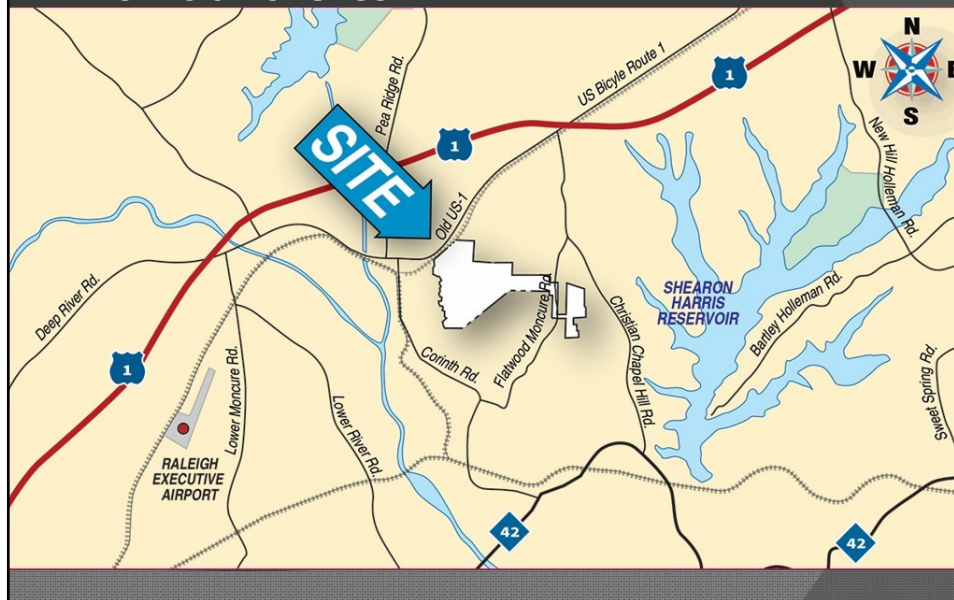


## Moncure site



## Background

Chatham County optioned the CAM site last year through June 30, 2017:

- Secretary of Commerce stated on October 26, 2015 that a public option was required for state participation
- In anticipation of Golden Leaf funding
- \$108,912.46 of option fee has been used by property owner for design of US 421 interchange; an additional amount of \$303,000 is earmarked for this work

## Why do options now?

- Golden Leaf has partially funded infrastructure requests:
  - Siler City received \$4,000,000 for CAM for water/sewer (total project \$8.87M)
  - Sanford received \$4,000,000 for Moncure sewer (total project \$11M)
- Golden Leaf's expectation is that the infrastructure projects serve more than just the megasites

## Key terms of options

- CAM:
  - Terminate current option
  - Option is on entire tract, 1,802 acres
  - County required to purchase 500 acres in northern tract (if less than 600 acres purchased), if option is exercised
  - Land is \$29,950/acre for first 500 acres and \$32,950/acre for additional land, subject to validation by an appraisal
  - Option cost \$50,000/year and counts towards purchase cost
  - Siler City has agreed to contribute \$25,000/year

## Key terms of options

- Moncure:
  - Option is on 1,077 acres of 2,285 total tract
  - No minimum amount of land to purchase
  - Land is \$25,000/acre (subject to appraisal)
  - Option cost is \$1; but county requested to make up funding gap for sewer

## What does the county have to invest to leverage Golden Leaf funds?

- \$125,000 to CAM site owner for option [Siler City will also pay \$125,000]; \$50,000 due annually [\$25K is our portion]
- \$3,423,636 for Moncure site [\$1 for option and \$3,423,635 for funding gap in sewer project]

## What is our total investment (past and proposed) in these sites?

<b>Moncure Site</b>	
Sanford Wastewater Extension Estimate	\$11,000,000.00
Golden LEAF Grant	\$4,000,000.00
City of Sanford's contribution	\$3,423,635.00
<b>Chatham Proposed Project Share</b>	<b>\$3,423,635.00</b>
Property Option	\$1.00
<b>Total Proposed Chatham County Expenditures for Moncure</b>	<b>\$3,423,636.00</b>
<b>CAM Site</b>	
Siler City Water Extension Estimate	\$4,000,000.00
Golden LEAF Grant	\$4,000,000.00
<b>Chatham Proposed Project Share</b>	<b>\$0.00</b>
Wastewater & Water Design & Engineering	\$356,679.99
Property Option #1 (expires June 30, 2017)	\$540,654.00
Proposed Property Option #2	\$125,000.00
<b>Total Chatham County Expenditures for CAM</b>	<b>\$1,022,333.99</b>

## How do we propose to pay for it?

- Proposed spending does not further burden taxpayers
- CAM site option (\$125K) will be paid for from the 201x sale of land in the Business Campus—proceeds designated for economic development
- Moncure project and option (\$3.4M) will be paid for from Coal Ash funds—proceeds designated to benefit the Moncure community



## What we get in return: Pipes in the ground

### Moncure:

- 1MGD of sewer capacity
- 9 miles of sewer line from Sanford
- 250,000 GD can be used for other industrial and non-industrial uses
- Total investment of \$3.4M leverages Golden Leaf grant and City of Sanford contribution of \$7.4M

## Moncure sewer project

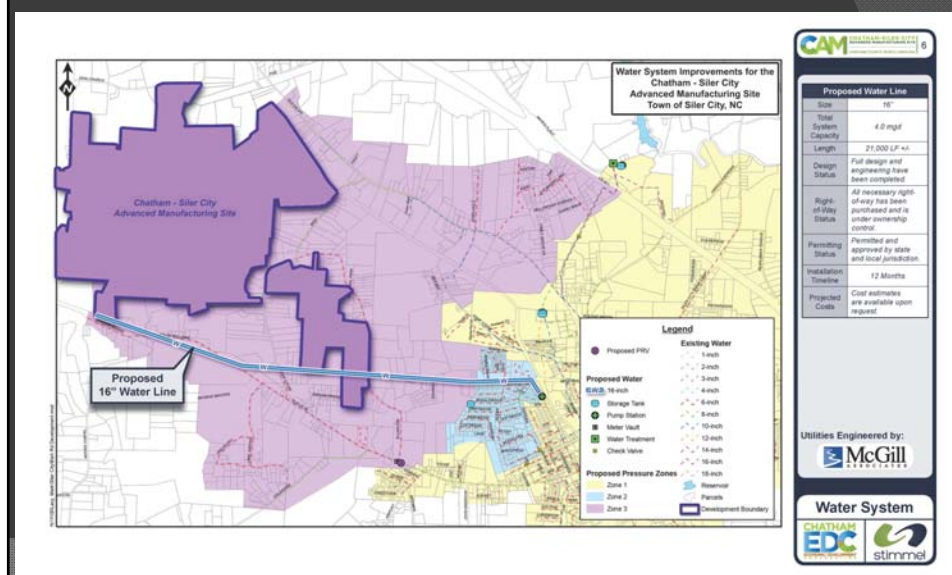


## What we get in return: Pipes in the ground

### CAM:

- 1MGD of new water capacity
- 4 miles of water line from Siler City along US 64 (beginning at N. Dogwood/US 64)
- US 64 opened for additional development
- 14 additional commercial accounts estimated that can be served
- Total investment of \$1.02M leverages Golden Leaf grant of \$4M

## CAM water project



## What we get in return

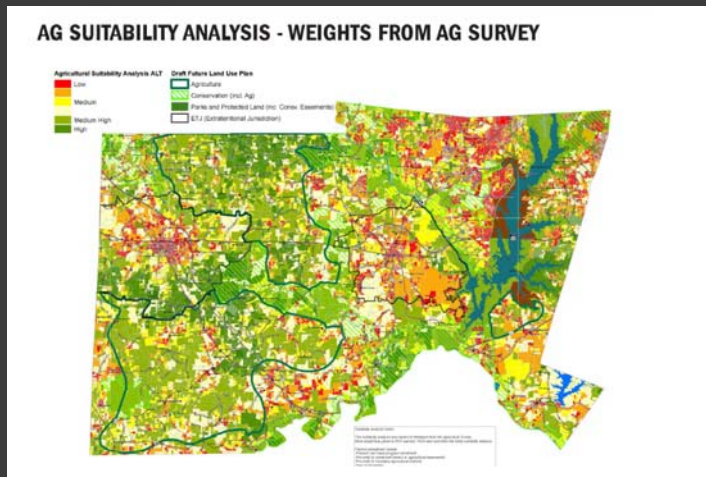
- Infrastructure **REGARDLESS** of a project landing on either site
- We never have to exercise the options to get the benefits

## Why infrastructure in these areas?

- Draft comprehensive plan shows development should be centered around towns and employment centers
- Both sites identified as employment centers; CAM is within Siler City's ETJ
- Both sites are already partially (Moncure) or fully (CAM) zoned heavy industrial
- Meets the draft plan goal of targeting development where we have existing development and within municipalities and protecting rural areas

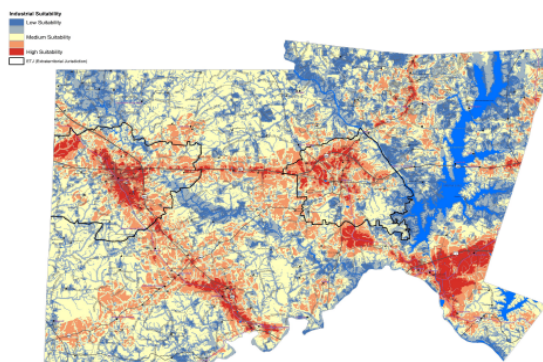


## Why infrastructure: Suitability for agriculture not high



## Why infrastructure: high suitability for industrial

### INDUSTRIAL LAND USES



### INDUSTRIAL FACTORS

- LANDS PROXIMAL TO EXISTING INDUSTRIAL LAND USES
- LANDS NOT PROXIMAL TO INCOMPATIBLE RESIDENTIAL USES
- LANDS PROXIMAL TO 4 LANE ROADS
- LANDS PROXIMAL TO RAILROADS
- LANDS PROXIMAL TO CURRENT AND FUTURE EXITS
- LANDS PROXIMAL TO SEWER
- LANDS PROXIMAL TO WATER SUPPLY LINES
- LANDS WITH BUILDABLE SLOPE
- LANDS NOT ENVIRONMENTALLY CONSTRAINED
- LANDS NOT IN WATER SUPPLY WATERSHEDS
- LANDS PART OF LARGE PARCELS
- LANDS PART OF DUKE ENERGY'S SITE READINESS PROGRAM

## Golden Leaf requirements

- Sites must be under public control
- Option must be for five years; must include a title insurance commitment
- Must set the purchase price:
  - Currently getting appraisals
  - Negotiated (max) price included in the draft agreement
- Option must be recorded in county ROD before June 1, 2017

## Key terms of options

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## Why pay for CAM option & not Moncure?

- There is no funding gap in CAM project cost
- CAM site is state certified
- Moncure sewer project requires \$3.4M from Chatham County
- Moncure owner agreed to contribute any payment for option towards county's contribution (\$500K discussed)

## If we exercise the option, how can the county afford the land?

- First, the choice to exercise the option is ours and will be based on the merits of a particular project
- Second, the amount of property purchased is our choice (min. of 500 acres for CAM)
- Third, another entity may buy the land
- Finally, the county could borrow funds
  - We would use the additional taxes to pay debt
  - Models based on \$1B investment show this is viable
  - Incentives policy may need to be adjusted

## Transformational Incentives Policy revision

- Includes revised language to consider land donation as part of incentives package
- Other incentives could be eliminated if necessary

