

MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Bryan Gruesbeck, Town Manager

SUBJECT: Agreement with Chatham Park Investors to Provide Financial Support for Work Associated with Chatham Park Planning and Development

DATE: March 23, 2015

Background: The Chatham Park Planned Development District Master Plan, as approved on December 8, 2014, stipulates that Chatham Park Investors will help the Town of Pittsboro cover costs associated with its 7,000 acre development. Section X, Paragraph 6 reads as follows:

6. *Applicant acknowledges that it will help defray the estimated costs expected to be incurred by the Town in dealing with development in Chatham Park PDD, including, without limitation, preparation of a Unified Development Ordinance, additional Town staff and private consultants that may be needed to review the proposed Additional Elements, Small Area Plans, requests for subdivision or site plan approvals (together, "development approvals"), extension of public services to Chatham Park PDD, Development Agreement(s) and other agreements, and engineering and construction drawings as well as capital and operational costs incident to the development of Chatham Park PDD.*

The Board approved the previous Agreement on June 23, 2014 following the approval of the Master Plan reviewed and approved on June 9, 2014. It allowed the Town to receive an annual payment from Chatham Park Investors in the amount of \$300,000, less the amount of ad valorem taxes created or collected as a result of the "Development" ("Additional Costs"). The payment was to be made when the Master Plan was no longer subject to a judicial challenge. However, both approved Master Plans are in litigation – therefore, no payment.

In the meantime, the Town is incurring considerable costs and Staff time dealing with current and future projects associated with the Master Plan. The Unified Development Ordinance (UDO) is an involved process and continues to move forward. Development of the UNC medical buildings and its infrastructure has involved Town Staff and consultants. Water and Wastewater planning is taking considerably more of our time and efforts. Meanwhile projects not related to Chatham Park are increasingly occupying Staff time.

As a result of this current workload, Chatham Park Investors agreed to revise the Agreement to allow for the payments referenced above without regard to the current litigation. The first payment would be made on March 31, 2015 in the amount of \$75,000. Subsequent payments of \$75,000 would be made quarterly (June 30, September 30 and December 31). Beginning in 2016, the payment would be reduced by an amount reflective of ad valorem taxes collected by the Town from the Development in 2015.

All other facets of the Agreement remain the same as the previous version. The payments will continue until the Town collects more than \$300,000 in ad valorem taxes from the Development. The Agreement continues its protection of the Town against litigation.

Action Requested: Authorize execution of the Agreement.