habitat’s annual operating budget, including annual fund donations and other regular sources of income.

At this time, 10% of project funds are fully committed (land acquisition and related costs). Additional commitments will be secured as needed as the project progresses. Habitat as the proposer is bringing over \$14 million in its own funds to the project.

- d. If applicable, provide a copy of the property’s appraisal. n/a

6. Construction

- a. Description of the construction requirements for the proposed project.

The first requirement of the proposed project will be to create an illustrative plan of what Habitat will build on this property. Since we began looking at these parcels, Habitat has been aware of the Mapping Our Communities work that was done in 2016. Building upon that work, Habitat will continue to work with the neighborhood to create a community that meets the needs of the Rogers Road Neighborhood. This may include adding Senior Housing, or 2-bedroom units for smaller families. This work would be the highest priority as it will affect the plan and zoning request Habitat will bring to the Town.

Once the illustrative plan is completed, Habitat will need to develop the land to provide Water and Sewer, Stormwater Management and Roads. Work completed by OWASA in the past five years allows for us to connect this neighborhood to Public Water and Sewer. Once the infrastructure is completed, Habitat will function as the general contractor and bring in their mix of Volunteers from the community as well as local subcontractors to build the homes as well as amenities for the neighborhood.

- b. Proposed construction schedules for the project.

- June 2023 – Habitat Closed on 6 Lots on Rogers Road
- May 2024 – Submit Concept Plan to the Town of Carrboro
- June 2025 - Approval of SUP
- December 2025 – Approval of ZCP and Award
- December 2026 – Completion of Infrastructure
- December 2029 – Vertical Construction Completed

- c. Description of how the proposed use relates to the existing community/neighborhood features, including onsite amenities and distance to public transit, high quality schools, grocery stores, parks, and services. The proposed West Rogers Road Project would be within the nationally recognized Chapel Hill/Carrboro school district. The site is within walking distance to the fare-free bus stop on Rogers Road, as well as the RENA Community Center. Two grocery stores, Food Lion and Harris Teeter, are within 2.5 miles. The Homestead Road Park is within 2.2. miles of the site.

- d. Describe the use of energy efficient principles, universal design, and/or materials with extended life span. Green building simultaneously addresses climate change and preserves affordability for buyers by reducing monthly energy costs. With these goals in mind, for decades Orange Habitat has built houses that exceed the environmental standards of the typical new house built today. As a result, homeowners pay on average less than \$30 per month for heating and cooling. The Habitat houses in Rogers Road will continue to meet the following certifications, which exceed industry standards for new residential construction:

- Advanced Energy Corp’s SystemVision Certification
- National Association of Home Builders (NAHB) Research Center: Bronze Level
- National Green Building Standards (NGBS) Certification: Silver Level

In addition to our usual green-building practices, Habitat plans to install solar panels on all houses with sufficient sun exposure. This will be the first large-scale affordable homeownership community incorporating residential solar in Carrboro. Participating homebuyers will gain approximately \$65 in solar-generated free electricity per month, for an estimated annual savings of \$780. This is a savings of \$23,400 over the anticipated 30-year life span of the solar panels.

Habitat homes will feature extensive universal design and accessibility features, including:

- 3-foot exterior and interior doors, including closets where possible, for improved wheelchair access
- Loop-handle drawer pulls and lever-handle doorknobs for ease of opening
- Offset tub/shower controls to allow easy access for caretakers from outside the tub
- 3-foot-4-inch-wide hallways for wheelchair mobility
- Height-adjustable access to breaker panel and whole house water shut off
- HOA maintenance of house exterior and yards, allowing ease of maintenance and less need for ladder use

Additional Universal Design and accessibility features are tailored to meet the needs of individual homebuyers, including roll-in low-threshold shower, grab bars in the shower and toilet area, oversize tubs, and other customized modifications. Habitat's award-winning Crescent Magnolia community in Hillsborough features 24 fully ADA-compliant units, demonstrating our commitment and expertise in integrating these design features.

7. Community Partnerships

- a. Description of all proposed community partnerships, including time frames and/or schedules for the partners to begin working with one another.

Orange Habitat is excited to continue its ongoing partnership with the Rogers Road Eubanks Neighborhood Association (RENA) to collaboratively address community needs and foster equitable housing development. Having successfully worked together on previous projects, including the "Rogers Road: Mapping Our Community's Future" research, we aim to build upon this foundation to create a more inclusive and responsive housing development project. In the next phase of our partnership, we will initiate meetings with RENA's resident leadership to revisit the findings and insights from the "Rogers Road: Mapping Our Community's Future" research. This step will allow us to gain a deeper understanding of the community's evolving priorities and needs, considering any changes or new challenges that have arisen since the initial research was conducted. By engaging with community leaders during these meetings, we will solicit their feedback and valuable input to collaboratively define the design and scope of our housing development project. This participatory approach will ensure that the project aligns with the genuine aspirations of the residents and reflects the collective vision for the neighborhood's future. As we move forward, regular communication and engagement with RENA's resident leaders will remain a key aspect of our partnership. We will maintain an open dialogue throughout the project's development and implementation phases, seeking feedback and insights at critical junctures to ensure that the project continues to meet the community's needs and expectations. The timeline for the housing development project will be flexible and responsive to the iterative nature of community-led initiatives. We recognize that establishing trust and building consensus takes time, and we are committed to dedicating the necessary resources and effort to develop a project that stands as a true reflection of the community's desires and aspirations. Overall, the continued partnership between Orange Habitat and RENA represents our shared commitment to community-led development and equitable housing solutions. By working together, we aim to create a lasting positive impact on the Rogers Road Eubanks neighborhood, fostering inclusivity, empowerment, and sustainable progress.

- b. Description of any proposed community/neighborhood engagement to facilitate support for and/or to determine opposition to the project.
1. Description of how intended beneficiaries of the proposed project will be involved in the planning and design process (in 100 words or less).

While specific homebuyers have not yet been identified, we will hold a series of focus groups during the design phase with current Habitat homeowners to receive feedback and ideas representative of future residents. This includes more than 75 current Habitat homeowners who live in the Rogers/Eubanks community (Phoenix Place, Rusch Hollow, New Homestead Place). Habitat homebuyers also serve on various Habitat committees and the Board of Directors, providing input and guiding organizational decisions.

8. Social Equity

- a. Describe whether your project subject to any policies that restrict any external funding sources for rent, security deposits, and/or other tenant costs (e.g., Emergency Housing Assistance, Housing Choice Vouchers, Rapid Re-Housing, family contributions, etc.). If yes, please explain what will not be accepted and why.

- a. Identify whether or not the project will accept all types of housing vouchers (i.e., HCV, EHV, RRH, PSH, etc.)? YES

If not, explain which type(s) of housing voucher will be accepted and why? do you not accept and why? NA

Habitat does not discriminate against any source of income and will accept housing choice vouchers for homeownership.

Increasing the supply of affordable homeownership units can help to ease the burden on local rental subsidy programs. Skyrocketing rental rates in Carrboro make it extremely challenging for renters to save money to purchase a home, especially in the current for-sale housing market. By building 75 new houses that are priced affordably, Habitat provides a path for working class renters to purchase a home centrally located to community amenities, schools and employment hubs. In a recent pool of Habitat homebuyers, nearly 1 out of 4 of approved applicants were current Department of Housing and Urban Development (HUD) Section 8 Housing Choice Voucher recipients. Once approved for Habitat, these applicants create a vacancy in the affordable rental market or the voucher wait list, freeing space for another household to secure housing through these high-demand programs.

- b. Describe how the project will address health and education disparities, increase access to opportunity, and build a stronger community through an investment in the neighborhood, especially to Town of Carrboro residents that have been negatively impacted in the past, due to inequity.

Habitat recently finalized a 5-year strategic plan to guide our work. These organizational goals include plans to conduct a review of Habitat's applicant demographics as compared to County, state and national data and to create a local strategy to address systemic barriers to Black Homeownership. We have taken inspiration from models throughout the Habitat network and hope to collaborate with the North Carolina Housing Coalition for maximum impact. Also included in the strategic plan is a goal to create a formalized scoring system by which to prioritize Habitat's advocacy and policy priorities, with racial equity impacts included as a priority consideration for how to focus our efforts.

Orange Habitat is also part of a nation-wide collaborative of Habitat affiliates sharing resources and best practices with the goal to promote Black homeownership. Homeownership is a critical tool for building intergenerational wealth and stability. Black Americans continue to face significant barriers to homeownership due to the ongoing impact of racist policies such as redlining, compounded by entrenched discriminatory practices in housing and finance systems. The resulting gap in homeownership rates can be seen in our own community: in Orange County 67% of white households own their home compared to 44% of Black households. This racial gap in homeownership rates is a primary driver of the wealth gap in America, with white households holding a median net wealth 10 times greater than that of Black families (\$171,000 vs. \$17,600). As a result, Black parents have dramatically less wealth, assets, and economic security to pass on to their children, driving economic, educational, and housing disparities for the next generation. In Orange County, more than 150 Black-led households have partnered with Habitat to purchase their first home. Habitat homeowners in Orange County who identify as Black own a combined \$14 million in equity, or an average of \$116,000 per homeowner.

- c. Complete the below questions and provide any additional context on the racial composition of the organization and board leadership:
- % of staff that are people of color: 23%
 - % of board that are people of color: 31%
 - % of staff that have attended racial equity training: 81%

Note: Habitat staff are required to participate in the Racial Equity Institute's "Phase 1" training within 90 days of hire (if it is offered in that timeframe). The few staff people who have not participated are newer employees.

- d. Describe your organization's racial, equity and inclusion goals and any recent training activities.

As a housing non-profit, Habitat recognizes our responsibility to actively center racial equity in organizational strategy and goals. To help lay this groundwork, funding and paid time off is provided for all staff to participate in racial equity training through the Racial Equity Institute (REI). In 2021, Habitat implemented a new onboarding policy which requires racial equity training for all new hires with a 100% staff participation standard. We have partnered with the racial equity consultant group BIWA | Emergent Equity to guide staff and board members in an intentional, multi-year process of understanding and identifying characteristics of white supremacy that may persist within our organizational culture and perpetuate harm.

- e. Please describe any additional activities your organization is doing to address racial equity.

In 2021, Habitat amended organizational policy to better serve the Latinx population by expanding the definition of qualifying households to include those with TPS or DACA status, in addition to U.S. citizens and legal permanent residents. Habitat can now offer the stability of homeownership to a vulnerable and marginalized segment of the Orange County population. In recent application periods, Habitat intentionally focused outreach efforts on the Latinx community and families at risk of displacement from local manufactured home parks. We will continue to seek ways to meet our responsibility of service to historically marginalized populations and to identify and address barriers to homeownership for Orange County residents. We have also embarked on a thorough analysis of our applicant pool to identify any disparities or barriers that certain populations might face during our application process. The findings of this analysis have brought to light challenges experienced by Black applicants, particularly in meeting credit requirements and navigating the application process. To address these disparities and to actively support Black residents interested in applying for our homeownership program, we have initiated the following targeted interventions.

- Free Credit Counseling: We connect interested applicants with free credit counseling services to help improve their credit and financial stability.
- Application Support Materials: We provide tailored educational materials to guide and support Black applicants throughout the application process.
- Community Partnerships: We collaborate with local churches and community groups to increase awareness and support for Black residents interested in our program.

These interventions aim to break down barriers and empower Black individuals seeking homeownership opportunities with Orange Habitat.

9. Risk Assessment

- a. Identify any and all anticipated obstacles to successful completion of the project and describe your plan to overcome those obstacles.

Orange Habitat prioritizes the needs and goals of the surrounding neighborhoods in the design of this project. We will need to spend the necessary time to design a neighborhood that matches the requirements of the community. Once we have a Concept Plan that incorporates that input, we will need to work with the Town to rezone the parcels to meet that plan. Getting timely approvals for a rezoning, as well as a SUP and ZCP's, from the Town will be requirement. In addition, funding for an Affordable Housing Project of this size is always an obstacle. We plan to overcome the funding issue by seeking a diverse array of funding sources, including County and Federal Funding as well as Private Fundraising from the surrounding Community.

- b. Provide description of any and all municipal requests or requirements (including permitting and inspections) that might be needed in order to overcome any and all such obstacles and/or facilitate the timely completion of the project on or before the project expenditure deadline stated in the RFP Timeline.

The area will need to be rezoned to meet the desired density of this project. In conversations with the Town Staff, the Town's intention is to rezone the areas to HR-RC as a result of the Mapping Our Communities Future Project. This change will meet the density need of the plan proposed now, but Habitat has not handled a project with a commercial component. If our conversation with the neighbors also leads us to a project with a Neighborhood Commercial component, we will work with the Town to make the requisite change in the zoning designation. Beyond that, we will need to get permits for the site work of the project as well as building permits for all houses and Amenity Buildings.

10. Proposed Measurement Tracking: As there are no prescribed methods of reaching the goals outlined in this RFP, the proposal should include the proposer's suggested performance measures in line with the proposed project that achieve compliance with CSLFRF guidelines.

Performance measures will include tracking progress against the proposed timeline. Habitat will complete eligible expenditures for reimbursement by the project deadline. Habitat will work with the Town of Carrboro to ensure that any other requirements are met.

C. REQUIRED ATTACHMENTS

File names should be in the following form: YYMMDD_ARPA_Affordable Housing_Development Name_Description (e.g, 230325_ARPA_Housing_HarvardCourt_Site_Plan).

1. Financial Audit

Please include your organization's most recent financial audit.

2. Completed W-9 Form

3. Organization Budget

Please submit an organizational budget. Among other relevant revenue and expenditure information, please include line items on any government grants or loans by jurisdiction. If your organization has run a deficit, please include that information here.

4. Project Financials

Please submit the following information about the project in a Microsoft Excel document, as relevant:

- a. Project Budget/Development Costs
- b. Sources and Uses
- c. Operating pro forma (rental projects):
 - i. must show 20+ year cash flow projections that includes documentation of key operating assumptions, estimated rental income, operating expenses, net operating income, and any anticipated debt service, including a separate line item for any debt service (principal and/or interest) associated with Town loans requested as part of this application. Pro forma should project expenses far enough out to show when debt service ends (i.e., more than 20 years if necessary). Applicants may use the attached template or a similar version of their own.
 - ii. Rental Income Breakdown: must show rent and utilities by bedroom size and AMI level, using the attached template or something similar.
- d. Housing Affordability and Sale Proceeds (homeownership projects): must show sales price by bedroom size and AMI level and mortgage sources and amounts, using the attached template or something similar. If the applicant is the lender, also include the mortgage amortization schedule.

5. Articles of Incorporation

6. List of Board of Directors

Provide the following information about each board of director's member: name, occupation or affiliation of each member, officer positions, gender, race/ethnicity.

7. Market Analysis

Proposals should provide a market analysis specific to the property.

8. Project Information

- a. For all projects, please submit a detailed timeline showing when each work task will be completed over the duration of the project. Please include when you plan to expend the Town's funding for the project. For ARPA funding applications, project funding must be obligated by December 31, 2024 and expended by 12/31/26.
- b. Submit the rental income policy that will be used for the project
- c. Submit the background check policy that will be used to screen potential tenants
- d. For development and renovation projects, please submit the following:
 - i. Site map showing lot boundaries, locations of structure(s), and other site features
 - ii. General location map (at least ½ mile radius)
 - iii. Floor plan(s)
 - iv. Elevation(s)
 - v. Property Appraisal
 - vi. Evidence of zoning compliance

- vii. Map showing proximity to bus stops, grocery store, schools and other amenities (including distance in miles from project site and amenities)

9. IRS Federal Form 990

A copy of the organization's most recent Form 990 is required for nonprofit applicants. The specific form depends upon the organization's financial activity. Review the IRS' table guide, for more details. For Form 990-N (e-postcard) filers, include a copy of the postcard, with the organization's application materials. If Form 990 filings are not current, please explain.

10. NC Solicitation License

A copy of the organization's current solicitation license is required. Organizations that solicit contributions in North Carolina, directly or through a third party, must renew their licenses annually. For more details, refer to the NC Secretary of State's licensing website and its Frequently Asked Questions Guide (PDF), about exemptions. If exempt per N.C.G.S. § 131F-3, include a copy of the exemption letter with the organization's application materials.

11. IRS Federal Tax-Exemption Letter

A copy of the organization's current IRS tax-exempt letter that confirms its nonprofit status is required.

D. SUPPLEMENTAL ATTACHMENTS

Responders are encouraged to include additional information such as maps, site plans, elevations, photos, qualitative and quantitative data. File names should be in the following form: YYMMDD_ARPA_Affordable Housing_Development Name_Description (e.g, 230325_ARPA_Housing_HarvardCourt_Site_Plan). List the supplemental files that are being submitted with this proposal below.

- 1. Supplemental Attachment
- 2. Supplemental Attachment

Habitat for Humanity of Orange County
FY24 Budget

HOUSEHOLDS IMPACTED	
New Home Construction Starts	17
Home Preservation Repair Starts	32
International Houses through Tithe	17
<i>TOTAL HOUSEHOLDS IMPACTED</i>	
	<i>66</i>

OPERATING REVENUES	
Bank Mortgages	\$ 2,505,000
Donations	\$ 2,150,000
Homeowner Mortgage Payments	\$ 808,440
NC Housing Finance Agency	\$ 712,500
ReStore Proceeds	\$ 250,000
Other Restricted Grants, Government Funds	\$ 215,500
HOME & FHLB Funds	\$ 204,741
Other Miscellaneous Income	\$ 218,694
<i>TOTAL SOURCES OF FUNDS - OPERATING</i>	
	<i>\$ 7,064,875</i>

OPERATING EXPENSES	
New Home Construction Costs	\$ 2,428,500
Salaries	\$ 1,965,264
Benefits	\$ 529,731
Other Program	\$ 752,863
NCHFA Loan Repayments	\$ 186,435
Home Preservation	\$ 200,000
Other Administrative	\$ 183,010
Other Fundraising	\$ 160,500
Office Rent	\$ 93,497
Tithe to Habitat for Humanity International	\$ 76,500
<i>TOTAL USES OF FUNDS - OPERATING</i>	
	<i>\$ 6,576,300</i>

<i>NET SOURCES/(USES) OF FUNDS - OPERATING</i>	
	<i>\$ 488,575</i>

CAPITAL REVENUE	
Capital Projects Revenue	\$ 7,488,114
	\$ 7,488,114
CAPITAL EXPENSES	
Capital Projects Expenses	\$ 6,458,591
	\$ 6,458,591
<i>NET SOURCES/(USES) OF FUNDS - CAPITAL</i>	
	<i>\$ 1,029,523</i>

Rogers Road	Cost Estimate	
Purchasing Property		\$ 1,790,000
Land	\$ 1,750,000	
Repairs and Demolition of Existing Homes	\$ 40,000	
Workgroups with Neighbors and Creation of Site Plan		\$ 195,000
Land planning thru Site Plan	\$ 50,000	
Public Workgroups with Neighbors	\$ 20,000	
Initial Survey Work	\$ 50,000	
Environmental Review & Site Assessment	\$ 15,000	
Architect Through Site Plan	\$ 20,000	
Engineering Through Site Plan	\$ 40,000	
Site Plan to Concept Plan and Rezoning Submittal		\$ 215,000
Geotechnical Engineering/materials testing	\$ 30,000	
Land Planning Through Rezoning	\$ 25,000	
Engineering Through Rezoning	\$ 85,000	
Architecture Through Rezoning	\$ 40,000	
Traffic Impact Analysis	\$ 15,000	
Marketing / Communications	\$ 20,000	
Rezoning Application Submittal to Council Decision		\$ 180,000
Land Planner/ Engineer/Architect through responses, committees, and public hearings	\$ 150,000	
Legal	\$ 30,000	
ZCP Submittal and Approval		\$ 265,000
Land Planning Post-Entitlement	\$ 30,000	
Architectural for ZCP	\$ 60,000	
Civil Engineering to Create CD	\$ 175,000	
Bidding and Infrastructure		\$ 3,698,000
Infrastructure, Sitework & Amenities (Cardinal)	\$ 3,500,000	
Demolition	\$ 20,000	
Geotech	\$ 48,000	
Engineering oversight on Infrastructure	\$ 60,000	
Surveying	\$ 10,000	
Financing Costs	\$ -	
Architecture to create CD	\$ 60,000	
Vertical Construction		\$ 11,140,000
76 Habitat Units	\$ 10,640,000	
Amenities	\$ 500,000	
Subtotal		\$ 17,483,000

Contingency (10%)	\$ -	\$ 1,748,300.0
Total Capital Budget		\$ 19,231,300.0

Development Costs(Total minus Vertical)	\$ 6,977,300.0
Subsidy Requested	\$ 1,000,000.0
Subsidy per Unit	\$ 13,157.9
Development Costs Per Unit	\$ 91,806.6
Total per Unit	\$ 253,043.4

Timeline for Rogers Road Property

Time	Stage	Description
1/1/22-6/30/23	Purchasing Property	From Investigation to Due Diligence, to Purchase
5/1/24-3/1/25	Workgroups with Neighbors and creation of Site Plan	Work with the Neighbors to develop a plan for the site that fits with the Mapping Our Futures framework
3/1/25-9/30/25	Site Plan to Concept Plan and Rezoning Submittal	Take that plan and Submit a concept plan to the Town so that the site can be rezoned
10/1/25-4/1/26	Rezoning Application Submittal to Council Decision	See the rezoning through to Council Decision
4/1/26-8/1/26	ZCP Submittal and Approval	Create Construction Site Drawings and Submit for Town Approval
9/1/26-12/30/27	Bidding and Infrastructure	Select GC and Complete all Infrastructure Work. All ARPA funds expended by 12/31/26.
1/1/28-3/30/32	Vertical Construction	Build 76 Habitat units
	Contingency	10%
	Total	

Budget

\$ 1,790,000.00

\$ 195,000.00

\$ 215,000.00

\$ 180,000.00

\$ 265,000.00

\$ 3,698,000.00

\$ 11,140,000.00

\$ 1,748,300.00

\$ 19,231,300.00

ARPA Affordable Housing Funding Recommendation

AVAILABLE FUNDS	
ARPA Affordable Housing	\$ 1,000,000
ARPA EHA Balance	\$ 259,680
ARPA OWASA Balance	\$ 29,433
ARPA Broadband Project	\$ 150,887
ARPA Small Business Grants - Round II	\$ 150,000
Orange County Veteran Memorial Phase III (Paid from GF FY 22-23)	\$ 10,000
TOTAL	\$ 1,600,000
REQUESTS	
Habitat for Humanity	\$ 1,000,000
EmPOWERment	\$ 600,000
TOTAL	\$ 1,600,000

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Race and Equity Pocket Questions

Title and purpose of this initiative: Approval of funding for two American Rescue Plan Act (ARPA) Affordable Housing requests.

Department: Housing and Community Services

What are the racial and equity impacts?

BIPOC residents earn less on average than their white counterparts. Due to the far-reaching impacts of systemic racism, Black, Latino, and Native American workers are more likely than white workers to be in lower-paying fields like service and production, while white workers have greater accessibility to, and more regularly hold, management and leadership roles.¹ Even in the same professions, BIPOC workers earn less than their white counterparts. In 2024, Black workers made \$0.76 for every dollar made by white workers. For Latino workers it was \$0.73, and for Native American workers, \$0.77.² In 2022, white households owned 85% of total household wealth in the US but made up only 66% of households.³

As a result of these disparities, BIPOC workers, specifically Black and Latino workers, face larger gaps between their wages and the cost of housing than white workers. Subsequently, BIPOC residents have lower rates of rental success and homeownership and, conversely, higher rates of housing insecurity and homelessness. Specifically, Black residents make up over 50% of those experiencing homelessness in Orange County, while only comprising 12% of the population.⁴

In Orange County, the current Fair Market Rent (FMR) for a 2-bedroom apartment is \$1,631, around 37% higher than the average across North Carolina.⁵ This requires an hourly wage of \$31.37 to afford. The FMR has increased in Orange County by 24% in the last year and 55% over the last five years, resulting in 54% of renters having difficulty affording their homes.⁶ The median sale price for a home in Carrboro is currently \$480,820.⁷ This is over \$100,000 more than the \$363,600 median across North Carolina.⁸ Housing in Carrboro is objectively expensive when compared to the rest of North Carolina. When looking at racial economic disparities across the US and in our area specifically, the burden of high housing costs falls disproportionately on communities of color.

¹ Bureau of Labor Statistics, 2020a; Allard & Brundage, Jr., 2019

² [Earnings Disparities by Race and Ethnicity | U.S. Department of Labor \(dol.gov\)](#)

³ [U.S. Wealth Gaps Remain Despite Widespread Gains | St. Louis Fed \(stlouisfed.org\)](#)

⁴ [Homelessness in Orange County | ocpeh \(ocpehnc.com\)](#)

⁵ [FY 2024 Fair Market Rent Documentation System — Statewide Summary for North Carolina \(huduser.gov\)](#)

⁶ *The 2024 Housing Need in Orange County*, North Carolina Housing Coalition, January 2024

⁷ [Town-of-Carrboro-FY24-Adopted-Fee-Schedule \(carrboronc.gov\)](#)

⁸ [Median Home Price By State 2024 – Forbes Advisor](#)

The following funding recommendations will provide greater rental and homeownership opportunities in Carrboro to people earning between 30% and 80% AMI, a population that is disproportionately made up of BIPOC. By servicing the housing needs of this low- to-moderate-income, largely BIPOC population, Carrboro will work towards a more equitable housing landscape.

- Funding the \$600,000 EmPOWERment request would support the acquisition of 10 existing rental units, currently occupied by low-income households earning between 30% and 60% AMI. Acquisition would preserve the units as Naturally Occurring Affordable Housing (NOAH) instead of potentially being sold to a buyer uninterested in maintaining affordable housing.
- Funding the \$1 million Habitat for Humanity request would support the creation of 75 new homeownership units to Carrboro’s affordable housing stock. This would provide accessible homeownership opportunities for residents earning between 30% and 80% AMI, and homes would remain affordable for 99 years via deed restrictions. This would allow residents additional housing security by becoming homeowners. Additionally, homeowners may see a reduction in long-term housing costs after making the jump from rental to homeownership.

Who is or will experience community burden?

IF APPROVED -

Habitat for Humanity request:

- People living in the Rogers Rd./Eubanks community who will experience an increase of new residents in the neighborhood which might impact traffic.

EmPOWERment request -

- Ten households will have to go through a new landlord and leasing process.

Both EmPOWERment and Habitat for Humanity could experience an increased financial burden and capacity struggles in pursuing their projects.

IF NOT APPROVED -

If funding were not approved, Habitat for Humanity and EmPOWERment would not receive needed funds to support or complete their projects. This would result in different outcomes for both organizations.

Habitat for Humanity request:

- 75 households earning between 30%-80% AMI, who struggle to afford rent and need assistance to transition from rental to homeownership, may not have the opportunity to pursue affordable homeownership under the guidance of a well-situated nonprofit organization.

EmPOWERment request:

- Ten households may be at risk of losing their homes, forcing them to uproot their families and pursue different housing options. This could occur if the property was sold to a buyer uninterested in preserving affordable housing. Current residents would possibly have to go through a new landlord and leasing process and pay a higher rent, resulting in increased financial struggle. They might be displaced, and if so, they might not be able to find housing that they can afford. Carrboro would also be at risk of losing 10 units of Naturally Occurring Affordable Housing (NOAH).

Who is or will experience community benefit?

EmPOWERment request: 10 households currently living in 10 rental units off Homestead Rd. in Carrboro would not be displaced.

Habitat for Humanity: 75 households would have the opportunity to purchase their own home in the proposed 75-unit development off Rogers Rd. in Carrboro.

Both nonprofits would benefit by having these funds available to complete their projects. It would allow them to carry out their missions and serve people in need of securing or maintaining affordable housing. Successful leveraging of the funds and completion of the projects could be used as evidence for the organizations for future grant applications.

What are the root causes of inequity?

American political, social, and financial systems have worked to actively marginalize people of color, specifically Black Americans. For hundreds of years, intentional actions have been taken to deny humanity, wealth and equitable education and employment for BIPOC. This has resulted in large racial disparities in educational opportunity, wealth and asset accumulation, and social mobility. Disparities have been created and widened through government sponsored intentional racism and marginalization in the form of enslavement, forced displacement and loss of homeland of indigenous peoples, Jim Crow era policy, redlining, restrictive zoning ordinances, predatory and barrier-ridden lending practices, the American Credit System, over-policing of communities of color, the illegality of rent control in NC, and white power structures' lack of willingness to address, and explicit desire to maintain, racial disparities.

What might be the unintended consequences of this action or strategy?

If funding were approved, then all ARPA funds designated for Affordable Housing use (\$1 million) would be depleted and no other organizations would be able to access those funds. Subsequently, those funds would not be used for additional affordable housing projects that could add to the Town's affordable housing stock and serve residents making 80% or below the AMI.



TOWN OF CARRBORO • NC
FACING RACE, EMBRACING EQUITY

Habitat for Humanity request: Nearby residents could face construction noise and debris. Additionally, new homeowners will have to work Habitat’s “sweat equity” policy into their schedules. Lastly, homeowners will be tasked with homeowner costs such as maintenance that would have previously been handled by a landlord.

EmPOWERment request: tenants may face inconveniences in the shift in management to EmPOWERment, as well as disruption when appliances are updated. Conversely, tenants will also get updated appliances.

If funding were not approved, both organizations may have to pivot their short and long-term goals to account for their inability to complete the proposed projects. Reprioritizing could result in delays on starting new projects. Additionally, to the Town may need to reallocate and obligate the remaining ARPA Affordable Housing funds before the December 31, 2024 deadline.

How is your department planning to mitigate any burdens, inequities, and unintended consequences?

The department continues to engage with jurisdictional peers and community partners to advance affordable housing in the community and to address racial inequities in housing under the guidance of the One Orange Countywide Racial Equity Framework and the Town’s Office of Race and Equity. Since this department was formed our work has been increasingly focused on racial disparities in housing, preservation of Black neighborhoods, and increasing housing options for extremely low-income households, who are disproportionately BIPOC. This lens is vitally important in all aspects of the Town’s work, and especially in housing where there are blatant disparities along racial lines.



Agenda Item Abstract

File Number: 24-072

Agenda Date: 4/23/2024
In Control: Town Council
Version: 1

File Type: Agendas

Special Use Permit-A Extension Request

PURPOSE: Town Council is asked to consider approving a request for an extension for a Special Use Permit-A for Veridia Architecturally Integrated Subdivision at 810 Old Fayetteville Road

DEPARTMENT: Planning Department

CONTACT INFORMATION: Marty Roupe, Development Review Administrator, 919-918-7333, mroupe@carrboronc.gov

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

Other is marked as related to the Land Use Ordinance provisions related to the request. Pocket questions have been completed and are included as Attachment E.

INFORMATION: Sustainable Properties, LLC, represented by Mr. David Bell, is requesting an extension of a Special Use Permit-A (SUP-A) originally granted by the Town Council on April 26, 2011. The SUP-A is set to expire on April 26, 2024. The permit authorizes the construction of a major subdivision consisting of 39 residential dwelling units. Construction of the project has not commenced. Town Council began discussing this matter at its March 19 meeting but decided to continue the discussion until a later meeting when Mr. Bell will be available to attend the meeting, answer questions, and discuss the request with Town Council.

The applicant has submitted a letter (Attachment C) addressing compliance with Land Use Ordinance (LUO) Section 15-62 and includes information about their ongoing efforts to develop the project and emphasizes the importance of maintaining the current SUP-A approval. The applicant requests a two-year extension to facilitate this continued work with the goal of preserving and building upon the project that has already been approved. See the applicant's letter (Attachment C) and other materials related to the request, included as Attachments, B, D, and E.

Land Use Ordinance (LUO) Section 15-62(c) grants the Town Council the authority to consider extensions for expiring Special Use Permits. Town Council may extend the permit for up to two years from the date when it otherwise would expire. The ordinance also allows for successive extensions, each not exceeding two years, provided the Council deems it appropriate based on the criteria.

FISCAL IMPACT: The applicant is paying the applicable fee associated with this request. No other impact noted.

RECOMMENDATION: Town Staff recommends that the Town Council review the information and decide

whether to adopt the attached resolution (Attachment A) approving the permit extension request. The new expiration date for the permit would be April 14th, 2026.

A RESOLUTION APPROVING AN EXTENSION OF THE DATE ON WHICH A
SUP-A WOULD OTHERWISE EXPIRE FOR VERIDIA AIS SUP-A

WHEREAS, the Carrboro Town Council approved a Special Use Permit-A for the Veridia AIS SUP-A on April 26, 2011; and

WHEREAS, the Town Council approved an extension to the date on which the Conditional Use Permit for the Veridia AIS CUP would have expired, thereby extending the date to April 26, 2024; and

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

NOW, THEREFORE BE IT RESOLVED by the Carrboro Town Council that the permit is again extended, with a new expiration date for Veridia AIS CUP of April 26, 2026.

This the 23rd day of April 2024

STAFF REPORT

TO: Town Council

DATE: March 19, 2024

PROJECT: Special Use Permit-A Extension Request for Veridia AIS Subdivision at 810 Old Fayetteville Road

APPLICANT and OWNER: Sustainable Properties, LLC
5020 Walnut Cove Road
Chapel Hill, NC 27516

PURPOSE: Request for an extension of date when Special Use Permit-A would otherwise expire for Veridia AIS Subdivision at 810 Old Fayetteville Road. This SUP-A permit expires on April 26, 2024

EXISTING ZONING: R2-CZ

PIN: 9779-01-7407 & 9779-01-7345

LOCATION: 810 Old Fayetteville Road

TRACT SIZE: 282,704 sf (6.49acres)

EXISTING LAND USE: Mobile Home Park

PROPOSED LAND USE: 26.100, Major subdivision consisting of 1.111, single family detached residences

SURROUNDING LAND USES: North: R-20 , single-family residences
South: R-15, single-family residences
West: Old Fayetteville Road
East: R-20, single-family residences

ZONING HISTORY: R2-CZ since 2011

RELEVANT ORDINANCE SECTIONS: Section 15-62 Expiration of Permits

BACKGROUND

The applicant/property owner, Sustainable Properties, LLC has requested that the date on which a previously issued Special Use Permit-A extension that expires on April 26, 2024 be re-established to an expiration date of April 26, 2026.

The Town Council originally granted the Special Use Permit-A on April 26th, 2011 and has approved five (5) permit extensions.

APPLICABLE LUO PROVISIONS

Extensions to the date on which a permit would otherwise expire must be granted in accordance with Section 15-62 (Expiration of Permits) of the LUO. Specifically, please note that Section 15-62(a) of the LUO dictates that the SUP-A would expire on April 26, 2024 in this case because less than ten percent (10%) of the total cost of all construction, erection, alteration, excavation, demolition, or similar work on the development authorized by the permit has been completed on the site.

Section 15-62(c) gives the permit-issuing authority (Town Council) the authority to grant an extension to the date on which the permit would otherwise expire. Section 15-62(c) reads as follows:

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

Staff offers the following information related to the conditions outlined in Section 15-62(c):

1. The permit has not yet expired.

COMPLIANCE: *No, the permit has not expired. The permit is set to expire on April 26th, 2024.*

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

COMPLIANCE: *Yes, the permit recipient has proceeded with due diligence and in good faith. Sustainable Properties, LLC has stated that they are continuing to work with representatives from local nonprofit housing agencies to move the project forward.*

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

COMPLIANCE: Yes, it is true that conditions have not changed so substantially as to warrant a new application. No changes to the property have taken place since the permit was originally approved, except for maintenance and improvements to make living situations better for current residents.

RECOMMENDATION

The Town Staff recommends that the Town Council review the information provided, deliberate the request, and decide whether to adopt the attached resolution approving the permit extension request. The new expiration date for the permit would be April 14th, 2026.

February 16, 2024
Town of Carrboro
Planning Department
301 West Main Street
Carrboro, NC 27510
Attn: Martin Roupe

Dear Marty,

As owner of Sustainable Properties, LLC, I hereby request an additional two-year extension of the CUP for the Veridia AIS Subdivision originally approved by the Town on April 26, 2011. As discussed previously, in addition to its sustainability elements, the updated goal of the Veridia project is to develop with minimal, or conceivably no, forced displacement of the existing tenant base. Toward that end, we have been investing significantly in maintaining the existing units to ensure they can last until such a transition is possible and exploring the redevelopment potentials with relevant nonprofits.

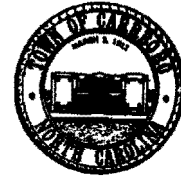
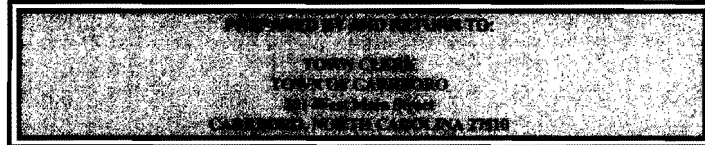
Of those nonprofits, Habitat for Humanity has expressed particular interest in the redevelopment potential of the site and done some initial exploration. Although talks have not proceeded substantively on that front, it is my intention to maintain the approval until all such avenues have been exhausted, as we have determined that the existing approval lends significantly to the redevelopment without displacement plan. Absent the existing approval, the site would revert to its grandfathered development rights in a loss for us as a social-minded developer, the current residents, and the Town.

As in past years, I'd like to add that if the Town Council is willing to continue providing their support for the concept, I will continue pushing toward a maximally socially and environmentally redeeming solution that remains, as it is now, accessible to those who need it most, and becomes a community that Carrboro can truly be proud of.

Thank you,

A handwritten signature in black ink, appearing to read "David Bell". The signature is fluid and cursive, with the first name "David" and the last name "Bell" clearly distinguishable.

David Bell
Sustainable Properties, LLC



**ORANGE COUNTY
NORTH CAROLINA**

**TOWN OF CARRBORO
CONDITIONAL USE PERMIT GRANTED
Veridia Architecturally Integrated Subdivision**

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

APPLICANT: Sustainable Properties, LLC
OWNERS: Sustainable Properties, LLC
PROPERTY LOCATION (Street Addresses): 810 Old Fayetteville Road
TAX MAP, BLOCK, LOT(S): 7.108.41 and 7.108.32 (PIN #s 9779017345 and 9779017407)
PROPOSED USE OF PROPERTY: Major subdivision consisting of 1.111, single family detached residences
CARRBORO LAND USE ORDINANCE USE CATEGORY: 26.100
MEETING DATES: April 26, 2011

Having heard all the evidence and arguments presented at the hearing, the Board finds that the application is complete, that the application complies with all of the applicable requirements of the Carrboro Land Use Ordinance for the development proposed, and that therefore the application to

make use of the above-described property for the purpose indicated is hereby approved, subject to all applicable provisions of the Land Use Ordinance and the following conditions:

1. The applicant shall complete the development strictly in accordance with the plans submitted to and approved by this Board, a copy of which is filed in the Carrboro Town Hall. Any deviations from or changes in these plans must be submitted to the Development Review Administrator in writing and specific written approval obtained as provided in Section 15-64 of the Land Use Ordinance.
2. If any of the conditions affixed hereto or any part thereof shall be held invalid or void, then this permit shall be void and of no effect.
3. That 35 of the 39 homes shall be offered for a pre-construction base price of less than \$300,000. To secure a home at this rate, interested buyers must pay a deposit and meet the "qualified buyer" lending requirements of the financial institution funding the project's development. Upon being offered a home at this price, a potential buyer may choose to negotiate with the seller the purchase of a home at a higher price established relative to the market value of desired modifications and additions to the base price home's offerings. This restriction shall remain for any sales realized prior to construction beginning or within a one-year period following construction plan approval, whichever comes first. After the restriction expires, the maximum base price may increase three-percent (3%) annually to allow for inflation and building cost increases.
4. That the construction plans and final plat for the project must exhibit compliance with LUO Section 15-188, as written at the time of each respective approval.
5. That prior to construction plan approval, the applicant receive a driveway permit from NCDOT.
6. That the Board of Aldermen finds the provision of 68 parking spaces, within carport bays and parallel and perpendicular to the driveway, sufficient to serve Veridia development's 39 single-family homes. The Board makes this finding based on information provided by the applicant noting proximity to schools, shopping, parks, and a bus stop.
7. That the HOA documents for the development must include provisions requiring that the carport bay areas must remain available for parking of a vehicle.
8. That the applicant shall provide to the Zoning Division, prior to the recordation of the final plat for the project or before the release of a bond if some feature are not yet in place at the time of the recording of the final plat, Mylar and digital as-builts for the stormwater features of the project. Digital as-builts shall be in DXF format and shall include a base map of the whole project and all separate plan sheets. As-built DXF files shall include all layers or tables containing storm drainage features. Storm drainage features will be clearly delineated in a data table. The data will be tied to horizontal controls.
9. That prior to construction plan and final plat approvals, the developer shall submit detailed stormwater system maintenance information: maintenance and operations plan and manual, maintenance agreement, etc, in accordance with the requirements of LUO Section 15-263.1. The information must be reviewed and approved by the Town Engineer, Town Attorney, and Environmental Planner. Upon approval, the plans shall be included in the homeowners' association documentation.
10. That the construction entrance for the project must be clearly identified on the construction plans.
11. That the construction plans must call for a specific and acceptable type of inlet protection along Old Fayetteville Road.

12. That the developer provide a final, written statement from the electrical utility stating that electric service can be provided to all locations shown on the construction plans prior to the approval of the construction plans.
13. That fire flow calculations and building-sprinkler design (as required) must be submitted and approved by the Town Engineer and Town Fire Department prior to construction plan approval.
14. That the applicant work with staff during construction to establish a 'natural' playfield. The field may contain a small number of trees but must remain clear enough to reasonably allow for play and sports activities.
15. That all proposed recreation facilities and areas shall be marked 'private' on the construction plans and final plat.
16. That the subdivision must comply with the requirements of LUO Section 15-177(d)(3)(a), which specifies a minimum number of nine (9) different significantly different house plans, i.e. elevation sets. The elevations must be incorporated into the plans before the construction plans may be approved.
17. That the applicant must obtain a CAPS certificate for the project from the Chapel Hill – Carrboro City Schools System prior to construction plan approval.
18. That the final version of the homeowner's association documents must be reviewed and approved by the Town Attorney. The documents shall not preclude the use of clotheslines on private lots within the subdivision.
19. That the applicant must obtain all necessary temporary and permanent easements prior to construction plans approval.
20. For non-LUO required infrastructure, including but not limited to the project's solar array, the applicant must either install the features or submit a performance security in accordance with the town's process for bonding, prior to the issuance of the project's 26th building permit.
21. That prior to the final plat approval, the applicant must display a site plan and erect disclosure signs on-site, adhering to the requirements of LUO Sections 15-83.1 and -83.2.
22. The playground equipment should be CPSC compliant with an ADA component.
23. The 25 remaining units will be size limited to 1,350 square feet.
24. Construct 1,100 square feet units so that no more than two units are located adjacent to each other.
25. Buyers should be free to select the financial institution of their choice.
26. Storage sheds should have room for at least two bicycles.
27. The central walking path should be six feet in width.
28. The developer will provide a stub-out or path to connect through the James' property.
29. The developer will disclose parking limitations to buyers.
30. The developer will provide a minimum of three months notice to existing residents before they must vacate.

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

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

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

NORTH CAROLINA

ORANGE COUNTY

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

THE TOWN OF CARRBORO

ATTEST:

Town Clerk

BY _____
Town Manager

(SEAL)

I, _____, a Notary Public in and for said County and State, do hereby certify that Catherine C. Wilson, Town Clerk for the Town of Carrboro, personally came before me this day and being by me duly sworn says each for himself that she knows the corporate seal of the Town of Carrboro and that the seal affixed to the foregoing instrument is the corporate seal of the Town of Carrboro, that Steven E. Stewart, the Town Manager of said Town of Carrboro and Catherine C. Wilson, Town Clerk for the Town of Carrboro subscribed their names thereto; that the corporate seal of the Town of Carrboro was affixed thereto, all by virtue of a resolution of the Board of Aldermen, and that said instrument is the act and deed of the Town of Carrboro.

IN WITNESS THEREOF, I have hereunto set by hand and notarial seal this the ____ day of _____, 2011.

(SEAL)

Notary Public

My Commission Expires: _____

Race and Equity Pocket Questions

Title and purpose of this initiative: Special Use Permit-A Permit Extension Request for Veridia AIS, 810 Old Fayetteville Road

Department: Planning, Zoning, and Inspections

What are the racial impacts?

This permit extension request relates to a Special Use Permit-A (SUP-A) granted by Town Council to allow development of a 39-unit project at 810 Old Fayetteville Road. The project would involve the replacement of existing mobile homes with newly built single-family homes. Jobs would be created during construction and new homes would exist after construction is complete. The purpose of the agenda item is to extend the date on which the permit would otherwise expire. Racial impacts associated with this permit expiring include the delay of anticipated benefits such as construction of new homes that may potentially serve residents of the community that face economic challenges with purchasing a home. Other impacts include the additional tax value and associated increase in the tax base and revenue for use by local governments in providing services.

Who is or will experience burden?

During construction, the community will experience burdens such as noise, traffic, dust, and other changes related to the development of this property. Residents of the existing homes may also experience the burden of having to move to a new home for construction to commence. And if the project does not come to fruition in a manner that allows existing residents to move back into the newly constructed homes, then their burden of having to move will become a permanent change in their lives. Since mobile homes generally provide naturally occurring affordable housing opportunities, a permanent change of this nature may be significant, as the existing homes may currently serve residents of a higher proportion of people of moderate and lower incomes and people of color. Nearby property owners may also experience an increase in the value of their properties due to proximity to the newly constructed homes, and, if so, may see associated increases in property taxes.

Who is or will experience benefit?

The community will benefit in general from the project providing newly constructed single-family homes, which presumably will raise property values in the area and improve / increase the tax base. Local contractors may also experience benefit from the opportunity to be employed in relation to building the homes. If the project does get built in a manner that allows existing residents to move back in and occupy the homes, then any such residents will benefit from the opportunity to live in a newly constructed home that is within walking and biking distance to schools, is located on an existing public transit route, and close to existing shopping opportunities at Carrboro Plaza and potentially at a new shopping center (Lloyd Farm) if and when it is constructed in the future.

What are the root causes of inequity?

Structural racism in the United States has affected access to and funding / financing for property ownership, educational and health care access, infrastructure, public services, and wealth generation for BIPOC families.

What might be the unintended consequences of this action or strategy?

The noted burdens may be larger than anticipated and the mitigating measures. If the project does not move forward in a manner that allows it to serve residents at an affordable price point, then the existing residents may be displaced and must find a new place to live. The number of and / or salary for the new jobs created also may not reach the level of living wage and combined with local housing costs, may mean workers have to travel some distance to access jobs in the development. Property value increases associated with the development itself may be lower than expected with tax revenue increases also lower. Property value increases on adjoining properties could also be higher than expected and could further exacerbate challenges associated with the affordability of housing.

How is your department planning to mitigate any burdens, inequities, and unintended consequences?

The department plans to evaluate construction process and monitor impacts before, during and after development, including stormwater and traffic. The department will continue to use the REAL and pocket questions evaluation in relation to consideration and implementation of policies in the town's comprehensive plan, *Carrboro Connects*.