

**MINUTES**  
**CHATHAM COUNTY BOARD OF COMMISSIONERS**  
**WORK SESSION**  
**APRIL 07, 2008**

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The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Agricultural Building Auditorium, 45 South Street, located in Pittsboro, North Carolina, at 9:45 AM on April 07, 2008.

Present: Chairman George Lucier; Vice Chair Mike Cross; Commissioners Patrick Barnes, Carl Thompson and Tom Vanderbeck; County Manager, Charlie Horne; County Attorney, Jep Rose; Assistant County Manager, Renee Paschal; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett

The Work Session was called to order by the Chairman at 9:45 AM.

*Work Session*

1. Chatham County Transportation Advisory Committee (CTAC) Discussion
2. Major Corridor Zoning Discussion: Business Parcels/Commercial Node Information
3. Recognition of Sedimentation and Erosion Control Program
4. BRAC and Prospects for Chatham County: Pierre Lauffer
5. Follow-up: Cost Analysis for Deer Run Subdivision
6. Closed Session: Litigation

Chairman Lucier stated that Item 6, Environmental Review Board Comments on Burlington Sludge, would be postponed to a later time since the public hearing on the issue had not yet been established. He stated that Item 3, Recognition of Sedimentation and Erosion Control Program, would be moved to Item 1.

**RECOGNITION OF SEDIMENTATION AND EROSION CONTROL PROGRAM**

The County Manager stated in February at the Annual Conference, Chatham County’s program was recognized as one of the best for their size in the State.

Andy Siegner, Environmental Health Director, stated that every year the Division of Land Quality presented awards for small programs in the State, and this year Chatham County had been the recipient. He stated the award cited Jim Willis for his leadership, as well as Rachel Thorn and Beverly Kay. Mr. Siegner stated that the award indicated that they were receiving good support from the County and were doing a good job.

Chairman Lucier stated that all five Commissioners agreed with those comments, noting beginning a program such as this one amidst all the other issues happening was not an easy task, and the staff had performed very well. He stated they were all very proud of them, and to keep up the good work.

**CHATHAM COUNTY TRANSPORTATION ADVISORY COMMITTEE**

Chairman Lucier stated this had been brought up at the last meeting, noting there were increasing pressures on the County as far as the possibility of having to participate in road paving and maintenance, which caused additional problems in terms of transportation issues; that Commissioner Vanderbeck was their representative on the Rural Planning Organization, and he was the representative on the Metropolitan Planning Organization; that it was felt that they needed to have some way of focusing and responding to transportation issues to make sure that Chatham County was not left out; and, that Highway #64 becoming a superhighway was an issue, as well as bike and pedestrian issues that needed to be considered.

Chairman Lucier stated the question was should the County form a Transportation Advisory Committee; should they have an employee who dedicated the larger portion of their time to transportation issues; or, a combination of both.

The County Manager stated he believed it would be beneficial given the issues the County already had and its proximity to Raleigh, Durham, and Chapel Hill as well as the Piedmont Triad; and, that he wanted to identify how to prioritize transportation needs now and in the future on the municipal level but also coordinating the future activities of transportation bypasses, accounting for growth, and transportation and density development to manage growth. He stated that forming a Transportation Advisory Committee to address those issues was a good option.

Chairman Lucier asked did the Manager believe a combination of both of those things was needed. The County Manager stated having meetings periodically, perhaps quarterly, to prioritize before the TIP was issued would be advantageous; and, if the Legislature were to place responsibility with the County for secondary roads there would be even more pressure to do something for those secondary roads.

Keith Megginson, Planning Director, stated that he had an outline regarding a similar board set up in Orange County which was started in 2005 and formally established in 2006. He provided the Board with the Rules of Procedures and other information.

Commissioner Barnes stated that the NC Association of County Commissioners believed there was a disaster coming; and, for Chatham County to take over maintenance of secondary roads would require an increase in property taxes by 11 cents.

Commissioner Cross agreed that would be a disaster.

Commissioner Vanderbeck stated that forming a committee would be a good idea, and not necessarily in conflict with being in opposition to the legislation. He asked if staff had any staff time that could be used to provide a group coordinator to help facilitate the work; and, that Karen Lincoln was performing that work in Orange County and asked how much of her time that participation entailed, so that they might have an idea of the budgetary impact of such a committee. Commissioner Vanderbeck stated it would be a good investment, regardless. Mr. Megginson replied that Ms. Lincoln was the Transportation Planner for Orange County and that was all she did; and, that they would likely need similar full-time staffing.

Commissioner Vanderbeck stated that as the County Manager had said, development and growth issues would be tied into this as well so it would seem as a natural fit if there was some Planning time available to at least get the committee started; and, he suggested that Mr. Megginson talk with Ms. Lincoln to discover what kind of time it might entail. Mr. Megginson stated he would contact her and get as much information as possible; and, that there were existing advisory boards, such as the EDC, who could serve on such a committee as well as new appointees, such as one citizen from every township. He added that it took Orange County a year to set their committee up, and he would get back to the Board with more information.

Commissioner Vanderbeck stated if they had the option of putting down more asphalt as opposed to public transit, and if they were given more responsibility for paying for secondary roads and maintenance, it would definitely affect their planning.

Chairman Lucier stated it seemed as if the Board wanted staff to develop a proposal for consideration and to work with other local governments to come up with something that was right for Chatham County in terms of forming a Transportation Advisory Committee; and, that should be done as quickly as possible as the need was here now. He stated Mr. Megginson had also provided the Board with the DOT Potential Strategic Plan for Highway #64 with a limited access road; and, DOT was holding meetings in Apex and at Northwood High School in May. Mr. Megginson said DOT was considering how to move traffic from the interstate system to various US highways that they called strategic corridors to try to improve the capacity of the interstates; that US #64 that ran from Charlotte to Raleigh was looked at in Phase 1 over a year ago, and Phase 2 would look specifically at Pittsboro over to Raleigh; that various options were being considered, such as superstreets and access roads; that all stop lights and interchanges would be studied; that the community hearings would be held at Northwood either on May 20<sup>th</sup>

or May 27; and, that the County had been asked if there were any conflicts with either of those dates.

Commissioner Vanderbeck stated that May 27<sup>th</sup> would not work for him.

Commissioner Thompson stated that May 27<sup>th</sup> would not work for him, either, but May 20<sup>th</sup> was okay.

Chairman Lucier asked Mr. Megginson to encourage DOT to hold the meeting on May 20<sup>th</sup>. Mr. Megginson agreed to do so.

Chairman Lucier stated that he assumed the meeting would start at 6 or 7 PM. Mr. Megginson stated that prior to the meeting, the public would have an opportunity to study the maps and the affected intersections. Chairman Lucier stated the concept of getting through Chatham County as quickly as possible was not one he was in favor of now.

Commissioner Vanderbeck asked if any of the information would be made available to the public prior to the community meeting, so that people could at least review it. Mr. Megginson stated he would ask their DOT representative about that.

Chairman Lucier stated with all their financial problems, it would seem that DOT would be hard pressed to even do this. Mr. Megginson stated it would not be an easy task, particularly since aligning access points would not be cheap.

Chairman Lucier stated it would not be a cheap fix and it would not help their economic development efforts in that area. The County Manager stated that he recalled this project would require service roads, which could have implications to the entire corridor plan. Chairman Lucier agreed that it would have a tremendous impact. He encouraged as many Board members as possible to attend that meeting and express their individual points of view.

Commissioner Barnes stated that at one particular intersection, that putting in an access road where there were water lines and a pumping station would be "a nightmare."

Chairman Lucier stated that he had information on the STPDA funding from the MPO, and there was an opportunity through the MPO for Chatham County to receive a portion of the \$4 million available for pedestrian and bike trails. He stated he would like staff to send a request in for reserved funds for pedestrian and bike trails; that the current plan was to distribute \$500,000 to participating governments, but Chatham County had not submitted a request at that time; and, that there may still be funds available in the reserve funds. Chairman Lucier said those funds could be used to complete the American Tobacco Trail or other projects. Mr. Megginson agreed to do so, noting that it was important to keep in mind that there was a local match required.

Commissioner Cross stated that DOT had already agreed to pay for Chatham County's portion of the American Tobacco Trail.

Chairman Lucier stated he had understood that the MPO would try to get other funds for that, although none had been tied down as yet. Mr. Megginson stated they would look into that and bring information back to the Board.

Commissioner Vanderbeck stated at the unveiling of the Strategic Economic Development Plan for the County, the completion of that trail was mentioned as a good thing to do to help attract businesses and residents to the County.

Sally Kost stated that she had understood that all the funding for the American Tobacco Trail was already in place, and asked was the Board saying that it was not. The County Manager stated it was his recollection that most of the funding was in place, but he would check on that. Ms. Kost said she believed that Cary would be handling most of the development, and that it was supposed to be happening in the next six months.

Chairman Lucier stated the County Manager would provide them with an update, but he was not entirely sure that 100% of the Chatham County portion had been funded. Ms. Kost

stated the major expense involved was the dual trails that most people had opposed, and the other part was the two stream crossings.

Commissioner Vanderbeck stated he recalled that Cary would take over management, and there was some issue about maintenance fees being the County's responsibility. He stated that eventually they would have to pay for maintenance of their portion of the Trail. The County Manager stated he would provide the Board with an update.

### **BRAC AND PROSPECTS FOR CHATHAM COUNTY: PIERRE LAUFFER**

Commissioner Thompson stated that BRAC was an acronym for Base Realignment and Closure; that several years ago the Department of Defense had allocated several million dollars for a planning process that would take place around the Fort Bragg area, which involved the migration of 25,000 to 30,000 people from bases that had been closed in other parts of the country; that what had been created was a task force that included the 11 counties that were contiguous to the Fort Bragg area; that Chatham County was not included as one of those 11 counties; that the 11 counties were or would be receiving benefits from the base closures and the migration of those people to the area; that he believed that Chatham County should not have been left out of that equation; that he had talked with Pierre Lauffer several months ago and was pleased that Mr. Lauffer had indicated that there may be an opportunity for Chatham County to be included in the planning area; and, he had asked Mr. Lauffer to appear before the Board to provide information about BRAC and benefits that the County might receive.

Pierre Lauffer provided Chairman Lucier with a printed copy of a PowerPoint presentation, but the presentation was not displayed. He stated that there were two major BRACs taking place in eastern North Carolina; that the affected areas would be receiving forces command from Fort McPherson in Atlanta and Monmouth in New Jersey; that the number of people expected to come in was upwards of 60,000 rather than the 30,000 previously mentioned; that that offered the possibility of major land sale development which could surpass regional capacity; and, that the area around Jacksonville could not support that influx of people so they were also forming a regional task force to deal with related issues.

Mr. Lauffer stated that under the BRAC of 2005, there were 25 growth communities across the country that had formed regional community task forces to figure out how to handle the BRAC changes; that they had two of those community task forces, one of which was the Fort Bragg Regional Task Force made up of 11 counties which were considered the Tier One counties; that Chatham County was considered one of the Tier Two counties; that in reality they were all members of what was called the All American Defense Corridor; that the Corridor had received a series of funds from different State sources; that all agreed that the growth needed to be handled in a way that regional capacity was sustained, not only for the communities but for the bases as well; and, that the task forces were a way for the communities and the military to work together in partnership.

Mr. Lauffer explained that regional capacity was an idea that a region would experience a huge growth above what was normally expected and experienced; that the growth projections were that Hoke and Harnett Counties would experience the largest growth because of the availability of water and land and access to Highway #401; that this area had US Highway #15-501 and Sanford; that three of the four campuses of Central Carolina Community College were already interacting with Fort Bragg; that the Pittsboro campus could be involved because as Fort Bragg did construction one of the things they had to comply with was three Executive Orders; that one of those was to lower their carbon footprints by 10%; another was to employ Green Building technology; and another was to acquire as much as possible local foods for supplying the base; and, that one of the ways they wanted to achieve that would be to try and get the Pittsboro campus involved with vocational training for the workforce in the area of sustainable energy, carbon footprints, Green Building techniques, and sustainable agricultural practices.

Mr. Lauffer stated that just the idea of trying to spread out the effects of the growth so that regional capacity was maintained was important; that water and wastewater, electricity, and all other infrastructural concerns including education and the workforce would need to be worked out; that hazardous waste would be an issue and there was not capacity at present for that; that there was also no capacity for solid waste; that Fort Bragg could not sustain its mission if land was sold off in Hoke County because it would be encroached upon; that Fort Bragg had a number of training exercise fields on its southern perimeter and Hoke County had the ability to

develop outside its perimeter, which would negate its use by Fort Bragg; that if the areas of open space could not be used for those training exercises then they could not sustain its mission; that the same was true with air space, which meant that they would have to coordinate with the Fayetteville Airport since there was estimated to be upwards to 21,000 additional flights per year coming into the Fayetteville Airport, which would result in a necessary expansion of services; and, doing that may or may not encroach on the airspace currently used by Fort Bragg.

Mr. Lauffer stated he was before the Board today to let them know these changes were coming and to let them know that they would be coordinating with Chatham County to find ways for the County to have more involvement with the regional task force.

Commissioner Thompson asked what steps the Board would need to take to move this forward as far as inclusion into that 11 county region. Mr. Lauffer suggested they contact Paul Dordal, adding that he would do a lot of the "leg work" for the County in that he would discover how the County would be involved; that it was his goal to have Chatham County involved given the many capacity issues it faced; and, that this was a good way of getting a capacity assessment done to provide some baseline information for planning purposes.

Chairman Lucier stated he believed they all agreed with that; that the County had three highways that would be substantially impacted; those highways were Highway #15-501, part of Route One that ran through the southeast portion of Chatham County that connected Sanford to Raleigh and down toward Fort Bragg, which Mr. Lauffer said concerned him more than the Highway #15-501 corridor, and Highway #421 which connected Greensboro down to Sanford. Chairman Lucier stated he believed some of the impact would be very positive for the County, and stated that Dianne Reid and had been looking at a lot of these same issues.

Dianne Reid, Economic Development Director, stated that she had nothing to add at this point, but would very much like to talk further with Mr. Lauffer. Mr. Lauffer stated his main point today was to introduce the concept, and would keep the Board informed.

Chairman Lucier asked that Mr. Lauffer include Ms. Reid in the discussion since they looked to her to keep the Board informed and coordinate their economic development activities.

The County Manager stated Mr. Lauffer had mentioned an infrastructure assessment, and asked for further information. He stated that was a critical part of what the development process would or would not be in any given area, and he was curious that if they did an assessment how that could be worked into a conversation with the municipalities about growth and what kinds of influences might be expected, as well as a timeframe. Mr. Lauffer stated that they would work to become more in line with such things as the Sustainable Sandhills, for instance, and work with a Commanders Council, which was the military representatives group. He stated that they were planning on Camp Lejeune actually coordinating tightly with the Fort Bragg group, and there would then actually be 44 counties involved in a huge NC Defense Corridor; that there would be huge infrastructural concerns for all; that part of that would be what was called a Comprehensive Regional Growth Plan that would cover different elements of infrastructure components, such as education and integrated technology; and, coordinating with the Carolina Farm Stewardship Association on setting up some type of motivation or initiative for farmers to keep their land.

The County Manager stated that water would be a huge issue. Mr. Lauffer stated they were actually working on a regional water summit that was geared towards water quality and wanted to expand it to a Cape Fear-wide summit that was geared towards water usage management and maintaining capacity. The County Manager stated that obviously their interest, as they planned for potential use and where trunk lines would go and other issues, was how to coordinate the needs of the municipalities and the County with potential development. Mr. Lauffer stated that was their interest as well.

Ms. Kost asked if the 60,000 people Mr. Lauffer had mentioned included all personnel needed to support the base. Mr. Lauffer stated yes, and it included dependents as well; and, that the actual military personnel was not the greatest part of that 60,000, rather it was dependents, contractors, and the like.

Ms. Kost said she was thinking one step further, which as the businesses that would be needed to support that number of people and provide services. Ms. Lauffer said that was not included, so the number could potentially be much larger.

Gerald Totten stated that when this was initially announced, there was supposed to be a branch set up to coordinate these kinds of issues. He stated he had contacted them and they had already contracted for supplies and services. Mr. Lauffer agreed that was all part of this. Mr. Totten said the opportunity was there if the infrastructure was present for industry to expand into Chatham County. Mr. Lauffer agreed, noting his main goal was to maintain regional capacity and open space, consistent commercial corridor development, to keep businesses where businesses should be so that the open space was maintained, and maintain tax bases.

Mr. Totten stated one highway not mentioned was NC #87, which had been four-laned from Fort Bragg to Sanford. Mr. Lauffer stated that another concern was railroad access to bring in heavy machinery, and right now that capacity did not exist.

Chairman Lucier stated the railroad ran through Siler City and was a relatively unused capacity, and asked was there any opportunities there. Mr. Lauffer stated that railroad was unused capacity, but as of now the emphasis was on a route from Fort Bragg to Wilmington.

Commissioner Barnes stated that Chatham County had actually been impacted by this for a year; that the railroad in Siler City would be used because as a result of this there was a firm in Siler City that was involved in making heavy armored vehicles that were going to Fort Bragg; that that firm would likely leave Chatham County for Lee County to become more engaged in that kind of work; that there were other machine shops in the County that were involved in making parts for these armored vehicles, which had caused an increase in production and jobs; and, that he believed the railroad would be used to ship these vehicles and parts, so Siler City could become a hub for this kind of activity. Mr. Lauffer stated such things as that would happen in odd places, even those not in the All American Defense Corridor.

Commissioner Thompson moved, seconded by Commissioner Vanderbeck, to contact Mr. Paul Dordal and express the Board's desire to be included as a County in this process and to invite him to come and speak further on how the County can be involved. The motion carried five (5) to zero (0).

Commissioner Thompson said he believed Mr. Dordal should be contacted officially and encouraged Mr. Lauffer to stay involved in the process as well. Mr. Lauffer offered to help them set up the meeting.

Chairman Lucier stated they would appreciate his help.

## **MAJOR CORRIDOR ZONING DISCUSSION**

### **Business Parcels/Commercial Nodes:**

Chairman Lucier stated as they went through their major corridor evaluations, there were a lot of business activities along those corridors and they wanted to identify any particular issues that needed to be resolved either through a public hearing or a policy change. He stated they had asked Mr. Megginson to identify some issues the Board needed to begin thinking about now as part of that process.

Keith Megginson, Planning Director, stated they had started the process by contacting existing businesses that were previously in unzoned areas that were now zoned RA-40 to determine any interest in having their property zoned Business, Industry or leaving them as a non-conforming use; that there were 79 properties who were sent letters; that 47 of those responded; and, that 3 of those did not want their property to be rezoned and 44 stated they did want their property rezoned. Mr. Megginson said some of those had some peculiarities associated with them, such as existing houses on the property or other unique features, such as a 40-acre plot of which the business took up only 2 acres.

Mr. Megginson stated they needed guidance prior to scheduling a public hearing as to what was being rezoned so that information could be forwarded to the property owners in order to receive their input. He indicated there may be some tax implications associated with the rezoning, and appraisers were just beginning their work so that needed to be coordinated.

Mr. Megginson said one area zoned for quite some time was Highway #15-501, and one of the implications they had realized from the draft proposal was that it established a maximum

square footage for a business node; that the Highway #15-501 corridor would be limited to a maximum square footage which had already been reached; and, that the other two nodes to the south would be limited as well, and would be reached with what had already been built or already approved. He described various properties that would be impacted, such as a piece of business property near the recycling center that was not yet developed, but the square footage for the corridor had already been reached, and a piece of residential property near the UNC park and ride lot that might be used for business but the square footage was already at maximum, as well as others.

Mr. Megginson stated there was another area near Hadley Township, where the corridor went up Highway #87; that there was an area not in the corridor that was already zoned; and, that the properties were already in use as businesses or industry that were outside the corridor so they would not have the scenic designation or the business node. He stated that Ferrell Gas on Old Graham Road was currently using a portion of a 10-acre site for its business, and the question was would the County want to keep it as nonconforming, would they want to rezone a portion of it, or would the entire 10 acres be rezoned. Mr. Megginson provided several other areas with similar issues.

Mr. Megginson stated that in such instances, the Tax Office took a building site which was about an acre and assigned a tax value to that principle building site, and then a residual value was placed on the remainder. He stated how a property was zoned would impact any houses that were present on a site, and pointed out several examples on a map.

Mr. Megginson stated there were areas along #15-501 that were outside the corridor altogether, but areas that were in the corridor but outside the nodes where the scenic overlay would apply; that there were areas on US #64 that had large lots but only small portions being used as businesses or zoned for businesses; and, there were other properties that if you applied the scenic overlay then there could be no expansion at all. He described several other areas that had been identified that were similar.

Mr. Megginson stated that the question was whether to hold a special work session, and send letters out again to these businesses to get input and to answer questions regarding tax values and other questions.

Chairman Lucier asked that since only 47 of the existing 70 businesses had responded to the letter, had any follow-up letters been sent to those who had not responded. Mr. Megginson replied no. Chairman Lucier stated he believed it would be a good idea to do that, and let them know that the County would like to hear from them so that as many of these issues as possible could be resolved in a way that benefited the most people; that the next issue would be how to proceed from there; that in the past for tax purposes one acre had been considered as being used for a business; how should that one acre be zoned and should the remainder be left as RA-40 or rezoned business, commercial or light industrial; and, it would be important to be get feedback from the remainder of the non-responding businesses before those issues were addressed.

Chairman Lucier stated it would be helpful to have maps provided to the Board that noted the location of each of those businesses as they worked through the issues.

Commissioner Barnes stated he believed they should proceed with a public meeting.

Chairman Lucier agreed, noting that was why he had asked Mr. Megginson to attend today so that they could begin to identify some of those issues.

Commissioner Thompson stated in addition to the maps, he would like to have a case-by-case scenario of each issue so that as they looked at a site they would know what the issue was.

Chairman Lucier stated the idea would be to have this meeting prior to the public hearing so that there would be some idea as to what zoning was being considered. Mr. Megginson stated that was correct, so that when the advertisements were placed for the public hearing they would advertise what zoning was being considered in each location.

Chairman Lucier asked would this cause any surveying issues, if someone was using one acre out of a 40-acre track for a business; or, would they use current surveys to say the business

was in a particular location. Mr. Megginson stated that could be done using maps. Chairman Lucier stated then no formal field surveys would be required.

Commissioner Vanderbeck stated he would be interested in knowing how this interfaced with the Land Use Plan, and how they were going to set policy on zoning and work with land owners if there was something in the Plan that may guide them in one way or the other in particular situations. Mr. Megginson stated part of the public hearing document would be to adopt some language for the Land Use Plan to address overlays in the nodes as well as a map showing where those nodes were, and then following that would be the actual amendment to the Development Ordinance.

Chairman Lucier stated when they held the public hearing, he presumed they could address all 70 businesses at the same time, or did they need to be done individually. Mr. Rose stated he believed they could advertise the public hearing and hear them as a group, but each person would have an opportunity to speak on his or her property.

Chairman Lucier stated they would want the public hearing to run as efficiently as possible, and if there was no issue with a piece of property there would be no need for anyone to speak. Mr. Rose agreed, noting that the informational meeting that would be held prior to the public hearing would sift a lot of that out, although there would be a few who would feel they had not been accommodated and would want to speak at the public hearing.

Mr. Megginson stated that the sign-up sheets should ask for the particular property to be discussed. Mr. Rose stated that the Board of Commissioners could rezone all of the property with one action, or zone properties individually.

Chairman Lucier asked Ms. Kost how she saw that working with the Planning Board deliberations. Sally Kost, Planning Board Chair, stated they were still wrestling with some of the landscape standards and the details of the actual corridor plan; at the last meeting they had scheduled a special meeting on May 8<sup>th</sup> to deal with that; and, it was her personal opinion that until they looked at this on a case-by-case basis they did not have enough details to develop a solution.

Chairman Lucier stated the Planning Board should be a part of the meeting and public hearing. Ms. Kost stated she agreed wholeheartedly, but did not believe at this point they had enough input or information to go forward.

Chairman Lucier asked when the Board believed this should be scheduled in order to do it most efficiently with so many landowners involved.

Commissioner Vanderbeck stated he believed that Mr. Megginson would need a minimum amount of time to get the information, then the Board would need time to digest it prior to going into a meeting. Mr. Megginson stated they had a lot of good information available now, and if there was other information the Board wanted to let him know.

The County Manager stated that there had been some interest before of looking at May 19<sup>th</sup> as a public hearing night, and the Board may want to give themselves some time to accommodate these businesses by delaying that public hearing.

Chairman Lucier agreed they would have to do that and it was unavoidable since so many other issues needed to be worked out first. He stated he believed the public hearing would have to be scheduled for June rather than May.

By consensus, the Board agreed.

Commissioner Cross stated one issue they had previously discussed and was waiting on the ordinance change was the fire department building; that is, changing it to allow a residential within commercial. He asked would it be helpful to consider that within the context of this process.

Chairman Lucier stated that would be a part of the subdivision amendments that would allow a business and residential to co-exist; and, he believed they would want to do that as they encouraged mix-use development.



Commissioner Thompson stated that on March 24<sup>th</sup> there had been a hearing at Chatham Central High School. He commended Loyse Hurley and Debra Henzey for sponsoring the hearing and the staff for doing such a good job. He stated that he had a concern that a good portion of the people that had attended had not understood what they were trying to say and did not want to listen to what they were trying to say; that the general feeling was that the County had already made up its mind about what they wanted to do and the hearing was a sham; and, that there were people who made comments that the County did not understand their culture and did not want to understand it. Commissioner Thompson said he felt that they needed to find a better way to actually get the word out in the most simple terms possible to as many people as possible in that area to let them know what the County was trying to do. He stated he was not satisfied that there were enough people who truly understood what the County was trying to do, and there had been a lot of misunderstandings that they needed to try to combat.

Commissioner Thompson stated while they were going through that process, he wanted to personally have meeting agendas in advance; that they had not heard from Goldston or from other community groups in advance; that more people needed to understand what they were trying to do; and, that it was important if they were going to move forward as a County that they try harder to make sure people knew the Board had their best interests at heart and there were no hidden agendas. Commissioner Thompson stated it was important for people to know that the Board was sincere in its efforts and was willing to listen to what they had to say; and, he would like to place the onus on the Board to have more meetings in that area to make sure everyone understood what the County was trying to do.

Chairman Lucier asked was Commissioner Thompson thinking more about the 421 corridor.

Commissioner Thompson stated that the 421 corridor was the prime area of interest and contention, and reiterated that he believed more than just one or two meetings should be held in that area.

Chairman Lucier stated he was absolutely right, but the important thing was to get people to participate. He stated he would be glad to join Commissioner Thompson in any meetings that were scheduled.

Commissioner Thompson stated he would do his best to make contact with local leaders and impress upon them what the County's intentions were and that dialog was needed; and, that this was not an "us against them" but an attempt to come together on the issues.

Chairman Lucier stated this was an effort to stimulate economic development, and he believed there was a perception that what was proposed was what would be adopted, and that was not the case. He stated he believed the Planning Board was already working on revisions to the original proposal and believed the Commissioners would suggest some as well; and, if what they had done had not gotten the job done then they needed to try another way.

Commissioner Thompson suggested they change their menu; that is, perhaps touch bases with some of the area churches or other groups.

Commissioner Vanderbeck stated they also needed to make use of the County's public information officer to work out some of the kinks in the process.

Commissioner Thompson suggested another mailing would be in order as well, which simply invited people to the meeting and outlined what the County was trying to do.

Chairman Lucier asked what had been sent so far. Mr. Megginson stated the letters were sent to property owners in the RA-40 corridor.

Commissioner Vanderbeck stated that included the area between NC #87 and Old #87 as well. Mr. Megginson stated that was correct. He added that prior to the public hearing about 5,000 letters would be sent out.

Commissioner Thompson stated there had to be a way to contact those people in the Highway #421 area.

Chairman Lucier stated they may want to do the same with the people in the NC #87 area. Commissioner Thompson agreed.

Jeffrey Starkweather suggested that there was a tendency to believe that government-sponsored or facilitated meetings may be antagonistic, and they may want to consider having a mediator who would act as a neutral party that would begin the discussion by looking at the common interests.

Chairman Lucier stated in summary, they were going to try to get together a meeting with existing businesses, of which there were 70, and send them an additional follow-up letter asking for their input. He asked when such a meeting could be scheduled. Mr. Megginson stated he believed not before the next meeting on April 23<sup>rd</sup>.

The County Manager suggested that because of time constraints and other issues currently demanding time, that the Commissioners consider a date around the first week in May or later.

Chairman Lucier asked when their first May meeting was scheduled. The County Manager responded on May 5<sup>th</sup>. Chairman Lucier suggested May 12<sup>th</sup>. The County Manager agreed that date was reasonable.

By consensus, the Board agreed.

Ms. Kost asked would that be a joint meeting with the Planning Board. Chairman Lucier responded yes. The County Manager asked would that then be an evening meeting. Chairman Lucier responded yes, so they would need to identify a venue.

Commissioner Thompson stated he would touch base regarding setting some meetings up with groups in that area.

Chairman Lucier stated he believed both types of meetings would help establish a dialogue to address some concerns. The County Manager stated that given the potential number of participants, he asked would 6:30 be an appropriate time to begin the meeting.

Ms. Kost stated that would be appropriate for the Planning Board.

### **BREAK**

The Chairman called for a five-minute break.

### **COST ANALYSIS FOR DEER RUN SUBDIVISION**

Chairman Lucier called the meeting back to order.

David Hughes, Chatham County Public Works Director, stated the Board had asked that a cost analysis be prepared for water extensions to the Deer Run Subdivision, and had produced a spreadsheet which had been given to the Board that provided the following information: that the cost was focused on the water plant costs and not the costs for distribution; that the cost estimate was estimated at \$160,000; that the method of financing was determined to be debt financing; that the estimated water usage per household was 5,000 gallons per month; that the cost per 1,000 gallons was estimated to be \$46.00; that for 14 units the amount would be \$546; that a factor for growth and revenue was added at 3% per year; that the impact fee per account would be \$4,500; that the annual impact fee increase would be 3% per year; that the estimated treatment costs per thousand gallons was \$2.37; that the annual treatment costs per account was \$142; and, percent growth in cost to serve per household was 3%.

Mr. Hughes stated the spreadsheet went out over a twenty-year period, and most of the activity in this case was in year one, including the impact fees. He stated there were smaller charges that went out through the twenty years; that the total revenue was estimated to be \$70,644; that the total County capital expenditures including treatment costs to supply project customers was estimated to be \$161,991; and, the total net financial impact of the project in year one would be a negative \$91,346. Mr. Hughes explained that you could use whatever percentage

or assumptions were most suitable to make the calculations, and went through the calculations again using different assumptions to show how the figures would change.

Commissioner Cross asked if Mr. Hughes considered 5% a good deal. Mr. Hughes responded it was about 3% now, which was a better deal.

Chairman Lucier stated that would reduce the payback time, but that he believed the figures Mr. Hughes had used would probably be more reasonable over the course of time.

Ms. Kost asked where the maintenance costs were shown. Mr. Hughes stated the maintenance costs for the plant were included in the figure shown, but the figure did not include maintenance of the distribution lines.

Mr. Hughes stated that the main issue was really a policy issue, with the big question being how you wanted to integrate that into the policy. He noted the following policy issues:

- Should analysis be adjusted for variable demand depending on size residences, anticipated irrigation demand, etc.?
- Include cost of distribution? Makes analysis more complicated. Trying to keep analysis as straightforward as possible.
- Adjust inflation rate and discount rate over time? Both factors are highly variable and make significant impacts on the analysis.
- Is balance in reserve fund a factor?
- Adjust analysis period? Currently using 20 years.

Commissioner Vanderbeck stated regarding the first point, if they were in a drought period, that would start working against their numbers in terms of payback. Mr. Hughes agreed.

Chairman Lucier stated he would tend to use whatever the County average was per residence to make it more simple, and if that changed over time because of conservation measures then they could change the numbers. Mr. Hughes agreed an average was the best way to go.

Commissioner Vanderbeck stated as far as the cost of distribution, wasn't everyone paying County-wide a part of that cost. Mr. Hughes replied yes. Commissioner Vanderbeck said perhaps that should be excluded. Chairman Lucier agreed.

Chairman Lucier stated regarding the third bullet, he would tend not to change those unless there was some underlying change that seemed persistent; and, that they should be looked at every few years to see if there was some need to adjust the numbers.

Mr. Hughes stated that the balance in reserve fund would need to be considered as they addressed extensions. The County Manager stated that he believed somewhere along the line that needed to be a consideration because the Commissioners may get requests that were totally legitimate but beyond their capacity subject to what was in reserve.

Chairman Lucier agreed, especially if it was a large project and they were getting close to that 20% fund balance.

Commissioner Vanderbeck stated some of that would depend on whether it was within a taxing district or not; and, that you had the option to raise the revenue in the district as opposed to your reserve funds.

Chairman Lucier stated in regards to the last bullet, he agreed that the twenty-year analysis period was appropriate.

Mr. Hughes then provided the criteria for an acceptable project:

- What is the maximum payback period allowed?
- Does Net Present value have to be positive or Benefit to Cost Ratio have to be at least 1.0 (break-even point)?
- Are there any non-financial factors that need to be taken into account?

Commissioner Vanderbeck stated he would like to hear Ms. McConnell's opinion on the first bullet. Vicki McConnell, Finance Officer, stated that ten years would likely be the maximum payback period allowed, but as a finance officer five would be much better.

The County Manager stated that the last bullet played into that answer as well, because there were non-financial factors to be considered that were not strictly dollars and cents.

Chairman Lucier agreed there may be social factors such as public health issues that would need to be considered.

Chairman Lucier asked what the Commissioners' opinions were regarding the maximum payback period allowed. Mr. Hughes stated if you wanted to shorten the payback period the fastest way to do that would be to have the property owners or the developers to fund a larger portion up front.

Chairman Lucier stated that could be done through connection fees. Mr. Hughes agreed, noting that instead of \$4,500 it could be increased to \$8,000, for example, to shorten the payback period.

Chairman Lucier asked about the payback period. Mr. Hughes stated he believed that ten years was reasonable.

Commissioner Vanderbeck stated Ms. McConnell had said that ten years would be the maximum, and he would defer to her opinion.

Commissioner Thompson agreed that ten years was reasonable, and he would not want to go beyond that.

Commissioner Thompson stated it would be helpful to have parameters in place; otherwise, they could get into a situation where they could be accused of favoritism.

Chairman Lucier stated then the non-financial factors could be noted with examples that began with "such as..." to give some guidance as to what factors would be appropriate although the list would not be exclusive.

Commissioner Vanderbeck stated you would have to add to that what the worst case scenarios might be, such as a drought period or a system failure, and what the maximum might be in their parameters.

Chairman Lucier stated what Mr. Hughes had said was that ten years would be the upper limit; but, if it turned out that a payback period was longer because you had a costly excavation issue, for instance, then the connection fee could be raised over the ten year period to accommodate that. He stated that would then become a choice for the developer or homeowners association.

Commissioner Thompson stated that as far as the reserve fund, they needed to be specific as to what point that they did not want to go below, percentage wise. He stated another point was that you could have a scenario where you did not have the maximum sign-up necessary in a water district, and the County stepped in and helped to finance that, and that would be looked at as favoritism. He stated that needed to be considered as policy was developed.

Chairman Lucier asked Mr. Hughes if he needed further guidance. Mr. Hughes stated some of the details still needed to be fleshed out, adding he understood the concerns posed by the scenario Commissioner Thompson had used.

Commissioner Vanderbeck stated that Deer Run was not in a water district that was used as the model, and perhaps it would be worth it to flesh out how they might address that with a model within a district and what the options would be. Mr. Hughes stated the spreadsheet did not take into account whether it was within a district or not, so the figures would be the same. Commissioner Vanderbeck stated he was speaking more to the policy issues and criteria. Mr. Hughes stated it was his opinion that it was a straight policy issue as far as dollars and cents, and it depended on whether or not they wanted to do it in a district.

Chairman Lucier stated perhaps the Commissioners needed to ponder the information, and suggested they take it back up next month. Mr. Hughes stated the policy issues should be considered.

Commissioner Vanderbeck asked would that be at the May 5<sup>th</sup> work session. Chairman Lucier replied yes.

Chairman Lucier thanked Mr. Hughes for the information he had provided.

### **CLOSED SESSION**

Commissioner Barnes moved, seconded by Commissioner Vanderbeck, to go out of Regular Session and convene in Closed Session for the purpose of consulting with the County Attorney with a relative matter within the Attorney/Client privileges, non-pending litigation, GS 143-318.11(a)(3). The motion carried five (5) to zero (0).

### **WORK SESSION**

Commissioner Vanderbeck moved, seconded by Commissioner Barnes, to adjourn the Closed Session and reconvene in the Work Session. The motion carried five (5) to zero (0).

### **ADJOURNMENT**

Commissioner Barnes moved, seconded by Commissioner Cross, to adjourn the meeting. The motion carried five (5) to zero (0), and the meeting was adjourned at 12:36 PM.

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George Lucier, Chairman

ATTEST:

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Sandra B. Sublett, CMC, Clerk to the Board  
Chatham County Board of Commissioners