

Article 46 Sales Tax

POTENTIAL USES OF LOCAL OPTION SALES TAX

Legislative Updates

- Senate voted not to concur with House changes to Senate Bill 681
- Both chambers have appointed conferees to negotiate a final bill
 - Changes to Article 46 sales tax are just one aspect of the bill
- No official changes as of now
- We will update you again if/when any legislation affecting Article 46 goes into effect

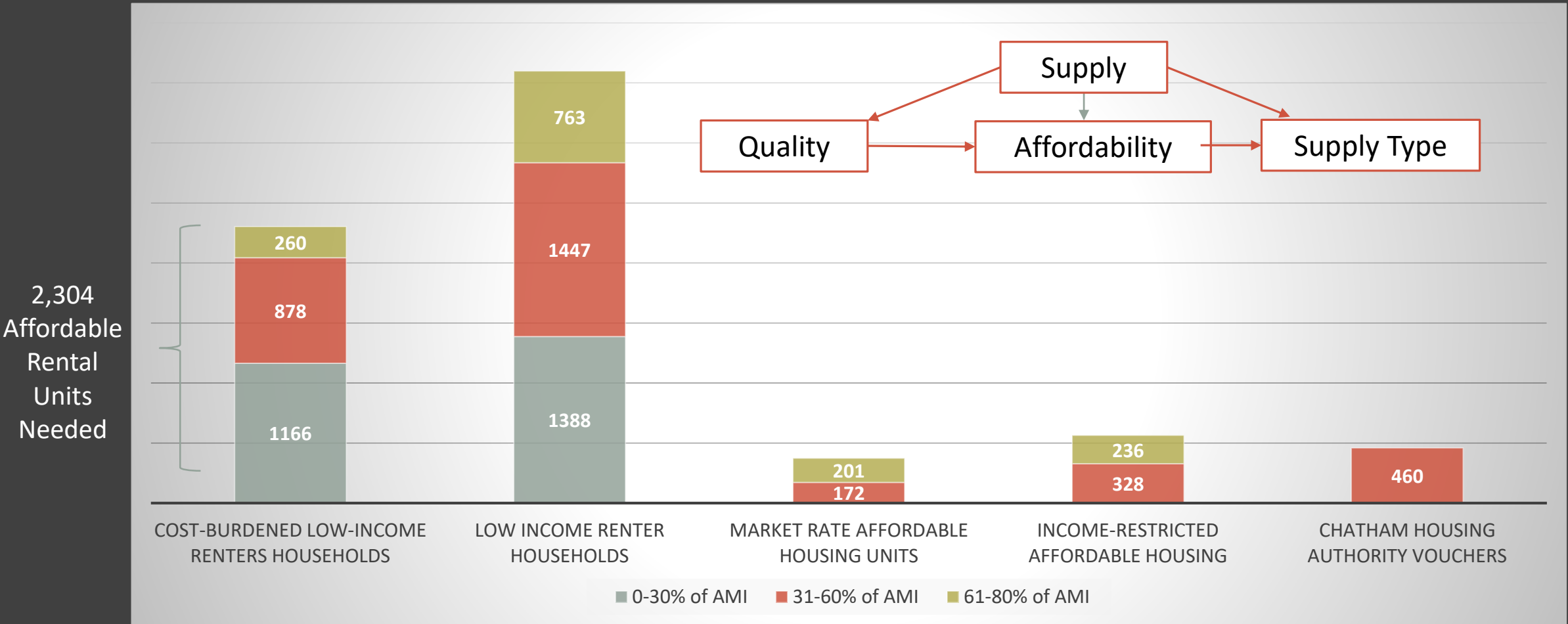
Board Areas of Potential Interest

- Affordable Housing
- Agriculture (including Land Banking)
- Broadband Access
- Economic Development
- Education
- One addition (from staff):
 - Parks and Recreation

Affordable Housing

ADDRESSING QUALITY & SUPPLY

Affordable Housing Need in Chatham County



Participating in Affordable Housing Development

Henry Siler School – 44 units

Households earning up to 60% AMI

Total Public Participation: \$353,200

(Land + HTF Loan + Fee Reimbursement)

Cost per unit for County: \$8,030 vs. ~78,000

How do we Replicate This?

Same Conditions: \$353,200

Without the land*: \$537,600

Without the land + HTF loan: **\$657,000**

*Without public participation of land + loan
the gap is 3.2 x's the current HTF level*

Plan Chatham Goal

100 units a year

Same Conditions: \$803,000

Without the land: \$1.2 million

Without the land + HTF loan = \$1.5 million

Strategic Land Acquisition

Henry Siler – 2.5 acres - \$184,400

The Retreat at Pittsboro – 3.4 acres -
\$255,994

Roberts Run – 28 acres - \$750,000 (2015)
◦ Infrastructure: \$930,000*

Farm at Penny Lane – 38.4 acres (2009)
\$320,000

Key Consideration

The HTF does not have the current capacity to
Participate in a development project +
Strategically acquire land + Support Other
Programs within the same year

Supply Type: Supportive Housing & Senior Housing

Senior Housing

(Habitat Project in Orange County, NC example)



- 24 Units for Seniors 55+
- Able to Age in Place
- Mixed Income Surroundings
- Land was donated by Developer
- Infrastructure Costs:
- Per Unit: \$65,000

Collaborative Contributions

Orange County: \$900,000

Town of Hillsborough: \$125,000

Permanent Supportive Housing

The Farm at Penny Lane, Chatham County



15 Tiny Homes 460-500sqf

Supportive Services, Village Concept

Land: \$320,000

Infrastructure: \$1 million

Approximate Cost to Build: \$50,000/unit

Furnishing + Research: \$65,000

Strategic Planning for Supply Quality & Access to Supply

Risk Mitigation Fund - \$25,000

- Protection fund for landlords willing to reduce barriers for tenants who typically struggle to qualify for housing
- A program that could reimburse landlords for excessive damages up to a specified pre-determined amount.

Example: City of Orlando → \$10,000

or as much as Minnesota → \$250,000

Eviction Diversion Program - \$40,000

- Program that provides legal support, emergency support and case management for tenants facing eviction.
- *City of Durham* - \$200,000 – is a partnership with the City, the Civil Justice Clinic, and Durham DSS office.

Key Consideration

The HTF does not have the current capacity to support programs AND development.

Scattered Site Rehab - \$475,000 - \$950,000

- Acquire vacant/underutilized properties and engage with partners to rehab the homes.
- Properties would be resold affordably, with a potential profit sharing opportunity OR use for permanently affordable rentals
- 5-10 units out of initial investment, funds could be replenished through sales

Infill Redevelopment – \$500,000-\$1,000,000

- Acquire vacant/abandoned homes
- Engage partner to move to publicly owned or partner owned land where they will be undergo rehab
- Units can be sold affordably or used as affordable rentals
- 5-10 units of initial investment, funds could be replenished through sales

Agriculture/Land Banking

ADDITIONAL CAPITAL AND RECURRING PROJECTS

Capital Projects

Chatham County Agriculture & Conference Center, Phase II

- Feasibility Study
 - Immediate need
 - *Estimated cost : \$15,000 - \$25,000*
- Phase II individual builds/projects
 - Dependent on completion of above study, secured funding, and identified priorities
 - *Estimated cost of total project: \$10 - \$15 million*



Recurring Expenditures

- Initiate and Sustain Visit NC Farms App Program
 - One-time app investment with NCDA of \$5,500
 - *Estimated cost of app maintenance: \$300/month (\$3,600 annually)*
- Update Farmland Preservation Plan (FPP)
 - Last study completed in March 2010; Comp Plan outlines need to update current FPP on a regular basis
 - *Estimated cost of study: \$10,000 - \$15,000 in conjunction with NCDA & ADFP Trust Fund*
- Conservation Easements & Permanent Land Preservation
 - Identified as “high priority initiative” in adopted 2010 FPP
 - *Estimated annual cost: \$200,000 - \$500,000*



Broadband Access

NORTHWEST PARK 'ANCHOR POINT' BROADBAND EXTENSION

Broadband Access

What is an anchor point?

- In relationship to broadband services:
 - Typically a place of business where broadband services are needed
 - Will continue to be needed for the long term
 - Located in an area where broadband services are difficult to obtain

What is required?

- The place of business
 - Signs on to the service with expectation of long term use
 - May provide some funding toward infrastructure as a 'private/public partner'
- The internet service provider
 - Installs infrastructure to the place of business
 - Initiates service to the business
 - Builds out and delivers service into the surrounding community

Northwest Park Needs Broadband

Lack of coverage detrimental to park safety

- Cell phones do not have connectivity forcing staff to find a signal to make calls
- With the pool and family activities, lacking ability to deal with safety and emergency issues is a huge concern
- County phones are already set up to work off Wi-Fi, broadband coverage would mean all phones would work from within the park

Lack of coverage means less use and lost revenues

- Citizens complain about the inability to make calls and use other features of computing devices
- Parents and others want to livestream or post pictures 'as events occur'
- Groups who might use the park for retreats, conferences, weddings, sports events do not have capabilities needed – loss of revenue to county

Provider and Costs

A broadband provider already in the northwest area of Chatham desires a partnership.

Cost for infrastructure to NW Park = \$61,471

One time funds requested by provider from County = \$27,160.00

Balance of \$34,311 will be the provider investment.

Recurring service cost to the park = \$110.97 monthly (\$1,331.64 annual)

Service provided to park will cover all buildings, pool and open park area for staff and for public.

Enables service to expand along Woody Store Rd and connected roads.

This approach is a good model to use in pursuit of other potential County 'anchor points'.

Economic Development

Economic Development

Utility funding – 50%

- Strategic partnerships with municipalities
- Wastewater to Chatham-Siler City Advanced Manufacturing Site
- Expansion of sewer in Moncure
- Pay existing debt service
- Broadband

Small and mid-sized business incentives – 15%

- Grant and/or incentive program
- Workforce training grants – partnership with CCCC
- Increase capital in Chatham Loan Fund

EDC – 15%

- Develop and access databases and tools that can be distributed to businesses
- Expand internal and external communication
- Invest in Carolina Core initiatives
- Targeted recruitment efforts

Economic Development

Small Business Center – 10%

- Increase Small Business Center funding
- Bilingual initiatives
- Small farm initiatives
- Partnership with Pittsboro-Siler City Convention and Visitors Bureau

Central Carolina Business Campus – 10%

- Site certification (studies, due diligence)
- Pad-ready site
- Develop a speculative or shell building

Education

ADDITIONAL EDUCATION FUNDING NEEDS

Additional Operating Needs

- Supplement
 - Transitioning to a percentage of salary
 - Goal to increase to 3rd highest when compared to 8 surrounding districts
 - Currently in year 2 of planned 4 year phase in
 - Prior year's funding already allocated to supplement transition: \$1,250,000
 - *Estimated additional funds needed to complete transition: \$775,000*
 - Does not include any additional funding required to cover shortfalls/state salary adjustments
- Seaforth High School – opening and increased operating costs
 - Scheduled to open in FY2022
 - Ongoing/Yearly expense
 - *Estimated Year 1 operating cost: \$2.3 million*

Additional Capital Needs

- Current Schools Facilities
 - Currently 2 future projects in CIP
 - HVAC/Lighting Repair
 - Paving Repair
 - Schools has facility condition assessment of all current facilities
 - Estimated cost to address all issues: \$79 million
 - NOT an immediate need to address all issues
 - Schools bringing forward new CIP project this year to address Horton Middle School mechanical/electrical needs (priority #1)
 - *Estimated cost: \$7 million*
- Future schools
 - NOT immediate need
 - As County grows, additional schools will be needed
 - Currently 2 future projects in CIP
 - New Elementary School at Chatham Park
 - New Schools/Capacity Expansion

Parks and Recreation

EXPANSION, RENOVATION, & NEW CONSTRUCTION

Parks Projects

- Completed/Approved Plans
 - Southwest District Park
 - *Estimated Cost: \$5.1 million*
 - Earl Thompson Park
 - *Estimated Cost: \$2.8 million*
- Plans in Progress
 - Southeast Park (new park/construction)
 - Northeast Park
 - Brooks Creek greenway section
- Future Plans
 - Trail Corridors
 - Multi-generational facility (with Council on Aging)

Next Steps/Timing

- Determine desire for placing referendum question on ballot
- If interested in placing on ballot:
 - Determine which election date you prefer (March primary or November general election)
 - Determine if you want to pass a resolution stating intended use of funds
 - If so, determine what resolution should state and discuss at regular Commissioner's meeting
- Deadlines
 - All materials must be submitted to State Board of Elections by close of candidate filing period (December 20, 2019 for March primary elections)
 - No official deadline for a resolution

Questions?
