

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, MAY 29, 2012
7:00 PM

Mayor Voller called the meeting to order at 7:05 p.m. and called for a moment of silence.

ATTENDANCE

Members present: Mayor Randolph Voller, Commissioner Pamela Baldwin, Jay Farrell, Michael Fiocco, Bett Wilson Foley and Beth Turner.

Staff present: Manager Bill Terry, Clerk Alice F. Lloyd, Attorney Paul S. Messick, Jr., Finance Officer Amanda Cartrette, Planner Stuart Bass, Assistant Planner Paul Horne, Wastewater Treatment Superintendent Randy Heard, Water Treatment Superintendent Scott Jewell and Chief of Police David Collins.

REGULAR AGENDA

Mayor Voller asked Manager Terry if he knew of any changes to the regular agenda. Manager Terry said that Paul Horne had the opportunity for a small grant and the deadline is approaching and would like to add a resolution authorizing us to apply for the grant (adopt-a-trail) as new business item #2.

Motion made by Commissioner Fiocco seconded by Commissioner Turner to approve the agenda as modified.

Vote Aye-5 Nay-0

CONSENT AGENDA

Motion made by Commissioner Fiocco seconded by Commissioner Baldwin to approve the Consent Agenda containing the following item:

1. Approve minutes of the May 4, 2012 special meeting.

Motion carried 5-0

CEREMONIAL AGENDA

1. Presentation of Quarterly ABC Revenues (Jim Nass, Chairman, Pittsboro ABC Board).

Jim Nass, Chairman Pittsboro ABC Board (other members are Ned Kelly, and Sera Cuni) gave a brief report on the 3rd quarter results at the ABC Store and more importantly gave the Town a couple of checks. He said compared to last year at the third quarter revenues are up a little over \$100,000 that is a 17% increase. He said expenses are up only about 6% over the same quarter which gives a net profit of \$83,000 (97% over last year). He said the checks he will present tonight in the total of \$8,643.85 it will bring the three quarter distribution to \$23,386.00 as opposed to the third quarter last year where that distribution was zero. They are making progress towards their employees and they have seen an improvement in morale.

Mr. Nass said they will be submitting a copy of their FY 2012-13 Budget to the Town and tentatively have scheduled June 27, 2012 for their budget public hearing date and they look forward to input from the Town Board between the time you get the proposed budget and the time of the public hearing.

Mr. Nass said on behalf of the board members he wanted to express their appreciation for their liaison Commissioner Fiocco, he has attended every meeting they have had this year and he has been a very valuable resource in helping them get through some of their issues.

Mayor Voller asked what significant input or help do you see the town working with you going forward. Mr. Nass said he thinks we have to think through the longer term plan. The county ABC Board has decided to move the Cole Park Store across the street where Lowes Supermarket is and they are entering into a five year lease they are spending a considerable amount of money in building out that leased space so that it is adequate for their needs. So it kind of puts us in a five year plan as well because if we want to entertain at some point and time the idea of a merger with the County Board we have to think through that five year period and where they are at in their cycle.

Secondly, they need a little public works help in the parking lot. One of the things they are going to be doing in the next thirty days is painting the exterior and putting on some new gutters that will fit with the Main Street area. One of the things they want to do is reseal the parking lot it is not a lot of money but there is a stretch where there was obviously a leak one time and they need a small amount of patching done (when the town is out doing some patching they could use some help with that).

Mayor Voller said he wants to thank the current members and Chris and Mary who served for a time for all the hard work and the great results.

The Board of Commissioners received the report and accepted the payment.

REGULAR MEETING AGENDA

Citizens Matters

Sherri Murrell, 242 Hillsboro Street, stated they have lived there for about eight years and she works with the County. She is here to express her concerns at an open meeting to the full Board of

Commissioners about what she understands was a police training drill that took place on May 15, 2012 at the State Employees Credit Union. She stated she doesn't have any first-hand knowledge about the drill but she does understand the drill was conducted to simulate a bank robbery, she does understand that it is not clear whether all the members of the police department understood that this was a drill or not. She has heard there were members of the police department who responded with loaded weapons and were not aware that this was a drill. She is very concerned about this as a member of the community of Pittsboro because she thinks it put members of the public at risk, it put employees of the bank at risk, and it put officers of Pittsboro Police Department and other law enforcement agencies that were cooperative with the police department. She is hoping that the board will decide to develop some sort of committee and initiate a full and open investigation into what happened or what did not happen and that the members of the police department will be reassured that they will not be retaliated against for participating in the investigation and for speaking honestly about what they know and what they didn't know, what they were aware of and what they were not aware of. But she does think this is a serious issue and hoping the Board will look into it in some sort of public way.

Mayor Voller thanked Ms. Murrell for bringing it to the Board they are policy makers and do not get involved in police actions or police matters. He stated the Chief works for the Town Manager and the Town Manager works for the Board, but you raised some very serious questions that they are going to look into.

Ms. Murrell said she appreciates that and she thinks it is important for the Board to look into it and that they do it in an open way.

PUBLIC HEARING

PROPOSED ZONE TEXT AMENDMENT CREATING THE POCKET NEIGHBORHOOD

Motion made by Commissioner Baldwin seconded by Commissioner Fiocco to go into a public hearing for the Proposed Zone Text Amendment Creating the Pocket Neighborhood Type Subdivision.

Vote Aye-5 Nay-0

Planner Bass stated a local property owner has brought forth a proposal for a unique style of subdivision development, referred to as pocket neighborhoods or sometimes cottage housing.

He said pocket neighborhoods are clustered groups of neighboring houses or apartments gathered around a shared open space, a garden courtyard, a pedestrian street, a series of joined backyards, or a reclaimed alley, all of which have a clear sense of territory and share stewardship. They can be in urban, suburban or rural areas.

Planner Blass said the shared outdoor space at the center of a cluster of homes is a key element of a pocket neighborhood. Residents surrounding this common space take part in its care and oversight, enhancing a felt and actual sense of security and identity. This shared space has clearly defined boundaries, beginning at the entrance from the street and extending to the gates of the private yards.

For such development to occur, it is necessary to codify this concept and to incorporate this into our zoning ordinance. The Planning Board discussed the concept and draft language at the March 5, 2012, April 9, 2012 and May 7, 2012 meetings and it is being forwarded to the Board with a positive recommendation for approval. The draft language is as follows:

Pocket Neighborhood Proposed Text Language

Pocket Neighborhood - a residential development of limited size and scope arranged on at least two sides of a shared community common open space.

Note: As recommended, the proposed text amendment would limit this concept to the R-10 and R-12 zoning districts, as specified in the Table of Permitted Uses (Zoning Ordinance). This would insure infill type development within the current municipal boundary.

Purpose and intent

The general purposes of the pocket neighborhood housing development design concept:

A pocket neighborhood housing development is an alternative type of detached housing providing small residences for households of typically one to two individuals. This is provided as part of the Town's overall housing strategy which intends to encourage affordability, infill development, innovation and variety in housing design and site development while ensuring compatibility with existing neighborhoods, and to promote a variety of housing choices to meet the needs of a population diverse in age, income, household composition and individual needs.

Note: While the concept could be utilized in new development, as envisioned, it is primarily a tool for infill type development.

Development Standards

1. Number of Dwelling Units

An individual pocket neighborhood development shall be comprised of at least four (4) (single family dwelling units) with a maximum of twelve (12) (single family dwelling units) per development. *Note: The literature suggest that 4 units is the minimum necessary to achieve the purpose and intent of the design and once you get over 12 to 15 units, you begin to lose the neighborhood concept.*

2. Density and minimum lot area

A pocket neighborhood development shall not exceed 12 units per acre, and is not permitted on parcels less than 20,000 square feet. Lots must be a minimum of 2000 square feet. All residential units will count towards the maximum permitted density. *Note: 12 units per acre is the current maximum our zoning ordinance allows for a PUD. 20,000 square feet would be*

double the minimum lot size for an R-10 lot. This is also the same density as a duplex on a 10,000 square foot lot.

3. Lot coverage and yards

Dwelling unit footprints shall not exceed 60% of lot. The front and rear setbacks must be a minimum of 8 feet. The side setbacks must be a minimum of 5 feet, and no less than 12 feet is permitted between two units. *Note: This restriction mandates some private open space.*

4. Required open space

A minimum of 500 square feet of common open space per unit is required. At least 50% of the units shall abut common open space, and the common open space shall have dwelling units abutting at least two sides. Common open space shall be a central green that may be used by all occupants of the neighborhood. *Note: This provision would allow for units that didn't directly abut open space, allowing for density. Standards are taken from the literature and example ordinances.*

5. Parking

One and one half (1.5) parking spaces per unit shall be required. Parking must be located within the pocket neighborhood property. *Note: Current requirements in the ordinance are for 2 spaces for SFR's on the lot.*

6. Housing Type

Housing types are limited to single family residential dwelling units. *Note: No other dwelling types, i.e. duplexes, townhomes, etc. would be allowed.*

7. Accessory Dwelling Units

New accessory dwelling units (ADUs) are not permitted in pocket neighborhood housing developments. *Note: The initial design of the project would not allow for any additional units to be located in the future.*

8. Stormwater

All pocket neighborhood housing developments are subject to current Town stormwater standards and shall incorporate stormwater low impact development techniques whenever possible.

9. Private open space

Each residential unit shall be provided an area of private open space. The private open space shall separate the primary entrance to the dwelling unit from the common open space to create a sense of privacy and shall be oriented to take advantage of solar orientation and other natural features to create a small but pleasant private yard area. The private open space shall be separated from the common open space with a small hedge, picket fence, or other similar visual separation to create a sense of separate ownership.

a. Each unit shall be provided with a minimum of 200 square feet of usable private open space oriented towards the primary entrance and separated from the common open space by a hedge or fence not to exceed 36 inches in height.

b. No dimension of the private open space shall be less than eight feet.

Note: Insures that each unit have privately owned and defined space, particularly as it relates to the primary entrance.

10. Tree conservation

Pocket neighborhood developments shall be designed to incorporate existing trees to the extent possible. New trees shall be located to create amenities in the common open space, private open space, provide shade where appropriate, to create separation between buildings when desired, and to screen and soften the perimeter of parking areas and street facing sides of the housing developments. Native trees and other vegetation shall be preserved to the extent possible and the overall site design shall take advantage of the location of existing trees as well as natural openings or clearings on forested sites.

Planner Bass said the property owner is here tonight with his consultation team and they have a power point presentation they would like to present the board.

Mayor Voller asked did they want to limit R-10 and R-12 zoning district. Planner Bass said yes. Mayor Voller asked if there was any particular reason why we just limited it to that and didn't open it up to O&I which is essentially Office and Institutional or allowing it in some form if a PUD was coming in and wanted to do it.

Planner Bass stated it is designed for infield development it is not a mixed use concept. As proposed it is limited to residential single family homes and R-10 and R-12 were within municipal boundaries and served by utilities.

Commissioner Fiocco asked Mayor Voller if he was saying that R-10 residential standards can be applied to the O & I zone and therefore a rezoning wouldn't be required. Mayor Voller said that is why he is asking the question because O & I allows you to have residential use in it.

Mike Dasher said he is a resident of Moncure but he hopes to develop some property in Pittsboro. He has a brief power point presentation and he will be happy to answer any questions as we go through it. He is also joined by Taylor Hobbs and Brad Rhinehalt. As stated a pocket

neighborhood is a group of neighboring houses gathered around a shared space with a clear sense of territory and share stewardship. The neighbors care for the common area.

Mr. Dasher stated the smaller footprint allows for preservation of natural resources obviously you are able to increase the density by limiting the lot size. It also offers a good sense of community. And finally it provides a missing middle between high density multi-family unit and traditional suburban development.

Mr. Dasher said the property he is interested in developing is on East Cornwallis Street (at the extreme end). The houses would be generally under 2,000 sf.

In summary it is 3.3 acres looking to Robeson Creek, 12 total units (10 would be the cottage units 2 traditional units)

INSERT POWER POINT PRESENTATION

Commissioner Farrell asked if they were going to try to build all the units before they sold them. Mr. Dasher said build as they sell.

Commissioner Foley and Commissioner Fiocco stated they love the concept.

Mayor Voller asked Mr. Dasher to look at the site plan. He asked Mr. Dasher what he was showing at the end of Cornwallis right now. Mr. Dasher said at the end of Cornwallis now is a deeded greenway. Mayor Voller asked what happened to the greenway that Larry Witek (Potterstone) gave the Town is that where it ended – was this property part of that. Mr. Dasher said the deeded greenway is not part of that although he would love to expand that greenway up to the creek. Mayor Voller stated so the Town owns that and Mr. Dasher responded yes.

PUBLIC COMMENTS:

Brad Rhinehalt, 6541 Vintage Ridge Lane, Fuquay, NC stated he signed up to answer any questions that came up.

John Delafield lives on John Horton Road just east of Jordan Lake and he teaches at the Community College. He wanted to speak in support and on behalf of this pocket development ordinance. This is the concept that they teach at the college. They teach small housing they believe in it for lots of different reasons. He really likes the ordinance as proposed and he wanted to ask the board to look kindly upon it and that it will provide opportunity for good real estate utilization, good dense infill and some creative low cost housing that they think can be done in a very creative architecturally interesting and attractive way.

Commissioner Fiocco asked Mr. Delafield if he had any comments about the ordinance since he stated he felt it was a good ordinance. Mr. Delafield said he thought it had sufficient flexibility embedded in the language to allow for multi and numerous configurations. At this point he doesn't have a specific thing he would change with the possible exception of what he really liked was the intensity of the landscaping. He knows it is really hard to make people landscape their

property but the pictures that were shown both conceptually and photographs showed real interesting and intense landscaping and this is a wonderful, healthy healing community oriented type things when you have houses clustered around beautiful landscaping.

The Board will give questions and comments to Mr. Bass offline.

Motion made by Commissioner Baldwin seconded by Commissioner Fiocco to go out of public hearing.

Vote Aye-5 Nay-0

SPOON REZONING

Motion made by Commissioner Fiocco seconded by Commissioner Baldwin to go into public hearing on the Spoon Rezoning REZ-2012-02.

Vote Aye-5 Nay-0

Planner Bass stated Ricky Spoon Builders, Inc. and B. F. McCloud has requested to rezone 72.7 acres of vacant, undeveloped property at the northwest quadrant of US 64 and US 15-501 from RA-2 to C-2. He stated the Board had a copy of the Staff Analysis in the agenda packet. Planner Bass gave an overflow of the Staff Analysis which is listed below in its entirety.

Planner Bass pointed out that this is strictly a legislative rezoning all possible uses allowed in C-2 would be permitted. There has been no development plan forwarded with this rezoning. Also, there were two adjacent properties to the area in question they are not included in the rezoning request and would likely be part of any development proposal for the area. However, he would like to say that he recently received a formal zoning application for the smallest parcel there immediately adjacent to that intersection (the very southern piece the very narrow one). Mayor Voller asked who submitted that. Planner Bass stated Powell Limited Partnership. Planner Bass stated the Planning Board is sending this proposal to the Commissioners with a positive recommendation that the property be rezoned from RA-2 to C-2 at their May 7, 2012 regular meeting.

Mayor Voller asked Mr. Kenneth Hoyle (Planning Board Chair) if he had any comments. Mr. Hoyle said that the planning board considered everything.

STAFF ANALYSIS REZ-2012-02 Public Hearing May 29, 2012

APPLICANT:	Ricky Spoon Builders, Inc. 2475 Redbud Street Pittsboro, NC 27330	B.F. McCloud 6336 Dwight Rowland Road Fuquay Varina, NC 27526
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RELATIONSHIP

TO PROPERTY: Property Owners

LOCATION: Portion of Northwest Quadrant, US 64 and US 15-501

EXISTING USE: Vacant, undeveloped property.

AREA: Approximately 72.7 acres

EXISTING

ZONING: RA-2 (Residential – Agricultural) 72.7 acres

PROPOSED

ZONING: C-2 (Highway Commercial)

ADJACENT

LAND USES:

North – Northwood High School
South – US 64, Powell Place Development
West – Vacant, undeveloped property.
East – Vacant, undeveloped property.

ZONING

HISTORY: The RA-2 zoning shown dates back to at least 1989.

American Asset Corporation rezoned a 46.77 acres tract from R-A2 to C-2CD, Highway Commercial Conditional Use District, on May 13, 2008. The property is just north of the proposed rezoning on the east side of US 64.

ANALYSIS: The following staff analysis is structured to address the information that should be considered for a map amendment as outlined in the Zoning Ordinance and city zoning enabling statutes for the State of North Carolina.

1. Relationship of the proposed map amendment to the Land Use Plan and Future Land Use Map.

The Subject properties are designated as Thoroughfare Business on the Future Land Use Map (August 2001). This category describes areas that are located with convenient access to US 64 businesses and 15-501. Development in these areas should be well planned with street front and interior lot landscaping, coordinated building styles, attractive signage and shared access facilities when appropriate. Encouraged uses are those that benefit from convenient highway access including general commercial, restaurants, building supply, light manufacturing, distribution, and services such as copy centers, banks, and beauty shops.

Areas designated as Thoroughfare Business (Long Term) are located near the east and west interchanges of US 64 with Business 64 and on US 15-501 north of US 64 by pass. The properties are also in the designated Transportation Overlay District. The Major Transportation Corridor District is an overlay zone that is intended to enhance the economic and aesthetic appeal and orderly development of lands adjacent to major transportation corridors in the Town of Pittsboro zoning jurisdiction. The Major Transportation Corridor District extends 1,250 feet from the right-of-way boundary on both sides of the roadway.

2. Suitability of proposed zoning district classification.

The current zoning, RA-2, is defined as one to provide land primarily for low density residential development in transitional areas located on the periphery of the urbanized Pittsboro area. These areas are currently served primarily by wells and septic systems but as lands are converted from rural to urban uses, public water and sewer service becomes more feasible.

The proposed zoning C-2, is defined as certain areas that are primarily designed for citizens using the major highways that run through or round the City. The district is customarily located along the major arterial highways. This district is intended to provide retail, office and service areas for the benefit of residents in nearby areas and non-residents. This district accommodates intensive commercial uses such as shopping centers and strip centers as well as free-standing, highway-oriented business establishments. Included also are certain functions, such as warehousing, that are compatible with the primary uses.

3. Availability of public facilities.

There is currently a sewer line and a water line along US 15/501 at this location. There may be capacity issues with the sewer line and formal engineering studies would be required prior to any site development.

4. Population change.

Population change would be limited to the activity associated with commercial development, as opposed to permanent dwelling units.

5. Transportation patterns.

The properties in question front on US 15-501. This is a primary north/south transportation corridor and is designated as a Principal Arterial. The latest traffic counts provided by NCDOT indicate approximately an Annual Average Daily Traffic count of 14,000 vehicle trips per day. Access onto 15-501 would be an important issue during the consideration of site development and would require approval from NCDOT.

STAFF RECOMMENDATION:

Staff recommends approval of the proposed rezoning. The proposed rezoning is consistent with the current Land Use Plan and other applicable adopted plans, policies and documents. A rezoning of this parcel would allow for an increase in the intensity of use and be a significant change for the area. However, the site is a reasonable location for such uses as allowed in the C-2 District. This is strictly a legislative rezoning and all the possible uses allowed in C-2 would be permitted.

Please note that there are two adjacent parcels to the properties in question that would likely be a part of any development proposal for this area that are not included in this rezoning request.

The property currently is within the Town's Extra Territorial Planning Jurisdiction (ETJ). Typically, the zoning of the ETJ is utilized to place land in a base rural agricultural zone until such time as development is appropriate or desired. Consideration should be given to annexing this property. Commercial zoning and subsequent development should be within the corporate limits of the Town.

PLANNING BOARD RECOMMENDATION: The Planning Board recommended approval of the proposed rezoning at its regularly scheduled meeting on May 7, 2012.

PUBLIC COMMENTS:

Elaine Chiosso, 1076 Rock Rest Road, Pittsboro stated we don't know what this could be. She said this is the piece closet to Northwood High School, right. Someone said yes. She stated she wanted to raise some concerns about the amount of clearing that could take place there the impact it might have on the high school very much fearing more fast food joints that close to the high school. She stated there are places in the country that have started to create zones around schools that you can't build fast food places in an attempt to deal with obesity and sugar intake and other problems we have in this country now.

She certainly has a lot of concerns about what will happen to sedimentation and erosion control as this piece is developed. The piece across the street on the other side of 15-501 had very serious sedimentation and erosion control problems that actually were water quality violations as construction and land clearing was going on. Ms. Chiosso said she was raising concerns about yet another big piece at that intersection going into commercial use. She asked do we need or what is the need for more of that type commercial use without any actual vision here.

Ricky Spoon stated he was present if there were any questions. Mr. Spoon asked if anyone wanted to know he would tell them what he envisions for it.

The Board agrees that would be nice. Attorney Messick stated he would just to reiterate that you can't rely upon what Mr. Spoon's vision is as far as what might be used on that property, because uses permitted in C-2 would be allowable.

Ricky Spoon stated he brought the Lowes Improvements and every now and then he gets a kick out of going seeing people actually shopping there that were actually against it when he first proposed it. He brought the Lowes, McDonalds, and The Brewery that a lot of people go to and he is proud of that. Mr. Spoon stated his biggest push is for a grocery store they have been trying that (Powell Place has been trying it for ten years) they haven't been successful yet. He have tried to talk with Lowes Food, Harris-Teeter and he can't seem to convince them yet, but that is the idea in general just a small shopping center.

Mr. Spoon said to Ms. Chiosso that the high school is sitting way off the road. All the shopping center and the other things would be well in front of the high school. As a matter of fact he guess the high school will be coming to him because he has a large piece that is across the creek from where he would be that has no use to him. He guess he would either donate it to the high school where they could expand their soccer field or whatever or trade them some land.

Mayor Voller asked Mr. Spoon if he was saying the property directly to the west of the high school is his property. Mr. Spoon said no that is Mr. McLeod he circles the rest of it behind and he guess it will eventually be a residential area whenever the market comes back, but he (Mr. McLeod) owns all the land behind it. Mr. Spoon identified the land on the map. Mr. Spoon said he was representing Mr. McLeod tonight.

Mr. Spoon said basically he is looking for a small shopping center with a good low cost grocery store. He has been trying to do that every since he brought the property.

Commissioner Fiocco stated he thinks the parcel span 64 to the little triangular piece over in Powell Place. Someone said right. Commissioner Fiocco asked if it was zoned O&I because the zoning map on the website suggests that it is O&I not RA-2. Planner Bass said that was a mapping mistake they discovered during this process. Commissioner Fiocco stated he thinks there is another mistake on the zoning map with some of the property Mr. Spoon formally owned and developed as Lowes and that is the parcel that Carolina Brewery is on, wasn't it all C-2. Planner Bass said it was just a misprint.

Mr. Spoon said the 2.91 acres is owned by Mr. Barber. Mr. Spoon said he tried to trade the piece across the street where the rest home (old folks home at Powell Place) he owns a piece behind that and they gave him access to it but it would cost him a couple hundred thousand dollars to develop it now so he will extend them the same courtesy they extended him when they want to develop that 2.9 acres.

Mayor Voller asked Attorney Messick what his input on these requests in terms of annexation, etc. what advice he would give the board. Attorney Messick said he doesn't think we should have commercial property outside the Town limits. Mayor Voller asked if he was advising the

Board to ask for a voluntary annexation first and then do the process or conduct the public hearing how would you advise the board to go forward with these types of requests. Attorney Messick said however the Board saw fit to do it but he thinks the property ought to be in the Town limits before it is zoned commercial, whether you want to make it a straight rezoning or a conditional use rezoning, but he doesn't feel there should be any commercial property outside the Town limits.

Commissioner Fiocco said he is concerned about the vision not marrying up with the amount of land. The amount of land on a straight zoning is problematic for him. He also believes that to grant such a rezoning would require an annexation and that he would prefer to see a smaller area requested for rezoning something that fits more in tune with the vision of a small grocery store/shopping center.

Mr. Spoon said one of the problems with it is first of all 20 acres of it is not his land that is Mr. McLeod's. He said when he brings the site plan he would ask for the property to be annexed otherwise if you made him pay higher taxes on it why in the world in his right mind would he do that if he doesn't have a grocery store right now ready to come, why would he want to do that to increase the taxes. He stated he already has the taxes increased on the land behind Lowes and he hasn't started a residential center on it because of the market so all you are doing is punishing him. What he was trying to do is if he went on and had it rezoned then maybe a grocery store would say yes you already have it rezoned so let's look at doing it.

Mr. Spoon stated he would ask that you hold off annexing it until he actually has something ready to go forward, right now he doesn't have that. He said if you were to double or triple the taxes he would just pull it off and say let someone else worry with it.

Mayor Voller said what he is hearing with the spirit of cooperation and vision if there was a condition on it that you were going to build a grocery store or some small development with a grocery store (that is what you want to do). This rezoning would not allow us to do that but if we had a conditional zoning we could say that. Mr. Spoon said he is trying to get some cooperation.

Mayor Voller stated obviously the school board has talked with us about their property. If they were to come in this would not be a satellite annexation. But how come nobody from the school board is here tonight to speak about a rezoning next to the high school. Mayor Voller asked Planner Bass if they were informed he asked if we talked with Mr. Logan or members of the Board he said it is strange to him that not one member of the School Board or staff is here when a sufficient piece of property that could change how they use their property. Planner Bass said we sent them letters. Mayor Voller asked if he called them. Planner Bass said no sir, we sent them letters. Mayor Voller stated he thinks we should get them to come in and speak about it.

Mr. Spoon said isn't we putting the cart before the horse all he is asking is for the board to rezone it because it is in the Major Transportation Corridor. He said when he gets a Lowes (or

whatever) that is the time he will bring it to the Board and say here is the plan and then you can go over it right now if he goes to a shopping center or somebody and say look I have this property and the first thing they are going to say is how is it zoned. Mr. Spoon said and he would say he could guarantee to get zoned C-2. This is the first step in the process if even he sold it to someone he could not sell it as C-2 because it is not C-2.

Mayor Voller said he can't make a guarantee for what the Board will do but he can say that it has been the policy of this Board in the past that if you were to have such a conversation with such an entity and they were to come to the Town he is pretty certain the Town would want to work with them to create jobs and opportunities.

Mr. Spoon said this is the first step; it is in the Major Transportation Corridor. He wanted to know what the hold-up is. If he wanted to do a shopping center and it was 500 acres or whatever it is on the land that is zoned. This is what you have told him over the years that you want here so what is the big hold-up on having it rezoned to C-2. Mayor Voller stated who said there is a hold-up, this is just a public hearing there want be a vote tonight.

Mr. Spoon said this is what he wants. He already pays double/triple the taxes on the land behind Lowes because the market is not there for single family housing it is slowing coming back he has an contract to do affordable housing behind Lowes he will have to wait and see if they get the tax credits for it they have gotten the Federal tax credits they don't know if they are going to get the State. So what he is trying to do is to do good for this community but if you don't go ahead and rezone it to C-2 you are already handicapping him because he guarantees when he goes to sit down with these shopping center people they want to know how it is zoned, and he starts doing the dance that it will be C-2 but it's not now and he would lose all creditability doing that.

Mr. Spoon said he is proud of what is in the Lowes Shopping Center. He stated Ms. Chiosso is not a big fan but she will sure go to the Brewery. She has never been a big fan. Mayor Voller stated he don't think there is a lot of places in Town where you can get beer that is made in Town. Mr. Spoon said look at what he has done before and that is what you can say. He said he knows Ms. Chiosso is not a big fan but he has done a lot of good for this Town. Mayor Voller stated no one is saying you haven't. Mr. Spoon said he has never heard (of course Ms. Foley and Ms. Turner and Mr. Farrell are new) but he have never had a previous Board Member come up to him and say Ricky you have done a great job we are proud of what you have done. He feels he is treated pretty poorly by the Board (current & previous) and the Planning Board. He stated Ms. Chiosso also treats him poorly. Ms. Chiosso objected to Mr. Spoon comments. Mayor Voller said this is getting into personal attacks. Mr. Spoon said he has worked very hard for this Town obviously he is trying to make money but he also feels he has done it well.

Mr. Spoon said all he is asking tonight is to have the hearing and the next time zone it C-2. Mayor Voller asked Mr. Spoon to apologize to Ms. Chiosso because she is here representing what she wants it's not personal. Mr. Spoon said it is personal.

Commissioner Baldwin stated she didn't like what he was saying about the previous Commissioners that were here and herself because she has spoken with you and told you basically that she does like what you have done at Lowes Shopping Center. Mr. Spoon said he thinks he owes Ms. Baldwin an apology because you have said something to me.

Mr. Spoon apologized to Ms. Chiosso and stated they should have had this conversation in the parking lot or somewhere else. He is asking that after you go out of public hearing asking that at some time in the future that you go ahead and rezone it to C-2 what he has asked you to do tonight and he will keep going forward.

Mayor Voller stated he doesn't think anybody would want to stop you or whoever the property owner is for doing something that was positive for the community. But he will say we need to have the school board involved in order to make this decision. Mr. Spoon said they have been notified. Mayor Voller said he understands they were notified but the fact that no representative is here troubles him.

Mr. Spoon said he asks that it be rezoned to C-2 and you will have plenty of opportunities to look when he brings something for whoever it is. Mayor Voller said you have his word that if he brings something good for this Town that the community likes they will get behind it. If you bring something that the community doesn't like he can't make a guarantee.

Mr. Spoon stated to Attorney Messick that he needed for him to understand that he just needs it to be rezoned he is not asking for it to be re-taxed. He stated Powell Place has been rezoned for ten years. Mayor Voller stated he has asked Planner Bass to prepare a list of what has been approved, what's on the books and what we are projecting on the books because everyone should know where we stand.

Commissioner Fiocco stated the question he has is would the shopping center community not see the property as more valuable if in fact it had a zoning with a plan that showed a shopping center on it. Mr. Spoon said he has a plan that shows a shopping center on it. Commissioner Fiocco asked if he would make that part of the rezoning. Mr. Spoon said the problem is it's a pie in the sky (here this is what we planned) but it is not endorsed by any particular shopping center, he would be glad to bring it and show it to the Board.

Commissioner Fiocco said what he is thinking is there have been lots of conditional zoning done in the Town. Conditional Zoning says this is my intent to develop the property, this is how I will develop the property, and these are the conditions, stipulations and standards under which I will develop the property. Mr. Spoon said he has that at home. Commissioner Fiocco said that we require you to pull this rezoning request and go through the conditional use rezoning process.

Mr. Spoon asked why he should do that. Commissioner Fiocco stated that is what he thinks would be appropriate if you are making statements here that you want to condition certain things on the rezoning let's put those conditions on the table. Mr. Spoon said what happens if

someone says okay we have a shopping center and now they want to change it and put the shopping center closer to the road or on one of the other pieces. Commissioner Fiocco said he thinks the conditional use plan can be such that you build in that type flexibility.

Mr. Spoon said one of the parts is the 20 acres that Mr. McLeod has. Commissioner Fiocco said on a parcel that large he thinks that is appropriate. Mr. Spoon said what about the 187 acres that he used to own across the street that Preston Development brought. Are you going to make the same requirement there? Mayor Voller said you are about to find out it is coming up after this public hearing. Mr. Spoon stated he just wanted to be treated fairly.

Mayor Voller asked that Planner Bass make the information about how much C-2 space, etc. has been approved so the Board members can be brought up to speed and to please reach out to the School Board so that they know what is going on.

Motion made by Commissioner Fiocco seconded by Commissioner Turner to go out of public hearing.

Vote Aye-5 Nay-0

CHATHAM PARK LLC

Motion made by Commissioner Turner seconded by Commissioner Farrell to go into public hearing for Chatham Park LLC Rezoning, REZ-2012-03.

Vote Aye-5 Nay-0

Planner Bass stated Chatham Park LLC is proposing to rezone 187 acres of vacant, undeveloped property at the northeast quadrant of US 64 and US 15-501 from RA-2 to C-2. Planner gave highlights of the staff analysis which are included in their entirety. The Planning Board is sending a positive recommendation to the Board that the property be rezoned from RA-2 to C-2.

Staff analysis in its entirety:

STAFF ANALYSIS REZ-2012-03 Public Hearing May 29, 2012

APPLICANT: Chatham Park, LLC
PO Box 3557
Cary, NC
27519

**RELATIONSHIP
TO PROPERTY:** Property Owner

LOCATION: Portion of Northeast Quadrant, US 64 and US 15-501

EXISTING USE: Vacant, undeveloped property.

AREA: Approximately 187.24 acres

EXISTING ZONING: RA-2 (Residential – Agricultural)

PROPOSED ZONING: C-2 (Highway Commercial)

ADJACENT LAND USES: North – Vacant property, Carolina Living and Learning Center.
South – US 64, Bellemont Station Development
West – Northwood High School, vacant, undeveloped property.
East – Office building on Russet Run, vacant, undeveloped property.

ZONING

HISTORY: The RA-2 zoning shown dates back to at least 1989.

The O&I zoning on the property at 420 Russet Run was approved September 10, 2007.

American Asset Corporation rezoned a 46.77 acres tract from R-A2 to C-2CU, Highway Commercial Conditional Use District, on May 13, 2008. The property is just north of the proposed rezoning.

ANALYSIS: The following staff analysis is structured to address the information that should be considered for a map amendment as outlined in the Zoning Ordinance and city zoning enabling statutes for the State of North Carolina.

1. Relationship of the proposed map amendment to the Land Use Plan and Future Land Use Map.

The Subject properties are designated as Thoroughfare Business on the Future Land Use Map (August 2001). This category describes areas that are located with convenient access to US 64 businesses and 15-501. Development in these areas should be well planned with street front and interior lot landscaping, coordinated building styles, attractive signage and shared access facilities when appropriate. Encouraged uses are those that benefit from convenient highway access including general commercial, restaurants, building supply, light manufacturing,

distribution, and services such as copy centers, banks, and beauty shops. Areas designated as Thoroughfare Business (Long Term) are located near the east and west interchanges of US 64 with Business 64 and on US 15-501 north of US 64 by pass. The properties are also in the designated Transportation Overlay District. The Major Transportation Corridor District is an overlay zone that is intended to enhance the economic and aesthetic appeal and orderly development of lands adjacent to major transportation corridors in the Town of Pittsboro zoning jurisdiction. The Major Transportation Corridor District extends 1,250 feet from the right-of-way boundary on both sides of the roadway.

2. Suitability of proposed zoning district classification.

The current zoning, RA-2, is defined as one to provide land primarily for low density residential development in transitional areas located on the periphery of the urbanized Pittsboro area. These areas are currently served primarily by wells and septic systems but as land are converted from rural to urban uses, public water and sewer service becomes more feasible.

The proposed zoning C-2, is defined as certain areas that are primarily designed for citizens using the major highways that run through or around the City. The district is customarily located along the major arterial highways. This district is intended to provide retail, office and service areas for the benefit of residents in nearby areas and non-residents. This district accommodates intensive commercial uses such as shopping centers and strip centers as well as free-standing, highway-oriented business establishments. Included also are certain functions, such as warehousing, that are compatible with the primary uses.

3. Availability of public facilities.

There is currently a sewer line and a water line along US 15/501 at this location. There may be capacity issues with the sewer line and formal engineering studies would be required prior to any site development. There are currently lines serving the Carolina Living and Learning Center.

4. Population change.

Population change would be limited to the activity associated with commercial development, as opposed to permanent dwelling units.

5. Transportation patterns.

The properties in question front on US 15-501. This is a primary north/south transportation corridor and is designated as a Principal Arterial. The latest traffic counts provided by NCDOT indicate approximately an Annual Average Daily Traffic count of 14,000 vehicle trips per day. Access for the development of this property would be off of Russet Run Road. Improvements to Russet Run Road would be required during site development.

STAFF RECOMMENDATION:

Staff recommends approval of the proposed rezoning. The proposed rezoning is consistent with the current Land Use Plan and other applicable adopted plans, policies and documents. A rezoning of this parcel would allow for an increase in the intensity of use and be a significant change for the area. However, the site borders two major highways on two sides and is a reasonable location for such uses as allowed in the C-2 District. This is strictly a legislative rezoning and all the possible uses allowed in C-2 would be permitted.

The property currently is within the Town's Extra Territorial Planning Jurisdiction (ETJ). Typically, the zoning of the ETJ is utilized to place land in a base rural agricultural zone until such time as development is appropriate or desired. Consideration should be given to annexing this property. Commercial zoning and subsequent development should be within the corporate limits of the Town.

PLANNING BOARD RECOMMENDATION: The Planning Board recommended approval of the proposed rezoning at its regularly scheduled meeting on May 7, 2012.

Mayor Voller asked Planning Board Chair Ken Hoyle if he had any comments on this request. Mr. Hoyle stated same thing he said regarding Mr. Spoon's to him the big asset is that there is already access to this property off Russet Run. Mayor Voller asked if there was any question at the meeting about the size of the request in terms of so much land going to a C-2 district at one time without any submitted plans. Mr. Hoyle said why do it in 10 acres why not do it in 187 acres and be done with it. He said the old trailer park was done at one time. The board said it was done as a conditional zoning and negotiated with the Living and Learning Center and they never built it.

PUBLIC COMMENTS:

Elaine Chiosso 1076 Rock Rest Road, Pittsboro stated similar to the last one she would ask about the impact on the Carolina Living and Learning Center. She certainly has concerns about what this size new office commercial property would do to Pittsboro with a lot of vacant offices already. She asked if this is the best thing for Pittsboro to take so much of that out of Town Center. She said these are some thoughts as a resident of Chatham County who has always

considered Pittsboro her hometown this is where she shops, banks, go to the doctor and dentist and to the library she personally would like to go downtown for all that. She stated speaking as the Haw River Keeper she has grave concerns about whether Pittsboro can meet the sewer capacity needs for this project without moving into the new permitted line to the Haw River which she fought fiercely and as you know many, many people are very opposed to a new affluent line going into the Haw River at one of its prime recreation areas.

Ms. Chiosso stated this would be taking a piece of undeveloped land and turning it into a lot of impervious surface she would like to see what is going to be done on 187 acres so we are in that same place again where we are rezoning and not knowing what will get built on that full piece of land. She said Haw River and Jordan Lake already have a lot of problems with stormwater so hopefully the Town would guide any development here into doing so really forward thinking 21st century things that would be ultimately good for Jordan Lake as well as the community.

Barbara Bye Lorie 117 Blue Heron Farm Rd, Pittsboro stated she owns property on Masonic Street. She has lived in this community longer than most of you that are here now. She was speaking in reference to the proposal for rezoning the northeast quadrant of land off Suttles Road to accommodate a medical center. She read in the Chatham Record that Preston Development wishes to build a "signature building", a building by which they will be "judged". Their desire is to first build a medical center and perhaps later a small hotel.

Ms. Lorie said she realize we have many sick people in the United States so a medical center to begin with seem logical. Her question to Preston Development is what kind of medical center are you building, will this building indeed be sustainable, will your building have solar panels for electricity, walls of hebel blocks, a rain water containment system, reusable water, non-destruction of beautiful trees already on that property. She asked would their contractor use zero land building practices, will the parking area have sufficient outlets for electric driven cars, this list she would request for any of the buildings you are designing for Chatham Park. She would hope that all materials come from factories in the United States, she would assume in the 21st century all the buildings including the 20,000 homes to be built in a sustainable way with all electricity coming from solar panels made in a solar factory in this county. She would like to include all her comments be considered by the Planning Department for all future buildings in the domain of the Pittsboro Town Commissioners as well as the Pittsboro Planning Department.

Ms. Lorie stated the health of all residents here and in the future depends on developments where all forms of energy do not come from coal fired energy systems. From now on, our first priority is clean air, clean water and clean land. Thank you.

Mayor Voller said he would incorporate the same comments the last time that were raised by Attorney Messick. (That the property be annexed before it is rezoned)

Commissioner Fiocco stated he have the same concern about rezoning such a large parcel without a plan of action and no accompanying request for an annexation. He would like to see a much smaller request accompanied by a request for annexation; he feels it is important to be within the Town.

Commissioner Baldwin said the question that was raised about the Carolina Living and Learning Center she would like to see some type of response in reference that. She stated those individuals are very important to this community. Mr. Philip Culpepper said they have been directly contacted by the people who would be tenants of the medical office building and they have also mailed them a notice. They have reached out to make sure they knew what was being requested. Commissioner Baldwin asked if they responded to them. Mr. Culpepper said he did not deal with them directly.

Philip Culpepper, 100 Weston Estates Way, Cary stated he has heard Mr. Bass's points about wanting the annexation to come along with this, he has heard talk about size. He said they are probably a little farther along than Mr. Spoon, he has to present this to the owners of the property and he thinks they will be receptive into making some changes into a smaller area with an annexation. He said it is a little bit of a cumbersome situation when we still don't know what is going to happen with the utilities.

Mr. Culpepper said there are engineering studies that have to be done so they can actually be in a position where they request an annexation get annexed and we can't serve them, they believe the service is there he will point out that the Living and Learning Center built a pump station and they will be reimbursed when additional development takes place there the pump station was sized for different development around there.

Mayor Voller said there were some specific things that AAC did with that other property that are fairly reasonable that Mr. Bass should research and make available. But at the end everyone was agreeable with the Living and Learning Center he is pretty sure if you adopted a couple of the things... Mr. Culpepper stated one of the things to be aware of, and it was done at Eubanks Road the conditional use procedure that was followed for the AAC project is not the conditional use that is outlined in our ordinance it was more of a conditional zoning.

Nancy Reichle, stated she is not authorized by her superiors to speak yea or nay about this rezoning, but she just wanted to thank the Board for their consideration of the residents of the Carolina Living and Learning Center in anything that happens to the land that is near or surrounding them. She stated they really appreciated the process that happened with American Assets Corporation in the past and would appreciate the same type of process as this moves forward.

Mayor Voller asked that she reach out to Mr. Culpepper.

Motion made by Commissioner Fiocco seconded by Commissioner Farrell to go out of public hearing.

Vote Aye-5 Nay-0

OLD BUSINESS

Bid Award: Hillsboro Street Transmission Line Project

Manager Terry stated the Hillsboro Street Transmission Line Project was originally part of the larger Downtown Water System Improvement Project; however, the Town’s efforts to secure a USDA loan to fund the larger project have not yet been successful. We were successful in obtaining a \$750,000 CDBG with a \$37,500 town match (now it is on the order of \$800,000); therefore, we separated the Hillsboro Street Transmission Line portion of the work into a discrete project to better track expenses with respect to the CDBG funding. The work includes about 6,340 linear feet of water lines from the Town’s Million Gallon Tank to the Courthouse traffic circle. The project replaces a variety of pipe sizes and types, some of which may be as much as 90 years old. Replacement of this line is expected to have immediate benefits of increased water flow to the lateral services and fire hydrants connected directly to the new line. It will also provide adequate pressure to meet the fire flow needs and sprinkler system needs of the renovated historic Chatham County Courthouse. Furthermore, this line will become the backbone from which future projects can be added to address issues of inadequate flow and pressure throughout the Pittsboro downtown area.

Manager Terry went over the following information charts:

PROJECT BUDGET

The following table shows the project expenditure budget prior to the solicitation for bids:

Account Description	Amount
Construction	\$877,500
Grant Administration	\$75,000
Legal Services	\$0
Engineering/Design	\$141,365
Contingency	\$75,000
Total	\$1,168,865

The following table shows the project revenue budget prior to the solicitation for bids:

Funding Source	Amount
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CDBG	\$750,000
REDLG Loan	\$240,000
Enterprise Fund Balance	\$178,865
Total	1,168,865

ANALYSIS OF CONSTRUCCION BIDS

The Town solicited bids on this project, which were opened on April 5, 2012 with the following results:

Bid Tabulation Table	
Contractor	Bid Amount
SKC, Inc.	\$1,458,125.00
Sanford Contractors	\$1,798,893.80
Sullivan Eastern	\$2,090,175.00

The lowest responsive bid of \$1,458,125 is \$580,625 more than the amount budgeted for construction. Furthermore, the Town typically budgets 10% of the construction costs for construction contingency funds. Accordingly, the budgeted contingency of \$75,000 is about \$70,800 less than required to proceed with the project.

The following table shows how the project expenditure budget has changed subsequent to the opening of construction bids:

Account Description	Original Budget Amount	Required Budget Amount	Budget Shortfall
Construction	\$877,500	\$1,458,125	\$580,625
Grant Administration	\$75,000	\$75,000	\$0
Legal Services	\$0	\$1,000	\$1,000
Engineering/Design	\$141,365	\$141,365	\$0
Contingency	\$75,000	\$145,813	\$70,813
Total	\$1,168,865	\$1,821,303	\$652,438

Subsequent to bid opening, the Town has explored several options regarding how to fund the \$652,425 budget shortfall on this project. The options considered have included:

1. Using the \$203,005 in capital recovery and access fees from the County Jail Projects to help fund the work.
2. Executing a short-term installment loan in the amount of \$249,000.
3. Requesting direct participation from Chatham County in the amount of \$223,432.

The following table shows the proposed project revenue budget necessary to proceed with the project:

Funding Source	Original Revenue Budget	Proposed New Revenue Sources	Total Revised Revenue Budget
CDBG	\$750,000		\$750,000
REDLG Loan	\$240,000		\$240,000
Enterprise Fund Balance	\$178,865		\$178,865
Jail Access Fees		\$203,005	\$203,005
Chatham County Contribution		\$223,432	\$223,432
Short-term Installment Loan		\$249,000	\$249,000
Total	\$1,168,86	\$675,437	\$1,844,302

On May 21, 2012, the Chatham County Board of Commissioners considered the Town's request for \$223,342 in supplemental funding for the Hillsboro Street Transmission Line Replacement Project; however, they only approved a contribution of \$78,000. They agreed to contribute an additional \$145,432.50, contingent upon the Town working out more favorable water and sewer rates for Northwood High School. (Note: The Town staff recommendation remains that the annexation of Northwood High School is not supported by the economic analysis. The advice of the Town Attorney is that we cannot give preferential treatment to one out-of-town customer over another. Accordingly, the recommendation of the Town Manager assumes that Chatham County participation in this project will be limited to \$78,000.)

Accordingly, the revised available project budget revenue is as follows:

Funding Source	Original Revenue Budget	Proposed New Revenue Sources	Total Revised Revenue Budget
CDBG	\$750,000		\$750,000
REDLG Loan	\$240,000		\$240,000
Enterprise Fund Balance	\$178,865	\$1,000	\$179,865
Jail Access Fees		\$203,005	\$203,005
Chatham County Contribution		\$78,000	\$78,000
Short-term Installment Loan		\$249,000	\$249,000
Total	\$1,168,86	\$531,005	\$1,699,870

The grand total of revenues above would leave a project budget shortfall of \$121,433. The only two ways to proceed with this project given the budget shortfall would be for the Town to provide an additional \$121,433 from the Enterprise Fund Balance or to reduce the project contingency funds to \$24,380 as shown in the revised budget below:

Account Description	Required Budget Amount	Available Budget Amount	Budget Shortfall
Construction	\$1,458,12	\$1,458,125	\$0
Grant Administration	\$75,000	\$75,000	\$0
Legal Services	\$1,000	\$1,000	\$0
Engineering/Design	\$141,365	\$141,365	\$0
Contingency	\$145,813	\$24,380	\$121,433

Total 1,699,870

With these revenues, the Town still falls \$121,433 short of the funds needed for this project. Thus, the Town would need to take the additional funds needed out of the Enterprise Fund Balance requiring a total of \$504,302 to be taken out of the Enterprise Fund Balance. Town staff does not recommend using over \$500,000 of the Enterprise Fund balance to augment this project budget. The Enterprise Fund balance at the end of FY 2010-2011 was about \$1,863,000; however, we used \$402,245 to balance the FY 2011-2012 budget, approximately \$60,000 was appropriated during FY 2011-12 to fund various expenditures, and we will need about \$142,500 to balance the FY 2012-2013 budget, assuming that the Board approves the recommended water/sewer rate increase. The remaining available fund balance is only about \$1,258,255. Funding this project budget shortfall from the Enterprise Fund balance would drop the fund balance to a historical low of about \$753,952.

The following is a summary of the project finances:

Low Bid	\$1,458,125	
10% Contingency	\$ 145,812	Construction Cost
Bid + Contingency	\$1,603,937	
Engineering Design, Contract Admin. and Grant Admin.	\$ 217,365	Design, construction admin & grant admin
	\$1,821,302	
Project Cost Estimate - Total		
Available Grant/Loan Funds	\$ 990,000	\$750,000 CDBG & \$240,00 REDLG Loan
Shortfall	\$ 831,302	Cash needed from sources other than Grants/Loans
Town Bank Loan - Proposed.	\$249,000	
Appropriated to date from Town Enterprise Fund Balance.	\$178,865	Cash for design, construction admin 5% CDBG match.
County Access & Cap Recovery Fees for Jail Sewer	\$203,005	Included in Town's Enterprise Fund Balance
Total Cash Contribution from	\$630,870	\$ 630,870

Town of Pittsboro.

County Direct Appropriation
to Project Costs

\$78,000

Resolution (A)

A RESOLUTION REJECTING ALL BIDS FOR THE HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT AND DIRECTING THE TOWN MANAGER TO PURSUE A USDA LOAN AND/OR A LOAN FROM THE STATE REVOLVING LOAN FUND TO PAY FOR THE SHORTFALL IN FUNDING BETWEEN THE CURRENTLY AVAILABLE BUDGET AND THE LOWEST RESPONSIVE BID

WHEREAS, the Town of Pittsboro has solicited formal bids by advertisement in the March 8, 2012 edition of the Chatham Record for the Hillsboro Street Transmission Line Project; and

WHEREAS, the bids were received and opened on April 5, 2012 as follows:

Bid Tabulation Table	
Contractor	Bid Amount
SKC, Inc.	\$1,458,125.00
Sanford Contractors	\$1,798,893.80
Sullivan Eastern	\$2,090,175.00

; and

WHEREAS, the currently available budget for this project is as follows:

Account Description	Amount
Construction	\$877,500
Grant Administration	\$75,000
Legal Services	\$0
Engineering/Design	\$142,365
Contingency	\$75,000
Total	\$1,168,865

; and

WHEREAS, the lowest responsive bid exceeds the available funding for construction and contingency by \$652,425.

NOW, THEREFORE, BE IT RESOLVED by the Board or Commissioners of the Town of Pittsboro that the Town rejects all bids for the Hillsboro Street Transmission Line Replacement Project; and

BE IT FURTHER RESOLVED by the Board of Commissioners that, the Town Manager is directed to pursue a USDA loan and/or a loan from the State Revolving Loan Fund to pay for the shortfall in funding between the currently available project budget and the lowest responsive bid; and

BE IT FURTHER RESOLVED by the Board of Commissioners that, the Town Manager is directed to, upon acquiring loans in the amount necessary to fund the project, re-advertise for bids for the construction of the Hillsboro Street Transmission Line Replacement Project.

Resolution (B)

A RESOLUTION ACCEPTING THE BID OF AND AWARDING THE CONTRACT IN THE AMOUNT OF \$1,458,125 TO SKC, INC. FOR THE CONSTRUCTION OF THE HILLSBORO STREET TRANSMISSION LINE PROJECT

WHEREAS, the Town of Pittsboro has solicited formal bids by advertisement in the March 8, 2012 edition of the Chatham Record for the Hillsboro Street Transmission Line Project; and

WHEREAS, the bids were received and opened on April 5, 2012 as follows:

Bid Tabulation Table	
Contractor	Bid Amount
SKC, Inc.	\$1,458,125.00
Sanford Contractors	\$1,798,893.80
Sullivan Eastern	\$2,090,175.00

; and

WHEREAS, the lowest responsive bid exceeds the available funding for construction and contingency by \$652,425 as shown in the following table:

Account Description	Original Budget Amount	Required Budget Amount	Budget Shortfall
Construction	\$877,500	\$1,458,125	\$580,625
Grant Administration	\$75,000	\$75,000	\$0
Legal Services	\$0	\$1,000	\$1,000
Engineering/Design	\$141,365	\$141,365	\$0
Contingency	\$75,000	\$145,813	\$70,813
Total	\$1,168,865	\$1,821,303	\$652,438

; and

WHEREAS, supplemental funding sources have been identified sufficient to proceed with the work as identified in the following table:

Funding Source	Original Revenue Budget	Proposed New Revenue Sources	Total Revised Revenue Budget
CDBG	\$750,000		\$750,000
REDLG Loan	\$240,000		\$240,000
Enterprise Fund Balance	\$178,865	\$122,433	\$301,298
Jail Access Fees		\$203,005	\$203,005
Chatham County Contribution		\$78,000	\$78,000
Short-term Installment Loan		\$249,000	\$249,000
Total	\$1,168,86	\$652,438	\$1,821,303

WHEREAS, the new revenue sources identified in the table above would be incorporated into the project budget by adoption of project budget ordinance (B) below.

NOW, THEREFORE, BE IT RESOLVED by the Board or Commissioners of the Town of Pittsboro that the Town accepts the bid of and awards the contract to the lowest responsive bidder, SKC, INC. for the Hillsboro Street Transmission Line Project; and

BE IT FURTHER RESOLVED by the Board of Commissioners that, the Town Manager is authorized to, upon adoption of project budget ordinance (B); execute a contract with SKC, Inc., based upon their bid submitted on April 5, 2012 and to execute a Memorandum of Understanding with Chatham County for connection of the new Chatham County Jail to the wastewater collection and treatment system of the Town.

Resolution (C)

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE AN INSTALLMENT LOAN AGREEMENT FOR MATCHING FUNDS IN THE AMOUNT OF \$249,000 RELATED TO THE HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT

WHEREAS, the Town of Pittsboro solicited and received competitive proposals from financial institutions for the financing of expenditures related to the Hillsboro Street Transmission Line Replacement Project; and

WHEREAS, BB&T offers the lowest total interest cost of 1.77% for the 59-month term for the amount of \$249,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Town of Pittsboro that the Board authorizes the Town Manager to enter into a contract with BB&T on behalf of the Town for the financing of project expenditures totaling \$249,000 at a fixed interest cost of 1.77% for a 59-month term with total principal, interest and fees cost of \$261,436.40.

BE IT FURTHER RESOLVED that the aforesaid contract by and between the Town of Pittsboro and BB&T together with the amounts to be paid there under, are hereby designated as qualified tax-exempt obligations of the Town of Pittsboro for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BE IT FURTHER RESOLVED that the Board of Commissioners does not reasonably expect that the Purchaser will issue more than \$10,000,000 in qualified tax-exempt obligations pursuant to such Sections 265(b)(3)(ii) during the current calendar year.

TOWN OF PITTSBORO
ORDINANCE AMENDING CAPITAL PROJECT BUDGET
FOR THE HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT

Be It Ordained by the Board of Commissioners of the Town of Pittsboro in regular session assembled on the 29th day of May, 2012.

To Amend the Capital Project Budget Ordinance for the Hillsboro Street Transmission Line Replacement Project

Section 1. That the following **HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT REVENUE ITEMS** be amended to the amounts indicated:

823850100	TOWN CONTRIBUTION	\$382,871.00
823850000	CDBG GRANT	750,000.00
823850200	USDA REDLG LOAN PROCEEDS	240,000.00
823850300	BANK LOAN PROCEEDS	249,000.00
823850400	CONTRIBUTION FROM CHATHAM CO	78,000.00
TOTAL		\$1,699,871.00

Section 2. That the following **HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT EXPENDITURE ITEMS** be amended to the amounts indicated:

823000000	CONSTRUCTION	\$1,458,125.00
823000150	GRANT ADMINISTRATION	75,000.00
823001041	LEGAL SERVICES	1,000.00
823001100	ENGINEERING/DESIGN	141,365.00
823001800	CONTINGENCY	24,381.00
TOTAL		\$1,699,871.00

Section 3. That the following **WATER AND SEWER FUND REVENUE ITEM** be amended to the amount indicated:

303990010	FUND BALANCE APPROPRIATED	\$0.00
TOTAL		\$0.00

Section 4. That the following **WATER AND SEWER FUND EXPENDITURE ITEM** be amended to the amount indicated:

303790081	TRANSFER TO HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT	\$0.00
TOTAL		\$0.00

Section 5. That the following **CAPITAL RESERVE ENTERPRISE REVENUE ITEM** be increased by the amount indicated:

713990000	FUND BALANCE APPROPRIATED	\$382,871.00
TOTAL		\$382,871.00

Section 6. That the following **CAPITAL RESERVE ENTERPRISE EXPENDITURE ITEM** be increased to the amount indicated:

713990082	TRANSFER TO HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT	\$382,871.00
TOTAL		\$382,871.00

Ordinance (B)

TOWN OF PITTSBORO
ORDINANCE AMENDING CAPITAL PROJECT BUDGET
FOR THE HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT

Be It Ordained by the Board of Commissioners of the Town of Pittsboro in regular session assembled on the 29th day of May, 2012.

To Amend the Capital Project Budget Ordinance for the Hillsboro Street Transmission Line Replacement Project

Section 1. That the following **HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT REVENUE ITEMS** be amended to the amounts indicated:

823850100	TOWN CONTRIBUTION	\$504,303.00
823850000	CDBG GRANT	750,000.00
823850200	USDA REDLG LOAN PROCEEDS	240,000.00
823850300	BANK LOAN PROCEEDS	249,000.00
823850400	CONTRIBUTION FROM CHATHAM CO	78,000.00
TOTAL		\$1,821,303.00

Section 2. That the following **HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT EXPENDITURE ITEMS** be amended to the amounts indicated:

823000000	CONSTRUCTION	\$1,458,125.00
823000150	GRANT ADMINISTRATION	75,000.00
823001041	LEGAL SERVICES	1,000.00
823001100	ENGINEERING/DESIGN	141,365.00
823001800	CONTINGENCY	145,813.00
TOTAL		\$1,821,303.00

Section 3. That the following **WATER AND SEWER FUND REVENUE ITEM** be amended to the amount indicated:

303990010	FUND BALANCE APPROPRIATED	\$0.00
TOTAL		\$0.00

Section 4. That the following **WATER AND SEWER FUND EXPENDITURE ITEM** be amended to the amount indicated:

303790081	TRANSFER TO HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT	\$0.00
TOTAL		\$0.00

Section 5. That the following **CAPITAL RESERVE ENTERPRISE REVENUE ITEM** be increased by the amount indicated:

713990000	FUND BALANCE APPROPRIATED	\$504,303.00
TOTAL		\$504,303.00

Section 6. That the following **CAPITAL RESERVE ENTERPRISE EXPENDITURE ITEM** be increased to the amount indicated:

713990082	TRANSFER TO HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT	\$504,303.00
TOTAL		\$504,303.00

Manager Terry stated his recommendation is that the Board of Commissioners adopt resolution (A) rejecting all bids for the Hillsboro Street Transmission Line Replacement Project and directing the Town Manager to pursue a USDA loan and/or a loan from the State Revolving Loan Fund to pay for the shortfall in funding between the currently available project budget and the lowest responsive bid.

Manager Terry stated if the Board chooses to dip into fund balance then Resolution (B) would do that awarding the bid to SKC, Inc. and adopt project budget amendment ordinance (B), fully funding the project budget including a 10% construction contingency and if you choose to do that you would also need to adopt Resolution (C) which would authorize the Town Manager to execute an installment loan agreement for matching funds in the amount of \$249,000 related to the Hillsboro Street Transmission Line Replacement Project. He stated if you elect Resolution (B) you have two choices in respect as to how you amend the budget. Project Budget Ordinance (A) would amend the budget to add a Town contribution of \$203,005 which is the same amount coming from access and capital recovery fees to be paid in the future by the County (jail) but would also amend the budget by adding the loan proceeds of \$249,000 and it would add a Chatham County Contribution of \$78,000. Manager Terry stated Ordinance (A) is not his recommendation because it would leave you with a shortfall of \$121,433 so he has a Project Budget Ordinance (B).

Manager Terry said if you would like to proceed with the project he thinks the best funding option would be pulling funds from the fund balance for an additional town contribution of \$123,370, loan proceeds of \$249,000 and the Chatham County Contribution of \$78,000. Ordinance (A) does not provide for an adequate construction contingency fund. Ordinance (B) does provide for an adequate construction contingency fund.

Manager Terry stated he knows the board has read through the lengthy discussion he has just mentioned. Manager Terry stated the lowest responsive bid of \$1,458,125 is \$580,625 more than the amount budgeted for construction which created a problem.

Manager Terry stated once the bids came in at \$1,821,303 there was a shortfall of \$652,425. Subsequent to the bid opening there was discussion about how we could handle the shortfall and we decided tentatively we would use the \$203,005 in capital recovery and access fees from the County Jail Projects; executing the BB & T Loan and requesting direct participation from Chatham County in the amount of \$223,432 however, the County only agreed to \$78,000.

Mayor Voller asked did they make it contingent upon annexation or did they say this is going to be a part of the contingency (there is \$145,000 budgeted). Commissioner Fiocco stated there was favorable consideration on in-town water rates so it was directly tied to an annexation, but they did commit \$78,000 in cash and agreed to provide \$145,000 in contingency funds (this project is carrying a 10% contingency allowance of a \$145,000). So their commitment to us is simply if the project goes over budget into that contingency the county will cover \$145,000 of that.

Commissioner Fiocco stated that is essentially what we requested of them. What we requested was that they contribute \$223,000 we had hoped that their money would not be solely dedicated to contingency and that if the project ran into contingency and didn't expend all of contingency funds that we would split the savings but they couldn't find a way to do that and of course did make the request that we give them favorable consideration on the water rates. So they did essentially give us our request just not exactly in the form we had hoped.

Commissioner Fiocco said he thinks a lot of people are thinking that it is going to be a difficult project we are going to dig into downtown Pittsboro that hasn't seen the daylight since from some ninety years when those pipes were put in the ground. He suspects we will find some surprises and suspect we will run into the contingency funding so he does believe the County will be contributing to the project.

Mayor Voller stated there is nothing that will prevent us from going back to the County if we move forward tonight.

Manager Terry wanted to caution the Board if they chose to move forward tonight and adopt Resolution (B) if your agreement with the County doesn't come to fruition we have executed a contract and your fund balance is at risk. So, the idea of proceeding and awarding bids, proceeding on a verbal promise from the county, he feels that is considerably risky. Commissioner Fiocco stated they passed a resolution and asked Manager Terry if he had been in touch with Mr. Horne to discuss how we lock down that agreement. Manager Terry stated he received an email from Renee Paschal in respect to (not the \$78,000) the signing of a MOU. Commissioner Fiocco stated he thinks that is the tool that makes them feel more comfortable than a verbal. Manager Terry said more comfortable but it is still a verbal promise. Commissioner Fiocco asked a Memorandum of Understanding. Manager Terry said if it hasn't been executed. Commissioner Fiocco said he agrees and we need to get it executed. They passed a resolution he would trust they are going to follow through on that resolution. He said a Memorandum of Understanding would be a good thing to have on this project.

Manager Terry said he would like to reiterate that he has had a lot of time to think about this since opening the bids and to re-examine what our fund balance is, with the Town's contribution of cash to this and it's a lot a cash to put out at one time. He is having a hard time recommending that the board do that. Mayor Voller said what is the commitment of? You have a short term loan. Manager Terry said we can categorize these things but when you boil it down, in essence the \$240,000 REDLG Loan that's cash although we are getting to pay it over five years, it is a cash contribution from the Town. Mayor

Voller said we have already paid some of that back haven't we. Manager Terry said we have paid some of it back but he still counts that as the Town's contribution; the \$203,005 Jail Access Fees would be due and payable to the Town and increase our fund balance you can call it a wash because the county is paying it, but it still comes out of the town's fund balance. Mayor Voller asked what the purpose of that money is. Manager Terry said access and capital recovery fees for future construction but it doesn't mean we have to spend it as cash.

Manager Terry said the way it is structured now we are going to end up paying \$50,000 a year against the REDLG Loan and \$50,000 against BB & T Loan, you have \$100,000 a year in debt service on two short term loans for five years where as if you were to step back a little bit and reject these bids perhaps the Commerce Department will extend the April 1st deadline if they saw us getting a loan to fill in the gaps. What he is thinking about is the State Revolving Loan Fund is a twenty year loan. So if we were to borrow one million dollars to make up this difference over twenty years that is only \$50,000 a year for twenty years which is much more easily absorbed by the town's budget than putting out \$800,000 of cash which is essentially what you are doing. He said he is being cautious and that is his job to counsel you on those sorts of things and he sees it as a very large expenditure of cash.

Becky Smith (Hydrostructures) said we may be able to squeeze thirty days out of the contractor but the cost of pipe has gone up significantly as of last Monday they would be okay with the schedule but they would have to be guaranteed the pipe price. Manager Terry stated the first call he asked her to make was to see if the bidder would extend their bid for thirty days and that's a maybe. Manager Terry asked Ms. Smith if she was able to get up with Mr. Hubbard. She said yes, and the deadline for application through their office is September 30th.

Manager Terry said Mark Hubbard is the State's Manager of the State Revolving Loan Fund and they have a twice a year cycle where they accept loan applications. Ms. Smith said the deadline is September 30th and it is a zero per cent interest loan for twenty years and that water replacement would qualify.

Mayor Voller asked what would prevent us from coming back and submitting it to them. Ms. Smith said she would have to check on that,

Mayor Voller said we have been dealing with this project for seventeen months something needs to happen.

Manager Terry said he would agree that this is important work that needs to be done. He is not sure that this is on top of the priority list. There was a discussion about how much has been spent so far on this project.

Mayor Voller said we could apply for funds from Commerce for some of the other projects we have been working on for many years.

Manager Terry stated a possible flaw in your logic there is if we proceed with this project and drive our unrestricted fund balance down below a million dollars and then turn right around and go pursue another 1.5 million dollars for another project we are going to have to sort out how to pay the debt service on it. He said he is being extremely conservative and cautious here because he thinks that is his role is to protect the board from a decision that might put the fund balance down to a level that you may regret in the future. He thinks the audit report for this year is going to say your enterprise fund

balance non-restrictive is less than one million dollars and the other part of his conservatism is that we haven't passed a budget. He does not have a strong feeling from the board whether they are going to accept the water and sewer increases he recommended or reject them. Manager Terry said if you reject them you can't do this project.

Mayor Voller stated one of the problems is that it is out of order. Manager Terry stated yes because he doesn't know about the budget and he is critically reluctant to advise you to do this without knowing what the decision on the rate increase will be.

Mayor Voller asked what the purpose of the fund balance is. If you are not using it to actually reinvest in your infrastructure in ground, isn't that the whole reason we have it. Manager Terry said no that is not the whole reason he said most people call it the rainy day fund. Commissioner Fiocco stated isn't this pipe likely to cause some of those rainy days. Manager Terry said it certainly could.

Commissioner Fiocco asked about the contractors scheduled. Becky Smith said she thinks it is 180 days.

Commissioner Fiocco stated on Resolution (B) page 10 states that the Town Manager is authorized (B), negotiate and execute a contract, what is there to negotiation at this stage. Manager Terry said there is no need for negotiation that word can be deleted.

Becky Smith said contingency on a project of this magnitude where there are so many unknowns should not be in your mind as contingency. She said there are projects when you put in new line and you know exactly where it's going you know exactly how many of everything you need this is like a whole remodel project we have a big idea of what is in certain places before it is actually dug up. So contingency money should be project money. Commissioner Fiocco asked her how she feels about the 10%. Ms. Smith said engineers always wants lots of money but they really don't know – this is the old original pipe there are connections she is sure they will hit at night that they don't even know is there.

After discussion a motion was made by Commissioner Fiocco seconded by Commissioner Baldwin to approve Resolution (B) (A Resolution Accepting the Bid of and Awarding the Contract in the Amount Of \$1,458,125 To SKC, Inc. For The Construction of the Hillsboro Street Transmission Line Project) deleting the word "negotiate and" in the last paragraph and to add "to execute a Memorandum of Understanding with Chatham County for connection of the new Chatham County Jail to the wastewater collection and treatment system of the Town"; approve Resolution C (A Resolution Authorizing the Town Manager to execute an installment loan agreement for matching funds in the amount of \$249,000 related to the Hillsboro Street Transmission Line Replacement Project) and to approve Ordinance (B).

Commissioner Farrell stated he is a little concerned along with Mr. Terry about our fund balance that really concerns him. He is going to be the first one tell you that he is not going to be for a rate hike or a tax increase.

Mayor Voller stated he feels that citizens and the business community understands that we are making investments in our infrastructure people support that.

Commissioner Baldwin stated she did not want to dip too far into the fund balance; however, this is an important project.

Mayor Voller stated in past years the access and capital recovery fees were used to balance the budget and as a developer he was expecting the pipes to get fixed.

Commissioner Fiocco stated it is a very important health and safety issue.

Commissioner Foley stated Mr. Terry you said if we approve this project we would have to have a rate increase, but there must be some in between that we could raise the rates some if we reduce the budget some.

Mayor Voller stated Manager Terry is recommending raising the rates whether we do this project or not. Commissioner Foley said but if we reduce the budget we wouldn't have to raise them as much.

Manager Terry said for the last two years he has asked departments to present zero percent increase budget. The only increases were to fuel and personnel where we were in jeopardy of being taken to task by the State for the quality of water and that sort of thing. Manager Terry said short answer is sure you can always cut the budget. He said we can cut positions, services and all those type things.

Mayor Voller stated one thing the board has to wrap its mind around is that for years the Town Board worked very hard to build up a fund balance just to address this old infrastructure. They had a tax rate before the re-evaluation of 2006 of 0.43 today our tax rate is 0.302 almost thirteen cents under that. Now, you have to factor in there was a re-val so in a revenue neutral 2006 environment it is 0.373 so we are actually seven cents under where we ought to be.

Mayor Voller stated how did they manage to build that fund balance? He said they did it by being very frugal and not spending any money but they were actually taxing higher than we are today by at least seven cents.

Commissioner Farrell asked what this twelve inch line is going to do when it ties into the merchants old lines. Becky Smith stated the new twelve inch line starts at the tank just above the Chev Dealership comes all the way down on the east side to it get to the Market Place. Commissioner Farrell asked what is coming to the lines inside their businesses. Becky Smith said they will not notice the change – they will have better flow. Commissioner Fiocco said he had questions about this earlier and was assured by both Becky & Jay that it is not going to be an increase in pressure but an increase in flow.

Mayor Voller stated he thinks everyone understands the project; understands why we would do it or not do it.

Commissioner Baldwin stated everyone always understood the project but it was just a matter of funding and how it is going to affect the fund balance.

Vote Aye-4 (Fiocco/Baldwin/Turner/Foley)

Nay-1 (Farrell, not against project his concern is the Budget)

The Resolutions and Ordinances were approved as follows:

Resolution (B)

A RESOLUTION ACCEPTING THE BID OF AND AWARDING THE CONTRACT IN THE AMOUNT OF \$1,458,125 TO SKC, INC. FOR THE CONSTRUCTION OF THE HILLSBORO STREET TRANSMISSION LINE PROJECT

WHEREAS, the Town of Pittsboro has solicited formal bids by advertisement in the March 8, 2012 edition of the Chatham Record for the Hillsboro Street Transmission Line Project; and

WHEREAS, the bids were received and opened on April 5, 2012 as follows:

Bid Tabulation Table	
Contractor	Bid Amount
SKC, Inc.	\$1,458,125.00
Sanford Contractors	\$1,798,893.80
Sullivan Eastern	\$2,090,175.00

; and

WHEREAS, the lowest responsive bid exceeds the available funding for construction and contingency by \$652,425 as shown in the following table:

Account Description	Original Budget Amount	Required Budget Amount	Budget Shortfall
Construction	\$877,500	\$1,458,125	\$580,625
Grant Administration	\$75,000	\$75,000	\$0
Legal Services	\$0	\$1,000	\$1,000
Engineering/Design	\$141,365	\$141,365	\$0
Contingency	\$75,000	\$145,813	\$70,813
Total	\$1,168,865	\$1,821,303	\$652,438

; and

WHEREAS, supplemental funding sources have been identified sufficient to proceed with the work as identified in the following table:

Funding Source	Original Revenue	Proposed New Revenue	Total Revised Revenue
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	Budget	Sources	Budget
CDBG	\$750,000		\$750,000
REDLG Loan	\$240,000		\$240,000
Enterprise Fund Balance	\$178,865	\$122,433	\$301,298
Jail Access Fees		\$203,005	\$203,005
Chatham County Contribution		\$78,000	\$78,000
Short-term Installment Loan		\$249,000	\$249,000
Total	\$1,168,865	\$652,438	\$1,821,303

WHEREAS, the new revenue sources identified in the table above would be incorporated into the project budget by adoption of project budget ordinance (B) below.

NOW, THEREFORE, BE IT RESOLVED by the Board or Commissioners of the Town of Pittsboro that the Town accepts the bid of and awards the contract to the lowest responsive bidder, SKC, INC. for the Hillsboro Street Transmission Line Project; and

BE IT FURTHER RESOLVED by the Board of Commissioners that, the Town Manager is authorized to, upon adoption of project budget ordinance (B); execute a contract with SKC, Inc., based upon their bid submitted on April 5, 2012 and to execute a Memorandum of Understanding with Chatham County for connection of the new Chatham County Jail to the wastewater collection and treatment system of the Town.

Resolution (C)

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE AN INSTALLMENT LOAN AGREEMENT FOR MATCHING FUNDS IN THE AMOUNT OF \$249,000 RELATED TO THE HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT

WHEREAS, the Town of Pittsboro solicited and received competitive proposals from financial institutions for the financing of expenditures related to the Hillsboro Street Transmission Line Replacement Project; and

WHEREAS, BB&T offers the lowest total interest cost of 1.77% for the 59-month term for the amount of \$249,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Town of Pittsboro that the Board authorizes the Town Manager to enter into a contract with BB&T on behalf of the Town for the financing of project expenditures totaling \$249,000 at a fixed interest cost of 1.77% for a 59-month term with total principal, interest and fees cost of \$261,436.40.

BE IT FURTHER RESOLVED that the aforesaid contract by and between the Town of Pittsboro and BB&T together with the amounts to be paid there under, are hereby designated as qualified tax-exempt obligations of the Town of Pittsboro for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BE IT FURTHER RESOLVED that the Board of Commissioners does not reasonably expect that the Purchaser will issue more than \$10,000,000 in qualified tax-exempt obligations pursuant to such Sections 265(b)(3)(ii) during the current calendar year.

Ordinance (B)

TOWN OF PITTSBORO
ORDINANCE AMENDING CAPITAL PROJECT BUDGET
FOR THE HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT

Be It Ordained by the Board of Commissioners of the Town of Pittsboro in regular session assembled on the 29th day of May, 2012.

To Amend the Capital Project Budget Ordinance for the Hillsboro Street Transmission Line Replacement Project

Section 1. That the following **HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT REVENUE ITEMS** be amended to the amounts indicated:

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823850000	CDBG GRANT	750,000.00
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823850300	BANK LOAN PROCEEDS	249,000.00
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823001800	CONTINGENCY	145,813.00
TOTAL		\$1,821,303.00

Section 3. That the following **WATER AND SEWER FUND REVENUE ITEM** be amended to the amount indicated:

303990010	FUND BALANCE APPROPRIATED	\$0.00
TOTAL		\$0.00

Section 4. That the following **WATER AND SEWER FUND EXPENDITURE ITEM** be amended to the amount indicated:

303790081	TRANSFER TO HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT	\$0.00
TOTAL		\$0.00

Section 5. That the following **CAPITAL RESERVE ENTERPRISE REVENUE ITEM** be increased by the amount indicated:

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TOTAL		\$504,303.00

Section 6. That the following **CAPITAL RESERVE ENTERPRISE EXPENDITURE ITEM** be increased to the amount indicated:

713990082	TRANSFER TO HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT	\$504,303.00
TOTAL		\$504,303.00

A RESOLUTION ACCEPTING THE BID OF AND AWARDING THE CONTRACT IN THE AMOUNT OF \$1,458,125 TO SKC, INC. FOR THE CONSTRUCTION OF THE HILLSBORO STREET TRANSMISSION LINE PROJECT IS RECORDED IN THE BOOK OF RESOLUTIONS NUMBER ONE, PAGES 26-27

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE AN INSTALLMENT LOAN AGREEMENT FOR MATCHING FUNDS IN THE AMOUNT OF \$249,000 RELATED TO THE HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT IS RECORDED IN THE BOOK OF RESOLUTIONS NUMBER ONE, PAGE 28

AN ORDINANCE AMENDING THE CAPITAL PROJECT BUDGET FOR THE HILLSBORO STREET TRANSMISSION LINE REPLACEMENT PROJECT IS RECORDED IN THE BOOK OF RESOLUTIONS NUMBER ONE, PAGES 13-14

NEW BUSINESS

Whispering Meadows Conceptual Preliminary Plat Review

Planner Bass stated the developer has submitted a Preliminary Plat for review and consideration. This is a Conceptual Preliminary Plat. The proposed development is a 33 lot subdivision located on Highway 87 west of the intersection of Highway 87 and Highway 15/501. This is the last undeveloped tract of land in the immediate area. The Willow Springs Subdivision and the Southridge Subdivision are on either side of this tract.

The property is zoned R-15 and totals 14.23 acres. The Town Board reviewed and formally assigned sewer capacity for the first phase (12 lots) on February 13, 2012. In general the layout shown is acceptable. Hydrostructures, PA has reviewed the plan and provided comments. The Fire Marshal and Fire Chief have also reviewed the plan and find it acceptable.

Two issues for consideration at this point include for the Boards input; (1) the absence of curb and gutter, and (2) the allowance of a sidewalk on just one side of the street. Both issues relate to the design and associated stormwater runoff, as stipulated for in the Ordinance. The actual language is as follows:

- (1) *The proposed subdivision is a cluster design as provided for per Article 5.5.2 WSIV-CA Supplemental Standards of the Zoning Ordinance. Cluster designs provides for the development of a built-upon area of 36% area for projects without a curb and gutter street system.*

However, per the Subdivision Ordinance (Section 6.2.C.7), streets without curb and gutter must be approved by the Town Board of Commissioners.

(Section 6.2.C.(7)) Curb and gutter is required for all residential subdivisions except as specified in these regulations. Rural subdivisions designed such that all lots are equal or greater than one acre may be exempted from this requirement, unless streets in said subdivision are located on land consisting of soil types or excessive grades that present unusually difficult drainage problems as determined by the Planning Board and approved by the Town Commissioners. Planned unit developments may also be exempted from this requirement if alternative treatments are determined to be more appropriate by the Planning Board and approved by the Town Commissioners.

Streets in subdivisions located within a public water supply watershed may be allowed without curbs and gutters if specifically authorized by the Town Board of Commissioners. The Town Board shall review each request for streets with shoulders and drainage swales on a case-by-case-basis. After reviewing such a request along with technical data supplied by the sub divider supporting the use of shoulder and drainage swales, the Town Board may allow streets without curbs and gutters.

- (2) The provision of only one sidewalk must be approved by the Town Board, as per the Subdivision Ordinance, upon recommendation of the Planning Board.

(Section 6.2.B.(8)). Streets shall be bordered by sidewalks on both sides (except on alleys, service drives and principal arterials). The Commissioners may grant exceptions upon recommendation of the Planning Board if it is shown that local pedestrian traffic warrants their location on one side only, or it is demonstrated that adverse affects would occur from stormwater runoff.

Staff and Planning Board Recommendations: The Planning Board voted at its regularly scheduled meeting on May 5, 2012, to approve the subdivision request, subject to completion of the Detailed Preliminary Plat and a final technical engineering review approval by Hydrostructures, PA. Planner Bass stated again the issue tonight is to get the Boards approval for those two issues before the applicant expended further monies on finalizing this design.

Kenneth Hoyle said the Planning Board recommended no curbing and a sidewalk on one side.

Commissioner Fiocco stated most of these other neighborhoods are without curbs.

Attorney Patrick Bradshaw stated that grass swales are better for dealing with stormwater flow than collecting and directing it and curb and gutter.

Commissioner Fiocco said he sees that to the north there is an adjoining 20 ft. r-o-w and that this project indicates there will be a 20 ft. emergency access area; what would be the surface of it? Rick Murray said it would be gravel to meet specifications.

Mayor Voller asked what it was connecting to. Mr. Murray said to an existing r-o-w. Attorney Messick said it was a private easement. Mr. Murray said the private easement is a drainage easement and r-o-w is 20 ft. going up to Cornwallis Street.

Mayor Voller asked if there would be a problem if that easement was dedicated that it could also be used for pedestrian access. Mr. Murray said he did not see why not.

Assistant Planner Horne said yes there is a recommendation for a side path on the north side. Commissioner Fiocco asked what a side path was. Mr. Horne said that is a good question the ordinance doesn't seem to really define it very well but NCDOT does have standards for a side path which is typically 8-10 feet wide.

Mayor Voller asked what the Board needs to do tonight. Planner Bass said accept the Planning Board's recommendation.

Mayor Voller asked what flexibility we have afterwards when some of these other issues come out. Planner Bass said it will come back as a formal design as a final preliminary plat if that's the Board wish. There are a lot of reviews that still have to take place.

Motion made by Commissioner Fiocco seconded by Commissioner Baldwin to approve the request for no curb and gutter and sidewalk on one side of the street that it extend to the frontage of lot one to the NCDOT public r-o-w subject to the completion of the detailed preliminary plant and final technical engineering review by Hydrostructures, PA.

Mayor Voller said as long as NCDOT wouldn't deny them the permit.

Vote Aye-5 Nay-0

Adopt-A-Trial Grant

Assistant Planner Horne reported the Parks Department has applied for a grant for \$5,000 to supplement \$5,052 from the parks operating budget to install 2,860 feet of multi-use 3 foot wide bare mineral earth trail. This section of trail will complete a circuitous route around Town Lake Park.

He said this trail project has been envisioned as a far off goal of the Parks and Recreation Advisory Board since their inception in 2006, and has been discussed at a great number of their public meetings. The plan for this trail has been on the Town Lake Park Masterplan for three years and is included in the Comprehensive Parks Masterplan.

The completion of the recent Wetland Restoration Project at Town Lake allows for a complete loop around the park for the first time and transforms the proposed trail from merely a long

term goal to a short term possibility with the assistance of the supplemental grant funding being sought.

Assistant Planner Horne stated one of the requirements of the grant is a resolution of the governing body or commitment letter supporting completion of the project within the one year time frame. The following resolution stipulates that the Board of Commissioners is committed to the trail's construction contingent upon a successful award of the Adopt-A-Trail Grant funding.

Manager Terry said the only thing the Board is asked to do tonight is to authorize Mr. Horne to apply for the grant if we receive it the board would have to accept the grant so you would have time to change your mind.

Commissioner Fiocco asked if \$5,000 was going to cover it. Planner Horne said no it would take another \$5,000 which he is going to take from his operating budget. Commissioner Fiocco stated this year's budget. Mr. Horne said yes. Manager Terry asked if you could get this done by June 30, 2012. Planner Horne said it is for the 2012-2013 Budget Year. Mr. Horne thanked Mr. Terry for that clarification.

Resolution is as follows:

A RESOLUTION SUPPORTING THE 2012-2013 ADOPT-A-TRAIL GRANT APPLICATION AND SUPPORTING THE CONSTRUCTION OF THE PROPOSED TRAIL WITHIN A ONE YEAR TIME FRAME CONTINGENT UPON THE AWARD OF THE GRANT FUNDING

WHEREAS, the Board of Commissioners of the Town of Pittsboro are committed to increasing the number of public trails for the health, enjoyment and betterment of our community; and

WHEREAS, the Parks and Recreation Advisory Board has identified this trails project as a high priority in multiple public meetings; and

WHEREAS, the Town of Pittsboro is seeking a grant in the amount of \$5,000 to fund trail construction at Town Lake Park through NCDENR's Adopt-A-Trail Program.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the Town of Pittsboro that the Town of Pittsboro approves the grant application seeking \$5,000 to fund trail construction at Town Lake Park; and

BE IT FURTHER RESOLVED by the Board of Commissioners of the Town of Pittsboro that, if the grant application results in an awarded grant in the amount of \$5,000, that the Town would commit to constructing the trails within a one year time frame.

Motion made by Commissioner Turner seconded by Commissioner Foley to approve a Resolution Supporting the 2012-2013 Adopt-A-Trail Grant Application and supporting the

construction of the proposed trail within a one year time frame contingent upon the award of the grant funding.

Vote Aye-5 Nay-0

A RESOLUTION SUPPORTING THE 2012-2013 ADOPT-A-TRAIL GRANT APPLICATION AND SUPPORTING THE CONSTRUCTION OF THE PROPOSED TRAIL WITHIN A ONE YEAR TIME FRAME CONTINGENT UPON THE AWARD OF THE GRANT WRITING IS RECORDED IN THE BOOK OF RESOLUTIONS NUMBER ONE, PAGE 29

CAPITAL PROJECTS REPORT

1. Manager's Update on Capital Projects.

Manager Terry's capital projects updates are as follows:

Hillsboro Street Transmission Line

May 29, 2012: On May 21, 2012, the Chatham County Board of Commissioners approved a \$78,000 contribution to this project. Another \$145,432 was tentatively offered contingent upon the Town agreeing to either annex Northwood High School or agreeing to charge Northwood High School in-town sewer rates. Based in part on the decision of the County, the Town Manager is recommending that all bids for this project be rejected and that the Town pursue loan funds from the USDA and/or the State Revolving Loan fund to cover the shortfall in the project budget. Concurrently, we would seek a one-year extension on the \$750,000 CDBG grant for this project. A detailed agenda item will appear on the May 29, 2012 agenda.

Waste Water Treatment Plant Generator Replacement Project

Status: Town Manager letter of May 21, 2012 (FYI # 3) requests and extension on the Rural Center grant for the Credle Street III & IV Project for the purpose of completing this work.

BUDGET WORK SESSION (continued.)

1. Manager's Recommended Budget for Fiscal Year 2012-2013.

The Board agreed that at this hour they did not think they should start any budget discussion.

Motion made by Commissioner Fiocco seconded by Commissioner Farrell to recess the meeting until Tuesday June 5, 2012 at 6:00 p.m.

Vote Aye-5 Nay-0

Mayor Updates - none

- EDC
- RPO
- Solid Waste
- Fairground Association
- PMA/Downtown

Commissioner Concerns

Commissioner Fiocco stated the street light at Chatham Mills crosswalk is up and the kiosk looks great.

FYI -

1. Tentative Future Agendas May 29, 2012
2. 2011 Planning Department Annual Report
3. Letter to NC Rural Center dated 5/21/12

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, Town Clerk