CITY COUNCIL AGENDA
225 EAST WEATHERSPOON STREET
SANFORD, NORTH CAROLINA
January 15, 2019   6:00 P.M.   COUNCIL CHAMBERS

1. **MEETING CALLED TO ORDER**

2. **INVOCATION**

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENT**

5. **APPROVAL OF AGENDA**

6. **CONSENT AGENDA**
   A. Approval of City Council Work Session Minutes Dated December 11, 2018 – (Pages 4 – 11)
   B. Approval of City Council Meeting Minutes Dated December 18, 2018 – (Pages 12 – 17)
   C. Consider Ordinance Establishing a Stop Sign at the Newly Developed Intersection of Scarlet Lane at Archer Lane – (Pages 18 – 19)

7. **SPECIAL AGENDA**

8. **CASES FOR PUBLIC HEARING**
   A. Frazier Drive Sewer Extension Petition *(for Council consideration only; not for consideration by Planning Board)* – (Pages 20 – 23)
      • Consider Award of Bid for Frazier Drive Sewer Extension Project
   B. Application by Harrington Properties of NC, LLC – to rezone one vacant 2.7 ± acre tract of land off of Golf Course Road from R-20, Residential Single-Family to R-6-C, Residential Mixed Conditional Zoning District for the purpose of developing a 10 lot residential single-family home subdivision with an additional lot dedicated for open space. The subject property is identified as Tax Parcel 9644-71-3681-00 as depicted on Lee County Tax Map 9644.04 *(to be held jointly with the Planning Board)* – (Pages 24 – 42)
C. **Application by Terry Slate** – to extend Corporate Limits of the City of Sanford to Pinnacle Partners *(for Council consideration only; not for consideration by Planning Board)* – (Pages 43 – 47)
   - Consider Ordinance to Extend Corporate Limits of the City of Sanford to Pinnacle Partners (Pages 48 – 52)

D. **Application by Terry Slate** – to rezone three vacant tracts of land totaling 168 ± acres with frontage/access off of Boone Trail Road/US Hwy 421, Forestwood Park Road (SR 1384), and Valley Road (SR 1325) from RR, Residential Restricted to Stone Brook Conditional Mixed Use-PUD Conditional Zoning District to allow the development of a 390-lot residential subdivision with a future townhome area and a future mixed use area. The subject property is identified as Tax Parcels 9634-14-7642-00, 9634-04-4681-00, and 9624-96-0209-00 as depicted on Lee County Tax Maps 9634.03, 9634.01, 9624.02, and 9624.04. *This rezoning request is conditional upon the subject property being annexed into the corporate City limits, for which the public hearing is also being held on January 15, 2019 (to be held jointly with the Planning Board)* – (Pages 53 – 195)

*The Planning Board shall retire to the West End Conference Room.*

9. **DECISIONS ON PUBLIC HEARINGS**

10. **REGULAR AGENDA**
A. Consider Financial Statement Audit for June 30, 2018 – (Pages 196 - 215)

B. Consider Presentation of Popular Annual Financial Report – (Page 216)

C. Consider Community Development Project Ordinance Amendment – (Page 217)

D. Consider Grant Project Ordinance Amendment – North Carolina Housing Finance Agency 2017 Urgent Repair Program (URP 1731) – (Page 218)

E. Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2018-2019 – (Transmission Water Main and Wastewater Treatment Plant Repairs) – (Pages 219 – 221)

F. Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2018-2019 (Central Carolina Enterprise Park Water and Sewer Project) – (Pages 222 – 223)

G. Consider Capital Project Ordinance Amendment – Industrial Park Water and Sewer Improvements Project No. U1601 – (Page 224)

H. Consider Award of Bid for Central Carolina Enterprise Park Sewer Extension Project – (Pages 225 – 226)

I. Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2018-2019 (Americans with Disabilities Act Compliance Assessment) – (Pages 227 – 228)
11. **NEW BUSINESS** *(Items for discussion and action will only be taken if necessary. Otherwise, these items will be placed on the next agenda for approval.)*
   
   A. Consider 2019 Taxicab Operator’s License Renewal (Page 229)
   
   B. Consider Request from the Raleigh Exec Airport Authority to Access Funds from the Airport Reserve Fund for Capital Project Improvements at the Airport (Pages 230 – 241)
   
   C. Consider Resolution Authorizing the Sale of 110 Alcott Street (PIN 9642-97-2671) – (Pages 242 – 251)
   
   D. Consider Resolution Authorizing the Sale of 304 Oakwood Avenue (PIN 9642-98-3679) – (Pages 252 – 261)
   
   E. Consider Discussion of One NC Fund Grant – Dowa Thermotech North Carolina, Inc. (Page 262)
   
   E. Consider Revised Preliminary Plat Labeled “Nottingham Subdivision, Phase V” for a new 49-lot phase of an existing residential subdivision located off of Crusaders Drive within the City of Sanford’s corporate City limits that is proposed to be served by public water, sewer and streets. *This phase was originally approved in June of 2018; however, the discovery of more rock on site than initially anticipated once grading was started caused the developer to redesign the site to better accommodate the existing conditions and to avoid adding significant costs to the project. Both the original design and the revised design are provided for your reference.*
   
   - Consider Approval of the Preliminary Plat – (Pages 263 – 276)

12. **OTHER BUSINESS**

   Closed Session

13. **ADJOURNMENT**
SANFORD CITY COUNCIL
WORK SESSION
Tuesday, December 11, 2018
225 East Weatherspoon Street, Sanford, NC

The City Council held a workshop meeting on Tuesday, December 11, 2018, at 6:00 p.m. in the West End Conference Room at the Sanford Municipal Center, 225 E. Weatherspoon Street, Sanford, North Carolina. The following people were present:

Mayor T. Chet Mann
Council Member Byron Buckels
Council Member Jimmy Haire
Council Member James Williams
City Manager Hal Hegwer
City Clerk Bonnie Davis
Deputy City Clerk Vicki Cannady

Mayor Pro Tem Rebecca Wyhof Salmon
Council Member Sam Gaskins
Council Member Norman Charles Post, III
Council Member Charles Taylor
City Attorney Susan Patterson
Management Analyst Holly Marosites

Mayor Mann called the meeting to order and requested that Item #6 ("Update on Carthage Street Improvements Project") be moved to Item #1.

Update on Carthage Street Improvements Project (Exhibit A)

David Montgomery, Senior Long-Range Planner, explained that the Carthage Street Improvements project was included in the State Transportation Improvement Program several years ago as part of revitalizing the area around Central Carolina Hospital. The Department of Transportation and H.W. Lochner, Inc., the city’s consultant, have analyzed this project over the last two years to develop a preliminary design that will be available for review and comment on Thursday, December 13, at the Elks Lodge (910 Carthage Street).

Brian Eason, project design engineer with Lochner, reviewed the project as shown in detail on the attached Exhibit A. Their recommendations include that Carthage Street remain two lanes, divided with a raised median, along with curb and gutter on the inside; a five-foot wide sidewalk on the south side of Fire Tower Road up to the historic area and on both sides thereafter; and a five-foot dedicated bicycle lane (since this project is included on the state’s Route #1 bicycle route along Fire Tower Road). They also recommend a ten-foot wide multi-use path from Fields Drive to Wicker Street on the east side and a five-foot wide sidewalk on the west side. Three roundabouts are proposed, at Fire Tower Road, Fields Drive, and Wicker Street. Mr. Eason explained that their research indicates that roundabouts work better in the long run because they reduce maintenance and reduce the severity of accidents (since vehicles operate at lower speeds). After meeting with the State Historic Preservation Office to address concerns about the large older trees along the historic area, they recommend widening only on the east side up to “the Seymour House”, at which point it would become symmetrical. The multi-use path will provide access for pedestrians and casual bikers who are not comfortable using the dedicated bicycle lane. One of the key features of the roundabout design is that bikers have the option to stay in the travel lane around the roundabout or exit just prior to the roundabout and use the multi-use path around it. Widening will include an additional 18 to 20 feet, along with a berm for the sidewalk. Mr. Eason confirmed that businesses at the Carthage/Wicker Street intersection would be affected (including the loss of some parking
spaces), regardless of whether the intersection was signalized or converted to a roundabout, although he couldn't say the impact would be the same.

Regarding the potential impact the roundabout near the hospital would have on emergency vehicles, Mr. Eason explained that the typical pavement section is 16 feet wide, which would allow room for vehicles to pull over to the right to allow emergency vehicles to pass, and the curbs are mountable if additional room is needed. The largest ambulance and city fire trucks were used for design and were tested to ensure there were no problems mounting the curbs inside the roundabout. Mayor Mann informed Council that he spoke with the hospital's former CEO who is in favor of the roundabouts; he also indicated that the hospital would prefer roundabouts to stoplights. Mr. Eason confirmed that there is no proposal to close the road during construction but there is a proposal to install a culvert nearby (at Skunk Creek) and that area will be staged during construction.

Mr. Eason explained that the real intent of this project is to improve safety: there were four pedestrian accidents and 54 traffic accidents in the project area between 2011 and 2016, with the majority being right-turns and rear end collisions. Another driver for the project is enhancing mobility along this corridor and providing better access for pedestrians and bikes. He confirmed that the capacity analysis factored in growth, including the anticipated increase in traffic connected with the Kiwanis Family Park splashpad project, and explained that landscaping is not being recommended or provided by DOT but would be allowed, subject to DOT guidelines. Additional lighting is not currently recommended at the Fire Tower Road intersection; however, Mayor Mann requested it be considered since the area near Buffalo Church is very dark and motorists approaching the intersection from Highway #1 may approach the roundabout more quickly than anticipated. He also pointed out that the Fields Drive and Wicker Street intersections already have substantial street lighting.

Council Member Taylor stated that misconceptions about roundabouts are a major challenge. He pointed out that the roundabouts on Hawkins Avenue have reduced accidents and backups significantly, and many who opposed them now acknowledge that they are a good tool for moving traffic efficiently. He also suggested that many drivers aren't aware that they are designed for motorists to drive on the aprons. Mr. Eason agreed and noted that while the Wicker Street roundabout will have a "by-pass" lane for those turning right (so they do not have to actually enter the circle), the other two roundabouts are the most simple single-lane versions.

Mayor Mann stated that Council has been very intentional in making the city, especially downtown, more pedestrian friendly and noted that the walking trails and greenways are very popular. Several properties on Wicker Street may be converted to loft apartments and this project is part of a plan that has been underway for several years. He also reminded everyone that the County will be making improvements to the Kiwanis Children's Park at the Carthage/Wicker Street intersection and the Kiwanis Family Park splashpad will be located just down the street on Wicker Street.

Regarding funding, Mr. Eason confirmed that there will be a municipal agreement for the project, with additional costs for the multi-use path. City Manager Hegwer confirmed that the City will be funding the required match of approximately $200,000. Public Works Director Vic Czar reminded everyone that this project does not include improvements or landscaping inside the roundabouts or medians, additional lighting or underground utilities. Mr. Hegwer commented that landscaping typically runs about one-half of one percent of total costs.
Update on ADA (Americans with Disabilities Act) Compliance

Risk Manager Van Dowdy explained that about six months ago, DOT (as designee of the federal government) instructed staff to perform a self-assessment and inventory to ensure that our facilities, sidewalks, curb ramps, and intersections are in compliance with ADA requirements; municipalities who are not in compliance could lose federal funding. The DOT attorney advised Mr. Dowdy that they are willing to work with municipalities on a time frame and expenses but are requiring that the assessments be completed as soon as possible. If any issues are identified, DOT is willing to work on a timetable of five to fifteen years (based on budgetary constraints) for necessary corrections. Assessments will be needed on both treatment plants, the City Hall building, Depot Park bathrooms, sidewalks and curb ramps. In order to meet the more immediate federal requirement for self-assessment, Mr. Dowdy recommended to the City Manager that we hire an ADA consultant. He has contacted three consultants and received two quotes, with the cost to assess our facilities at approximately $25,000; the cost of including sidewalks, curb ramps and intersections would be approximately $40,000. City Manager Hal Hegwer confirmed that we have had an ADA plan since 1993 and all new projects are ADA compliant. Mr. Dowdy suggested that a consultant is needed since staff does not have the necessary time or qualifications to adequately perform the assessment. Mr. Hegwer added that staff could do the assessment but it would take a great deal of time, whereas hiring someone would provide another perspective. The North Carolina League of Municipalities is working with DOT to establish training meetings and DOT is sending their attorney to conduct them. Mr. Hegwer confirmed that no immediate action is needed and that staff will consider this resource and continue to research the issue.

Update on Frazier Drive Sewer Petition

City Engineer Paul Weeks advised Council that bids for this project came in approximately $100,000 higher than estimated. After negotiations, the cost per lot to the homeowners increased from an estimated $1,270 to $1,725. Letters were sent to homeowners requesting feedback and a public meeting was held, which was attended by three of the nineteen homeowners. Another letter was sent to request responses before tonight’s meeting and nine additional responses were received; all twelve homeowners who responded want to proceed with the project. A public hearing will likely be held at Council’s first meeting in January in order to give all homeowners one last chance to express their opinion. Public Works Director Vic Czar reminded Council that city policy is to hold a public hearing when project costs are more than ten percent above the original estimate, allowing homeowners an opportunity to reconsider whether they support the project. While it appears that this project will still proceed, it does meet this policy threshold. Mr. Weeks confirmed that other extension projects have exceeded this ten percent threshold but staff is trying to work through them. The Charlotte Avenue project, which affected three homeowners, was significantly higher than estimates but staff hasn’t received responses as to whether they want to proceed. The Greensboro Avenue project, which would also serve three lots but is not included in this program, came in nearly twice the engineers’ estimate and responses have not been received from those owners. Mr. Weeks noted that construction costs are significantly higher than estimated last year and confirmed that staff sometimes includes a ten percent buffer on cost estimates; however, Mr. Czar pointed out that this may cause some homeowners to reject those estimates as being too high. He also noted that estimates for this project were done by outside consultants, not by staff.

Hawkins Avenue Waterline Project Discussion (Exhibits B and C)

City Engineer Paul Weeks explained that bids were recently opened on the Hawkins Avenue 16-inch water main extension project. Of the four bidders, the apparent low bidder is Sanford
Contractors with a bid of $5,102,000 (Exhibit B). Staff recommends awarding the project to them since they have worked with staff on many projects, including many currently underway. Financial Services Director Beth Kelly reviewed the related budget documents (Exhibit C) that will be presented at Council’s next meeting.

**Street Resurfacing Projects Discussion (Exhibit D)**

Public Works Director Vic Czar explained how the City’s approach to resurfacing has evolved over time. Many years ago, the list was developed through knowledge from street department staff. In the early 1990s, the Institute for Transportation Research and Education developed a program for evaluating streets block by block using various types of distress to determine percentages and assign scores. City staff has used consultants to evaluate our streets about every three years and the Kurcher Group was used most recently. They were chosen by us, and DOT, because they have a predictive model that uses the amount of available funding, distress scores and a variety of maintenance options (crack sealing, resurfacing, patching, etc.) in an analytical model to indicate which streets should be repaired so that the system will deteriorate at the slowest possible rate. It is the best predictive model for maximizing funding and was developed by staff with years of experience in the field, including the former director of the Federal Highway Administration in charge of asset management and the former North Carolina DOT chief engineer. This model, which has been calibrated and gone through several iterations, was used to develop the current project list with a few exceptions (such as a recommendation to “pave Street X from A to B; omit C; pave from D to E”, which we don’t follow since we don’t typically like to skip small segments of streets).

Mr. Czar explained that this project, for which $570,000 is estimated to be available from the vehicle tax, was recently bid and Riley Paving bid approximately $460,000, which means if the project is awarded to them, funds would be available for additional street resurfacing. He confirmed that Powell Bill funds are used for various maintenance activities but the need significantly exceeds the amount received. City Manager Hal Hegwer also noted that the problem with using this model-generated list is that the general public only sees problem areas and they are not aware that the basis for choosing which streets are to be repaired is analytical criteria, not merely what is visible. Mr. Czar confirmed that the only street included on the list that did not come from the model was one block of Currie Drive (included so that we would not skip over that segment). Mr. Taylor questioned radius measurements and Mr. Czar explained that this was researched after questions were raised last year and the differences were insignificant. Mayor Mann suggested we use the analytical method based on metrics rather than politics, in order to have the largest impact on the 2.6 miles of city streets (out of the total 135 miles of streets). Mr. Czar reminded Council that there will be some additions to the list if the bid is awarded to Riley Paving, since their bid was under budget. Mr. Haire announced that he was pleased that the project would not have to be financed.

**Discussion of a Preliminary Plat Labelled “The Park at South Park, Phase 2”; UDO Revisions and Options for Improved Design Standards (Exhibit E)**

Community Development Director Marshall Downey reminded Council that Zoning Administrator Amy McNeill presented this preliminary plat to Council at its last meeting. Mr. Downey stated that the Land Use Plan was revised to set the vision as to how we want our community to grow, expand and look. Staff has embraced in the new land use plan, “PlanSanLee,” the higher density/mixed-use development in our “urban” growth areas (the City). There is the traditional single-family design (supported by current UDO) versus a mixed-density design (supported by land use plan but not the UDO). He noted that conditional zoning is no longer a
favorable option for staff or the developer. It has been useful in the past but is now becoming counterproductive because we are embracing higher-density projects. We want our community to become more diverse and staff is encouraging developers to invest in our community to achieve a variety of residential and mixed-use product. Ms. McNeill has explained in the past that staff has used a negotiation process with developers to achieve certain standards that Council would like to see in the project. We have stepped up our expectation in terms of density and staff is now in a position of having to convey Council’s expectations for design without having a set of adopted regulatory standards to reference, using conditional zoning as a fallback. While staff has an idea of Council’s vision, they aren’t certain and this puts them in an awkward position to explain project standards. They can’t refer to adopted policies and rules that are in place, which is also frustrating to developers. Staff will review a proposed development and it goes back to the developer numerous times in order to achieve a more desired outcome.

Mr. Downey referred to page 5 of the exhibit showing the difference between the traditional single-family design supported by the current UDO and the mixed-density design supported by the land use plan but not the UDO. Current regulatory tools that would force the mixed-use design do not exist in our current ordinance. To answer the question of what is needed, we simply need to update our UDO and have specific plans for key design areas, such as sidewalks and street improvements; open spaces and amenities; street connectivity and walkability of neighborhoods; and landscaping and buffers. He provided examples of some of these areas lacking in our current UDO and reviewed good planning practices to address them, such as connectivity. Staff members sit in Technical Review Committee meetings and try to recommend and negotiate to acquire connections but they cannot require them.

Mr. Downey requested that Council consider scaling back the full UDO update and as a first step, revisit curb, gutter and sidewalk issues that have arisen frequently. He noted that we could do an immediate amendment to the UDO to address this issue and require sidewalks on both sides of the streets (except for the traditional county zoned areas) and curb/gutter on both sides. Staff could take this to the Joint Planning Commission as early as January, which would begin the series of public hearings with Broadway, the City and the County, for adoption; there would be no cost other than staff time. He noted that this has been attempted in the past and there was pushback from local developers but he suggested the time has come, since the land-use plan has been adopted and higher-density projects are in process. Staff has also suggested that they will likely request funds in next year’s budget to retain a third-party consultant firm to come in from a capacity standpoint and, more importantly, to bring in fresh ideas and perspectives. They would also work with planning, engineering, and fire department personnel to develop updates to our UDO, from a design and street policy standpoint to ensure they are all interconnected. The goal of the new approval process would be that the developer sees our land-use plan, knows what the expectations are and works with staff. Instead of filing a conditional zoning (the process where expectations are negotiated and not clearly defined), they could file for a general use zoning, knowing the exact rules that are in place. Having the new design standards in place would allow the developer to work directly with staff to ensure that projects are built to that higher minimal level rather than the current elongated process. Council would likely review general use zoning and approve preliminary subdivision plats to approve lot layouts (but not design standards) and would no longer be involved with detailed site plan approval (since the bar would have been set with higher design standards, allowing staff to work with developers). Other than that, developers would be working with staff to ensure projects are developed to UDO standards. He noted that he is beginning to see, for the first time, too much uncertainty for developers, referring to a neighborhood meeting held at City Hall last week for a
conditional zoning request on a residential project that was originally presented to staff in March. He stressed that this process is frustrating for staff and developers and is no longer working. Mayor Mann agreed that the current process is very time-consuming. He expressed support for Mr. Downey’s proposal and encouraged Council to react to the request.

Mr. Downey explained that if Council approves, staff can initiate a text amendment for curb, gutter and sidewalk fairly quickly and the process could be completed around March. At the same time, his department could request budget funding to work with a design firm to take the lead on comprehensive updates of these elements, rather than the entire ordinance, narrowing it down to those specific elements that staff believes they are critical at this time.

Mayor Mann suggested that we have created a problem: we want to see more mixed-density design development but we are praised for how quick our permitting and zoning processes are compared to other nearby areas. Staff has to determine how to go from the traditional single-family design to the mixed-density design. If we don’t require sidewalks now, a subsequent Council will be responsible for providing them later, at taxpayers’ expense. Other communities have specific requirements for higher design: developers know the rules and there is no discussion over higher-quality requirements. Developers will analyze whether they want to build or not, based on their budget. Mr. Downey stressed that we want to determine reasonable standards that will allow flexibility to developers, since there’s no one way to design. Mayor Mann suggested the current system is confusing and frustrating for developers. They simply need to know the rules: they should be clearly defined and not open to interpretation.

Mr. Downey confirmed that preliminary plats for projects already approved would be subject to rules in place at that time and not affected by new standards, and that projects not formally approved would be subject to rules in place at the time they are approved. Mayor Mann suggested that more projects will be proposed and the sooner Council moves on the UDO, the better the city will be. Mr. Downey confirmed that staff is constantly receiving development inquiries and he does not see that slowing down. Mr. Hegwer noted that we are seeing much larger projects than in the past.

Council Member Buckels questioned the economics and affordability for mixed-density designs. Mr. Downey responded that staff has worked with developers on housing tax credit projects that could help offset costs. Typically, clustering and higher-density makes housing more affordable. The idea would be to have policies in place that would allow developers to offer affordable entry-level housing, along with mid- and higher-level housing to create diverse communities. However, if a developer wanted to do a smaller in-fill project, Council could offer breaks for affordable housing. Mayor Mann suggested development would be market driven and commented that we have had commercial and industrial expansion but need housing to attract the associated residential growth for the work force.

Specifically regarding The Park at South Park, Mr. Downey requested guidance from Council as to whether staff should move forward with the amendment. Council Members Post, Haire and Williams stated that while they did not support requirements for curb, gutter and sidewalk several years ago, they would likely support them now. Mayor Pro Tem Salmon expressed support for curb, gutters and sidewalk and suggested that Council establish its own policy rather than forcing planning staff to anticipate policy positions. Council Member Gaskins noted that having a policy would remove questions such as those he asked last week, which prompted this item to be
tabled. Mayor Mann noted that the South Park apartments were developed with more of a community theme and the owner found that they rent easier with those features. Mr. Downey confirmed that the rules would apply not only to residential single-family development, but also to multi-family, commercial and industrial development. All projects would be tied to our land use plan and have a set of standards and policy. Ms. McNeill reminded Council that this particular item (The Park at South Park) is for preliminary plat approval (street layout, lot locations) only, since Council approved zoning for density earlier in the year. She stated that the Technical Review Committee, along with developer Van Groce, Sr., and staff from the engineering, planning and fire departments, met and advised Mr. Groce that they weren’t comfortable with Phase 3 going forward unless they had a master plan. The developer created a conceptual preliminary plat for additional sections that will continue over to Lee Avenue and staff received the master plan for what the rest of the subdivision would look like, which appears to be headed in the right direction regarding emergency, utility and related services. She noted that there is nothing in the current UDO that requires this be to be provided at this point and stressed that the preliminary plat meets the current UDO standards, so staff cannot hold the developer to higher standards without text amendments to change design standards. Mr. Downey stressed that this illustrates his point: staff is spending a substantial amount of time trying to achieve a vision and to the developers’ credit, they work with staff as long as they know what the standards are, but are frustrated when there are changes in the process. He urged Council to establish rules now.

Mayor Mann encouraged Council to provide Mr. Downey’s staff with direction and noted that there appeared to be consensus to proceed with a sidewalk text amendment; however, Council Member Buckels stated that he was still considering how to proceed. Ms. McNeill confirmed that current UDO rules do not require curb, gutter and sidewalk for Phase 1 or Phase 2 of the subject development but if the rules are not revised, there will be no sidewalks, curb and gutter.

**Update on Personnel Positions**

This item was removed from the agenda.

**Other Business**

Council Member Gaskins provided updates on the National League of Cities City Summit and the Energy, Environmental and Natural Resources Committee as shown on the attached Exhibit F and commented that we are headed in the right direction.

Council Member Post thanked everyone who helped with the recent Christmas tree and train lighting held downtown.

Council Member Taylor commented on a three dimensional “virtual cross walk” (shown on the attached Exhibit G) that he had recently seen that could help with traffic calming.

Council Member Haire suggested that Christmas decorations could be stored in the King Roofing Building but Public Works Manager Vic Czar explained that that facility is not climate controlled nor does it have security like the current storage facility.

Council Member Buckels stated that the recent National League Convention was quite interesting and informative. He attended workshops that offered information and strategies on several topics, including traffic calming; connecting with underserved populations on health care and prescription drug programs; comprehensive and balanced housing strategies to address
affordable housing; an online app for public meetings and public hearings to increase community engagement; and increasing downtown density and foot traffic.

Mayor Mann commented on the ceremony held earlier in the day honoring Tim Shaw who retired after more than 41 years with the City, and noted that Major Wayne Poe will be honored on December 13 (at the Employee Appreciation Luncheon) for 50 years of service to the city. He also reminded everyone of the S3 Housing Connect meeting, the TARPO meeting, and the public input meeting on the Carthage Street Improvement project, all scheduled for December 13. He encouraged everyone to visit Santa, who will be in the City Hall lobby on Friday, December 14, from 1:00 until 4:00 p.m.

Mayor Pro Tem Salmon stated that she spoke to the third-graders at Tramway Elementary School recently about local government and discussions included the Kiwanis Family Park splashpad project. They were very excited and asked many questions about it.

Council Member Taylor requested an update on the Koury Company building and Community Development Director Marshall Downey explained that volunteers helped clean the site but it has been trashed again. Since staff cannot locate the owner, we will have to file a lien to cover cleaning expenses, which will likely be a continual problem. Mr. Hegwer pointed out that after a certain number of violations, the owner will be classified as a “chronic” offender, which will reduce the required notice time and allow us to use more expedient enforcement options. While the condition won’t improve, it can be cleaned more quickly and a lien can be placed.

Closed Session
Council Member Gaskins made a motion to go into closed session in accordance with NCGS 143-318.11(a)(3) to consult with an attorney employed by the public body to preserve the attorney-client privilege; and (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, and employment of an individual public officer or employee. Seconded by Mayor Pro Tem Salmon, the motion carried unanimously.

Return to Regular Session and Adjournment
Council Member Post made a motion to adjourn the work session. Seconded by Council Member Williams, the motion carried unanimously.

ALL EXHIBITS CONTAINED HEREIN ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART OF THESE MINUTES.

Respectfully Submitted,

T. CHET MANN, MAYOR

ATTEST:

Vicki R. Cannady, Deputy City Clerk
MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF SANFORD
SANFORD, NORTH CAROLINA

The City Council met at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Tuesday, December 18, 2018, at 6 p.m., in Council Chambers. The following people were present:

Mayor T. Chet Mann
Council Member Sam Gaskins
Council Member Charles Taylor
City Manager Hal Hegwer
Management Analyst Holly Marosites
Mayor Pro Tem Rebecca Wyhof Salmon
Council Member Jimmy Haire
Council Member James Williams
City Attorney Susan Patterson
Deputy City Clerk Vicki Cannady

Absent:
Council Member Byron Buckels
Council Member Norman Charles Post, III
City Clerk Bonnie Davis

CALL TO ORDER
Mayor Mann called the meeting to order. Council Member Williams delivered the invocation and the Pledge of Allegiance was recited.

PUBLIC COMMENT (Exhibit A)
Herbert Hooker (of 2954 Colon Road, Sanford) informed Council that he and his wife own a rental property at 513 Oakwood Avenue that is scheduled for demolition. He acknowledged there are issues with the condition of the property and that opportunities for repair have passed, but he intends to bring it back to standards since it still has potential. He requested that Council postpone the planned demolition and noted that they own six other properties that are in good condition. He would like to propose a schedule beginning the first of next year to board the windows and doors and begin interior repairs. He would like to have the opportunity to repair the home.

APPROVAL OF AGENDA
Mayor Mann explained that two public hearings originally scheduled for tonight (Items 8A and 8B, “Public Hearing on Pinnacle Partners, LLC, Annexation Request” and “Public Hearing on Pinnacle Partners, LLC, Rezoning Request”) were not properly advertised in The Sanford Herald and those hearings have been postponed until January 15, 2019. Item 10B on the regular agenda ("Resolution Fixing Date of Public Hearing on Question of Annexation Pursuant to G.S. 160A-31") will address this schedule change. Affected property owners were notified by U.S. mail of this change. Council Member Gaskins moved to approve the agenda as amended; seconded by Mayor Pro Tem Salmon, the motion carried unanimously.

CONSENT AGENDA
Approval of City Council Meeting Minutes dated November 20, 2018 (filed in Minute Book 95)
Approval of City Council Meeting Minutes dated December 4, 2018 (filed in Minute Book 95)
Approval of Reimbursement Resolution – Hawkins Avenue Waterline Improvements (Exhibit B)
Approval of Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2018-2019 – Hawkins Avenue Waterline (Exhibit C)

Approval of Capital Project Ordinance – Hawkins Avenue Waterline Improvements (Exhibit D)

Approval of Award of Bid to Sanford Contractors, Inc., for the Hawkins Avenue Water Main (Exhibit E)

Approval of Award of Bid to Riley Paving for the 2019 Street Resurfacing and Rehabilitation Project – (Exhibit F)
This item was removed from the Consent Agenda and will be placed on Council’s next Workshop in 2019 for discussion.

Approval of Resolution of the City Council of the City of Sanford Authorizing Condemnation Action on a Parcel for the Northern Hawkins Avenue Water Main Extension Project (Exhibit G)

Mayor Mann stated that Council Member Buckels requested that Item 6G (“Award of Bid to Riley Paving for the 2019 Street Resurfacing and Rehabilitation Project”) be removed from the consent agenda for discussion at Council’s next workshop. Mayor Pro Tem Salmon moved to approve the consent agenda as amended. Seconded by Council Member Gaskins, the motion carried unanimously.

SPECIAL AGENDA
There were no items on the special agenda.

CASES FOR PUBLIC HEARING
Public Hearing on Pinnacle Partners, LLC, Annexation Request
This item was postponed until January 15, 2019.

Public Hearing on Pinnacle Partners, LLC, Rezoning Request
This item was postponed until January 15, 2019.

Public Hearing on Currie Drive Sewer Extension (Exhibit G)
City Engineer Paul Weeks explained that this item is the twelfth project in the program approved by Council in spring 2017 where the City pays 75 percent of the sewer extension cost and 100 percent of the sewer tap cost if done during construction. Homeowners will incur the cost of 25 percent of the main line cost and the cost to connect the house plumbing to the sewer tap and the cost to remove the septic tank out of service.  This particular petition started out to include ten physical lots and they acquired four signatures out of the ten. Staff reduced the project down to eight physical lots (as shown on the exhibit). The two lots removed were on Erwin Road (one at corner that is part of the existing petition and the two next to it were removed). Based on the revised petition area, we have four out of eight lots which is 50 percent.  It has been staff’s procedure to bring those exceeding 50 percent to Council; this is staff’s procedure but is not statutory. There is no statutory requirement by Council to proceed with the project where you have a petition that has the majority of signatures. This area was annexed in December 1976; and the revised construction cost is $106,700 with a cost of $10,670 per parcel, which totals to a cost of $2,767.50 per homeowner. This does not include other costs. This petition has been revised to decrease the area to where it is now. After the public hearing, a resolution directing staff to begin work is up for
Council's approval. Notices were mailed to all property owners on November 21 and one was returned by mail but was resent to the indicated address on December 3, so all mailers were sent out in the time required. It was also advertised in The Sanford Herald.

Mayor Mann opened the public hearing.

Linda Stevens (residing at 409 N. Currie) stated that her house was built in 1975, which is how long she has had a septic tank. She spoke in favor of the sewer extension and felt it would benefit the neighborhood and help with the resale values. She is the property owner who tried to contact all the property owners, going door to door.

Mayor Pro Tem Salmon asked if staff received any feedback from the four property owners who did not sign. Mr. Weeks replied that he has received no feedback. Ms. Stevens stated that there were two properties – one on Erwin and the one closest to Currie; she did not receive any feedback from them. She tried knocking on the door and sent something in the mail; one other property owner told her verbally that he wasn’t interested. Neither signed; the other four did.

Linda Perkins, (residing at 307 N. Currie), said she had talked to some of her neighbors. She spoke with the parents of the young lady who lives across the street, who is in Afghanistan; and they said she definitely wanted to participate in the extension. Her parents verbalized they wanted to support the project.

Mr. Weeks spoke on how staff assessed the project.

With no additional speakers, Mayor Mann closed the public hearing.

- **Resolution Directing that the Project be Undertaken – Currie Drive Sewer Extension (Exhibit H)**
  Council Member Gaskins made a motion to approve the Resolution Directing that the Project be Undertaken. Seconded by Council Member Williams, the motion carried unanimously.

**DECISIONS ON PUBLIC HEARINGS**

There were no decisions on public hearings.

**REGULAR AGENDA**

**Motion to Take from the Table- Consideration of a Preliminary Plat Labeled “The Park at South Park, Phase 2” for 35-lot addition to an existing residential subdivision located off of an extension of Commerce Drive. All the lots are currently within the corporate City limits and are proposed to be served by public water, sewer and streets (Exhibit I)**

Council Member Taylor made the motion to remove from the table consideration of a preliminary plat labeled “The Park at South Park Phase 2.” Seconded by Mayor Pro Tem Salmon, the motion carried unanimously.

Marshall Downey explained that Amy McNeill explained the preliminary plat in detail at Council’s meeting on December 4. It is a 35-lot Phase 2 expansion of The Park at South Park located on Hwy 87 South. It was the old Barrington Park. This item was previously tabled by
Council and discussed at a workshop. This project meets our current standards and was recommended for approval by the Planning Board.

- **Consider Approval of Preliminary Subdivision Plat**
  Council Member Charles Taylor made a motion to approve the preliminary subdivision plat labeled “The Park at South Park, Phase 2”; seconded by Council Member Haire, the motion carried in favor by a vote of four to one with Council Member Gaskins casting the dissenting vote.

**Resolution Fixing Date of Public Hearing on Question of Annexation Pursuant to N.C.G.S. 160A-31 (Exhibit J)**

Community Development Marshall Downey explained that with reference to the two items that were postponed, which were the public hearings on Pinnacle Partners, LLC Annexation Request and Pinnacle Partners, LLC Rezoning Request, the newspaper made an error in publishing the ad; therefore, it has to be readvertised. The resolution sets the date for the public hearing on January 15, 2019, at 6 P.M.

Mayor Pro Tem Salmon made a motion to approve the resolution fixing the date of the public hearing on the question of annexation pursuant to N.C.G.S. 160A-31; seconded by Council Member Gaskins, the motion carried unanimously.

**Sale of Old Water Tower Property on Valley Road (Exhibit K)**

Attorney Susan Patterson explained that we received a $5,000 offer from the James Conrad Kelly Living Trust to purchase the old water tower and meter box property on Valley Road. Council declared the property surplus and authorized the sale of the property using the upset bid procedure. The notice was advertised and no increased bid was received within the time allowed by law. Since there has been no upset bids, James Conrad Kelly Living Trust’s bid is being reported to Council for either acceptance or rejection in accordance with the resolution. Council needs to decide whether to accept the bid and sell the property or reject the offer.

Council Member Gaskins made a motion to approve the sale of the old water tower property on Valley Road; seconded by Council Member Williams, the motion carried unanimously.

**NEW BUSINESS**

**Performance Bond to Guarantee the Extension of Sewer to Serve Tracts 1 and 2 that are proposed to be Created as Part of the Sandhill Court Multi-Family Project (Exhibit F)**

Mr. Downey explained that this is a request from the developer, Wynnefield Properties, asking Council to approve the Performance Bond in the amount of $204,300 to guarantee the extension of the wastewater portion of their project. It is for a multi-family project, known as the Sandhill Court Apartments, for which the conditional zoning/preliminary plat was approved by Council on May 1, 2018, as the Mashburn Property Multi-family Conditional Zoning District. This would allow the developer to record the final plat and legally create the lots while the sewer extension is under construction.

Council Member Gaskins moved to approve the Performance Bond to Guarantee the Extension of Sewer to Serve Tracts 1 and 2 that are proposed to be created as part of the Sandhill Court Multi-Family Project. The motion was seconded by Council Member Haire and carried unanimously.
Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2018-2019 – Homelessness (Exhibit M)

Financial Services Director Beth Kelly explained that this item reflects the donation the City received from S3 Housing Connect for the Cow Patty Bingo fundraiser. The Lions Club issued the check to the City in the amount of $4,670.25; this ordinance appropriates those funds. At the S3 Housing Connect meeting on Thursday, December 13, their board decided to split the funds four ways to the following non-profits: Outreach Mission Inc.; Bread of Life, HAVEN and Family Promise. Each organization will receive $1,067.75.

Council Member Gaskins moved to approve the Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2018-2019 – Homelessness; seconded by Mayor Pro Tem Salmon, the motion carried unanimously.

Discussion of Website App (Exhibit N)

City Manager Hal Hegwer stated that there were some questions regarding a website app for the City and Public Information Officer Kelly Miller will give an update. Mrs. Miller said that the new mobile app is through Civic Mobile, which is a branch of Civic Plus, that handles our website. She reviewed the menu screen and examples of what it will look like as shown on Exhibit N. Staff has been testing the app (colors, screen, etc.), to make sure all the icons will link to various sections of the website such as recycling/trash days, leaf and limb schedule, pickups, and waste services etc. Some icons are not linked yet (police reports) but working to go to P2C directly; some tweaks are still being made. If the website is updated, it is automatically updated in the app. Mrs. Miller felt it would be complete in five days with the exception of a few links that need to be fixed.

OTHER BUSINESS

Mayor Mann and Council Members wished the public and staff a Merry Christmas and a Happy New Year.

Council Member Taylor gave an update on the S3 Housing Connect meeting and reported that a good meeting was held with the Department of Transportation and the public regarding the Carthage Street improvements. Mr. Taylor stated that the Parks Committee will be meeting tomorrow as they have narrowed the scope of the playground equipment for Kiwanis Park. Mr. Taylor stated that when Council votes to build and allow a developer to build in Sanford, we do not need to change the rules in the middle.

Mr. Hegwer said that as we move into next year, the Community Development Department has worked for ten to fifteen years on an Urgent Repair Grant. It is that time again to apply. Typically, the City and County contribute $5,000 from each entity. The City has been very fortunate to receive those grant funds. The grant allows us to repair a lot of homes. There is an additional $1 million in the fund this year and he asked for a consensus from Council to apply for the grant. It was the consensus of Council to apply for the grant.

Mayor Mann thanked Mayor Pro Tem Salmon for running the meeting on December 4. He announced it was a great week with retirement of Tim Shaw and Larry Craig’s is coming up. Wayne Poe was presented an award for 50 years of service in the Police Department. It is a great year with S3 Housing Connect with Outreach Mission to be a low barrier shelter for Sanford.
CLOSED SESSION
Council Member Gaskins made a motion to go into closed session in accordance with N.C.G.S. 143-318.11(a)(6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee. The motion was seconded by Council Member Taylor and carried unanimously.

RETURN TO REGULAR SESSION and ADJOURNMENT
Council Member Taylor moved to adjourn the meeting; seconded by Council Member Gaskins, the motion carried unanimously.

ALL EXHIBITS CONTAINED HEREIN ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART OF THESE MINUTES.

Respectfully Submitted,

T. CHET MANN, MAYOR

ATTEST:

Vicki R. Cannady, Deputy City Clerk
AN ORDINANCE TO ERECT STOP SIGNS
WITHIN THE CITY OF SANFORD
CHAPTER 36, TRAFFIC CODE OF ORDINANCES

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina:

SECTION 1: In accordance with Chapter 36, Section 36.33, Traffic Code of Sanford Code of Ordinances, City of Sanford, North Carolina, stop signs shall be erected at the following intersections:

On Scarlet Lane at Archer Lane

Motor vehicles shall be required to stop before entering thereat.

SECTION 2: This ordinance shall be in full force and effect from and after the date of its adoption.

SECTION 3: All laws and ordinances in conflict with this ordinance are hereby repealed.

Adopted this 15th day of January, 2019.

________________________________________
T. Chet Mann, Mayor

ATTEST:

________________________________________
Bonnie Davis, City Clerk

________________________________________
Susan Patterson, City Attorney
MEMORANDUM

TO: Mayor Mann and Members of Council
FROM: Paul M. Weeks Jr., P.E.
DATE: January 10, 2019

SUBJECT: Recommendation to award a contract for “Frazier Drive Sewer Extension”

On August 28th at 10:00 AM three bids were opened for the Frazier Drive Sewer Extension project. The results are tabulated below and the certified bid tabulation is attached:

<table>
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<tr>
<th>Contractor</th>
<th>Bid Bond</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandhills Contractors, Inc</td>
<td>Yes</td>
<td>$399,077.00</td>
</tr>
<tr>
<td>Central Builders, Inc</td>
<td>Yes</td>
<td>$286,835.00</td>
</tr>
<tr>
<td>North State Water and Sewer</td>
<td>Yes</td>
<td>$274,890.00</td>
</tr>
</tbody>
</table>

The apparent low bidder is North State Water and Sewer (NSWS). However, the low bid was in excess of the funds available therefore negotiations were entered with the contractor. Upon completion of discussions with the Contractor, Staff was able to reduce the contract price to $252,210 through the elimination of a manhole and raised sewer elevation.

Their bid documents have been checked for accuracy and we have received an executed E-Verify form. References were checked and found to be acceptable.

Therefore, Staff recommends awarding the negotiated bid for the Frazier Drive Sewer Extension project to North State Water and Sewer in the amount of $252,210.
### Frazier Drive Gravity Sewer Line Extension

| Item No. | Item Description               | Unit | Est. Quant. | Unit Price | Extended Price | Unit | Est. Quant. | Unit Price | Extended Price |
|---------|--------------------------------|------|-------------|------------|----------------|------|-------------|------------|----------------|---------------|
| 1       | Mobilization                   | LS   | 1           | 4,000      | 4,000         | LS   | 1           | 5,000      | 5,000          |
| 2       | Clearing & grubbing            | LS   | 1           | 4,000      | 4,000         | LS   | 1           | 5,000      | 5,000          |
| 3       | 8"x36" GRP Thickness Class 55 Semi-Sewer Gravity Line (Open Cut) |
| a       | 8'-0" Depth                    | LF   | 360         | 5          | 1,800         | LF   | 0           | 5          | 10             |
| b       | 8'-0" Depth                    | LF   | 400         | 50         | 2,000         | LF   | 0           | 50         | 2              |
| c       | 8'-10" Depth                   | LF   | 180         | 85         | 2,000         | LF   | 180         | 85         | 1,535          |
| d       | 10'-12" Depth                  | LF   | 0           | 90         | 1,000         | LF   | 0           | 90         | 0              |
| e       | 12'-14" Depth                  | LF   | 0           | 90         | 1,000         | LF   | 250         | 90         | 22,500         |
| 4       | Gravity Sewer Line Testing     | LF   | 1720        | 5          | 1,000         | LF   | 1720        | 5          | 8,600          |
| 5       | Prestressed Concrete Manhole, 6" Diameter |
| a       | 9'-0" Depth                    | EA   | 9           | 4,000      | 36,000        | EA   | 4           | 4,000      | 16,000         |
| b       | 9'-0" Depth                    | EA   | 1           | 4,000      | 4,000         | EA   | 0           | 0          | 0              |
| c       | 9'-10" Depth                   | EA   | 1           | 4,000      | 4,000         | EA   | 3           | 4,000      | 12,000         |
| d       | 12'-14" Depth                  | EA   | 0           | 5          | 5,000         | EA   | 1           | 5          | 5,000          |
| 6       | 12" RCP Casing with Reversible Fill Credits |
| a       | 12" RCP Casing with Reversible Fill Credits |
| 7       | Cast Iron Gravity Line in Existing Manhole |
| a       | 12" RCP Casing with Reversible Fill Credits |
| 8       | Cast Iron Gravity Line in Existing Manhole |
| 9       | Select Fill                    | CY   | 250         | 1          | 250           | CY   | 250         | 1          | 750            |
| 10      | Construction Entrance          | EA   | 1           | 3,000      | 3,000         | EA   | 1           | 3,000      | 3,000          |
| 11      | Bell Fence                     | LF   | 850         | 3          | 2,550         | LF   | 850         | 3          | 2,550          |
| 12      | Bell Outer Diameter            | EA   | 0           | 900        | 0             | EA   | 0           | 900        | 0              |
| 13      | Pipe Valve pocketary           | EA   | 9           | 490        | 4,410         | EA   | 9           | 490        | 4,410          |
| 14      | Check Dam                      | EA   | 8           | 420        | 3,360         | EA   | 8           | 420        | 3,360          |
| 15      | Concrete Drive Repair          | SY   | 200         | 70         | 14,000        | SY   | 200         | 70         | 14,000         |
| 16      | Gravel Drive Repair            | SY   | 40          | 20         | 800           | SY   | 40          | 20         | 800            |
| 17      | Asphalt Drive Repair           | SY   | 17          | 50         | 850           | SY   | 17          | 50         | 850            |
| 18      | Site Restoration               | LS   | 1           | 5,000      | 5,000         | LS   | 1           | 5,000      | 5,000          |
| 19      | Manhole Testing (Beverlance)    | LS   | 1           | 2,000      | 2,000         | LS   | 1           | 2,000      | 2,000          |
| 20      | Bell Lateral - Short           | EA   | 17          | 700        | 11,900        | EA   | 17          | 700        | 11,900         |
| 21      | Bell Lateral - Long            | EA   | 14          | 1,200      | 17,100        | EA   | 14          | 1,200      | 17,100         |

**Total:** $252,210

**Total:** $274,890
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<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Unit</th>
<th>Est. Qntl.</th>
<th>Sandhills Contractors</th>
<th>Central Builders, Inc</th>
<th>North State Water &amp; sewer</th>
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<td>Extended Price</td>
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<td>$399,077.00</td>
<td>$286,835.00</td>
<td>$274,850.00</td>
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</table>

* is indicative of mathematical errors. The unit price governs.

Original bid of $290,885.00 reduced to $286,835.00.
Note: All existing utilities have not been verified in this area and may impact alignment/installation of the proposed sewer main.

Properties shown herein are subject to easement and restrictions of record that would be revealed by a thorough title search. This drawing should not be relied upon as a complete record of all easements that may affect these properties.
Zoning Map Amendment (Rezoning) Application

Circle Jurisdiction That Applies:

City of Sanford

1. Applicant Name: Harrington Properties of NC, LLC
2. Applicant Address: 2659 San Lee Drive, Sanford, NC 27330
3. Applicant Telephone: 919-729-5969
4. Name and Address of Property Owner(s) if different than applicant:

5. Location of Subject Property: Golf Course Road
   Lee Co. P.I.N. 9644: 71-3681-00
6. Total Area included in Rezoning Request: 2.69 Acres
7. Zoning Classification: Current: R-20 Requested: Conditional R-6
8. Existing Land Use(s): Vacant
9. Reason(s) for Requesting a Zoning Map Amendment (Rezoning): To build 10 New Homes

10. Signature(s) of Applicant (and Property Owners if different from Applicant).
    I hereby acknowledge that the information contained herein is true. It is further understood that this application will be reviewed for completeness and accuracy and that it shall not be scheduled for official consideration until all required contents are submitted in proper form to the Sanford/Lee Zoning & Design Review Department.

    Brandon Harrington
    Sign. Date: 11-16-18

Required Attachments/Submittals
A. A completed rezoning application (incomplete applications/submittals will not be accepted or processed.
B. A copy of a current Lee County Tax Map illustrating the location of the area to be rezoned. If the exterior boundary of the area to be rezoned does not follow along existing property boundaries, then the applicant shall be required to submit a metes and bounds (legal) description describing the area requested for rezoning.
C. A copy of the latest deed for the subject property as recorded at the Lee County Register of Deeds Office.
D. A $500.00 Application fee, payable to the City of Sanford is required before processing the application.
E. *If the requested rezoning is for a Conditional Zoning District, a Supplemental Application for Conditional Zoning District must also be included, along with an additional $250.00 fee ($750 total fee for Conditional Zoning).
F. The submission deadline is the 2nd Friday of each month at 12:00pm/noon for the rezoning to be heard the following month.
$750 Fee
($750 Total Conditional Rezoning Fee, No Standard Rezoning Fee Included with this Request.)

Supplemental Application for Conditional Zoning District
(To be submitted with an Application for Zoning Amendment)

Circle Jurisdiction That Applies:

[City of Sanford] [Lee County] [Town of Broadway]

1. Type of Conditional Zoning District (Type 1 or Type 2) Type 2, R-6-C

2. Describe in detail the use(s) requested as part of the Conditional Zoning District (use separate sheet if necessary): 10-Lot Single-Family Detached Residential

3. Describe in detail any additional conditions of development proposed as part of the Conditional Zoning District. Such conditions should include (as applicable):
   - The location on the property of the proposed use(s);
   - The number of dwelling units;
   - The location and extent of supporting facilities such as parking lots, driveways, and access streets;
   - The location and extent of all landscaping areas, buffer areas and other special purpose areas
   - The timing of development;
   - The location and extent of rights-of-way and other areas to be dedicated for public purposes;
   - Details on architectural features and scale of proposed structures; and
   - The location and extent of any pedestrian elements (sidewalks, trails, etc.).

Conditions may be listed on additional, separate sheets if necessary. Additionally, a scaled site plan shall be submitted illustrating all conditions as described in the text.

Please see attached conditions, photographs (3), and sketch plan.

4. Signature(s) of Applicant (and Property Owners if different from Applicant).

   I hereby acknowledge that by submitting this Conditional Zoning application, I am voluntarily requesting that restrictions on the use of land and/or zoning conditions of development be placed upon the subject property as included in this petition. An application fee in the amount of $750.00 (see Fee Schedule), payable to The City of Sanford, is required before processing the application. The application submission deadline is the second Friday of the month. The petition will be heard the following month at the scheduled public hearing.

   [Signature]
   [Print Name]

   [Signature] [Print Name]

   [Date: 11-8-18]

L'Forns & Certification/ CZ Supplemental App (Updated 2018-07-02)
CONDITIONAL ZONING REQUEST

PROJECT: GOLF COURSE ROAD – RESIDENTIAL DEVELOPMENT
OWNER: HARRINGTON PROPERTIES OF NC (BRANDON HARRINGTON)
CIVIL: J THOMAS ENGINEERING, INC. (JEREMY R. THOMAS, PE)

CONDITIONS OF DEVELOPMENT (ITEM 3 ON APPLICATION FOR CONDITIONAL ZONING):

- **The location on the property of the proposed use**: The entire property is proposed for conditional zoning, R-6-C.
- **The number of dwellings**: 10
- **The location and extent of supporting facilities such as parking lots, driveways, and access streets**: There will be one new cul-de-sac street (proposed for City ownership). The new street section will include curb and gutter and sidewalk. Each home will have a separate concrete driveway to the attached garage.
- **The location and extent of all landscaping areas, buffer areas and other special areas**: Proposed is a 10' wide common area at the entrance of the new development that will be well landscaped to provide a visual screen between Golf Course Road and new homes. Also, there is proposed a small common area (approx. 10,000 SF) at the rear of the development that will be left green intended for the homeowners’ use.
- **The timing of development**: As of now, construction will begin upon receiving development permits.
- **The location of and extent of rights-of-way and other areas to be dedicated for public purposes**: A 60' wide public R/W is proposed on the new City street.
- **Details on architectural features and scale of proposed structures**: Homes will be similar to the ones shown on the attached three photographs.
- **The location and extent of any pedestrian elements (sidewalks, trails, etc.)**: Sidewalk is proposed on the new City street.
SITE DATA

PROPERTY OWNER OF RECORD / DEVELOPER

PROPERTY ID

SITE DATA

NOTES

CONCEPTUAL SITE PLAN/PLAT FOR REZONING
CITY OF SANFORD
CITY COUNCIL AND PLANNING BOARD
PUBLIC HEARING INFORMATION
JANUARY 15, 2019

APPLICATION# 2019-0102 TO AMEND THE LEE COUNTY ZONING MAP

Applicant: Harrington Properties of NC, LLC
Owner: Harrington Properties of NC, LLC - per Deed Book 1493, Page 368
Request: Rezone from Residential Single-family (R-20) to Residential-Mixed Conditional Zoning District (R-6-C) for the purpose of developing a 10 lot residential single-family home subdivision with an additional lot dedicated as open space. This is a site plan/preliminary plat specific conditional zoning district with unique conditions that are legally binding on the land even in the event of a transfer of ownership.
Location: Vacant lot accessed via & on the south side of Golf Course Road, north of Fairway Woods Subdivision and to the east of Hawkins Avenue.
Township: West Sanford
Tax Parcel: 9644-71-3681-00
Adjacent Zoning: North: Residential Single-Family (R-20), opposite Golf Course Road
South: Residential Mixed (R-12)
East: Office & Institutional (O&I)
West: Residential Single-Family (R-20)

Introduction: Planning staff has received a rezoning application from Mr. Brandon Harrington of Harrington Properties of NC, LLC as the first step in the proposed development of a new residential single-family home subdivision off of Golf Course Road. The plan is to develop a subdivision that would be served by public water, public sanitary sewer and public streets.

Area and Site Description: Golf Course Road is located between Hawkins Avenue and the Sanford Municipal Golf Course and is north of the Fairway Woods subdivision and the US 421 Bypass. The site is a 2.7 ± acre parcel of vacant land.

Surrounding Land Uses: South of the site is an 87-lot residential subdivision, Fairway Woods, the third and final phase of which was approved in 2001 with 74 completed homes currently existing. To the west of the subject parcel is a 2.60 ± tract of land (Talbott land at 2212 Hawkins Avenue) with a single-family ranch style home built in 1965. To the east is a 3.62 ± tract of land (530 Golf Course Road) owned by the Sanford Shriner Club Holding Corporation. It is developed with an existing structure, built in 1997, according to Lee County tax records. To the north of the subject property, across Golf Course Road, is a 2.44 ± parcel (517 Golf Course Road) currently owned by BMER, LLC. It is developed with a wood-framed structure currently used by the Sanford Civitan Club as a social/fraternal hall.

Zoning District Information
Existing Zoning: The subject property is zoned Residential Single-Family (R-20), which is established to provide areas for low-density single-family uses, with a maximum of two dwelling units per acre,
which may provide buffers between the agricultural and R-20 classifications and the higher density areas of the County of Lee. It includes density and minimum lot size requirements in order to allow for market and design flexibility while preserving the neighborhood character. A list of permitted uses for the Residential Single-Family (R-20) district is included within the agenda for your reference.

The minimum lot width is 100ft, with a minimum lot size of 20,000sf, and a max building height of 40ft. The minimum building setbacks for a principal structure or house is as follows:

- Front: 30 feet, as measured from the right-of-way line of the proposed public street
- Rear: 30 feet, measured from the rear property line
- Side(s): 15 feet, measured from the side property lines

**Proposed Zoning:** Mr. Harrington’s proposal is a conditional zoning district created for the purpose of allowing a property owner to place additional conditions upon an existing, equivalent conventional, general use zoning district. Conditional Zoning District Type 2 would be the preferred zoning approach if a petitioner desired to (a) reduce or narrow the number of permitted uses and/or (b) impose higher level design standards than that which exists within an equivalent general use zoning district. Conditional Zoning District Type 2 would also be practical in situations where a petitioner desires to install or construct additional buffers or other physical features that would serve to increase the protection afforded neighboring properties and/or the appearance of the proposed development.

Only the property owner(s) of a proposed Conditional Zoning District Type 2 shall be eligible to apply for rezoning to a Conditional Zoning District. The owner shall specify the use(s) of the property and shall propose additional conditions to ensure compatibility between the development and the surrounding neighborhood. The conditions shall include all of the following (as applicable):

- The location on the property of the proposed use(s);
- The number of dwelling units;
- The location and extent of supporting facilities (parking lots, driveways, and access streets);
- The location and extent of buffer areas and other special purpose areas;
- The timing of development;
- The location and extent of rights-of-way and other areas to be dedicated for public purposes;
- And any other such conditions the applicant may wish to propose.

The application shall include a site plan/plat and detailed narrative text that specifies the conditions that will govern the development and use of the property. If approved, this information is legally binding on the land; therefore, the site has to be developed as per the approved plans and conditions even if a property transfer were to take place. Any item not specifically addressed in the rezoning process must comply with the UDO standards.

As reminder, the conditional zoning process is a negotiated zoning process and, as such, the City Council and/or Planning Board may request that certain conditions be considered or altered. However, the petitioner must accept such conditions before inclusion in the conditional zoning district.

Also, the conceptual plans and conditions that are approved in conjunction with this project must comply with the technical specifications and requirements of all governmental agencies.

The following design standards are applicable for the Residential-Mixed Conditional Zoning District (R-6-C):
The minimum lot width is 60ft, with a minimum lot size of 6,000sf, and a max building height of 40ft. The minimum building setbacks for a principal structure or house is as follows:
Front: 20 feet, as measured from the right-of-way line of the proposed public street
Rear: 20 feet, measured from the rear property line
Side(s): 8 feet, measured from the side property lines

Specific conditions for this subdivision include the following:
- Land usage will be restricted to not more than 10 single-family homes
- The smallest lot size proposed on the plat is 7,100sf.
- A new cul-de-sac street will be constructed and proposed for City maintenance. The new street section will include curb and gutter, as well as sidewalk. Each dwelling will have a separate concrete driveway to its respective attached garage.
- A 10ft wide common area is to be located at the entrance of the new development that will be landscaped to provide a visual screen between Golf Course Road and the new home.
- A common area is proposed (approximately 10,000sf) at the rear of the development that will be left as green space intended for the homeowners’ use.
- A 60’ wide public right of way is proposed for the new street for City ownership.
- Architectural features and proposed scale of the dwellings to be constructed will be similar to photos of homes included in the rezoning application packet. Please refer to the attached photographs for examples.

Please reference the attached site plan/conceptual preliminary plat and the conceptual architectural elevations provided for this project. If this rezoning request is approved and the project moves forward, an actual preliminary subdivision plat will need to be reviewed/approved by the City of Sanford Planning Board and City of Sanford City Council in the future, prior to the final plat being recorded. The preliminary subdivision plat should be substantially the same as the concept that was presented as part of this rezoning request.

Also, the information submitted for this rezoning request was reviewed by the Technical Review Committee (TRC) on October 25th and the board was agreeable with the request moving forward for review & approval by the City of Sanford Planning Board and the Sanford City Council. All outstanding TRC revisions must be addressed prior to the development of the site in the manner proposed.

**Overlay Districts & Area Plans**

**Plan SanLee Land Use Plan:** The plan identifies the future land use place type for this tract of land as “suburban neighborhood”, which has the following characteristics:
- Residential areas on the outskirts of a core urbanized area
- Facilitates large scale development of single-family residential
- Walkable, with high degree of transportation connectivity between neighborhoods

Land use designations include forests, undeveloped open space, schools, churches, neighborhood parks, as well as detached and attached single-family dwellings. Forms of transportation include automobiles (vehicular connectivity is encouraged in new development) that share the roads with pedestrian uses like sidewalks, off-street trails, transit and commercial area connections. Also included in transportation is on-street bike lanes and off trail bicycle systems, and public transit. The current zoning districts are residential single-family (R-20, R-14, R-12SF, and R-12). The maximum development density is four to seven units per acre with moderate building setbacks and a 35ft height limit. Utility infrastructure is
public water and public wastewater. The preferred character is interconnected curvilinear streets, 600ft block lengths, curb & gutter with sidewalks, and street trees.

Utilities
The subject property appears to have access to public water via a 6-inch public water main located in the right-of-way of Golf Course Road. The subject property does not currently have access to public sewer, but does have access to an existing 15ft sewer easement that would allow for a sewer extension from the adjoining property within Fairway Woods subdivision. Sewer will either be extended using the existing easement or via a new sewer easement that they developer is currently negotiating, both of which are illustrated on the subdivision site plan/plat. As a general rule, any and all new development must comply with the rules and regulations of the Sanford Public Works Department regarding the extension of and/or connection to public City maintained utilities.

Transportation
The subject property has approximately 303.9ft of frontage on Golf Course Road, which is a City of Sanford maintained roadway with a 60ft right-of-way. The 2007 Lee County Comprehensive Transportation Plan Highway Map illustrates Hawkins Avenue as an existing minor thoroughfare, with a recommendation that it needs improvement. There is a 2013 traffic count of 6,500 vehicle per day at a point approximately 1,250 feet north of the site, measured from the intersection of Hawkins Avenue and Golf Course Road, located at Lee Memory Gardens, 2600 Hawkins Avenue.

Public Information Meeting
A public information was held on November 29th with Planning staff, the developer, the project engineer, and four adjoining property owners in attendance. The major topics of conversation were tree removal, sanitary sewer extension, erosion control, traffic, and the condition of Golf Course Road.

Staff Information Regarding a Recommendation from the Planning Board
The recommendation from the Planning Board should include language describing whether its action is consistent with an adopted comprehensive plan (the Plan SanLee) and any other officially adopted plan that is applicable and other matters as deemed appropriate by the board. The board may also include language briefly explaining why it considers the recommendation to be reasonable and in the public interest.

Staff Recommendation
Staff recommends that the Boards support this rezoning request. In making this recommendation, staff finds that the rezoning proposal from residential single-family (R-20) to Residential-Mixed Conditional Zoning District (R-6-C) appears to be in keeping with the land uses described in the Plan SanLee and use plan. The inclusion of detached single-family dwellings and undeveloped open or green space is consistent with the “suburban neighborhood” land use plan for this parcel. The conceptual home designs proposed are similar to architectural styles found in the area along McNeill Road. The proposed development will be created on a new public street with sidewalks, establishing its own “sense of place,” while maintaining vehicle connectivity to Hawkins Avenue by way of Golf Course Road. This request appears to be reasonable and in the public interest based upon the availability of public utilities. Please note that the information presented at the public hearing should also be considered regarding a final decision on the requested zoning map amendment.
Request to rezone one 2.69 acre tract of land addressed as 0 Golf Course Road from R-20 to R-6-C (R-6 Conditional Zoning) for the purposes of developing a residential single-family home subdivision. The subject property is identified as Tax Parcel 9644-71-3681-00 as depicted on Lee County Tax Map 9644.04.
SUBURBAN NEIGHBORHOOD

✓ Residential areas on the outskirts of a core urbanized area
✓ Facilitates large scale development of single family residential
✓ Walkable, with high degree of transportation connectivity between neighborhoods and surrounding network thoroughfares

Local Example - Westlake Valley Neighborhood in Sanford
R-20, RESIDENTIAL SINGLE-FAMILY ZONING DISTRICT

Please note: This list was created by Sanford/Lee County Planning & Development staff as a summary of the permitted land uses within a specific zoning district and is intended for general informational purposes. Staff makes every effort to ensure that the information provided is accurate and up-to-date; however, it is recommended that you verify with Planning & Development staff that the proposed use is permitted within the specific zoning district and discuss any/all development requirements prior to pursuing a project. This information is applicable for the jurisdictions of the City of Sanford, Lee County and the Town of Broadway in North Carolina.

USES PERMITTED BY RIGHT

The uses listed below are permitted by right, subject to any/all other applicable standards of the Unified Development Ordinance (for example, parking requirements).

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<tr>
<th>Accessory Uses</th>
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<td>Parks, playgrounds, and athletic fields operated on a noncommercial basis</td>
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<td>Schools, Pre-K – Secondary (nursery and preschool, grade schools, elementary, middle, and high school), addition to existing site</td>
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<td>Forestry and Logging and Support Services, (unincorporated Lee County)</td>
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USES PERMITTED WITH DEVELOPMENT REGULATIONS

The uses listed below may either be permitted by right or upon approval of a Special Use Permit, but are also subject to the requirements of Article 5 Supplemental Development Regulations of the Unified Development Ordinance (for example, daycares are required to install a fence around outdoor play areas).

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<th>Residential Uses</th>
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<tr>
<td>Home Occupations (See Section 5.16)</td>
</tr>
<tr>
<td>Travel Trailer / Recreational Vehicle / Motor Home / Camper, to be used as a Temporary Residence (Unincorporated Lee County and ETJ areas of Sanford and Broadway)</td>
</tr>
</tbody>
</table>
See Section 5.34.2.9

**Accommodations and Group Living**
- Family Care Homes (See NCGS 168-21) (See Section 5.12)

**Industrial & Manufacturing Uses**
- Landfills, LCID (2 acres or less in size) (See Section 5.19)

**Art, Recreation & Entertainment**
- Stable, Accessory to Dwelling

**Education, Public Administration, Health Care, and Institutional**
- Day Care facility, Home Child Care (See Section 5.10)

### USES PERMITTED UPON ISSUANCE OF A SPECIAL USE PERMIT

The uses listed below are permitted in the respective zoning district only after review and approval of a Special Use Permit by the Board of Adjustment for the applicable jurisdiction in accordance with Article 3 Zoning and Permitting Procedures, Section 3.5 Special Use Permits of the Unified Development Ordinance. Special uses are subject to any/all applicable general design standards, any development regulations that apply to the specific use and those requirements that may reasonably be imposed by the respective board as per the Unified Development Ordinance.

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<tr>
<td>Golf courses, public and private</td>
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<tr>
<td>Golf driving ranges</td>
</tr>
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<td>Sports stadiums or arenas</td>
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<th>Education, Public Administration, Health Care, and Institutional</th>
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<tbody>
<tr>
<td>Civic, Social, and Fraternal Organizations, including community centers, meeting halls, community halls, reception halls, wedding halls for assembly and recreation</td>
</tr>
<tr>
<td>Fire, sheriff, and emergency services</td>
</tr>
<tr>
<td>Governmental Functions, not otherwise listed</td>
</tr>
<tr>
<td>Libraries</td>
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<td>Religious Complex (more than 350 seats), new site</td>
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<td>Schools, Continuing Education (alternative, adult colleges and universities, and technical, trade, and other specialty schools)</td>
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USES PERMITTED UPON ISSUANCE OF A SPECIAL USE PERMIT THAT HAVE SPECIFIC DEVELOPMENT REGULATIONS

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<tr>
<th>Industrial &amp; Manufacturing Uses</th>
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<tbody>
<tr>
<td>Landfills, C&amp;D or LCID (greater than 2 acres in size) (See Section 5.20)</td>
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<tr>
<td>Mining and Quarries, Unincorporated Lee County and City of Sanford only (See Section 5.23)</td>
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<tr>
<td>Cemeteries, public and private (does not include individual family plots) (See Section 5.6)</td>
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<td>Day Care Facility, Child Care Center (See Section 5.10)</td>
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<td>Day Care Facility, Adult (See Section 5.38)</td>
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<td>Solar Collectors, Commercial (See Section 5.39)</td>
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<tr>
<td>Telecommunication towers (See Section 5.33)</td>
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R-6, RESIDENTIAL MIXED ZONING DISTRICT

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USES PERMITTED UPON ISSUANCE OF A SPECIAL USE PERMIT

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</tr>
<tr>
<td>Golf courses, public and private</td>
</tr>
<tr>
<td>Golf driving ranges</td>
</tr>
<tr>
<td>Sports stadiums or arenas</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education, Public Administration, Health Care, and Institutional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civic, Social, and Fraternal Organizations, including community centers, meeting halls, community halls, reception halls, wedding halls for assembly and recreation</td>
</tr>
<tr>
<td>Fire, sheriff, and emergency services</td>
</tr>
<tr>
<td>Governmental Functions, not otherwise listed</td>
</tr>
<tr>
<td>Libraries</td>
</tr>
<tr>
<td>Religious Complex (more than 350 seats), new site</td>
</tr>
</tbody>
</table>
Schools, Continuing Education (alternative, adult colleges and universities, and technical, trade and other specialty schools)

Schools, Pre-K – Secondary (nursery and preschool, grade schools, elementary, middle, and high school), new site

Transportation, Communication, and Utilities

Sewage treatment and Water treatment plants

Agriculture

Crop Production and Support Functions, (Sanford and Broadway)

USES PERMITTED UPON ISSUANCE OF A SPECIAL USE PERMIT THAT HAVE SPECIFIC DEVELOPMENT REGULATIONS

The uses listed below are permitted in the respective zoning district only after review and approval of a Special Use Permit by the Board of Adjustment for the applicable jurisdiction in accordance with Article 3 Zoning and Permitting Procedures, Section 3.5 Special Use Permits of the Unified Development Ordinance. In addition to any/all applicable general design standards and those requirements that may reasonably be imposed by the respective board, these uses have specific standards that must be adhered to as per the Unified Development Ordinance (for example, fencing is required around the base of telecommunication towers, including any structures or guy wires).

Industrial & Manufacturing Uses

Landfills, C&D or LCID, greater than 2 acres in size (See Section 5.20)

Mining and Quarries (Unincorporated Lee County and City of Sanford only) (See Section 5.23)

Education, Public Administration, Health Care, and Institutional

Cemeteries, public and private (does not include individual family plots) (See Section 5.6)

Day Care facility, Child Care Center (See Section 5.10)

Day Care facility, Adult (See Section 5.38)

Transportation, Communication, and Utilities

Telecommunication towers (See Section 5.33)
Annexation Report for the
City of Sanford and Pinnacle Partners, LLC
January 15, 2019

Authority. NC G.S. 160A-31 provides that a city may annex by ordinance any area contiguous to existing city boundaries upon presentation to the governing body of a petition signed by the owners of the real property located within such area.

Procedure. On January 3, 2018, the City of Sanford received a petition from Pinnacle Partners, LLC of Apex, North Carolina and an annexation survey map prepared by Thomas J. Matthews, PLS for annexation of approximately 168 acres of land located in the corner of HWY 421 Business, Valley Rd., and Forestwood Park Rd. and further identified as Lee County Tax Parcels 9624-96-0209-00, 9634-04-4681-00, and 9634-14-7642-00. The property is currently undeveloped.

The following owners of real property have signed the petition:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pinnacle Partners, LLC of Apex, North Carolina</td>
<td>2431 Schieffelin Rd.</td>
</tr>
<tr>
<td></td>
<td>Apex, NC 27502</td>
</tr>
</tbody>
</table>

On November 20, 2018, the City Council of Sanford adopted a resolution directing the City Clerk to investigate the sufficiency of the petition. In addition, on December 4, 2018, the Council received a Certificate of Sufficiency, from the City Clerk, and adopted a resolution setting the date for a public hearing on the question of annexation of the property for December 18, 2018, at 6 p.m. in the Council Chambers of the Sanford Municipal Building. Due to a publication error with the local newspaper, the public hearing was reset to January 15, 2019. At the conclusion of the public hearing, the City Council can consider adoption of an ordinance annexing the property into the City.

Notice. Notice of the public hearing was given by publication in the Sanford Herald on January 4, 2019. (City staffs in the Police, Fire, Public Works, Engineering, and Finance departments were also asked for any comments or concerns about the proposed annexation.)

Contiguousness. The proposed annexation would be contiguous by nature to its proximity of a 7.46 acre tract across HWY 421 Business, where All Animals Veterinary Hospital and Razor Grooming are located.

Consistency with “PlanSanLee” Future Land Use Plan. The proposed area for annexation is identified in the Future Land Use Plan as Countryside, which is designed to preserve the county’s agricultural heritage, conserve and maintain a rural lifestyle with limited residential density. As such, the proposed conditional rezoning that will follow, if the annexation is approved, will not be in conformance with the Future Land Use Plan. During the development of the Land Use Plan, staff and the consultant debated the appropriate place type for this general area as either Countryside or Suburban Neighborhood. The area does
have access to a large sewer main and is identified as a potential growth area in the Waste Water Master Plan. It is also contiguous to existing City Limits as noted above. As such it was considered a transitional area that could be placed in either category. The final draft of the plan did indicate a recommendation as countryside due to its proximity to surrounding farmland and act as a buffer from the numerous Industrial uses along HWY 421 Business. Again, however, it was recognized that due to the proximity of the sewer line and the current City Limits this area could also be reasonably developed as suburban neighborhood.

Rural Fire Protection District. The annexation area lies in the Northview Rural Fire Protection District. N.C.G.S. 160A-31.1 requires a city to pay annually a proportionate share of any payments due on any debt (including principal and interest) relating to facilities or equipment of the rural fire department, if the debt was existing at the time of submission of the petition for annexation to the city. The annual payments from the city to the rural fire department shall be calculated by multiplying the percentage of the assessed valuation of the annexed area to the assessed valuation of the entire rural fire district times the debt of the fire department. Each valuation is fixed on the date the annexation ordinance becomes effective. A payment is not required when during any calendar year the total of payments for all annexations under this part is $100 or less. A request for financial information was sent to the Northview Rural Fire Department on November 9, 2018. Assessed value of the area to be annexed is $591,800.00.

Provision of City Services. City services will be extended to the new area, if it is annexed, in the same manner and on substantially the same basis that they are provided to the rest of the City. Below is a list of the major City services that will be provided.

Water and Sewer. The site has access to public water and public sewer. Any/all utility extensions will need to be reviewed and approved by the City of Sanford Public Works Department to verify compliance with all applicable regulations.

Streets. The proposed annexation site has access to existing roads: HWY 421 Business, Valley Rd., and Forestwood Park Rd. Any/all street connections will need to be reviewed and approved by NCDOT and the City of Sanford Public Works Department to verify compliance with all applicable regulations.

Solid Waste. The City shall provide garbage, recyclables, leaf and limb, and bulk trash collection.

Police Protection. Service to the proposed annexation area can be accommodated by current City of Sanford Police Department staffing and resources.

Fire Protection. The City’s Fire Department will provide service to the annexation area out of Station #3 at 900 Cool Springs Rd., approximately 3.8 miles from the property bordering Valley Road, with an estimated response time of 6 minutes.

Estimated Costs incurred by the City.
The Lee County Tax Office shows total assessed valuation for the Northview Rural Fire Department area of $331,509,600.00 as of 2018. The assessed value of the annexation area is $591,800.00.

\[
\begin{array}{ccc}
\text{Debt payment} & \times & \text{Value of property to be annexed} \\
& & \text{Value of rural fire department} \\
$762,091.02 & \times & \frac{$591,800.00}{331,509,600.00} \\
= & & $1360.46
\end{array}
\]

**Revenue.** The assessed valuation of the annexation area as noted above is $591,800.00. At the City’s tax rate of $.62/100, annual revenues of $3669.19 can be anticipated ($591,800.00/100 = 5918.00 \times .62 = $3669.19). This does not include additional tax revenue that would be generated if developed mixed use as envisioned.

**Rezoning of Annexed Area.** Pursuant to NCGS 160A-360(f), if the subject property is annexed, the City has up to 60 days to assign a City designated zoning district. A public hearing on the question of zoning is set for tonight, January 15, 2019 provided the annexation is approved. The proposed rezoning will be from the Residential Restricted Zoning District (RR) to Stone Brook Conditional Mixed Use-PUD Conditional Zoning District.
Petition for Contiguous Annexation
Pinnacle Partners, LLC

Parcels for Consideration

Tax PINs: 9624-96-0209-00, 9634-04-4681-00, and 9634-14-7642-00
PETITION REQUESTING CONTIGUOUS ANNEXATION OF PROPERTY TO
THE CITY OF SANFORD, NC

Date: 1/3/2018

To the City Council of the City of Sanford:

1. We the undersigned owners of real property respectfully request that the area described in Paragraph 2 below be annexed to the City of Sanford, NC.

2. The area to be annexed is contiguous to the City of Sanford and the boundaries of such territory are as follows:

Attached

3. We acknowledge that any zoning vested rights acquired pursuant to G.S. 160A-385.1 of G.S. 153A-344.1 must be declared and identified on this petition. We further acknowledge that failure to declare such rights on this petition shall result in a termination of vested rights previously acquired for the property. (If zoning vested rights are claimed, indicate below and attach proof.)

Name

Address

Pinnacle Partners, LLC
Corporation

2431 Schieffelin Rd.
Apex, NC 27502

Signature

Member-Manager

ATTEST: Member-Manager

Name

Address

Signature

Corporation

President

ATTEST: Secretary

* The City of Sanford requires that the petitioner submit an annexation boundary survey of the property to be annexed along with a metes and bounds description.
AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE
CITY OF SANFORD, NORTH CAROLINA

WHEREAS, The City Council of the City of Sanford, North Carolina has been
petitioned under G.S. 160A-31 to annex 168 acres of property owned by Pinnacle
Partners, LLC, more particularly described below; and

WHEREAS, the City Council has by resolution directed the City Clerk to
investigate the sufficiency of the petition; and

WHEREAS, the City Clerk has certified the sufficiency of the petition and a
public hearing on the question of this annexation was held in the Council Chambers of
the Sanford Municipal Building at 6:00 PM on January 15, 2019, after due notice by
publication in The Sanford Herald on January 4, 2019; and

WHEREAS, the City Council finds that the petition meets the requirements of
160A-31;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of
Sanford, North Carolina that:

Section 1. By virtue of the authority granted by 160A-31, the following
described territory is hereby annexed and made part of the City of Sanford, North
Carolina, as of January 15, 2019:
CITY OF SANFORD LEGAL DESCRIPTION FOR
Contiguous Annexation Boundary for Pinnacle Partners, LLC
West Sanford Township, Lee County, NC

BEGINNING at an existing iron pipe in the Sanford City Limits line also being in the northern right of way of US 421 marked as CONTROL #1 on hereafter referred map; thence with the Sanford City Limits and the northern right of way of US 421 North 80 degrees 35 minutes 44 seconds West 400.46 feet to an existing iron pipe in southern right of way of US 421 a corner of the Sanford City Limits mark as CONTROL #2 on hereafter 421 to an existing iron pipe in the southern right of way of US 421 the POINT OF BEGINNING; thence South 45 degrees 34 minutes 25 seconds East 101.14 feet to an existing concrete right of way monument, on the southern right of way of US 421 thence South 29 degrees 00 minutes 40 seconds East 105.03 feet to an existing concrete right of way monument, on the Southern right of way of US 421 thence; South 45 degrees 31 minutes 23 seconds East 169.49 feet to an existing concrete right of way monument, on the Southern right of way of US 421, Northern point of 60 ft access; thence South 45 degrees 30 minutes 08 seconds East 60.58 feet to an existing concrete monument in the Southern right of way of US 421, Southern point of a 60 ft access; thence South 45 degrees 36 minutes 02 seconds East 162.65 feet to an existing solid iron in the Southern right of way of US 421; thence leaving the Southern right of way of US 421, South 42 degrees 39 minutes 13 seconds West 994.94 feet to an existing solid iron at a fence corner, Southwest corner of Conrad property Estate File 2005-331 (description) deed book 105 page 12; thence South 49 degrees 31 minutes 14 seconds East 194.59 feet to an existing iron pipe at a fence corner, Southeast corner of Conrad Property Estate File 2005-331 (description) deed book 105 page 12; thence South 55 degrees 12 minutes 35 seconds West 1,164.63 feet crossing Purgatory Branch and an existing sewer line to an existing solid iron at a fence corner, Southwest corner of Brinker property deed book 1259 page 619 in the line of Manly Walker Lucas deed book 1358 page 718 lot 23 plat cabinet 1 slide 280; thence North 86 degrees 30 minutes 57 seconds West 397.73 feet to an existing concrete monument being the Northwest corner of lot 24 plat cabinet 1 slide 280 Manly Walker Lucas property deed book 1358 page 718; thence North 86 degrees 46 minutes 54 seconds West 1,199.52 feet to an existing solid iron Northwest corner of lot 10 plat cabinet 3 slide 73 Adcock property deed book 634 page 570; thence North 42 degrees 00 minutes 50 seconds West 268.15 feet to an existing solid iron in the line of Pristell property deed book 1015 page 594; thence North 42 degrees 00 minutes 50 seconds West 488.82 feet to an existing iron pipe Northern corner of Pristell property deed book 1015 page 594; thence North 42 degrees 00 minutes 40 seconds West 604.91 feet to an existing iron pipe Northern corner of Lantz property deed book 392 page 914; thence North 42 degrees 09 minutes 54 seconds West 228.28 feet to an existing iron pipe Northeast corner of Osborne property deed book 410 page 383; thence North 41 degrees 58 minutes 07 seconds West 635.86 feet to an existing iron pipe Northern corner of Osborne property deed book 457 page 979; thence North 41 degrees 59 minutes 54 seconds West 385.53 feet to an existing iron pipe South corner of Griffin property deed book 402 page 598; thence North 36 degrees 36 minutes 02 seconds East 166.98 feet to an existing iron pipe in the South corner of Stone property deed book 810 page 44; thence
North 36 degrees 34 minutes 43 seconds East 605.86 feet to an existing iron pipe South corner of Stone property deed book 882 page 290; thence North 34 degrees 58 minutes 23 seconds East 106.94 feet to an existing iron pipe in the line of Stone property deed book 882 page 290; thence North 31 degrees 58 minutes 40 seconds East 112.46 feet to an existing iron pipe in the line of Stone property deed book 882 page 290; thence North 29 degrees 04 minutes 59 seconds East 113.82 feet to an existing iron pipe South corner of Hill property deed book 254 page 226; thence North 26 degrees 12 minutes 10 seconds East 112.21 feet to an existing iron pipe in the line of Hill property deed book 254 page 226; thence North 24 degrees 51 minutes 56 seconds East 30.36 feet to an existing iron pipe East corner of Hill property deed book 254 page 226; thence North 69 degrees 33 minutes 35 seconds West 300.78 feet to an existing iron pipe Northwest corner of Hill property deed book 254 page 226; thence North 23 degrees 07 minutes 42 seconds East 49.68 feet to an existing iron pipe in the Southern right of way of Valley Road being the Northwest corner of lot 100 plat cabinet 2 slide 503; thence North 27 degrees 41 minutes 49 seconds East 50.30 feet to an existing iron pipe West corner of Wilson property deed book 444 page 285; thence South 69 degrees 35 minutes 20 seconds East 150.06 feet to an existing solid iron in the South east corner of Wilson property deed book 444 page 285; thence North 18 degrees 51 minutes 53 seconds East 71.08 feet to an existing iron pipe East corner of Wilson property deed book 444 page 285; thence North 20 degrees 21 minutes 40 seconds East 100.00 feet to an existing iron pipe East corner of Wilson property deed book 389 page 802; thence South 69 degrees 33 minutes 53 seconds East 150.84 feet to an existing iron pipe Southeast corner of Smith property deed book 990 page 264; thence North 19 degrees 41 minutes 13 seconds East 154.73 feet to an existing iron pipe Northeast corner of Smith property deed book 990 page 264; thence North 20 degrees 30 minutes 57 seconds East 4.62 feet to an existing iron pipe East line of Smith property deed book 1121 page 820; thence North 20 degrees 33 minutes 49 seconds East 149.84 feet to an existing iron pipe Southeast corner of Walton property deed book 508 page 708; thence North 20 degrees 31 minutes 39 seconds East 75.01 feet to an existing solid iron Northeast corner of Walton property deed book 508 page 708; thence North 69 degrees 27 minutes 24 seconds West 149.80 feet to an existing solid iron North corner of Walton property deed book 508 page 708; thence North 20 degrees 32 minutes 32 seconds East 24.99 feet to an existing iron pipe Southeast corner of Blue property deed book 692 page 162; thence North 20 degrees 34 minutes 15 seconds East 75.15 feet to an existing iron pipe Northeast corner of Blue property deed book 692 page 162; thence South 69 degrees 23 minutes 54 seconds East 151.26 feet to an existing iron pipe Southeast corner of Blue property deed book 327 page 125; thence North 21 degrees 24 minutes 16 seconds East 75.00 feet to an existing iron pipe Northeast corner of Blue property deed book 327 page 125; thence North 21 degrees 24 minutes 16 seconds East 84.91 feet to an existing iron pipe East corner of Blue property deed book 327 page 127; thence South 52 degrees 08 minutes 01 seconds East 93.02 feet to an existing iron pipe on the line of Baker property lot 72 and 73 plat cabinet 2 slide 500; thence South 54 degrees 25 minutes 23 seconds East 120.43 feet to an existing iron pipe South corner of Baker property deed book 753 page 228; thence South 61 degrees 39 minutes 07 seconds East 218.56 feet to an existing iron pipe in Southeast corner of Baker property deed book 1165 page 930; thence South 66 degrees 59 minutes 51 seconds East 149.71 feet to an existing iron pipe South corner of Howard property deed book 103 page 572; thence
North 22 degrees 59 minutes 27 seconds East 299.73 feet to an existing iron pipe
Northeast corner of Howard property deed book 103 page 572; thence South 66 degrees
43 minutes 41 seconds East 64.90 feet to an existing iron pipe Northwest corner of
Waddell property deed book 850 page 565; thence South 22 degrees 58 minutes 05
seconds West 299.37 feet to an existing iron pipe Southwest corner of Waddell property
deed book 850 page 565; thence South 67 degrees 03 minutes 13 seconds East 314.12
feet to an existing iron pipe Southeast corner of Waddell property deed book 850 page
565; thence South 03 degrees 45 minutes 48 seconds West 806.28 feet to an existing
railroad t-iron West corner of McIver property deed book 496 page 196; thence South 06
degrees 08 minutes 10 seconds West 512.89 feet to an existing iron pipe West corner of
Patterson property deed book 1220 page 860; thence South 34 degrees 28 minutes 45
seconds East 1,694.73 feet to an existing solid iron center line of woods road South
corner of Patterson property deed book 1220 page 860; thence North 54 degrees 49
minutes 55 seconds East 2,069.56 feet East corner of Patterson property deed book 1220
page 860; to the POINT OF BEGINNING; containing 167.91 ACRES more or less.
According to the map of City of Sanford Contiguous Annexation Map for Pinnacle
Partners, LLC. Prepared by Thomas J. Matthews Professional Land Surveyor L-1255,

Section 2. Upon and after January 15, 2019, the above described territory and its
citizens and property shall be subject to all debts, laws, ordinances and regulations in
force in the City of Sanford and shall be entitled to the same privileges and benefits as
other parts of the City of Sanford. Said territory shall be subject to municipal taxes
according to G.S. 160A-58.10.

Section 3. The Mayor of the City of Sanford shall cause to be recorded in the
office of the Register of Deeds of Lee County, and in the office of the Secretary of State
at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section
1 above, together with a duly certified copy of this ordinance. Such a map shall also be
delivered to the Lee County Board of Elections, as required by G.S. 163-288.1.

Adopted this 15th day of January, 2019.

T. Chet Mann, Mayor

ATTEST:

Bonnie Davis, City Clerk

APPROVED AS TO FORM:

Susan Patterson, City Attorney

LEE COUNTY
NORTH CAROLINA
I, Angela M. Baker, A Notary Public for said County and State, do hereby certify that Bonnie Davis personally appeared before me this day and acknowledged that she is the City Clerk of the City of Sanford, North Carolina, a corporate body, and that by authority duly given and as the act of the City, foregoing instrument was signed in its name by its Mayor, T. Chet Mann, Sealed with its corporate seal, and attested by herself, as its City Clerk.

Witness my hand and official seal this, the _____ day of ____________.

__________________________________________
Angela M. Baker, Notary Public

My Commission Expires: ____________  ____________
S750 FEE
(S750 Total Conditional Rezoning Fee. No Standard Rezoning Fee Included with this Request.)

Supplemental Application for Conditional Zoning District
(To be submitted with an Application for Zoning Amendment)
Circle Jurisdiction That Applies:

City of Sanford  Lee County  Town of Broadway

1. Type of Conditional Zoning District (Type 1 or Type 2): Type 1

2. Describe in detail the use(s) requested as part of the Conditional Zoning District (use separate sheet if necessary):
   - 168 acres total
   - Approximately 400 single-family lots: 68.7 acres
   - Reserved for approximately 60 Townhomes: 8.6 acres
   - Reserved mixed use to include: Professional / Commercial, High Density Residential: 26 Acres
   - Public Land Donation to City of Sanford: 7.3 acres
     - Possible uses may include fire department, community center, etc.
   - Open Space / Parks / Public Areas: 31.5 acres
     - Including: dog parks, playgrounds, public meeting areas, passive recreation, nature trails, etc.
   - Roads and Right of Way: 25.8 acres

3. Describe in detail any additional conditions of development proposed as part of the Conditional Zoning District. Such conditions should include (as applicable):
   - The location on the property of the proposed use(s):
   - The number of dwelling units:
   - The location and extent of supporting facilities such as parking lots, driveways, and access streets:
   - The location and extent of all landscaping areas, buffer areas and other special purpose areas
   - The timing of development:
   - The location and extent of right-of-way and other areas to be dedicated for public purposes:
   - Details on architectural features and scale of proposed structures:
   - The location and extent of any pedestrian elements (sidewalks, trails, etc.).

   Conditions may be listed on additional, separate sheets if necessary. Additionally, a scaled site plan shall be submitted illustrating all conditions as described in the text.

   - Location: Valley Road and Boone Trail Road (see attached site plan)
   - Number of single-family dwelling units: Approximately 400 (see attached site plan)
   - Approximate timing of development: phase 1 to begin 4th quarter 2018, phase 2 to begin 4th quarter 2019, phase 3 to begin 1st quarter 2021
   - For a list of proposed zoning conditions, see attached sheets.

4. Signature(s) of Applicant (and Property Owners if different from Applicant).
   I hereby acknowledge that by submitting this Conditional Zoning application, I am voluntarily requesting that restrictions on the use of land and/or zoning conditions of development be placed upon the subject property as included in this petition. An application fee in the amount of S750.00 (see Fee Schedule), payable to The City of Sanford is required before processing the application. The application submission deadline is the second Friday of the month. The petition will be heard the following month at the scheduled public hearing.

   [Signature]
   Terry Slate
   12-10-2018
   Date

L. Forms & Certifications/ CZ Supplemental Appl (Updated 2018-07-02)
Proposed Categorized Zoning Conditions
Stone Brook Conditional Use

Stipulations Specific to the Single-Family Development

1. **Lot Sizes (Single-Family Dwellings):** The minimum lot sizes shall be 6,500 square feet.
2. **Lot Widths:** The minimum lot widths shall be fifty feet (50’).

Stipulations Specific to the Homeowner’s Association

3. **Homeowner’s Association:** All owners of developable lots shall immediately become members of the Homeowner’s Association.
4. **Homeowner’s Association:** A Declaration of Covenants, Conditions, and Restrictions and bylaws for the Homeowner’s Association shall be reviewed, approved, and recorded with the Phase I final plat.
5. **Homeowner’s Association:** Homeowner’s Association shall be professionally managed and shall be in place to enforce and abate all community association covenants, conditions, and restrictions.
6. **Homeowner’s Association:** Homeowner’s Association shall be responsible for the maintenance and upkeep of all open space and improvements built throughout the development, including the maintenance and upkeep of all drainage easements and Detention/Retention/Water Quality Pond Areas.

Stipulations Relating to Setbacks

7. **Setbacks (Residential Buildings):** Setbacks shall be measured from the lot line to the building wall. Building eaves, at-grade patios, and at-grade stoops shall be allowed in the setback area. Decks, porches or other building extensions shall not be permitted in the setback area. The minimum setbacks from the lot lines to the buildings for each residential use type shall be as follows:

<table>
<thead>
<tr>
<th>Land Use Type</th>
<th>Minimum Front Setback</th>
<th>Minimum Side Setback</th>
<th>Minimum Rear Setback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Family Dwelling</td>
<td>25’</td>
<td>5’</td>
<td>10’</td>
</tr>
</tbody>
</table>

8. **Setbacks (Perimeter):** All principal dwelling units and accessory structures shall be setback 30’ from the subdivision perimeter.

Stipulations Relating to Recreation Amenities

9. **Recreation Amenities:** All recreation amenities in common open space shall be detailed on a site plan to show the location and proposed use of all open spaces and recreation areas.
10. **Recreation Amenities:** Parking areas shall be provided adjacent to major community recreation areas.
11. **Recreation Amenities:** Designated school bus stop areas shall be provided.

Stipulations Relating to Infrastructure

12. **Infrastructure:** Sidewalks shall be provided along each side of all roads.
Stipulations Relating to Landscaping Buffers

13. **Open Space:** All lands within areas required to be maintained as open space by the Homeowner’s Association shall be protected by a permanent conservation easement and restrictive covenant, prohibiting further development, and recorded upon final plat approval as “Open Space”.
14. **Lot Tree Requirement:** One tree shall be planted in the front yard of each single-family home with a minimum caliper of two (2”) at time of planting. Corner lots shall have two trees planted.
15. **Lot Sod Requirement:** All homes shall be sodded from the curb to the back corner of the home.
16. **Lot Shrub Requirement:** At least ten (10) shrubs shall be planted for each home, minimum one (1) gallon in size.

Stipulations Relating to Single-Family Homes

17. **Housing Square Footage:** The minimum heated square footage shall be 1,440 square feet.
18. **Building Materials:** Veneer between the bottom of windows and the ground shall be stone or brick on the front of all homes.
19. **Elevations:** Multiple elevations shall be available, with a minimum of three (3) homes separating repetition.
20. **Colors:** Multiple exterior color combinations with a minimum of three (3) homes separating repetition.
21. **Siding:** Vinyl siding shall be Alside Conquest & Driftwood (.040” thick, double 4.5” exposure Dutch lap), installed per manufacturer’s instructions, carrying a lifetime transferable warranty.
22. **Siding:** Gables shall have Board-and-Batten or Shake siding.
23. **Windows:** Windows shall have grids on the front of all homes, and shall be double-pain, argon filled windows.
24. **Garage:** All homes shall have a two (2) car garage.
25. **Garage:** Garage doors shall have raised paneling with carriage style hinges and handles.
26. **Driveways:** All homes shall have concrete driveways accommodating two cars in width from curb to garage.
27. **Roof:** Minimum roof pitch on all homes shall be 6/12.
28. **Roof:** Attic turbines shall not extend higher than the roof peak and no more than 12” above the roof surface.

Stipulations Relating to Community Appearance

29. **Recreational Equipment:** Hot tubs may not be visible from the street.
30. **Recreational Equipment:** All play equipment on private lots shall be located behind the home and cannot be located in the side or front yard.
31. **Recreational Equipment:** Basketball goals are prohibited from being mounted directly on the house. Goals are not to be placed so basketball is played in the street.
32. **Recreational Equipment:** Above-ground pools shall not be permitted.
33. **Trash:** All homes shall have a screened trash receptacle area.
34. **Trash:** Trash receptacles must be stored in screened trash receptacle areas except the night before trash pick-up day and trash pick-up day.
35. **Driveways:** Gravel drives and parking areas will not be permitted.
36. **Parking:** Parking of vehicles on lawns or common areas shall be prohibited.
37. **Parking:** The parking of commercial trucks, buses, or other commercial vehicles of any kind on the street shall be prohibited.

38. **Fences:** Fence materials shall either be pressure treated wood, black aluminum, wrought iron, or vinyl. Wire, plastic, and chain-link fences (including dog enclosures) shall be permitted.

39. **Fences:** Fences must be maintained and kept in good repair.

40. **Storage:** Storage sheds must be sided with siding materials similar in color and composition of the principal structure. Roofs must have a similar pitch, materials, and color as that of the home.

41. **Decks:** Decks shall be built on the rear of homes and not extend past the side of the home. Front and side decks are not permitted. Deck materials to be used shall be specific to patio and/or deck designs.

42. **Windows:** Window unit air conditions are prohibited.

43. **Windows:** Windows shall not be dressed with inappropriate dressing materials (sheets, newspapers, blankets, etc.)

44. **Finishes:** Paints and stains must be maintained in uniform and good repair.

45. **Yards:** Lawns must be well kept with uniform ground coverage.

46. **Yards:** Doghouses shall not be visible from the street.

47. **Yards:** Clotheslines shall not be erected or maintained on any lot.

48. **Yards:** Vegetable gardens shall only be permitted in rear yards.

49. **Yards:** Lawn furniture, barbecue equipment, toys, bikes, trampolines, etc., must be kept in good repair and stored within the rear yard when not in use.

**Stipulations Relating to Environment**

50. **Environmentally Sensitive Areas:** No unauthorized disturbances of environmentally sensitive areas as defined by U.S. Army Corps of Engineers, NCDEQ, Lee County, and the City of Sanford Planning Department.

**Stipulations Relating to Mailbox Kiosk**

51. **Mailbox Kiosk:** Mail Kiosks shall be installed and in accordance to the United States Post Office standards.

52. **Mailbox Kiosk:** There shall be a minimum of one (1) mailbox kiosk installed for the development. Location(s) of kiosk(s) shall be approved by the United States Post Office.

**Stipulations Relating to Fire Code and Blasting**

53. **Fire Code:** Development must comply with the 2012 NC Fire Prevention Code or current edition adopted for use by the City of Sanford. This includes, but is not limited to, the access roadway requirements, hydrant locations, and blasting.

54. **Blasting:** Blasting operations shall be conducted in accordance with the provisions of the NC Fire Prevention Code.
Stone Brook
Subdivision
Sample Elevations
Stone Brook

HOMEOWNERS ASSOCIATION

ARCHITECTURAL GUIDELINES
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TOP TEN LIST

The following are some of the most important items to remember to maintain and enhance our property values in Stone Brook Community. Additionally, this list will help assist you in planning any exterior changes to your property. Please remember all exterior changes/improvements must be approved in writing prior to any changes being made.

Fences
• Please remember to get written approval prior to any installation or changes. Please see specifics on page 13.

Signage
• No signs are permitted in windows, with the exception of alarm and pet signs. Signs expressing support of or opposition to political candidates are allowed per constraints outlined in Community Covenants. Homemade signs in yards are prohibited.

Dog Waste
• Maintenance of the yard to keep it free from offensive odors is required.
• Please note all homeowners are required to pickup after their pets. Please be courteous!

Garbage Cans
• Trash storage needs to be screened from the road. Please see specifics regarding screening on page 12.

Toys/Basketball Goals/Play Equipment
• No items (toys, bikes, garden equipment, trash containers, chairs, wood, recycling bins, etc.) may be left in front or side yards or on porches when not in use.
• Basketball goals need to be erect at all times.

Parking
• Parking is prohibited on the grass or the medians.
• Street parking is discouraged. If you have space in your driveway please move your cars off the street.
• Parking over the sidewalk is prohibited per City Ordinance, including sidewalks that go through driveways.

Satellite Dishes
• Satellite dishes, no more than one meter (45") in diameter, with hidden cable.
• Preferred placement of the dish is on the rear roof. If placement is necessary on the side of the yard, screening with plant material and/or painting the dish to match the background is required.
• Dishes placed in the front yard are prohibited, unless written architectural approval is received.

Mailboxes and Posts
• Must be repainted or replaced with the same type used in Stone Brook.

Yard Maintenance
• Grass should be kept no more than 6" high. Edging and pruning should be done on a regular basis. Driveway and sidewalk cracks should be kept clear of grass and weeds. The designated lawn area should be fully covered with grass. Any brown or bare patches should be repaired during the spring or fall seeding season. See additional City requirements on page 15.

Boats, Trailers, etc.
• Recreational vehicles, watercrafts, boats, trailer, campers, etc. may only be parked in an enclosed garage. Otherwise, none of the aforementioned may be stored on the Property.

Basketball Court/Sport Courts
• No concrete or similar sport court is allowed.

Garage Doors
• All garage doors should be kept in the closed position unless it is in use.
INTRODUCTION

In a planned community such as Stone Brook, the question naturally arises as how to maintain a harmonious, quality development as the community matures. The following guidelines attempt to provide a meeting ground between private interests and the broader interest of the community.

The Declaration of Covenants runs with the land and is binding with all homeowners and should be fully understood. Please retain these additional Guidelines as part of your permanent papers. You should make these Guidelines available to any renters of your home. In the event you need additional copies of this document or The Declaration of Covenants for the community, please contact the management company.

The fact that each homeowner is subject to these Covenants should assure all homeowners that the standards of design quality shall be maintained, enhancing the community's overall environment and protecting property values.

The rules, responsibilities and procedures outlined in these Guidelines have been approved by the Board of Directors (BOD), in compliance with the community's Declaration of Covenants.

The intent of these guidelines are:

- To insure quiet enjoyment for the residents;
- To minimize problems and expenses for the association;
- And to provide for the architectural integrity of the neighborhood.

The cooperation of each owner will be mutually beneficial.
ARCHITECTURAL REVIEW COMMITTEE (ARC)

The Declarations establish an Architectural Review Committee, from now on referred to as the ARC, to be comprised of three (3) to five (5) representatives to rule on architectural submittals. The ARC is charged with conducting the review of all applications for exterior changes and with rendering a decision to the applicant within 45 days. The ARC will respond in writing with either an approval, approval with conditions, disapproval or a request for more information on the project. More information may be required for the ARC to make an informed decision. It is the Homeowner's responsibility to provide that information in a timely manner. If the ARC fails to render a decision (after receiving all required information) in the allotted 45 days, the approval will not be required and the application will be considered to have been approved.

The ARC may from time to time publish and promulgate architectural standard bulletins, which shall be fair, reasonable, and uniformly applied. The ARC shall be responsive to technological advances or general changes in architectural designs and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand). Such bulletins shall supplement the Declaration and are incorporated herein by reference.
THE ARCHITECTURAL REVIEW COMMITTEE PROCESS

The Declaration of Covenants requires prior written approval for any improvements to an owner’s lot. Therefore, do not commit labor or materials until you have received written approval.

1. Owner submits to the Architectural Review Committee, in care of the management firm, an Application for Architectural Improvement. Please note the Architectural Review Committee has thirty (45) days to review the application. Should nothing be received within 45 days, please call to follow up. Occasionally items get lost in the mail and the review period does not start until Community Association’s management company receives the completed application. Complete applications will be considered on individual merit, using these documented standards as a basis for decision-making.

**Out of courtesy, we request you inform your neighbors of your proposed improvement(s).**

**Note:** when attaching to a neighbor’s fence, written approval must be obtained from the neighbor.

2. The application, noted with the date of receipt by the manager, is turned over to the Architectural Review Committee within two working days, provided all information necessary for review is received. (Management will make a cursory review of the application and request of owner any additional information needed. The committee may still require additional information, as detailed in 4d, below. The 45-day timetable begins when the application is complete and appropriate for review.)

3. The committee will act on the application within 45 calendar days from receipt. In most cases the owner will receive a response within three weeks.

4. The committee’s decision will be noted on the application. The owner will be notified by management of all final decisions, either:

   a. APPROVAL: The application is approved as submitted.

   b. APPROVAL WITH CONDITIONS: The overall proposal is accepted, but with certain specified changes, limitations, or requirements that must be followed.

   c. DISAPPROVAL: The application is denied. The owner can appeal to the Architectural Review Committee within 15 business days. Further escalation may require the involvement of the Board of Directors. (see Appeal Process section for more details)

   d. ADDITIONAL INFORMATION REQUIRED: The Committee has determined that additional information is needed for appropriate review of the application. In this case, the entire process begins again once management receives the information. The owner should follow the same submission procedure. The Architectural Review Committee will act swiftly on all re-submissions.

5. Architectural Review Committee inspection: The Architectural Review Committee reserves the right to visit your lot and inspect the improvement. This will be done for two specific reasons:

   a. to ensure that the application details were followed and to note problems encountered which might help other residents on similar projects; and

   b. to learn any “pointers” that other residents may employ in more easily completing an improvement project.

6. Once work has begun on an improvement, it must be completed within 90 days. Applications are valid for 1 year from the date of approval.

**Please note:** Many design changes require a permit and the City and/or County may not issue a permit without the written approval of the ARC. Please plan in advance. **THE ARC HAS 45 DAYS TO REVIEW ALL REQUESTS, AFTER ALL THE APPROPRIATE INFORMATION IS SUBMITTED.** It is strongly suggested that the City and/or County be contacted to determine what permits or approvals are required from a City/County Ordinance. Architectural Review Committee approval does not substitute for approval by the City. It is the homeowner’s responsibility to acquire appropriate approvals, permits, etc. from the City.

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REVIEW CRITERIA

The ARC evaluates each application on the individual merits of the application and the standards listed below:

Validity of Concept - The basic idea of the exterior change must be sound and appropriate to its surroundings.

Landscape and Environment - The exterior change must not unnecessarily destroy the natural landscape or the achieved man-made environment.

Relationship of Structures and Adjoining Property - The proposed change should relate harmoniously among its surroundings and to existing buildings and terrain that have a visual relationship to the change.

Protection of Neighbors - The interest of neighboring owners should be protected by making provisions for such matters as surface water drainage, sound and sight buffers, preservation of views, light and air, and other aspects of design, which may have substantial effects on neighboring property. For example, fences may obstruct views, breezes or access to neighboring property. The ARC should consider the various and appropriate criteria and exercise discretion in determining which of these criteria will be governing in each specific application.

Design Compatibility - The proposed change must be compatible with the design characteristics of the applicant's home and the general neighborhood setting. Compatibility is defined as harmony in style, scale, materials, color and construction details.

a. Scale: The three-dimensional size of the proposed change must relate satisfactorily to adjacent structures and their surroundings.

b. Materials: Continuity is established by use of the same or compatible materials as used in the existing home. Siding materials and shingles must match existing structure.

c. Color: Color may be used to soften or intensify visual impact.

Workmanship - The quality of work must be equal to or exceed that of any existing structure. Poor practices may cause the owner problems and may be visually objectionable to others. For example, a wooden fence not properly treated and maintained may in a short period start to decay and become unsightly to the owner and neighboring property owners.
APPEAL PROCEDURE

If the applicant disagrees with the decision of the Committee in its review or inspection, the process is noted for an appeal:

1. Within 15 business days after receipt of a notice of disapproval, the homeowner must file a written appeal with the Architectural Review Committee at the address of contact for the community.

2. Upon receipt of the appeal, the ARC may contact the homeowner and schedule a review of any further information relating to the request and appeal.

3. Should the ARC determine that the disapproval remain, the homeowner may request (within 7 days) that the appeal be forwarded to the Board of Directors. It is the responsibility of the ARC to forward any correspondence and pertinent information to the BOD at this time.

4. The Board of Directors shall then establish the date and the time that the appeal will be heard. Normally, this will be made at the next scheduled Board meeting. To reverse an Architectural Review Committee decision, requires a majority vote of the BOD.

5. No work may progress during this appeal process time period.
VIOLATIONS AND PENALTIES

An exterior change made without the required approval of the ARC constitutes a violation of the Declaration of Covenants and Community Guidelines. A violation may require removal or modification of the work at the expense of the property owner.

When a violation is determined to have occurred, the following steps shall be taken:

1. The ARC will investigate any reported violation and attempt to bring the owner into compliance. Homeowners will be notified in writing of the violation and are expected to bring the violation into compliance within thirty (45) days.

2. Should the owner fail to act upon the recommendations for corrections, the Committee shall submit the matter to the Board of Directors.

3. The homeowner shall be invited to a hearing with the BOD where the homeowner will have opportunity to be heard and present evidence. Failure to appear shall result in a fine beginning to accrue on the day after the scheduled hearing date. Of course, if the violation were brought back into compliance prior to the hearing, no hearing would be necessary.

4. After the hearing, the BOD shall respond to the homeowner with a decision in writing within five (5) days. Any penalties or costs relating to the violation (and the date from which the accrual shall begin) shall be noted in the letter from the BOD.

Fines: Fines will be levied on a daily basis of $50 per day, per violation, until the violation is rectified. The North Carolina Community Act passed in January of 1999, allows planned residential communities the ability to uphold standards that will protect and insure homeowners of maintained property values, with regard to holding all property owners accountable for abiding by the existing covenants.

Fees: A violation may also result in payment of damages incurred by the Association in having the work removed or modified, as well as a fine assessed by the Association. Attorneys’ fees, court costs, site assessment will all be incorporated into the fine process.

** Please remember Owner’s are responsible for their renters.
EXPLANATION OF STANDARDS

The Standards that follow are the procedures and guidelines applied by the ARC to assist the Association and its members in the design review process. It is hoped that these Standards will serve as a positive tool to assist in the full and free use of each homeowner's property in a manner that is consistent with the aesthetic and harmonious development to the community.

There are three major categories of items for specific home improvement guidelines:

BLANKET APPROVALS
COMMON IMPROVEMENTS
APPEARANCE STANDARDS

These three are very important to you because they identify which improvements are permitted and how approvals can be secured. Items not specifically mentioned here require approval.
BLANKET APPROVALS

Items in this category do not require approval, provided the guidelines mentioned are followed.

- Plants, shrubs and flowers planted within three feet of the front of your house, not to grow higher than the lowest portion of the windows.

- Bedding borders, if constructed of common landscaping borders not to exceed 8 inches in height.

- Plantings of flowers and shrubs around trees or mailbox.

- Mailboxes and posts, if repainted or replaced in original colors.

- Low voltage lighting.

- Hose caddies affixed to the home or enclosed in appropriate container.

- Outside seasonal decorations, displayed up to five (5) weeks prior to and three (3) week after the holiday season.

- Vegetable gardening in rear yards, provided they are not noticeable from the street, do not exceed allowed fence heights or grow through to the neighbor’s yard.

- Removal of trees that are less than six inches (6”) in diameter and less than four feet (4’) above the ground. All other trees must have the approval of the ARC and possible neighbors signatures. Any dead tree may be removed without approval.

- Lawn furniture, barbecue equipment, toys, bikes, trampolines, etc. if kept in good repair. These must be stored within the rear area when not in use.

- Attic turbines, if they are mounted on the rear of the house roof, extend no higher than the roof peak, and are no more than 12” above the roof surface.

- Satellite Dishes
  - No more than one meter (45”) in diameter, with hidden cable.
  - Preferred placement of the dish is on the rear roof. If placement is necessary on the side of the yard, screening with plant material and/or painting the dish to match the background is required.
  - Dishes placed on poles in the front yard are prohibited, unless written architectural approval is received.

- Front Storm Doors
  - White or the same color as your existing trim;
  - Of the “full view” design;
  - Of anodized aluminum (including baked-on enamel);
  - Unadorned.

- Back Storm Doors
  - White or the same color as existing trim;
  - Of anodized aluminum (including baked-on enamel).

- Exterior Painting / Maintenance
  - Provided that material and color remains the same, no approval is required for standard maintenance of the house exterior.

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• Hot Tubs
  -Hot tubs may not be visible from the street;
  -Must meet all City, County, and State requirements (enclosed, fencing, plumbing, electricity, etc.).

• Play Equipment / Treehouses
  -All play equipment should be located in the rear of the house, not the side, front yard or porches.
  -Play equipment must be located at least 3 feet from property lines;
  -Treehouses are prohibited.

• Basketball Goals
  -Basketball goals are to be placed on the rear third (toward the house) of the driveway or parking pad;
  -Goals should be mounted on a single pole with a backboard that is predominately white, clear or gray;
  -Basketball goals are prohibited from being mounted directly on the house;
  -Basketball goals may be cemented into the ground with ARC approval;
  -One goal per house;
  -It is required that player be courteous and not hinder a neighbor’s property during normal play;
  -Goals are not to be placed so basketball is played in the street;
  -Moveable basketball goals are to be located on the driveway, away from the street and when not in use;
  -Basketball goals need to be erect at all times.

• Trash Containers
  Unless it is the night before trash pick-up day or trash pick-up day trash containers need to be stored so they are not noticeable from the street; otherwise, they are in violation of the community guidelines.
  Trash containers may be stored on the side of the home; however the cans still need to be screened from the street and preferably neighboring properties. Below is an example of an owner very tastefully screening their trash cans with vinyl fence that matches their home. This may also be done with a wood fence and/or plant material.
COMMON IMPROVEMENTS

Items in this category require approval. *An application must be submitted and meet these guidelines.* Approval is not necessarily limited to constraints listed here, but is much more likely to be given for:

Grading
- Major changes to the topography of a lot are required to be approved by the ARC prior to being started.
- Drainage and water flow patterns must be taken into consideration prior to the start of any grading.
  **The Association, its Board of Directors, nor the Architectural Review Committee accepts any liability for any damage caused by such grading, whether or not the committee approved the request.**

Exterior Color and Maintenance (Changes)
- You must specify the new material and/or color you wish to use; include a color sample from the store.

Drives and Parking Areas
- Proposed changes in drives or parking pad additions must be submitted to the ARC;
- Gravel driveways or parking areas will not be permitted.

Pools
- No above-ground swimming pools shall be permitted in the Subdivision;
- Requests for in-ground swimming pools shall be considered.

Fences/Walls
- Fence material shall either be pressure treated wood, black aluminum, wrought iron or vinyl. Wooden fences may be treated with a natural wood or white tone stain. For maintenance purposes, it is preferred that fences are not painted;
- Fences must enclose all or part of the backyard and can start 1/3 of the length of the house from the front of the house (variations will be considered for specific lot shapes and/or items you are intending to screen with the fence);
- No wire, plastic, or chain-link fences (including dog enclosures) shall be considered;
- Construction will consist of vertical members (pickets) supported on horizontal members (rails) with the pickets on the outward side of the fence. The top edge of wooden or vinyl fences may be scalloped either up or down with ARC approval as seen in pictures, below. Fence must follow the natural grade of land;
- Required fence height is a minimum of 4ft (42” at lowest point) and maximum of 6ft (at the highest point);
- Fences must be maintained and kept in good repair;
- Fences shall be a minimum 2” from the ground level in order to allow for proper drainage and run off from home site to home site. Posts may not be placed in swales.

Acceptable Fence Styles to Follow:

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Storage Sheds

- No larger in size than 8 x 12;
- Constructed of wood; no aluminum sheds allowed;
- A suitably constructed floor system or foundation is required;
- They are placed on the property behind your home so the shed cannot be seen from the road when standing directly in front of house;
- They must be at least 3 feet from the neighboring property;
- Siding material must be similar in color and composition to the home;
- Roof must have similar pitch, similar materials, and similar color as that of the home.

Decks/Screened Enclosures/Outdoor Living Areas

- A deck should not extend past the side of the house;
- All decks should be on the rear of the house. No side or front decks are permitted;
- Decks may not be painted;
- They will pose no drainage problems for you or your neighbors;
- The materials to be used are designed specifically for patio and/or deck designs;
- Screened enclosures must not be visible from the street;
- All decks, patios, gazebos and screened porches must blend in with the natural terrain.

Lamps & Landscape Lighting

- One walkway/entrance light on post is allowed, not to exceed 7 feet in height to base of light fixture;
- The post shall be of metal painted black;
- The lamp design should be similar to existing house exterior lights;
- Entrance lighting on ARC-approved walls on the sides of driveway entrances will be considered providing they match existing light fixtures. *Note that low voltage lighting does not need ARC approval.

** The Association requests that all exterior lamps be on from dusk to dawn. It is the homeowner’s responsibility to changes out bulbs, etc.

Windows

- Window unit air conditioners are prohibited;
- Fans in windows are discouraged;
- Appropriate window dressings are required (sheets, newspapers, blankets, etc. are prohibited).

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APPEARANCE STANDARDS/MAINTENANCE

- Paint and stain must be maintained in uniform and good repair (with no peeling, chipping, cracking, or discoloration) on the trim or siding.

- Lawns must be well kept with uniform ground coverage. Grass should be kept no more than 6" high. Edging and pruning should be done on a regular basis. Driveway and sidewalk cracks should be kept clear of grass and weeds. The designated lawn area should be fully covered with grass. Any brown or bare patches should be repaired during the spring or fall seeding season. Dead trees and shrubs must be removed and replaced with plantings of similar size and shape.

City requirements
The owners of the property and their agents, heirs or assigns shall be responsible for the installation, preservation and maintenance of all plantings and physical features shown on this plan. The owners shall be responsible for annual maintenance of the vegetation to include but not limited to:

Lawn Area: The lawn area will be mowed 40 times per year to provide a neat and uniformly finished lawn. For areas inaccessible to mowers, a string trimmer will be used to cut grass to same height as mower. Curb, sidewalk and bed edges will be mechanically edged 15 times per year during the growing season. All debris will be removed from turf prior to mowing and from turf and pavement areas following edging. The entire lawn will be aerated in the fall. Seeding and fertilization will be performed in conjunction with aerification. The lawn area will be overseeded with a hybrid fescue blend at a rate of 75 pounds per acre. The turf will be fertilized three times during the year (March, September and November). A slow release nitrogen product will be used at a rate of 1-2 pounds of nitrogen per 100 square feet. A pre-emergent crabgrass control will be applied to the lawn when soil temperatures reach 48 degrees.

Plant Beds and Small Ornamental Trees: All plant beds will be sprayed and weeded by hand to maintain them free of weeds at all times. All shrubs will be fertilized as required as required with a slow release fertilizer at a rate according to plant type. All trees will be fertilized by deep root feeding with a slow release fertilizer designed to feed for two years. All shrubs and trees will be pruned with hand pruners to encourage growth and remove dead material. Replace pine straw mulch annually. Formal hedges will be trimmed to an invert 'V' shape to encourage low limb structure and dense growth. An I.P.M. (Integrated Pest Management) program will be established and implemented.

Leaves: All leaves will be removed from the lawn areas weekly and four times a year from the plant beds. Leaves may be placed in adjacent wooded areas.

Natural Areas: Natural areas will be maintained free of brush and weeds within the first ten feet of the natural area.

- No items (toys, bikes, garden equipment, trash containers, chairs, wood, recycling bins, etc.) may be left in front or side yards or on porches when not in use. Basketball goals need to be erect at all times.

- No parking vehicles on lawns or common areas. Parking over the sidewalk is prohibited, including sidewalks that go through driveways. Parking in the street overnight is discouraged. Please do not park within 10 feet of stop signs, street signs and fire hydrants. For events such as Garage Sales or parties, it is the responsibility of the homeowner hosting the event to inform neighbors and make provisions to prevent damage to the neighbors' yards.

** For safety and aesthetic purposes your driveway should be full of cars if you are parking on the street.

- Mobile house trailers (whether on or off wheels) and recreational vehicles are prohibited. Watercrafts, boats, utility trailer, etc. must be stored in an enclosed garage.

- No commercial truck, commercial bus, or other commercial vehicle of any kind may be parked on the street.

- No portion of the property may be used for the repair of automobiles requiring over 48 hours to repair.

- No portion of the properties can be used to tie up dogs or for breeding. No doghouses should be visible from the street. Excessive dog noise will be treated as a noise ordinance violation. Maintenance of the yard to keep it free

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from offensive odors is required. Please note all homeowners are required to pickup after their pets. There is a City Ordinance that enforces this guideline. Please be courteous!

- Properties should be free of any debris.
- No clotheslines may be erected or maintained on any lot.
- Vegetable gardens are allowed in backyards only.
- Trash storage needs to be screened from the road.
- Signs may be placed in the homeowner's yard for the express purpose of selling and/or renting the property. Political signs may be placed on the homeowner's property expressing support or opposition to a candidate or referendum issue, not 60 days before the election and must be removed within 2 days following the event. Security, burglar alarm, or dog fence signs shall be located discreetly in the front yard of the house. No signage may be located in the common area, with the exception of an open house or community event. Yard/Garage Sale signs are permitted the day prior to and of the event and the event day and then need to be removed, promptly. Temporary signage during the period of home improvements is permitted. Signs must be removed as soon as the job is completed. No signs are permitted in windows, with the exception of alarm and pet signs. Homemade signs in yards are prohibited.

** These standards are in addition to any listed in the Declaration of Covenants. **
DRAFT

(Top portion for recording purposes)

Prepared by & Return to:

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, AND RESTRICTIONS FOR THE STONE BROOK

THIS DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, AND RESTRICTIONS FOR STONE BROOK ("Declaration") is made this ___ day of __________, 2018 by ____________________________, (hereinafter referred to as "Declarant"): WITNESS TO:

WHEREAS, Declarant is the owner of certain real property located in Lee County, North Carolina, which is more particularly described on Exhibit "A" attached hereto and made a part hereof by reference (hereinafter sometimes referred to as the "Property").

WHEREAS, Declarant desires to create on such property an exclusive residential community of single-family homes to be known as Stone Brook (hereinafter sometimes referred to as "Subdivision");

WHEREAS, Declarant desires to provide for the maintenance and upkeep of the common area within the Subdivision and to provide for enforcement of covenants and restrictions applicable to the Subdivision, and, to that end, desires to create a planned community pursuant to the provisions of Chapter 47F of the General Statutes of North Carolina (the "Act"), and to subject all of the property within the Subdivision to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

WHEREAS, Declarant has deemed it advisable to create an organization to own, maintain and administer the Common Area (as hereinafter defined), to administer and enforce the covenants and restrictions applicable to the Subdivision, and to collect and disburse the assessments and charges hereinafter created, and Declarant has therefore incorporated under North Carolina law as
a non-profit corporation, the STONE BROOK HOMEOWNERS' ASSOCIATION, INC., for the purpose of exercising the aforesaid functions.

NOW, THEREFORE, Declarant declares that the Property and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be owned, held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, all of which shall run with the real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Act" shall mean and refer to Chapter 47F of the General Statutes of North Carolina, designated as the North Carolina Planned Community Act.

Section 2. "Association" shall mean and refer to the STONE BROOK HOMEOWNERS' ASSOCIATION, INC., a North Carolina non-profit corporation, its successors and assigns.

Section 3. "Association Document" shall mean collectively the Articles of Incorporation of the Association, the Bylaws of the Association, this Declaration, any supplemental declaration as may be applicable to separate portions of the Properties, the rules and regulations, the Architectural Guidelines, and any resolutions adopted by the Board, all as may be amended, restated and revised from time to time. Any exhibit, schedule or amendment to an Association Document shall be considered a part of that document.

Section 4. "Board of Directors" or "Board" shall mean the body responsible for administration of the Association selected as provided in the Bylaws.

Section 5. "Builder" shall mean and refer to any persons, firms or entities that purchase one or more Lots in the Properties for the purpose of constructing a Dwelling for resale to consumers in the ordinary course of its business.

Section 6. "Common Area" shall mean and refer to any and all real and personal property in which the Association now or hereafter owns, leases or otherwise holds possessory or use rights for the common use and enjoyment of the Owners, including easements held by the Association for those purposes. Common Area shall include, without limitation, all recreation areas within the Subdivision. Except as otherwise provided in this Declaration, the Common Area shall be maintained by the Association or its successors in interest.

Section 7. "Development Period" shall mean the period ending on the earliest of (a) thirty (30) years from the date this Declaration is recorded in the Register of Deeds of Lee County; provided, that if Declarant is delayed in the improvement and development of the Properties as a result of a sewer, water or building permit moratorium or other cause or event beyond Declarant's control, then the aforesaid period shall be extended for the length of the delay plus an additional two (2) years upon written notice to the Association of such extension; or (b) the date specified by Declarant in a written notice to the Association that the Development Period is to terminate on that date so stated.
Section 8. "Declarant" shall mean and refer to Pinnacle Partners, LLC. It shall also mean and refer to any person, company or entity to whom or which Declarant shall assign or delegate the rights and obligations of Declarant by an assignment of Declarant's rights recorded in the applicable public registry for Lee County, North Carolina.

Section 9. "Lot" shall mean and refer to any plot of land other than Common Area, with delineated boundary lines, shown on any recorded subdivision plat of the Properties that may be independently owned and conveyed. In the event that any Lot is increased or decreased in size by recombination or resubdivision through recordation of new subdivision plats, any newly-platted Lot shall thereafter constitute a Lot. The term shall refer to the land which is part of the Lot as well as any improvements thereon including the Unit or Dwelling.

Section 10. "Member" shall mean and refer to every person or entity who or which holds membership in the Association as set forth in this Declaration.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having an interest in a Lot solely as security for the performance of an obligation.

Section 12. "Properties" or "Property" shall mean and refer to the property described in Exhibit "A" to this Declaration, together with such additional property as is subjected to this Declaration in accordance with Article II.

Section 13. "Stormwater Agreements" shall mean any stormwater agreement, stormwater control structure bioretention maintenance agreement, stormwater control structure wet detention maintenance agreement, or any other agreement, permit or contract regarding stormwater in the Property issued by the Town of Sanford or Lee County or any other governmental agency or entity.

Section 14. "Stormwater Facilities" shall mean all areas consisting of ditches and swales, retention ponds and other improvements which are constructed pursuant to, and regulated by, the Stormwater Agreements.
Section 15. "Unit" or "Dwelling" shall mean and refer to any building or portion thereof within the Properties which is designated and intended for use and occupancy as a residence by a single family, whether by the Owner of such Unit or by tenants or lessees of such Owner.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION
AND WITHIN THE JURISDICTION OF
STONE BROOK

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, used and occupied subject to this Declaration as of the date of recording hereof, which is within the jurisdiction of the Association, is described on Exhibit "A" attached hereto.

Section 2. Annexation of Additional Property. At any time prior to December 31, 2038, any land may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times. The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Properties and, therefore, may alter the relative maximum voting strength of the various types of Members.

A supplementary declaration may contain such complementary additions to and modifications of the covenants and restrictions contained in this Declaration, including, without limitation, different voting rights and different annual and special assessments for the Lots or Units so annexed, as Declarant, in its sole discretion, may deem necessary or appropriate to reflect the different character or use of the property added. In no event, however, shall any supplementary declaration revoke, modify or add to the covenants and restrictions established by this Declaration so as to materially and adversely affect any portion of the Properties already subject to this Declaration. A supplementary declaration annexing additional property need only be executed by the Declarant and, if applicable, by the owner of the property being annexed, and shall not require the joinder or consent of the Association or any of its Members.

Nothing contained in this Article shall be construed to obligate or require Declarant to make any additions to the Properties.
Section 3. Annexation of Additional Property by Members. The Association may subject any contiguous property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Owners representing sixty-seven percent (67%) of the votes of the Association represented at a meeting duly called for such purpose, and the consent of Declarant during the Development Period. The additional property shall be annexed by the recording by the Association of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed.

Section 4. Conveyance of Common Area in Annexed Property. Promptly upon request of Declarant, the owner of the annexed property shall convey any or all Common Area located within the newly annexed property to the Association or, if requested by the Declarant, to the Declarant. Title to such Common Area shall be conveyed in the same manner as set forth in Section 3 of Article IV of this Declaration.

Section 5. Merger. Additional property may also be made subject to this Declaration by merger or consolidation of the Association with another non-profit corporation formed for the same or similar purposes in accordance with the provisions of Section 2-121 of the Act. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration within the Properties and the covenants and restrictions established upon property owned by the other association as one scheme. No such merger or consolidation shall cause any revocation, change or addition to this Declaration.

Section 6. Effect of Addition of Property. Except by amendment of this Declaration as provided in Section 3 of Article XIV hereof, no addition of property, whether by annexation, merger or consolidation, shall revoke or modify any provision of this Declaration as to the Properties already subject hereto or diminish the rights of the Owners of Lots and Units within the Properties, except for the dilution of voting strength that occurs as a result of inclusion of additional Members of the Association.

Section 7. Withdrawal of Property. Declarant reserves the right to amend this Declaration so long as it has a right to annex additional property pursuant to this Article for the purpose of removing any portion of the Properties then owned by Declarant or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Subdivision, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Subdivision.

Section 8. Good Faith Lender’s Clause. Any violation of these covenants, conditions or restrictions shall not affect any lien or deed of trust of record held in good faith, upon any Lot or commercial Unit, which liens may be enforced in due course, subject to the terms of this Declaration.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots and may not be separated from ownership of any Lot. All Owners shall
have one (1) equal vote for each Lot in which they hold the interest required for membership under Section 1 above, provided there shall only be one (1) vote per Lot. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to their Lot shall be exercised as they, among themselves, determine; but fractional voting shall not be allowed, and in no event shall more than one vote be cast with respect to any Lot.

ARTICLE IV
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment and Access. Except as limited by the provisions of this Section 1 and by the rules and regulations adopted by the Board, every Owner shall have a right and easement of enjoyment in, use of and access to, from, and over the Common Area, which right and easement shall be appurtenant to and shall pass with title to every Lot, subject to:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated or constructed on the Common Area and to limit the use of such facilities to Owners and to their families, tenants and guests, as provided in Section 2 of this Article IV.

(b) the right of the Association to suspend the voting rights of an Owner subject to a hearing or opportunity to present evidence in accordance with Section 47F-3-107.1 of the Act for any period during which any assessment against his Lot remains unpaid, or for a period not to exceed sixty (60) days for any infraction of the published rules and regulations of the Association.

(c) the right of the Association to dedicate, sell or transfer all or any part of the Common Area to any public or quasi-public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the Members. No such dedication or transfer shall be effective unless the Members entitled to at least 80% of the votes of the entire membership of the Association and Declarant, during the Development Period, agree to such dedication, sale or transfer. Nothing herein shall be deemed to prohibit the Board, without consent of the Members, from granting easements over and across the Common Area to any public agency, authority or utility for the installation and maintenance of sewage, utility (including cable television) or drainage facilities when, in the opinion of the Board, such easements are necessary for the convenient use and enjoyment of properties within the Subdivision. Notwithstanding anything herein to the contrary, the Common Area shall be preserved for the perpetual benefit of the owners of Lots within the Subdivision and shall not be conveyed except to a governmental entity or another non-profit corporation organized for similar purposes.

(d) the right of the Association, to borrow money and, with the assent of Members' entitled to at least 80% of the votes of the entire membership of the Association and Declarant's approval during the Development Period, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender or mortgagee shall be subordinate to the property rights of the Members and the Association as set forth herein.

(e) the right of the Association to exchange all or part of the Common Area for other property and consideration of like value and utility, provided, however, that any such dedication
shall require the assent of the Declarant and the Members as set forth in subparagraph (c) above, and further provided that, if the Board determines, in its sole discretion, that such exchange is necessary to cure an encroachment or setback violation on any Lot, the Board may effect such exchange without the consent of or approval by the Members.

(f) the right of the Association to open the Common Area and, in particular, the recreational facilities constructed thereon, for use by non-members of the Association.

(g) the right of the Association to expand or add to the Common Area and to improve, maintain and operate the Common Area.

(h) the right of the Association to adopt, promulgate and enforce rules and regulations concerning the use of the Common Area.

(i) the right of the Association to otherwise deal with the Common Area as provided in the Articles of Incorporation and Bylaws of the Association.

Section 2. Delegation of Use.

(a) Family. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties in Lee County, North Carolina.

(b) Tenants: Contract Purchasers. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be assigned by such Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principal residence in Lee County, North Carolina. So as not to overburden the use of the Properties, if an Owner assigns said right and easement of enjoyment and access to Owner's tenants or contract purchasers, then so long as such assignment is in effect, Owner shall forfeit his right and easement of enjoyment and access.

(c) Guests. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated to guests of such Owners, tenants or contract purchasers, subject to such rules and regulations as may be established by the Board.

(d) Suspension of Rights. The rights of any delegate or assignee of an Owner shall be suspended by, upon and during suspension of such Owner's rights as provided in Section 8 of Article XIV of this Declaration.

Section 3. Conveyance of Common Area To The Association. No later than the expiration of the Development Period, Declarant shall convey, and the Association shall accept, fee simple title to all Common Area within the Properties, and shall reserve for or grant to the Association all Common Area easements, all subject to such easements, reservations, conditions and restrictions as then may be of record, and the Association shall accept all such conveyances, grants and reservations, provided, however, that during the Development Period, Declarant reserves an easement over and across any Common Area deeded to the Association for the purpose of constructing and maintaining any improvements on the Common Area as it deems necessary or advisable, provided that any such improvements must comply with the requirements of the
appropriate governmental authority. Any improvements placed on the Common Area by Declarant shall become the property of the Association upon completion of such improvements.

Section 4. Regulation and Maintenance of Common Area and Common Area Easements. It is the intent of the Declarant that the Common Area be preserved for the perpetual benefit of the Owners.

(a) Regulation of Common Area. The Association may adopt and promulgate rules and regulations governing the use of the Common Area by Owners and their family, tenants, guests and invitees. No Owner or other permitted user shall use the Common Area or any portion thereof in violation of the rules and regulations contained in this Declaration or subsequently adopted by the Association.

Without limiting the generality of the foregoing, no Owner or tenant, guest or invitee of an Owner shall, without the specific prior written consent of the Association: (i) damage or waste the Common Area or improvements thereon or remove any trees or vegetation therefrom; (ii) erect any gate, fence, structure or other improvement or thing on the Common Area; (iii) place any garbage receptacle, trash or debris on Common Area; (iv) fill or excavate any part of the Common Area; (v) landscape or plant vegetation on Common Area; or (vi) use the Common Area or any part thereof in a manner inconsistent with or in any way interfering with the rights of other Owners.

(b) Rights and Responsibilities of the Lot Owners as to Common Area Easements. Each Owner of a Lot upon which a Common Area easement lies shall pay all property taxes and other assessments levied against his Lot, including that portion of such tax or assessment as is attributable to such Common Area easement.

(c) Rights and Responsibilities of the Association as to Common Area. The Association shall have the right and obligation to ensure that the Common Area is preserved for the perpetual benefit of the Owners, and, to that end, shall: (i) maintain the Common Area in its natural or improved state, as appropriate including, but not limited to, following the requirements of the Stormwater Agreements and maintaining the Stormwater Facilities, and keep it free of impediments to its use by the Owners, subject to the provisions of this Declaration; (ii) procure and maintain adequate liability insurance covering the Association and its Members, Directors and Officers, against any loss or damage suffered by any person, including the Owner of the Lot upon which Common Area lies, resulting from use of the Common Area, and adequate hazard insurance covering the real and personal property owned in fee by the Association; and (iii) pay all property taxes and other assessments levied against all Common Area owned in fee by the Association.

(d) Declarant's and Association's Right of Entry. The Declarant and the Association and the employees, agents, contractors and subcontractors of each, shall have a non-exclusive right and easement at all times to enter upon any portion of a Lot reserved or designated as a Common Area easement for the purposes of: (i) installing and maintaining subdivision entrance signs, features, fencing and landscaping; and (ii) making such improvements to the Common Area; and (iii) maintaining the Common Area easement in its natural or improved state.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS
Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments, benefitted assessments, and special assessments, such assessments to be established and collected as hereinafter provided. All assessments which are unpaid when due, together with interest and late charges set forth in Section 9 of this Article V and all costs of collection, including reasonable attorney's fees, shall be a charge against and, a continuing lien upon the Lot against which such assessment is made subject to § 47F-3-116 of the Act, as amended. Each such assessment or charge, together with interest and costs of collection, including reasonable attorneys' fees, subject to notice provided in accordance with § 47F-3-116(e) of the Act, shall also be the personal or corporate obligation of the person(s), firm(s) or corporation(s) owning such Lot at the time when the assessment fell due, but such personal obligation shall not be imposed upon such Owner's successors in title unless expressly assumed by them. Although unpaid assessments and charges are not the personal obligation of such Owner's successors in title unless expressly assumed by them, the unpaid assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

It is the intent of the Declarant that any monetary fines imposed against an Owner pursuant to the Bylaws of the Association or Section 8 of Article XIV of this Declaration and subject to §47F-3-107.1 of the Act shall constitute a lien against the Lot of such Owner to the same extent as if such fine were an assessment against such Lot.

Any Lot conveyed from Declarant to a Builder or from a Builder to another Builder shall be exempt from payment of assessments until the conveyance of the Lot by the Builder to an Owner other than a Builder. Upon the conveyance of a Lot by a Builder to an Owner other than a Builder, the full amount of the assessment for the Lot shall be paid by the Owner of the Lot commencing on the first day of the first month after said conveyance.

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Subdivision and, in particular, for: (i) acquisition, improvement and maintenance of properties, services and facilities related to the use and enjoyment of the Common Area, including but not limited to the storm water system, including the Stormwater Facilities, located within the Common Area or recreation area; (ii) repair and reconstruction of improvements on the Common Area, including, without limitation, the cost of repair, replacement and additions thereto and the cost of labor, equipment, materials, management and supervision thereof; (iii) payment of taxes and public assessments levied against the Common Area owned by the Association in fee; (iv) procurement and maintenance of insurance in accordance with Section 4(c) of Article IV of this Declaration; (v) employment of attorneys, accountants and other persons or firms to represent the Association when necessary; (vi) payment of principal and interest on funds borrowed for Association purposes; (vii) such other needs as may arise; and (xiii) payment for the maintenance and operation of lights within the Common Area.

Section 3. Annual Assessments. Not less than sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget covering the common expenses estimated to be incurred during the coming year. The budget shall include a capital contribution to establish a reserve fund. In determining the budget, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Lots subject to assessment on the first day of the fiscal year for which the budget is prepared.
and the number of Lots reasonably anticipated to become subject to assessment during the fiscal year.

Within thirty (30) days after adoption of any proposed budget by the Board, the Board shall provide to all Owners a summary of the budget and notice of a meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary of the budget and notice of the meeting. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless, at that meeting, a majority of all the Owners in the Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

The Assessment for the fiscal year shall be determined based upon the budget adopted by the Board and ratified by the Owners. In addition to Assessments for the fiscal year, the Board may levy special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Assessments shall be approved at a meeting of the Board and shall become effective upon approval by the Board, unless disapproved by Declarant during the Development Period. Such Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which such Assessment is approved. The amount of each special Assessment shall be levied equally against all Lots, subject to the provisions of Section 5.

Section 4. Assessment Rate: Collection Period. Except as provided in Section 5 of this Article V, the annual and special assessments shall be fixed at a uniform rate for all Lots and may be collected on a yearly, semi-annually, quarterly or monthly basis, as determined by the Board.

Section 5. Declarant’s Assessments. Notwithstanding any other provision of this Declaration or the Bylaws of the Association, the Declarant shall not be obligated for, nor subject to, any annual or special assessment for any Lot or other property that it owns within the Properties, provided, however, that the Declarant shall be responsible for paying the difference between: (i) the operating expenses of the Association; and (ii) the total operating revenues of the Association from all sources including, without limitation, annual and special assessments, revenues generated from fees charged by the Association for use of the Common Area, and investment income (said difference being hereinafter referred to as the “Operating Deficit”). For purposes of this Section, the term “operating expenses” shall not include contributions to any reserves for replacement, operating reserves, depreciation reserves, capital expenditures, or special assessments.

Declarant may, by written notice given by the Declarant to the Association on or before November 30 of any year, to be effective as of January 1, terminate its obligation to pay the Operating Deficit and waive its right to exclusion from assessments. In such event, each Lot owned by the Declarant which contains a Dwelling for which a certificate of occupancy has been issued shall be assessed at the rate of twenty-five percent (25%) of the annual assessment in effect for all other Lots, as the same may change from time to time. Upon sale of such Lot by Declarant to any other person or entity, such Lot shall be assessed at the full rate, commencing on the day on which title to such Lot is transferred to such third party. Notwithstanding any other provision of this Declaration, a Lot owned by the Declarant which contains a Dwelling occupied as a residence (but not as a model or sales center) shall be assessed at the rate applicable to all other Lots.
Section 6. Benefitted Assessments. The Board may levy Benefitted Assessments against particular Lots for expenses incurred or to be incurred by the Association, as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners (which might include, without limitation, landscape maintenance, caretaker service, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

(b) to cover costs incurred in bringing the Lot into compliance with the terms of the Association Documents and the Act or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their family members, tenants, invitees, or guests, including costs incurred to repair or replace any Stormwater Facilities; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing before levying a Benefitted Assessment under this subsection (b).

Section 7. Date of Commencement of Annual Assessments: Certificate of Payment. Unless a different commencement date is set by the Board, the annual assessments provided for herein shall commence as to all Lots in any phase on the first day of the month following the conveyance of a Lot within that phase to an Owner other than the Declarant or a Builder.

The Association shall, upon demand, and for such reasonable charge as the Board may determine, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment.

Section 8. Effect of Nonpayment of Assessments: Remedies. An assessment not paid within ten (10) days after the due date shall incur such late charge as the Board may from time to time establish, and, if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the rate of eighteen percent (18%) per annum or the highest rate allowed by law, whichever is less. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot for which such assessment is due subject to § 47F-3-116 of the Act, as amended. Interest, late payment charges, reasonable attorneys' fees, and the costs of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or by abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first mortgage on a Lot. Sale or transfer of a Lot shall not affect any assessment lien; however, the sale or transfer of a Lot pursuant to foreclosure of a first mortgage shall extinguish the lien of any assessment which became due prior to the date of such conveyance. No such sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof; but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage.

Section 10. Initial Capital Contribution. At the time of closing of the initial sale of a Lot
from Declarant or a Builder, a sum equal to one-fourth (1/4) of the annual assessment in effect at the time of such sale shall be collected from the purchaser of such Lot and transferred to the Association as part of its working capital. The purpose of such working capital contributions is to ensure that the Association will have adequate cash available to defray operating costs, meet unforeseen expenditures or to acquire additional equipment or services deemed by the Board of Directors to be necessary or desirable. Amounts paid pursuant to this Section shall not be considered as an advance payment of any regular or special assessment. Such sum may also be utilized to reimburse Declarant the exact cost of any premiums or insurance policies purchased for the benefit of the Association by Declarant.

Section 11. Exempt Property. All property dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. Notwithstanding the foregoing, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 12. Legal Actions Against Declarant and Owners. The affirmative vote or consent of the Owners that is equal to or greater than sixty-seven percent (67%) of the total number of votes in the Association first shall be required prior to the Association doing any or all of the following with respect to the Declarant, any successor Declarant, any Owner or any Member regardless of whether such Person is the Declarant or is an Owner or Member at the time the Association acts or obtains the necessary vote or consent required to take such action: (i) file a complaint, on account of any act or omission with any Governmental Entity which has regulatory or judicial authority over the Properties or any part thereof; or (ii) assert a claim against, sue or request legal or equitable relief against Declarant, Owner or Member in any court, before any Governmental Entity board, or otherwise, provided however, nothing contained in this section shall be construed to require said number of votes for any lien enforcement actions arising out of Article V.

ARTICLE VI
RIGHTS OF LENDERS

Section 1. Books and Records. Any owner or holder of a first mortgage on any Lot, or its agent, shall have the right, during normal business hours, to examine copies of this Declaration, the Articles of Incorporation, Bylaws, and the books and records of the Association and, upon written request to the Association, and payment of copying and mailing costs, to receive a copy of the financial statement for the immediately preceding fiscal year.

Section 2. Notice to Lenders. The owner or holder of a first mortgage on any Lot which provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its mortgage relates) shall be entitled to timely written notice of:

(a) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of the Lot securing its loan.
(b) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(c) Any proposed action that requires the consent of a specified percentage of owners or holders of first mortgages on the Lots.

ARTICLE VII
EASEMENTS

Section 1. Access and Utility Easements. Easements for the installation and maintenance of roadways, driveways, walkways, water, gas, telephone, cable television and electric power transmission lines, sanitary sewer and storm water drainage facilities, and for other public and private utility installations are reserved over the Properties for the benefit of Declarant and the Association. The Association may reserve or grant easements over the Common Area as provided in Article IV, Section 1(c), of this Declaration. Within any such easement herein provided, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or maintenance of the utilities installed thereon, or which may change the direction of flow or drainage of water through drainage pipes or channels constructed in such easements.

For a period of thirty (30) years from the date hereof, Declarant reserves, for itself and its employees, agents, successors and assigns, an easement upon and a right of ingress, egress and regress on, over and under the Properties for the purposes of constructing and maintaining roadways, water, sewer, gas, storm water drainage and retention, telephone, cable television, and electric, and other utility facilities to the extent required by any applicable governmental entity or deemed by the Declarant to be necessary or convenient for the development, use and enjoyment of the Properties and the Common Area and for the conduct of construction, sales and marketing activities. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any grading of the soil, relocate utility facilities within said easement and take any other similar action that it deems reasonably necessary or appropriate. After such action has been completed, Declarant shall grade and seed the affected property and otherwise restore the affected property to its original condition to the extent practicable, but shall not be required to replace any trees, bushes or shrubbery necessarily removed. Declarant shall give reasonable notice of its intent to take such action to each Owner whose Lot is affected.

Section 2. Easements for Governmental Access. An easement is hereby established over the Common Area and every Lot within the Properties for the benefit of applicable governmental agencies for installing, removing, and reading water meters, maintaining and replacing water and sewer facilities, and acting for other purposes consistent with public safety and welfare, including, without limitation, law enforcement, fire protection, garbage collection and the delivery of mail.

Section 3. Owner's Easement and Right of Entry for Repair, Maintenance and Reconstruction. If any Dwelling is located closer than five (5) feet from its Lot line, the Owner thereof shall have a perpetual access easement over the adjoining Lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of such Dwelling. Such work shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining Lot to as nearly the same condition as that which existed prior to the commencement of the work as is reasonably practicable. No fence shall be erected within such area adjoining a Dwelling.
Section 4. Association's Easement and Right of Entry. Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Property, including each Lot to (a) perform its maintenance obligations, and (b) make inspections to ensure compliance with the Association Documents. Except in emergencies, entry onto a Lot shall be only during reasonable hours and after notice to the Owner. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense.

The Association also may enter a Lot to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Association Documents. All costs incurred, including reasonable attorneys' fees, shall be assessed against the violator as a Benefited Assessment.

Section 5. Easement Over Common Area. A perpetual, non-exclusive easement over the Common Area is hereby granted to each Lot and its Owners, family members and tenants of such Owners, the occupants of such Lot, and guests and invitees of such Owners, tenants or occupants, for the purpose of providing access, ingress and egress to and from parking areas and walkways serving the Properties and to and from adjacent public roads.

Section 6. Easements to Serve Other Property. Declarant hereby reserves for itself and its duly authorized agents, representatives, employees, successors, assigns, licensees, and mortgagees, a perpetual easement over the Lots and the Common Area for the purposes of enjoyment, use, access, and development of any property whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Declaration, Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access roadway serving such property.

ARTICLE VIII
ARCHITECTURAL CONTROL

Section 1. Architectural Approval. The Declarant shall have the sole and absolute right to determine the style and appearance of the Dwellings, including, but not limited to, flags, subject to Section 47F-3-121 of the Act, flag poles, flag staffs, fences, walls, buildings, outbuildings, garages, storage sheds, mailboxes, lawn decorations, structures of any type or color thereof, grading, landscaping, patio covers and trellises, plans for off-street parking of vehicles and utility layout, and any other improvements to be built or constructed on any Lot (hereinafter individually and collectively referred to as "Improvements"). Declarant shall have exclusive authority to administer and enforce architectural standards under this Article and to review and act upon all applications for original construction within the Property. There shall be no surrender of this right except in a written instrument in recordable form executed by Declarant. Upon the expiration or surrender of such right, the Board may, at its option, either assume such authority or create and appoint an Architectural Review Committee ("ARC") composed of three or more persons appointed by the Board. The ARC shall have no rights or authority until Declarant's authority under this Article is surrendered.
No Improvements (including, without limitation, replacement of any previously existing Improvements) shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration thereof be made (including, without limitation, changing materials or color of any exterior portion of any such Improvements), nor shall a building permit for such Improvements or change be applied for or obtained, until plans and specifications showing the nature, kind, shape, heights, materials, color, built-upon area, and location of same shall have been submitted to and approved in writing by the Declarant or after the Declarant surrenders that right, the Board or the ARC. If the Association or its designee fails to approve or disapprove such proposed Improvements within 60 days after complete plans and specifications have been received by it, approval will not be required, and this Article shall be deemed to have been complied with. The Association shall have the right to charge a reasonable fee for receiving and processing each application.

Section 2. Architectural Guidelines.

The Declarant, and after the Declarant surrenders this right in writing, the Board or ARC, shall have the right to promulgate and from time to time amend written architectural standards and construction specifications in addition to those set forth above (hereinafter the "Architectural Guidelines") which may establish, define and expressly limit the standards and specifications which will be approved, including, but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design and construction technique. The Architectural Guidelines shall include an anti-monotony policy that will prohibit Dwellings or accessory structures of similar design and color from being constructed on adjacent Lots. Neither the Declarant, the Board, nor the ARC shall approve any Improvements which it determines, in its sole discretion, not to be in harmony of external design, construction and/or location in relation to the surrounding structures, topography or the general plan of development of the Subdivision.

Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither Declarant, the Association, the Board, or the ARC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, including without limitation, built upon area requirements set forth in any Stormwater Agreements. Neither Declarant, the Association, the Board, or the ARC, or any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the ARC and its members shall be defended and indemnified by the Association as provided in the Bylaws.

Section 3. Rules and Regulations. The ARC may from time to time recommend to the Board, and the Board may, in its sole discretion, adopt, promulgate, amend and repeal rules and regulations interpreting and implementing the provisions of this Article VIII, including adoption of detailed architectural guidelines and the imposition of a fee or charge for review of proposed improvements or modifications.

Section 4. Variances. The ARC may recommend to the Board, and the Board may, by the vote or written consent of a majority of the members thereof, allow reasonable variances as to the covenants, conditions or restrictions contained in this Declaration, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general
plan for the improvement and development of the Property. Variances contained in plans that are inadvertently approved by the ARC as part of the proposed improvements shall not be considered as having been approved unless specifically approved by the Board in accordance with the provisions of this Section.

Section 5. Enforcement. Any construction, alteration or other work done in violation of this Article or the Architectural Guidelines shall be deemed to be nonconforming. Upon written request from Declarant, the ARC, or the Board, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requestor or restore the property, Lot and/or Dwelling to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, Declarant, the Association or their designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Benefited Assessment unless otherwise prohibited in this Declaration.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work. Declarant or the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Benefited Assessment unless otherwise prohibited in this Declaration.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Architectural Guidelines may be excluded from the Property, subject to the notice and hearing procedures contained in the Declaration. In such event, neither Declarant nor the Association, its officers, or directors shall be held liable to any person for exercising the rights granted by this section.

In addition to the foregoing, the Association and Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

ARTICLE IX
PARTY WALLS

Intentionally Deleted.

ARTICLE X
RIGHTS AND RESPONSIBILITIES OF THE ASSOCIATION

Section 1. Responsibilities. The Association, subject to the rights of the Owner set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area, including the Stormwater Facilities, and shall keep the Common Area in good, clean and
proper condition, order and repair, including but not limited to, ensuring ongoing compliance with the Stormwater Agreements. The Association shall be responsible for the payment of all costs, charges and expenses incurred in connection with the operation, administration and management of the Common Area and the performance of its other obligations hereunder. The Association shall operate and maintain areas designated by the Declarant as Common Areas, whether or not title to such areas has been conveyed to the Association. The Association shall also be responsible for enforcement of the covenants and restrictions contained in this Declaration.

Section 2. Manager. The Association may employ and pay for the services of a person or entity, including the Declarant (the "Manager"), to assist the Association in managing its affairs and carrying out its responsibilities hereunder and such other persons or entities, including attorneys and accountants, as the Association deems necessary or advisable, whether such persons or entities are engaged, furnished or employed by the Manager or directly by the Professional Association. The Association shall enter into a Management Agreement for such management services upon such terms as the Board may deem appropriate. The payment of management fees due to the Declarant may, at Declarant's option, be deferred until such later date as Declarant, in its sole discretion, deems appropriate. Furthermore, any management fees due to Declarant may, at Declarant's option, be credited against any assessments due or to be coming due from the Declarant.

Section 3. Personal Property for Common Use. The Association may acquire and hold real property and tangible and intangible personal property and may dispose of the same by sale or otherwise, subject to such restrictions, if any, as may from time to time be provided by the Articles of Incorporation or Bylaws of the Association.

Section 4. Insurance; Bonds. The Association shall procure and maintain adequate liability insurance covering the Association consistent with N.C. Gen. Stat. § 47F-3-113. The Association shall also procure and maintain full replacement value hazard insurance on real and personal property owned by the Association consistent with N.C. Gen. Stat. § 47F-3-113, and shall procure and maintain officers', directors' and employees' liability insurance, and such other insurance as it deems necessary or advisable. The premiums for such insurance shall be a common expense paid from the annual assessments provided in Article V of this Declaration. The Association may cause any or all persons responsible for collecting and disbursing monies of the Association to be bonded.

Section 5. Implied Rights. The Association may exercise any other right or privilege and take any action authorized by this Declaration, the Association's Articles or Bylaws, or the Act or the North Carolina Nonprofit Corporation Act (Chapter 55A), as from time to time amended, and every other right or privilege reasonably necessary to effectuate the exercise of any right or privilege or the taking of any action authorized herein or therein.

Section 6. Association's Obligation of Cooperation. The Association shall accept conveyance of any Common Area conveyed to it, in fee or by easement, by Declarant or, at the request of Declarant, by an owner of any property within and, upon request of Declarant and without further consideration, shall execute any document necessary to evidence such acceptance. During the Development Period, neither the Association nor its Members, nor the use of the Common Area by the Association and its Members, shall interfere with or impede the completion of the improvements or the marketing and sale by the Declarant and the Builder of Lots and homes.
ARTICLE XI
DECLARANT RIGHTS

Section 1. Declarant's Rights. Declarant's Rights are those rights reserved for the benefit of Declarant as provided for in the Act and the Association Documents which shall include, without limitation, the following rights:

(a) To complete improvements on the Properties;

(b) To maintain models, management offices, construction offices, sales offices, customer service offices, and signs advertising the Properties within any portion of the Common Area Declarant deems appropriate;

(c) Those rights set forth in Article II of this Declaration;

(d) To designate any portion of the Property as Common Area;

(e) To exercise all rights of architectural review and establishment of Architectural Guidelines and all other rights as set forth in Article VIII of this Declaration;

(f) To construct improvements within portions of the Properties and to operate the same as public or private facilities in the sole discretion of Declarant;

(g) To appoint, remove and replace the members of the Board;

(h) To disapprove actions of the Board or any committee during the Development Period;

(i) To disapprove any amendment or change in any Association Documents during the Development Period;

(j) To enforce any covenants, restrictions and other provisions of the Association Documents during the Development Period; and

(k) To amend this Declaration as set forth in Article XIV.

Section 2. Transfer of Declarant Rights. Any or all of Declarant's Rights and obligations of Declarant set forth in this Declaration or the Bylaws may be transferred to other persons, provided that the transfer shall neither reduce an obligation nor enlarge a right. No such transfer shall be effective unless it is in a written instrument signed by Declarant and the transferee and duly recorded in the Register of Deeds of Lee County.

Section 3. Modification of Development Plan. Each Owner, by accepting title to a Lot and becoming an Owner, and each other person, by acquiring any interest in the Property, acknowledges awareness that the Subdivision is a planned community, the development of which is likely to extend over many years, and agrees not to protest or otherwise object to (a) zoning or changes in zoning or to uses of, or changes in density of, the Properties, or (b) changes in any conceptual or master plan for the Property, such revision is or would be
lawful (including, but not limited to, lawful by special use permit, variance or the like) and is not inconsistent with what is permitted by the Declaration (as amended from time to time).

Section 4. Development Easements. Declarant, its employees, agents and designees, specifically reserve a non-exclusive easement over, upon, under and above the Common Area and other portions of the Property (expressly excluding a Dwelling Unit) for any and all purposes deemed reasonably necessary or desirable by Declarant for the development of the Property and any other property including, but not limited to, easements of access, the installation and maintenance of utilities, and easements as may be required from time to time by any governmental agency or pursuant to the Stormwater Agreements. Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing, installing, modifying, expanding, replacing, and removing such improvements to the Common Area as it deems appropriate in its sole discretion.

Section 5. Marketing and Sales. During the Development Period, Declarant and its designees may maintain and carry on upon the Common Area and any property owned by Declarant such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model units, sales offices, and storage of building materials. Declarant and its designees shall have easements for access to and use of such facilities. Declarant's or any designee's unilateral right to use the Common Area for purposes stated in this section shall not be exclusive and shall not unreasonably interfere with use of such Common Area by Owners.

Section 6. Declarant Approval to Changes in Association Documents. During the Development Period, the Association shall not, without the prior written approval of Declarant, adopt any policy, rule or procedure that:

(a) Limits the access of Declarant, its successors, assigns and/or affiliates or their personnel and/or guests, including visitors, to the Common Area or to any property owned by any of them;

(b) Limits or prevents Declarant, its successors, assigns and/or affiliates or their personnel from advertising, marketing or using the Association or its Common Area or any property owned by any of them in promotional materials; or

(c) Impacts the ability of Declarant, its successors, assigns and/or affiliates, to carry out to completion its development plans and related construction activities for the Subdivision, as such may be amended and updated from time to time. Policies, rules or procedures affecting the provisions of existing easements established by Declarant and limiting the establishment by Declarant of easements necessary to complete the Subdivision shall be expressly included in this provision. Easements that may be established by Declarant shall include but shall not be limited to easements for development, construction and landscaping activities and utilities.

Section 7. Unimpeded Access. The Association shall not exercise its authority over the Common Area (including, but not limited to, any gated entrances and other means of access to the Property) to interfere with the rights of Declarant set forth in this Declaration or to impede
access to any portion of the Property, or over the streets, or over the Common Area within the Property.

Section 8. Additional Declarations/Restrictions. No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant's review and written consent during the Development Period. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by Declarant.

ARTICLE XII
USE RESTRICTIONS

Section 1. Business Use Prohibited. No trade, business, profession, garage sale, moving sale, rummage sale or other type of commercial activity shall be carried on within any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Properties; and, (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or, (c) a license is required.

Notwithstanding the foregoing, the Declarant and the agents and employees of Declarant, and a Builder, but only with the prior approval of Declarant, shall have the right to: (i) use Lots and improvements erected thereon for sales offices, field construction offices, storage facilities, and its own general business offices; (ii) maintain fluorescent-lighted or spot-lighted model homes which may be open to the public for inspection 7 days per week for such hours as the Declarant deems appropriate or necessary; (iii) conduct any other activities on Lots to benefit sales efforts; and (iv) use the parking facilities on the Common Area for parking for its employees and invitees.

Section 2. Use of Accessory Structures. No tent, shack, barn, car port, metal awnings, metal utility sheds or other building, other than a Dwelling and its garage, shall be erected on a Lot, and used temporarily or permanently as a residence. Notwithstanding the foregoing, the Declarant and, with the approval of the Declarant, a Builder, may use temporary buildings, offices or facilities in connection with the marketing, sale and construction of Units.

Section 3. Maintenance of Improvements. Each Owner shall maintain in good condition and repair all improvements constructed upon such Owner's Lot, including, without limitation, the Dwelling. No Owner shall change the landscaping, exterior design or color of the Dwelling on such Owner's Lot, including the roof thereof, except in compliance with Article VIII hereof.
Section 4. Storage: Clothes Hanging. No Lot or Common Area shall be used for the storage of rubbish. Outside clothes hanging devices shall not be permitted.

Section 5. Nuisances. No noxious or offensive trade or activity shall be carried on upon any Lot or the Common Area, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No automobile or other vehicle mechanical repairs or like activity shall be conducted within the Properties other than in a garage and concealed from public view.

Section 6. Lawns. Each Lot shall be maintained in a neat condition by the Owner thereof. In this context, the word "Lot" shall include that portion of the property from the outside of the structure on the applicable Lot to the adjacent paved road surface. All Lots upon which a Unit or Dwelling has been constructed ("Improved Lots") must have grass lawns; no gravel or similar type lawns are permitted. For Improved Lots, "Neat" shall require, at a minimum, that the lawn be regularly cut and fertilized and that mulched or pinestrawed areas be regularly re-mulched or re-pinestrawed and kept weeded so that its appearance is in harmony with the neighborhood. No Owner shall allow the grass on an Improved Lot to grow to a height in excess of six (6) inches, measured from the surface of the ground. For unimproved Lots, "Neat" shall require that the Lot is maintained in a slightly condition, free of debris, rubbish, weeds and high grass and in a prudent and reasonable manner harmonious with that of other Lots within the Subdivision.

Section 7. Failure to Maintain. If an Owner fails to maintain the Lot or the improvements thereon, the Association, after giving such Owner at least ten (10) days' written notice, shall be authorized to undertake such maintenance at the Owner's expense. By accepting title to his Lot, each Owner shall be deemed to grant access upon the Owner's Lot and Dwelling for such purpose and such entry shall not constitute a trespass. If such maintenance is undertaken by the Association or Declarant, the charge therefore and all costs of enforcement and collection shall be secured by a lien against the Lot as provided in Article V hereof.

Section 8. Animals. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that a reasonable number of cats, dogs, and other household pets may be kept provided they are kept within the residence and are not kept, bred, or maintained for any commercial purposes or become a nuisance to the neighborhood. No person owning or having custody of an animal shall allow the animal to stray or go upon another Owner's Lot without the consent of such other Owner. No animals shall be permitted on or in the Common Area at any time except as permitted by the rules and regulations of the Association or by applicable law. All animals shall be on a leash when outside the Owner's dwelling, and the Owner shall be responsible for cleaning up all droppings from their animals. The Association shall have the right to expel animals from the community for the Owner's continuing violations of the Association Documents. The Board shall also have the right to expel dogs from the community for excessive barking which in the Board's opinion is a nuisance to other Owners.

Section 9. Signs. No signs shall be displayed on any Lot or on or within any improvement on a Lot so as to be visible from the exterior of the improvement without the prior written consent of the Board; provided that an Owner may display on his or her Lot one sign with the maximum dimensions of 24 inches by 24 inches expressing support of or opposition to political candidates or other issues which will appear on the ballot of a primary, general or special election, provided that such political signs shall not be placed on a Lot earlier than forty-five (45) days before such election and shall be removed within seven (7) days after such election. The Board may develop
additional sign standards and specifications to which all Owners must adhere. No sign of any kind shall be displayed in or on the Common Area without the prior written consent of the Board. Notwithstanding the foregoing, Declarant and, with the consent of and upon such conditions as Declarant, in its sole discretion, might impose, a Builder shall have the right to erect and maintain signs of any type and size on any Lot which it owns and on the Common Area, in connection with the development and sale of the Properties.

Section 10. Water Retention Areas. The Association shall be responsible for maintaining the portions of the storm water drainage system which are within the Common Area, including the water quality and quantity standards of the approved plans, to the extent required by law and as required by the Stormwater Agreements. A drainage easement is hereby dedicated to the Association for the purpose of maintaining the storm water system to meet water quality and quantity design standards of the approved plans and any future governmental laws, rules or regulations.

Section 11. Vehicles, Boats and Trailers. No truck or vehicle used primarily for commercial purposes (other than those temporarily present on business), no vehicle in inoperable condition, no unlicensed vehicle, no recreational vehicle, no camper, no boat and no trailer may be parked within the Properties, unless kept inside a garage and concealed from public view. No parked vehicle shall be covered by a “car cover” or other similar covering unless kept inside a garage and concealed from public view. All vehicles must be parked on a paved surface (i.e. driveway or garage). For the purpose of the preceding sentence, the term "kept" shall mean present for either a period of more than ten (10) hours or overnight, whichever is less. In order to preserve the aesthetics of the development, whether or not, a boat, trailer, or vehicle of any type is adequately concealed from public view shall be determined by the Board of Directors in its sole discretion. The Association shall have the right to tow or remove any boat, trailer, or vehicle of any type which is parked within the Premises or kept on any Lot in violation of this section, at the owner’s expense, and the owner of each Lot, by acceptance of their deed, does grant to the Association such an easement on, across, and upon their Lot as may be necessary to enforce the provisions set out in this section. No vehicle of any kind may be parked on any streets within the Properties. The Association and the Declarant (during the Declarant Control Period) may have vehicles towed in violation of this Section and the cost of such shall be the responsibility of the owner the vehicle.

Section 12. Walls, Fences, and Hedges. All walls, fences, planters and hedges shall be controlled strictly for compliance with this Declaration and architectural standards established by the Declarant or the ARC. The design, materials and placement of all walls, fences and hedges must be approved by the ARC prior to construction pursuant to the approval requirements of Article VIII, Section 1, of this Declaration. Walls and fences must be kept in good repair and sightly condition. (see Section 7. Failure to Maintain) A fence may be installed in a drainage easement with approval from Declarant or the ARC. In the event a repair is needed to a drainage easement, the party paying for the repair shall also be responsible for the cost to remove and replace the fence so long as the location of the fence was approved by the Declarant or the ARC. Notwithstanding the foregoing, open picket fences with a maximum height of five (5) feet along the rear property line contiguous to the central open space shall be required for ARC fence approval on Lots 76-87.

Section 13. Antennae and Roof Structures. No radio or other electrical towers, aerials, antennae, or other devices of any type for the reception or transmission of radio broadcasts or
other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon. Notwithstanding the foregoing, (i) antennae or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) antennae or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iii) antennae or satellite dishes designed to receive television broadcast signals which are less than one meter in diameter shall be permitted, provided that any such antenna or satellite dish is placed in the least conspicuous location on the Lot in which an acceptable quality signal can be received and is screened from the view of adjacent Dwelling Units, streets and Common Area in a manner consistent with the Architectural Guidelines, and is approved by the Declarant or the ARC pursuant to Article VIII of this Declaration. The Association shall be empowered to adopt rules governing the types of antennae and satellite dishes that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

Section 14. Visual Obstructions at the Intersections of Streets. No object or thing which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways within the triangular area formed by the junction of street curb lines and a line connecting them at points twenty-five (25) feet from the junction of the street curb lines (or extensions thereof) shall be placed, planted or permitted to remain on any corner lots.

Section 15. Leased Units. An Owner may lease his Unit; provided, however, that:

a) No Dwelling may be leased for a period of less than six (6) months;

b) All leases for any Dwelling Unit shall be in writing signed by the Owner and the tenant and a true executed copy of the lease shall be provided to the Association prior to the occupancy by the tenant of such Dwelling Unit.

c) All leases shall be in such form, and contain such provisions, as approved by the Board, including provisions (a) requiring the tenant to comply with the Association Documents (an example of such provision is set forth below), (b) providing that the failure of any tenant under a lease to comply with the Association Documents shall constitute an event of default under the lease, and (c) providing that the Board may exercise any and all remedies for a default under the Association Documents against the Owner and the tenant under the lease including, without limitation, the right to remove a tenant from possession of a Dwelling Unit by judicial process or otherwise.

"Tenant shall obey, adhere to and be bound by all provisions of the Declaration Of Covenants, Conditions, Easements, and Restrictions for Stone Brook, recorded in the applicable public registry for Lee County, North Carolina. Tenant acknowledges that he has received a copy such Declaration and the rules and regulations of the Association and is familiar with the provisions of same."

d) The Board may also adopt additional reasonable rules and regulations regarding leasing.

Section 16. Minimum Size of Dwellings. All Dwellings constructed on any Lot shall have a minimum of 1,500 square feet of enclosed dwelling area. The term "enclosed dwelling area" as
used in the minimum requirements shall be the total enclosed area within a dwelling, provided, however, that such term does not include garages, terraces, decks, open porches, and like areas; provided, further, that shed type porches, even though attached to the house are specifically excluded from the definition of the aforesaid term "enclosed dwelling area".

Section 17. Garages. All single family Units constructed within the Properties shall contain an enclosed garage that is either detached from the Unit or permanently attached to and part of the Unit and shall be large enough to accommodate at least one automobile. Two car garages may use one double door or two single doors. Three car, front loaded garages may have one double door and single door. Side loaded garages may be fitted with any combination of doors. Garage doors shall remain closed at all times except when necessary for ingress and egress.

Section 18. Seasonal or Holiday Decorations. Holiday decorations (e.g., Christmas trees and lights, pumpkins, Easter decorations) shall be removed from each Lot or residential dwelling within a reasonable period of time after such holiday passes. The ARC has the sole discretion to determine what is a reasonable period of time for seasonal or holiday decorations to exist after the holiday passes and its determination shall be final.

Section 19. Window Coverings. All drapes, curtains or other similar materials hung at windows so as to be visible from outside the home shall be of a white or neutral background material.

Section 20. Exterior Lights. All light bulbs or other lights installed in any fixture located on the exterior of any building or any site shall be clear, white or non-frosted lights or bulbs. Light wattage and placement shall be approved by the ARC.

Section 21. Service Utilities, Fuel Tanks, Wood Piles, Trash. All service utilities, fuel tanks, wood piles and trash and garbage containers are to be enclosed within a fence, wall or plant screen of a type and size approved by the Declarant or the ARC, so as to preclude the same from causing an unsightly view from any highway, street or way within the subdivision, or from any other residence within the subdivision.

Section 22. Curbside Maintenance. Each Owner shall have a duty and obligation to maintain the roadside curbing, swales and driveway culverts along the front of their Lot, and in the case of corner lots, along the side abutting roadways, in the same condition as originally installed by the Declarant. In the event any Owner shall fail to do so, the Association after giving such Owner at least ten (10) days' written notice, shall be authorized to undertake such maintenance at the Owner's expense. Provided, however, that during the Development Period, the Declarant shall have the option of repairing or replacing damaged curbing, swales or driveway culverts to their original condition, and the cost of such repairs or replacement shall constitute a lien in favor of the Declarant against the lot adjacent to where the repairs or replacements were effected. If such maintenance is undertaken by the Association or Declarant, the charge therefore and all costs of enforcement and collection shall be secured by a lien against the Lot as provided in Article V hereof.

Section 23. Flags. Notwithstanding any provision of this Declaration, including without limitation the provisions of this Article XII, no rule or regulation adopted by the Board or the Association, nor any amendment to the Declaration adopted by the Association or the Declarant shall regulate or prohibit the display of the flag of the United States of America and/or the flag of the State of North Carolina, of a size no greater than four (4) feet by six (6) feet, which is displayed
in accordance with or in a manner consistent with the patriotic customs set forth in 4 U.S.C. §§ 5-10, as amended.

Section 24. Rights of way. If any Owner places any improvement or structure in the right-of-way, then if requested by the North Carolina Department of Transportation or the Declarant or the Association or any governmental regulatory agency, the Declarant or the Association shall have the right to remove such improvement or structure even if ARC had approved installation of such improvement or structure.

Section 25. Above Ground Swimming Pools. No above ground swimming pool shall be erected, constructed, placed or permitted to remain on any Lot.

Section 26. Outdoor Fires/Burning. Outside burning of trash, leaves, debris or other materials is prohibited. Owners may burn wood in an outdoor fire pit, provided the fire pit must first be approved by the Declarant, Board, or ARC, as applicable. The restrictions contained in this Section 26 shall not apply to Declarant.

Section 27. Deviations. Declarant at its sole discretion, is hereby permitted to approve deviations to restrictions in Article XII in instances where in its judgment, such deviation will not adversely affect the development of the Property as a whole. Such approvals must be granted in writing and when given will automatically amend these restrictions for that certain Lot only.

ARTICLE XIII

STORMWATER AGREEMENTS RESPONSIBILITIES AND COVENANTS

Section 1. Administration of the Stormwater Agreements. The oversight, supervision, management and administration of the Stormwater Agreements shall be the sole responsibility of the Association. The Association's duties with respect to the Stormwater Agreements shall be carried out in accordance with the terms and conditions of the Association Documents and the Stormwater Agreements. The Architectural Review Committee shall review plans for improvements for compliance with the built-upon area limits set forth in this Declaration. The plans submitted by Owners must include all proposed built-upon area. Any approvals given by the ARC do not relieve the Owner of the responsibility to comply with any permitted built-upon area restrictions set forth in the Stormwater Agreements and this Declaration.

Section 2. Transfer to and Acceptance by Association. If any Stormwater Agreements are issued to Declarant, Declarant shall transfer the Stormwater Agreement and Declarant's responsibilities thereunder to the Association. The Association shall accept the transfer from Declarant of the Stormwater Agreement and the responsibilities thereunder.

Section 3. Association Indemnification. The Association shall indemnify and hold Declarant harmless from any loss, cost, claim, fee, fine, suit, damage or expense, including reasonable attorneys' fees, incurred by Declarant in the defense of any action against Declarant as the responsible party under the Stormwater Agreements. The Association shall indemnify and hold Declarant harmless from any loss, cost, claim, fee, fine suit, damage or expense, including reasonable attorneys' fees, incurred by Declarant in the defense of any action against Declarant from and after the date Declarant tenders transfer of the Stormwater Agreements to the
Association. From and after the transfer of Declarant's responsibilities under the Stormwater Agreements and from and after transfer of the Stormwater Agreement from Declarant to the Association, the oversight, supervision, management and administration of the Stormwater Agreement shall be the sole responsibility of the Association.

Section 4. Easement for Upkeep and Enforcement. The Association hereby is granted and conveyed an easement over, under and upon each Lot for the purpose of access to and upkeep of all Stormwater Facilities and to enforce all requirements of the Stormwater Agreements. In the event Declarant annexes additional property into the Property, the Association shall have, and hereby is granted and conveyed, an easement over, under and upon each annexed Lot for the purpose of access to and maintenance of all Stormwater Facilities located upon such additional property and to enforce all requirements of the Stormwater Agreements.

Section 5. Stormwater Covenants. To ensure ongoing compliance with the Stormwater Agreements and any other applicable stormwater regulations, the following covenants and restrictions are hereby imposed upon the Property:

(a) Owners shall not construct any improvements on their Lots or the Common Area or otherwise use any portion of the Property in a manner that violates the terms of the Stormwater Agreements.

(b) The maximum allowable built-upon area per Lot is 5,000 square feet. This allotted amount includes any built-upon area constructed within the property boundaries of a Lot and that portion of the right of way between the front Lot line and the edge of the pavement of any street abutting such Lot. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include a raised, open deck, or the water surface of swimming pools.

(c) In the event an Owner or Builder damages the Stormwater Facilities, the Association may perform such work to repair or replace the Stormwater Facilities and assess all costs incurred by the Association against the Lot and the Owner or Builder in accordance with Article V, Section 6.

Section 6. Each Owner of a Lot which borders a water retention area, drainage easement or drainage swale area shall be responsible to maintain any portion of that Owner's lot lying within a retention area, drainage easement, or drainage swale area in compliance with the Stormwater Agreements and free of debris but shall not remove any wetlands species or do anything that would affect adversely water quality within the water retention area. No structure of any type shall be permitted within the water retention areas, drainage easements or drainage swale areas. Swimming and bathing in water retention areas are prohibited. Docks or other structures shall not be erected in water retention areas without the prior written consent of the Association. All other uses of water retention areas shall be subject to the prior written approval of the Association and such rules and regulations as the Association may adopt from time to time.

ARTICLE XIV
GENERAL PROVISIONS
Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

Section 3. Amendment. During the Development Period, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to make or purchase mortgage loans on the Lots; (iv) necessary to enable any governmental agency or reputable private insurance company to guarantee or insure Mortgage loans on the Lots; or (v) otherwise necessary to satisfy the requirements of any governmental agency for approval of this Declaration. However, any such amendment shall not adversely affect the title to any Lot unless the affected Owner shall consent thereto in writing.

Except as otherwise specifically provided in this Declaration, this Declaration may be amended only by the affirmative vote of, or written agreement signed by, Owners of Lots to which at least sixty-seven percent (67%) of the total votes in the Association are allocated, and Declarant's written consent during the Development Period.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Amendments to this Declaration shall become effective upon recordation in the office of the Register of Deeds of Lee County unless a later effective date is specified therein. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege during the Development Period.

Section 4. Interpretation. Headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing any provision hereof. Unless the context otherwise requires, the use herein of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the word "including" shall mean "including, without limitation". This Declaration and the provisions thereof shall be construed and enforced in accordance with the laws of the State of North Carolina.
Section 5. Subdivision of Lots. No Lot within the Subdivision may be subdivided by sale or otherwise so as to reduce the total Lot area shown on the recorded plat, except by or with the consent of the Declarant and, if required, by the appropriate governmental authority.

Section 6. Declarant's Right To Change Development. With the approval of the appropriate governmental authority, and subject only to such terms and conditions as said authority may impose, Declarant shall have the right, without consent or approval of the Owners, to create Lots and Units, add Common Area, and reallocate Lots or Units within the Properties. Declarant may convert any Lot or Lots or any other property subject to these restrictions to use as a roadway and/or road right-of-way.

Section 7. Right to Dedicate Streets. In the event that the streets and roadways providing access to the Stone Brook Subdivision are accepted as public roads by the North Carolina Department of Transportation, then and in that event, the Declarant and/or the Association may petition the North Carolina Department of Transportation to accept the streets and roadways within the Stone Brook Subdivision as public roads. Declarant shall maintain the streets until such time as the streets are accepted for maintenance by the appropriate governmental authority.

Section 8. Rules and Regulations: Enforcement. The Board shall have the authority to adopt additional rules and regulations governing the use of the Common Area and the Lots within the Subdivision and shall furnish a written copy of said rules and regulations to the Owners of each Lot at least fifteen (15) days before such rules and regulations become effective.

In addition to any other rights and remedies that the Association may have, the Association may impose sanctions for a violation of the Association Documents subject to the notice of hearing, evidence, and appeals procedures set forth in §47F-3-107.1 of the Act, which sanctions may include, without limitation, reasonable monetary fines not to exceed One Hundred Dollars ($100.00), provided that an additional fine of up to One Hundred Dollars ($100.00) per day may be imposed for each day more than five (5) days after the decision that the violation occurs, which shall constitute a lien upon the Lot of the violator, and suspension of the right to vote and the right to use the Common Area and any facilities thereon.

In addition, as provided in the Bylaws, the Association may exercise self-help to cure violations (specifically including, but not limited to, the towing of Owner and tenant vehicles that are in violation of parking rules) and may suspend the right of an Owner to use any Common Area and recreational facility within the Properties if the Owner is more than 30 days delinquent in paying any assessment or other charge due to the Association.

The Association shall at all times have the right and easement to go upon any Lot for the purposes of exercising its rights hereunder, including, but not limited to, enforcement of the Architectural Guidelines applicable to the Properties. Any entry onto any Lot for purposes of exercising this power of self-help shall not be deemed as trespass. All remedies set forth in this Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In any action to enforce its rights and remedies, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with
applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement actions. Any such determination shall not be construed as a waiver of the right to enforce such provisions under other circumstances or to estop the Association from enforcing any other covenant, restriction or rule.

[SIGNATURES ON FOLLOWING PAGE]

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration under seal this ___ day of ________, 2018

By: ___________________________ (SEAL)
Name: ___________________________
Title: ___________________________

STATE OF NORTH CAROLINA
COUNTY OF _______________________

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: ___________________________

Date: ___________________________  

Signature of Notary Public

Notary's printed or typed name

My commission expires: ___________________________

(Official Seal)

Notary seal or stamp must appear within this box.
EXHIBIT "A"

Legal Description of Property

All of that parcel of real property containing 12.642 Acres, entitled "New Lot 1" as shown on the map recorded in Book of Maps 2018, Page 74, Lee County Registry, to which map reference is hereby made for a more particular description.
CITY OF SANFORD
CITY COUNCIL AND PLANNING BOARD
PUBLIC HEARING INFORMATION
JANUARY 15, 2019

APPLICATION # 2019-0101 TO AMEND THE SANFORD ZONING MAP

This rezoning request is conditional upon the subject property being annexed into the corporate City limits, for which the public hearing will also be held on January 15th. If the annexation request is not approved by the Sanford City Council, this hearing for the rezoning request will not be held.

Applicant: Mr. Terry Slate, Registered Agent for Pinnacle Partners, LLC
Owner: Pinnacle Partners, LLC
Request: Rezone from Residential Restricted (RR) to Stone Brook Conditional Mixed Use-PUD Conditional Zoning District to allow the development of a mixed use subdivision with 390 residential single-family home lots with a future townhome area and a future mixed use area. This is a site plan/preliminary plat specific conditional zoning district with unique conditions that are legally binding on the land even in the event of a transfer of ownership.
Location: The subject property has frontage/access off of Boone Trail Road/US Hwy 421, Forestwood Park Road, and Valley Road. It is east of Valley Road, south of Forestwood Park Road, west of Boone Trial Road/US Hwy 421 Business, and north of Wildwood Subdivision.
Township: West Sanford
Tax Parcels: 9634-14-7642-00, 9634-04-4681-00, and 9624-96-0209-00
Adjacent Zoning: North: Residential Restricted (RR) and Light Industrial (LI)
South: Residential Restricted (RR)
East: Residential Restricted (RR) and Light Industrial (LI)
Opposite Boone Trail Road, Light Industrial (LI) and Settle-Shontz Conditional Zoning District for the All Animals Animal Hospital and the Rae-zor Grooming, Boarding & Daycare business
West: Residential Restricted (RR) and Residential Agricultural (RA)
Opposite Valley Road, Residential Agricultural (RA)

Introduction: Planning staff has received a rezoning application from Terry Slate of Pinnacle Partners, LLC to allow the development of a 390 lot residential subdivision with a future townhome area and a future mixed use area. The subdivision would be developed in four phases that would be served by public water, public sewer, and public streets, all of which would be City maintained.

Area and Site Description: The subject property is located in northwestern Lee County and is comprised of three vacant tracts of land. The area is predominately developed with single-family homes with a few businesses fronting Boone Trial Road/US Hwy 421 Business.
Surrounding Land Uses: To the north, both adjoining the site and on the opposite side of the roadway, are single-family homes and vacant land off of Forestwood Park Road that are in Lee County on land zoned Residential Restricted (RR). To the south are single-family homes off of Valley Road and Red Holly Drive and the Wildwood Forest Subdivision, all of which are in Lee County on land zoned Residential Restricted (RR). To the west, both adjoining the site and on the opposite side of the roadway, are single-family homes and vacant land off of Valley Road that are in Lee County on land zoned Residential Restricted (RR) or Residential Agricultural (RA). To the east, on adjoining land, are single-family homes and vacant land off of Boone Trail Road that are in Lee County on land zoned Residential Restricted (RR). There are also six tracts of land with frontage on Boone Trial Road/US Hwy 421 Business that are in Lee County, zoned Light Industrial (LI), and developed with two businesses, J&G Machinery and Boone Brands. To the east, on the opposite side of Boone Trial Road/US Hwy 421 Business is vacant land in Lee County zoned Residential Restricted (RR) and All Animals Animal Hospital and Rae-zor Grooming. Boarding & Daycare, which is located within the corporate limits of the City of Sanford and zoned Settle-Shontz Conditional Zoning District.

Zoning District Information

Existing Zoning: The subject property is zoned Residential Restricted (RR), which is established to provide areas for low-density single-family uses, with a maximum of one and one-half dwelling units per acre. Property zoned RR should include only those tracts which abut or are in close proximity to existing large-lot single family development, making RR an appropriate transition district between rural, agricultural, and suburban uses. A list of permitted uses for the RR district is included within the agenda for your reference.

The minimum lot width is 100ft, with a minimum lot size of 30,000sf, and a max building height of 40ft. The minimum building setbacks for a principal structure or house is as follows:

Front: 30 feet, as measured from the right-of-way line of the proposed public street
Rear: 30 feet, measured from the rear property line
Side(s): 15 feet, measured from the side property lines

The minimum building setbacks for an accessory structure or storage building is as follows:

Front: 30 feet, as measured from the right-of-way line of the proposed public street
Rear: 5 feet, measured from the rear property line
Side(s): 5 feet, measured from the side property lines

Proposed Zoning: The Stone Brook Conditional Mixed Use-PUD Conditional Zoning District is a stand-alone district with its own unique conditions. Under a Conditional Zoning District Type I, an applicant would have the freedom to develop his/her own unique list of permitted uses and design standards. It is also understood that such a district would need to be designed so as to maintain the integrity and characteristics of the surrounding community as well as conform to the spirit and intent of the Zoning Ordinance. This type of zoning is suitable in situations where none of the current conventional zoning districts accommodate the desired uses and the applicant has a clear vision as to how the property is to be developed.

The applicant shall specify the uses of the property and shall propose additional conditions to ensure compatibility between the development and the surrounding neighborhood. The conditions shall include all of the following, as applicable:
• The location on the property of the proposed use(s);
• The number of dwelling units;
• The location and extent of supporting facilities (parking lots, driveways, and access streets);
• The location and extent of buffer areas and other special purpose areas;
• The timing of development;
• The location and extent of rights-of-way and other areas to be dedicated for public purposes;
• And any other such conditions the applicant may wish to propose.

The application shall include a site plan/preliminary plat and detailed narrative text that specifies the conditions that will govern the development and use of the property. If approved, this information is legally binding on the land; therefore, the site has to be developed as per the approved plans and conditions even if a property transfer were to take place. Any item not specifically addressed in the rezoning process must comply with the UDO standards.

As reminder, the conditional zoning process is a negotiated zoning process and, as such, the City Council and/or Planning Board may request that certain conditions be considered or altered. However, the petitioner must accept such conditions before inclusion in the conditional zoning district.

Also, the conceptual plans and conditions that are approved in conjunction with this project must comply with the technical specifications and requirements of all governmental agencies, such as the City of Sanford Engineering Department and NCDOT.

The following design standards are applicable for the Stone Brook Conditional Mixed Use-PUD Conditional Zoning District:

**Overall Design**

• The total site is 168 acres.
• 68.7 acres are to be developed with 390 single-family home lots
• 8.6 acres are reserved for approximately 60 townhomes
• 26 acres are reserved for Mixed Uses to include Professional/Commercial and High Density Residential
• 7.3 acres is proposed to be donated to the City of Sanford for public land uses, such as a fire department, community center, etc.
• 31.5 acres are to be developed/dedicated as Open Space/Parks/Public Areas, including dog parks, playgrounds, public meeting areas, passive recreation, nature trails, etc.
• 25.8 acres of roads and right-of-way

**Lot Design and Setbacks**
The minimum lot width is 50ft, as measured from the minimum building setback line, with a minimum lot size of 6,500sf, and a max building height of 40ft.
The smallest single-family lot size is 6,500sf and the average single-family lot size is 7,716sf.
The minimum building setbacks for a principal structure or house are as follows:
Front: 25 feet, as measured from the right-of-way line of the public street
Rear: 10 feet, measured from the rear property line
Side(s): 5 feet, measured from the side property lines
There will be minimum building setbacks along the perimeter of the subject property that require all principal structures (houses) and accessory buildings (storage buildings, etc.) to be a least 30 feet from all of the perimeter property lines.

There will be a 5 feet drainage and utility easement along the right-of-way line of all public streets.

**Recreation Amenities**
- All recreational amenities in common open spaces shall be detailed on a site plan to show the location and proposed use of all open spaces and recreational areas.
- Parking areas shall be provided adjacent to major community recreation areas.
- Designated school bus stop areas shall be provided.

**Infrastructure**
- Sidewalks shall be provided along each side (both sides) of all roads.
- The design includes approximately 20,565 linear feet in new public streets.
- The streets, water, and sewer will by public utilities installed by the developer and maintained by the City of Sanford.

**Single-family Homes**
- The minimum heated square footage shall be 1,400sf for single-family houses
- Veneer between the bottom of windows and the ground shall be stone or brick on the front of all the homes
- Multiple elevations shall be available with a minimum of 3 homes separating repetition
- Multiple exterior color combinations with a minimum of 3 homes separating repetition
- Vinyl siding will be the Alside: Conquest & Driftwood brand (.0440” thick, double 4.5” exposure Dutch Lap) that is installed per the manufacturer’s instructions with a lifetime transferable warranty
- Gables shall be Board-and-Batten or Shake siding
- Windows shall have grids on the front of all homes, and shall be double-paned, argon filled windows
- All homes shall have a two car garage
- Garage doors shall have raised paneling with carriage style hinges and handles
- All homes shall have concrete driveways accommodating two cars in width from curb to garage
- Minimum roof pitch 6/12
- Attic turbines shall not extend higher than the roof peak and not more than 12-inches above the roof surface
- Max building height of 40ft (per UDO, not included in rezoning conditions)

**Landscaping/Buffers**
- All lands within areas required to be maintained as open space by the Homeowners Association shall be protected by a permanent conservation easement and restrictive covenant prohibit further development and recorded upon final plat approval as “Open Space”
- All homes shall be sodded from the curb to the back corner of the house
- One tree shall be planted in the front yard of each single-family home that has a minimum of a 2-inch caliper at the time of planting with corner lots having two trees planted
• At least 10 one to three gallon shrubs will be planted for each house that are a minimum of one gallon at the time of planting

**Community Appearance**
• Hot tubs may not be visible from the street
• All play equipment on private lots shall be located behind the home and not in the side or front yard
• Basketball goals are prohibited from being mounted directly on the house and are not to be placed so that basketball is played in the street
• Above-ground pools shall not be permitted
• All homes shall have a screened trash receptacle area
• Trash receptacles must be stored in screened trash receptacle areas except the night before trash pick-up and trash pick-up day
• Gravel drives and parking areas are not permitted
• Parking of vehicles on lawns or common areas shall be prohibited
• Parking of commercial trucks, buses, or other commercial vehicles of any kind on the street shall be prohibited
• Fence materials shall be pressure treated wood, clap board aluminum, wrought iron, or vinyl
• Wire, plastic, and chain-link fences (including dog enclosures) shall be prohibited
• Fences must be maintained and kept in good repair
• Storage sheds must be sided with siding materials similar in color and composition of the principal structure
• Storage sheds roofs must have a similar pitch, materials, and color as that of the home
• Decks shall be built on the rear of the homes and not extend past the side of the home
• Front and side decks are not permitted
• Deck materials to be used shall be specific to patio and/or deck designs
• Window unit air conditioners are prohibited
• Windows shall not be dressed with inappropriate dressing materials (sheets, newspapers, blankets, etc.)
• Paints and stains must be maintained in uniform and good repair
• Lawns must be kept with uniform ground coverage
• Doghouses shall not be visible from the street
• Clotheslines shall not be erected or maintained on any lot
• Vegetable gardens shall only be permitted in rear yards
• Lawn furniture, barbeque equipment, toys, bikes, trampolines, etc., must be kept in good repair and stored within the rear yard when not in use

**Mailbox Kiosk**
• Mail kiosks shall be installed and in accordance to the United States Post Office standards
• There shall be a minimum of one mailbox kiosk installed for the development
• The location(s) of the mailbox kiosk(s) shall be approved by the United States Post Office

**Homeowners Association**
• All owner of developable lots shall immediately become members of the Homeowners Association
• A Declaration of Covenants. Conditions and Restrictions an bylaws for the Homeowners Association shall be reviewed, approved, and recorded with Phase 1 final plat.
• Homeowners Association shall be professionally managed and shall be in place to enforce and abate all community association covenants, conditions, and restrictions.
• Homeowners Association shall be responsible for the maintenance and upkeep of all open space and improvements built throughout the development, including the maintenance and upkeep of all drainage easements and Detention/Retention/Water Quality Pond Areas.

Environmentally Sensitive Areas
• No unauthorized disturbances of environmentally sensitive areas as defined by the U.S. Army Corps of Engineers, NCDEQ, Lee County, and the City of Sanford Planning Department.

Fire Code and Blasting
• Development must comply with the 2012 NC fire Prevention Code or current edition adopted for use by the City of Sanford. This includes, but is not limited to, the access roadway requirements, hydrant locations, and blasting.
• Blasting operations shall be conducted in accordance with provisions of the NC Fire Prevention Code.

If approved, the proposed approximate timing of the development will be Phase 1 to begin in the fourth quarter of 2019, Phase 2 to begin in the fourth quarter of 2020, and Phase 3 to begin in the 1st quarter of 2022. Ultimately, project timing is market driven and cannot be dictated by Planning/Zoning.

Please reference the attached site plan/conceptual preliminary plat, the conceptual architectural elevations, and the written information provided for this project. If this rezoning request is approved and the project moves forward, an actual preliminary subdivision plat will need to be reviewed/approved by the Planning Board and the City Council in the future, prior to the final plat being recorded.

Also, the information submitted for this rezoning request was reviewed by the Sanford/Lee County/Broadway Technical Review Committee (TRC) and the board was amenable with the request moving forward for review & a decision by the Planning Board and the City Council. All outstanding TRC revisions must be addressed prior to the development of the site in the manner proposed.

The Sanford Fire Department will require the a roadway connection that meets all applicable codes/policies to be constructed to connect Phase 1 to Boone Trial Road/US Hwy 421 Business prior to the final plat for Phase 2 being recorded to ensure access for emergency service vehicles and due to safety concerns with construction equipment coming through a completed phase to start work within additional phases of the subdivision. The Fire Department, in conjunction with the City of Sanford Engineering Department, may require that the water main lines be extended in a similar manner also due to safety concerns.

Overlay Districts & Area Plans
Flood Hazard Area: The subject property has flood hazard area or 100-year floodplain associated with Purgatory Branch, a perennial stream that crosses the site within the common open space area near the Phase 3/Phase 4 line. Any/all land disturbing activities in the flood hazard area must comply with the Article 13, Flood Hazard Area Regulations of the UDO.
There are also several other perennial and intermittent streams that cross the site and a few wetland areas as illustrated on Sheet C1.0 of the conceptual civil drawing set. A perennial stream has continuous flow in parts of its stream bed all year round during years of normal rainfall. An intermittent stream normally ceases flow for weeks or months each year. Wetlands are areas where water covers the soil or is present either at or near the surface of the soil all year or for varying periods of time during the year, including during the growing season. The prolonged presence of water creates conditions that favor the growth of specially adapted plants and promote the development of characteristic wetland soils. Wetlands support both aquatic and terrestrial species. These existing conditions appear to be included within the common open space with the exception of five road crossings as illustrated on Sheet C 2.0 of the civil drawing set. These environmental features are regulated by the state (NCDEQ, etc.) and the federal government (U. S. Army Corps of Engineering, etc.).

The following is a general note included with all rezoning requests: Sanford, Lee County, and Broadway do not have local grading permits and rely on the NC Department of Environmental Quality to regulate land disturbing activities. For questions or concerns regarding land disturbing activities, contact the NC Division of Energy, Mineral, and Land Resources Sediment Program at 1612 Mail Service Center, Raleigh, NC 27699-1612 or call 919-707-9220 or visit the NCDEQ website at http://deq.nc.gov.

Utilities
The project is proposed to be served by public water via a water main line that is located in the right-of-way of Valley Road. This project is proposed to be served by an existing sanitary sewer main line that crosses the site and by sewer easements that connect to this sewer line on adjoining properties. The proposed water and sewer lines are illustrated on Sheet C3.0 of the conceptual civil drawing set. Any/all public water and sewer connections must be approved by the City of Sanford Engineering/Public Works Dept.

Transportation
The subject property has approximately 65ft of frontage on Forestwood Park Road (SR 1384) and approximately 50ft of frontage on Valley Road (SR 1325), both which are NCDOT maintained public streets with a 60ft right-of-way. The subject property has approximately 618ft of frontage on Boone Trail Road/US Hwy 421 Business, both which are NCDOT maintained public streets with a right-of-way that varies from 230ft to 268ft in the area of the subject property per GIS. New development that proposes to connect to any of these roadways must be approved by NCDOT to verify compliance with all applicable regulations.

The 2007 Lee County Comprehensive Transportation Plan Highway Map illustrates the portion of Valley Road that fronts the subject property as an existing boulevard that needs improvement. Forestwood Park Road is an existing Boulevard with no recommendations provided. Valley Road is also recommended for an on-road bike route.

There is a 2012 traffic count of 240 vehicles per day approximately 600 feet south of the Forestwood Park Road and Valley Road intersection, which is approximately 730ft north of the subject property. There is a 2011 traffic count of 420 vehicles per day approximately 800 feet west of the Boone Trail Road/US Hwy 421 Business and Forestwood Park Road intersection, which is approximately 450ft east of the subject property.
Conformance with the Long Range Land Use Plan
The Plan SanLee Land Use Plan identifies the future land use place type for this tract of land as “countryside”, which has the following characteristics:
  o agricultural and undeveloped lands outside the Urban Service Area
  o preservation of the country’s agricultural heritage encouraged
  o conservation and maintenance of rural lifestyle supported
  o limited residential density
Land use designations include schools, churches, single-family attached dwellings, farmland, forests, and conservation land. Forms of transportation include automobiles that share the roads with agricultural activity (with vehicular connectivity encouraged in new development) and pedestrians walking & bicycling on off-street trails. The zoning districts are RA-Residential Agricultural and RR-Residential Restricted. The maximum development density is one dwelling unit per two acres with deep building setbacks and a 35 ft height limit. Utility infrastructure is well water and on-site wastewater disposal. The features character is two-lane rural highways, dispersed development pattern, and agricultural fields & forests. The page from the land use plan for “countryside” is included within the agenda for your reference.

It should be noted that during the development of the Land Use Plan, staff and the consultant debated the appropriate place type for this general area as either Countryside or Suburban Neighborhood. The area does have access to a large sewer main and is identified as a potential growth area in the Waste Water Master Plan and is contiguous to existing City Limits. As such it was considered a transitional area that could be placed in either category. The final draft of the plan did indicate a recommendation as “countryside” due to its proximity to surrounding farmland and to act as a buffer from the numerous Industrial uses along Boone Trial Road/US Hwy 421 Business. Again, however, it was recognized that due to the proximity of the sewer line and the current City Limits this area could also be reasonably developed as suburban neighborhood.

Public Information Meeting
A Public Information Meeting was held on December 6th with Planning staff, the applicant/owner, three project designers/engineers, and twenty-six adjoining property owners/area residents in attendance. The meeting was held in the City Council Chambers and lasted almost three hours with the following concerns and questions discussed.
  • Residents of Wildwood Subdivision vehemently want the proposed "stub" street that would end at the property line adjoining the Wildwoods Subdivision eliminated from the design.
    Note: After this meeting, the design was revised to remove the "stub" street.
  • All of the trees on the property were recently cut, which has left the site very open and unattractive.
  • Lack of a buffer between the proposed subdivision and the surrounding property owners, which creates a backyard to backyard design, with one backyard being the rear of a small urban residential lot in the City and the adjoining backyard being a larger rural lot within the County was seen as being potentially problematic. Potential incompatible uses mentioned were brush burning and the raising of animals that is allowed in the County, but not in the City.
  • Lack of a buffer between the proposed subdivision and the surrounding property owners was repeatedly stated as a concern and it was suggested that a large fence be installed along the
exterior property line to separate the new residential subdivision from the adjoining property owners.

- There is existing rock in the area that may have to be “blasted” in order to develop the site in the manner proposed. “Blasting” from the 421 Bypass project damaged homes in the area for which the residents were not compensated and there is concern that these homes and/or other homes will be further damaged if “blasting” is used to develop this project and questions were posed regarding who would pay for damage to the homes when/if future “blasting” does occur.

- Concern was expressed regarding a possible lack of compliance with the State regulations for erosion control & sedimentation with regard to the timbering that has already taken place and future land disturbance, especially along the creeks that cross the site.

- It was strongly suggested that the project be redesigned to incorporate low-impact development design, which emphasizes conservation and use of on-site natural features to protect water quality and manage stormwater runoff.

- Concern was expressed regarding the amount of stormwater runoff that the subdivision would generate, given the amount of impervious surface that would be created on each lot with the development of the house and concrete driveways. The location and sizing of the proposed detention ponds did not appear to be adequate.

- Annexation of the property and if/how this would affect the adjoining property owners was discussed with the consensus being that the neighbors were fearful of and did not want to be annexed into the City.

- Area residents can leave things sitting out in their yards now and feel relatively safe. The creation of 390 new homes in the area, with the potential for townhomes and a mixed-use area, would bring lots of new residents to the area which may bring additional crime, noise, and lighting to the area that could adversely affect the rural country character and cause them to have to look things up.

- The small lot sizes and small minimum building setbacks as compared to what the current zoning district requires was a concern.

- The cost and appearance of the proposed homes was discussed.

Additional concerns that were expressed either via phone call or email are provided below.

- A resident of Wildwood Subdivision that owns several vacant wooded lots next to his house expressed concern that his private wooded property will become an area for littering; smoking; drinking; camping; etc. and used as a common area for Stone Brook’s teenagers looking to escape view. He proposed that a substantial privacy fence be constructed to protect his property rights from the unwanted trespassing. Additionally, he is concerned about what appears to be a proposed ingress/egress for the 400± homes that funnels through “our tiny little 1980’s neighborhood”, which is not equipped to handle and does not want the potential traffic that could flow through it seeking exit on Valley Road/Cool Springs Road. Also, there is a small private pond that the property owners do not have the ability to police from the 400± potential homeowners that would be given direct access to our neighborhood if the roadway connection was constructed.

- Another resident of Wildwood Subdivision expressed concern regarding the proposed future roadway connection to the Wildwoods Subdivision. She does not want the additional vehicular or pedestrian traffic that this could bring to her quiet neighborhood.
**Staff Recommendation**

Staff has reviewed several reiterations of this subdivision design and, to the developer's credit, the overall design has been revised to address some of our concerns and questions. Design features, such as a community area and active park area, have been incorporated into the design in an attempt to create a residential community, as opposed to a typical residential subdivision. Sidewalks have been added on both sides of the streets to encourage and allow for pedestrian circulation to points of interest within the neighborhood. The design incorporates the floodplain into the common open space, as opposed to being included in the individual lots. Streets have been “stubbed” to the property lines in several locations to allow for future connectivity when/if there is development on adjoining lots, which is beneficial for emergency services and connecting neighborhoods to one another, goods/services, and institutional uses, such as parks and schools.

While progress has been made with the overall design, several outstanding concerns remain. A range of lot sizes and house sizes is encouraged so that there are several levels of single-family housing available within this neighborhood. The current design has one standard lot size with one level of home available. (Examples of six architectural styles provided that meet the same criteria/description.) While the developer did reserve 8.6 acres as a future townhome area, this is the only other housing style/type incorporated into this large neighborhood and the timing for the development of this area is uncertain.

Incorporating a landscape buffer, perhaps within a common area, around the perimeter of the subdivision that provides both a visual and physical barrier between the adjoining tracts of land and the new subdivision is encouraged since the urban design of the subdivision is so different from rural design of the adjoining lots and since the perimeter of the site adjoins private property on so many sides as opposed to a public road. Retaining and utilizing existing mature trees within a perimeter landscape buffer is also encouraged; however, this recommendation cannot be met given that the site was clear cut prior to submittal of a subdivision design for review. Staff encourages phasing the project starting at the major roadway (Boone Trial Road/US Hwy 421 Business) and progressing further into the site towards Valley Road and Forestwood Park Road to allow for a more visible main entrance that has the least impact on the residential neighbors with construction and residential traffic.

In summary, while staff understands that development is market driven and concedes that the overall design has been revised to address some of our concerns and questions, there are still changes that can be made to address the concerns of both staff and the neighbors that may meet the intent of the “countryside” designation while creating a design that is beneficial to both the developer and the area residents of Sanford/Lee County for both the near future and many years to come.

**Staff Information Regarding a Recommendation from the Planning Board**

The recommendation from the Planning Board should include language describing whether its action is consistent with an adopted comprehensive plan and any other officially adopted plan that is applicable and other matters as deemed appropriate by the board. The board may also include language briefly explaining why it considers the recommendation to be reasonable and in the public interest.
Application by Terry Slate to rezone three vacant tracts of land totaling 168 + acres from RR, Residential Restricted to Stone Brook Conditional Mixed Use-PUD. Tax Parcels 9634-14-7642-00, 9634-04-4681-00, and 9624-96-0209-00.
Application by Terry Slate to rezone three vacant tracts of land totaling 168 + acres from RR, Residential Restricted to Stone Brook Conditional Mixed Use-PUD.
Tax Parcels 9634-14-7642-00, 9634-04-4681-00, and 9624-96-0209-00.
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Application by Terry Slate to rezone three vacant tracts of land totaling 168 + acres from RR, Residential Restricted to Stone Brook Conditional Mixed Use-PUD.
Tax Parcels 9634-14-7642-00, 9634-04-4681-00, and 9624-96-0209-00.
**RR, RESIDENTIAL RESTRICTED ZONING DISTRICT**
Please note: This list was created by Sanford/Lee County Planning & Development staff as a summary of the permitted land uses within a specific zoning district and is intended for general informational purposes. Staff makes every effort to ensure that the information provided is accurate and up-to-date; however, it is recommended that you verify with Planning & Development staff that the proposed use is permitted within the specific zoning district and discuss any/all development requirements prior to pursuing a project. This information is applicable for the jurisdictions of the City of Sanford, Lee County and the Town of Broadway in North Carolina.

**USES PERMITTED BY RIGHT**
The uses listed below are permitted by right, subject to any/all other applicable standards of the Unified Development Ordinance (for example, parking requirements).

<table>
<thead>
<tr>
<th>Accessory Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessory uses (See Section 5.1)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Residential Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwelling, Modular home</td>
</tr>
<tr>
<td>Dwelling, Single-family detached</td>
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</table>

<table>
<thead>
<tr>
<th>Arts, Recreation &amp; Entertainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks, playgrounds, and athletic fields operated on a noncommercial basis</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Education, Public Administration, Health Care, and Institutional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious Complex (less than 350 seats), new site</td>
</tr>
<tr>
<td>Religious Complex (any size), addition to existing complex/site</td>
</tr>
<tr>
<td>Schools, Pre-K –Secondary (nursery and preschool, grade schools, elementary, middle, and high school), addition to existing site</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Transportation, Communication, and Utilities</th>
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</thead>
<tbody>
<tr>
<td>Utility lines (including electric lines, phone/cable lines, distribution circuits, gas/fuel lines, water lines, steam/air conditioning lines, irrigation channels, and sewer/waste water lines)</td>
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<table>
<thead>
<tr>
<th>Agriculture</th>
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<tr>
<td>Animal Production and Support Services, (unincorporated Lee County)</td>
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<tr>
<td>Crop Production and Support Functions, (unincorporated Lee County)</td>
</tr>
<tr>
<td>Forestry and Logging and Support Services, (unincorporated Lee County)</td>
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</tbody>
</table>

**USES PERMITTED WITH DEVELOPMENT REGULATIONS**
The uses listed below may either be permitted by right or upon approval of a Special Use Permit, but are also subject to the requirements of Article 5 Supplemental Development Regulations of the Unified Development Ordinance (for example, daycares are required to install a fence around outdoor play areas).

<table>
<thead>
<tr>
<th>Residential Uses</th>
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<tbody>
<tr>
<td>Accessory Dwellings (See Section 10.4)</td>
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<tr>
<td>Home Occupations (See Section 5.16)</td>
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</table>

RR Permitted Uses

Page 1
Travel Trailer / Recreational Vehicle / Motor Home / Camper, to be used as a Temporary Residence, Unincorporated Lee County and ETJ areas of Sanford and Town of Broadway (See Section 5.34.2.9)

**Accommodations and Group Living**
- Bed & breakfast inn (See Section 5.4)
- Family Care Homes (See NCGS 168-21) (See Section 5.12)

**Industrial & Manufacturing Uses**
- Landfills. LCID (2 acres or less in size) (See Section 5.19)

**Art, Recreation & Entertainment**
- Stables/Riding Academies
- Stable, Accessory to Dwelling

**Education, Public Administration, Health Care, and Institutional**
- Day Care facility, Home Child Care (See Section 5.10)

**Transportation, Communication, and Utilities**
- Solar Collectors, Residential (See Section 5.40)

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**USES PERMITTED UPON ISSUANCE OF A SPECIAL USE PERMIT**

The uses listed below are permitted in the respective zoning district only after review and approval of a Special Use Permit by the Board of Adjustment for the applicable jurisdiction in accordance with Article 3 Zoning and Permitting Procedures, Section 3.5 Special Use Permits of the Unified Development Ordinance. Special uses are subject to any/all applicable general design standards, any development regulations that apply to the specific use and those requirements that may reasonably be imposed by the respective board as per the Unified Development Ordinance.

<table>
<thead>
<tr>
<th>Accommodations and Group Living</th>
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</thead>
<tbody>
<tr>
<td>Dormitories for the students of colleges, commercial schools, staff of hospitals</td>
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<tr>
<td>Nursing, Supervision, Adult Care Homes, Group Care Facilities and other rehabilitative services</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Arts, Recreation &amp; Entertainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitness and recreational sports, gym, health spa, reducing salon, swimming pool/auditorium, racquet club or athletic club (not otherwise listed)</td>
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<tr>
<td>Golf courses, public and private</td>
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<tr>
<td>Golf driving ranges</td>
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<tr>
<td>Sports stadiums or arenas</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Education, Public Administration, Health Care, and Institutional</th>
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</thead>
<tbody>
<tr>
<td>Civic, Social, and Fraternal Organizations, including community centers, meeting halls, community halls, reception halls, wedding halls for assembly and recreation</td>
</tr>
<tr>
<td>Fire, sheriff, and emergency services</td>
</tr>
<tr>
<td>Governmental Functions, not otherwise listed</td>
</tr>
<tr>
<td>Libraries</td>
</tr>
<tr>
<td>Religious Complex (more than 350 seats), new site</td>
</tr>
<tr>
<td>Schools, Continuing Education (alternative, adult colleges and universities, and technical, trade, and other specialty schools)</td>
</tr>
<tr>
<td>Schools, Pre-K – Secondary (nursery and preschool, grade schools, elementary, middle, and high</td>
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</tbody>
</table>

RR Permitted Uses
USES PERMITTED UPON ISSUANCE OF A SPECIAL USE PERMIT THAT HAVE SPECIFIC DEVELOPMENT REGULATIONS

The uses listed below are permitted in the respective zoning district only after review and approval of a Special Use Permit by the Board of Adjustment for the applicable jurisdiction in accordance with Article 3 Zoning and Permitting Procedures, Section 3.5 Special Use Permits of the Unified Development Ordinance. In addition to any/all applicable general design standards and those requirements that may reasonably be imposed by the respective board, these uses have specific standards that must be adhered to as per the Unified Development Ordinance (for example, fencing is required around the base of telecommunication towers, including any structures or guy wires).

<table>
<thead>
<tr>
<th>Industrial &amp; Manufacturing Uses</th>
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</thead>
<tbody>
<tr>
<td>Landfills, C&amp;D or LCID (greater than 2 acres in size) (See Section 5.20)</td>
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<tr>
<td>Mining and Quarries, Unincorporated Lee County and City of Sanford only (See Section 5.23)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Education, Public Administration, Health Care, and Institutional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cemeteries, public and private (does not include individual family plots) (See Section 5.6)</td>
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<tr>
<td>Day Care facility, Child Care Center (See Section 5.10)</td>
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<tr>
<td>Day care facility, Adult (See Section 5.38)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Transportation, Communication, and Utilities</th>
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</thead>
<tbody>
<tr>
<td>Solar Collectors, Commercial (See Section 5.39)</td>
</tr>
<tr>
<td>Telecommunication towers (See Section 5.33)</td>
</tr>
</tbody>
</table>
COUNTRYSIDE

- Agricultural and undeveloped lands outside the Urban Service Areas
- Preservation of county's agricultural heritage encouraged
- Conservation and maintenance of rural lifestyle supported
- Limited residential density

Local Example - Avents Ferry Road Corridor in northeast Lee County
ADJOINING PROPERTY OWNERS LIST

PETITION BY: Terry Slate - Registered Agent for Pinnacle Partners, LLC
REQUEST: Rezone three tracts of land totaling 168± acres from R.R. Residential Restricted to Stone Brook Conditional Mixed Use - PUD Zoning District
This request is conditional upon annexation into the corporate City limits.

LOCATION & PIN: (Vacant) Boone Trail Road 9634-14-7642-00
(Vacant) Boone Trail Road 9634-04-4681-00
(Vacant) Valley Road 9624-96-0209-00

NOTE: A “0” property address number indicates that there are no addressed structures on the parcel.

DATE: 2018-12-07 updated after Public Information meeting
2018-12-12 mailed letters regarding the public hearing moving to January

<table>
<thead>
<tr>
<th>No.</th>
<th>PIN</th>
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<th>OWNER2</th>
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HOA Information for the adjoining Wildwood Subdivision:

<table>
<thead>
<tr>
<th>Requested Information and/or to be added to the list of adjoining property owners</th>
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<tbody>
<tr>
<td>56 9624-92-6881-00</td>
</tr>
<tr>
<td>Tony Williams</td>
</tr>
<tr>
<td>Williams, Jame</td>
</tr>
<tr>
<td>2018-11-27: Works for LEH (ground floor) and requested a copy of all information for this project/renovation (see file).</td>
</tr>
<tr>
<td>2018-12-03: Emailed info regarding Ph Moving to January.</td>
</tr>
<tr>
<td>2018-12-01: Emailed info regarding Ph Moving to January.</td>
</tr>
<tr>
<td>57 No. 45-48</td>
</tr>
<tr>
<td>Lucas, Ben</td>
</tr>
<tr>
<td>2018-12-06: Emailed concerning to share with developer/designers (on file).</td>
</tr>
<tr>
<td>2018-07-06: Emailed info regarding Ph Moving to January.</td>
</tr>
<tr>
<td>58 No. 37-38</td>
</tr>
<tr>
<td>Scott Osborne</td>
</tr>
<tr>
<td>2018-12-03: Phone calls with questions. Received AO Plan letter (see file).</td>
</tr>
<tr>
<td>2018-12-13: Emailed info regarding Ph Moving to January.</td>
</tr>
<tr>
<td>59 9634-02-069-600</td>
</tr>
<tr>
<td>Tim Shaw</td>
</tr>
<tr>
<td>2018-12-08: Office visit to discuss project/renovation and to pick up plans (on file).</td>
</tr>
<tr>
<td>Lives in the area &amp; request to receive future info.</td>
</tr>
<tr>
<td>60 <a href="mailto:Edw@hvgwlaw.com">Edw@hvgwlaw.com</a></td>
</tr>
<tr>
<td>2018-12-06: Phone calls inquiry (see file).</td>
</tr>
<tr>
<td>2018-12-13: Emailed info regarding Ph Moving to January.</td>
</tr>
<tr>
<td>61 308 Forestwood Park Rd, Sanford, NC 27330</td>
</tr>
<tr>
<td>Harvey Baker</td>
</tr>
<tr>
<td>2018-12-02: Saw signs &amp; called &amp; spoke with Bill Morgan. Questions about rezoning/development &amp; may attend the 1/3mtg. Lives in the area &amp; request to receive future info. (see file).</td>
</tr>
<tr>
<td>62 886 Forestwood Park Rd, Sanford, NC 27330</td>
</tr>
<tr>
<td>Vanessa Rogers</td>
</tr>
<tr>
<td>2018-12-04: Saw signs &amp; called with questions. Lives in the area &amp; request to receive future info. (see file).</td>
</tr>
<tr>
<td>63 3759 Wild Forest Road, Sanford, NC 27330</td>
</tr>
<tr>
<td>Debbie Davidson</td>
</tr>
<tr>
<td>2018-12-06: Emailed MD &amp; DM, works for Lee Co. and is asking for info. Lives in the area &amp; request to receive future info. (see file).</td>
</tr>
<tr>
<td>64 P.O. Box 15995</td>
</tr>
<tr>
<td>Shirley Emerson</td>
</tr>
<tr>
<td>2018-12-05: Saw the signs &amp; lives in the area &amp; request to receive future info. (see file). Lives at 438 Forestwood Park Rd, Sanford, NC 27330.</td>
</tr>
<tr>
<td>65 <a href="mailto:MCConsulting99@yahoo.com">MCConsulting99@yahoo.com</a></td>
</tr>
<tr>
<td>Mark, Lyczkowski</td>
</tr>
<tr>
<td>2018-12-06: Heard about the subdivision &amp; request to receive future info. (see file).</td>
</tr>
<tr>
<td>2018-12-05: Emailed info regarding Ph Moving to January.</td>
</tr>
<tr>
<td>66 1413 Palmetto Path, Sanford, NC 27330</td>
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<td>Marsha Ligon</td>
</tr>
<tr>
<td>2018-12-07: Attended 1/3 mtg &amp; request to receive future info.</td>
</tr>
<tr>
<td>67 740 Forestwood Park Rd, Sanford, NC 27330</td>
</tr>
<tr>
<td>Leon McKersey, Jr.</td>
</tr>
<tr>
<td>2018-12-07: Attended 1/3 mtg &amp; request to receive future info.</td>
</tr>
<tr>
<td>68 639 Browning Place, Winston Salem, NC 27303</td>
</tr>
<tr>
<td>Gregory Davis</td>
</tr>
<tr>
<td>2018-12-18: Attended the Sanford City Council meeting anticipating a public hearing for this project. His father is an adjoining property owner (Alexander Davis) and the son would like to receive the mailings &amp; information also.</td>
</tr>
</tbody>
</table>

(0) = Vacant, no addressed structures on the parcel.
To: The Honorable Mayor Chet Mann, Members of the Sanford City Council, Lee County Board of Commissioners, Director of Community Development Marshall Downey, Members of the Sanford/Lee County Land Use Zoning and Design Review Department and Planning Department, and Sanford City Planning Board,

Thank you for taking the time to read this letter. My name is Jared Rivard, one of the residents of the Wildwood subdivision. My wife, son and I moved here from Apex last winter, and have since come to love our new home. Far from the hustle and bustle of crowded city life, we enjoy the peace and quiet of our small charming community.

We have recently learned that the 168-acre plot of land behind our neighborhood, which has been recently clear-cut, is slated to be the site of a new development in our neighborhood. My wife and I generally welcome development in the area along with any positive improvements it may provide. However, we found the plans presented by Mr. Terry Slate to be a serious misstep for Sanford and Lee County in many ways.

First, there is the matter of our neighborhood’s character. As I’ve mentioned, my family and I moved from Apex for the lower cost of living, space, and peace and quiet that Sanford offers. As a young family ourselves, we feel that others in our demographic would consider a move to Sanford from Wake County and surrounding areas for those same reasons. The designs of these new development, however, offer none of those advantages. The proposed finished product of the settlement consists of over 400 1,500 square foot homes on meager 8,000 square-foot, 50-foot-wide lots. In addition, more land is set aside for the construction of over 200 apartments in the future. According to the plan, houses would only have ten feet of space between each other. Based on what I have seen in other local developments that I’ve visited, Stone Brook would set a record for cramped, high-density living that offers none of Sanford’s key selling points and destroy the very character of our neighborhood that attracted my family to Sanford in the first place.

Financially speaking, Mr. Slate’s proposed 200-250K listing price for these homes is unrealistic. 1,500+ square-foot houses on .5+ acre lots in our subdivision currently list at around 210K at most. Bearing in mind the cramped living conditions in the proposed development and the modest size of the homes themselves, I can’t help but to question exactly what Mr.
Slate’s 200-250K price tag is based on. Furthermore, since the development plans seem to reflect a building model that prioritizes quantity over quality, I imagine all labor and materials used for this development may be supplied by the lowest bidder. I am certain that any home appraiser would mark the value of these new properties much lower than expected, bringing the anticipated annual municipal property tax revenue substantially lower than expected.

Mr. Slate’s proposed 200-250K price for the homes can’t even compete with the market in Apex, where there are hundreds of single-family homes, townhouses, and condos for sale within the same price range at this time. Apex and Cary’s excellent school systems, low crime rate and proximity to occupational centers such as the RTP will incentivize residents to remain in Wake County rather than move to Sanford. Finally, the cooling real estate market, coupled with today’s economic volatility, may discourage people from attempting to relocate at all, opting instead to save their disposable income and stay close to their current occupations. If people don’t mind living in close quarters, why wouldn’t they just stay in Apex, with all its advantages? Wouldn’t a move to Sanford drastically increase their commute time? Wouldn’t it separate them and their families from their current friends and support base? And why trade Wake County schools for Lee County’s overcrowded educational system?

Even if Sanford and Lee County receive the expected revenue from the development, I am uncertain that our current public resources could effectively support an estimated 4-8% increase in Sanford’s population within a 168-acre area at this time. Such growth, especially if swift, would require immediate substantial investments, especially in law enforcement and school funding. These investments would have to be made ahead of residential growth, as these two institutions play a vital role in determining the character of any community, especially new ones. Since our public schools are already over-crowded, and our Sheriff’s department is short-staffed, failing to do this would leave the new development vulnerable to socioeconomic decline over time and require greater efforts by local entities to rectify problems down the road.

While Mr. Slate acknowledges the inherent problems that this kind of high-density development is susceptible to, his solution is just to place the community under the management of a professional HOA firm based in Raleigh. I am unconvinced that Mr. Slate’s employment of an HOA works for Sanford. Frankly, there no substitute for law enforcement and a strong educational system. HOAs are private entities that have no responsibilities
outside of their contracts and are unconcerned with city codes. HOAs can also modify terms at will or become defunct. By contrast, police agencies are committed to the rules and regulations of their communities and have real authority. Effective schools give youth the resources to succeed while keeping them out of trouble. Using an absentee HOA to force residents to mow their lawns or park their cars in driveways to maintain law and order just isn’t enough.

There are also environmental factors to consider. Purgatory Creek’s current water levels have already risen significantly in recent years due to the housing developments in Autumnwood despite there being relatively few houses there at this time. These effects are observable in our neighborhood, where waters from the creek routinely wash out segments of our neighbor’s driveway. An additional 448 homes at a national average of 2.58 people per household using 80-100 gallons of water per day per person will no doubt cause significant flooding and add to the present erosion problems in the area, which will affect surrounding properties and necessitate government intervention. Concussion force from blasting, which is likely to be a routine procedure given the rocky terrain, will further damage properties, just as blasting from earlier projects had done.

Considering this information, I staunchly oppose the development of the Stone Brook housing development as currently intended, as such construction would negatively impact the environment, our public resources, surrounding home values, and the picturesque character of our neighborhood. My wife and I are not resistant to change, as Mr. Slate seems to characterize those opposed to his plans. We just believe that building a massive development like Carthage Colonies in the heart of West Sanford is an irreversible step in the wrong direction. Again, thank you for taking the time to read this letter, and I look forward to attending the public hearing scheduled for January 15th.

Sincerely,

Jared Rivard

3201 Wild Forest Rd, Sanford, NC
The Local Impact of Stone Brook in Lee County, North Carolina: Income, Jobs and Taxes Generated

January 2019

Housing Policy Department
The Local Impact of Stone Brook in Lee County, North Carolina: Income, Jobs and Taxes Generated

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Detailed Tables on Single-family Detached and Townhome Construction .... 4

Detailed Tables on Multifamily and Retail Construction ................................ 9

Background and a Brief Description of the Model Used to Estimate the Economic Benefits ........................................................................ 14

Attachment:
Local Impact of Home Building—Technical Documentation for the NAHB Model Used to Estimate the Income, Jobs, and Taxes Generated
Home building generates substantial local economic activity, including new income and jobs for residents, and additional revenue for local governments. The National Association of Home Builders has developed a model to estimate these economic benefits. The model captures the effect of the construction activity itself, the ripple impact that occurs when income earned from construction activity is spent and recycles in the local economy, and the ongoing impact that results from new homes becoming occupied by residents who pay taxes and buy locally produced goods and services. To fully understand the economic impact residential construction has on a local area, it is important to include the ripple effects and the ongoing benefits. Since the model was initially developed in 1996, NAHB has used it successfully to estimate the impacts of construction in over 800 projects, local jurisdictions, metropolitan areas, non-metropolitan counties, and states across the country.

This report presents estimates of the local impacts of Stone Brook, a development consisting of 390 single-family detached homes, 60 townhomes, 250 multifamily homes and 10,000 square feet of retail space in Lee County, North Carolina (see map below):

For purposes of the NAHB model, a local area must be large enough to include the places where construction workers live and spend their money, as well as the places where the new home occupants are likely to work, shop, and go for recreation. NAHB has determined that, outside of the metropolitan areas officially defined by the U.S. Office of Management and Budget (OMB), county will usually satisfy this criterion. Lee County does not appear on OMB’s current list of metropolitan areas, so this report estimates the impact of Stone Brook on the economy of Lee County. Wherever the term local is used, it refers to the entire county.
The NAHB model produces impacts on income and employment in 16 industries and local government, as well as detailed information about taxes and other types of local government revenue. Aggregate results are summarized below. Subsequent sections of the report show detail by industry and type of tax or fee revenue generated.

**Single-family Detached and Townhome Construction**

This section summarizes the impact estimates for the 390 single-family detached homes and 60 townhomes in Stone Brook. Analyzing these two structure types together follows the precedent established by the U.S. Census Bureau, which classifies a large percentage of newly built townhomes as single-family, due primarily to characteristics of the sales contracts.

- The estimated one-year metro area impacts of building the 390 single-family detached homes and 60 townhomes in Stone Brook include
  - **$81.0 million** in local income,
  - **$4.3 million** in taxes and other revenue for local governments, and
  - **1,396** local jobs.

These are local impacts, representing income and jobs for residents of Lee County, and taxes (and other sources of revenue, including permit fees) for all local jurisdictions within the county. They are also one-year impacts that include both the direct and indirect impact of the construction activity itself, and the impact of local residents who earn money from the construction activity spending part of it within the local area. Local jobs are measured in full time equivalents—i.e., one reported job represents enough work to keep one worker employed full-time for a year, based on average hours worked per week by full-time employees in the industry.

- The additional, annually recurring impacts of building the 390 single-family detached homes and 60 townhomes in Stone Brook include
  - **$14.3 million** in local income,
  - **$3.0 million** in taxes and other revenue for local governments, and
  - **322** local jobs.

These are ongoing, annual local impacts that result from the new homes becoming occupied, and the occupants paying taxes and otherwise participating in the local economy year after year. The ongoing impacts also include the effect of increased property taxes, based on the difference between the value of raw land and the value of a completed housing unit on a finished lot; assuming that raw land would be taxed at the same rate as the completed housing unit.

The above impacts were calculated assuming that new single-family detached homes and townhomes built in Stone Brook have an average price of $225,000; which includes $7,500 in raw land value and $500 in permit and other fees paid to local governments; and incur an average property tax of $2,903 per year. The estimates also assume that a local sales tax of 2.25% is charged on construction materials. This information was provided by Duke Lazzara Development, LLC, the developer of Stone Brook.
Multifamily and Retail Space

This section summarizes the impact estimates for the 250 multifamily housing units and 10,000 square feet of retail space. The amount of retail space is relatively small compared to the space devoted to housing units in the development. The inclusion of retail space in the analysis affects the one-time impacts, due to the increased amount of construction. Other than a small increase in property taxes, the retail space does not affect the ongoing impacts that recur annually and are based on the occupants of the apartments.

The estimated one-year local impacts of building 250 multifamily homes and 10,000 square feet of retail space in Stone Brook include

- **$30.6 million** in local income,
- **$1.6 million** in taxes and other revenue for local governments, and
- **521** local jobs.

These are local impacts, representing income and jobs for residents of the Lee County metro area, and taxes (and other sources of revenue, including permit fees) for all local jurisdictions within the county. They are also one-year impacts that include both the direct and indirect impact of the construction activity itself, and the impact of local residents who earn money from the construction activity spending part of it within the metro area.

The additional, annually recurring impacts of building 250 multifamily units and 10,000 square feet of retail space include

- **$6.7 million** in local income,
- **$1.1 million** in taxes and other revenue for local governments, and
- **150** local jobs.

These are ongoing, annual local impacts that result from the new homes becoming occupied, and the occupants paying taxes and otherwise participating in the local economy year after year. They also represent impacts that have been reduced to account for the natural vacancy rate that tends to prevail in multifamily properties (see page 23 of the Technical Documentation).

These impacts were calculated assuming that new multifamily homes built in Stone Brook have an average market value of $150,000; which includes $6,000 in raw land value and $500 in permit and other fees paid to local governments; and incur an average annual property tax of $1,935 per unit. The 10,000 square feet of retail space, meanwhile, has a total value of $2,900,000, which includes $200,000 in raw land value, and generates an additional $25,800 in property taxes. As with the assumptions underlying the single-family detached and townhomes impact estimates, this information was provided by Duke Lazzara Development, LLC.
The Local Impact of Stone Brook in Lee County, North Carolina: Income, Jobs and Taxes Generated

Detailed Tables on Single-family Detached and Townhome Construction
Impact of Building 390 Single-family Detached Homes and 60 Townhomes

Summary

Total One-Year Impact: Sum of Phase I and Phase II:

<table>
<thead>
<tr>
<th>Local Income</th>
<th>Local Business Owners' Income</th>
<th>Local Wages and Salaries</th>
<th>Local Taxes¹</th>
<th>Local Jobs Supported</th>
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</thead>
<tbody>
<tr>
<td>$81,015,000</td>
<td>$24,896,000</td>
<td>$56,119,400</td>
<td>$4,325,400</td>
<td>1,396</td>
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</table>

Phase I: Direct and Indirect Impact of Construction Activity:

<table>
<thead>
<tr>
<th>Local Income</th>
<th>Business Owners' Income</th>
<th>Local Wages and Salaries</th>
<th>Local Taxes¹</th>
<th>Local Jobs Supported</th>
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</thead>
<tbody>
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<td>$56,603,500</td>
<td>$19,140,700</td>
<td>$37,463,100</td>
<td>$2,137,000</td>
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Phase II: Induced (Ripple) Effect of Spending the Income and Taxes from Phase I:

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<tr>
<th>Local Income</th>
<th>Business Owners' Income</th>
<th>Local Wages and Salaries</th>
<th>Local Taxes¹</th>
<th>Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>$24,411,500</td>
<td>$5,755,300</td>
<td>$18,656,300</td>
<td>$2,188,400</td>
<td>545</td>
</tr>
</tbody>
</table>

Phase III: Ongoing, Annual Effect that Occurs When New Homes are Occupied:

<table>
<thead>
<tr>
<th>Local Income</th>
<th>Local Business Owners' Income</th>
<th>Local Wages and Salaries</th>
<th>Local Taxes¹</th>
<th>Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>$14,284,400</td>
<td>$3,279,500</td>
<td>$11,004,700</td>
<td>$2,977,500</td>
<td>322</td>
</tr>
</tbody>
</table>

¹ The term local taxes is used as a shorthand for local government revenue from all sources: taxes, fees, fines, revenue from government-owned enterprises, etc.
### A. Local Income and Jobs by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Local Income</th>
<th>Local Business Owners' Income</th>
<th>Local Wages and Salaries</th>
<th>Wages &amp; Salaries per Full-time Job</th>
<th>Number of Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$43,856,400</td>
<td>$14,954,700</td>
<td>$28,901,800</td>
<td>$48,000</td>
<td>604</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$4,500</td>
<td>$200</td>
<td>$4,300</td>
<td>$45,000</td>
<td>0</td>
</tr>
<tr>
<td>Transportation</td>
<td>$14,200</td>
<td>$6,900</td>
<td>$7,300</td>
<td>$23,000</td>
<td>0</td>
</tr>
<tr>
<td>Communications</td>
<td>$364,600</td>
<td>$127,400</td>
<td>$237,200</td>
<td>$44,000</td>
<td>5</td>
</tr>
<tr>
<td>Utilities</td>
<td>$85,700</td>
<td>$18,500</td>
<td>$67,200</td>
<td>$77,000</td>
<td>1</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>$4,541,700</td>
<td>$1,001,600</td>
<td>$3,540,200</td>
<td>$25,000</td>
<td>141</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>$803,300</td>
<td>$29,600</td>
<td>$773,600</td>
<td>$65,000</td>
<td>9</td>
</tr>
<tr>
<td>Real Estate</td>
<td>$2,036,700</td>
<td>$1,753,800</td>
<td>$282,900</td>
<td>$34,000</td>
<td>8</td>
</tr>
<tr>
<td>Personal &amp; Repair Services</td>
<td>$224,000</td>
<td>$53,300</td>
<td>$170,700</td>
<td>$33,000</td>
<td>5</td>
</tr>
<tr>
<td>Services to Dwellings / Buildings</td>
<td>$151,600</td>
<td>$58,500</td>
<td>$93,100</td>
<td>$36,000</td>
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<tr>
<td>Business &amp; Professional Services</td>
<td>$3,579,600</td>
<td>$829,600</td>
<td>$2,750,100</td>
<td>$50,000</td>
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<tr>
<td>Eating and Drinking Places</td>
<td>$128,900</td>
<td>$21,200</td>
<td>$107,700</td>
<td>$18,000</td>
<td>6</td>
</tr>
<tr>
<td>Automobile Repair &amp; Service</td>
<td>$47,700</td>
<td>$14,400</td>
<td>$33,300</td>
<td>$33,000</td>
<td>1</td>
</tr>
<tr>
<td>Entertainment Services</td>
<td>$28,100</td>
<td>$2,700</td>
<td>$25,400</td>
<td>$18,000</td>
<td>1</td>
</tr>
<tr>
<td>Health, Educ. &amp; Social Services</td>
<td>$5,100</td>
<td>$200</td>
<td>$4,900</td>
<td>$20,000</td>
<td>0</td>
</tr>
<tr>
<td>Local Government</td>
<td>$160,900</td>
<td>$0</td>
<td>$160,900</td>
<td>$50,000</td>
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</tr>
<tr>
<td>Other</td>
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<td>$268,100</td>
<td>$302,400</td>
<td>$39,000</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$56,603,500</strong></td>
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<td><strong>$37,463,100</strong></td>
<td><strong>$44,000</strong></td>
<td><strong>851</strong></td>
</tr>
</tbody>
</table>

### B. Local Government General Revenue by Type

<table>
<thead>
<tr>
<th>TAXES:</th>
<th>USER FEES &amp; CHARGES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Property Taxes</td>
<td>Residential Permit / Impact Fees</td>
</tr>
<tr>
<td>Residential Property Taxes</td>
<td>Utilities &amp; Other Govt. Enterprises</td>
</tr>
<tr>
<td>General Sales Taxes</td>
<td>Hospital Charges</td>
</tr>
<tr>
<td>Specific Excise Taxes</td>
<td>Transportation Charges</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>Education Charges</td>
</tr>
<tr>
<td>License Taxes</td>
<td>Other Fees and Charges</td>
</tr>
<tr>
<td>Other Taxes</td>
<td><strong>TOTAL FEES &amp; CHARGES</strong></td>
</tr>
<tr>
<td><strong>TOTAL TAXES</strong></td>
<td><strong>TOTAL GENERAL REVENUE</strong></td>
</tr>
</tbody>
</table>
Impact of Building 390 Single-Family Detached Homes and 60 Townhomes
Phase II—Induced Effect of Spending Income and Tax Revenue from Phase I

A. Local Income and Jobs by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Local Income</th>
<th>Local Business Owners’ Income</th>
<th>Local Wages and Salaries</th>
<th>Wages &amp; Salaries per Full-time Job</th>
<th>Number of Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$1,501,100</td>
<td>$548,600</td>
<td>$952,500</td>
<td>$48,000</td>
<td>20</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$4,500</td>
<td>$200</td>
<td>$4,300</td>
<td>$45,000</td>
<td>0</td>
</tr>
<tr>
<td>Transportation</td>
<td>$91,600</td>
<td>$44,400</td>
<td>$47,200</td>
<td>$23,000</td>
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</tr>
<tr>
<td>Communications</td>
<td>$1,369,200</td>
<td>$558,200</td>
<td>$801,000</td>
<td>$54,000</td>
<td>15</td>
</tr>
<tr>
<td>Utilities</td>
<td>$458,100</td>
<td>$99,300</td>
<td>$358,800</td>
<td>$77,000</td>
<td>5</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>$3,705,700</td>
<td>$622,100</td>
<td>$3,083,600</td>
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<td>$764,700</td>
<td>$59,000</td>
<td>13</td>
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<td>Real Estate</td>
<td>$2,565,800</td>
<td>$1,063,400</td>
<td>$1,502,400</td>
<td>$34,000</td>
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</tr>
<tr>
<td>Personal &amp; Repair Services</td>
<td>$936,300</td>
<td>$344,900</td>
<td>$591,400</td>
<td>$33,000</td>
<td>18</td>
</tr>
<tr>
<td>Services to Dwellings / Buildings</td>
<td>$327,300</td>
<td>$126,300</td>
<td>$201,000</td>
<td>$36,000</td>
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</tr>
<tr>
<td>Business &amp; Professional Services</td>
<td>$3,353,100</td>
<td>$978,000</td>
<td>$2,375,100</td>
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<td>$335,600</td>
<td>$1,386,900</td>
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<tr>
<td>Automobile Repair &amp; Service</td>
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<td>$230,800</td>
<td>$536,300</td>
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<td>Entertainment Services</td>
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<td>$39,900</td>
<td>$169,300</td>
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<tr>
<td>Health, Educ. &amp; Social Services</td>
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<td>$3,812,400</td>
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<td>$1,803,400</td>
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<tr>
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<td>$24,411,500</td>
<td>$5,755,300</td>
<td>$18,656,300</td>
<td>$34,000</td>
<td>545</td>
</tr>
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</table>

B. Local Government General Revenue by Type

<table>
<thead>
<tr>
<th>TAXES:</th>
<th>USER FEES &amp; CHARGES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Property Taxes</td>
<td>Residential Permit / Impact Fees</td>
</tr>
<tr>
<td>Residential Property Taxes</td>
<td>$0</td>
</tr>
<tr>
<td>General Sales Taxes</td>
<td>Utilities &amp; Other Govt. Enterprises</td>
</tr>
<tr>
<td>Specific Excise Taxes</td>
<td>Hospital Charges</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>Transportation Charges</td>
</tr>
<tr>
<td>License Taxes</td>
<td>Education Charges</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>Other Fees and Charges</td>
</tr>
<tr>
<td>TOTAL TAXES</td>
<td>TOTAL FEES &amp; CHARGES</td>
</tr>
<tr>
<td></td>
<td>$1,209,500</td>
</tr>
<tr>
<td>TOTAL GENERAL REVENUE</td>
<td>$2,188,400</td>
</tr>
</tbody>
</table>
### A. Local Income and Jobs by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Local Income</th>
<th>Local Business Owners' Income</th>
<th>Local Wages and Salaries</th>
<th>Wages &amp; Salaries per Full-time Job</th>
<th>Number of Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$806,200</td>
<td>$295,800</td>
<td>$512,300</td>
<td>$48,000</td>
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<tr>
<td>Manufacturing</td>
<td>$2,900</td>
<td>$100</td>
<td>$2,700</td>
<td>$45,000</td>
<td>0</td>
</tr>
<tr>
<td>Transportation</td>
<td>$35,000</td>
<td>$17,000</td>
<td>$18,100</td>
<td>$23,000</td>
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<tr>
<td>Communications</td>
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<td>$479,200</td>
<td>$54,000</td>
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<td>Utilities</td>
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<td>$60,600</td>
<td>$219,200</td>
<td>$77,000</td>
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</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>$2,257,500</td>
<td>$368,400</td>
<td>$1,889,200</td>
<td>$23,000</td>
<td>81</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>$538,400</td>
<td>$19,800</td>
<td>$518,600</td>
<td>$57,000</td>
<td>9</td>
</tr>
<tr>
<td>Real Estate</td>
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<td>$417,100</td>
<td>$589,200</td>
<td>$34,000</td>
<td>17</td>
</tr>
<tr>
<td>Personal &amp; Repair Services</td>
<td>$515,100</td>
<td>$203,100</td>
<td>$311,900</td>
<td>$33,000</td>
<td>10</td>
</tr>
<tr>
<td>Services to Dwellings / Buildings</td>
<td>$197,600</td>
<td>$76,300</td>
<td>$121,300</td>
<td>$36,000</td>
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<tr>
<td>Business &amp; Professional Services</td>
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<td>$676,700</td>
<td>$1,509,000</td>
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<tr>
<td>Eating and Drinking Places</td>
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<td>$206,800</td>
<td>$889,000</td>
<td>$18,000</td>
<td>50</td>
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<tr>
<td>Automobile Repair &amp; Service</td>
<td>$443,200</td>
<td>$133,300</td>
<td>$309,800</td>
<td>$33,000</td>
<td>9</td>
</tr>
<tr>
<td>Entertainment Services</td>
<td>$170,000</td>
<td>$29,100</td>
<td>$140,900</td>
<td>$19,000</td>
<td>7</td>
</tr>
<tr>
<td>Health, Educ. &amp; Social Services</td>
<td>$2,243,100</td>
<td>$254,900</td>
<td>$1,988,200</td>
<td>$45,000</td>
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</tr>
<tr>
<td>Local Government</td>
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<td>-</td>
<td>$1,319,900</td>
<td>$49,000</td>
<td>27</td>
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<tr>
<td>Other</td>
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<td>$178,300</td>
<td>$186,200</td>
<td>$35,000</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14,284,400</strong></td>
<td><strong>$3,279,500</strong></td>
<td><strong>$11,004,700</strong></td>
<td><strong>$34,000</strong></td>
<td><strong>322</strong></td>
</tr>
</tbody>
</table>

### B. Local Government General Revenue by Type

<table>
<thead>
<tr>
<th>TAXES:</th>
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</tr>
</thead>
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<td>Business Property Taxes</td>
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<td>Residential Property Taxes</td>
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</tr>
<tr>
<td>Specific Excise Taxes</td>
<td>Transportation Charges</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>Education Charges</td>
</tr>
<tr>
<td>License Taxes</td>
<td>Other Fees and Charges</td>
</tr>
<tr>
<td>Other Taxes</td>
<td><strong>TOTAL FEES &amp; CHARGES</strong></td>
</tr>
<tr>
<td><strong>TOTAL TAXES</strong></td>
<td><strong>TOTAL GENERAL REVENUE</strong></td>
</tr>
</tbody>
</table>
The Local Impact of Stone Brook in Lee County, North Carolina:
Income, Jobs and Taxes Generated

Detailed Tables on Multifamily and Retail Construction
Impact of Building 250 Multifamily Homes
Plus Retail Space

Summary

Total One-Year Impact: Sum of Phase I and Phase II:

<table>
<thead>
<tr>
<th>Local Income</th>
<th>Local Business Owners’ Income</th>
<th>Local Wages and Salaries</th>
<th>Local Taxes&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,593,500</td>
<td>$10,116,400</td>
<td>$20,477,000</td>
<td>$1,644,100</td>
<td>521</td>
</tr>
</tbody>
</table>

Phase I: Direct and Indirect Impact of Construction Activity:

<table>
<thead>
<tr>
<th>Local Income</th>
<th>Business Owners’ Income</th>
<th>Local Wages and Salaries</th>
<th>Local Taxes&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>$21,369,700</td>
<td>$7,942,700</td>
<td>$13,426,800</td>
<td>$817,500</td>
<td>315</td>
</tr>
</tbody>
</table>

Phase II: Induced (Ripple) Effect of Spending the Income and Taxes from Phase I:

<table>
<thead>
<tr>
<th>Local Income</th>
<th>Business Owners’ Income</th>
<th>Local Wages and Salaries</th>
<th>Local Taxes&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9,223,800</td>
<td>$2,173,700</td>
<td>$7,050,200</td>
<td>$826,600</td>
<td>206</td>
</tr>
</tbody>
</table>

Phase III: Ongoing, Annual Effect that Occurs When New Homes are Occupied:

<table>
<thead>
<tr>
<th>Local Income</th>
<th>Local Business Owners’ Income</th>
<th>Local Wages and Salaries</th>
<th>Local Taxes&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,674,500</td>
<td>$1,591,600</td>
<td>$5,082,800</td>
<td>$1,112,400</td>
<td>150</td>
</tr>
</tbody>
</table>

<sup>1</sup> The term local taxes is used as a shorthand for local government revenue from all sources: taxes, fees, fines, revenue from government-owned enterprises, etc.
### Impact of Building 250 Multifamily Homes Plus Retail Space

#### Phase I—Direct and Indirect Impact of Construction Activity

A. Local Income and Jobs by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Local Income</th>
<th>Local Business Owners' Income</th>
<th>Local Wages and Salaries</th>
<th>Wages &amp; Salaries per Full-time Job</th>
<th>Number of Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$17,603,700</td>
<td>$6,770,800</td>
<td>$10,832,900</td>
<td>$48,000</td>
<td>227</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$1,200</td>
<td>$100</td>
<td>$1,100</td>
<td>$45,000</td>
<td>0</td>
</tr>
<tr>
<td>Transportation</td>
<td>$3,100</td>
<td>$1,500</td>
<td>$1,600</td>
<td>$22,000</td>
<td>0</td>
</tr>
<tr>
<td>Communications</td>
<td>$114,100</td>
<td>$39,300</td>
<td>$74,800</td>
<td>$43,000</td>
<td>2</td>
</tr>
<tr>
<td>Utilities</td>
<td>$29,000</td>
<td>$6,300</td>
<td>$22,700</td>
<td>$77,000</td>
<td>0</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>$1,946,100</td>
<td>$429,400</td>
<td>$1,516,700</td>
<td>$24,000</td>
<td>63</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>$104,000</td>
<td>$4,100</td>
<td>$99,900</td>
<td>$70,000</td>
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<tr>
<td>Real Estate</td>
<td>$440,100</td>
<td>$379,000</td>
<td>$61,100</td>
<td>$34,000</td>
<td>2</td>
</tr>
<tr>
<td>Personal &amp; Repair Services</td>
<td>$71,900</td>
<td>$17,100</td>
<td>$54,800</td>
<td>$32,000</td>
<td>2</td>
</tr>
<tr>
<td>Services to Dwellings / Buildings</td>
<td>$43,200</td>
<td>$16,700</td>
<td>$26,500</td>
<td>$36,000</td>
<td>1</td>
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<tr>
<td>Business &amp; Professional Services</td>
<td>$786,300</td>
<td>$192,200</td>
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<td>$49,000</td>
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<td>Eating and Drinking Places</td>
<td>$22,400</td>
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<td>$18,900</td>
<td>$17,000</td>
<td>1</td>
</tr>
<tr>
<td>Automobile Repair &amp; Service</td>
<td>$16,300</td>
<td>$4,900</td>
<td>$11,400</td>
<td>$32,000</td>
<td>0</td>
</tr>
<tr>
<td>Entertainment Services</td>
<td>$6,800</td>
<td>$600</td>
<td>$6,200</td>
<td>$18,000</td>
<td>0</td>
</tr>
<tr>
<td>Health, Educ. &amp; Social Services</td>
<td>$2,100</td>
<td>$100</td>
<td>$2,000</td>
<td>$20,000</td>
<td>0</td>
</tr>
<tr>
<td>Local Government</td>
<td>$47,300</td>
<td>$0</td>
<td>$47,300</td>
<td>$54,000</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>$132,100</td>
<td>$77,100</td>
<td>$54,900</td>
<td>$37,000</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$21,369,700</strong></td>
<td><strong>$7,942,700</strong></td>
<td><strong>$13,426,800</strong></td>
<td><strong>$43,000</strong></td>
<td><strong>315</strong></td>
</tr>
</tbody>
</table>

### B. Local Government General Revenue by Type

<table>
<thead>
<tr>
<th>TAXES:</th>
<th>USER FEES &amp; CHARGES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Property Taxes</td>
<td>Residential Permit / Impact Fees $125,000</td>
</tr>
<tr>
<td>Residential Property Taxes</td>
<td>Utilities &amp; Other Govt. Enterprises $219,200</td>
</tr>
<tr>
<td>General Sales Taxes</td>
<td>Hospital Charges $0</td>
</tr>
<tr>
<td>Specific Excise Taxes</td>
<td>Transportation Charges $12,500</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>Education Charges $60,200</td>
</tr>
<tr>
<td>License Taxes</td>
<td>Other Fees and Charges $69,700</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>TOTAL FEES &amp; CHARGES $486,600</td>
</tr>
<tr>
<td><strong>TOTAL TAXES</strong></td>
<td><strong>TOTAL GENERAL REVENUE $817,500</strong></td>
</tr>
</tbody>
</table>
## Impact of Building 250 Multifamily Homes Plus Retail Space
### Phase II—Induced Effect of Spending Income and Tax Revenue from Phase I

#### A. Local Income and Jobs by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Local Income</th>
<th>Local Business Owners’ Income</th>
<th>Local Wages and Salaries</th>
<th>Wages &amp; Salaries per Full-time Job</th>
<th>Number of Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$566,900</td>
<td>$207,200</td>
<td>$359,700</td>
<td>$48,000</td>
<td>8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$1,700</td>
<td>$100</td>
<td>$1,600</td>
<td>$44,000</td>
<td>0</td>
</tr>
<tr>
<td>Transportation</td>
<td>$34,600</td>
<td>$16,800</td>
<td>$17,800</td>
<td>$22,000</td>
<td>1</td>
</tr>
<tr>
<td>Communications</td>
<td>$517,100</td>
<td>$214,600</td>
<td>$302,500</td>
<td>$54,000</td>
<td>6</td>
</tr>
<tr>
<td>Utilities</td>
<td>$173,000</td>
<td>$37,500</td>
<td>$135,500</td>
<td>$77,000</td>
<td>2</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>$1,399,400</td>
<td>$235,000</td>
<td>$1,164,500</td>
<td>$22,000</td>
<td>52</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>$300,600</td>
<td>$11,800</td>
<td>$288,800</td>
<td>$58,000</td>
<td>5</td>
</tr>
<tr>
<td>Real Estate</td>
<td>$969,000</td>
<td>$401,600</td>
<td>$567,400</td>
<td>$34,000</td>
<td>17</td>
</tr>
<tr>
<td>Personal &amp; Repair Services</td>
<td>$353,700</td>
<td>$130,300</td>
<td>$223,400</td>
<td>$32,000</td>
<td>7</td>
</tr>
<tr>
<td>Services to Dwellings / Buildings</td>
<td>$123,600</td>
<td>$47,700</td>
<td>$75,900</td>
<td>$36,000</td>
<td>2</td>
</tr>
<tr>
<td>Business &amp; Professional Services</td>
<td>$1,266,600</td>
<td>$369,400</td>
<td>$897,200</td>
<td>$42,000</td>
<td>21</td>
</tr>
<tr>
<td>Eating and Drinking Places</td>
<td>$650,500</td>
<td>$126,700</td>
<td>$523,800</td>
<td>$17,000</td>
<td>30</td>
</tr>
<tr>
<td>Automobile Repair &amp; Service</td>
<td>$289,700</td>
<td>$87,200</td>
<td>$202,500</td>
<td>$32,000</td>
<td>6</td>
</tr>
<tr>
<td>Entertainment Services</td>
<td>$79,000</td>
<td>$15,100</td>
<td>$63,900</td>
<td>$19,000</td>
<td>3</td>
</tr>
<tr>
<td>Health, Educ. &amp; Social Services</td>
<td>$1,616,000</td>
<td>$176,300</td>
<td>$1,439,700</td>
<td>$46,000</td>
<td>31</td>
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<tr>
<td>Local Government</td>
<td>$685,500</td>
<td>$0</td>
<td>$685,500</td>
<td>$56,000</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>$196,900</td>
<td>$96,400</td>
<td>$100,500</td>
<td>$35,000</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,223,800</strong></td>
<td><strong>$2,173,700</strong></td>
<td><strong>$7,050,200</strong></td>
<td><strong>$34,000</strong></td>
<td><strong>206</strong></td>
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</tbody>
</table>

#### B. Local Government General Revenue by Type

<table>
<thead>
<tr>
<th>TAXES:</th>
<th>USER FEES &amp; CHARGES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Property Taxes</td>
<td>Residential Permit / Impact Fees $0</td>
</tr>
<tr>
<td>Residential Property Taxes</td>
<td>Utilities &amp; Other Govt. Enterprises $359,800</td>
</tr>
<tr>
<td>General Sales Taxes</td>
<td>Hospital Charges $0</td>
</tr>
<tr>
<td>Specific Excise Taxes</td>
<td>Transportation Charges $5,400</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>Education Charges $26,000</td>
</tr>
<tr>
<td>License Taxes</td>
<td>Other Fees and Charges $65,800</td>
</tr>
<tr>
<td>Other Taxes</td>
<td><strong>TOTAL FEES &amp; CHARGES $456,900</strong></td>
</tr>
<tr>
<td><strong>TOTAL TAXES</strong></td>
<td><strong>TOTAL GENERAL REVENUE $826,600</strong></td>
</tr>
</tbody>
</table>

12
### Impact of Building 250 Multifamily Homes Plus Retail Space
#### Phase III—Ongoing, Annual Effect that Occurs as the Homes are Occupied

**A. Local Income and Jobs by Industry**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Local Income</th>
<th>Local Business Owners' Income</th>
<th>Local Wages and Salaries</th>
<th>Wages &amp; Salaries per Full-time Job</th>
<th>Number of Local Jobs Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$211,400</td>
<td>$79,500</td>
<td>$131,700</td>
<td>$48,000</td>
<td>3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$1,400</td>
<td>$100</td>
<td>$1,300</td>
<td>$44,000</td>
<td>0</td>
</tr>
<tr>
<td>Transportation</td>
<td>$27,000</td>
<td>$13,100</td>
<td>$13,900</td>
<td>$22,000</td>
<td>1</td>
</tr>
<tr>
<td>Communications</td>
<td>$374,400</td>
<td>$155,200</td>
<td>$219,100</td>
<td>$54,000</td>
<td>4</td>
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<tr>
<td>Utilities</td>
<td>$67,900</td>
<td>$14,700</td>
<td>$53,200</td>
<td>$77,000</td>
<td>1</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>$1,104,400</td>
<td>$164,500</td>
<td>$939,900</td>
<td>$26,000</td>
<td>37</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>$204,400</td>
<td>$7,900</td>
<td>$196,500</td>
<td>$57,000</td>
<td>3</td>
</tr>
<tr>
<td>Real Estate</td>
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<td>$530,000</td>
<td>$748,800</td>
<td>$34,000</td>
<td>22</td>
</tr>
<tr>
<td>Personal &amp; Repair Services</td>
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<td>$71,800</td>
<td>$126,200</td>
<td>$32,000</td>
<td>4</td>
</tr>
<tr>
<td>Services to Dwellings / Buildings</td>
<td>$84,300</td>
<td>$32,500</td>
<td>$51,800</td>
<td>$36,000</td>
<td>1</td>
</tr>
<tr>
<td>Business &amp; Professional Services</td>
<td>$685,400</td>
<td>$193,300</td>
<td>$492,100</td>
<td>$42,000</td>
<td>12</td>
</tr>
<tr>
<td>Eating and Drinking Places</td>
<td>$496,700</td>
<td>$97,400</td>
<td>$399,300</td>
<td>$17,000</td>
<td>23</td>
</tr>
<tr>
<td>Automobile Repair &amp; Service</td>
<td>$241,100</td>
<td>$72,500</td>
<td>$168,600</td>
<td>$32,000</td>
<td>5</td>
</tr>
<tr>
<td>Entertainment Services</td>
<td>$90,700</td>
<td>$12,300</td>
<td>$78,400</td>
<td>$19,000</td>
<td>4</td>
</tr>
<tr>
<td>Health, Educ. &amp; Social Services</td>
<td>$979,200</td>
<td>$100,200</td>
<td>$879,000</td>
<td>$45,000</td>
<td>19</td>
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<tr>
<td>Local Government</td>
<td>$533,500</td>
<td>$0</td>
<td>$533,500</td>
<td>$56,000</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>$96,000</td>
<td>$49,500</td>
<td>$49,500</td>
<td>$35,000</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,674,500</strong></td>
<td><strong>$1,591,600</strong></td>
<td><strong>$5,082,800</strong></td>
<td><strong>$34,000</strong></td>
<td><strong>150</strong></td>
</tr>
</tbody>
</table>

### B. Local Government General Revenue by Type

<table>
<thead>
<tr>
<th>TAXES:</th>
<th>USER FEES &amp; CHARGES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Property Taxes</td>
<td>Residential Permit / Impact Fees</td>
</tr>
<tr>
<td>Residential Property Taxes</td>
<td>Utilities &amp; Other Govt. Enterprises</td>
</tr>
<tr>
<td>General Sales Taxes</td>
<td>Hospital Charges</td>
</tr>
<tr>
<td>Specific Excise Taxes</td>
<td>Transportation Charges</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>Education Charges</td>
</tr>
<tr>
<td>License Taxes</td>
<td>Other Fees and Charges</td>
</tr>
<tr>
<td>Other Taxes</td>
<td><strong>TOTAL FEES &amp; CHARGES</strong></td>
</tr>
<tr>
<td><strong>TOTAL TAXES</strong></td>
<td><strong>TOTAL GENERAL REVENUE</strong></td>
</tr>
</tbody>
</table>

13
The Local Impact of Stone Brook in Lee County, North Carolina:
Income, Jobs and Taxes Generated

Background and a Brief Description of the Model Used to Estimate the Economic Benefits
In 1996, the Housing Policy Department of the National Association of Home Builders (NAHB) developed an economic model to estimate the local economic benefits of home building. Although at first calibrated to a typical metropolitan area using national averages, the model could be adapted to a specific local economy by replacing national averages with specific local data for key housing market variables. The initial version of the model could be applied to single-family construction, multifamily construction, or a combination of the two.

Since 1997, NAHB has used the model to produce customized reports on the impact of home building in various parts of the country. As of February 2012, NAHB has produced over 800 of these customized reports, analyzing residential construction in various metropolitan areas, non-metropolitan counties, and states (see map below).

Areas Covered by NAHB Local Impact Studies
The dark green shading indicates studies covering metro areas and non-metro counties; the orange shading studies covering an entire state.

The reports have analyzed the impacts of specific housing projects, as well as total home building in areas as large as entire states. In 2002, NAHB developed new versions of the model to analyze active adult housing projects and multifamily development financed with the Low-Income Housing Tax Credit, then in 2005 a version of the model that analyzes remodeling.

Results from NAHB’s local impact model have been used by outside organizations such as universities, state housing authorities and affordable housing agencies:

- The Shimburg Center for Affordable Housing at the University of Florida used results from the NAHB model to establish that “the real estate taxes paid year after year are the most obvious long-term economic benefit to the community. Probably the second most obvious long-term economic benefit is the purchases made by the family occupying the completed home.” [www.shimberg.ufl.edu/pdf/Newslett-June02.pdf](http://www.shimberg.ufl.edu/pdf/Newslett-June02.pdf)
The Louisville Affordable Housing Trust Fund (AHTF) used results from the NAHB model to determine the initial one-year impact and the ongoing annual effect that occurs when new homes are occupied. This analysis was performed to help justify the creation of a commission to oversee the newly established AHTF to ensure that it works at "finding creative ways to create a sustainable and renewable fund to provide affordable housing opportunities throughout the Louisville community."
www.openthedoorlouisville.org/housing-trust/economic-growth

The Illinois Housing Development Authority used the NAHB model to determine that "the Authority's new construction activity in single and multifamily housing...resulted in the creation of 4,256 full-time jobs in construction and construction-related industries." The Authority also used the NAHB impact model to determine the federal, state and local taxes and fees generated from new construction and substantial rehabilitation activity.
www.ihda.org/admin/Upload/Files/94c0ecf7-a238-4be3-90bd-6043cfae81ea.pdf

The Stardust Center at the Arizona State University used "the model used and developed by the NAHB to assess the immediate economic impacts of affordable housing" by phase including the construction effect, the construction ripple, and on-going impacts. This was done to show "that permanent, affordable and geographically accessible housing provides numerous benefits both to individual families and to the broader community."
www.orangecountyfyi.net/NR/rdonlyres/e605wiffiqgqggq2s35shus5i4jw5gbcxqck2ddjnds3msj5qs26ubzisfl6s6rwnm97k44y9n9rdzhjze2llq5g/Socialeconomicimpacts.pdf

The Center for Applied Economic Research at Montana State University used "results from an input-output model developed by the National Association of Home Builders to assess the impacts to local areas from new home construction." The results show that "the construction industry contributes substantially to Montana's economy accounting for 5.5 percent of Gross State Product."

The Housing Education and Research Center at Michigan State University also adopted the NAHB approach: "The underlying basis for supporting the implementation of this [NAHB] model on Michigan communities is that it provides quantifiable results that link new residential development with commercial and other forms of development therefore illustrating the overall economic effects of residential growth."

The Center for Economic Development at the University of Massachusetts found that "Home building generates substantial local economic activity, including income, jobs, and revenue for state and local governments. These far exceed the school costs-to-property-tax ratios. ...these factors were evaluated by means of a quantitative assessment of data from the National Association of Home Builder's Local Impact of Home Building model."

Similarly, the Association of Oregon Community Development Organizations decided to base its analysis of affordable housing on the NAHB model, stating that "This model is widely respected and utilized in analyzing the economic impact of market rate housing development," and that, compared to alternatives, it "is considered the most comprehensive and is considered an improvement on most previous models."
www.aocdo.org/docs/EcoDevoStudyFinal.pdf
The Boone County Kentucky Planning Commission included results from the NAHB model in its 2005 Comprehensive Report. The Planning Commission used values from the impact model to quantify the increase in local income, taxes, revenue, jobs, and overall local economic impacts in the Metro Area as a result of new home construction.

The NAHB model is divided into three phases. Phases I and II are one-time effects. Phase I captures the effects that result directly from the construction activity itself and the local industries that contribute to it. Phase II captures the effects that occur as a result of the wages and profits from Phase I being spent in the local economy. Phase III is an ongoing, annual effect that includes property tax payments and the result of the completed unit being occupied.

**Phase I: Local Industries Involved in Home Building**

The jobs, wages, and local taxes (including permit, utility connection, and impact fees) generated by the actual development, construction, and sale of the home. These jobs include on-site and off-site construction work as well as jobs generated in retail and wholesale sales of components, transportation to the site, and the professional services required to build a home and deliver it to its final customer.

**Phase II: Ripple Effect**

The wages and profits for local area residents earned during the construction period are spent on other locally produced goods and services. This generates additional income for local residents, which is spent on still more locally produced goods and services, and so on. This continuing recycling of income back into the community is usually called a multiplier or ripple effect.

**Phase III: Ongoing, Annual Effect**

The local jobs, income, and taxes generated as a result of the home being occupied. A household moving into a new home generally spends about three-fifths of its income on goods and services sold in the local economy. A fraction of this will become income for local workers and local businesses proprietors. In a typical local area, the household will also pay 1.25 percent of its income to local governments in the form of taxes and user fees, and a fraction of this will become income for local government employees. This is the first step in another set of economic ripples that cause a permanent increase in the level of economic activity, jobs, wages, and local tax receipts.
Modeling a Local Economy

The model defines a local economy as a collection of industries and commodities. These are selected from the detailed benchmark input-output tables produced by the U.S. Bureau of Economic Analysis. The idea is to choose goods and services that would typically be produced, sold, and consumed within a local market area. Laundry services would qualify, for example, while automobile manufacturing would not. Both business-to-business and business-to-consumer transactions are considered. In general the model takes a conservative approach and retains a relatively small number of the available industries and commodities. Of the roughly 400 industries and commodities provided in the input-output files, the model uses only 97 commodities and 99 industries.

The design of the model implies that a local economy should include not only the places people live, but also the places where they work, shop, typically go for entertainment, etc. This corresponds reasonably well to the concepts of Metropolitan Statistical Areas and Metropolitan Divisions, areas defined by the U.S. Office of Management and Budget based on local commuting patterns. Outside of these officially defined metropolitan areas, NAHB has determined that a county will usually satisfy the model’s requirements.

For a particular local area, the model adjusts the indirect business tax section of the national input-output accounts to account for the fiscal structure of local governments in the area. The information used to do this comes primarily from the U.S. Census Bureau’s Census of Governments. Wages and salaries are extracted from the employee compensation section of the input-output accounts on an industry-by-industry basis. In order to relate wages and salaries to employment, the model incorporates data on local wages per job published by the Bureau of Economic Analysis.

Phase I: Construction

In order to estimate the local impacts generated by home building, it is necessary to know the sales price of the homes being built, how much raw land contributes to the final price, and how much the builder and developer pay to local area governments in the form of permit, utility connection, impact, and other fees. This information is not generally available from national sources and in most cases must be provided by representatives from the area in question who have specialized knowledge of local conditions.

The model subtracts raw land value from the price of new construction and converts the difference into local wages, salaries, business owners’ income, and taxes. This is done separately for each of the local industries. In addition, the taxes and fees collected by local governments during the construction phase generate wages and salaries for local government employees. Finally the number of full time jobs supported by the wages and salaries generated in each private local industry and the local government sector is estimated.
Summary of Phase I

Value of Construction
+ Services Provided at Closing
+ Permit / Hook-up / Impact Fees

Model of the Local Economy

Local Income and Taxes

Phase II: The Construction Ripple

Clearly, the local residents who earn income in Phase I will spend a share of it. Some of this will escape the local economy. A portion of the money used to buy a new car, for example, will become wages for autoworkers that are likely to live in another city, and increased profits for stockholders of an automobile manufacturing company who are also likely to live elsewhere. A portion of the spending, however, will remain within, and have an impact on, the local economy. The car is likely to be purchased from a local dealer and generate income for a salesperson that lives in the area, as well for local workers who provide cleaning, maintenance, and other services to the dealership. Consumers also are likely to purchase many services locally, as well as to pay taxes and fees to local governments.

This implies that the income and taxes generated in Phase I become the input for additional economic impacts analyzed in what we call Phase II of the model. Phase II begins by estimating how much of the added income households spend on each of the local commodities. This requires detailed analysis of data from the Consumer Expenditure (CE) Survey, which is conducted by the U.S. Bureau of Labor Statistics primarily for the purpose of determining the weights for the Consumer Price Index. The analysis produces household spending estimates for 52 local commodities. The remainder of the 97 local commodities enter the model only as business-to-business transactions.

The model then translates the estimated local spending into local business owners’ income, wages and salaries, jobs, and taxes. This is essentially the same procedure applied to the homes sold to consumers in Phase I. In Phase II, however, the procedure is applied simultaneously to 56 locally produced and sold commodities.

In other words, the model converts the local income earned in Phase I into local spending, which then generates additional local income. But this in turn will lead to additional spending, which will generate more local income, leading to another round of spending, and so on. Calculating the end result of these economics is a straightforward exercise in mathematics.
Phase III: Ongoing Impacts

Like Phase II, Phase III involves computing the sum of successive ripples of economic activity. In Phase III, however, the first ripple is generated by the income and spending of a new household (along with the additional property taxes local governments collect as a result of the new structure). This does not necessarily imply that all new homes must be occupied by households moving in from outside the local area. It may be that an average new-home household moves into the newly constructed unit from elsewhere in the same local area, while average existing-home household moves in from outside to occupy the unit vacated by the first household. Alternatively, it may be that the new home allows the local area to retain a household that would otherwise move out of the area for lack of suitable housing.

In any of these cases, it is appropriate to treat a new, occupied housing unit as a net gain to the local economy of one household with average characteristics for a household that occupies a new home. This reasoning is often used, even if unconsciously, when it is assumed that a new home will be occupied by a household with average characteristics—for instance, an average number of children who will consume public education.

To estimate the impact of the net additional households, Phase III of the model requires an estimate of the income of the households occupying the new homes. The information used to compute this estimate comes from several sources, but primarily from an NAHB statistical model based on decennial census data. Phase III of the local impact model then estimates the fraction of income these households spend on various local commodities. The spending tendencies are estimated with CE data in a fashion similar to that described under Phase II. The model also estimates the amount of local taxes the households pay each year. These estimates are based on Census of Governments data with the exception of residential property taxes, which are treated separately, most often with specific information obtained from a local source. Finally, a total ripple effect is computed in a way similar to the procedure outlined above under Phase II.
The details covered here provide a brief description of the model NAHB uses to estimate the local economic benefits of home building. For a more complete description, see the technical documentation at the end of the report. For additional information about the model, or questions about applying it to a particular local area, contact one of the following in NAHB's Economics and Housing Policy Group:

Robert D. Dietz, Chief Economist (202) 266-8285 rdietz@nahb.org
Paul Emrath, Vice President, Survey and Housing Policy Research (202) 266-8449, pemrath@nahb.org
Ne Zhao, Housing Policy Economist (202) 266-8398 nzhao@nahb.org
Local Impact of Home Building
Technical Documentation for the NAHB Model Used to Estimate Income, Jobs and Taxes

Paul Emrath
Vice President
Survey and Housing Policy Research
Technical Documentation for the NAHB Model Used to Estimate Income, Jobs and Taxes

The Housing Policy Department of the National Association of Home Builders (NAHB) maintains an economic model that it uses to estimate the local economic benefits of home building. The NAHB model is divided into three phases. Phases I and II are one-time effects. Phase I captures the effects that result directly from the construction activity itself and the local industries that contribute to it. Phase II captures the effects that occur as a result of the wages and profits from Phase I being spent in the local economy. Phase III is an ongoing, annual effect that includes property tax payments and the result of the completed unit being occupied.

The model can be customized to a specific local economy by replacing key housing market variables. This document explains describes the sources of data used and explains how the estimates are generated.

Modeling a Local Economy

In the NAHB model, a local economy is defined as a collection of industries and commodities, selected from the 2007 benchmark input-output accounts produced by the U.S. Bureau of Economic Analysis (BEA). These accounts are generally based on the North American Industry Classification System (NAICS), although BEA combines and otherwise modifies the NAICS categories for purposes of the input-output estimates. NAHB's model uses the most detailed (6-digit) industry codes in order to parse industries and commodities as precisely as possible and include only those that are generally local in nature. BEA's 2007 benchmark input-output tables contain a total of 389 industries at the 6-digit level of detail. NAHB's local economy retains the following 99:

<table>
<thead>
<tr>
<th>IO Code</th>
<th>Detailed Industry Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>111400 Greenhouse, nursery, and floriculture production</td>
</tr>
<tr>
<td>2</td>
<td>212310 Stone mining and quarrying</td>
</tr>
<tr>
<td>3</td>
<td>221100 Electric power generation, transmission, and distribution</td>
</tr>
<tr>
<td>4</td>
<td>221200 Natural gas distribution</td>
</tr>
<tr>
<td>5</td>
<td>221300 Water, sewage and other systems</td>
</tr>
<tr>
<td>6</td>
<td>230301 Nonresidential maintenance and repair</td>
</tr>
<tr>
<td>7</td>
<td>230302 Residential maintenance and repair</td>
</tr>
<tr>
<td>8</td>
<td>233210 Health care structures</td>
</tr>
<tr>
<td>9</td>
<td>233411 Single-family residential structures</td>
</tr>
<tr>
<td>10</td>
<td>233412 Multifamily residential structures</td>
</tr>
<tr>
<td>11</td>
<td>323120 Support activities for printing</td>
</tr>
<tr>
<td>12</td>
<td>339950 Sign manufacturing</td>
</tr>
<tr>
<td>13</td>
<td>420000 Wholesale trade</td>
</tr>
<tr>
<td>14</td>
<td>441000 Motor vehicle and parts dealers</td>
</tr>
<tr>
<td>15</td>
<td>445000 Food and beverage stores</td>
</tr>
<tr>
<td>16</td>
<td>452000 General merchandise stores</td>
</tr>
<tr>
<td>17</td>
<td>485000 Transit and ground passenger transportation</td>
</tr>
<tr>
<td>18</td>
<td>492000 Couriers and messengers</td>
</tr>
<tr>
<td>19</td>
<td>493000 Warehousing and storage</td>
</tr>
<tr>
<td>20</td>
<td>511110 Newspaper publishers</td>
</tr>
<tr>
<td>21</td>
<td>515100 Radio and television broadcasting</td>
</tr>
<tr>
<td>22</td>
<td>515200 Cable and other subscription programming</td>
</tr>
<tr>
<td>23</td>
<td>517110 Wired telecommunications carriers</td>
</tr>
<tr>
<td>24</td>
<td>517210 Wireless telecommunications carriers (except satellite)</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>25</td>
<td>518200  Data processing, hosting, and related services</td>
</tr>
<tr>
<td>26</td>
<td>519130  Internet publishing and broadcasting and Web search portals</td>
</tr>
<tr>
<td>27</td>
<td>524200  Insurance agencies, brokerages, and related activities</td>
</tr>
<tr>
<td>28</td>
<td>525000  Funds, trusts, and other financial vehicles</td>
</tr>
<tr>
<td>29</td>
<td>531000  Real estate</td>
</tr>
<tr>
<td>30</td>
<td>532100  Automotive equipment rental and leasing</td>
</tr>
<tr>
<td>31</td>
<td>532400  Commercial and industrial machinery and equipment rental and leasing</td>
</tr>
<tr>
<td>32</td>
<td>533000  Lessors of nonfinancial intangible assets</td>
</tr>
<tr>
<td>33</td>
<td>541100  Legal services</td>
</tr>
<tr>
<td>34</td>
<td>541200  Accounting, tax preparation, bookkeeping, and payroll services</td>
</tr>
<tr>
<td>35</td>
<td>541300  Architectural, engineering, and related services</td>
</tr>
<tr>
<td>36</td>
<td>541400  Specialized design services</td>
</tr>
<tr>
<td>37</td>
<td>541511  Custom computer programming services</td>
</tr>
<tr>
<td>38</td>
<td>541512  Computer systems design services</td>
</tr>
<tr>
<td>39</td>
<td>541800  Advertising, public relations, and related services</td>
</tr>
<tr>
<td>40</td>
<td>541923  Photographic services</td>
</tr>
<tr>
<td>41</td>
<td>541940  Veterinary services</td>
</tr>
<tr>
<td>42</td>
<td>561100  Office administrative services</td>
</tr>
<tr>
<td>43</td>
<td>561200  Facilities support services</td>
</tr>
<tr>
<td>44</td>
<td>561300  Employment services</td>
</tr>
<tr>
<td>45</td>
<td>561400  Business support services</td>
</tr>
<tr>
<td>46</td>
<td>561600  Investigation and security services</td>
</tr>
<tr>
<td>47</td>
<td>561700  Services to buildings and dwellings</td>
</tr>
<tr>
<td>48</td>
<td>561800  Other support services</td>
</tr>
<tr>
<td>49</td>
<td>562000  Waste management and remediation services</td>
</tr>
<tr>
<td>50</td>
<td>611100  Elementary and secondary schools</td>
</tr>
<tr>
<td>51</td>
<td>621100  Offices of physicians</td>
</tr>
<tr>
<td>52</td>
<td>621200  Offices of dentists</td>
</tr>
<tr>
<td>53</td>
<td>621300  Offices of other health practitioners</td>
</tr>
<tr>
<td>54</td>
<td>621400  Outpatient care centers</td>
</tr>
<tr>
<td>55</td>
<td>621600  Home health care services</td>
</tr>
<tr>
<td>56</td>
<td>621900  Other ambulatory health care services</td>
</tr>
<tr>
<td>57</td>
<td>622000  Hospitals</td>
</tr>
<tr>
<td>58</td>
<td>624100  Individual and family services</td>
</tr>
<tr>
<td>59</td>
<td>624400  Child day care services</td>
</tr>
<tr>
<td>60</td>
<td>711100  Performing arts companies</td>
</tr>
<tr>
<td>61</td>
<td>711200  Spectator sports</td>
</tr>
<tr>
<td>62</td>
<td>712000  Museums, historical sites, zoos, and parks</td>
</tr>
<tr>
<td>63</td>
<td>713100  Amusement parks and arcades</td>
</tr>
<tr>
<td>64</td>
<td>713200  Gambling industries (except casino hotels)</td>
</tr>
<tr>
<td>65</td>
<td>713900  Other amusement and recreation industries</td>
</tr>
<tr>
<td>66</td>
<td>722110  Full-service restaurants</td>
</tr>
<tr>
<td>67</td>
<td>722211  Limited-service restaurants</td>
</tr>
<tr>
<td>68</td>
<td>811100  Automotive repair and maintenance</td>
</tr>
<tr>
<td>69</td>
<td>811200  Electronic and precision equipment repair and maintenance</td>
</tr>
<tr>
<td>70</td>
<td>811300  Commercial and industrial machinery and equipment repair and maintenance</td>
</tr>
<tr>
<td>71</td>
<td>811400  Personal and household goods repair and maintenance</td>
</tr>
<tr>
<td>72</td>
<td>812100  Personal care services</td>
</tr>
<tr>
<td>73</td>
<td>812200  Death care services</td>
</tr>
<tr>
<td>74</td>
<td>812300  Dry-cleaning and laundry services</td>
</tr>
<tr>
<td>75</td>
<td>812900  Other personal services</td>
</tr>
<tr>
<td>76</td>
<td>813100  Religious organizations</td>
</tr>
<tr>
<td>77</td>
<td>2332A0  Commercial structures, including farm structures</td>
</tr>
<tr>
<td>78</td>
<td>2332B0  Other nonresidential structures</td>
</tr>
<tr>
<td>79</td>
<td>2334A0  Other residential structures</td>
</tr>
<tr>
<td>80</td>
<td>4A0000  Other retail</td>
</tr>
<tr>
<td>81</td>
<td>517A00  Satellite, telecommunications resellers, and all other telecommunications</td>
</tr>
</tbody>
</table>
In contrast to the industry categories used in the previous (2002) version of the benchmark input-output tables, the 2007 version shows considerably more detail in the construction sector, and breaks retail trade into several categories.

In the input-output accounts, commodities generally correspond to industries, with the exception of "state and local government passenger transit" and "state and local government electric service," for which there is no distinct commodity (passenger transit and electric services are defined as input-output commodities irrespective of which industry produces them), so the local economy as defined in the NAHB model consists of 99 industries and 97 commodities.

The above list includes industries in trade, construction, finance, transportation, and services—but excludes virtually all manufacturing, mining, and agriculture, under the presumption that the markets for these products are regional—if not national or international—in nature.

The exclusion of many industries is a distinguishing feature of the NAHB local impact model and is consistent with the overall intent of the model: to analyze the impact of locating a housing unit and the household that occupies it in one place rather than another. From this perspective, a house built in Seattle, Washington should not cause additional airplanes to be built or additional software to be produced, even though the occupants of a home built in Seattle may use software produced in Seattle and travel on planes built in Seattle. Because these households would be likely to use these products the same way even if they lived in some other metropolitan area, use of these products is not a function of the home’s location. Hence, industries like software publishing and aircraft manufacturing are excluded from the model.

Based on the industries and commodities described above, a “total local requirements” matrix is constructed that shows the total output required from each of the local industries to produce $1 of each local commodities.

To show the derivation of this matrix, let

\[ c = \text{a 97-element column vector of commodity outputs} \]
\[ g = \text{a } 99\text{-element column vector of industry outputs} \]
\[ V = \text{a } 99 \times 97 \text{ subset of the benchmark make table that shows how much of each commodity is produced by each industry} \]
\[ h = \text{a } 99\text{-element column vector showing how much scrap is produced by each industry} \]
\[ I/s = \text{a } 97 \times 99 \text{ subset of the benchmark use table that shows how much of each commodity used as an input by each industry. Coefficients for the wholesale trade commodity are set to zero, assuming that these transactions are often non-local in nature. The wholesale trade industry produces a considerable amount of the retail trade commodity. The effect of this is to retain retail trade in the model, irrespective of which industry produces it, but to exclude wholesale trade activities.} \]

The following matrices can then be defined through standard input-output algebra:

\[ B = U \hat{g}^{-1} \]
the direct requirements matrix, showing the amount of each commodity needed as a direct input to produce $1 of each industry’s output. (The symbol \( ^{-1} \) indicates a matrix created from a vector by placing the vector’s elements on the matrix diagonal.) This is simply the use table scaled by industry output.

\[ j = \hat{g}^{-1} h \]
a vector showing scrap as a fraction of each industry’s output. Many of the elements of this vector are zero in the NAHB local impact model, which excludes most of the manufacturing sector.

\[ D = V \hat{c}^{-1} \]
a 99 \times 97 market share matrix, or the make table scaled by commodity output. \( D \) shows the fraction of each commodity (excluding scrap) produced by each industry.

\[ F = (I-j)^{-1} D \]
a 99 \times 97 matrix showing, for $1 worth of each commodity, the fraction produced by each industry. In short, \( F \) is \( D \) adjusted for scrap. \( F \) is often called a transformation matrix, because it can be used to transform commodities into the output of industries and vice versa.

**Total Local Requirements = \( F(I-BF)^{-1} \)**

The total local requirements matrix translates local commodities into the output of local industries. The NAHB model is designed to capture only a fraction of the output: the fraction that becomes either income for local households or revenue for local governments. These fractions are estimated from a combination of value added components of the input-output tables, plus information taken from other BEA industry accounts. In the BEA accounts, the final price of a commodity is the sum of intermediate outputs plus value added by the industry. To avoid double counting, the NAHB model retains only the value added in each local industry for further analysis.

BEA’s input-output accounts break value added into three components: compensation of employees, taxes on production and imports (TOPI), and gross operating surplus. In the NAHB model, local income is derived from compensation of employees and gross operating surplus.
The following table shows information taken from BEA accounts used in this derivation:

<table>
<thead>
<tr>
<th>Industry Description</th>
<th>Wages &amp; Salaries per $ of Employee Compensation</th>
<th>Other Corp. as % of Gross Operating Surplus</th>
<th>Other Non-Corp. as % of Gross Operating Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms</td>
<td>85.98%</td>
<td>77.63%</td>
<td>28.12%</td>
</tr>
<tr>
<td>Mining, except oil and gas</td>
<td>82.18%</td>
<td>12.40%</td>
<td>71.60%</td>
</tr>
<tr>
<td>Utilities</td>
<td>74.17%</td>
<td>9.32%</td>
<td>84.32%</td>
</tr>
<tr>
<td>Construction</td>
<td>83.11%</td>
<td>68.11%</td>
<td>29.88%</td>
</tr>
<tr>
<td>Miscellaneous manufacturing</td>
<td>71.19%</td>
<td>10.16%</td>
<td>87.83%</td>
</tr>
<tr>
<td>Printing and related support activities</td>
<td>81.90%</td>
<td>11.75%</td>
<td>85.14%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>85.93%</td>
<td>15.69%</td>
<td>82.08%</td>
</tr>
<tr>
<td>Motor vehicle and parts dealers</td>
<td>85.39%</td>
<td>27.06%</td>
<td>69.55%</td>
</tr>
<tr>
<td>Food and beverage stores</td>
<td>81.55%</td>
<td>27.06%</td>
<td>69.55%</td>
</tr>
<tr>
<td>General merchandise stores</td>
<td>81.30%</td>
<td>27.06%</td>
<td>69.55%</td>
</tr>
<tr>
<td>Other retail</td>
<td>84.09%</td>
<td>27.06%</td>
<td>69.55%</td>
</tr>
<tr>
<td>Transit and ground passenger transportation</td>
<td>81.66%</td>
<td>76.22%</td>
<td>22.04%</td>
</tr>
<tr>
<td>Other transportation and support activities</td>
<td>81.76%</td>
<td>23.56%</td>
<td>74.53%</td>
</tr>
<tr>
<td>Warehousing and storage</td>
<td>81.97%</td>
<td>34.38%</td>
<td>63.45%</td>
</tr>
<tr>
<td>Publishing Industries (includes software)</td>
<td>84.22%</td>
<td>14.36%</td>
<td>84.75%</td>
</tr>
<tr>
<td>Broadcasting and telecommunications</td>
<td>81.49%</td>
<td>26.07%</td>
<td>71.94%</td>
</tr>
<tr>
<td>Information and data processing services</td>
<td>84.25%</td>
<td>24.24%</td>
<td>74.30%</td>
</tr>
<tr>
<td>Federal Reserve banks, credit intermediation, related act.</td>
<td>85.01%</td>
<td>1.98%</td>
<td>87.89%</td>
</tr>
<tr>
<td>Securities, commodity contracts, and investments</td>
<td>87.89%</td>
<td>-2.28%</td>
<td>102.02%</td>
</tr>
<tr>
<td>Insurance carriers and related activities</td>
<td>84.36%</td>
<td>6.88%</td>
<td>120.64%</td>
</tr>
<tr>
<td>Funds, trusts, and other financial vehicles</td>
<td>57.88%</td>
<td>-16.43%</td>
<td>114.13%</td>
</tr>
<tr>
<td>Real estate (estimated by NAHB)</td>
<td>85.90%</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Rental &amp; leasing services and lessors of intangible assets</td>
<td>86.04%</td>
<td>37.70%</td>
<td>64.08%</td>
</tr>
<tr>
<td>Legal services</td>
<td>84.92%</td>
<td>76.96%</td>
<td>21.03%</td>
</tr>
<tr>
<td>Computer systems design and related services</td>
<td>87.95%</td>
<td>42.09%</td>
<td>53.54%</td>
</tr>
<tr>
<td>Misc. professional, scientific, and technical services</td>
<td>86.62%</td>
<td>57.56%</td>
<td>40.53%</td>
</tr>
<tr>
<td>Administrative and support services</td>
<td>84.67%</td>
<td>57.36%</td>
<td>40.59%</td>
</tr>
<tr>
<td>Waste management and remediation services</td>
<td>79.35%</td>
<td>13.44%</td>
<td>84.75%</td>
</tr>
<tr>
<td>Educational services</td>
<td>81.12%</td>
<td>39.22%</td>
<td>54.48%</td>
</tr>
<tr>
<td>Ambulatory health care services</td>
<td>82.70%</td>
<td>53.75%</td>
<td>42.32%</td>
</tr>
<tr>
<td>Hospitals</td>
<td>82.54%</td>
<td>42.00%</td>
<td>45.89%</td>
</tr>
<tr>
<td>Nursing and residential care facilities</td>
<td>80.79%</td>
<td>42.00%</td>
<td>45.89%</td>
</tr>
<tr>
<td>Social assistance</td>
<td>82.09%</td>
<td>46.30%</td>
<td>47.41%</td>
</tr>
<tr>
<td>Performing arts, spectator sports, museums, related act.</td>
<td>86.80%</td>
<td>70.36%</td>
<td>28.48%</td>
</tr>
<tr>
<td>Amusements, gambling, and recreation industries</td>
<td>84.18%</td>
<td>8.46%</td>
<td>90.01%</td>
</tr>
<tr>
<td>Food services and drinking places</td>
<td>85.50%</td>
<td>36.55%</td>
<td>58.57%</td>
</tr>
<tr>
<td>Other services, except government</td>
<td>85.92%</td>
<td>82.52%</td>
<td>15.81%</td>
</tr>
<tr>
<td>State and local government enterprises</td>
<td>68.40%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>State and local government general government</td>
<td>68.17%</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Due to data limitations, ratios from relatively broad categories are sometimes applied to more narrowly defined local industries. For example, ratios for the broad categories “farms” is applied to a much more narrowly defined local industry “Greenhouse, nursery, and floriculture production.”

Treatment of real estate is less straightforward than it might be, because the input-output accounts provide one set of estimates for real estate with no detail within that relatively broad industry. When analyzing a local housing economy, it is desirable to account for residential real
estate brokers and property managers, each which has well-known distinctive characteristics. NAHB uses data from the U.S. Census Bureau’s 2007 Economic Census to estimate a separate set of coefficients for residential real estate brokers. Coefficients derived this way allocate a relatively small 8 percent of value added to wages and salaries, because most realtor offices are organized as a group of businesses where each broker legally counts as proprietor rather than an employee. The modified coefficients are applied to broker fees that arise in the transaction of single-family homes built for sale (as opposed to custom homes built by a general contractor on home owners’ land) and individual multifamily condominiums to the ultimate owner-occupants. Any broker fees that may be charged in the sale of multifamily rental buildings are assumed to be paid to non-local entities and excluded from the model.

Similarly, owners of rental buildings are considered non-local and excluded. However, for obvious reasons, managing the properties needs to be done locally. To handle this, except for the broker fees mentioned above, the NAHB model treats payments made to the real estate sector (primarily rental payments made by tenants in new multifamily buildings) as revenue for non-local property lessors (the federal government’s term for what is elsewhere typically called a rental property owner) who then employ local businesses to manage the property. In practice this means subtracting about 57 percent of the rental payment and treating the remaining 43 percent as a local payment for management services. Again, this ratio was computed using detailed industry data from the 2007 Economic Census.

A key feature of the NAHB local impact model is the way it translates the wages and salaries from BEA accounts into local jobs, measured in full-time equivalents (FTEs); i.e., enough work to keep a person employed full-time for a year, based on the hours typically worked by full-time employees in a given industry. Indeed, when users of NAHB’s local impact studies cite a single number from one of the studies, it is usually this one.

In general, the translation is accomplished using data on wages per job in each local industry from the Quarterly Census of Employment and Wages (QCEW) produced by the U.S. Bureau of Labor Statistics (BLS). The QCEW provides data for each county in the country, although it may be suppressed in particular cases for some industries due to a small sample size. To reduce the chances of missing data and produce an estimate that can more easily be adjusted for inflation, annual rather than quarterly QCEW data are used. If annual data for a particular industry in a particular local area are missing, they are imputed based on national wages per job in that industry, adjusted by the ratio of local to national wages per job across all industries. If QCEW data are not yet available for the year of construction being analyzed (as is typically the case), wages per job in each industry is inflated using HUD’s estimates of median family income, which are available for the current year and for each state and local area in the country. Job counts in the QCEW are based on payroll employment and therefore include part-time as well as full-time workers. The QCEW job counts are converted to FTEs using the ratio of FTEs to jobs in each industry from BEA’s national industry accounts.

The estimates of local income in the NAHB model exclude most corporate profits, based on the rationale that ownership of most corporations is national or international in scope. Even if a household living in a particular metropolitan area buys a product manufactured by a corporation located in in that metropolitan area, profits derived from the sale are likely to be distributed to shareholders living in other locations.
The model makes an exception for subchapter S corporations, which tend to be smaller and more local in nature than C corporations. S corporations also tend to be relatively common in particular industries, such as residential construction. The Internal Revenue Service (IRS) provides information on business receipts by form of business and industry, and this is used to decompose corporate profits into profits for S-corporations and C-corporations. The IRS tables provide relatively limited industry detail, so again percentages for a broadly defined industry are sometimes applied to several 6-digit NAICS industries. The S-corporation profits by industry are then counted as part of local income.

In general, local government revenue is estimated industry by industry, as a function of both local income and TOPI. TOPI includes taxes imposed at the federal, state and local level. BEA national accounts show that, in the year of the most recent Census of Governments, 9.2 percent of TOPI is federal (almost all excise taxes and custom duties). The Census of Governments is then used to further decompose TOPI into 42.4 percent collected by state governments and 48.4 collected by local governments (the largest components of state and local TOPI being sales and property taxes). Thus, the NAHB model uses a base of 90.8 or 48.4 percent of TOPI in each local industry as a starting point, depending on whether a state or local economy is being analyzed.

A distinctive feature of the NAHB model is the way it further employs Census of Governments data to customize the government finances to a particular area. Census of Governments data are available for each of the roughly 89,000 units of government in the U.S., and the NAHB model reads in every line item for every government within the local area being analyzed. Aggregated across all local (or state and local) governments in the U.S., the ratio of TOPI to personal income is 2.776 (or 6.595) percent. This ratio is also calculated for the area being analyzed and used to adjust TOPI by industry up or down. Personal income is used as the base of the ratio, because this is a measure that is available for every local area in the country.

There are two substantial exceptions to this procedure, as discussed below in the sections on Phase I and Phase III. In the case of residential property taxes and sales taxes paid on construction materials, specific information is collected for the construction being analyzed and fed into the model instead.

Census of Governments data is also used to customize taxes and fees paid by the workers and local proprietors who receive income as a result of the home building activity, and, where applicable, corporate income taxes to a local area. Aggregated over all local (or state and local) governments in the U.S., taxes and fees paid by individuals sum to 4.198 (or 7.843) percent of personal income. Again, equivalent ratios are calculated for the area being analyzed and used to customize the government revenue estimates.

To the extent that S corporations pay taxes to state and local governments, these taxes are also counted on the assumption that stockholders of S corps reside in the same area as the company income.

The general procedure for customizing government revenue to a specific local area (or state) can be summarized as follows:
Personal taxes =  
4.198% (or 7.843%) × Local Personal Income × Local Factor 1

Business taxes =  
48.4% (or 90.8%) × TOPI in Local Industries × Local Factor 2 +  
6.349% × Corporate Profits in Local Industries × Local Factor 3

where the three local factors are derived on a case by case basis from data in the most recent Census of Governments. In practice, Local Factor 3 will usually be zero, as few local governments impose a tax on corporate profits.

The distinguishing aspect of this procedure is that it preserves the industry structure of the input-output accounts while being consistent with revenue being collected by all governments in the area of analysis, as reported by the governments themselves to the U.S. Census Bureau.

**Phase I: Construction**

As shown diagrammatically in "Background and a Brief Description of the Model Used to Estimate the Economic Benefits", Phase I of the model feeds the dollar amount of construction and ancillary locally produced items into the income and tax matrices derived from the model total local requirements. Accounting for everything that goes into building a home and delivering it to its customer is more complicated than it may at first appear.

For one thing, the Census Bureau subtracts several items from construction value before providing the numbers to BEA for use in the input-output and related GDP accounts. On new homes built for sale, the Census Bureau subtracts 1.1 percent of the sales price for landscaping, 0.5 percent for appliances, 2.9 percent for realtor and brokers fees, and 2.7 percent for marketing and finance costs. There are equivalent subtractions for custom homes (i.e., homes where the builder functions as a general contractor for a home built on the customer’s lot).

However, the landscaping and purchases of appliances and marketing/broker services associated with a newly built home clearly are attributable to the construction of the home. Phase I of the NAHB model therefore accounts for these items as separate purchases of the local construction, retail trade, and real estate industries. For retail trade, only the gross margin of appliance purchases are counted. Gross margins for different types of retailers are available from the Census Bureau’s Annual Retail Trade Survey.

In addition, there are settlement or closing costs associated with transferring property from a builder to the ultimate owner. In a typical case, these costs are shared between buyers and sellers. Construction value as defined in the input-output accounts includes closing costs if they are paid by the seller, not the buyer. When the local impact model was first developed, NAHB verified these details with economists at BEA.

In order to estimate both closing costs as a fraction of the home’s price and the share of these costs the buyer pays, the NAHB model uses national average data compiled by the U.S.
Department of Housing and Urban Development.\textsuperscript{3} The share of settlement costs paid for by the buyer for loan origination and discount fees, title and private mortgage insurance, and legal fees are counted as output of the local depository credit intermediation, insurance, and legal services industries, respectively.

Another category of closing costs sometimes paid by the buyer is mortgage or deed transfer taxes. Phase I of the NAHB model does not automatically include an amount for transfer taxes. In most (but not all) instances, these taxes are imposed by state, rather than local, governments. To the extent that transfer taxes apply in a specific case, that information needs to be supplied by the local entity requesting the analysis.

The local entity requesting the analysis is also asked to provide information on whether or not sales taxes are imposed on construction materials and supplies; and, if so, the relevant sales tax rate. The model then applies the relevant rate to 34.1 percent of construction value, assuming that materials account for that share of the final value of a housing unit. The figure of 34.1 was calculated from the ratio of materials to construction value for several categories of construction businesses in the Economic Census, including trade contractors. The calculation takes subcontracting into account, as a large fraction of the final construction value of a housing unit is subcontracted to businesses that may also purchase materials.

**Phase II: The Construction Ripple**

Phase I of the model translates home building activity into income for local workers and business proprietors, and revenue for local governments. This output serves as the input for Phase II, as part of the local income generated will be spent, generating more income, generating more spending, and so on. These spending ripples damp and eventually converge to a limit, which is the ultimate ripple or multiplier effect.

To convert local income to local spending, the model requires information about local household spending tendencies. Detailed spending information at the household level is available from the Consumer Expenditure (CE) Survey, produced by the U.S. Bureau of Labor Statistics (BLS) primarily for the purpose of determining the weights for the Consumer Price Index.\textsuperscript{4}

The CE consists of two different types of surveys: 1) an interview survey that collects data on monthly expenditures as well as information on income and household characteristics, and 2) a diary survey that collects data on weekly expenditures of frequently purchased items. These are two separate surveys, each designed individually with weights that aggregate to an estimate of total spending in the U.S. When it estimates aggregate measures of consumer spending, BLS combines results from the two different types of surveys in a manner it does not disclose.


\textsuperscript{4} Technically, in the Consumer Expenditure Survey, the unit of measurement is actually not a household, but a Consumer Unit, a group of individuals who live in the same house and make joint purchasing decisions. There may be more than one Consumer Unit in a household.
The NAHB local impact model uses only data from the interview survey, primarily to avoid the need for arbitrary decisions about which spending items to take from which survey. Based on its CE interview survey, BLS produces a public use microdata set consisting of quarterly files with household characteristics (including income), another set of quarterly files with income and other characteristics for each member of the household, and a set of fifty-one annual "EXPN" files with detailed information about various categories of expenditures.

These detailed files allow NAHB to maintain a conservative approach and exclude spending on items that may often be purchased from a vendor outside the local area. For example, BLS collects information on spending while on trips and vacations away from home in a separate “ETRV” and “ETRE” file. The NAHB local impact model does not include any spending information at all from these files. NAHB processes the information from the EXPN files along with information on household characteristics and income to estimate spending tendencies on 52 locally produced commodities, as shown in the following table:

### Local Spending Extracted from the CE EXPN Files

<table>
<thead>
<tr>
<th>Local commodity</th>
<th>IO Code</th>
<th>CE File</th>
<th>Description of items included in local spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Greenhouse, nursery, and floriculture production</td>
<td>111400</td>
<td>ECRB</td>
<td>Costs of all items and services for planting shrubs or trees, or otherwise landscaping the ground of the housing unit in which the consumer unit lives.</td>
</tr>
<tr>
<td>02 Electric power generation, transmission, and distribution</td>
<td>221100</td>
<td>EUTC</td>
<td>Electricity bills for the housing unit in which the consumer unit lives, including if combined with natural gas and/or water, sewerage. This is also the default category for generally combined expenses with particular utility not specified.</td>
</tr>
<tr>
<td>03 Natural gas distribution</td>
<td>221200</td>
<td>EUTC</td>
<td>Gas bills for the housing unit in which the consumer unit lives.</td>
</tr>
<tr>
<td>04 Water, sewage and other systems</td>
<td>221300</td>
<td>EUTC</td>
<td>Water and/or sewage bills, including water combined with trash collection, for the housing unit in which the consumer unit lives.</td>
</tr>
<tr>
<td>05 Residential maintenance and repairs</td>
<td>230302</td>
<td>ECRB</td>
<td>Costs of all items and services associated with building or repairing an addition to the house or a new structure including porch, garage or new wing; finishing a basement or an attic or enclosing a porch; remodeling one or more rooms; building outdoor patios, walks, fences, or other enclosures, driveways, or permanent swimming pools, inside painting or papering; outside painting, plastering or paneling; plumbing or water heating installations and repairs; electrical work; heating or air-conditioning jobs; flooring repair or replacement; insulation; roofing, gutters, or downspouts, siding, installation, repair, or replacement of window panes, screens, storm doors, awnings, etc.; and masonry, brick or stucco work; or other improvements or repairs for the housing unit in which the consumer unit lives.</td>
</tr>
</tbody>
</table>

For the four categories of retail trade, only gross margins rather than total spending is put into the model. Gross margins is used to reduce the amount to account for loss of business to local retailers to E-commerce and mail order business. The source is the most recent data in the Census Bureau’s 2012 Retail Trade Report, released in 2014.

<table>
<thead>
<tr>
<th>Industry</th>
<th>IO Code</th>
<th>CE File</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor vehicle and parts dealers</td>
<td>441000</td>
<td>EOVB</td>
<td>Purchases of automobiles, including down payment and payment of principle on loans × 17.6% (gross margin for automobile dealers).</td>
</tr>
<tr>
<td>Food and beverage stores</td>
<td>445000</td>
<td>ETRF</td>
<td>Cost of food or beverages at grocery, convenient or liquor stores during local overnight stays × 27.9% (gross margin for food and beverage stores).</td>
</tr>
<tr>
<td>Local commodity</td>
<td>NAICS Code</td>
<td>EXPN File</td>
<td>Description of items included in local spending</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>------------</td>
<td>-----------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>07 Food and beverage stores (cont.)</td>
<td>445000</td>
<td>EXPA</td>
<td>Expenditure for food, non-alcoholic beverages and nonfood items at grocery stores, food and non-alcoholic beverages from places other than grocery stores, and all alcohol to be served at the home × 27.9% (gross margin for food and beverage stores).</td>
</tr>
<tr>
<td>08 General merchandise stores</td>
<td>452000</td>
<td>EAPA</td>
<td>50 percent of major appliance purchases (assuming other 50 percent purchased from other retail) × 26.3% (gross margin for general merchandise stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EAPB</td>
<td>50 percent of purchases of other households appliances and other selected items (assuming other 50 percent purchased from other retail) × 26.3% (gross margin for general merchandise stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EFRA</td>
<td>50% of purchases of home furnishings (assuming other 50 percent purchased from other retail) × 32.1% (gross margin for department stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ECLA</td>
<td>50% of purchases of clothing and accessories (assuming other 50 percent purchased from other retail) × 32.1% (gross margin for department stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EENT</td>
<td>50% of purchases of CDs or audio tapes, photographic film, video cassettes or tapes or discs, and books, but not through a mail order club or subscription × 32.1% (gross margin for department stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td>09 Other retail</td>
<td>4A0000</td>
<td>ELTC</td>
<td>Bills for fuel oil, bottle or tank gas, or fuels not specifically identified, for the home in which the consumer unit lives × 37.8% (gross margin for nonstore retailers).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ECRA</td>
<td>Purchase of building materials and supplies, either for or not for a specific project × 34.7% (gross margin for building materials and supplies dealers).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EAPA</td>
<td>50 percent of major appliance purchases (assuming other 50 percent purchased from general merchandise stores) × 28.2% (gross margin for electronics and appliance stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EAPB</td>
<td>50 percent of purchases of other households appliances and other selected items (assuming other 50 percent purchased from general merchandise stores) × 28.2% (gross margin for electronics and appliance stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EFRA</td>
<td>50% of purchases of home furnishings (assuming other 50 percent purchased from general merchandise stores) × 46.6% (gross margin for furniture and home furnishings stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ECLA</td>
<td>50% of purchases of clothing and accessories (assuming other 50 percent purchased from general merchandise stores) × 45.8% (gross margin for clothing and clothing accessories stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EVOT</td>
<td>Purchases of gasoline and other fuels and fluids used in vehicles × 10.8% (gross margin for gasoline stations).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIHB</td>
<td>Share of health insurance premiums, after broker/agent share is subtracted, used to purchase prescription drugs and durable medical equipment × 30.0% (gross margin for health and personal care stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIHC</td>
<td>Number of persons covered by Medicare if in a senior household × Medicare expenditure per enrollee × the share of Medicare expenditures used to pay for prescription drugs, other nondurable medical products, and durable medical equipment × 30.0% (gross margin for health and personal care stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td>Local commodity</td>
<td>NAICS Code</td>
<td>EXPN File</td>
<td>Description of items included in local spending</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>------------</td>
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<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>09 Other retail (cont)</td>
<td>4A0000</td>
<td>EMDB</td>
<td>Direct purchases of glasses, hearing aids, prescription medication, convalescent equipment, or other medical equipment × 30.0% (gross margin for health and personal care stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EEDA</td>
<td>Purchases of books or other equipment for elementary or high school for members of the consumer unit × 41.6% (gross margin for sporting goods, hobby, book and music stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EENT</td>
<td>50% of purchases of CDs or audio tapes, photographic film, video cassettes or tapes or discs, and books, but not through a mail order club or subscription (assuming other 50 percent purchased from general merchandise stores) × 41.6% (gross margin for sporting goods, hobby, book and music stores), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EMIS</td>
<td>Expenses for flowers, potted plants, pet supplies and medicines, toys and games, and hobbies, including if combined with computer software for games × 45.4% (gross margin for miscellaneous store retailer) and adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EXPB</td>
<td>Expenditures for cigarettes and other tobacco products × 29.4% (gross margin for all retailers excluding motor vehicle and parts dealers), adjusted for losses to E-commerce and mail order business.</td>
</tr>
<tr>
<td>10 Transit and ground passenger transportation</td>
<td>485000</td>
<td>EXPB</td>
<td>Costs for taxis, limousine service, and public transportation, except while on a trip.</td>
</tr>
<tr>
<td>11 Newspaper publishers</td>
<td>511110</td>
<td>EENT</td>
<td>Expenses for newspapers and other periodicals not through a subscription.</td>
</tr>
<tr>
<td>12 Wired telecommunications carriers</td>
<td>517110</td>
<td>EUTA</td>
<td>Bills from telecommunications companies for residential service, internet access, non-telephone rental and purchases, and 71.2% of bills for cable or satellite television service (financial data compiled ions Multimedia Research Group, Inc indicates that satellite had a 28.8% share of the combined cable/satellite market)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EUTP</td>
<td>Pre-paid phone card or public pay phone services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EUTI</td>
<td>Bills from internet service providers for internet connection and service (excluding those away from home), miscellaneous combined expenses, and 71.2% of bills for cable or satellite television service.</td>
</tr>
<tr>
<td>13 Wireless telecommunications carriers (except satellite)</td>
<td>517210</td>
<td>EUTA</td>
<td>Bills for mobile/cellular telephone service.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EUTP</td>
<td>Pre-paid cellular minutes.</td>
</tr>
<tr>
<td>14 Satellite, telecommunications resellers, and all other telecommunications</td>
<td>517A00</td>
<td>EUTA</td>
<td>28.8% of the bills from telecommunications for cable or satellite television service, plus bills for Voice over IP service.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EUTI</td>
<td>Bills from internet service providers for satellite radio, plus 28.8% of the bills for cable or satellite television service.</td>
</tr>
<tr>
<td>15 Data processing, hosting, and related services</td>
<td>518200</td>
<td>EUTA</td>
<td>Bills paid to providers of applications, games or ringtones.</td>
</tr>
<tr>
<td>16 Monetary authorities and depository credit intermediation</td>
<td>52A000</td>
<td>EHEL</td>
<td>Interest paid on lump sum home equity loans, based only on the home in which the consumer unit lives.</td>
</tr>
<tr>
<td>Local commodity</td>
<td>NAICS Code</td>
<td>EXPN File</td>
<td>Description of items included in local spending</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>------------</td>
<td>-----------</td>
<td>----------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Monetary authorities and depository credit intermediation (cont)</td>
<td>52A000</td>
<td>EOPH</td>
<td>Interest paid on home equity lines of credit, based only on the home in which the consumer unit lives.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EXPB</td>
<td>Charges for safe deposit boxes, checking accounts, and other banking services.</td>
</tr>
<tr>
<td>Nondepository credit intermediation and related activities</td>
<td>522A00</td>
<td>EOVB</td>
<td>Interest payment on automobile loans.</td>
</tr>
<tr>
<td>Insurance agencies, brokerages, and other insurance related activities</td>
<td>524200</td>
<td>EINB</td>
<td>Percent of premiums for all types of insurance other than health (percentage based on agent/brokers' share of industry).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIHB</td>
<td>Percent of premiums for health insurance (percentage based on agent/brokers' share of industry).</td>
</tr>
<tr>
<td>Real estate</td>
<td>531000</td>
<td>RNT</td>
<td>Total rental payments for the housing unit in which the consumer unit lives.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>OPI</td>
<td>Ground or land rent, regular HOA fees, special payments for property management services—for the property in which the consumer unit lives.</td>
</tr>
<tr>
<td>Automotive equipment rental and leasing</td>
<td>532100</td>
<td>ERTV</td>
<td>Expenses for renting vehicles, except if rented while on a vacation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ELSD</td>
<td>Expenses for leasing vehicles.</td>
</tr>
<tr>
<td>Consumer goods and general rental centers</td>
<td>532A00</td>
<td>EAPA</td>
<td>Expenses for renting major appliances.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EAPB</td>
<td>Expenses for renting other household appliances and selected items.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EFRB</td>
<td>Expenses for renting furniture.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ECLD</td>
<td>Expenses for renting clothing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EMBD</td>
<td>Expenses for renting convalescent or other medical equipment.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EENT</td>
<td>Amount paid for rental of Blu-ray Discs, DVDs, or VHS tapes.</td>
</tr>
<tr>
<td>Legal services</td>
<td>541100</td>
<td>EMIS</td>
<td>Expenses for services of lawyers or other legal professionals.</td>
</tr>
<tr>
<td>Accounting, tax preparation, bookkeeping, and payroll services</td>
<td>541200</td>
<td>EMIS</td>
<td>Accounting fees.</td>
</tr>
<tr>
<td>Photographic services</td>
<td>541920</td>
<td>EENT</td>
<td>Amount paid for film processing or printing digital photographs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EMIS</td>
<td>Amount paid for professional photography fees.</td>
</tr>
<tr>
<td>Veterinary services</td>
<td>541940</td>
<td>EMIS</td>
<td>Veterinarian expenses, including if combined with other pet services.</td>
</tr>
<tr>
<td>Investigation and security services</td>
<td>561600</td>
<td>EMIS</td>
<td>Home security service fees.</td>
</tr>
<tr>
<td>Services to buildings and dwellings</td>
<td>561700</td>
<td>EAPA</td>
<td>Charges for installing major appliances.</td>
</tr>
<tr>
<td>Local commodity</td>
<td>NAICS Code</td>
<td>EXPN File</td>
<td>Description of items included in local spending</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>------------</td>
<td>-----------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>27 Services to buildings and dwellings (cont.)</td>
<td>561700</td>
<td>EEQB</td>
<td>Costs for pest control or repairing and servicing heating and air conditioning equipment.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EMIS</td>
<td>Gardening or lawn care, housekeeping or other home services and small repair jobs around the house.</td>
</tr>
<tr>
<td>28 Waste management and remediation services</td>
<td>552000</td>
<td>EUTC</td>
<td>Trash/garbage collection bills, including if combined with sewerage, and septic tank cleaning services. for the housing unit in which the consumer unit lives.</td>
</tr>
<tr>
<td>29 Elementary and secondary schools</td>
<td>611100</td>
<td>EEDA</td>
<td>Tuition and other expenses for elementary or high school for members of the consumer unit.</td>
</tr>
<tr>
<td>30 Offices of physicians</td>
<td>621A00</td>
<td>EIHB</td>
<td>Share of health insurance premiums. after broker/agent share is subtracted, used to pay for physician and clinical services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIHC</td>
<td>Number of persons covered by Medicare if in a senior household x Medicare expenditure per enrollee x the share of Medicare expenditures used to pay for physician and clinical services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EMDB</td>
<td>Direct payments for eye care or physician services.</td>
</tr>
<tr>
<td>31 Offices of dentists</td>
<td>621200</td>
<td>EIHB</td>
<td>Share of health insurance premiums. after broker/agent share is subtracted, used to pay for dental services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIHC</td>
<td>Number of persons covered by Medicare if in a senior household x Medicare expenditure per enrollee x the share of Medicare expenditures used to pay for dental services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EMDB</td>
<td>Direct payments for dental care</td>
</tr>
<tr>
<td>32 Offices of other health practitioners</td>
<td>621B00</td>
<td>EIHB</td>
<td>Share of health insurance premiums. after broker/agent share is subtracted, used to pay for other professional services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IHC</td>
<td>Number of persons covered by Medicare if in a senior household x Medicare expenditure per enrollee x the share of Medicare expenditures used to pay for other professional services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EMDB</td>
<td>Direct payments for services by medical professionals other than physicians, lab tests, and other medical care.</td>
</tr>
<tr>
<td>33 Home health care services</td>
<td>621600</td>
<td>EIHB</td>
<td>Share of health insurance premiums. after broker/agent share is subtracted, used to pay for home health care.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIHC</td>
<td>Number of persons covered by Medicare if in a senior household x Medicare expenditure per enrollee x the share of Medicare expenditures used to pay for home health care.</td>
</tr>
<tr>
<td>34 Hospitals</td>
<td>622000</td>
<td>EIHB</td>
<td>Share of health insurance premiums. after broker/agent share is subtracted, used to pay for hospital care.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIHC</td>
<td>Number of persons covered by Medicare if in a senior household x Medicare expenditure per enrollee x the share of Medicare expenditures used to pay for hospital care.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EMDB</td>
<td>Direct payments for hospital rooms or services.</td>
</tr>
<tr>
<td>35 Nursing and residential care facilities</td>
<td>623000</td>
<td>EIHB</td>
<td>Share of health insurance premiums. after broker/agent share is subtracted, used to pay for nursing home care.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIHC</td>
<td>Number of persons covered by Medicare if in a senior household x Medicare expenditure per enrollee x the share of Medicare expenditures used to pay for nursing home care.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EMDB</td>
<td>Direct payments for care in convalescent of nursing home.</td>
</tr>
<tr>
<td>36 Child day care services</td>
<td>624400</td>
<td>EEDA</td>
<td>Expenses for nursery school or child day care centers for members of the consumer unit.</td>
</tr>
<tr>
<td>Local Commodity</td>
<td>NAICS Code</td>
<td>EXPN File</td>
<td>Description of items included in local spending</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------</td>
<td>-----------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Child day care services</td>
<td>624400</td>
<td>EMIS</td>
<td>Expenses for babysitting, nanny services, or child care in the consumer unit's or someone else's home.</td>
</tr>
<tr>
<td>Performing arts companies</td>
<td>711100</td>
<td>ESUB</td>
<td>Theater or concert season tickets.</td>
</tr>
<tr>
<td>Spectator sports</td>
<td>711200</td>
<td>ESUB</td>
<td>Season tickets to sporting events.</td>
</tr>
<tr>
<td>Gambling industries (except casino hotels)</td>
<td>713200</td>
<td>EMIS</td>
<td>Expenses for lotteries and games of chance.</td>
</tr>
<tr>
<td>Other amusement and recreation industries</td>
<td>713900</td>
<td>EEDA</td>
<td>Recreational lessons and instruction for members of the consumer unit.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ESUB</td>
<td>Expenses for membership in golf courses, country clubs, health clubs, fitness centers, or other sports and recreational organizations.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EENT</td>
<td>Fees for participating in sports.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ETRF</td>
<td>Amount paid for entertainment or admissions during local overnight stays.</td>
</tr>
<tr>
<td>Full-service restaurants</td>
<td>722110</td>
<td>ETRF</td>
<td>50% of cost of meals, snacks, or beverages at restaurants, bars or fast food places during local overnight stays.</td>
</tr>
<tr>
<td>Limited-service restaurants</td>
<td>722211</td>
<td>ETRF</td>
<td>50% of costs of meals, snacks, or beverages at restaurants, bars or fast food places during local overnight stays.</td>
</tr>
<tr>
<td>All other food and drinking places</td>
<td>722A00</td>
<td>EMIS</td>
<td>Food and beverage for catered affairs.</td>
</tr>
<tr>
<td>Automotive repair and maintenance, except car washes</td>
<td>8111A0</td>
<td>EVEQ</td>
<td>Expenses for vehicle maintenance and repair.</td>
</tr>
<tr>
<td>Electronic and precision equipment repair and maintenance</td>
<td>811200</td>
<td>EEOB</td>
<td>Cost for repairs and services to AV equipment (except if installed in a vehicle) and to computers and related equipment.</td>
</tr>
<tr>
<td>Personal and household goods repair and maintenance</td>
<td>811400</td>
<td>EEOB</td>
<td>Costs for repairing or servicing miscellaneous items such as appliances, tools, photographic, sports, and lawn and garden equipment.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EFRB</td>
<td>Costs for repairing furniture.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ECLD</td>
<td>Costs for repairing or altering clothing and accessories, or repairing watches or jewelry.</td>
</tr>
<tr>
<td>Personal care services</td>
<td>812100</td>
<td>EIHB</td>
<td>Share of health insurance premiums, after broker/agent share is subtracted, used to pay for other health, residential and personal care services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIHC</td>
<td>Number of persons covered by Medicare if in a senior household * Medicare expenditure per enrollee * the share of Medicare expenditures for other health, residential and personal care services.</td>
</tr>
</tbody>
</table>

---

*Technical Documentation*
<table>
<thead>
<tr>
<th>Local commodity</th>
<th>NAICS Code</th>
<th>EXPN File</th>
<th>Description of items included in local spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>48 Death care services</td>
<td>812200</td>
<td>EMIS</td>
<td>Expenses for funerals, burials, cremation, and purchase and upkeep of cemetery lots or vaults.</td>
</tr>
<tr>
<td>49 Dry cleaning and laundry services</td>
<td>812300</td>
<td>EXPB</td>
<td>Expenses for clothing and other items at sent to drycleaners and laundry, as well as coin operated dry cleaning and laundry machines.</td>
</tr>
<tr>
<td>50 Other personal services</td>
<td>812900</td>
<td>ECLD</td>
<td>Costs of clothing storage services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EVOT</td>
<td>Fess for vehicle parking, boat docking and plane landing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EMIS</td>
<td>Pet services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EXPB</td>
<td>Expenses for haircuts, hair styling, manicures, massages, and other salon services.</td>
</tr>
<tr>
<td>51 Religious organizations</td>
<td>813100</td>
<td>ECNT</td>
<td>Contributions to religious organizations.</td>
</tr>
<tr>
<td>52 Civic, social, professional and similar organizations</td>
<td>813800</td>
<td>ESUB</td>
<td>Expenses for membership in civic, service, or fraternal organizations.</td>
</tr>
</tbody>
</table>

There is somewhat more detail in a few input-output industries than is available in a spending line from the CE files. For example, the CE files do not distinguish spending in limited service eating places from spending in full service restaurants. According to the 2007 Economic Census, total sales in each category was $182 to $192 billion-close to a 50-50 split. Therefore, half of spending in eating places is allocated to full service restaurants; the other half to the limited service places. Similarly, the CE files don't distinguish items purchased in general merchandise stores from those purchased in more specialized retail outlets. For goods that likely could be purchased in either, again a 50-50 split is used, as shown for local commodities 08 and 09 in the table above.

For all items included under any retail sales category, only the gross margins are included, and in most cases a further adjustment is made to account for loss of local sales to E-commerce and mail order business. These adjustments are based on information in the Census Bureau's Annual Retail Trade Report for 2012. The report includes a table on gross margins by 6-digit NAICS code that can be used directly. The report also contains separate tables on total sales and mail order & E-commerce. An adjustment factor is calculated based on total E-commerce & mail order sales as a fraction of total retail sales, excluding food and beverage service and motor vehicle and parts dealers. For 2012, the adjustment factor is 1-322,543/4,344,140. In the above table, "adjusted for E-commerce and mail order loss" means that particular category of retail spending is multiplied by this factor.

Insurance payments are separated into a share going to brokers and agents and the insurance companies, based on the proportional share of revenue reported in the latest Economic Census. The share going to brokers and agents is counted as local income. However, it is also assumed that the share going to insurance companies comes back in some cases as these companies pay medical costs for policy holders that go to health care providers in the local area. This is estimated using "Personal Health Care Expenditures by object & Source of Payment" reported by the Census Bureau in the Table 138 of the 2012 Statistical Abstract of the United States. A similar calculation is made for expenses covered by Medicare. The CE data include the number of household members covered by Medicare. Payments made by Medicare to local
health care providers are estimated using statistics on Medicare Enrollees from Table 146 of the 2012 Statistical Abstract, combined with the health care expenditure information from Table 138.

The consumer spending variables used in the model are all in the form of average propensities to consume—that is, average fractions of before-tax income spent on various items. As shown in the table above, The Expn files generate consumer spending estimates for 52 locally produced commodities. In addition, seven categories of local commodities produced by local government enterprises are appended to the list:

1. Local government electric service
2. Local government natural gas distribution
3. Local government water & sewerage
4. Local government passenger transit
5. Local government liquor stores
6. Local government sanitary services
7. Local government hospitals

Although these seven extra commodities do not increase local spending in total, they allow the model to allocate consumption between the publicly produced and privately produced commodities based on information from the Census of Governments. In this sense, the model is consistent with both national household consumption patterns and revenue collected by all government enterprises in a particular local area.

To this is added one other local commodity, general government, to account for tax and fee payments (computed in Phase II primarily from BEA personal income estimates and Census of Governments revenue data).

The results can be collected in the $2 \times 60$ matrix, $A$:

$$A = \begin{bmatrix} a_1 & a_2 & a_3 & \ldots & a_{59} & 0 \\ 0 & 0 & 0 & \ldots & 0 & 1 \end{bmatrix}$$

The elements in the first row of $A$ show the average fraction of income spent on each of the 59 local commodities (including those produced by local government enterprises such as publicly owned utilities or hospitals). The “0”s and “1” in the second row indicates that no taxes are spent directly by the household on any of the first 59 commodities; 100 percent is spent on the local general government commodity. This two-row structure is designed to align with the output from Phase I of the model, which comes in the form of before-tax local income and local tax estimates.

Several other matrices and vectors derived from the above concepts are needed to calculate the Phase II ripple or multiplier effect:

$W$: a $60 \times 99$ matrix that translates local commodities into local income,

$G$: a $60 \times 99$ matrix that translates local commodities into local government general revenue collected from persons, and
$T$: a $60 \times 99$ matrix that translates local commodities into local government general revenue collected from businesses

$$L = \begin{bmatrix} W & G & T \end{bmatrix}$$ therefore defines a $60 \times 297$ matrix

$x$ = a two element column vector containing local income and local taxes generated in Phase I

$$Y = \begin{bmatrix} i & 0 & 0 \\ 0 & i & 0 \\ 0 & 0 & i \end{bmatrix}$$ a $297 \times 3$ matrix where $i$ is a 99-element unit column vector,

$$Z = \begin{bmatrix} i & 0 \\ 0 & 1 \\ 0 & 1 \end{bmatrix}$$

In summary, $x$ is the income and tax output from Phase 1, $A$ translates income and taxes into spending on particular commodities, $L$ translates the detailed commodity spending into income and taxes in each of 99 local industries, and $Y$ and $Z$ are technical devices for summing results. $Y$ collapses the components of a 297-element vector into a 3-element vector of income, personal taxes, and business taxes. $Z$ converts a 3-element vector of this form into a 2-element income and tax vector.

The row vector defined as $x' A$ shows how much, in dollar terms, people who earn income during Phase I spend on each of the 60 local commodities (including local government employees, whose paychecks are supported by taxes and charges for particular government-run enterprises).

The calculation $x' A L Y Z$ produces a 2-element local income and local tax vector of the same form as $x'$. Postmultiplying a vector of this type by $A L Y Z$ will always produce a similar, 2-element income and tax vector. Either by construction, or by checking that both eigenvalues are smaller than 1, it is possible to show that $A L Y Z$ is a contracting matrix. This implies that the rounds below show successively smaller increments of income and taxes added to the local economy:

Round 0: $x'$

Round 1: $x' A L Y Z$

Round 2: $x' A L Y Z A L Y Z$

Round 3: $x' A L Y Z A L Y Z A L Y Z$

Round $K$: $x' \prod_{k=1}^{K} A L Y Z$

**Technical Documentation**
The terms of this sequence can be summed in the usual manner to create an infinite series. Because $A_{LYZ}$ is a contracting matrix, the result is a convergent series, the limit of which is

$$x' (I - A_{LYZ})^{-1}$$

This is the final multiplied effect on local income and local taxes at the end of Phase II. The factor $(I - A_{LYZ})^{-1}$ is a matrix version of the conventional Keynesian spending multiplier. Because $x'$ is reported in Phase I, it is subtracted from the effect reported in Phase II.

For some purposes, especially estimating employment impacts, we are interested in tracking income in Phase II by industry. Calculations to accomplish this are based on the following sequence of $1 \times 297$ vectors:

Round 1: $x'AL$
Round 2: $x'ALYZAL$

\[ \vdots \]

Round $K$: $x'AL \prod_{k=1}^{K-1} YZAL$

Note that sequence begins with the spending vector $x'AL$—that is, it excludes the income and taxes that have already been captured in Phase I. The limit of the series defined based on this sequence is

$$x'AL (I - YZAL)^{-1}$$

This is a 297-element row vector, the first 89 elements containing the final, multiplied effect on local income by industry generated during Phase II. As explained above, income by industry can be separated into business owners’ income and wages and salaries, and the wages and salaries converted to full-time job equivalents.

From the standpoint of local governments, it may be desirable to track individual sources of revenue, such as particular fees and taxes. To facilitate this, it is useful to have a three element local income and local tax vector, where the tax revenue is decomposed into taxes collected from persons and taxes collected from businesses.

Consider the following sequence of such 3-element vectors:

Round 1: $x'ALY$
Round 2: $x'ALY ZALY$

\[ \vdots \]

Round $K$: $x'ALY \prod_{k=1}^{K-1} ZALY$
This sequence begins after Round 0, implicitly excluding income earned and taxes paid during Phase I. The limit of the infinite series defined by this sequence is

\[ x' A Y [ I - Z A Y ] ^{-1} \]

This is the final, multiplied effect on local income, local government revenue collected from persons, and local government revenue collected from businesses in Phase II of the model. The tax structure for a particular local area, derived primarily from Census of Governments data as described above, can be applied to this result in order to decompose local government revenue into particular types of taxes and fees.

**Phase III: Ongoing Impacts**

Another distinctive feature of the NAHB model is the way it uses CE and other data to model the average behavior of occupants that differs based on the type of housing being built. At present, there are six basic variants of the NAHB model designed to handle the following types of construction:

1. Generic Single-family
2. Generic Multifamily
3. Active Adult
4. Family Low-Income Housing Tax Credit (LIHTC)
5. Elderly LIHTC
6. Remodeling

The remodeling version of the model does not in general incorporate ongoing impacts, so it requires no occupant income estimates. For the other five versions of the model, separate occupant income estimates are derived in a way that vary with location as well as with the type of units being built. The derivations are based on relationships between average income and standard variables that are typically available at the local level. The methods for establishing these relationships are summarized below.

**Generic Single-family.** Regression of average income of home owners on area median family income and average value of the units using American Community Survey (ACS) microdata.

**Generic Multifamily.** Regression of average income of home owners on area median family income and average rent using ACS microdata.

**Active Adult.** Average income of movers into age-restricted owner occupied units and average income of all home buyers are computed from American Housing Survey (AHS) microdata, and the ratio of the two averages is used to adjust home buyers' income for the active adult case.

**Family LIHTC.** Average incomes of all movers into rental units who have less than 60 percent of median family income for the U.S. as a whole, computed from CE data.

**Elderly LIHTC.** Average incomes of all elderly movers into rental units who have less than 60 percent of median family income for the U.S. as a whole, computed from CE data.
The ACS is the Census Bureau’s replacement for the long form questionnaire that until 2000 was used to collect information on income and structure type in the decennial Census. The AHS, funded by the U.S. Department of Housing and Urban Development (HUD) and conducted by the Census Bureau, is the federal government’s primary vehicle for collecting detailed information about housing units and their occupants at the national level.

The ratios and regression results listed above allow the model to be simultaneously customized to a particular area and a particular type of construction by inputting specific local information that is generally available. When customizing to a local area, median family income for that particular area is used. HUD produces median income estimates for all parts of the country in a timely fashion as part of the process it uses to establish income limits for various housing programs.

When it is necessary to translate rents into value or vice versa, the median cap rate from the Rental Housing Finance Survey (RHFS), also funded by HUD and conducted by the Census Bureau, is used.

In addition to average income, estimated spending tendencies for movers into each type of construction are needed. Separate spending vectors are estimated for each using household information available in the CE data. The table on the following page shows average local propensities to consume computed from the 2012 CE.

This modeling of average spending by different types of households soon after they move in is another distinguishing feature of the NAHB local impact model. In addition to the function they serve in the local model, average spending tendencies computed from CE data have also proven to be of interest for their implications at the national level.5

Compared to home buyers, renters tend to spend more of their incomes locally—partly due to the tendency of lower-income households to spend a greater fraction of their incomes on necessities, but also due to rental payments that go to a local owner, or owner employing a management company with a local presence. The equivalent housing expense for a home buyer would be a mortgage payment. Because mortgage payments typically are made to non-local owners of the mortgage through non-local servicers, they are excluded from the spending estimates in the NAHB local impact model.

Average propensities to spend on virtually all categories of local health care services are higher for households moving into construction designed for older residents (age-restricted active adult and elderly LIHTC).

As was described in Phase II, seven categories of commodities produced by local government enterprises are added to the model, and a share of local spending (which may be zero) is allocated to these enterprises instead of private producers based on revenues reported in the Census of Governments for each local government enterprises in the area.

5 See, for example, the December 2008 Special Study “Spending Patterns of Home Buyers,” written by Natalla Siniavskaia and published by NAHB in Housing Economics.com.

Also as described in Phase II, Census of Governments data are used to estimate most categories of tax and fee revenue generated for general (non-enterprise) governments in the area. The exemption is residential property taxes. Perhaps surprisingly, residential and non-residential property taxes are not reported separately. Moreover, some states have restrictions on rate increases, or other laws that tend to make property tax rates different on new construction. Particular developments (for example, those financed by the LIHTC program) may also be granted special forms of property tax relief.

For these reasons, when customizing the local impact model to a specific area, information about property taxes on the units being built must be supplied by the entity requesting the analysis. Phase III of the model counts only property tax on the value of construction. Unless specific information is provided for an individual project or jurisdiction, this is calculated assuming that the raw land would be taxed at the same rate if not developed. Any residential property tax from existing units is treated as unrelated to the new homes being analyzed and excluded from the government revenue impact estimates.

Non-residential property taxes are treated much like other categories of government revenue, except that the aggregate for a jurisdiction to be estimated from a larger aggregate in the government data that does not distinguish residential from non-residential. This is accomplished by subtracting an estimated 53.37 percent from total property taxes to account for residential share of property taxes. The estimate is calculated as follows, from data available for 2012 in the ACS, RHFS and the Census Bureau’s Summary of State and Local Government Tax Revenue (SSLGTR):

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate real estate taxes paid by homeowners</td>
<td>$206.04 billion (ACS)</td>
</tr>
<tr>
<td>Estimate for homeowners not reporting</td>
<td>5.93 billion</td>
</tr>
<tr>
<td>Estimated real estate taxes paid on rental housing</td>
<td>41.85 billion (ACS and RHFS)</td>
</tr>
<tr>
<td>Total residential real estate taxes</td>
<td>$253.82 billion</td>
</tr>
<tr>
<td>Total property taxes</td>
<td>$475.83 billion (SSLGTR)</td>
</tr>
<tr>
<td>Residential share</td>
<td>53.37%</td>
</tr>
</tbody>
</table>

The estimate for homeowners not reporting in the ACS is based on the number of non-reporters multiplied by median tax payment for those who do report. The estimate for rental units is based on the number of rental units in the ACS multiplied by median tax per rental unit in the RHFS.

Multifamily Phase III impacts are reduced to account for vacant units. By default, the single-family version of the model assumes that units are intended for owner-occupancy and have negligible vacancies. In the Census Bureau’s Housing Vacancy Survey homeowner vacancy rates are usually in the neighborhood of only one percent.

For multifamily units, the average multifamily rental annual vacancy rate over the prior decade and average annual multifamily homeowner vacancy rate over the prior decade are used, depending on whether the units are condominiums or rental apartments. In other respects, Phase III treats condo buyers the same as single-family home buyers (the income and spending tendencies discussed above being based on buyers of owner-occupied housing units, irrespective of structure type).
Although vacancy rates are known to fluctuate, the model estimates annual ongoing impacts that are expected to persist for an extended period, so a long-term "natural" measure of vacancy rates is more appropriate for Phase III than a very current, possibly anomalous, number. The reduction for vacancies is applied to all Phase III multifamily impacts except for property taxes, which are assumed to be paid by the owner of the property, whether the units are occupied or not.

Local spending and taxes (including fees and charges paid to local government entities) generate income for local residents, and this income will be spent and recycled in the local economy, much as in Phase II of the model.

Let \( x_n \) denote the initial income and tax column vector for new home occupants, \( A_n \) denote the matrix formed from the consumption spending patterns of new home occupants, and otherwise maintain the notation used in Phase II of the model. Then consider the following sequence:

\[
\begin{align*}
\text{Round 0:} & \quad x_n' \\
\text{Round 1:} & \quad x_n' A_n L Y Z \\
\text{Round 2:} & \quad x_n' A_n L Y Z A L Y Z \\
\text{Round 3:} & \quad x_n' A_n L Y Z A L Y Z A L Y Z \\
& \quad \vdots \\
\text{Round } K: & \quad x_n' A_n L Y Z \prod_{k=l}^{K} A L Y Z \\
\end{align*}
\]

The sum of these terms forms an infinite series that converges to the limit

\[
x_n' \left[ I + (A_n - A) L Y Z \right] \left[ I - A L Y Z \right]^{-1}
\]

When results are reported for Phase III the income earned by the occupants is subtracted from the final multiplied effect, so that only income generated for occupants of housing units already existing in the area is counted.

Note that, were new home occupants to spend the same fraction of their incomes on the various local commodities as average households, \( A_n = A \) and the formula would simplify to

\[
x_n' \left[ I - A L Y Z \right]^{-1}
\]

The formula that produces a 297-element vector, the first 99 of which contain the added income by industry, for Phase III is

\[
x_n' A_n L \left[ I - Y Z A L \right]^{-1}
\]

Again, the income in each industry can be disaggregated into business owners' income and wages and salaries, and the wages and salaries converted to full time jobs. These exclude any jobs filled by occupants of the new housing units.
The formula that produces a 3-element vector showing the final, multiplied effect on local income, local government general revenue from persons, and local general government revenue from business generated in Phase III is

\[ x_n' A_n L Y [I - Z A L Y]^{-1} \]

As in Phase II, the last two elements of the final 3-element vector can be disaggregated to show revenue generated by particular types of taxes, fees, and charges. The primary difference in Phase III is that the increase in residential property tax revenue (which is introduced into the model as a separate input independent of the Census of Government computations) needs to be subtracted before the decomposition procedure can be applied.

**Final Notes**

All of the matrix operations in the NAHB local impact model are performed using the O-Matrix package provided by Harmonic Software. The O-Matrix code used to generate Phase III impacts for single-family construction and the code used to compute a local total requirements matrix for a previous iteration of the NAHB model are published on the Harmonic Software web site as notable uses of the O-Matrix package (http://www.omatrix.com/userstories.html).

The technical documentation on the NAHB model used to estimate the local income, jobs, and taxes generated by home building was prepared by Paul Emrath, Vice President of Survey and Housing Policy Research. For questions on the technical documentation, or on NAHB's impact of home building models in general, he may be contacted in NAHB's Economics and Housing Policy Group by phone at 202-266-8449, or by email at pemrath@nahb.org.
City of Sanford
2018 Audited Financial Statements
General Fund Revenue and Expenditures (before Transfers)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$29,379,896</td>
<td>$28,992,947</td>
</tr>
<tr>
<td>2017</td>
<td>$28,817,672</td>
<td>$28,349,681</td>
</tr>
</tbody>
</table>

Joyce and Company, CPA
Fund Balance

- Serves as a measure of the City’s financial resources available.

5 Classifications:
- **Non spendable** - not in cash form
- **Restricted** - external restrictions (laws, grantors)
- **Committed** - internal constraints at the highest (Board) level-do not expire, require Board action to undo
- **Assigned** - internal constraints, lower level than committed
- **Unassigned** - no external or internal constraints
Total Fund Balance General Fund

- 2016: $11,810,474
- 2017: $10,425,457
- 2018: $14,406,606
Available Fund Balance

Available fund balance as defined by the Local Government Commission (LGC) is calculated as follows:

Total Fund Balance
Less: Non spendable (not in cash form, not available)
Less: Stabilization by State Statute (by state law, not available)
Available Fund Balance

This is the calculation utilized as the basis for comparing you to other units and calculating your fund balance

Joyce and Company, CPA
## Fund Balance Position-General Fund

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fund Balance</td>
<td>$14,406,606</td>
</tr>
<tr>
<td>Non-spendable</td>
<td>- $157,439</td>
</tr>
<tr>
<td>Restricted</td>
<td>- $3,213,705</td>
</tr>
<tr>
<td>Committed</td>
<td>- $979,041</td>
</tr>
<tr>
<td>Subsequent year expenditures</td>
<td>- $58,300</td>
</tr>
<tr>
<td>Available Fund Balance 2018</td>
<td>$9,998,121</td>
</tr>
<tr>
<td>Available Fund Balance 2017</td>
<td>$6,499,036</td>
</tr>
<tr>
<td>Increase in Available FB</td>
<td>$3,499,085</td>
</tr>
</tbody>
</table>
Available Fund Balance as a Percent of Expenditures and Transfers Out – General Fund

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>26%</td>
</tr>
<tr>
<td>2017</td>
<td>21%</td>
</tr>
<tr>
<td>2018</td>
<td>34%</td>
</tr>
</tbody>
</table>
Top 3 Revenues: General Fund

- Ad Valorem Taxes: 53%
- Intergovernmental Revenues: 16%
- Other Revenues: 13%
- Other taxes: 18%

Top 3 comprise $25,533,620 (87%) of revenues

Revenues Total $29,379,896
Ad Valorem Taxes

2017: $15,216,230
2018: $15,485,911

Joyce and Company, CPA
Other Taxes

2017: $5,211,914
2018: $5,431,167
Intergovernmental Revenues

$4,688,737

$4,616,542

Joyce and Company, CPA
Top 3 Expenditures:  
General Fund

Top 3 Comprise $22,094,709 (77%) of Total Expenditures  
Expenditures Total $28,992,947
Public Safety

2017: $13,626,610
2018: $14,102,110

Joyce and Company, CPA
General Government

$5,442,873

$5,446,965

2017  2018
Sanitation

2017: $2,420,734
2018: $2,545,634
Utilities Fund-Budget Basis
Comparative Operating Income

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$22,425,092</td>
<td>$23,248,470</td>
</tr>
<tr>
<td>Expenditures</td>
<td>20,439,364</td>
<td>20,553,591</td>
</tr>
<tr>
<td>Revenues over (under) Exp</td>
<td>1,985,728</td>
<td>2,694,879</td>
</tr>
<tr>
<td>Other Financing Sources (Uses)</td>
<td>(7,625,127)</td>
<td>276,092</td>
</tr>
<tr>
<td>Total Income (Loss)</td>
<td>$ (5,639,399)</td>
<td>$ 2,970,971</td>
</tr>
</tbody>
</table>

Expenditures include debt service payments.
Revenues: Utility Fund

Water and Sewer user charges comprise $20,909,920 (90%) of total utility revenues

Joyce and Company, CPA
## Tourism Development Authority

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ 115,000</td>
<td>$ 174,675</td>
</tr>
<tr>
<td>Expenditures</td>
<td>115,000</td>
<td>2,943</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$</td>
<td>-</td>
</tr>
</tbody>
</table>

**Note:** Initial year
Discussion & Questions
City of Sanford 2018

Joyce and Company, CPA
PRESENTATION OF
POPULAR ANNUAL FINANCIAL REPORT
CITY OF SANFORD

COMMUNITY DEVELOPMENT PROJECT ORDINANCE AMENDMENT

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby amended:

Section 1: The project authorized is for housing rehabilitation.

Section 2. The following amounts are appropriated for this project.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation</td>
<td>$ 5,000</td>
</tr>
</tbody>
</table>

Section 3: The following revenues are anticipated to be available for this project:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>$ 5,000</td>
</tr>
</tbody>
</table>

Section 4: The Finance Officer is hereby directed to maintain within the Project Fund sufficient specific detailed accounting records to provide the accounting required by the agreements(s) and federal and state regulations.

Section 5: Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement to the General Fund should be made from proceeds in an orderly and timely manner.

Section 6: The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 2 and on the total revenues received and claimed.

Section 7: The Finance Officer is directed to include in the annual budget information projects authorized by previously adopted project ordinances which will have appropriations available for expenditure during the budget year.

Section 8: Copies of this Community Development Project Ordinance shall be furnished to the Clerk to the City Council and the Finance Officer for direction in carrying out this project.

ADOPTED this, the 15th day of January, 2019.

______________________________
T. Chet Mann, Mayor

ATTEST:

______________________________
Vicki R. Cannady, Deputy City Clerk
GRANT PROJECT ORDINANCE AMENDMENT
NORTH CAROLINA HOUSING FINANCE AGENCY
2017 URGENT REPAIR PROGRAM (URP1731)

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the grant project ordinance number 2017-92 is hereby amended:

Section 1: The project authorized is to provide loans of up to $8,000 for emergency home repairs which pose an imminent threat to the life or safety of homeowners, to provide accessibility modifications and other repairs necessary to prevent displacement of homeowners with special needs such as the frail elderly and persons with disabilities and make repairs to households with children who have elevated blood lead levels. The household income may not exceed 50% of area median income.

Section 2: The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant documents and the budget contained herein.

Section 3: The following amounts are appropriated for the project:

Community Development $ 975

Section 4: The following revenues are anticipated to be available to complete this project:

Interest Income $ 975

Section 5: The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to satisfy the requirements of the grantor agency, the grant agreements, and federal regulations.

Section 6: Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 7: The Finance Officer is directed to report on a quarterly basis on the financial status of each project element in Section 3 and on the total revenues received or claimed.

Section 8: The Finance Officer is directed to include in the annual budget information projects authorized by previously adopted project ordinances which will have appropriations available for expenditure during the budget year.

Section 9: Copies of this grant project ordinance shall be furnished to the Clerk to the City Council and the Finance Officer for direction in carrying out this project.

ADOPTED this, the 15th day of January, 2019.

ATTEST:

T. Chet Mann, Mayor

Vicki R. Cannady, Deputy City Clerk
To: City Council  
CC: Hal Hegwer, City Manager  
From: Beth T. Kelly, Financial Services Director  
Date: 1/10/2019  
Re: Ordinance Amending the Annual Operating Budget – FY 2018-2019

An ordinance amending the annual operating budget for fiscal year 2018-2019 is included in the agenda packet for the Council meeting scheduled on January 15, 2019. This budget amendment is to transfer and appropriate funds in the utility fund.

The amendment transfers $100,000 from contingency and appropriates $275,000 in retained earnings to the Distribution and Collection department for a total of $375,000. These additional expenses are for two 18" sewer force main repairs (Skunk Creek and Water Reclamation Plant) and two 24" transmission water main repairs (Poplar Springs Church Road and Lick Creek Road).

This amendment also appropriates $557,136 of retained earnings to the Water Reclamation department for repairs at the plant related to hurricane damage and additional disposal method for sludge removal due to excessive rain.

Please let me know if you need any additional information.
AN ORDINANCE AMENDING THE ANNUAL OPERATING BUDGET
OF THE CITY OF SANFORD FY 2018-2019

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina in regular session assembled.

Section 1: The following amounts are hereby amended to ordinance 2018-29 per G. S. 159-15 for the continued operation of the City of Sanford, its government, and activities for the balance of the fiscal year 2018-2019.

UTILITY FUND
TRANSFER OF FUNDS

Transfer from the Following Accounts:            Transfer to the Following Accounts:
30096650 69900  Contingency                      30098130 00000  Distribution and Collection

Total Appropriation                               100,000
$ 100,000

UTILITY FUND
APPROPRIATION OF FUNDS

REVENUES                                            EXPENDITURES
300945 54000  Retained Earnings

Total Appropriation                               832,136
$ 832,136

30098130 00000  Distribution and Collection
30098120 00000  Water Reclamation

275,000
57,136

Section 2. This ordinance shall be in full force and effective from and after the date of its adoption.

ADOPTED this, the 15th day of January, 2019.

ATTEST:

T. Chet Mann, Mayor

Vicki R. Cannady, Deputy City Clerk
2018-2019 BUDGET ORDINANCE AMENDMENT

UTILITY FUND

Transfer from the Following Funds - results in decreasing of budget

Contingency 100,000 To transfer contingency funds required to offset expenditures as described below

Transfer to the Following Funds - results in increasing of budget

Distribution and Collection 100,000 To budget funds required for two 18" force main repairs and two 24" transmission water main repairs

UTILITY FUND

Appropriation of Funds - results in increasing of budget

Revenues

Retained Earnings 832,136 To appropriate retained earnings for item described below

Expenditures

Distribution and Collection 275,000 To budget funds required for two 18" force main repairs and two 24" transmission water main repairs

Water Reclamation 557,136 To budget funds required for repairs at the Water Reclamation Plant related to hurricane damage and an alternate disposal method for sludge removal due to excessive rain.
AN ORDINANCE AMENDING THE ANNUAL OPERATING BUDGET
OF THE CITY OF SANFORD FY 2018-2019

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina in regular session assembled.

Section 1: The following amounts are hereby amended to ordinance 2018-29 per G. S. 159-15 for the continued operation of the City of Sanford, its government, and activities for the balance of the fiscal year 2018-2019.

UTILITY FUND
APPROPRIATION OF FUNDS

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>300945 54000 Retained Earnings</td>
<td>210,204 30096650 66033 Contribution - Capital Project</td>
</tr>
<tr>
<td>Total Appropriation</td>
<td>$210,204</td>
</tr>
</tbody>
</table>

Section 2. This ordinance shall be in full force and effective from and after the date of its adoption.

ADOPTED this, the 15th day of January, 2019.

ATTEST:

T. Chet Mann, Mayor

Vicki R. Cannady, Deputy City Clerk
### 2018-2019 BUDGET ORDINANCE AMENDMENT

#### UTILITY FUND

**Appropriation of Funds - results in increasing of budget**

**Revenues**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Earnings</td>
<td>210,204</td>
<td>To appropriate retained earnings for item described below</td>
</tr>
</tbody>
</table>

**Expenditures**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution - Capital Project</td>
<td>210,204</td>
<td>To transfer funds into Central Carolina / Triassic Park Water and Sewer Project No. U1601</td>
</tr>
</tbody>
</table>
CAPITAL PROJECT ORDINANCE AMENDMENT
INDUSTRIAL PARK WATER AND SEWER IMPROVEMENTS PROJECT NO. U1601

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance number 2016-31, 2016-83, 2017-60, and 2017-63 are hereby amended:

Section 1: The project authorized is for the extension of the city's water and sewer distribution and collection systems to serve the development of an industrial park at US1 and Colon Road to be financed through loans and/or reserves.

Section 2: The officers of this unit are hereby directed to proceed with the capital project within the terms of the loan proceeds and the budget contained herein.

Section 3: The following amounts are appropriated for the project:

| Industrial Park Project          | $ 210,204 |

Section 4: The following revenues are anticipated to be available to complete this project:

| Transfer from Utility Fund       | $ 210,204 |

Section 5: The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of the loan documents and state regulations.

Section 6: Funds may be advanced from the Utility Fund for the purpose of making payments as due. Reimbursement requests should be made to the lending institution in an orderly and timely manner.

Section 7: The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total revenues received and claimed.

Section 8: The Finance Officer is directed to include in the annual budget information projects authorized by previously adopted project ordinances which will have appropriations available for expenditure during the budget year.

Section 9: Copies of this capital project ordinance shall be furnished to the Clerk to the City Council and the Finance Officer for direction in carrying out this project.

ADOPTED this, the 15th day of January, 2019.

T. Chet Mann, Mayor

ATTEST:

Vicki R. Cannady, Deputy City Clerk
January 9, 2018

Mr. Paul Weeks, PE, City Engineer
City of Sanford
225 East Weatherspoon Street
Sanford, NC 27330

RE: Recommendation to Award, Sanford Contractors, Incorporated
CCEP Sewer Extensions - Tracts 1/17, 14

Dear Mr. Weeks:

The City of Sanford received bids for the subject project on December 8, 2018 at 10:00 AM. A total of four (4) bids were received and publicly opened and read at the bid opening at the City of Sanford Municipal Building West End Conference Room. As shown in the table below, the bidders provided two bids for the project. The Base Bid was for shallow sewer installation and the Alternate Bid was for a deeper sewer design which allowed for a gravity sewer service from Tract 1.

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Base Bid</th>
<th>Alternate Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandhills Contractors, Inc.</td>
<td>$272,573.00</td>
<td>$390,057.00</td>
</tr>
<tr>
<td>Bridgempoint Civil, LLC</td>
<td>$340,145.40</td>
<td>$405,010.40</td>
</tr>
<tr>
<td>Sanford Contractors, Inc.</td>
<td>$310,088.12</td>
<td>$484,589.28</td>
</tr>
<tr>
<td>North American Pipeline Management, Inc.</td>
<td>$310,080.00</td>
<td>$334,700.00</td>
</tr>
</tbody>
</table>

Based upon the Alternate Bid, North American Pipeline Management, Inc is the apparent low bidder. However, the bid amount was in excess of available funds, and the City elected to reduce project scope by removing the bore and jack and associated manhole from Tract 14 and it was discovered that 1 manhole could be removed from the Tract 1/17 design. By utilizing unit prices provided in the bid, WithersRavenel was able to successfully negotiate a lower price and recommend awarding the revised bid amount of $269,270.00.

NAPM's bid package was complete with the inclusion of a 5% bid bond, e-verification forms, and North Carolina General Contracting License 70877. Through reference checks, they have successfully completed similar municipal projects in North Carolina and we recommend award to:

North American Pipeline Management, Incorporated, 62 Hamby Rd SE, Marietta, GA 30067, Telephone (678) 820-3991

Attached are copies of the project's original and negotiated bids received for your records. If you have any questions about this matter please contact me.

James D. Freeman PE
Project Manager
WithersRavenel
## Base Bid

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Unit</th>
<th>Est. Quant</th>
<th>Unit Price</th>
<th>Estimated Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sidewalk Forms</td>
<td>LB</td>
<td>1</td>
<td>$7,929.00</td>
<td>$7,929.00</td>
</tr>
<tr>
<td>2</td>
<td>Cleaning and Seeding</td>
<td>1/2</td>
<td>1</td>
<td>$10,200.00</td>
<td>$10,200.00</td>
</tr>
<tr>
<td>3</td>
<td>&quot;&quot;&quot;Lot&quot;&quot; Landscaping (Zoned Lot)</td>
<td>LT</td>
<td>100</td>
<td>$20,270.00</td>
<td>$2,027,000.00</td>
</tr>
<tr>
<td>4</td>
<td>&quot;&quot;&quot;Lot&quot;&quot; Landscaping (Zoned Lot)</td>
<td>200</td>
<td>$50,954.00</td>
<td>$10,190,800.00</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Topsoil &amp; Seed Installation</td>
<td>LT</td>
<td>120</td>
<td>$9,684.00</td>
<td>$1,162,080.00</td>
</tr>
<tr>
<td>6</td>
<td>&quot;&quot;&quot;Lot&quot;&quot; Landscaping (Zoned Lot)</td>
<td>500</td>
<td>$12,940.00</td>
<td>$6,470,000.00</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>&quot;&quot;&quot;Lot&quot;&quot; Landscaping (Zoned Lot)</td>
<td>1000</td>
<td>$24,482.00</td>
<td>$2,448,200.00</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>&quot;&quot;&quot;Lot&quot;&quot; Landscaping (Zoned Lot)</td>
<td>1500</td>
<td>$35,954.00</td>
<td>$539,310.00</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>&quot;&quot;&quot;Lot&quot;&quot; Landscaping (Zoned Lot)</td>
<td>2000</td>
<td>$47,423.00</td>
<td>$94,846.00</td>
<td></td>
</tr>
</tbody>
</table>

### Alternate Bid

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Unit</th>
<th>Est. Quant</th>
<th>Unit Price</th>
<th>Estimated Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewalk Forms</td>
<td>LB</td>
<td>1</td>
<td>$7,929.00</td>
<td>$7,929.00</td>
</tr>
<tr>
<td>Topsoil &amp; Seed Installation</td>
<td>LT</td>
<td>120</td>
<td>$9,684.00</td>
<td>$1,162,080.00</td>
</tr>
<tr>
<td>&quot;&quot;&quot;Lot&quot;&quot; Landscaping (Zoned Lot)</td>
<td>500</td>
<td>$12,940.00</td>
<td>$6,470,000.00</td>
<td></td>
</tr>
<tr>
<td>&quot;&quot;&quot;Lot&quot;&quot; Landscaping (Zoned Lot)</td>
<td>1000</td>
<td>$24,482.00</td>
<td>$2,448,200.00</td>
<td></td>
</tr>
<tr>
<td>&quot;&quot;&quot;Lot&quot;&quot; Landscaping (Zoned Lot)</td>
<td>1500</td>
<td>$35,954.00</td>
<td>$539,310.00</td>
<td></td>
</tr>
</tbody>
</table>

### Total Base Bid

- **Total Base Bid**: $272,372.80
- **Total Alternate Bid**: $293,849.00
AN ORDINANCE AMENDING THE ANNUAL OPERATING BUDGET
OF THE CITY OF SANFORD FY 2018-2019

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina in regular session assembled.

Section 1: The following amounts are hereby amended to ordinance 2018-29 per G. S. 159-15 for the continued operation of the City of Sanford, its government, and activities for the balance of the fiscal year 2018-2019.

### GENERAL FUND
#### APPROPRIATION OF FUNDS

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>100045 54000 Appropied Fund Balance</td>
<td>12,500</td>
</tr>
<tr>
<td>Total Appropriation</td>
<td>$12,500</td>
</tr>
</tbody>
</table>

| 10014260 00000 Risk Management     | 12,500                        |

### UTILITY FUND
#### APPROPRIATION OF FUNDS

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>300945 54000 Retained Earnings</td>
<td>12,500</td>
</tr>
<tr>
<td>Total Appropriation</td>
<td>$12,500</td>
</tr>
</tbody>
</table>

| 30094200 00000 Utility Fund Administration | 12,500                        |

Section 2. This ordinance shall be in full force and effective from and after the date of its adoption.

ADOPTED this, the 15th day of January, 2019

ATTEST:

T. Chet Mann, Mayor

Vicki R. Cannady, Deputy City Clerk
2018-2019 BUDGET ORDINANCE AMENDMENT

GENERAL FUND

Appropriation of Funds - results in increasing of budget

<table>
<thead>
<tr>
<th>Revenues</th>
<th>12,500</th>
<th>To appropriate fund balance for item described below</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriated Fund Balance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>12,500</th>
<th>To budget funds for ADA Compliance consulting fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

UTILITY FUND

Appropriation of Funds - results in increasing of budget

<table>
<thead>
<tr>
<th>Revenues</th>
<th>12,500</th>
<th>To appropriate retained earnings for item described below</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Earnings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>12,500</th>
<th>To budget funds for ADA Compliance consulting fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Fund Administration</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
To: Hal Hegwer, City Manager

From: Eric Pate, Detective Sergeant
Investigative Division

Date: December 31, 2018

Re: 2019 Taxicab Operator’s License Renewal

One taxicab company has submitted an application for renewal of their operator’s license for the upcoming year, pursuant to Sanford City Ordinance § 10-366. D.A.Y. Taxi Service is owned and operated by Juana Maria Guillen, and the business is located at 1503 Woodland Avenue.

DAY Taxi Service has requested to operate one vehicle. The vehicle has passed inspection pursuant to City Ordinance § 10-451 and the color of the vehicle is burgundy.

A criminal background check has been completed on the owner, which complies with State and Federal law. No violations of law have been found that would prevent the listed owner from being issued a license to operate a taxicab company within the city limits.

Following is the company and their current vehicle(s) in use.

D.A.Y Vehicle:

Taxi # 201  2003 Chevrolet Malibu
VIN Number 1G1ND52J53M710336

Eric Pate, Detective Sergeant
Sanford Police Department
To: Lee County Board of Commissioners and Sanford City Council
From: Carter Keller, Chairman, Sanford-Lee County Regional Airport Authority
Date: 12/18/2018
Re: Airport Reserve Fund

Dear Commissioners and Councilmembers:

The Sanford-Lee County Regional Airport Authority hereby requests a draw down (funding) from the Lee County Airport Reserve Fund in the amount of $218,000. The Authority hopes to use the revenue from the reserve fund to install the elevator for the terminal building project as well as to fund the 10% local match for the parking lot and access road project.

As you know, the Airport Authority is in the process of constructing a new terminal building. The cost of construction has exceeded available grant money received for the project from the State of North Carolina. The second floor of the terminal building includes 2,900 square feet of unfinished space and unfinished restrooms. The building also requires an elevator in order to lease and/or utilize any of the second floor. We have estimated the total cost to complete the construction and fit-up of the second floor to be $350,000. The unfinished space cost for completion is estimated at $80 per square foot for a subtotal of $232,000. The elevator is estimated to cost $118,000 for a total of $350,000.

The Authority has also identified the parking lot and access roads as a project that needs to be addressed in conjunction with the completion of the terminal building. The cost for completion of this project is estimated at $1,000,000. NCDOT has funded the project at 90% so in order to move forward the Authority needs to commit $100,000 to fund 10% of the project.

In addition to the projects listed above, the building also needs to be outfitted with an audiovisual/security system and equipment, which is estimated to cost $220,000. The Authority will apply for a loan from the County’s Golden Leaf Loan program to pay for the equipment. The terminal building is estimated to be completed in August 2019.

The Authority appreciates all of the support both the City and County have provided over the years of our existence as the airport continues to make improvements in its quest to be the best airport in the Region. Please consider this request for $218,000.

Sincerely,

Carter Keller, Chairman

919.776.2939  700 Rod Sullivan Road  Sanford, NC  27330  www.raleighexec.com
LEE COUNTY AGENDA ABSTRACT
BOARD OF COMMISSIONERS MEETING

(Use the Down or Up Arrows to move between fields of the Form)

MEETING DATE: January 7, 2019

SUBJECT: Request from The Sanford Lee County Regional Airport Authority to access funds from the Airport Reserve Fund for Capital Project Improvements at the Airport.

DEPARTMENT: Administration

CONTACT PERSON: John Crumpton

TYPE: ☑ Action Item

REQUEST: Consider Approval of Request From the SLCRAA

BUDGET IMPACT: $218,000 from the Airport Reserve Fund

ATTACHMENTS:
1) Letter From SLCRAA
2) Agreement with City of Sanford, SLCRAA and Lee County

PRIOR BOARD ACTION: N/A

RECOMMENDATION: Approve Request

SUMMARY:

At the fiscal year end on June 30, 2018, the Airport Reserve Fund's balance was $254,783 (Audited Number). The tax base for the Airport in the current fiscal year is $30,000,000. It is projected that tax revenue for the Airport Reserve Fund will exceed $225,000 in the current fiscal year. In the current budget, there is $100,000 from the fund to go to the Airport for capital purchases and operations. Thus, there is sufficient available money in the fund to grant the request for $218,000. The funds will be used to install an elevator for the terminal building project and to fund a 10% local match for an NCDOT grant for the parking lot and access road project.
To: Lee County Board of Commissioners and Sanford City Council

From: Carter Keller, Chairman, Sanford-Lee County Regional Airport Authority

Date: 12/18/2018

Re: Airport Reserve Fund

Dear Commissioners and Councilmembers:

The Sanford-Lee County Regional Airport Authority hereby requests a draw down (funding) from the Lee County Airport Reserve Fund in the amount of $218,000. The Authority hopes to use the revenue from the reserve fund to install the elevator for the terminal building project as well as to fund the 10% local match for the parking lot and access road project.

As you know, the Airport Authority is in the process of constructing a new terminal building. The cost of construction has exceeded available grant money received for the project from the State of North Carolina. The second floor of the terminal building includes 2,900 square feet of unfinished space and unfinished restrooms. The building also requires an elevator in order to lease and/or utilize any of the second floor. We have estimated the total cost to complete the construction and fit-up of the second floor to be $350,000. The unfinished space cost for completion is estimated at $80 per square foot for a subtotal of $232,000. The elevator is estimated to cost $118,000 for a total of $350,000.

The Authority has also identified the parking lot and access roads as a project that needs to be addressed in conjunction with the completion of the terminal building. The cost for completion of this project is estimated at $1,000,000. NCDOT has funded the project at 90% so in order to move forward the Authority needs to commit $100,000 to fund 10% of the project.

In addition to the projects listed above, the building also needs to be outfitted with an audio-visual/security system and equipment, which is estimated to cost $220,000. The Authority will apply for a loan from the County’s Golden Leaf Loan program to pay for the equipment. The terminal building is estimated to be completed in August 2019.

The Authority appreciates all of the support both the City and County have provided over the years of our existence as the airport continues to make improvements in its quest to be the best airport in the Region. Please consider this request for $218,000.

Sincerely,

Carter Keller, Chairman

919.776.2939 700 Rod Sullivan Road Sanford, NC 27330 www.raleighexec.com
STATE OF NORTH CAROLINA
COUNTY OF LEE

INTERLOCAL AGREEMENT FOR SANFORD-LEE COUNTY AIRPORT

THIS AGREEMENT is made and entered into this 18th day of February, 2003, by and between Lee County, a body corporate and public, and the City of Sanford, a municipal corporation.

WITNESSETH:

WHEREAS, in accordance with Chapter 63 of the North Carolina General Statutes which provides for the joint ownership, operation, and control of airports for cities and counties, Lee County and the City of Sanford adopted resolutions in 1976 to create an airport commission to operate the Sanford-Lee County Airport; and

WHEREAS, in 1992, the North Carolina General Assembly created the Sanford-Lee County Regional Airport Authority for the purpose of relocating the Sanford-Lee County Airport to the northern part of Lee County to serve as a reliever facility for Raleigh-Durham Airport; and

WHEREAS, prior to this date, the Sanford-Lee County Airport was located within the city limits of the City of Sanford; and Lee County and the City of Sanford collected ad valorem taxes on the personal property located at the airport in proportion to their respective tax rates; and Lee County and the City of Sanford divided the operating and capital expenses of the Airport equally between the two bodies, with each paying one-half (1/2) of those expenses; and

WHEREAS, the City of Sanford participated in the purchase of the land for the new airport and the capital expenses with regard to the construction of the new airport in the same fashion, paying one-half (1/2) of the local portion of those expenses; and

WHEREAS, the City of Sanford can no longer collect ad valorem taxes on the personal property located at the new airport without annexing it into the city limits; and

WHEREAS, Lee County and the City of Sanford recognize that there is a benefit from the new airport remaining outside of the city limits at this time, but desire to memorialize their agreement that expenses of the airport beyond normal operating expenses be borne by Lee County and the City of Sanford equally.

NOW, THEREFORE, for and in consideration of the past expenditures made by the City of Sanford toward the new airport, the mutual promises contained herein, and the payments to be made hereunder, the parties hereto agree as follows:
1. Lee County agrees to transfer to a special revenue fund to be designated as the
Airport Reserve Fund the total annual amount of personal property tax
collected for personal property located at the airport during each fiscal year.
First priority in the use of said funds will be for operation and maintenance of
the airport and for airport capital projects. Excess funds may be used for
public purposes that benefit both the City and County.

2. The Sanford-Lee County Airport Authority shall use said revenue to operate
the airport for the benefit of both Lee County and the City of Sanford, and the
Airport Authority shall submit an annual budget request to the Board of
Commissioners in keeping with the budgetary schedule as established for Lee
County.

3. Any unexpected expenses that may occur, which exceed the resources of the
Airport Authority, shall continue to be paid by Lee County and the City of
Sanford in equal proportions (50-50).

4. In the event the Sanford-Lee County Regional Airport Authority is successful
in securing grant funds for projects which have been approved by the City
Council and the Board of County Commissioners, both entities agree to fund
the required local match in equal proportions (50-50).

IN WITNESS WHEREOF, and as the duly authorized act of the governing
bodies, the parties hereto have caused this instrument to be signed in their respective
names by their proper officials and to be attested by their respective Clerks the day and
year first above written.

LEE COUNTY
By: [Signature]
Herbert A. Hincks, Chairman

ATTEST:
[Signature]
Gaynell Lee, Clerk to the Board of County Commissioners

CITY OF SANFORD
By: [Signature]
Winston C. Hester, Mayor

ATTEST:
[Signature]
Bonnie D. White, City Clerk
STATE OF NORTH CAROLINA
COUNTY OF LEE

I, a Notary Public of the County and State aforesaid, certify that Gaynelle Lee came before me this day and acknowledged that she is the Clerk of the Lee County Board of Commissioners and that by authority duly given and as the act of the Board of Commissioners of Lee County, the foregoing instrument was signed in its name by its Chairman, sealed with its corporate seal and attested by her as its Clerk.

Witness my hand and stamp and seal, this 21st day of February, 2003.

Vivian W. Taylor
Notary Public

(seal)


STATE OF NORTH CAROLINA
COUNTY OF LEE

I, a Notary Public of the County and State aforesaid, certify that Bonnie D. White came before me this day and acknowledged that she is the Clerk of the City of Sanford and that by authority duly given and as the act of the Sanford City Council, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her as its Clerk.

Witness my hand and stamp and seal, this 18th day of February, 2003.

Method K. Johnson
Notary Public

(seal)

My Commission expires: My Commission Expires June 18, 2005
A BILL TO BE ENTITLED
AN ACT TO CREATE THE SANFORD-LEE COUNTY REGIONAL AIRPORT
AUTHORITY.

The General Assembly of North Carolina enacts:

Section 1. There is hereby created an airport authority to be known as
the "Sanford-Lee County Regional Airport Authority" which shall be a body politic
and corporate. The said authority shall be composed of six members, three
appointed by the Board of Commissioners for the County of Lee and three by the
Board of Aldermen of the City of Sanford. The said members shall be allowed a
reasonable compensation as determined by the joint action of the Board of Aldermen
of the City of Sanford and the Board of Commissioners for the County of Lee, and
shall be paid actual expenses incurred in the transaction of business at the instance of
the authority; provided, however, that no full-time employee or elected member of
either the Board of Aldermen of the City of Sanford or the board of Commissioners
of the County of Lee shall be aid for his or her services in connection with said
authority, but shall be entitled only to reimbursement of actual expenses.

Sec. 2. The members appointed as set forth above shall serve at the
pleasure of their respective appointing Board. The authority shall determine its own
organization and shall annually at its first meeting in July of each calendar year elect
its officers who shall serve for a term of one year, or until their successors are elected
and qualify. Officers shall be eligible to succeed themselves in office and to serve
consecutive terms at the will of the members of the authority.

Sec. 3. (a) The authority shall, in addition to the powers conferred in
Chapter 63 of the General Statutes of North Carolina, have the following powers:
(1) To sue and be sued in the name of the airport authority, and all
pleadings served upon the airport authority shall be served on the
chairperson or secretary of the airport authority.

(2) To expend funds appropriated from time to time by the County of
Lee and the City of Sanford, jointly or severally, for airport
purposes and to appropriate and expend funds received by the
authority from fees, charges, rents, and dues arising out of the
operation of said airport, the facilities, improvements, and
concessions located thereat or operated thereon.

(3) To establish, construct, control, lease, maintain, improve, operated,
and regulate an airport on lands acquired by it with buildings
necessary to accommodate all types of business to operate an
airport, runways, taxi ramps, parking ramps, and any equipment to
operate an airport, to have complete authority for rules and
regulations over all airport property for the control of all types of
vehicular traffic, mobile or stationary, and pedestrian traffic with
respect to areas or roadways not under the control of the
Department of Transportation and any rules and regulations
adopted by the airport authority for property exclusively under its
control and to have conjunctive authority to work with and
cooperate with all duly constituted law enforcement agencies to
enforce rules and regulations established by the State of North
Carolina. The penalty for violation of rules and regulations
established by the airport authority shall be a misdemeanor and,
upon conviction, shall be punishable by a fine not to exceed fifty
dollars ($50.00) or imprisonment not to exceed 30 days. All rules
and regulations so adopted by the airport authority shall be
recorded by delivering true copies thereof certified by the
chairperson and secretary of the authority to the City of Sanford
and the County of Lee.

(4) For the public use or benefit the authority shall possess the power
of eminent domain and may acquire by purchase, gift, or
condemnation, any property for the purpose of establishing,
extending, enlarging, or improving an airport. The Sanford-Lee
County Regional Airport Authority is hereby declared to be a local
public condemning under the provisions of Chapter 40A of the
General Statutes and in exercising the powers of eminent domain
shall follow the procedures of Article 3 of Chapter 40A. Title to
the property and the right of immediate possession shall vest
pursuant to subsection (a) of G.S. 40A-42. If property acquired by
condemnation shall have a burial ground or graveyard then it shall
be lawful for said airport authority after 30 days notice to the
surviving spouse, or the next of kin of the deceased buried therein,
or the person in control of such graves, if any are known, to
remove the body interred therein and reinter the same in some
cemetery in the same county. If no surviving spouse or next of kin
or person in control can be found, then the airport authority can
advertise for four consecutive weeks in a newspaper published in
Lee County of the intended removal of said gravesite and the
removal shall be conducted under the supervision of the Clerk of
the Superior Court for Lee County or his or her representative,
and the expense of such removal shall be borne by the airport
authority. The airport authority may dispose of any real or
personal property belonging to it according to the procedures
described in Chapter 160A, Article 12.

(5) To lease for a term of 20 years and for purposes not inconsistent
with airport purposes or usage, real and/or personal property under
the supervision of or administered by the airport authority.

(6) To contract with persons, firms, or corporations for terms not to
exceed 20 years, for the operation of passenger and freight flights,
scheduled or nonscheduled, and any other plane or flight activities
not inconsistent with airport operations and to charge and collect
reasonable fees, charges, and rents for the use of such property,
and services rendered in the operation thereof.

(7) To operate, own, control, regulate, lease, or grant to others the
license to operate amusements or concessions for a term not
exceeding 20 years.

(8) To enter into contracts, and with the prior written approval of the
County of Lee and the City of Sanford, to pledge as security the
property of the airport authority; provided, however, that neither
the airport authority nor the individual members thereof shall have
any authority to pledge the credit of or contract for the County of
Lee or the City of Sanford, or any combination thereof. With the
prior written consent of the County of Lee and the City of
Sanford, the airport authority shall be authorized to pledge any
lease agreement to which it is a party as security for any loan.

(9) To adopt and use a seal.

(10) To contract with the Federal Aviation Administration of the
United States of America or with the State of North Carolina or
with any of the agencies or representatives of either of said
governmental bodies relating to the grading, constructing,
equipping, improving, maintaining, or operating of an airport
and/or its facilities.

(b) The Sanford-Lee County Regional Airport Authority shall enjoy
governmental immunity, however, the authority may contract to insure itself and any
of its officers, agents, or employees against liability for wrongful death or negligence
or intentional damage to persons or property or against absolute liability for damage
to persons or property caused by an act of omission of the authority or of any of its
officers, agents, or employees when acting within the scope of their authority and the
1 course of their employment. The members of the authority shall determine what
2 liabilities and what officers, agents, and employees shall be covered by any insurance
3 purchased pursuant to this provision.
4 Purchase of insurance pursuant to this provision waives the authority’s
5 governmental immunity to the extent of insurance coverage, for any act or omission
6 occurring in the exercise of a governmental function. By entering into an insurance
7 contract with the authority, an insurer waives any defense based upon the
8 governmental immunity of the authority.
9 If the authority has waived its governmental immunity pursuant to the
10 foregoing provisions of this section, any person, or if he dies, his personal
11 representative, sustaining damages as a result of an act or omission of the authority or
12 any of its officers, agents, or employees occurring in the exercise of a governmental
13 function, may sue the authority for recovery of damages. To the extent of the
14 coverage of insurance purchased pursuant to this section governmental immunity may
15 not be a defense to the action. Otherwise, however, the authority has all defenses
16 available to private litigants in any action brought pursuant to these provisions
17 without restriction, limitation, or other effect whether the defense arises from
18 common law or by virtue of a statute.
19 Despite the purchase of insurance as authorized by this section, the
20 liability of an authority for acts or omissions occurring in the exercise of
21 governmental functions does not attach unless the plaintiff waives the right to have all
22 issues of law or fact relating to insurance in the action determined by a jury. The
23 judge shall hear and determine these issues without resort to a jury, and the jury shall
24 be absent during any motion, argument, testimony, or announcement of finding of
25 fact, or conclusions of law relating to these issues unless the defendant requests a jury
26 trial on them.
27 Sec. 4. The Sanford-Lee County Regional Airport Authority may
28 exercise the powers granted to municipalities by the terms of Article 6, Chapter 63 of
29 the General Statutes of North Carolina concerning public airports and related
30 facilities.
31 Sec. 5. In keeping with State policy, it is declared that the establishment
32 of an airport in Lee County is necessary and desirable and in the public interest of
33 the entire State and said airport authority herein created shall be regarded as
34 performing an essential governmental function in undertaking the construction,
35 maintenance, and operation of an airport and shall not be required to pay ad valorem
36 taxes or assessments upon properties acquired or otherwise used by it for such
37 purposes.
38 Sec. 6. In the event of cessation of the operation of an airport established
39 under this act, or the abandonment of any of the property acquired hereunder for
40 airport purposes, the title to such real or personal property, or rights under any
41 existing lease shall revert to and vest in the County of Lee and the City of Sanford,
42 and upon the sale of any property after cessation of operations, the proceeds
43 therefrom shall vest equally in the County of Lee and the City of Sanford.
Sec. 7. This act is effective upon ratification.
GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

SENATE BILL 1513

Short Title: Sanford-Lee County Airport Authority. (Local)
Sponsors: Senator Atwater.
Referred to: State and Local Government.

May 18, 2006

A BILL TO BE ENTITLED
AN ACT TO ALLOW THE SANFORD-LEE COUNTY AIRPORT AUTHORITY TO ADD AN ADDITIONAL MEMBER THAT IS AN EX OFFICIO VOTING MEMBER.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1 of Chapter 903 of the 1991 Session Laws reads as rewritten:

"Section 1. There is hereby created an airport authority to be known as the "Sanford-Lee County Regional Airport Authority" which shall be a body politic and corporate. The said authority shall be composed of six members, three seven members: two appointed by the Board of Commissioners for of the County of Lee and three Lee, two by the Board of Aldermen-City Council of the City of Sanford; and three ex officio voting members: the Sanford City Manager, the Lee County Manager, and the Lee County Economic Development Director. The said members shall be allowed a reasonable compensation as determined by the joint action of the Board of Aldermen-City Council of the City of Sanford and the Board of Commissioners for the County of Lee, and shall be paid actual expenses incurred in the transaction of business at the instance of the authority; provided, however, that no full-time employee of the city or county, or an elected member of either the Board of Aldermen-City Council of the City of Sanford or the Board of Commissioners of the County of Lee shall be paid for his or her services in connection with said authority, but shall be entitled only to reimbursement of actual expenses."

SECTION 2. This act becomes effective July 1, 2006.


12/4/2013
MEMORANDUM

TO: Mayor and Council Members

FROM: Susan C. Patterson
City Attorney

DATE: January 15, 2019

SUBJECT: 110 Alcott Street, PIN 9642-97-2671

The City and County have received an offer from Outreach Mission to purchase 110 Alcott Street for $400. This is a vacant lot which adjoins property currently owned by Outreach Mission, to be used as additional property at the current men’s shelter location.

The City and County jointly own the property located at 110 Alcott Street, Sanford, NC, by virtue of a sheriff’s deed recorded in Deed Book 1284, Page 948, as corrected in Book 1369, Page 831, due to a tax foreclosure. Because Lee County collects our taxes for the City, Lee County proposes to sell this property through the offer, advertisement and upset bid process. In order to allow Lee County to sell this property on our behalf, the City will need to deed its interest to Lee County, so they may execute a deed to the purchaser.

Attached to this memo are maps of the property, a resolution authorizing the conveyance of the property to Lee County, and a copy of the deed to Lee County. Council will need to pass the resolution and authorize the Mayor and Clerk to sign the deed. Lee County will then credit the city with our share of the $400 purchase price, if any, after expenses. The tax value of the property is $8,000. The County and City incurred tax foreclosure costs of $1,560.79. The County Commissioners will consider the offer on Monday, February 4, 2019.

Enclosures

SCP: stm
November 26, 2018

Mrs. Parrish, Attorney at Law
County of Lee
Mrs. Patterson, Attorney at Law
City of Sanford
Sanford, North Carolina

Re: Purchase of land on Alcott Street- PIN # (9642-97-2671-00)

Dear Mrs. Patterson and Mrs. Parrish,

Outreach Mission is interested in purchasing a lot on Alcott street for a potential future home of our new homeless shelter. The parcel number for this lot is 9642-97-2671-00. Outreach Mission would like to offer ($400.00) for the lot.

The Mission owns 705 Chatham Street which is our current men’s shelter. This home was built in 1893 and served us well, but it is becoming harder to keep up and accommodate the homeless men we serve.

Outreach Mission is a faith based, non-profit 501-3C organization that was established in 1988 and has been serving the homeless community ever since. We own two homes, the Women’s shelter at 507 S. Third Street and the Men’s shelter at 705 E. Chatham Street. We are an active part of the “End Homelessness Now” initiative started by the City and County through S3 Connect with our low barrier shelters.

We are able to operate through donations from local churches, corporate donations, personal donations, volunteer efforts and some local corporate grants. We are a volunteer organization and hope to add paid staff in the coming year to improve our mission of helping the men, women and children that are homeless in our community.

Outreach Mission is excited to have an opportunity to purchase a lot for a future new home. We hope you will consider this request to help the homeless. Thank you for all you do for the citizens of Sanford and Lee County.

Sincerely,

S. Earl Murphy
President
Outreach Mission Board
East Sanford Township

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This site is prepared for the inventory of real property found within this jurisdiction and is compiled from recorded deeds, plats and other public records and data. Users of this site are hereby notified that the aforementioned public primary information sources should be consulted for verification of the information contained on this site. The County of Lee and Dude Solutions, Inc. assume no legal responsibility for the information contained on this site. Please be advised that you must contact the Lee County Tax Office for accurate tax values. Please contact the Lee County Appraisal Department if any building information is incorrect. The map, layer, data and website (collectively known as âLee GISâ) are for graphical and illustration purposes only. The Lee County Strategic Services Department (hereinafter âLee GISâ) provides the layer and the information contained within to the general public and has not customized the information for any specific or general purpose. Such information was generated from data maintained by different sources and agencies and as such, some limitations may apply based upon restrictions imposed by other sources or agencies supplying data to Lee County (hereinafter âLee GISâ). While the Department strives to make the information on the GIS website as timely, reliable and accurate as possible, neither the Department nor the County local governments make any claims, promises, or guarantees about the accuracy, completeness or adequacy of the contents of the layer. Areas depicted are approximate and are not necessarily accurate to mapping, surveying or engineering standards. The County expressly disclaims liability for errors and omissions in the contents of this site and layer. No warranty of any type, implied, expressed, statutory, UCC or otherwise, including, but not limited to, the warranties of non-infringement of third party rights, title, accuracy of data, merchantability, or fitness for a particular purpose, is given with respect to the substantive content of this layer or its use in private or commercial financial transactions. The fact of distribution of this layer does not constitute any warranty, express, implied or otherwise. The user assumes the entire risk related to the use of this data. If the user intends to make any legal or financial decision based on this data, the user should independently verify the accuracy of the same. The Strategic Services Department and the Lee County local governments are providing this data "as is". In no event will any of the foregoing local governments or their officers and employees be liable to you or to any third party for any direct, indirect, incidental, consequential, special or exemplary damages or lost profit resulting from any use or misuse of this data. Unless otherwise noted on an individual document, files, documents, and information contained in this layer may be copied and distributed for non-commercial use, provided they are copied and distributed without alteration.

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RESOLUTION AUTHORIZING THE SALE OF
110 ALCOTT STREET, PIN NUMBER 9642-97-2671 TO LEE COUNTY

WHEREAS, the County of Lee and the City of Sanford acquired title to property located at 110 Alcott Street, Sanford, NC, having PIN number 9642-97-2671, by deed recorded in Book 1284 Page 948 and as corrected in Book 1369 Page 831, in the Office of the Register of Deeds for Lee County which property is more particularly described as follows:

All that certain tract or parcel of land lying and being situate in the City of Sanford, East Sanford Township, Lee County, North Carolina, and more particularly described as follows:

BEGINNING at a stake in the south line of Alcott Street at a point 157 feet northwest from the southeast corner of Chatham and Alcott Streets; and running thence N 48 E with the line of Alcott Street, 61.6 feet to a stake; thence S 41 03 E 179 feet to a stake; thence S 47 13 W 55.15 feet to a steel axle corner, corner of Lots 7, 9, and 10, of Block 152; thence N 42 51 W 180 feet to the BEGINNING, and being shown as Lot D on the plat of Block 152 of the Monroe Addition to the Town of Sanford, made by Francis Deaton in 1928.

SUBJECT TO restrictive covenants and easements of record, if any.

WHEREAS, the County of Lee has a contract with the City of Sanford to collect its taxes; and

WHEREAS, the County of Lee proposes to dispose of the property on behalf of the County of Lee and the City of Sanford as it is surplus to our needs; and,

WHEREAS, to facilitate the sale of this property, the City of Sanford, by authority given in NCGS 160A-274, may upon such terms and conditions as it deems wise, with or without consideration, sell to any other governmental unit any interest in real or personal property.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sanford as follows:

1. The property located at 110 Alcott Street, having PIN number 9642-97-2671, as described above, is hereby declared surplus to the needs of the City of Sanford.

2. That the Mayor and Clerk are hereby authorized to execute a deed to Lee County so that the property may be sold by Lee County to a purchaser through the offer, advertisement, and upset bid procedure.
3. That, in accordance with the contract with Lee County for the collection of taxes, the City of Sanford accepts one-half of the sales price acquired by Lee County, after expenses, as its share of the sales price of this lot.

Adopted this the 15th day of January, 2019.

__________________________
T. Chet Mann, Mayor

ATTEST:

__________________________
Bonnie Davis, City Clerk
WARRANTY DEED
Mail after recording to Lee County, P. O. Box 1968, Sanford, N.C. 27331-1768

This instrument was prepared by: Susan C. Patterson, City Attorney, P.O. Box 3729, Sanford, NC 27331-3729

Brief Description for Index: 110 Alcott Street; PIN 9642-97-2671

STATE OF NORTH CAROLINA

COUNTY OF LEE

THIS DEED, made this 15th day of January, 2019, by and between the City of Sanford, N.C., a North Carolina municipal corporation (hereinafter referred to as "Grantor") and the County of Lee, a governmental unit of the State of North Carolina (hereinafter referred to as "Grantee"), whose address is P. O. Box 1968, Sanford, N.C. 27331.

WITNESSETH:

WHEREAS, the Grantors and Grantees have an interest in the property located at 110 Alcott Street, Sanford, N.C. 27330, having acquired it by Deed recorded in the Office of the Register of Deeds of Lee County in Book 1284 Page 948, as corrected in Book 1369 Page 831, as a result of a tax foreclosure; and

WHEREAS, the property is surplus to the needs of Grantor; and
WHEREAS, the Grantors have a contract with the Grantees for the Grantees to collect their taxes; and

WHEREAS, the Grantees desire to dispose of this property on behalf of the Grantors to recoup some of the costs incurred in collecting taxes and propose to sell the property to a third party and will divide the proceeds of sale with Grantor; and

WHEREAS, North Carolina General Statutes §160A-274 authorizes a government unit, upon such terms and conditions as it deems wise, to sell to any other governmental unit any interest in real or personal property.

NOW, THEREFORE, the Grantor, in consideration of the sum of One ($1.00) Dollar and other valuable consideration to them paid, the receipt and sufficiency of which is hereby acknowledged, have bargained and sold, and by these presents does bargain, sell, and convey unto the said Grantee, its successors and assigns, a tract or parcel of land in the City of Sanford, East Sanford Township, Lee County, North Carolina, and bounded as follows:

All that certain tract or parcel of land lying and being situate in the City of Sanford, East Sanford Township, Lee County, North Carolina, and more particularly described as follows:

BEGINNING at a stake in the south line of Alcott Street at a point 157 feet northwest from the southeast corner of Chatham and Alcott Streets; and running thence N 48 E with the line of Alcott Street, 61.6 feet to a stake; thence S 41 03 E 179 feet to a stake; thence S 47 13 W 55.15 feet to a steel axle corner, corner of Lots 7, 9, and 10, of Block 152; thence N 42 51 W 180 feet to the BEGINNING, and being shown as Lot D on the plat of Block 152 of the Monroe Addition to the Town of Sanford, made by Francis Deaton in 1928.

SUBJECT TO restrictive covenants and easements of record, if any.

The said subject property is not the primary residence of the Grantor.

TO HAVE AND TO HOLD, the aforesaid tract or parcel of land and all privileges and appurtenances thereunto belonging to the said Grantee and its successors and assigns forever.

And the said Grantor does covenant that it is seized of said premises in fee and has the right to convey the same in fee simple; that the same are free from encumbrances; and that they will warrant and defend the said title to the same against the lawful claims of all persons claiming by, under, or through Grantor.
IN WITNESS WHEREOF, the Grantor has caused this instrument to be signed in its corporate name by its duly authorized officers and their seals to be hereunto affixed all by authority of its governing board, the day and year first above written.

CITY OF SANFORD

By: __________________________
   T. Chet Mann, Mayor

Attest:

______________________________
Bonnie Davis, City Clerk

STATE OF NORTH CAROLINA
COUNTY OF LEE

I, ____________________________, a Notary Public of the County and State aforesaid, certify that Bonnie Davis came before me this day and acknowledged that she is the Clerk of the City of Sanford and that by authority duly given and as the act of the Sanford City Council, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her as it Clerk.

Witness my hand and stamp and seal, this ___ day of January, 2019.

______________________________
Notary Public (SEAL)

My commission expires: __________________
MEMORANDUM

TO: Mayor and Council Members

FROM: Susan C. Patterson  
City Attorney

DATE: January 15, 2019

SUBJECT: 304 Oakwood Avenue, PIN 9642-98-3679

The City and County have received an offer from Outreach Mission to purchase 304 Oakwood Avenue for $400. This is a vacant lot to be used for a potential future homeless shelter.

The City and County jointly own the property located at 304 Oakwood Avenue, Sanford, NC, by virtue of a sheriff's deed recorded in Deed Book 1335, Page 826, due to a tax foreclosure. Because Lee County collects our taxes for the City, Lee County proposes to sell this property through the offer, advertisement and upset bid process. In order to allow Lee County to sell this property on our behalf, the City will need to deed its interest to Lee County, so they may execute a deed to the purchaser.

Attached to this memo are maps of the property, a resolution authorizing the conveyance of the property to Lee County, and a copy of the deed to Lee County. Council will need to pass the resolution and authorize the Mayor and Clerk to sign the deed. Lee County will then credit the city with our share of the $400 purchase price, if any, after expenses. The tax value of the property is $5,900. The County and City incurred tax foreclosure costs of $14,588.81. The County Commissioners will consider the offer on February 4, 2019.

Enclosures

SCP:stm
November 26, 2018

Mrs. Parrish, Attorney at Law
County of Lee
Mrs. Patterson, Attorney at Law
City of Sanford
Sanford, North Carolina

Re: Purchase of land on Oakwood and South Third Street- PIN # (9642-98-3679-00)

Dear Mrs. Patterson and Mrs. Parrish,

Outreach Mission is interested in purchasing a lot on the corner of south Third Street and Oakwood Avenue for a potential future home of our new homeless shelter. The parcel number for this lot is 9642-98-3679. Outreach Mission would like to offer ($400.00) for the lot.

The Mission owns 507 South Third Street which is our current women and children shelter. This home was built in 1917 and served us well, but it is becoming harder to keep up and accommodate the homeless women and children we serve.

Outreach Mission is a faith based, non-profit 501-3C organization that was established in 1988 and has been serving the homeless community ever since. We own two homes, the Women’s shelter at 507 S. Third Street and the Men’s shelter at 705 E. Chatham Street. We are an active part of the “End Homelessness Now” initiative started by the City and County through S3 Connect with our low barrier shelters.

We are able to operate through donations from local churches, corporate donations, personal donations, volunteer efforts and some local corporate grants. We are a volunteer organization and hope to be add paid staff in the coming year to improve our mission of helping the men, women and children that are homeless in our community.

Outreach Mission is excited to have an opportunity to purchase a lot for a future new home. We hope you will consider this request to help the homeless. Thank you for all you do for the citizens of Sanford and Lee County.

Sincerely,

S. Earl Murphy
President
Outreach Mission Board
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This site is prepared for the inventory of real property found within this jurisdiction and is compiled from recorded deeds, plats and other public records and data. Users of this site are hereby notified that the aforementioned public primary information sources should be consulted for verification of the information contained on this site. The County of Lee and Dude Solutions, Inc. assume no legal responsibility for the information contained on this site. Please be advised that you must contact the Lee County Tax Office for accurate tax values. Please contact the Lee County Appraisal Department if any building information is incorrect. The map, layer, data and website (collectively known as the layer) are for informational and illustrative purposes only. The Lee County Strategic Services Department (hereinafter the Department) provides the layer and the information contained within to the general public and has not customized the information for any specific or general purpose. Such information was generated from data maintained by different sources and agencies and as such, some limitations may apply based upon restrictions imposed by other agencies supplying data to Lee County (hereinafter the County). The Department strives to make the information on the GIS website as timely, reliable, and accurate as possible, neither the Department nor the County local governments make any claims, promises, or guarantees about the accuracy, completeness or adequacy of the contents of the layer. Areas depicted are approximate and are not necessarily accurate to mapping, surveying or engineering standards. The County expressly disclaims liability for errors and omissions in the contents of this site and layer. No warranty of any type, implied, expressed, statutory, UCC or otherwise, including, but not limited to, the warranties of non-infringement of third party rights, title, accuracy of data, merchantability, or fitness for a particular purpose, is given with respect to the substantive content of this layer or its use in private or commercial financial transactions. The fact of distribution of the layer does not constitute any warranty, express, implied or otherwise. The user assumes the entire risk related to the use of this data. If the user intends to make any legal or financial decision based on this data, the user should independently verify the accuracy of the same. The Strategic Services Department and the Lee County local governments are providing this data "as is. In no event will any of the foregoing local governments or their officers and employees be liable to you or to any third party for any direct, indirect, incidental, consequential, special or exemplary damages or lost profit resulting from any use or misuse of this data. Unless otherwise noted on an individual document, files, documents, and information contained in this layer may be copied and distributed for non-commercial use, provided they are copied and distributed without alteration.
This site is prepared for the inventory of real property found within this jurisdiction and is compiled from recorded deeds, plats and other public records and data. Users of this site are hereby notified that the aforementioned public primary information sources should be consulted for verification of the information contained on this site. The County of Lee and Dude Solutions, Inc. assume no legal responsibility for the information contained on this site. Please be advised that you must contact the Lee County Tax Office for accurate tax values. Please contact the Lee County Appraisal Department if any building information is incorrect. The map, layer, data and website (collectively known as the "website") are for graphical and illustration purposes only. The Lee County Strategic Services Department (hereinafter "the Department") provides the layer and the information contained within to the general public and has not customized the information for any specific or general purpose. Such information was generated from data maintained by different sources and agencies and as such, some limitations may apply based upon restrictions imposed by other sources or agencies supplying data to Lee County (hereinafter "Lee County"). While the Department strives to make the information on the GIS website as timely, reliable and accurate as possible, neither the Department nor the County local governments make any claims, promises, or guarantees about the accuracy, completeness or adequacy of the contents of the layer. Areas depicted are approximate and are not necessarily accurate to mapping, surveying or engineering standards. The County expressly disclaims liability for errors and omissions in the contents of this site and layer. No warranty of any type, implied, expressed, statutory, UCC or otherwise, including, but not limited to, the warranties of non-infringement of third party rights, title, accuracy of data, merchantability, or fitness for a particular purpose, is given with respect to the substantive content of this layer or its use in private or commercial financial transactions. The fact of distribution of the layer does not constitute any warranty, express, implied or otherwise. The user assumes the entire risk related to the use of this data. If the user intends to make any legal or financial decision based on this data, the user should independently verify the accuracy of the same. The Strategic Services Department and the Lee County local governments are providing this data "as is" in no event will any of the foregoing local governments or their officers and employees be liable to you or to any third party for any direct, indirect, incidental, consequential, special or exemplary damages or lost profit resulting from any use or misuse of this data. Unless otherwise noted on an individual document, files, documents, and information contained in this layer may be copied and distributed for non-commercial use provided they are copied and distributed without alteration.
RESOLUTION AUTHORIZING THE SALE OF
304 OAKWOOD AVENUE, PIN NUMBER 9642-98-3679 TO LEE COUNTY

WHEREAS, the County of Lee and the City of Sanford acquired title to property located at 304 Oakwood Avenue, Sanford, NC, having PIN number 9642-98-3679, by deed recorded in Book 1335 Page 826 in the Office of the Register of Deeds for Lee County which property is more particularly described as follows:

All that: certain tract or parcel of land lying and being situate in the City of Sanford, East Sanford Township, Lee County, North Carolina, and more particularly described as follows:

BEGINNING at an iron pipe located in the southeast intersection of the right of way of Oakwood Avenue and Third Street and running thence as the eastern right of way of Third Street, S 11 49 10 E 114.50 feet to an iron pipe; thence S 88 25 43 E 87.59 feet to an iron pipe; thence S 11 50 49 E 12.91 feet to an iron pipe; thence N 79 12 27 E 75.78 feet to an iron pipe; thence N 11 49 10 W 148.96 feet to an iron pipe in the southern right of way line of Oakwood Avenue; thence as the southern right of way line of Oakwood Avenue, S 78 12 52 W 160.00 feet to the point of BEGINNING.

SUBJECT TO restrictive covenants and easements of record, if any.

WHEREAS, the County of Lee has a contract with the City of Sanford to collect its taxes; and

WHEREAS, the County of Lee proposes to dispose of the property on behalf of the County of Lee and the City of Sanford as it is surplus to our needs; and,

WHEREAS, to facilitate the sale of this property, the City of Sanford, by authority given in NCGS 160A-274, may upon such terms and conditions as it deems wise, with or without consideration, sell to any other governmental unit any interest in real or personal property.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sanford as follows:

1. The property located at 304 Oakwood Avenue, having PIN number 9642-98-3679, as described above, is hereby declared surplus to the needs of the City of Sanford.

2. That the Mayor and Clerk are hereby authorized to execute a deed to Lee County so that the property may be sold by Lee County to a purchaser through the offer, advertisement, and upset bid procedure.
3. That, in accordance with the contract with Lee County for the collection of taxes, the City of Sanford accepts one-half of the sales price acquired by Lee County, after expenses, as its share of the sales price of this lot.

Adopted this the 15th day of January, 2019.

______________________________
T. Chet Mann, Mayor

ATTEST:

______________________________
Bonnie Davis, City Clerk
WARRANTY DEED

Mail after recording to Lee County, P. O. Box 1968, Sanford, N.C. 27331-1768

This instrument was prepared by: Susan C. Patterson, City Attorney, P.O. Box 3729, Sanford, NC 27331-3729

Brief Description for Index: 304 Oakwood Avenue; PIN 9642-98-3679

STATE OF NORTH CAROLINA

COUNTY OF LEE

THIS DEED, made this 15th day of January, 2019, by and between the City of Sanford, N.C., a North Carolina municipal corporation (hereinafter referred to as “Grantor”) and the County of Lee, a governmental unit of the State of North Carolina (hereinafter referred to as “Grantee”), whose address is P. O. Box 1968, Sanford, N.C. 27331.

WITNESSETH:

WHEREAS, the Grantors and Grantees have an interest in the property located at 304 Oakwood Avenue, Sanford, N.C. 27330, having acquired it by Deed recorded in the Office of the Register of Deeds of Lee County in Book 1335 Page 826, as a result of a tax foreclosure; and

WHEREAS, the property is surplus to the needs of Grantor; and
WHEREAS, the Grantors have a contract with the Grantees for the Grantees to collect their taxes; and

WHEREAS, the Grantees desire to dispose of this property on behalf of the Grantors to recoup some of the costs incurred in collecting taxes and propose to sell the property to a third party and will divide the proceeds of sale with Grantor; and

WHEREAS, North Carolina General Statutes §160A-274 authorizes a governmental unit, upon such terms and conditions as it deems wise, to sell to any other governmental unit any interest in real or personal property.

NOW, THEREFORE, the Grantor, in consideration of the sum of One ($1.00) Dollar and other valuable consideration to them paid, the receipt and sufficiency of which is hereby acknowledged, have bargained and sold, and by these presents does bargain, sell, and convey unto the said Grantee, its successors and assigns, a tract or parcel of land in the City of Sanford, East Sanford Township, Lee County, North Carolina, and bounded as follows:

All that certain tract or parcel of land lying and being situate in the City of Sanford, East Sanford Township, Lee County, North Carolina, and more particularly described as follows:

BEGINNING at an iron pipe located in the southeast intersection of the right of way of Oakwood Avenue and Third Street and running thence as the eastern right of way of Third Street, S 11 49 10 E 114.50 feet to an iron pipe; thence S 88 25 43 E 87.59 feet to an iron pipe; thence S 11 50 49 E 12.91 feet to an iron pipe; thence N 79 12 27 E 75.78 feet to an iron pipe; thence N 11 49 10 W 148.96 feet to an iron pipe in the southern right of way line of Oakwood Avenue; thence as the southern right of way line of Oakwood Avenue, S 78 12 52 W 160.00 feet to the point of BEGINNING.

SUBJECT TO restrictive covenants and easements of record, if any.

The said subject property is not the primary residence of the Grantor.

TO HAVE AND TO HOLD, the aforesaid tract or parcel of land and all privileges and appurtenances thereunto belonging to the said Grantee and its successors and assigns forever.

And the said Grantor does covenant that it is seized of said premises in fee and has the right to convey the same in fee simple; that the same are free from encumbrances; and that they will warrant and defend the said title to the same against the lawful claims of all persons claiming by, under, or through Grantor.
IN WITNESS WHEREOF, the Grantor has caused this instrument to be signed in its corporate name by its duly authorized officers and their seals to be hereunto affixed all by authority of its governing board, the day and year first above written.

CITY OF SANFORD

By: ______________
    T. Chet Mann, Mayor

Attest:

__________________________
Bonnie Davis, City Clerk

STATE OF NORTH CAROLINA
COUNTY OF LEE

I, __________________________, a Notary Public of the County and State aforesaid, certify that Bonnie Davis came before me this day and acknowledged that she is the Clerk of the City of Sanford and that by authority duly given and as the act of the Sanford City Council, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her as it Clerk.

Witness my hand and stamp and seal, this ___ day of January, 2019.

______________________________
Notary Public (SEAL)

My commission expires: ______________
Consider Discussion of One NC Fund Grant-
Dowa Thermotech North Carolina, Inc.
CITY OF SANFORD  
SANFORD CITYCOUNCIL STAFF REPORT  
JANUARY 15, 2019
Nottingham Subdivision, Phase 5 - Revised Preliminary Plat

Planning Board Recommendation
On December 18, 2018, the Planning Board recommended approval of this preliminary subdivision plat as presented with the standard conditions/requirements as noted at the end of the staff report.

Introduction
Copper Ridge Development, LLC is seeking approval for a revised preliminary plat for Phase 5 of Nottingham Subdivision, which will consist of 49 residential lots located off of Crusaders Drive within the corporate limits of the City of Sanford. All lots are proposed to be served by public water, public sewer and public streets.

This phase was originally approved in May/June 2018; however, the discovery of more rock on site than initially anticipated once grading was started caused the developer to redesign the site to better accommodate the existing conditions and to avoid adding significant costs to the project. Both the original design and the revised design are provided for your reference.

| Location: | Off of Crusaders Drive, a City maintained public street |
| Property Owner: | Copper Ridge Development, LLC |
| Project Developer: | Copper Ridge Development, LLC |
| Project Engineer: | Ken Bright Associates, PLLC |
| Township: | West Sanford |
| Ward: | City Council Ward 2 |
| Tax Parcels: | 9643-35-6242-00 |
| Tax Maps: | 9643.01 and 9643.03 |
| Total Lots: | 49 |
| Zoning: | Residential Mixed (R-12) |
| Acreage: | 36.1 ± |
| Minimum Lot Size: | 12,000sf or 0.275 of an acre |
| Smallest Lot Size: | 12,000 square feet or 0.275 of an acre (Lot 192) |
| Average Lot Size: | 29,545sf or 0.678 of an acre |
| Largest Lot Size: | 237,236 or 5.446 acres (Lot 179) |
| Linear Feet of Street: | 2,350 linear feet |
| Street(s): | Public Street, City of Sanford |
| Water & Sewer: | Public Water & Sewer, City of Sanford |
| Fire District: | Central Fire Station, per GIS |

Area & Site Description
Nottingham subdivision is located off of Burns Drive (SR1406) and Pathway Drive (City) in the Hawkins Avenue area. The subject property that comprises Phase 5 is a 36.1 acre tract of land off of Crusader’s Drive.

Zoning District Information
The minimum lot size is 12,000 square feet with a maximum building height of 40ft.
The minimum building setbacks for a principal structure or house is as follows:
Front: 30 feet, as measured from the right-of-way line of the public street
Rear: 20 feet, measured from the rear property line
Side(s): 12 feet, measured from the side property lines
Overlay Districts & Area Plans

Overlay District: This site is not located within an overlay district.
Small Area Plans: This site is not located within an area included in a small area plan.
Long Range Plan: The Plan SanLee long range plan identifies the place type for this tract of land as Urban Neighborhood, which has the following characteristics:
  - Higher density residential neighborhoods in the city core
  - Walkable to adjacent urban commercial districts
  - Grid street networks are the typical development form
  - Local example: North 4th, 5th and 6th Streets in Sanford

Current zoning districts where this would be applicable does include R-12.
Please reference the attached page from the long range plan for additional information regarding the Urban Neighborhood place-type.

Staff Analysis
This new phase would be accessed via two new public roads that the developer would construct to City standards and submit for acceptance/maintenance by the City once complete.

The new phase would be served by public water via a new water main line connection to the existing public water line within Nottingham Subdivision that is maintained by the City of Sanford. If this phase of the subdivision is approved, the design of the public water extension must be approved by the City of Sanford Public Works Department to verify compliance with all applicable regulations.

The new phase would be served by public sanitary sewer via either existing sewer main lines and/or new sewer main lines that connect to the existing sewer within Nottingham Subdivision that is maintained by the City of Sanford. If this phase of the subdivision is approved, the design of any/all public sewer extensions must be approved by the City of Sanford Public Works Department to verify compliance with all applicable regulations.

The topography slopes downward from Crusaders Drive towards the creeks/wet weather branches to the east and south of the area proposed for development. Sanford/Lee County does not have a local grading permit and relies on the North Carolina Department of Environmental Quality (NCDEQ) to regulate land disturbing activities. A sedimentation and erosion control plan for this project must be approved by NCDEQ and a copy of the approval must be on file with the Planning Department prior to recordation of the final subdivision plat.

Other Conditions/ Requirements/Notes:
1.) The TRC reviewed the revised design on October 25th and was comfortable with the preliminary plat moving forward for review & approval by the Planning Board and the City Council. All TRC technical revisions must be addressed prior to the final plat being recorded.
2.) NCDEQ approval will be required if the developer disturbs an acre or greater.
3.) NCDOT approval is not required for a connection to a City maintained public street; however, the section of Commerce Drive from NC 87 Hwy to Harvey Faulk Road is maintained by NCDOT with the remainder of the roadway being maintained by the City of Sanford. Therefore, NCDOT has requested information regarding possible future phases or expansions of this subdivision when/if the information is available.
4.) The preliminary plat shall be valid for two years is approved by the Sanford City Council.
5.) All public utilities (water & sanitary sewer & streets) must be installed or a financial guarantee posted prior to recording the final plat. All financial guarantees must comply with the UDO standards and accepted by the Sanford City Council.
URBAN NEIGHBORHOOD

- Higher density residential neighborhoods in the city core
- Walkable to adjacent urban commercial districts
- Grid street networks are the typical development form

Local Example - North 4th, 5th and 6th Streets in Sanford

Development Density
- 3F up to 10 dwelling units/acre
- MF-10 - 16 dwelling units/acre
- Single Family Dwellings
- 45 Foot-height Limit

Utility Infrastructure
- Public Water
- Public Wastewater

Preferred Character
- Urban Grid Street Network
- 450 Foot Block Lengths
- Curbs & Gutters - Sidewalks
- Street Trees
- On-Street Parking

Current Districts
- R-12
- R-10
- R-6
- MF-12 (Primary)
- R-125 (Secondary)

Proposed Districts
- Urban Residential
- Multi-Family Residential
- Medium Density Residential
# NOTTINGHAM SUBDIVISION PHASE V
## SANFORD, NC

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3. **C2** - PRELIMINARY PLAT WITH TOPO
4. **C3** - PRELIMINARY PLAT - NO TOPO
5. **C4** - UTILITY PLAN
6. **C5** - POWERLINE RESTRICTIONS

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**Preliminary for Review Only**

11/7/18