

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION
MARCH 20, 2006

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Henry H. Dunlap Jr. Building Classroom, located in Pittsboro, North Carolina, at 2:00 PM on March 20, 2006.

Present: Chairman Bunkey Morgan; Vice Chair, Tommy Emerson; Commissioners Patrick Barnes, Mike Cross, and Carl Outz; County Manager, Charlie Horne; County Attorney, Robert L. Gunn; Assistant County Manager, Renee Dickson; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett

The meeting was called to order by the Chairman at 2:00 PM.

Work Session

1. Capital Improvement Plan & Schools (revisions, if any)
2. Water System Update
 - a. Contract Proposal(s)
 - b. Availability Fees (When do developers pay?)
 - c. Project Updates
3. Rules for Conditional Use Hearing
4. Dunlap Building Architect Update
5. Presentation by Human Relations Committee
6. Health Department Abstract

The County Manager reviewed the Work Session Agenda.

CAPITAL IMPROVEMENTS PLAN AND SCHOOLS

The Chairman reviewed specifics of the proposed Capital Improvements Plan for the schools. He stated that the school board’s financial request exceeded the Board of Commissioners’ budget amount by approximately \$14,325,000; that the figures below will complete Siler City Elementary School at the increased amount, Jordan Matthews project, the middle school and the new 1,000 student high school and adds a 200 student pod at Northwood High School within the County’s budgeted amount of \$87,840,000; that under this plan, Northwood would get the pod adding 200 spaces for students this fall; that at the same time, the site would begin planning for 200 additional students and plan for increasing the core service capacity of the school when the additional pod is needed; that the major change from the original proposal is to delay Horton School improvements and move funds that were earmarked for that project to complete others (i.e. Siler City Elementary); that a couple of other considerations are also worth discussing; (1) that some existing schools have additional capacity without improvements; that it seems prudent that the school board seriously look at redistricting to get those schools at capacity before asking for much more in the way of building programs; and (2) that ways need to be looked at in order to make schools more useful, namely serious consideration of year-round scheduling.

The proposal made to the Board of Education was as follows:

	<u>Original</u>	<u>Current</u>		<u>Proposed</u>
	<u>Proposal</u>	<u>Cost Estimate</u>	<u>Deficit</u>	<u>Construction</u>
Siler City Elementary	\$ 17,130,000	\$ 19,671,547	\$ (2,541,547)	\$ 19,671,547
Jordan Matthews Cafeteria	5,340,000	4,223,845	1,116,155	4,223,845
Northeast Middle School	18,540,000	20,560,000	(2,020,000)	19,024,608
Northwood High School Addition	-	400,000	(400,000)	400,000
High School: 1,000 student/1,200 core	-	-	-	44,520,000
Other	<u>2,960,000</u>	<u>3,890,000</u>	<u>(930,000)</u>	<u>-</u>
	<u>\$ 87,840,000</u>	<u>\$ 102,165,392</u>	<u>\$ (14,325,392)</u>	<u>\$ 87,840,000</u>

The Chairman asked that Dr. Hart ask the School Board to adopt a resolution supporting the November bond vote for 44.5 million.

Commissioner Emerson encouraged both boards to be in full harmony to jointly advocate for the bond referendum.

Norman Clark commended the Board of Commissioners for the work that they have done in coming up with the viable proposal for the bond referendum.

HEALTH DEPARTMENT

Funds Acceptance From Office of Minority Health and Health Disparities and Approval of New Interpreter Position:

Renee Dickson, Assistant County Manager, explained that the increasing demand for bilingual services in Hispanic communities has required the Health Department to hire competent bilingual staff to meet the rapidly expanding demands for translation and interpreter services; that the interpreter position would support the needs of verbal and translated communication for the growing Hispanic population served by the Health Department; that with the support of the County management, grant funds were solicited to support an additional full-time-employee interpreter position; that the Health Department currently has two full-time interpreter positions and one full-time grant funded interpreter position through June 30, 2007; that the Office of Minority Health and disparities in the Department of health and Human Services is assisting counties by providing grant funds; and that the expectation is that the County would match these funds through FY 2008 and fully fund the position thereafter. She stated that the \$20,000 from the Office of Minority health and health Disparities would be budgeted in a salary and fringe benefits line items; that with an effective hire date of April 03, 2006, \$9,288.11 is needed for FY 05/06; that there would be no cost to the County in FY 2006; and that based on the 50/50 matching formula, \$20,000 would be needed from the County in FY 2007 and FY 2008.

Commissioner Barnes moved, seconded by Commissioner Emerson, to approve the request to accept funds in the amount of \$20,000 awarded to the Health Department from the Office of Minority Health and Health Disparities and to approve the new FTE Interpreter position. The motion carried five (5) to zero (0).

Commissioner Outz asked how many interpreter positions the County had.

WATER PROJECT UPDATES

Tim Carpenter, Hobbs, Upchurch & Associates, gave an update of Chatham County Water System Projects Updates as follows:

Group "B" Pea Ridge Road 16" Transmission Main

- **Funding**

- NCDENR-SRF Low-Interest Loan
- **Total Project Costs - \$8,764,000* Including Change Orders #1 and #2**
- **Project Status**
 - Contractor selected – Reynolds, Inc.
 - Pre-construction conference held on October 26, 2005
 - Project has been underway since November, 2005
 - From Old US #1 north to New Elam Church Road pipe has been installed
 - The Womble Easement - installed
 - Directional bore across the Haw River – installed
 - Western portion of Mt. View Church Road - installed
- **Completion Date**
 - Contract time is 335 days
 - Constructor expects to complete project in approximately-6 months
- **Project Issues**
 - 24” Upgrade Change Order – Awaiting last of the environmental agencies to provide concurrence with the upgrade.
 - Change Order needs to be revised to include increased length of directional bore across Jordan Lake.
 - All directional bores thus far have encountered rock – see attached change order.

Commissioner Emerson moved, Commissioner Barnes seconded, to approve Change Order #1 for directional bore across the Haw River and the western portion of Mt. View Church Road in the amount of \$321,657.00, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

Commissioner Emerson moved, seconded by Commissioner Barnes, to approve the 16-24” plus rock, Change Order #2, for upgrading from 16-24” and the revision to include increased length of directional bore across Jordan Lake in the amount of \$2,015,000.00, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

Group “B” Projects: WTP High Service Pump Station Upgrade

- Project
 - Expand the existing high service to service the N. Chatham water system, as well as the south & westward expansion of the water system
- Funding
 - NCDENR-SRF Low-Interest Loan
- Total estimated project cost: **\$561,600**
- Project Status
 - Plans have been permitted and ready to bid
 - Bid date needs to be coordinated with the construction of the Pea Ridge Road water main and the North Chatham Hydraulic Improvements (Tank and Booster Pump Station)
 - Anticipated project bid date: late Spring, 2006

North Chatham Hydraulic Improvements

**Contract 1: Tank & Booster Pump Station
 Contract 2: Lystra Road High Pressure Main
 Contract 3: Pressure Reducing & Control Valve Stations**

- Project
 - To construct a new elevated storage tank, booster station and water main to supply water to the Governor’s Club tank and proposed Mann’s Chapel Road tank
 - To install control valve stations
- Funding
 - Chatham County/Impact Fees
- Total Project Costs: **\$2,429,396**
 - Contract 1: Tanks & BPS \$2,113,100 (bid costs)
 - Contract 2 & 3: Water mains & control valve \$316,296 (completed construction costs)
- Project Status
 - Contract 2 & 3: Complete
 - Contract 1: Foundation and site work complete steel erection in progress
 - Completion date: February 1, 2007 (by contract)

Silk Hope School Water Main Extension – Started 9/2005

- Project
 - To provide water service to the Silk Hope School
 - Water is being supplied through an interconnect with the Town of Siler City
 - Project was originally bid as one contract, then due to the bid prices the project was divided into two contracts: water main construction & directional bore under Rocky River
 - The directional bore bids were later rejected & NCDOT authorized the permitting of a bridge attachment across the Rocky River.
- Total Project Costs: **\$1,135,517**
 - Water main construction \$1,035,517
 - Bridge attachment & culvert crossing \$100,000 (estimated)
- Project Status
 - The water main is under construction complete excluding bridge attachment
 - Bridge attachment is being submitted for review by the NCDOT
 - Attachment plans are being priced by the contractor now
- Completion Date: April 2006

WESTERN TRANSMISSION MAINS

- Project:
 - The westward extension of the Pea Ridge Road 16” transmission main to continue the supply of water from the Jordan Lake WTP to the western portions of the County. This project will eliminate bulk water purchase and lay the groundwork for the Southwest Chatham Water District. The project consists of extending 16” and 12” transmission mains, one booster pump station and one 0.50 MG elevated storage tank.
- Funding: Private placement financing.
- Total Estimated Project Costs: **\$11,014,160**
- Project Status
 - Design is complete and awaiting final permits
- Project Schedule:
 - It is necessary to allow the construction of the Pea Ridge Road main to get well underway
 - Anticipated bid date April 27, 2006

Group “B” Projects: Raw Water Pump Station

- Project
 - Construct new 10.0 MGD raw water pump station on the Town of Cary intake site
- Funding
 - NCDENR-SRF Low Interest Loan
- Total Project Costs **\$3,000,000**
- Project Status
 - Project design is approx. 85% complete
 - Anticipated bid date: Awaiting results of the meeting with the Town of Cary and Permit Review

Chatham County Water Districts

- Project
 - Southeast Chatham Water District
 - Approximately 23 miles of water main & one elevated storage tank
- Funding
 - USDA-Rural Development (loan funding)
- Total Estimated Project Costs **\$3,612,372**
- Project Status
 - Funded by USDA in September, 2005
 - Preparing final documents for USDA
 - Water purchase contracts
 - Water system, management contract

- Engineering design contract – Being presented at this meeting
- Project Schedule
 - Begin design in April, 2006
 - 4 months for design
 - 1.5 months for permitting
 - Begin construction in late Summer/early Fall 2006
 - End construction in March, 2007
- Project
 - Southwest Chatham Water District
 - Approximately 48 miles of water main, one elevated storage tank and one booster pump station
- Funding
 - USDA-Rural Development (potential loan and grant)
- Total Estimated Project Costs \$6,307,322
- Project Status
 - We are responding to comments from USDA to finalize funding
 - Sign-ups must be improved in the Southwest District
- Project Schedule
 - Letter of conditions anticipated for Spring 2006

Chairman Morgan asked about the letter received regarding the rapid growth in the Southeast Water District stating that he had seen a letter addressed to Hobbs, Upchurch & Associates.

Tim Carpenter stated that where the pipes were sized and placed, was for existing customers; that there are two instances in the Southeast Chatham Water District where a person had some family land and had purchased twenty or thirty dry taps; that he was asked if he realized that he would be bound to pay a fifteen dollar per month minimum water bill; and that they should not be turned down in this situation.

Jordan Lake 4.0 MGD Water Treatment Plant Upgrade

- Project
 - Expand the capacity of the existing Jordan Lake treatment from 3.0 MGD to 7.0 MGD
- Funding
 - Chatham County Loan/Availability Fees
- Total Estimated Project Costs **\$8,118,022**
- Project Status
 - Design plans 90% complete less the electrical and mechanical sub-consultant design.
 - Anticipated that the first contract bid shall be the construction of the 2.0 MG clear-well to begin in Spring, 2006.
 - Permits for the 2.0 MG clear-well to be submitted in April, 2006.
 - Possible construction commencing in late Summer, 2006 (dependant upon Harnett County option).
 - Major issue to consider is allocation from Jordan Lake.

Southern Supreme Water Main

- **Project**
 - To provide water service to Southern Supreme in Bear Creek
- **Funding**
 - NCDOT-CDBG/ED Grant \$240,000; local match \$179,238 (to be eventually purchased by USDA Southwest Water District project)
- **Total Estimated Project Cost \$419,238**
- **Project Status**
 - CDBG funding nearing completion
 - Project design complete and submitted for permits
 - Bid date to be set for mid April, 2006
- **Project Issues**
 - Comments from Public Water Supply include the fire flow calculations. Minimum fire flow as defined by the Public Water Supply Rules (and NFPA Fire Code) dictate that 500 GPM must be produced by a fire hydrant while maintaining a minimum 20 psi residual pressure throughout the system.

Currently the Southwest Chatham Water System cannot supply the required fire flow. HUA would propose to install “Post Hydrants” at the locations currently showing traditional fire hydrants. We have designed the connections to include provisions for replacing these post hydrants with traditional hydrants at such time hydraulic improvements are made in the system allowing the required fire flow (Southwest Chatham Water District).

Water District Early Taps

- Project
 - To provide water service taps to residents that live adjacent to existing water mains and reside in the Districts (Southeast and Southwest)
- Funding: \$123,200
 - Customer tap fees - \$47,000 (approximate and based on \$500 per customer)
 - County contribution - \$76,200
- Project Status
 - **95% Complete**

TOTAL OF ALL CURRENT WATER SYSTEM PROJECTS

- Group “B” Pea Ridge Road Transmission Mains \$ 8,764,000
- Group “B” WTP High Service Pump Station Upgrade \$ 561,600
- North Chatham Hydraulic Improvements \$ 2,429,396
- Silk Hope School Water Main Extension \$ 1,150,517
- Western Transmission Mains \$11,014,160
- Group “B” Raw Water Pump Station \$ 3,000,000
- Southeast Chatham Water District \$ 3,612,372
- Southwest Chatham Water District \$ 6,307,322
- Jordan Lake 4.0 MGD WTP Expansion \$ 8,118,022
- Southern Supreme Water Main Extension \$ 419,238
- Water Districts Early Taps \$ 123,200

▪ **TOTAL OF ALL PROJECT COSTS**

\$45,499,827
X cost escalator of 10% =
\$50,049,809

- The Total Project Costs represent projects that are either recently completed, currently under construction or slated for construction in the very near future.
- The funding of the above projects include Low Interest Loan Funding, Private Placement Loans, Federal Loans and Grants (USDA), County Funds, Tap Fee Funding and Economic Development Funds.

TOTAL OF ALL CURRENT WATER SYSTEM PROJECTS

▪ **TOTAL OF ALL PROJECT COSTS**

\$50,049,809

▪ **FUNDING SOURCES OTHER THAN CHATHAM COUNTY/PRIVATE PLACEMENT LOANS AND AVAILABILITY FEES:**

- \$9.7 million in Low Interest Loans from Public Water Supply Section-SRF for the Group “B” Projects.
- \$3.6 million in loan from USDA allocated for Southeast Water District (40 years at approximately 5%).
- \$240,000 in grant for the Southern Supreme Water Main from CDBG-ED.
- \$47,000 in user contributions for Water District Tap Project.
- \$6.3 million in loan with the possibility of some Grant Funds from USDA anticipated for Southwest Water District (40 years at approximately 5%).

ADDITIONAL CONSIDERATION OF OPTIONS FOR LONG-TERM WATER SUPPLY (20 YEARS)

- Hobbs, Upchurch & Associates recently presented to the Chatham Board of Commissioners revised options from Harnett County which included participating in a purchase of 6.0 MGD from Harnett County while maintaining the operation of the Jordan Lake WTP at a production rate of 3.0 MGD and deferring the expansion of Jordan Lake Plant for future needs.
- Since that presentation there have been some staff level discussions with the City of Sanford. The City of Sanford had expressed interest in supplying water to Chatham County. Sanford operates a 12.0 MGD Surface Water Treatment Plant drawing raw water capacity from the Cape Fear River very near the Chatham County line.
- This update will outline and compare the options available to Chatham County for its long term water supply.
- Each option includes transmission network upgrades and respective water plant upgrades.
- Each option is compared on the basis of capital costs and the annual operating and debt service costs.
- Each option is compared on the high range basis of purchasing up to 6.0 MGD from either Sanford or Harnett County as well as utilizing the County's existing 3.0 MGD Jordan Lake WTP.
- Each option is also compared at a purchase volume of 1.0 MGD. It is our understanding that Sanford's bulk rate will decrease beyond 1.0 MGD. The current rate provided by the City of Sanford is \$2.67 per 1,000 gallons. Staff has made an unofficial offer of \$2.28 per 1,000 gallons for long term purchase of up to 1.0 MGD and then reducing to \$1.78 per 1,000 gallons if the County commits to volumes exceeding 1.0 MGD on a regular basis.
- Harnett County has recently presented to Chatham County a draft of their facilities contract and water purchase contract. This contract includes an outline of the scheduled payment for capital costs as well as their bulk cost of water. The bulk cost outlined in the contract is \$1.40 per 1,000 gallons plus pumping cost estimated to be \$0.23 per 1,000 gallons.



- **Scheduling of Capital Expenditures Outside of Chatham County:**
 - **Harnett County**
 - Immediate participation in the transmission upgrades in Harnett County to reserve capacity in Harnett County’s existing infrastructure.
 - Immediate participation/construction of the transmission main to reach the Pea Ridge Road transmission main.
 - Harnett County WTP Upgrade - participation in the planning stages within the next 12 months and then to construction.
 - **City of Sanford**
 - Immediate participation/construction of transmission main to reach the Pea Ridge Road transmission main.
 - Delayed and phased approach to upgrade of the Sanford WTP: 2-3 years depending upon the need in Chatham County. Sanford could provide approximately 1.0 MGD without any plant upgrade.
 - All information presented is for planning purposes only and represent only staff level discussions!
- **ADVANTAGES / DISADVANTAGES: HARNETT COUNTY**
 - **Advantages:**
 - Proven track record of bulk water sales
 - Lower bulk purchase cost
 - Plant upgrade cost will be less expensive due to economies of scale and less bricks and mortar in construction due to the type of plant (pulsator VS conventional plant). Harnett County will also be participating in the capital cost of the plant expansion with a large expansion of the plant therefore reducing the cost per gallon of construction.
 - Terms of payment for improvements are outlined in the contract.
 - Guarantee of capacity in transmission mains and water plant.
 - **Disadvantages:**
 - Higher costs for transmission mains from source to Chatham County (\$3.4 million vs. \$600,000).
 - Immediate participation (\$\$) required in terms of water plant upgrade and transmission mains upgrade
- **ADVANTAGES / DISADVANTAGES: CITY OF SANFORD**
 - **Advantages:**
 - Lower up front capital costs
 - Deferred cost of plant upgrades
 - Lower cost of construction of the transmission mains not located in Chatham County
 - Sanford will participate in the plant upgrade
 - **Disadvantages:**
 - Less experience in bulk water sales
 - Higher bulk water rate.
 - Plant upgrade cost will be more expensive due to a lack of economy of scale and more bricks and mortar in construction due to the type of plant (conventional plant VS pulsator).

▪ PROJECT COSTS (previous slides)	\$49,783,059	\$ 49,783,059
▪ LONG - TERM WATER SUPPLY		
▪ Harnett County	<u>\$12,250,000</u>	
▪ Sanford		<u>\$ 7,600,000</u>
▪ 24” Transmission Main	\$11,000,000	\$ 11,000,000
(Harnett or Sanford)		\$73,033,059 VS \$68,383,059

TOTAL PROJECT COSTS \$73,033,059 VS \$68,383,059

OTHER WATER SYSTEM CONSIDERATIONS

- General specifications revisions
- Developer fees
- Tap fee program for Southeast and Southwest Water Districts: Chatham County will need to schedule a series of public meetings for USDA 504 Funds for qualifying individuals for infrastructure hook-ups. These funds can come in form of loan and or grants depending upon the available funding and are aimed at providing assistance to residents that can not afford tap fees, connection from the meter to their house, etc. Ms. Debra Henzey of Chatham County has begun coordinating these activities for the County and through the USDA.
- Chatham County Business Park:
 - Advertisement for bids: March 27, 2006
 - Pre-bid conference with contractors: April 12, 2006
 - Bid date: April 25, 2006

A discussion ensued regarding continuing the process of refining the water proposals from Harnett County and Sanford or whether to continue with Jordan Lake only.

Fred Hobbs suggested that a contract be obtained from Sanford so that both (Harnett and Sanford) could be evaluated with regard to term and scope. He stated that he was concerned with Sanford's "flushing issue"; that Harnett County has a provision that provides a "flushing allowance"; that if the Board pressed him for a recommendation as to which way he thinks the Board should go, that he would probably recommend Harnett County.

Developer Water Availability Fees:

The County Manager explained that the developer fee policy states that availability fees be paid up at final plat approval and that there have been some questions from those who think it should be done by phases.

Chairman Morgan stated that he knows that the County needs a great deal of money to make the water system work for the County; that he remembers when the availability fee was paid when a building permit was issued; that he thinks that it needs to be paid in advance as much as possible but he has reservations about paying for the entire project at one time on a large project.

Commissioner Barnes stated that he disagreed; that he thought that the Water Advisory Board also disagreed; that the County had looked into huge sums of putting water in the County; that if the developer comes in and pays the money up-front; that if they don't pay, Chatham County has to borrow the money, spending the money, and paying interest on the money; and that the developer should pay his fee up-front.

Commissioner Emerson stated that the entire issue is time, value, and money; that he is trying to think of some middle ground; that if the developer has a project that extends over ten years, then he is saying it is not equitable make him pay for the total project that would not be generating money to him for eight to ten years; and that the County has immediate accessibility to the money to offset the cost.

The County Attorney stated that he had not had an opportunity to research the matter in any detail, but that he would do so.

The Planning Director explained the different phases at which the fee could be collected.

Bill Lowery, Chairman of the Water Advisory Board, stated that Chatham County's water had always been subsidized by the taxpayers; that it is going to take two cents per year for five or six years to build the water system; that it will take at least twelve cents of taxpayer's money to build it; that when subdivisions are approved in North Carolina, it has to be guaranteed that water is available; that if Hurricane Katrina had not hit, the County would have had a fully paid for water system; that it was fair, honest, upfront, and discussed with the Commissioners time after time; that it was done on an upfront basis; and that if it is changed, it comes out of the taxpayers instead of the developer's pockets.

Commissioner Barnes stated that on this particular issue, he and Mr. Lowery agree; that the County is going to have to have the capacity; that the developer can pay up-front or the taxpayer can pay up-front; that he doesn't think that the taxpayers of the County should

have to foot the entire bill; that the water system has to be built and paid for; that the taxpayers are going to have to pay enough as it is; that what the developers are paying is a “drop in the bucket” compared to fifty million dollars; that there is a system that says that it is paid up-front; that the only thing he has heard lately is everyone of them trying to weasel out of it and pay just as little as they can and leaving the burden on the taxpayers of Chatham County; and that he is not going to sit by quietly and do nothing.

Cynthia Perry, Attorney, stated that on behalf of her client, The Legacy at Jordan Lake, the Gaines Family, and all family developers in Chatham County, they are concerned about the policy change which would not seem to require the payment of all availability fees for all lots in a given subdivision upon the filing of any final plat for any phase of that subdivision; that she understands that availability fees were previously collected upon issuance of a building permit; that in February, 2004, there was a change in the language requiring payment when the final plat was filed; that in the summer of 2005, there was a “clarification” which changed the 2004 language and interpreted that the filing of any final plat triggered the payment of availability fees for the entire subdivision; that specifically, they protest the imposition of availability fees on the entire subdivision upon the filing of any final plat; that often developers start their marketing process with a small number of lots; that this is especially true for small family developers, who may market a limited number of lots as an initial offering to offset the cost of infrastructure and initial development costs; that when the 2004 change in policy was contemplated and discussed; that they were sympathetic with the County’s interests in moving the collection process for availability fees to a time earlier in the process; that they believe that the Water Advisory Board solicited developer and engineering comments in 2004; that no objections were made to the move, since the common understanding was that the fees for that phase would be collected when that phase went to final plat; that they were totally unaware that there would be a later “clarification” in 2005 and interpretations that would follow; that there was no solicitation or notification by the Water Advisory Board about the 2005 “clarification” and the impact of the 2005 “clarification” is far different from their understanding of the 2004 change; that already a number of fees have been moved to the front of the development process; that to move all availability fees for water to the front of the development process is a hardship to her client and an impediment to any small developer; that it is desirable to have a broad number of developers in the County and not desirable to push out any group or classification; that the development process already requires considerable financial resources, but that this interpretation would even more greatly narrow the number of people who could afford to build in the County; that additionally, they would note that The Legacy at Jordan Lake (formerly The Homestead) was approved in March, 2004; that the adoption of the “clarification” occurred in June, 2005; that they would respectfully request that the 2004 policy be applied to their project, since that was the only policy in effect on the date of approval by the Board; that they understand that subsequent developments’ Conditional Use Permits have specified when such fees would be paid; that they would have certainly asked for such specificity had they known that the 2005 “clarification” would have changed the payment schedule so drastically; that the interpretation which they advocate is that fees for any given phase or series of lots would be due upon filing the final plat for that phase or for those lots. She respectfully requested a review of the policy and the subsequent “clarification” to the end that the policy move toward an interpretation which is advocated above.

Commissioner Emerson asked the Planning Director how long it was between phases.

The Planning Director stated that the ordinance states how long they are valid; that it is normally eighteen months unless the developer has a development of over fifty lots and then they give a schedule for the project.

Commissioner Cross stated that he couldn’t fault the developers for trying to make a better deal; that he wished the County could afford to give them a better deal. He stated that he doesn’t see how the County can do this.

Mr. Holland Gaines stated that he did not like being referred to as a weasel; that he is a small businessman who happens to be doing a rather large project that is going to contribute a lot of tax dollars to the County; that his family lived in the County for a couple of hundred years, worked, contributed, paid taxes, and helped to build schools; that he is asking for a little bit of respect; that some developers are not from Chatham County but they deserve respect as well; that when he came into the County, there was one set of rules that applied; that thirty days before his project was approved and after he had spent nearly a

million dollars, the procedure was changed from whereby a builder simply comes in and pays an access fee; that at that time, the builder came in and paid the fee when a building permit was issued; that this was done one month before their approval, the decision was made to do it on a per phase basis; that they said that they would go along with this phasing aspect where they were collecting the fees on a particular section; that the latest will take six to seven years for them to build; that there will be approximately one hundred houses per year built; that they had to put out an additional quarter of a million dollars at that time that they were not expecting; that they then were ready to record a plat when they discovered that they had to come up with three quarters of a million dollars; that they are trying to make a living and provide houses for people who like to live in Chatham County; that houses that they are building start at \$800,000.00; that they will be contributing in a positive manner to the County; that when changes are made, remember that as businessmen, they have to plan in advance; and that he hopes that they can treat each other as decent business people.

Tommy Fonville stated that as a developer, this is a discovery process for him; that they have done business in the last thirty-five years with a number of municipalities and counties; that they have never encountered this policy; that all of those who were in the water production business or sewer treatment business, looked at it as though there were certain up-front capital improvements that they had to incur to be in that business; that once they got set up to be in that business, then they tried to project growth and demand on the product that they were producing and provide for it as they went along year-by-year; that most of them moved from the “pay the fee at the time you need the house” back to the phasing policy; that they would file a phasing policy, build that phase one year at the time, and also say that that is all the water needs that they project for that year; that they would pay the fee in advance of that year; that if he pays all of his water fees up front, he would like to know if the Board is going to guarantee him that capacity then and there. He asked if there was water for all of the units approved in Chatham County.

The County Attorney stated that there should be some reasonable notice before the rules are changed; that some require very little notice; that some require more; that he is hearing Mr. Gaines say that the rules were changed on him in “mid stream”; and that he would like to look further into this matter.

After considerable discussion, Chairman Morgan moved, seconded by Commissioner Outz, to allow Mr. Gaines to pay the availability fees on the 105 lots and to defer a decision on the other issues until the April 03, 2006 work session. The motion carried four (4) to one (1) with Commissioner Barnes opposing.

Rules for Conditional Use Hearing:

The Chairman explained that there was insufficient time to discuss the rules for the conditional use hearing. He stated that there would be no changes in the night’s previously scheduled conditional use public hearing.

Presentation by Human Relations Committee:

Due to insufficient time, this item will be discussed at the April 03, 2006 Board of Commissioners’ work session.

Release Interest Penalty:

The County Manager explained that there is a request by a citizen on the night’s Consent Agenda to release an interest penalty in the amount of \$10.89; that rather than to have the Board take-up those sorts of issues, staff will be asking the Board to delegate the authority to waive certain penalties less than one hundred dollars to the Board of Equalization and Review.

There will be two resolutions brought before the Board for consideration at their April 03, 2006 work session.

Dunlap Building Architect Update:

The Assistant County Manager explained that the HVAC system in the Dunlap Building is faulty; that they want to correct it with the Dunlap project; that the Board approved renovations at a cost of approximately \$350,000.00; that funds have been approved

in the current year's budget; that a revised scope was approved due to the low estimates; that the only thing added was the Board of Election's space; that was at an additional cost of \$376,000.00; that that amount was approved as a transfer from fund balance for next year; that since that time, the architect has done schematic design, sitting down with each of the departments and deciding on and mapping out those needs in a floor plan; that the architects are recommending that the square footage be increased; that the revised scope was 6,700 square feet; that this needs to be increased to almost 9,700 square feet; that there also needs to be renovations done in the Health Department; that the square footage will be increased by using space currently occupied by the Health Department; that a unit of the Health Department will be moved into rental space, if approved by the Board; that this plan is not a ten-year solution; that it is a two-year solution; that these departments are extremely overcrowded; that this will give Planning, Central Permitting, and Environmental Health room to grow for a couple of years; that in the newly revised scope costs are higher because of the additional square footage; that half of the construction budget is for mechanical and electrical work; that one of the things to be addressed is the HVAC system; that it will not be completely replaced, but it will be replaced in the renovated areas; that there are increased demolition costs; that there will be additional renovations to the side of the building where staff is moving out to accommodate their needs; that the project will cost an additional \$579,000.00; that she believes the additional amount can be taken from fund balance in FY 2007; that the project is more expensive because it has to be done in phases; that the building has to remain operational; and that she has emphasized to the architects to make sure that we are flexible in the future so as not to be in the same situation of having to demolish a lot of walls.

Commissioner Barnes moved, seconded by Commissioner Cross, to approve the increase in the Dunlap Building architect project in the amount of \$579,000.00, to be taken from fund balance. The motion carried five (5) to zero (0).

RECESS

Commissioner Cross moved, seconded by Commissioner Outz, to recess the meeting. The motion carried five (5) to zero (0), and the meeting was adjourned at 5:04 PM.

Bunkey Morgan, Chairman

ATTEST:

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