



Agenda

Planning Board and Board of Commissioners Joint Meeting

Joint public hearing

7:00 PM August 15, 2024

Board Meeting Room, Town Hall Annex, 105 E. Corbin St.

1. Call to order, confirmation of quorum, and public charge

The Hillsborough Board of Commissioners and Planning Board pledge to the community of Hillsborough its respect. The boards ask participants to conduct themselves in a respectful, courteous manner with the boards and with fellow participants. At any time should any member of the boards or any participant fail to observe this public charge, the Planning Board chair or their designee will ask the offending person to leave the meeting until that individual regains personal control. Should decorum fail to be restored, the Planning Board chair or their designee will recess the meeting until such time that a genuine commitment to this public charge is observed.

2. Agenda changes and approval

3. Approval of minutes

A. May 16, 2024

4. Open the public hearing

5. Public hearing items

A. Annexation and rezoning request for "Waterstone South"

B. UDO text amendments to Section 6 *Development Standards*, Subsections 6.1 *Purpose and Intent* and 6.20.16 *Stormwater Management - Riparian Buffers*

C. Paliouras Tract Master Plan amendment

D. UDO text amendment to Section 5.2.8, *Dwelling, Accessory*

E. Flood Damage Prevention Ordinance text amendment to Section 3C *General Provisions - Establishment of Floodplain Development Permit*

F. UDO text amendment to Section 3.13 *Administrative Procedures - Site Plan Review*

G. UDO text amendment to Section 5.1.8 *Use Table for Non-residential Districts*

6. Close the public hearing

7. Planning Board recommendations

8. Updates

9. Adjournment

Interpreter services or special sound equipment for compliance with the Americans with Disabilities Act is available on request. If you are disabled and need assistance with reasonable accommodations, call the Town Clerk's Office at 919-296-9443 a minimum of one business day in advance of the meeting.

101 E. Orange St., PO Box 429, Hillsborough, NC 27278
919-732-1270 | www.hillsboroughnc.gov | @HillsboroughGov

Public Comment Instructions

For agenda items and items not on the agenda

Public Comment — Written

Members of the public may provide written public comment by submitting it via the Planning Board contact form online at <https://www.hillsboroughnc.gov/about-us/contact-us/contact-planning-and-economic-development> by noon the day of the meeting.

When submitting the comment, include the following:

- Date of the meeting
- Agenda item you wish to comment on
- Your name, address, email, and phone number

Public Comment — Verbal

Members of the public can indicate they wish to speak at the meeting by contacting the Planning Board's staff support at 919-296-9470 or through the board contact form online at <https://www.hillsboroughnc.gov/about-us/contact-us/contact-planning-and-economic-development> by noon the day of the meeting.

When submitting the request to speak, include the following:

- Date of the meeting
- Agenda item you wish to speak on
- Your name, address, email, and phone number

Members of the public can also attend the meeting and sign up to speak prior to the meeting starting. For concerns prior to the meeting related to speaking, contact staff support at 919-296-9470.

Minutes

PLANNING BOARD AND BOARD OF COMMISSIONERS

Joint public hearing

7 p.m. May 16, 2024

Town Hall Annex Board Meeting Room, 105 E. Corbin St.



Present

Town Board: Mayor Mark Bell and commissioners Meaghun Darub, Robb English, Kathleen Ferguson, Matt Hughes and Evelyn Lloyd

Planning Board: Chair Frank Casadonte and members Cassandra Chandler, John Giglia, Sherra Lawrence and Saru Salvi

Absent: Planning Board: Vice Chair Hooper Schultz and members Jeannette Benjey, Robert Iglesias and Christian Schmidt

Staff: Planning and Economic Development Manager Shannan Campbell, Planner II Molly Boyle, Environmental Engineering Supervisor Bryant Green and Town Attorney Staff Lydia Lavelle

1. Call to order and confirmation of quorum

Mayor Mark Bell called the meeting to order at 7 p.m. and confirmed the presence of a quorum. He passed the gavel to Planning Board Chair Frank Casadonte.

2. Agenda changes and approval

Planner II Molly Boyle suggested to change item 4 on the agenda to "continue with the public hearing" since the hearing was opened on April 18th and continued.

Motion: Planning Board Member John Giglia moved to approve the agenda as amended. Planning Board Member Cassandra Chandler seconded.

Vote: 5-0. Motion passed.

3. Approval of minutes

Approval of the Joint Public Hearing minutes on April 18, 2024.

Motion: Commissioner Kathleen Ferguson moved to approve the April 18, 2024, minutes. Planning Board Member Cassandra Chandler seconded.

Vote: 10-0. Motion passed.

4. Continue with the public hearing

5. Public hearing items

A. Annexation and rezoning request for "Waterstone South"

Boyle reviewed the logistics of the hearing with the audience and then gave a presentation on behalf of town planning. She explained that most of the project site is within Orange County's planning jurisdiction with a small piece within town limits. The applicant is requesting to be rezoned as a Planned Development (PD) district, which allows variable uses and densities. The zoning requirements for a PD are specific to the project and the town and applicant can negotiate conditions.

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The applicant proposes to develop the land in three phases. The proposed land uses are:

- 450 apartment units,
- 205 townhomes,
- 200,000 sq. ft. of medical/general office and outpatient services,
- 40,000 sq. ft. of neighborhood commercial, and
- 32 acres of open space.

Also, the applicant is proposing to make 15% of the market rate units affordable to those earning 80% of the median income.

Boyle reviewed the map of the proposed site, highlighting road access points and noting a conservation easement area. She summarized the considerations to be taken by the board when evaluating a rezoning request as stated in the Unified Development Ordinance (UDO). Boyle also asked the board to consider consistency with the town's Comprehensive Sustainability Plan (CSP).

Next, Environmental Engineering Supervisor, Bryant Green, presented for the town's Utilities, Public Works and Stormwater divisions. Green described the existing sewer infrastructure at the proposed site. He explained that the site has three sanitary sewer pumping stations nearby: Woodsedge Front, Woodsedge Back, and the Nazarene Pumping Station. However, the site has no frontage on a gravity sewer. The applicant is proposing to relocate the Nazarene station to the project site and abandon one of the Woodsedge stations. The net effect would be to replace two existing stations with one new station.

The developer hired an engineering firm to conduct a downstream capacity analysis of the existing sanitary sewer system and the impacts of the proposed development. The town performed its own analysis as well through a different consulting firm. Both analyses show that some downstream improvements may be needed. However, Green explained there are some potential alternatives, which he would cover under the "proposed conditions" portion of his presentation.

Green also reviewed the existing water infrastructure nearby. The project site is in the town's "south zone," and the hydraulic grade line is sufficient to serve the proposed site. Green also reviewed the staff-recommended conditions for Utilities, Public Works, and Stormwater.

Eric Chupp with Capkov Ventures, Inc. and Dan Jewell with Thomas and Hutton then gave presentations on behalf of the applicant. Chupp provided an overview of Capkov Ventures' development history. Jewell presented the master plan in detail, with particular attention to the overall concept of the design, density, and the proposed open space.

Jewell stated that the developer is committed to building the proposed water/sewer infrastructure to town standards. He stressed the proposal takes two old pumping stations off-line and would create a new pumping station. The developer would also pay for other improvements to the town's sewer system.

The road network would be built to public standards, and the developer would coordinate with town staff to determine appropriate street cross-sections. The applicant hired a firm to conduct a Traffic Impact Analysis as well, which included suggestions for road improvements off-site. NCDOT reviewed the analysis and agreed with the findings.

Jewell acknowledged that neighbors have expressed concern about the development and the loss of the existing woods/screening. The applicant is committing to protect the area of the project that is currently in

the county's Rural Buffer zoning district, as well as an undisturbed buffer of at least 100' off Scarlett Mountain Road. That green space to the south will be in a permanent conservation easement.

Chupp then continued the presentation by discussing potential community benefits. He went through a series of slides with excerpts from the town's Comprehensive Sustainability Plan, and he explained how the proposed project was consistent with each. He also reviewed the financial and economic analysis conducted for the project, as well as the developer's commitments to help upgrade the town's water and sewer infrastructure. Chupp concluded his presentation.

Planning Board member Saru Salvi asked for clarification on the proposed affordable housing integration, specifically the examples shown on the slides versus what is proposed in the text. Chupp explained the visual samples were examples from different projects and jurisdictions. For Waterstone South, the developer is proposing full integration of the affordable units. Thus, there would be no visible distinction between them and those that are market-rate.

Planning Board member Cassandra Chandler asked for clarification about the open space, specifically the amount required versus the amount proposed. Boyle explained that the applicant is proposing 32 acres of open space total, some of which is required stream buffer area. Chandler asked how much area was in stream buffer, and Boyle said the applicant would need to address that.

Public comment began with Cathy Williams, Orange County resident and president of the Stoney Creek Homeowners' Association. She thanked the boards and the applicants for their considerations of community and affordability. She noted that she was not speaking on behalf of her neighborhood. She explained that she is concerned about the potential loss of biodiversity. She understands the importance of development for the town. She asked that the town consider the way the biodiversity is protected when mixed used development sites are cleared for construction. She provided benefits of developing in a sustainable way. She acknowledged the applicant's efforts thus far but believes the proposal could be improved.

Jean Brooks spoke next. She is an Orange County resident who lives on E. Scarlett Mountain Road. She called the accuracy of the site survey into question. She also discussed complications with the existing Woodsedge Mobile Home Park, specifically that part of the Waterstone South project area was supposed to serve as open space for the home park. She also said that the mobile home park owner, Roger Dale Stephens, was not legally allowed to sell that area to the developer.

Brooks also explained her concern about increased congestion along Highway 86 and the proposed density. She said she did not think Hillsborough needed this level of development. She understands that progress will come, but she feels that this particular project is too big. She showed an undated comprehensive report of development standards for preserving rural character from Orange County, which depicted an archaeologically rich site.

Chandler asked if Ms. Brooks was aware of any legal documentation that supported her comments, specifically regarding the mobile home park and the report from Orange County. Brooks clarified that the report she was holding was called, "Residential Development Standards for Preserving Rural Character" by Orange County. She did not see a date on it, but she said it may be from 1994. She also told of letters she possessed from former Orange County commissioners about the mobile home park, but she did not have them with her.

Elizabeth Jenkins, a resident of the Woodsedge mobile home park, expressed her concerns about the impact on the schools and increased traffic congestion creating an unsafe environment for students. She said she was

also concerned about an increase in taxes. She said she heard it mentioned that there was going to be a debt increase on the Town of Hillsborough for the project, which would affect the taxpayers. She was also concerned about tree removal and requested wider riparian buffers.

Giglia asked Jenkins to clarify the additional costs to which she was referring. Jenkins pointed to the cost of building the new sewer pumping station as an example.

Derrick Eads, a resident of Orange County who lives on E. Scarlett Mountain Road, spoke. He said that an existing Special Use Permit (SUP) from Orange County for the mobile home park had mandated that the mobile home park and associated open space were to remain in “unitary ownership.” So, that portion of the Waterstone South project area never should have been sold to Capkov Ventures.

Eads stated that on May 8, 2024, the Orange County Board of Adjustment approved a modification to the existing SUP that removed the unitary ownership clause and allowed the mobile home park’s open space to be reconfigured. He believes that decision will be appealed. He said that the residents of E. Scarlett Mountain Road bought property there in part because that adjacent land was supposed to remain open space. He believes the proposed density for the project is too high for the area. He felt the developer did not listen to the community when considering the proposed development. He expressed the negative impact ten years of construction would have on adjacent residents and wildlife. He concluded his comments. Mr. Eads was the last person signed up to speak on this item.

Boyle offered clarification about the existing mobile home park and the associated Special Use Permits (SUPs) with Orange County. She said that she and Tom King, Senior Planner, attended the recent hearing at Orange County, so she could speak on the subject. She explained that in the mid 1980s – 1990s, Mr. Roger Dale Stephens obtained two SUPs through Orange County to create the mobile home park in question. Even though there are two SUPs, the mobile home park operates as one. She said the SUPs required that the mobile home park and associated open space remain under “unitary ownership.” The SUPs also designated the required open space areas.

Boyle said that in the late 2010s, the mobile home park property was subdivided, which was permissible under state law. However, the sale of the subdivided property to Capkov Ventures violated the “unitary ownership” requirement of the SUPs. Capkov Ventures was not aware of the issue at the time of sale. Once they became aware, they approached the county. The county’s solution was to put the case before its Board of Adjustment, which handles Special Use Permit cases.

Capkov Ventures, Inc. applied to modify the existing SUPs for the mobile home park. Specifically, they requested to remove the unitary ownership clause and reconfigure the required open space for the mobile home park. The Orange County Board of Adjustment approved the proposed modifications on May 8, 2024.

Casadonte opened the floor for board members to ask questions and offer comments.

Hughes asked about the vote at Orange County’s Board of Adjustment meeting. Boyle said the vote was 3-2 to approve the SUP modifications.

Hughes also asked Lydia Lavelle with the Town Attorney’s office about how the SUPs might affect the annexation request with the Town of Hillsborough. He noted that residents might appeal the Orange County Board of Adjustment decision to Superior Court. He asked if annexation of the property by the town would nullify the SUPs. Lavelle said annexation would not nullify the SUPs. She said she would need to consult with Town Attorney Bob Hornik about how such an appeal would or could affect annexation.

Chandler asked if the applicant is asking the town to annex the site. Boyle said yes but clarified that the existing mobile home park was not to be annexed.

Casadonte asked Bryant Green if the Woodsedge Mobile Home Park is serviced by the town and how the park could be impacted by the project. Green explained that the mobile home park is an out-of-town water and sewer customer, and wastewater from the park would drain to the proposed new pumping station.

Giglia asked if the proposed development would put the sanitary system at 100 percent capacity. Green replied that the wastewater plant is at 62% capacity. The town's water situation has room for addition since the water plant has access to additional water sources and the town has completed a major expansion of the West Fork Eno Reservoir.

Hughes asked Green to respond to Ms. Jenkins' debt question from earlier. Green replied that water and sewer projects are funded by water and sewer revenue. The town does not use tax funds for those projects. When Green was discussing debt during his presentation, he said he was referring to revenue bonds, which the town issues in anticipation of future water and sewer rate revenue. That debt is used to build projects that will allow that revenue to come. The developer's proffer would reduce the amount of debt the town would need to issue in order to build the necessary water and sewer projects.

Hughes clarified that the applicant's proffer would potentially reduce the debt the town would need to issue. Green agreed that the town would need to issue less debt, although it would still need to issue some.

Bell recognized the applicant's attention to the Comprehensive Sustainability Plan. He asked if a partner had been selected to manage the affordable housing component. Chupp replied that they have not selected a partner yet.

Bell asked Planning and Economic Development Manager Shannan Campbell how the town's tax revenue would be affected if a nonprofit organization rented or owned the proposed commercial space. Campbell said that portion of the development would be market driven. She acknowledged that if a nonprofit entity, such as UNC Health, obtained the space, the town would not gain commercial tax revenue from it. Bell said that Hillsborough is concerned about the commercial-to-residential ratio of its tax base since residential development in town has been booming.

Giglia asked the applicant for the proposed residential occupancy of the development. Chupp estimated about 1,500 at full build-out based on the proposed number of units and an assumed density factor of 2.5 people per multi-family unit.

Chandler asked the applicant to address the impact on the Cates Creek basin and the environment. Chupp explained the proposed development surpasses the town requirements for green spaces. Chupp explained how Capkov Ventures has a history of incorporating sustainable practices into their developments such as native plantings.

Commissioner Evelyn Lloyd emphasized the need for restaurants and asked the applicant to also consider a hotel based on the hospital needs. Chupp replied that he has spoken with a restaurateur. Chandler and Giglia added the need for a grocery store.

Hughes asked the applicant if the development's roads would accommodate a school bus. Chupp said yes and that the roads would be public streets.

Ferguson asked Boyle to underscore requirements in the Unified Development Ordinance (UDO) that may address some of the public's concerns regarding clear-cutting and tree protection. Boyle said that the construction drawings for the project will need to comply with UDO standards on landscaping, screening, stream buffers, and tree protection. The town does not allow clear cutting.

Ferguson highlighted bioswales in another area of town as an example. Campbell relayed that green infrastructure conditions could be placed on the project.

Chandler asked how the proposed development will impact the schools. Campbell stated that public schools in the area are actually seeing a decrease in enrollment, so capacity is not an issue at this time.

Giglia shared his concern for the traffic impact on Old NC Highway 86. Green said that off-site improvements will be required and that both NCDOT and the town will be evaluating the need for improvements as the project develops.

Bell inquired about the easement required from UNC for a greenway. He said it appeared that the annexation would not be possible without it because without that strip of land, the annexation would be non-contiguous. The town is already at its maximum allowance for satellite annexation. Boyle replied that the strip of land in question can be annexed, it is just not clear at this stage how exactly the strip will be used. It could be for a greenway connecting to the UNC property, if UNC allows that. Alternatively, the strip may just serve as a utility easement for the water line. Campbell said that planning staff has recommended a condition that the developer approach UNC about an access easement for a greenway.

Robb English stated that he wanted to see that greenway access, and that it was a critical component in his decision.

Member Darub asked if connectivity between Waterstone South and the existing mobile home park had been discussed. Chupp replied that it has not been discussed, but a connection is possible. He said one of the easements for the pumping stations could serve as an access point. English agreed with Darub, saying he wanted the mobile home park to benefit from the improvements. Chupp said he would continue to reach out to UNC to discuss.

Casadonte asked for any further questions. Hearing none, he asked for a motion to close the public hearing.

6. Close the public hearing

Motion: Ferguson moved to close the public hearing. Giglia seconded.

Vote: 10-0. Motion passed.

The Board of Commissioners and the mayor were excused, and the Planning Board recessed for five minutes. Hughes and Lloyd stayed.

The Planning Board reconvened at 9:15 p.m. and discussed whether they wished to continue their meeting or table the items until next time. The Planning Board decided to continue with the meeting.

7. Planning Board recommendations

A. 128 W Margaret Lane rezoning

Casadonte reviewed the application specifics and asked if the board was prepared to vote. Members of the board expressed concern over the rezoning request.

Boyle summarized the options for the rezoning proposal. She explained that the applicant was requesting to rezone to Neighborhood Business, a general use zoning district. However, if the board was not amenable to that, the applicant was willing to opt for a conditional zoning district instead. She explained that the property in question was currently zoned as a special use district, and that the General Assembly no longer allowed those. Under state law, existing special use districts are now treated as conditional zoning districts that happen to have special use permits. In essence, the property in question already is a conditional zoning district, so the board could amend the allowable uses under the conditional zoning or just rezone the property to the Neighborhood Business general use district instead. Boyle asked Lavelle to confirm if her summary was accurate, and Lavelle confirmed that it was.

The members then discussed the necessity of rezoning and the effects on future ownership and use. Campbell replied that, currently, the applicant is limited to the uses allowed under the existing special use permit.

Casadonte reiterated the options before the board for consideration and recommendation. Campbell shared the types of uses allowed under the Neighborhood Business general use zoning district, as well as the proposed uses under the conditional zoning alternative. She noted that the zoning carries with the land, so sale of the property would not affect the zoning.

Casadonte asked if the board was willing to vote. Lawrence wished to abstain, but Lavelle replied that she could not abstain since she did not have a conflict of interest.

Motion: Chandler motioned to deny the rezoning requests for 128 W Margaret Lane. Giglia seconded.
Vote: 3-2. The motion passed.

B. Unified Development Ordinance (UDO) text amendment: Home occupations, accessory dwellings and short-term rentals

The board reviewed the text amendment. Boyle reported that Dani Black with the Tourism Development Authority had expressed concerns at the public hearing about the short-term rental regulations and that Ms. Black wanted the regulations vetted further. Boyle explained that the Planning Board had two versions of the text amendment to consider: one with the short-term rental regulations and one without.

Chandler said she recalled conversations at the hearing about private roads versus public roads. Boyle said that related to the regulations on accessory dwelling units (ADUs). She explained that the intent of the text amendment was to create more opportunities for ADUs and home occupations, but that the scope of the text amendment kept expanding. She said the current UDO does not allow ADUs on private roads and that staff was not proposing changes to that requirement at this time. She suggested that staff could research the viability of allowing ADUs on private roads and bring those findings back to the Planning Board at a later date.

Boyle noted that a resident had signed up to speak on this item. She noted that the public hearing was closed, so the Planning Board did not have to allow further public comment. However, the board could do so if it wished. Casadonte recognized the resident to speak.

Sean Kehoe addressed the board. He is the chair of the Board of Adjustment, but he was just speaking as a Hillsborough resident. He owns property on a private road and expressed his desire for the town to allow ADUs on private roads.

Motion: Giglia motioned to a) recommend approving the version of the text amendment *with* the changes to short-term rentals and b) have staff research the viability of ADUs on private roads and bring the findings back to the Planning Board at a later date. Chandler seconded.

Vote: 5-0. Motion passed.

C. Historic District Design Standards updates

Cambell reviewed the updates. Cambell reported that at the public hearing, Mayor Bell had suggested a slight change in wording, specifically changing the language under “Ordinary Maintenance and Repair” to say “applicants *shall* consult with staff” instead of “applicants are encouraged to consult with staff.”

Motion: Salvi motioned to accept the text changes with the minor change suggested by Mayor Bell. Chandler seconded.

Vote: 5-0

8. Updates

A. Board of Adjustment

The Planning Board representative to the Board of Adjustment, Robert Iglesias, was absent. The Board of Adjustment Chair, Sean Kehoe, was attending the Planning Board meeting as a resident, so he offered an update. He said there was nothing new to report. Tom King, Senior Planner and staff support to the Board of Adjustment, was also in attendance. He gave a brief update on Collins Ridge.

B. Parks and Recreation Board

There was no Parks and Recreation Board update.

C. Staff and board members

Hughes reported the town skate park was under construction.

9. Adjournment

Motion: Lawrence moved to adjourn at 9:45 p.m. Giglia seconded.

Vote: 5-0. Motion passed.

Casadonte recognized Chandler’s service on the Planning Board.

Respectfully submitted,



Molly Boyle
Planner II
Staff support to the Planning Board

Approved: Month X, 202X



Agenda Abstract

JOINT PUBLIC HEARING

Meeting Date: August 15, 2024
 Department: Planning and Economic Development Division
 Agenda Section: 5A
 Public hearing: Yes
 Date of public hearings: April 18, 2024; May 16, 2024; August 15, 2024

PRESENTER/INFORMATION CONTACT

Molly Boyle, Planner II
 Tom King, Senior Planner
 Shannan Campbell, Planning and Economic Development Manager

ITEM TO BE CONSIDERED

Subject: Annexation and rezoning request for “Waterstone South”

Attachments:

1. Submitted application forms
2. Master Plan set
3. Annexation map
4. Project narrative & “findings of fact”
5. Draft conditions of approval
6. Staff analysis
7. Traffic impact analysis – summary & NCDOT review letter
8. Fiscal benefits & economic impacts
9. Net fiscal impact analysis
10. Neighborhood Information Meeting summary
11. Draft Planning Board consistency statement

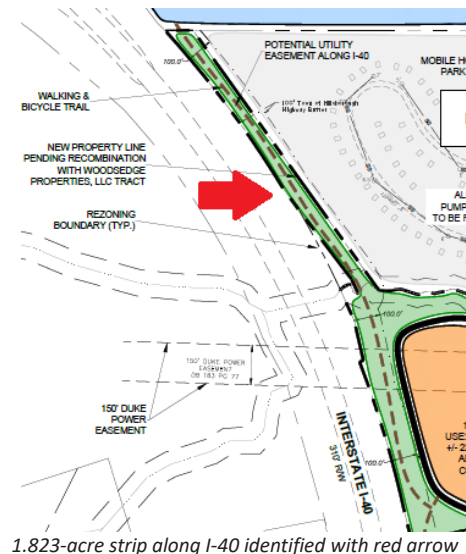
Background:

The public hearing was opened on April 18, 2024, and continued to May 16, 2024. The approved minutes for the April 18th hearing are available online at <https://mccmeetings.blob.core.usgovcloudapi.net/hillsbrnc-pubu/MEET-Minutes-149f3b7cd6f542f3a6bf8dbc6ac55f01.pdf>. The draft minutes for May 16th are included in this agenda packet under Item 3.

The original application materials did not list the PIN for the 1.823-acre strip along I-40, which is a portion of PIN 9873-41-0172 (see image to the right). The legal advertisement that ran in the newspaper did not list this PIN.

Hearing notices were sent to all property owners entitled to receive mailed notice (*i.e.*, owners of property within 500 feet of the project boundary). Signs advertising the hearing were also posted on site in accordance with the UDO and the General Statutes. However, because this PIN was not listed in the legal advertisement in the newspaper, the Town Attorney has confirmed that another hearing must be held to meet statutory requirements. Please note:

- The acreage for the proposal has not changed. The 1.823-acre strip was always physically shown on the master plan, and it was discussed at the previous hearings.



- Residents who spoke at the previous hearings do not have to speak again unless they wish to do so. Their previous comments are summarized in the meeting minutes referenced above.

Proposal:

The applicants, Capkov Ventures, Inc. and Woodsedge Properties, LLC, are requesting to:

- Annex 97.02 acres of the project area (remaining 2.12 acres is already within town limits); and
- Rezone approximately 99.14 acres from R1 (County), EDH-2 (County), and ESU (Town) to a Planned Development (PD) district for apartments, townhomes, and various non-residential uses, including medical, office, and neighborhood commercial.

Please see the enclosed Staff Analysis for a more detailed summary of the proposal (**Attachment 6**). The executive summary for the Traffic Impact Analysis and NCDOT's approval letter are attached (**Attachment 7**). If you wish to see the full Traffic Impact Analysis, it is available on the town's website at

<https://www.hillsboroughnc.gov/home/showpublisheddocument/891/638587269106070117>.

Comprehensive Sustainability Plan goals:

- Land Use and Development Goal 1:
Ensure that future growth and development, including infill and redevelopment, are aligned with smart growth principles and consider infrastructure constraints such as water and wastewater system capacity.
- Strategy:
Develop and adopt plans that contribute to meeting preferred future land use and growth patterns.

Financial impacts:

See the attached Fiscal Benefits and Economic Impacts Assessment (**Attachment 8**) and the Net Fiscal Impact Analysis (**Attachment 9**).

Staff comment and recommendation:

Staff recommends approval of the annexation and rezoning requests. Staff's recommendation is based on technical compliance (*i.e.*, compliance with the town's Unified Development Ordinance and other development regulations). Staff does not have the discretionary authority to consider public comment in its recommendations.

When ultimately rendering a recommendation or decision on this item, staff encourages the Planning Board and Town Board of Commissions to discuss whether they feel this proposal is consistent with the Comprehensive Sustainability Plan and why pursuant to [NC GS § 160D-605, Governing board statement](#).

Action requested:

Hold the public hearing. After the public hearing closes and the commissioners are excused, the Planning Board will need to make its recommendation on this item.



TOWN OF
HILLSBOROUGH

**PETITION FOR
Annexation of Contiguous Property**

Planning Department
101 E. Orange Street / P.O. Box 429
Hillsborough, NC 27278

Phone: (919) 296-9471 Fax: (919) 644-2390

Website: www.hillsboroughnc.gov

TO THE BOARD OF COMMISSIONERS OF THE TOWN OF HILLSBOROUGH:

(1) The undersigned, Eric Chupp, VP of Capkov Ventures, Inc

being the owner(s) of all real property located within the area described in paragraph two below requests that such area be annexed to the Town of Hillsborough.

(2) The area to be annexed is contiguous to the Town of Hillsborough and is located Generally south of Waterstone Drive, west of NC Hwy 86, east of Interstate 40, and north of the rural buffer boundary

(3) A map of the foregoing property, showing its relationship to the existing corporate limits of the town, is attached hereto.

(4) This petition is presented under the authority contained in G.S. 160A-31.

Respectfully submitted this 15th day of January, 20 2024

[Signature] Eric Chupp, VP of Capkov Ventures, Inc.
Property Owner Witness

X
Property Owner Witness

Property Owner Witness

Property Owner Witness

Property Owner Witness

Property Owner Witness



TOWN OF
HILLSBOROUGH

**PETITION FOR
Annexation of Contiguous Property**

Planning Department
101 E. Orange Street / P.O. Box 429
Hillsborough, NC 27278
Phone: (919) 296-9471 Fax: (919) 644-2390
Website: www.hillsboroughnc.gov

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[Signature]
Property Owner

[Signature]
Witness

X [Signature]
Property Owner

[Signature]
Witness

Property Owner

Witness

Property Owner

Witness

Property Owner

Witness

Property Owner

Witness



RECEIVED
1/22/2024
[Signature]



TOWN OF
HILLSBOROUGH

GENERAL APPLICATION
Amendment to Future Land Use Map, Unified
Development Ordinance or Official Zoning Map

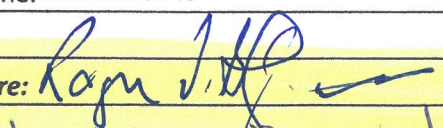
Planning and Economic Development Division
101 E. Orange St., PO Box 429, Hillsborough, NC 27278
919-296-9477 | Fax: 919-644-2390
www.hillsboroughnc.gov

This application is for amendments to the Future Land Use Map, Unified Development Ordinance, and/or Official Zoning Map. Incomplete applications will not be accepted or processed.

OFFICIAL USE ONLY		
Case Number:	Fee: \$ 19,828.00	Receipt No.: 060269
FLUM Designation:	Zoning District:	Overlay Zone: Select One

Amendment Type: Zoning Map-Planned Development District

PROPERTY LOCATION AND DESCRIPTION	
Property Address or Location: (please see attached)	
PIN(s): (please see attached)	Size of Property (Acres/Sq. Ft.): 99.140 Acres
Current Use of Property: Single family residential and vacant	
Current Zoning Classification(s): (please see attached)	
Proposed Zoning Classification(s): Planned Development (PD)	

CERTIFICATION AND SIGNATURES	
Applications will not be accepted without signature of legal property owner or official agent.	
I certify that the information presented by me in this application and all accompanying documents are true and accurate to the best of my knowledge, information, and belief; and I acknowledge that the processing of this application may require additional town, county and/or state permits, approvals, and associated fees.	
Applicant Name: Capkov Ventures Inc.	Legal Property Owner Name: Woodsedge Properties LLC
Mailing Address: PO Box 16815	Mailing Address: 2204 Chris Drive
City, State, ZIP Code: Chapel Hill, NC 27516	City, State, ZIP Code: Hillsborough, NC 27278
Telephone: 919-260-7262	Telephone: 919-730-9743
Email: ericbchupp@bellsouth.net	Email:
Signature: 	Signature: 
Date: 1-22-2024	Date: 1-22-2024

RECEIVED
1/22/2024
Tom FL



TOWN OF
HILLSBOROUGH

GENERAL APPLICATION
Amendment to Future Land Use Map, Unified
Development Ordinance or Official Zoning Map

Planning and Economic Development Division
101 E. Orange St., PO Box 429, Hillsborough, NC 27278
919-296-9477 | Fax: 919-644-2390
www.hillsboroughnc.gov

This application is for amendments to the Future Land Use Map, Unified Development Ordinance, and/or Official Zoning Map. Incomplete applications will not be accepted or processed.

OFFICIAL USE ONLY		
Case Number:	Fee: \$	Receipt No.:
FLUM Designation:	Zoning District:	Overlay Zone: Select One

Amendment Type: Zoning Map-Planned Development District

PROPERTY LOCATION AND DESCRIPTION	
Property Address or Location: (please see attached)	
PIN(s): (please see attached)	Size of Property (Acres/Sq. Ft.): 99.140 Acres
Current Use of Property: Single family residential and vacant	
Current Zoning Classification(s): (please see attached)	
Proposed Zoning Classification(s): Planned Development (PD)	

CERTIFICATION AND SIGNATURES	
Applications will not be accepted without signature of legal property owner or official agent.	
I certify that the information presented by me in this application and all accompanying documents are true and accurate to the best of my knowledge, information, and belief; and I acknowledge that the processing of this application may require additional town, county and/or state permits, approvals, and associated fees.	
Applicant Name: Capkov Ventures Inc.	Legal Property Owner Name: Capkov Ventures Inc.
Mailing Address: PO Box 16815	Mailing Address: PO Box 16815
City, State, ZIP Code: Chapel Hill, NC 27516	City, State, ZIP Code: Chapel Hill, NC 27516
Telephone: 919-260-7262	Telephone: 919-260-7262
Email: ericbchupp@bellsouth.net	Email: ericbchupp@bellsouth.net
Signature: Eric B Chupp	Signature:
Date: 1/15/24 For: Capkov Ventures Inc.	Date: 1/15/24



TOWN OF
HILLSBOROUGH

SUPPLEMENTAL FORM

Amendment to Official Zoning Map

Planning and Economic Development Division
101 E. Orange St., PO Box 429, Hillsborough, NC 27278
919-296-9477 | Fax: 919-644-2390
www.hillsboroughnc.gov

To the Hillsborough Board of Commissioners:

I, Eric Chupp, hereby petition the Board of Commissioners to change the zoning designation of the property described in the attached General Application Form
FROM R1, EDH-2, and Entranceway / Special Use TO Planned Development (PD).

FACTORS RELEVANT TO DECISION TO AMEND THE OFFICIAL ZONING MAP

The Hillsborough Unified Development Ordinance lists the following 10 general standards/findings of fact that the Board of Commissioners must weigh and consider before deciding to amend the official zoning map. Below or on a separate sheet, indicate the facts you intend to show and the arguments you intend to make to convince the Board of Commissioners that it can properly reach these 10 findings.

1. The extent to which the proposed amendment is consistent with all applicable Town adopted plans.

(please see attached)

2. The extent to which there are changed conditions that require an amendment.

(please see attached)

3. The extent to which the proposed amendment addresses a demonstrated community need.

(please see attached)

4. The extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject land and is the appropriate zoning district for the land.is consistent with the Hillsborough Comprehensive Plan.

(please see attached)

5. The extent to which the proposed amendment would result in a logical and orderly development pattern or deviate from logical and orderly development patterns.

(please see attached)

6. The extent to which the proposed amendment would encourage premature development.

(please see attached)

7. The extent to which the proposed amendment would result in strip or ribbon commercial development.

(please see attached)

8. The extent to which the proposed amendment would result in the creation of an isolated zoning district unrelated to or incompatible with adjacent and surrounding zoning districts.

(please see attached)

9. The extent to which the proposed amendment would result in significant adverse impacts on the property values of surrounding lands.

(please see attached)

10. The extent to which the proposed amendment would result in significantly adverse environmental impacts, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.

(please see attached)

I certify that all the information presented by me in this application is accurate to the best of my knowledge, information, and belief.


Signature of Applicant

1/15/24

Date

*Eric Caplan Ventures
Inc.*

E:\PROJECTS\2020\2021\WATERSTONE\CAPKOV\TOWN\SUBMITTALS\COVER SHEET AND NOTES.DWG - JAW 2/20/24 4:44 PM

Item 5A
Attachment 2

MASTER DEVELOPMENT PLAN
OF
WATERSTONE SOUTH

3411 NC 86 SOUTH
HILLSBOROUGH, NC

PIN: 9872490872, 9873504152, 9873502573,
9873510737, 9873416716, 9873415972,
9873425076, 9873425271, 9873422375, AND A
PORTION OF 9873410172

99.149 ACRES

APPLICANT:

CAPKOV VENTURES INC.
PO BOX 16815
CHAPEL HILL, NC 27516
919-260-7262
CONTACT: ERIC CHUPP
ERICBCHUPP@BELLSOUTH.NET

CONSULTANTS:

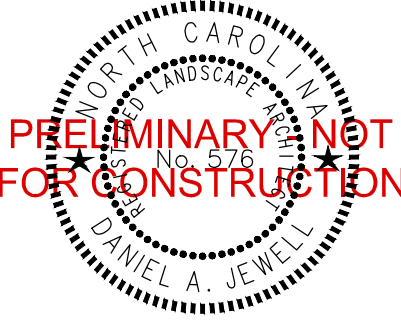
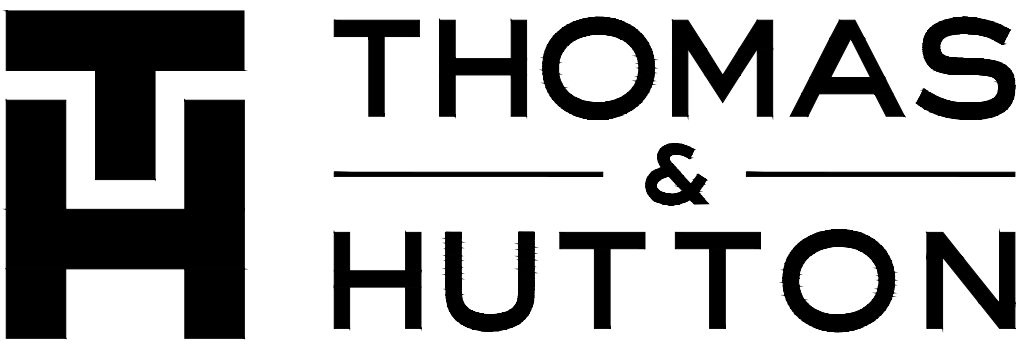
LANDSCAPE ARCHITECT / LAND PLANNER:
THOMAS & HUTTON
2510 MERIDIAN PARKWAY, SUITE 100
DURHAM, NC 27713
919-682-0368
CONTACT: DANIEL JEWELL, RLA
JEWELL.D@TANDH.COM

CIVIL ENGINEER:
THOMAS & HUTTON
2510 MERIDIAN PARKWAY, SUITE 100
DURHAM, NC 27713
919-682-0368
CONTACT: PRESTON ROYSTER, PE
ROYSTER.P@TANDH.COM

PREPARED FOR:
CAPKOV VENTURES
PO BOX 16815
CHAPEL HILL, NC 27516
919-260-7262
CONTACT: ERIC CHUPP
ERICBCHUPP@BELLSOUTH.NET

J-92037

PREPARED BY:



SUBMITTAL HISTORY	
MASTER DEVELOPMENT PLAN SUBMITTAL #3	05-08-24
MASTER DEVELOPMENT PLAN SUBMITTAL #2	03-18-24
MASTER DEVELOPMENT PLAN SUBMITTAL #1	01-22-24
SUBMITTED TO THE TOWN OF HILLSBOROUGH	DATE



VICINITY MAP
SCALE: 1" = 1000'

Sheet List Table

Sheet Number	Sheet Title
	COVER SHEET
MP0.1	SITE DATA
MP1.0	EXISTING CONDITIONS
MP1.1	MASTER DEVELOPMENT PLAN
MP1.2	PHASING PLAN
MP 1.3	UTILITY PLAN

APPROVAL STAMPS



N:\PROJECTS\2020-2021\HILLSBOROUGH CAPKOV VENTURES\DWG 01 COVER SHEET AND NOTES.DWG - A.J.P. 2024 - 4:41 PM

SITE DATA

<u>TRACT 1</u>		<u>TRACT 6</u>	
ADDRESS:	None Listed	ADDRESS:	None Listed
OWNER(S):	Capkov Ventures Inc.	OWNER(S):	Capkov Ventures Inc.
PIN:	9872490872	PIN:	9873415972
SIZE (SF):	2,300,099	SIZE (SF):	174,806
SIZE (AC):	52.803	SIZE (AC):	4.013
DEED BK / PG:	6612 / 98	DEED BK / PG:	6728 / 908
PLAT BK / PG:	126 / 49 & 119 / 154-155	PLAT BK / PG:	1 / 3
EX. ZONING:	R1 / Rural Buffer (Orange County)	EX. ZONING:	EDH-2 (Orange County)
EXISTING USE:	Vacant	EXISTING USE:	Vacant
<u>TRACT 2</u>		<u>TRACT 7</u>	
ADDRESS:	None Listed	ADDRESS:	None Listed
OWNER(S):	Capkov Ventures Inc.	OWNER(S):	Capkov Ventures Inc.
PIN:	9873504152	PIN:	9873425076
SIZE (SF):	596,641	SIZE (SF):	173,369
SIZE (AC):	13.697	SIZE (AC):	3.98
DEED BK / PG:	6820 / 513	DEED BK / PG:	6728 / 908
PLAT BK / PG:	7 / 91	PLAT BK / PG:	1 / 3
EX. ZONING:	R1 (Orange County)	EX. ZONING:	EDH-2 (Orange County)
EXISTING USE:	Vacant	EXISTING USE:	Vacant
<u>TRACT 3</u>		<u>TRACT 8</u>	
(partial)		(partial)	
ADDRESS:	3411 NC 86 South	ADDRESS:	None Listed
OWNER(S):	Capkov Ventures Inc.	OWNER(S):	Capkov Ventures Inc.
PIN:	9873502573	PIN:	9873425271
SIZE (SF):	714,776	SIZE (SF):	193,886
SIZE (AC):	16.409 (overall)	SIZE (AC):	4.451
	14.409 (area to be rezoned)	DEED BK / PG:	6653 / 1382
DEED BK / PG:	6540 / 1	PLAT BK / PG:	1 / 3
PLAT BK / PG:	7 / 91	EX. ZONING:	EDH-2 (Orange County)
EX. ZONING:	R1 (Orange County)	EXISTING USE:	Vacant
EXISTING USE:	SF Residential	<u>TRACT 9</u>	
<u>TRACT 4</u>		ADDRESS: None Listed	
ADDRESS:	1622 Worth Street	OWNER(S):	Capkov Ventures Inc.
OWNER(S):	Capkov Ventures Inc.	PIN:	9873422375
PIN:	9873510737	SIZE (SF):	92,957
SIZE (SF):	40,032	SIZE (AC):	2.134
SIZE (AC):	0.919	DEED BK / PG:	6718 / 1700
DEED BK / PG:	6822 / 2314	PLAT BK / PG:	122 / 71
PLAT BK / PG:	36 / 51	EX. ZONING:	Entranceway / Special Use (Hillsborough)
EX. ZONING:	R1 (Orange County)	EXISTING USE:	Vacant
EXISTING USE:	SF Residential	<u>TRACT 10</u>	
<u>TRACT 5</u>		(partial)	
ADDRESS:	1606 Worth Street	ADDRESS:	114 Chandler Dale Street
OWNER(S):	Capkov Ventures Inc.	OWNER(S):	Woods Edge Properties LLC
PIN:	9873416716	PIN:	9873410172
SIZE (SF):	40,075	SIZE (SF):	2,104,514
SIZE (AC):	0.92	SIZE (AC):	48.313 (overall)
DEED BK / PG:	6728 / 231		1.823 (area to be rezoned)
PLAT BK / PG:	36 / 143	DEED BK / PG:	1852 / 224
EX. ZONING:	R1 (Orange County)	PLAT BK / PG:	119 / 154-155
EXISTING USE:	SF Residential	EX. ZONING:	R1
		EXISTING USE:	Trailer Park

Area to be Rezoned
Total SF = 4,318,930
Total AC = 99.149

ABBREVIATIONS

DBL	DOUBLE	FM	FORCE MAIN (SANITARY SEWER)	PC	POINT OF CURVE	TC	TOP OF CURB
BOT	BOTTOM	FP	FINISH PAD	PH	POST HYDRANT	TH	THROAT ELEVATION
CB	CATCH BASIN	FR	FRAME	PT	POINT OF TANGENT	TG	TOP OF GUTTER
CI	CURB INLET	GI	GRATE INLET	PVC	POLYVINYL CHLORIDE	TP	TOP OF PAVEMENT
CO	CLEAN OUT	GV	GATE VALVE	RCP	REINFORCED CONCRETE PIPE	TW	TOP OF WALK
CPP	CORRUGATED PLASTIC PIPE	HDPE	HIGH DENSITY POLYETHYLENE	RC	ROLL CURB INLET	TYP	TYPICAL
DBL	DOUBLE	HI	HOODED INLET	RCP	REINFORCED CONCRETE PIPE	VI	VALLEY INLET
DI	DITCH INLET	INV	INVERT ELEVATION	RI	ROOF INLET	W	WATER
DIP	DUCTILE IRON PIPE	JB	JUNCTION BOX	RJP	RESTRAINED JOINT PIPE	W/	WITH
EL	ELEVATION	LF	LINEAR FEET	R/W	RIGHT-OF-WAY	WV	WATER VALVE
ES	END SECTION	MAX	MAXIMUM	SD	STORM DRAINAGE	YI	YARD INLET
FES	FLARED END SECTION	MIN	MINIMUM	SDMH	STORM DRAINAGE MANHOLE	YI	YARD INLET
FG	FINISH GRADE	MH	MANHOLE	SF	SQUARE FEET		
FH	FIRE HYDRANT	OC	ON CENTER	SS	SANITARY SEWER		

LEGEND

Water Valve	⊗	Guy Wire	⋈
Yard Inlet	⊞	Light Pole	○LP
Curb Inlet/Catch Basin	⊞	Sewer Cleanout	○CO
Mail Box	⊞MB	Flared End Section	⊞
Traffic Signal Box	⊞TSB	Bollard	⊞
Electric Transformer	⊞	Gas Valve	⊗GV
Electric Junction Box	⊞	Existing Iron Pipe (3/4" unless noted)	○
Gas Meter	⊞	1/2" Rebar	●
Sanitary Sewer Manhole	⊞	1/2" Iron Pipe Set	○IPS
Storm Sewer Manhole	⊞	Existing PK Nail	●PK
Telephone Manhole	⊞	PK Nail Set	●PKS
Electric Manhole	⊞	Computed Point	△
Sign	⊞	Concrete Monument	⊞
Telephone Pedestal	⊞TEL	Tree Line	~~~~~
Fire Hydrant	●	Fence	=====
Fire Department Connection	⊞FDC	Underground Electric	---UE---
Post Indicator Valve	⊞V	Underground Telephone	---UT---
Water Manhole	⊞	Gas Line	---GAS---
Water Meter	⊞	Water Line	---W---
Hot Box	⊞	Overhead Utilities	---OU---
Utility Pole	⊞	Storm Sewer	---S---
FEMA ZONE AE--FLOODWAY	⊞	Sanitary Sewer	---SS---
		Adjacent Property Line	=====
		Wood Framed Dwelling	⊞WFD
		FEMA ZONE AE	⊞
		FEMA ZONE X--FUTURE	⊞



2510 Meridian Parkway • Suite 100
Durham, NC 27713 • 919.682.0368
www.thomasandhutton.com

SITE DATA

WATERSTONE SOUTH

PROJECT LOCATION:
3411 NC 86 SOUTH
HILLSBOROUGH, NC

CLIENT/OWNER:

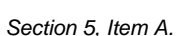
Capkov Ventures
PO Box 16815
Chapel Hill, NC 27516
919-260-7262
Contact: Eric Chupp
ericchupp@bellsouth.net

DATUM: HORIZ.: NAD 83

VERT.: NAVD 88

JOB NO:	92037
DATE:	01/17/24
DRAWN:	DAJ, MTC
DESIGNED:	
REVIEWED:	DAJ
APPROVED:	
SCALE:	

MPO.1



LINE TABLE		
LINE	DISTANCE	BEARING
L37	44.59'	N77°03'15"E
L38	42.52'	N69°17'26"E
L39	31.88'	N48°34'08"E
L40	73.07'	S63°48'18"E
L41	302.17'	N90°00'00"E
L42	184.24'	N61°54'05"E
L43	86.76'	S71°37'17"E
L44	174.79'	N00°16'18"E
L45	138.91'	N01°11'36"E
L46	217.33'	S85°58'04"W
L47	186.96'	N01°09'34"W
L48	210.98'	S87°21'19"W
L49	192.08'	S01°09'57"E
L50	205.70'	S85°58'04"W
L51	197.87'	N01°14'22"W

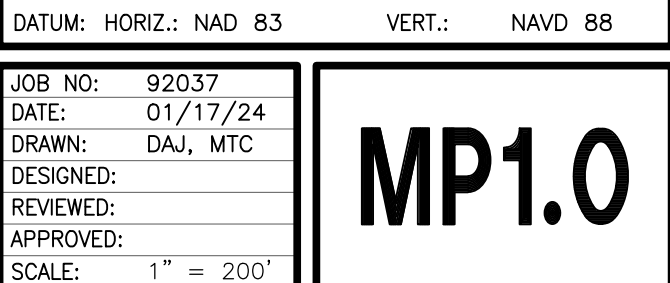
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THOMAS
&
HUTTON




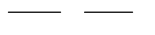
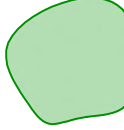

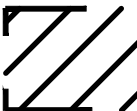

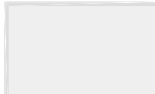
EXISTING CONDITIONS

WATERSTONE SOUTH

CLIENT/OWNER:
Capkov Ventures
PO Box 16815
Chapel Hill, NC 27515
919-260-7262
Contact: Eric Chupp
ericbchupp@bellsouth.net



Block Element		Overall AC	Medical Office / Outpatient Services / General Office / Hospital / Restaurant / Child Care Facility	Commercial & Amenities	Residential	
			SF Range	Square Footage	Apartments DU	Townhomes (TH) DU
	A	6.7				60
	B	12.4				70
	C	6.9				50
	D	1.8				25
	E	11.0			225	
	F	10.5			225	
	G	5.0		40,000		
	H	12.8				
		+/- 67.1 AC	+/- 200,000 SF	40,000	450 Units	205 Units

	REZONING BOUNDARY
	INTERNAL PUBLIC ROADS
	TRAILS
	RURAL BUFFER BOUNDARY
	OPEN SPACE +/- 31.4 ACRES OVERALL
	FACILITIES OUTSIDE OF PROJECT AREA
	OPEN SPACE TO BE DEDICATED TO A PERMANENT CONSERVATION EASEMENT
	POTENTIAL FUTURE CONNECTIONS
	WOODS EDGE MOBILE HOME PARK

PRELIMINARY
NOT FOR
CONSTRUCTION



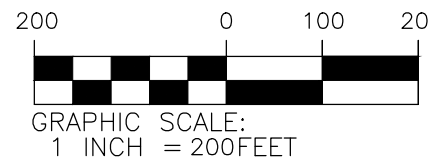
MASTER DEVELOPMENT PLAN WITH CONNECTIONS

WATERSTONE SOUTH

PROJECT LOCATION:
3411 NC 86 SOUTH
HILLSBOROUGH, NC

CLIENT/OWNER:

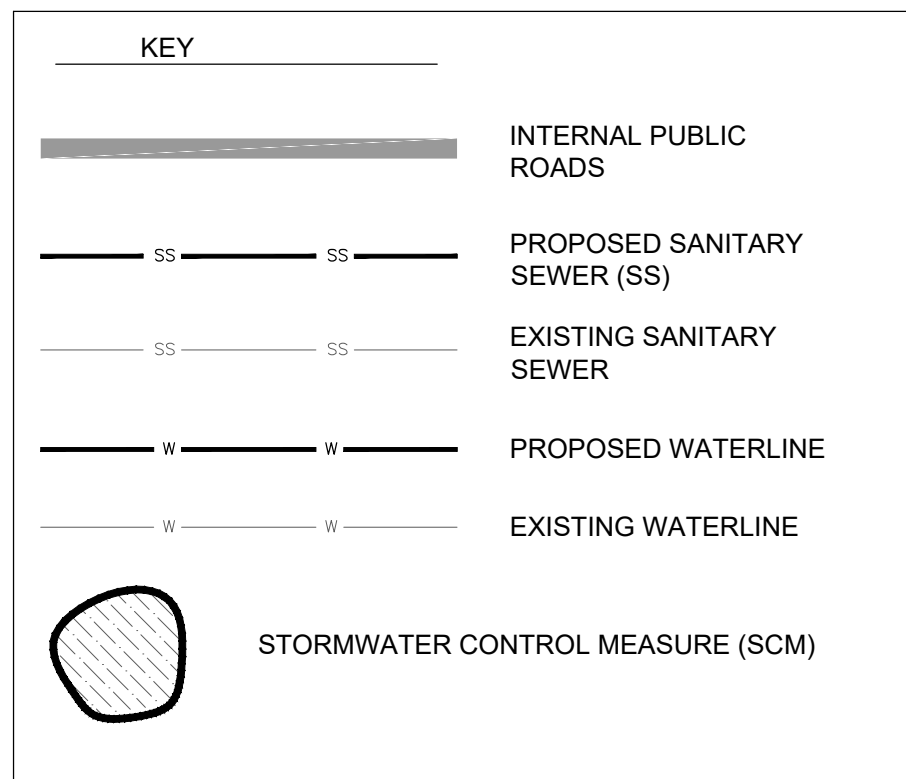
Capkov Ventures
PO Box 16815
Chapel Hill, NC 27516
919-260-7262
Contact: Eric Chupp
ericbchupp@bellsouth.net



DATUM: HORIZ.: NAD 83 VERT.: NAVD 88

JOB NO:	92037
DATE:	01/17/24
DRAWN:	
DESIGNED:	
REVIEWED:	
APPROVED:	
SCALE:	1" = 200'

MP1.1



1	NEW PLAN IN SET		T&H	05/08/24
NO.	REVISIONS		BY	DATE

PRELIMINARY
NOT FOR
CONSTRUCTION



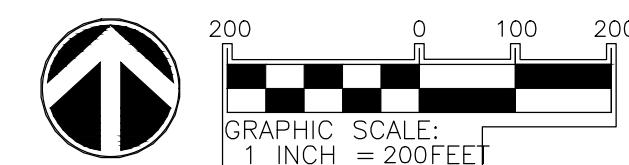
2510 Meridian Parkway • Suite 100
Durham, NC 27713 • 919.682.0368
www.thomasandhutton.com

UTILITY PLAN

WATERSTONE SOUTH

PROJECT LOCATION:
3411 NC 86 SOUTH
HILLSBOROUGH, NC

CLIENT/OWNER:
Capkov Ventures
PO Box 16815
Chapel Hill, NC 27516
919-260-7262
Contact: Eric Chupp
ericbchupp@bellsouth.net



DATUM: HORIZ.: NAD 83 VERT.: NAVD 88

JOB NO:	92037
DATE:	01/17/24
DRAWN:	
DESIGNED:	
REVIEWED:	
APPROVED:	
SCALE:	1" = 200'

MP1.3

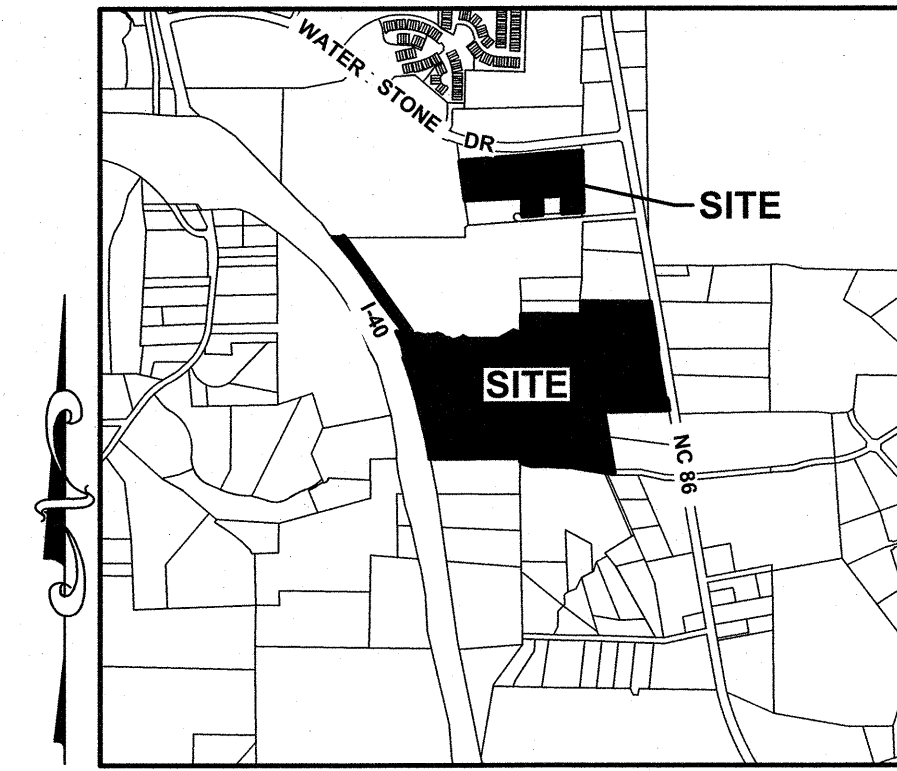
Item 5A
Attachment 3

CURVE TABLE					
NO.	DELTA	RADIUS	LENGTH	CHORD BEARING	CHORD DIST.
C1	008°37'17"	3952.94'	594.80'	N16°38'15"W	594.24'
C2	001°52'34"	3994.72'	130.80'	N24°03'34"W	130.79'
C3	010°45'26"	3984.72'	748.12'	N36°44'37"W	747.03'

LINE TABLE		
LINE	DISTANCE	BEARING
L1	118.52'	S09°40'00"E
L2	222.63'	N87°17'53"W
L3	199.58'	N89°46'53"W
L4	121.53'	N73°28'04"W
L5	36.71'	N00°28'17"E
L6	185.45'	N10°05'55"W
L7	15.10'	N70°03'27"E
L8	154.12'	N12°43'48"W
L9	19.81'	N51°53'36"E
L10	14.85'	N65°44'56"E
L11	10.37'	N87°59'35"E
L12	13.55'	S21°18'06"E
L13	14.94'	S10°49'00"E
L14	16.24'	S60°12'19"E
L15	5.02'	N83°11'17"E
L16	6.91'	N09°42'11"W
L17	53.01'	N24°51'58"W
L18	329.50'	N37°12'08"W

LINE TABLE		
LINE	DISTANCE	BEARING
L19	104.78'	N36°05'34"W
L20	106.08'	S89°58'08"E
L21	15.47'	S79°54'09"E
L22	27.59'	S87°24'39"E
L23	22.76'	N78°38'06"E
L24	19.35'	N84°18'24"E
L25	70.41'	S72°25'59"E
L26	13.58'	N69°27'22"E
L27	16.05'	N55°59'25"E
L28	11.36'	S64°00'12"E
L29	28.61'	S80°43'27"E
L30	7.81'	N58°34'08"E
L31	27.81'	N82°04'36"E
L32	31.39'	N69°02'05"E
L33	57.04'	S70°48'35"E
L34	45.06'	S49°54'40"E
L35	41.22'	S89°28'32"E
L36	36.86'	S48°46'48"E

LINE TABLE		
LINE	DISTANCE	BEARING
L37	44.59'	N77°03'15"E
L38	42.52'	N69°17'26"E
L39	31.88'	N48°34'08"E
L40	73.07'	S63°48'18"E
L41	302.17'	N90°00'00"E
L42	184.24'	N61°54'05"E
L43	86.76'	S71°37'17"E
L44	174.79'	N00°16'18"E
L45	138.91'	N01°11'36"E
L46	217.33'	S85°58'04"W
L47	186.96'	N01°09'34"W
L48	210.98'	S87°21'19"W
L49	192.08'	S01°09'57"E
L50	205.70'	S85°58'04"W
L51	197.87'	N01°14'22"W



FLOOD NOTE

By graphic plotting only this property is located in Zone "X" (Areas determined to be outside of the 500-year flood plain) by the Federal Emergency Agency on Flood Insurance Rate Map, Community Panel No. 3710987300J, with an effective date of February 2, 2007, in Orange County, North Carolina, and Community Panel No. 3710987200K, with an effective date of November 17, 2017, in Orange County, North Carolina. No field surveying was performed to determine this zone and an elevation certificate may be needed to verify this determination or apply for a variance from the Federal Emergency Management Agency.

NOTES

- Areas calculated by coordinate geometry.
- All distances are horizontal ground distances.
- Basis of Bearing NC GRID 1983 (2011 Adjustment) Horizontal Datum.
- No published horizontal control monuments found within 2000 feet of site.
- Boundary information shown hereon was prepared from an actual field survey and from existing records as referenced hereon.
- These Parcels may be subject to easements or rights of others that have not been disclosed on this plat.
- All above ground and subsurface improvements are not necessarily shown hereon.
- Coordinates shown on this plat were derived by Real Time Network (RTN) Global Positioning System (GPS). This results in NAD 1983, 2011 Adjustment (CORS 96) and North American Vertical Datum of 1988 (NAVD 88) elevations using the continually operating reference stations (CORS) maintained by the North Carolina Geodetic Survey, Class A Survey, 0.033 feet positional accuracy, VRS Field Procedure, Geoid 12A.

SURVEY CERTIFICATION

I, James D. Whitacre, a surveyor licensed under the provisions of Chapter 89C of the North Carolina General Statutes, do hereby certify that this Plat was drawn under my supervision from an actual survey made under my supervision from references as noted on said plat. That the ratio of precision as calculated from coordinates is 1/10,000, that the boundaries not surveyed are shown as broken lines plotted from cited references, and that this plat was prepared in accordance with G.S. 47-30 f(1)(c) as amended.

I further certify that this survey is of another category, such as the recombination of existing parcels, a court-ordered survey, or other exception to the definition of subdivision.

Witness my hand and official seal this 2nd day of July, 2024.

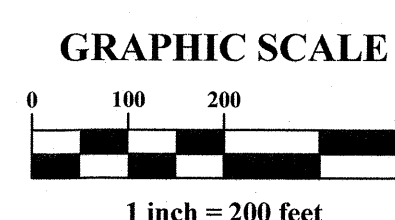
Professional Surveyor L-5273

REFERENCES:

D.B. 1852, Pg. 0224
D.B. 0183, Pg. 0011
D.B. 6540, Pg. 0001
D.B. 6653, Pg. 1382
D.B. 6718, Pg. 1700
D.B. 6728, Pg. 0231
D.B. 6728, Pg. 0908
D.B. 6812, Pg. 0098
D.B. 6800, Pg. 0513
D.B. 6822, Pg. 2314
P.B. 0056, Pg. 0011
P.B. 0122, Pg. 0071
P.B. 0126, Pg. 0049

LEGEND

- Iron Pin Found
- Calculated Point
- Iron Pin Set
- PK Nail Found
- Concrete Monument
- Existing Property Line
- Existing Town Limit
- New Town Limit



NC GRID NAD 83
(2011 ADJ.)

CONTIGUOUS ANNEXATION MAP
FOR
TOWN OF HILLSBOROUGH

HILLSBOROUGH TOWNSHIP - CHAPEL HILL TOWNSHIP
ORANGE COUNTY, NORTH CAROLINA

PLAN PREPARED BY:
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ADVANCED
CIVIL DESIGN
ENGINEERS & SURVEYORS

DATE: 07/03/2024 SHEET 1 / 1



Master Development Plan Summary and Narratives

1. General Description of the Proposed Development.

The proposed mixed-use development Waterstone South encompasses roughly 100 acres (99.14) and includes 450 apartment homes, 205 townhomes, 200,000 square feet of medical outpatient services and medical office, and 40,000 square foot of neighborhood commercial. The development as proposed is to be built in three phases over the next seven or eight years. The northern portion of the proposed mixed-use community sits immediately adjacent to UNC Hospital campus along Waterstone Drive. The property extends southward from Waterstone Drive to East Scarlett Mountain Road. The property is bounded by I-40 to the west, Highway 86 to the east, and Waterstone Drive serves as its northern boundary. The general site plan calls for medical office and outpatient services immediately adjacent to UNC Hospital, and residential uses on the southern portion of the site. We have then added 40,000 square feet of neighborhood oriented commercial to the primarily residential portion of the site for uses such as restaurants, coffee shops, and day care centers. These uses will serve the neighborhood as well as the larger Hillsborough community. The residential component is comprised of townhomes and apartments intended to serve working middle income families. The apartments will be located on the southwestern portion of the site along I-40, while the townhomes will be on the southeastern portion of the site closer to Highway 86. There are notably no single-family lots proposed as we are opting exclusively for the more affordably priced housing that Hillsborough needs. The applicant is proposing that 15% of the market rate units be priced at an average of 80% of the median income. This is inclusive of both the apartments and the townhomes. Neighborhood oriented commercial will be located at the entrance to the residential portion of the community along Highway 86. Over one-third of the site (37.8 acres) is being proposed as open space, including a hundred-foot buffer along the entire southern property line on the north side of East Scarlett Mountain Road. Public walking trails will lead from the site to UNC Hospital and the Waterstone community and will be an integral part of the community's overall connectivity. The applicant is proposing an unprecedented level of investment in public utilities in the form of upgrading Hillsborough's existing infrastructure, extending new gravity sewer lines, and eliminating outdated pump stations.

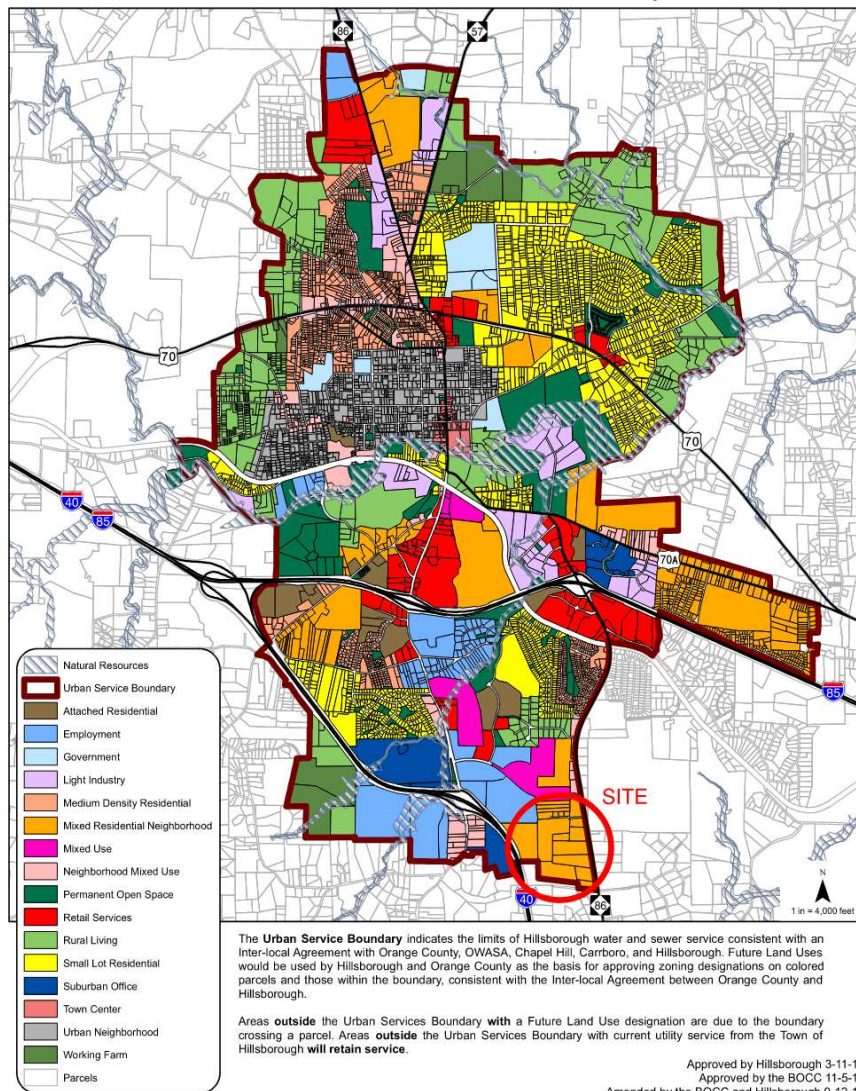
2. Planning Objectives and Character of the Development to be Achieved.

Waterstone South has been designed to be aligned with and promote the planning objectives and the character of the Town of Hillsborough. The next section of this Master Plan Development Summary will elaborate on how the design of Waterstone South conforms to the principles of the newly approved Hillsborough Comprehensive Sustainability Plan, but I will touch on some of the more general ways the design aligns with Hillsborough's planning objectives and character.

- A. The Waterstone South site area is shown on the Town of Hillsborough/Orange County Central Orange Coordinated Land Use Plan (see exhibit A) as "Mixed Residential Neighborhood" which is exactly what we are proposing.

Exhibit A

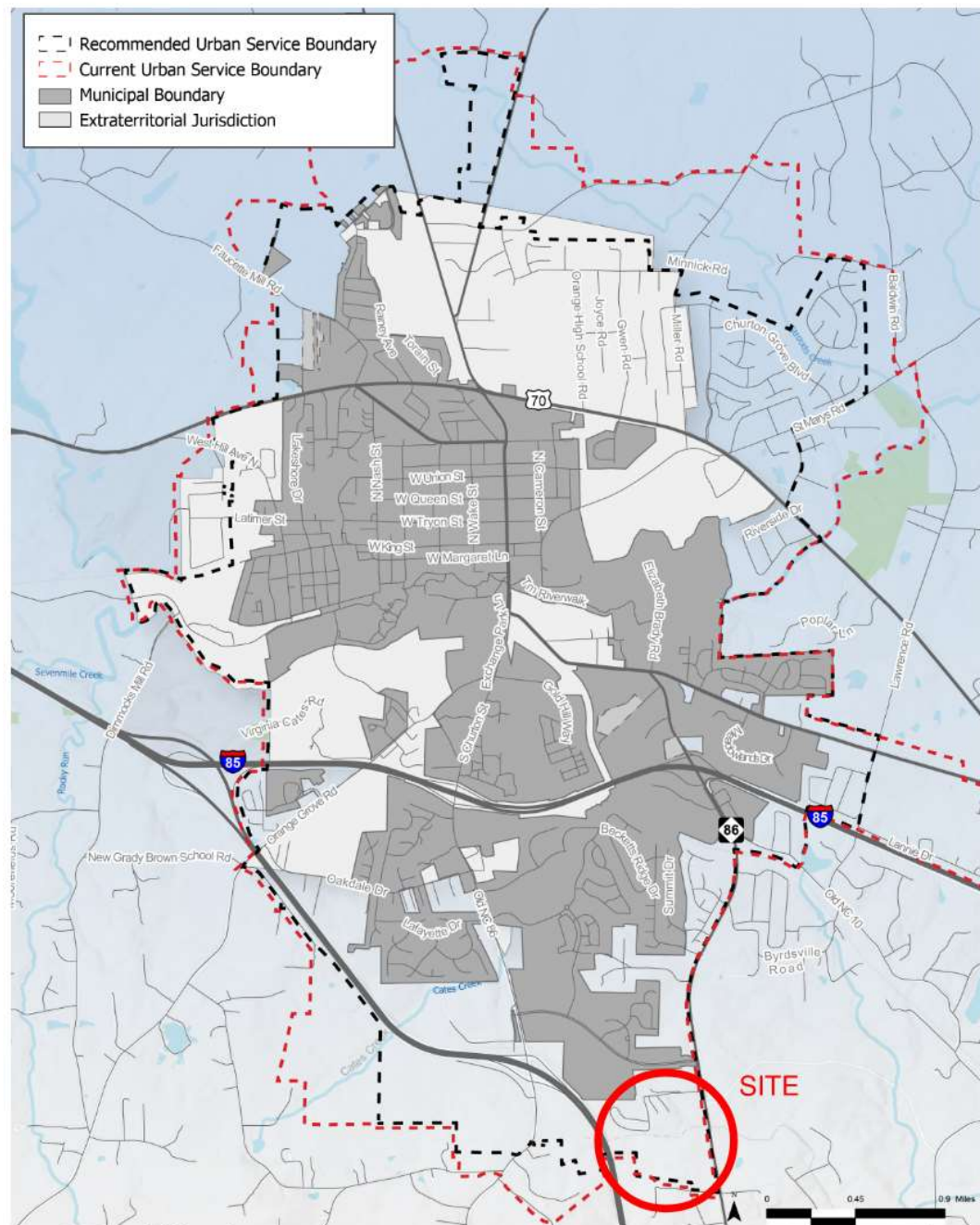
Town of Hillsborough/Orange County Central Orange Coordinated Area Land use Plan
Areas Within the Town's Urban Service Boundary



- B. The Waterstone South site area is within the Recommended Urban Services Boundary even in the recently reduced form (see exhibit B). (Page 4.12 Comprehensive and Sustainability Plan 2030).

Exhibit B

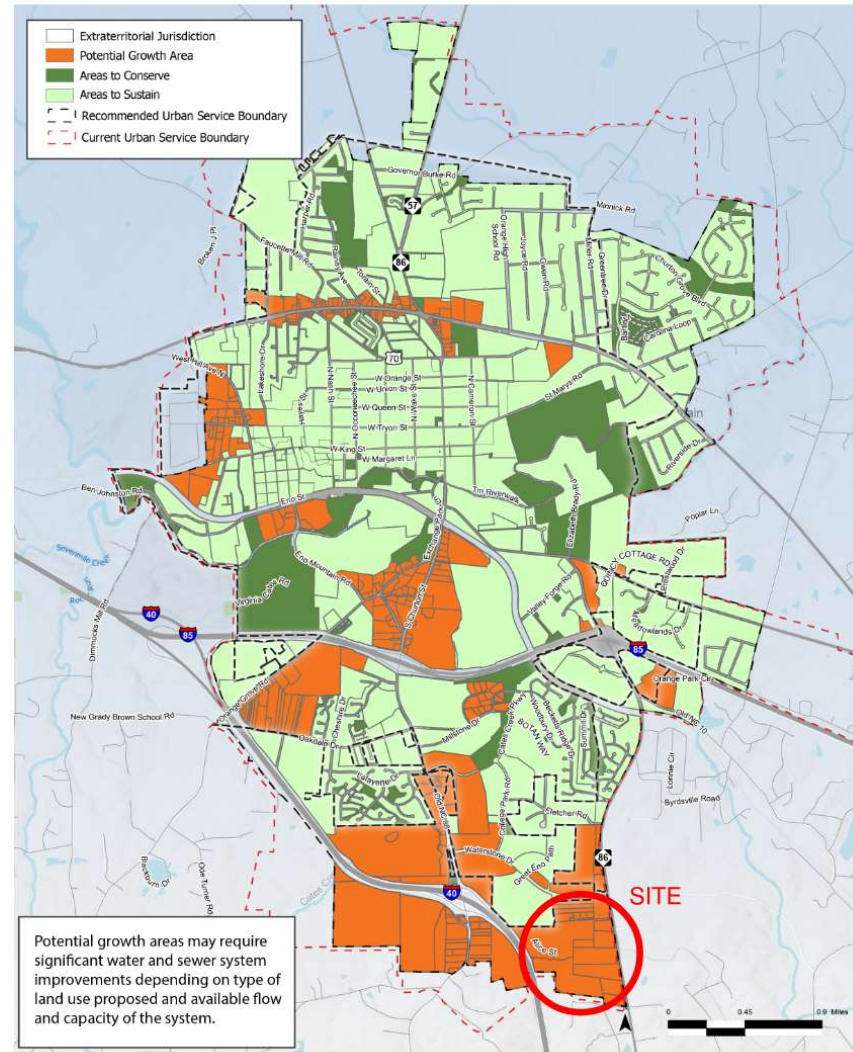
Figure 4.1. Urban Service Boundary



- C. The Waterstone South site area is shown on figure 4.4 of the newly adopted Comprehensive and Sustainability Plan as a “Potential Future Growth Area” (see exhibit C). (Page 4-23 Comprehensive and Sustainability Plan 2030).

Exhibit C

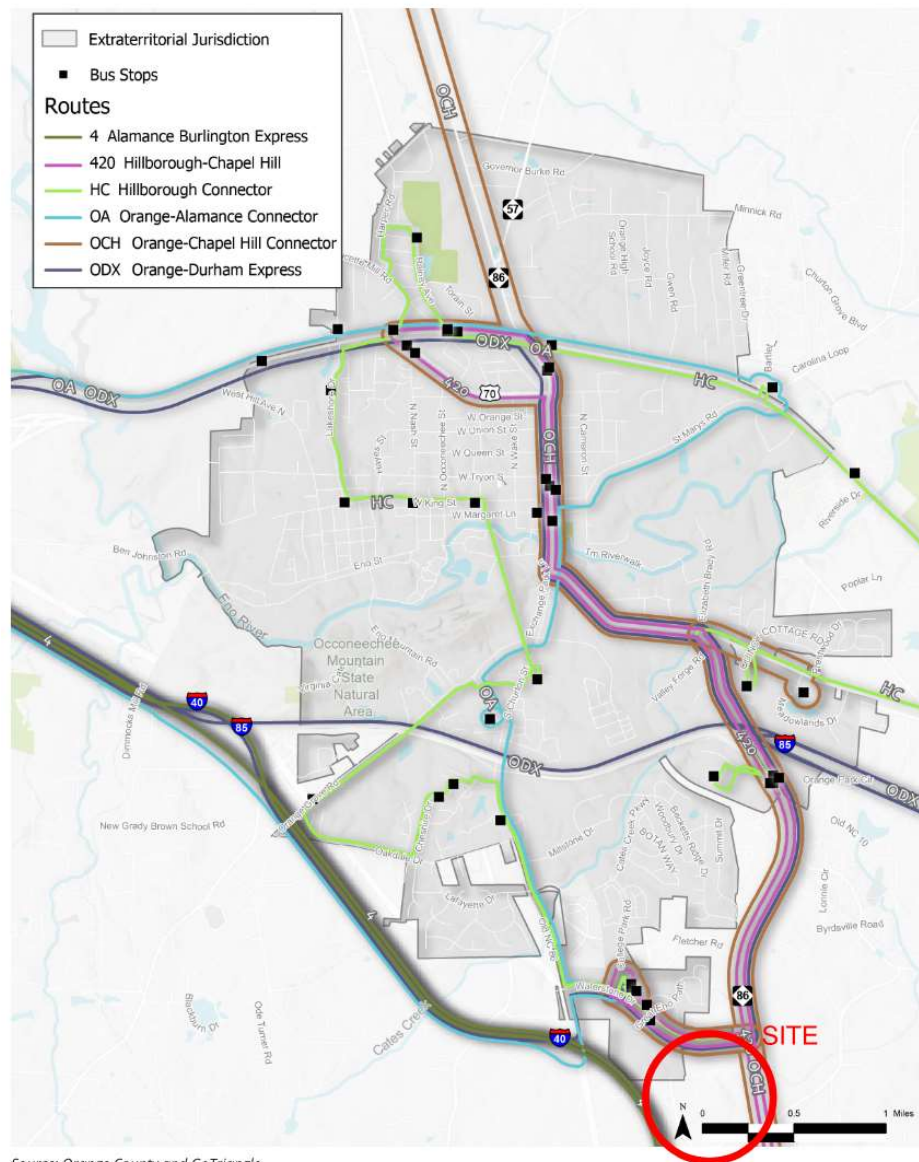
Figure 4.4. Potential Growth Areas



D. The Waterstone South site area is located immediately adjacent to Hillsborough's biggest transit corridors allowing for efficient public transit without adding to the congestion problems that are prevalent in the Churton Street Corridor. Figure 6.8 from the Comprehensive Sustainability Plan shows where transit opportunities exist relative to the location of the site (see exhibit D). (Page 6-6 Comprehensive and Sustainability Plan 2030). The Waterstone South site is located with I-40 serving as its western property line, Highway 86 as its eastern property line, Waterstone Drive as its northern property line and I-85 only a couple miles north of the site. The Waterstone South site is in a perfect location to take advantage of transit opportunities.

Exhibit D

Figure 6.8. Existing Transit Routes



Source: Orange County and GoTriangle

- E. Waterstone South is a true mixed-use community. The recently completed Fiscal Benefits and Economic Impacts analysis completed by DPFG shows that 41% of the tax base for the proposed community will come from commercial uses. By comparison the commercial portion of the total tax base in Orange County is only 20%, and for Hillsborough only 32% of the total tax base is commercial. Waterstone South will help Hillsborough increase its commercial tax base relative to its residential tax base. The Comprehensive and Sustainability Plan recognizes that “Hillsborough’s largest industry is healthcare and social services with the UNC Hospitals Hillsborough Campus as the largest employer in this sector.” (Page 9-5 Comprehensive and Sustainability Plan 2030). The proposed mixed-use community is immediately adjacent to the UNC Hospitals Campus and is offering Medical Office and Outpatient Services to support the hospital’s future and current needs.
- F. Waterstone South is offering an unprecedented level of affordable housing. The applicant is making a commitment to make 15% of the market rate homes affordable to those making an average of 80% of the median income. This will apply to both the apartments and the townhomes, resulting in 58 affordable apartments and 27 new affordable townhomes. Affordable townhomes will be integrated within the market rate homes. There will be no discernable difference between the market rate homes and the affordable homes.
- G. The proposed Waterstone South mixed-use community is located in the Elizabeth Brady sewer basin which has a significantly newer and better designed public sewer system than the River Basin. Not only is there less infiltration from outside sources, but there is also greater potential for adding capacity. The planning for Waterstone South has taken into account that upgrades to the existing system will be needed and older outdated pump stations will need to be replaced. The applicant is proposing a contribution of 8 million dollars in needed sewer improvement for the Town of Hillsborough’s system. Of the 8 million dollars 3.3 million would be in direct construction (including upgrading the Elizabeth Brady Pump Station, eliminating the Alice Loop Pump Station, and replacing the Nazarene Pump Station), and 4.7 million dollars would be in accelerated access fees. The applicant is also proposing to phase the residential portion of the development into three phases to allow capacity upgrades to be made without overtaxing the system.
- 3. A statement explaining how the development complies with the policies & objectives of the comprehensive plan.**

In June of 2023 the Town of Hillsborough adopted a new Comprehensive Plan entitled “Town of Hillsborough Comprehensive Sustainability Plan (2030)”. The proposed mixed-use community and associated annexation are consistent with this comprehensive plan in virtually every respect.

1. Land Use and Development. This section of the comprehensive plan applies most directly to this proposed mixed-use development.
 - a. The Comprehensive and Sustainability Plan page 4-5 states that Hillsborough “seeks development patterns that create more compact and walkable spaces with a mix of uses”. Page 4-8 speaks to the southern area of Town holding opportunities for growth in the form of “compact, mixed use, and transit-oriented development”. Waterstone South is being proposed in the southern portion of Hillsborough and provides compact development, a mix of uses, and mass transit opportunities.
 - b. The comprehensive plan contemplates contracting the Urban Services Boundary away from areas that are less practical to provide sewer services, or the Town wants to otherwise discourage development. The proposed mixed-use community remains within the primary service area whether the area is contracted or not (see attached exhibit B). (Page 4-12 Comprehensive and Sustainability Plan 2030).
 - c. The comprehensive plan speaks of the Town’s limited, and some areas constrained sewer capacity. It is pointed out that the “Elizabeth Brady Basin is newer and has more capacity”. (Page 4-14 Comprehensive and Sustainability Plan 2030). This proposed mixed-use community is in the Elizabeth Brady Basin.
 - d. The comprehensive plan points out that a significant problem with the existing sewer system is that there are too many pump stations, and many of them are substandard and ageing. The proposed mixed-use community eliminates two ageing substandard pump stations and constructs one new station built to modern standards with excess capacity for the future. (Pages 4-15, and 4-16 Comprehensive and Sustainability Plan 2030).
 - e. The comprehensive plan page 4-16 points out that “Planned growth is a driver for sewer improvements in the newer Elizabeth Brady Pumping Station Sewer Basin. Significant investment will be needed to prepare for future needs and growth”. The proposed mixed-use community is proposing a contribution of 8 million dollars in needed sewer improvement for the Town of Hillsborough’s system. Of the 8 million dollars 3.3 million would be in direct construction (including upgrading the Elizabeth Brady Pump Station, eliminating the Alice Loop Pump Station, and replacing the Nazarene Pump Station), and 4.7 million dollars would be in accelerated access fees that would be paid upon approval of each of the 3 phases. This is a very large contribution to the public infrastructure. Hillsborough has not seen this level of commitment in the past. However, the comprehensive plan specifically suggests this type of cost

sharing arrangement with developers. (Page 4-25 Comprehensive and Sustainability Plan 2030).

- f. In the conclusion of the Comprehensive Report's section on Land Use and Development, page 4-22 states that, "Based on the water and sewer capacity constraints, growth should be focused on the southern part of Town in the Elizabeth Brady Basin. This area is ripe for additional compact and mixed-use development.....". As demonstrated in the Growth Areas Map (Figure 4.4), most growth is anticipated in the southern portion of town (within the Elizabeth Brdy Basin). "The town plans, regulations and ordinances should be revised to direct this growth to accomplish the goals of this plan.". This is exactly what the proposed mixed-use community has designed in both location and the type of development. I have attached figure 4.4 Potential Growth Areas Map as exhibit C. (Page 4-23 Comprehensive and Sustainability Plan 2030).
2. Transportation and Connectivity. The comprehensive plan on Page 6-4 states that "The town relies on this regional transportation network, along with local roads, and bicycle and pedestrian facilities, for its economic vitality and social and resource connections". Greenway trails and pedestrian networks are important to the future of the town as are mass transit opportunities. The proposed mixed -use community's' location could not be better. It is in the southern part of town adjacent to 1-40, and Highway 86 (new), with I-85 to the north and Highway 86 (old) to the west. Access to all these major transportation routes can be made without going through downtown Hillsborough. The mixed-use master plan calls for an extensive internal pedestrian trail system with multiple connections both current and future to Waterstone Drive, which then provide links to other areas of Hillsborough. We have also proposed a public sidewalk on both sides of all new public streets. This type of connectivity is essential.
3. Economic Development and Tourism. The comprehensive plan states that "The town understands the importance of continued growth and support to existing businesses.". (Page 9-4 Comprehensive and Sustainability Plan 2030). And it also recognizes that "Hillsborough's largest industry is healthcare and social services with the UNC Hospitals Hillsborough Campus as the largest employer in this sector.". (Page 9-5 Comprehensive and Sustainability Plan 2030). The proposed mixed-use community is immediately adjacent to the UNC Hospitals Campus and is offering Medical Office and Outpatient Services to support the hospital's future and current needs. We are also offering middle-income housing designed with hospital workers in mind. The residential component of this mixed-use neighborhood provides a realistic opportunity for the employees at Hillsborough's largest employer to walk to work. The proposed Medical Office and Outpatient Services is located in Hillsborough's **Economic Development District** (see

figure 9.3). (Page 9-8 Comprehensive and Sustainability Plan 2030). As mentioned earlier the proposed mixed-use community has a commercial tax base of 41% which is double the proportion of commercial tax base in Orange County and much higher than the proportion of commercial tax base in Hillsborough.

4. Housing and Affordability. There are several very important sections from the comprehensive plan that warrant inclusion in the discussion of consistency with the proposed mixed-use community. Directly from the comprehensive plan.

- a. “During the development process for this plan “addressing affordability and cost of living” was noted as one of the most important sustainability issues facing the town. Page 8-4 Comprehensive and Sustainability Plan 2030).

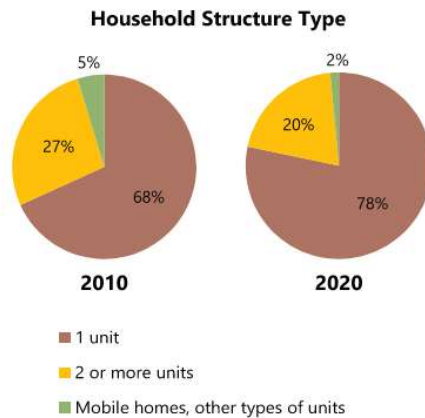
“The affordability of housing in a market function on a supply and demand model. The prices of housing units will be higher the lower the supply is in an area. Further, high housing costs have the unintended consequence of promoting sprawl, as households seek more affordable options away from densely populated areas with access to services. This generates adverse social and environmental effects, such as development of natural areas, increases in service rates (such as water and sewer), and higher emissions from longer commutes”. (Page 8-4 Comprehensive and Sustainability Plan 2030).

“A mixture of housing types helps neighborhoods be more sustainable and stable. Approaching housing with a smart growth lens curbs sprawl and reduces environmental impacts by building compactly, promoting a mix of uses....”. (Page 8-3 Comprehensive and Sustainability Plan 2030).

“Missing middle housing refers to building types that provide denser housing options, such as duplexes, fourplexes, cottage courts, and courtyard buildings. These housing types have the capacity to better support transit and economic mobility of residents without the cost and maintenance burden of a detached single-family home”. (page 8-4 Comprehensive and Sustainability Plan 2030).

In addition, between 2010 – 2020 the percentage of single-family homes has risen from 68% to 78% of Hillsborough’s total housing stocks (see Housing Structure Type in Hillsborough, Figure 8.4) Exhibit K. (Page 8-8 Comprehensive and Sustainability Plan 2030).

Figure 8.4. Household Structure Type in Hillsborough (2020 and 2010)



Source: U.S. Census, American Community Survey 5-Year Estimates

The proposed mixed-use development seeks to address the missing middle, and workforce housing by following the guidance laid out above from the comprehensive plan by providing townhomes and apartments and no single-family homes. We have chosen the more compact, denser design, that is more affordable and more sustainable. Our plan also addresses affordability by integrating 15% of affordable homes throughout the townhomes which will be affordable to those earning 80% or less of the median income. We will also commit to 15% of the entire residential portion of the project to be affordable. We are committed to working with the Hillsborough Commissioners to come up with the best plan for providing affordability within the apartments.

4. Definitions of the land-use designations, including density ranges & product types for residential development shown on the master development plan graphics

General Office/Medical Office/ Outpatient Services/ Hospital – Up to 65’ office buildings intended for medical office and general office uses. The buildings may also contain small accessory support uses such as a coffee shop or similar. This land use will include surface parking to support the buildings.

Apartments - 3 or 4 story buildings containing rental residential units in a mix of 1-, 2-, and 3-bedroom units with surface parking per UDO requirements.

Townhomes - 2 and 3 story buildings comprising 3-8 residential units’ side by side or stacked, for sale and/or rental. Parking will meet UDO requirements.

Neighborhood commercial - 1 or 2 story buildings for neighborhood support services such as Day Care, restaurant, small shops, and professional offices. Surface parking per UDO requirements

Open space - A combination of natural as well as improved open space areas including preservation, passive, and active recreation. These areas are comprised of stream buffers and steep slopes, open fields interior to the neighborhood, and accessible playgrounds (at least 2).

5. A table setting the minimum & maximum total dwelling units & nonresidential square footage; the minimum acreage for common open space, natural resource areas, public uses & any other planned uses

General Office/Medical Office/ Outpatient Services/ Hospital

Acreage: ~ 12.8 AC

Square footage: +/- 200,000 SF

Apartments

Acreage ~ 21.5 AC

Density per acre of these 2 blocks: 20-22 Units per Acre

Units in each block: +/- 225 units

Townhomes –

Acreage ~ 27.8 AC

Acreage of each block: Block A = ~ 6.7 AC, Block B = ~ 12.4 AC, Block C = ~ 6.9 AC, Block D = ~ 1.8 AC

Density per acre of each block: 5 to 14 units per acre

Units in each block: 25-70 units

Neighborhood commercial -

Acreage of block: ~ 5.0 AC

Square footage: +/- 40,000 SF

Open space - A combination of natural as well as improved open space areas including preservation, passive, and active recreation. These areas are comprised of stream buffers and steep slopes, open fields interior to the neighborhood, and accessible playgrounds (at least 2).

Total acreage of these areas: +/- 32 AC

6. Description of residential & mixed-use neighborhoods; commercial, office, & research & development-uses, common open omits space & natural resource areas; public buildings, schools, & other public uses; & any other proposed uses,

General Office/Medical Office/ Outpatient Services/ Hospital – Up to 65’ office buildings intended for medical office and general office uses. The buildings may also contain small accessory support uses such as a coffee shop or similar. This land use will include surface parking to support the buildings. Blocks H and I.

Apartments - 3 or 4 story buildings containing rental residential units in a mix of 1-, 2- and 3-bedroom units with surface parking per UDO requirements. Blocks E and F.

Townhomes - 2 and 3 story buildings comprising 3-8 residential units’ side by side or stacked, for sale and/or rental. Parking will meet UDO requirements. Blocks A, B, C, and D.

Neighborhood commercial - 1 or 2 story buildings for neighborhood support services such as Day Care, restaurant, small shops, and professional offices. Surface parking per UDO. Block G.

Open space - A combination of natural as well as improved open space areas including preservation, passive, and active recreation. These areas are comprised of stream buffers and steep slopes, open fields interior to the neighborhood, and accessible playgrounds (at least 2).

7. If the development is to be built in phases, a development schedule indicating:

- **The approximate date when construction of the project can be expected to begin.**
- **The stages in which the project will be built and the approximate date when construction of each stage can be expected to begin.**
- **The anticipated rate of development.**
- **The approximate date when the development of each of the stages will be completed.**
- **The area and location of open space, community and public facilities, and preserved floodplains, wetlands, and other natural resource areas that will be provided at each stage.**

The proposed Waterstone South community has been designed to be developed in three phases. The three phases primarily pertain to the residential component of the development and not the commercial components. The applicant recognizes the sewer capacity constraints that Hillsborough is currently experiencing and has proposed roughly 8 million dollars in accelerated system development fees, and direct improvements to improve capacity for the Waterstone South community and future development in the southern portion of Hillsborough. Because the residential component of Waterstone South is the primary consumer of sewer capacity, the residential component of the proposed mixed-use community is being proposed as phased development. The residential component has been divided into three phases to allow the necessary time for the proposed sewer improvements to be made in a logical and orderly manner. The commercial component of the community located along Waterstone Drive has been designed to encourage medical outpatient services and medical office to facilitate the growing medical complex anchored by UNC Health. We don't believe phasing of the medical uses is advisable as it will be developed as the UNC Health facility grows and the demand for the medical outpatient services and offices grow along with it. This is anticipated to occur over a 10-year time frame. Similarly, the neighborhood commercial along Highway 86 South at the entrance to the residential portion of the community will grow as the residential component of the community grows and the health care related jobs base expands. Uses such as day care facilities, coffee shops and restaurants, are anticipated in this neighborhood commercial area.

The phasing of the residential portion of the Waterstone South community shall occur starting at the front of the residential portion of the community along Highway 86 South and proceed westward towards I-40. As such, the townhomes and the neighborhood commercial will be constructed before the two phases of multi-family.

The three phases shall be structured as follows.

PHASE I: Phase I shall include 205 townhomes and approximately 10,000 square feet of the neighborhood commercial. Infrastructure development shall conclude and building construction to start in June 2026 with the first townhomes being completed in January 2027. Phase I should be completed by January 2030. No sewer would be needed before January of 2027 and gradually added through 2030.

PHASE II: 225 apartments and approximately 10,000 square feet of neighborhood commercial. Infrastructure development shall conclude and building construction to start in January of 2028 with the first apartment being completed in January 2029. Phase II should be completed by January 2030. No sewer would be needed before January of 2029 and gradually added through 2030.

PHASE III: 225 apartments and approximately 20,000 square feet of neighborhood commercial. Infrastructure development shall conclude and building construction to start in January 2029 with the first apartment being completed in January of 2030. Phase III should be completed by January 2031. No sewer would be needed before January 2030 and gradually added through 2031.

As intended the sewer usage allows a substantial amount of time for the necessary improvements to be completed with the initial usage not starting for three and a half years while the infrastructure and building occurs and increasing gradually over the next seven years. We think this is a well thought out phasing plan that allows for a logical growth pattern to be aligned with increases in sewer capacity.



Waterstone South

10 Factors Relevant to Decision to Amend the Official Zoning Map

1. The extent to which the proposed amendment is consistent with all applicable Town Adopted Plans

There are several adopted plans that stipulate policy and guidance on new land use for the subject properties. These include.

The *Town of Hillsborough Potential Growth Areas Map* identifies the area where the site is located as a “Potential Growth Area”. Figure 4.4, page 4-23 Comprehensive and Sustainability Plan 2030.

The Town of Hillsborough/ Orange County Coordinated Area Land Use Plan for Areas Within the Urban Services Boundary calls for Mixed Use land use along Waterstone Drive and mixed residential neighborhood for the rest of the property. Our proposal is for a mix of retail and office-type uses along Waterstone Drive, and Mixed Residential for the remainder of the property, exactly as called for in the plan.

The *Hillsborough Urban Services Boundary Map* shows all of the subject properties (except for the small portion in the Rural Buffer) within the Town water/sewer service agreement area, thus supporting our request to extend water and sewer service from the Town system.

The Town of Hillsborough Comprehensive Sustainability Plan addresses specific goals that are actionable with our proposal relative to Land Use and Development, Transportation and Connectivity, Social Systems and Public Spaces, Housing and Affordability, and Economic Development, Climate and Energy.

The Land Use and Development component of this plan reinforces the established urban growth limits of the Town, the need to expand and enhance the public utility infrastructure, and incorporation of pedestrian oriented smart growth principles in new development. Our proposal is within that identified town growth boundary, and we are offering to provide direct construction and financial assistance to the Town to enhance the capabilities of the public water and sewer infrastructure, as well as build incrementally over time to allow those enhancements to become operational before adding customers that could strain that system. The proposed development as envisioned will be a walkable mixed-use community with townhomes, multifamily residential, retail, office and civic spaces. The commitment to not have single family homes will result in a

development pattern that will require less infrastructure per residential unit, and allow residents to live, work and shop within an easy bike ride or walk. Similarly, the proximity to UNC Hospital and Durham Tech will further expand those live/work opportunities without requiring the use of a car.

Similarly, the Transportation and Connectivity component will be met through this compact form of development with connecting sidewalks and trails. Hillsborough Public Transit has service on Waterstone Drive, and we plan on connecting the southern portion of the site to Waterstone Drive with a multi-use path.

Regarding Social Systems and Public Spaces, we plan on having multiple public open space areas within the boundaries of the project including a continuous 100' strip of open space along the properties southern border against East Scarlett Mountain Road and ten acres of open space at the southwestern corner of the property. Similarly, we are right across NC 86 from Stanback Middle School, and a short distance north of New Hope Elementary. A sidewalk could be constructed, with NCDOT support, for safer access to Stanback. In addition, there is an adjacent Place of Worship.

Housing and Affordability is an important component of our proposal. We are focusing on much needed missing middle and multifamily housing, both rental and for sale. There will be no single-family homes. A permanent dedication of 15% of the residential units will be committed as long term affordable.

2. **The extent to which there are changed conditions that require an amendment** – The southern portion of Hillsborough has seen most of the Hillsborough's growth over the last 20 years. This growth has been moderately paced, and logical, given the southern portion of Hillsborough's proximity to major transit corridors. The area is bounded by I-85 to the north, I-40 to the south, new Highway 86 to the east, and old Highway 86 to the west. The southern portion of Hillsborough is within Hillsborough's Urban Services Boundary and within what has been designated as the primary service area. The water and sewer facilities south of downtown are newer, and higher quality than in the northern and central sewer basins. Guidance provided by past land use plans and reinforced by the recently approved Comprehensive Plan and Future Land Use Map have played a role in the development of the southern area of Hillsborough as well.

The subject property is in the southern area of Hillsborough and the growth surrounding the site has **resulted in changed conditions warranting the amendment**. Specific growth immediately adjacent to or near the subject site includes the Waterstone project, and the recently approved Research Triangle Logistics Park. The Waterstone project has contributed significantly to the area's growth with our state's flagship medical institution, UNC Health, building a major hospital on Waterstone Drive. In 2022 UNC Health expanded the hospital adding an entirely new tower with 80 new beds, and a dialysis center. The newly completed tower has added 100 jobs to bring the total UNC Health employees to over 500 at the 365,000 square foot Hillsborough Campus. Durham Technical Community College built a new campus on Waterstone Drive that includes a 40,000 square building that holds 22 new classrooms, a computer lab, and administrative offices, and is now preparing for expansion of the original campus. Waterstone

has also seen the opening of a new Fire Station in 2023. The 7.4-million-dollar facility has living accommodations for 12 fire personnel and 6 EMS workers. The Research Triangle Logistics Park has been approved and the owners have begun the development and construction process. The Park will add 2,400,000 square feet of industrial, manufacturing, and warehousing space that will bring hundreds of new jobs to the Town of Hillsborough. With the new growth to the southern area of Hillsborough infrastructure has grown as well. I-40 is currently being upgraded at both the Old and New Highway 86 intersections, lane widening is occurring between Highway 15-501 and Highway 85, and mass transit routes to Hillsborough and Chapel Hill have been added.

The addition of recent growth in health, education, industrial and manufacturing space, and municipal services in the southern area of the Town of Hillsborough **has resulted in changed conditions that warrant amendment**. The northern portion of the proposed Mixed-Use Community will allow specialty and outpatient services to grow around the core UNC Health hospital and facilitate the growth of the overall health services in Hillsborough. The residential apartments and townhomes being proposed will provide homes for the of new workers the recent growth in jobs in the southern portion of Hillsborough will require.

3. The extent to which the proposed amendment addresses a demonstrated community need.

The proposed project will address a number of community needs.

a. Housing. We all need a place to live and the United States is currently in a housing crisis. The supply of homes has simply not kept up with the demand. A CNN report earlier this year put the national shortage at 6.5 million homes. Locally a report by the North Carolina Budget and Tax Center given at North Carolina's Annual Fair Housing Conference puts North Carolina's shortage at 900,000 homes by 2030. A shortage of homes has a direct and significant impact on home prices. When you have an insufficient supply of homes, prices go up making the available homes unaffordable. A housing shortage also affects the price of existing homes and when the value of existing homes rises the property taxes for long term residents of Hillsborough increase. This has happened in Hillsborough, at the state level, and nationally. The hardest hit has been the supply of homes for those in the middle- and lower-income price ranges. The only actively selling new home community in Hillsborough currently is Collins Ridge. By the time the proposed Waterstone South project is issued its first building permit, it is likely that Collin's Ridge will be sold out. The proposed mixed-use community will provide badly needed housing for middle income families. As proposed the community will only serve the middle- and lower-income ranges by building only town homes and apartments. We have not planned for any single-family homes. **Providing badly needed middle income homes is a demonstrated community need.**

b. Affordable Housing. Along with the middle-income homes referenced above the applicant is making a commitment to make 15% of the market rate homes affordable to those making an average of 80% of the median income. Affordable homes will be integrated within the market rate homes with identical exterior finishes. There will be no discernable difference between the homes. **Providing affordable homes is a significant financial commitment from the applicant and will address a demonstrated community need.**

c. Medical services/ Neighborhood Oriented Commercial. The proposed mixed-use community has two commercial components planned. The most significant is approximately 12 acres of medical office and outpatient services located immediately adjacent to the UNC Heath Campus on Waterstone Drive. In this portion of the proposed mixed-use campus, we anticipate the type of medical support services typically seen around major medical institutions. We envision radiology, orthopedics, gynecologist, dermatologist, and other specialty offices that will support UNC Health and allow it to operate effectively. The other commercial component will be the neighborhood-oriented commercial along Highway 86 south at the entrance to the residential portion of the community. Here we are planning businesses that will support the community's needs in the southern portion of town. Potential uses include a day care, restaurants, coffee shops, a barber shop or salon. **We believe that each of these commercial components of the proposed mixed-use community will address a demonstrated community need.**

d. Tax Base Income and Jobs. We are proposing a mixed-use community with both residential and commercial components with no single-family lots. This type of development uses far less infrastructure, resources, and community services than the more traditional single-family communities built in the past. They are simply more sustainable, which is listed as the first and primary goal of Hillsborough's new Comprehensive Plan. We have had Lucy Gallo of DPFG conduct an extensive Economic and Fiscal Analysis of the proposed community and the results are a significant deviation from traditional residential development. Ms. Gallo's report finds that the community will generate 1.4 million in annual property tax revenue with an annual net income above expenses of just under 1 million dollars (\$958,000) annually for Hillsborough's General Fund. This is revenue after contributing over \$750,000 to the annual cost of fire and police protection alone. In terms of economic impact, the mixed-use community will create 1,014 permanent jobs in Hillsborough of which most will be high paying medical jobs. These incomes are projected to exceed 100 million annually. **The proposed mixed-use community will go far beyond paying for itself and make a substantial contribution to the Town's general fund and employment, addressing a demonstrated community need.**

4. **The extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject land and is the appropriate zoning district for the land, and is consistent with the Hillsborough Comprehensive Plan**

a. Compatible with Existing and Proposed Uses. The northern portion of the proposed mixed-use community sits immediately adjacent to UNC Hospital campus along the south side of Waterstone Drive. Durham Technical College campus is located on the north side of Waterstone Drive, along with a large townhome community called Harmony at Waterstone. The property extends southward from Waterstone Drive to East Scarlett Mountain Road. The property is bounded by I-40 to the west and Highway 86 to the east. The general site plan calls for medical office and outpatient services immediately adjacent to UNC Hospital, and residential uses on the southern portion of the site. The residential component is comprised of townhomes and apartments intended to serve working middle income families. The apartments will be located on the western portion of the site along I-40, while the townhomes will be on the eastern portion of the site closer to Highway 86. Neighborhood oriented

commercial will be located at the entrance to the residential portion of the community along Highway 86.

The site plan design **is compatible with existing and proposed uses surrounding the subject land.** The medical office and outpatient services is immediately adjacent to UNC Hospital which is consistent and intended to support the major medical facility. The residential component of the mixed-use community is entirely consistent with the apartments in Waterstone and the townhomes along Waterstone Drive. Highway 86 and I-40 both buffer the townhomes and apartments from the east and the west. The Rural Buffer begins at the southwestern corner of the site and extends all the way to Chapel Hill. Within the Rural Buffer homes were constructed on large lots. We will be dedicating significant areas of open space along the southern boundary in the Rural Buffer and have designed the lower density townhomes as a transition. While we are proposing higher density than the Rural Buffer to the south, we believe placing our residential component on the southern portion of the site **is compatible with existing uses, and is consistent with the recently approved Comprehensive Plan, the Future Land Use Map, and the Urban Services Boundary Map (attached as exhibits A and B respectively).**

Exhibit A

Town of Hillsborough/Orange County Central Orange Coordinated Area Land use Plan
Areas Within the Town's Urban Service Boundary

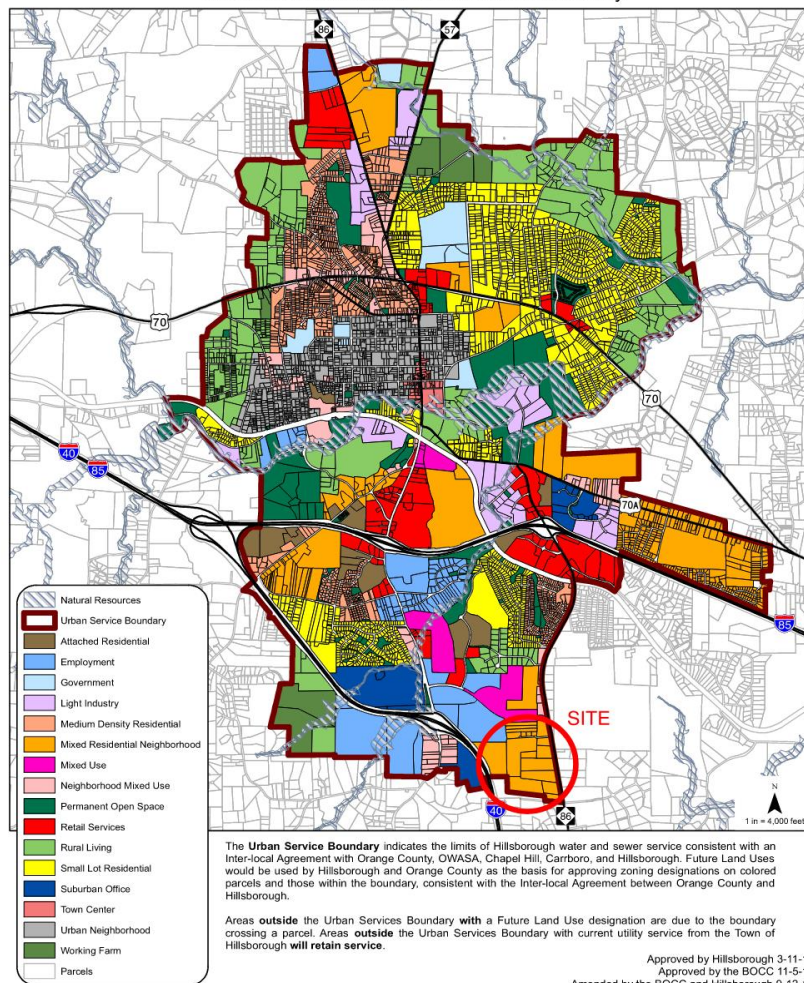
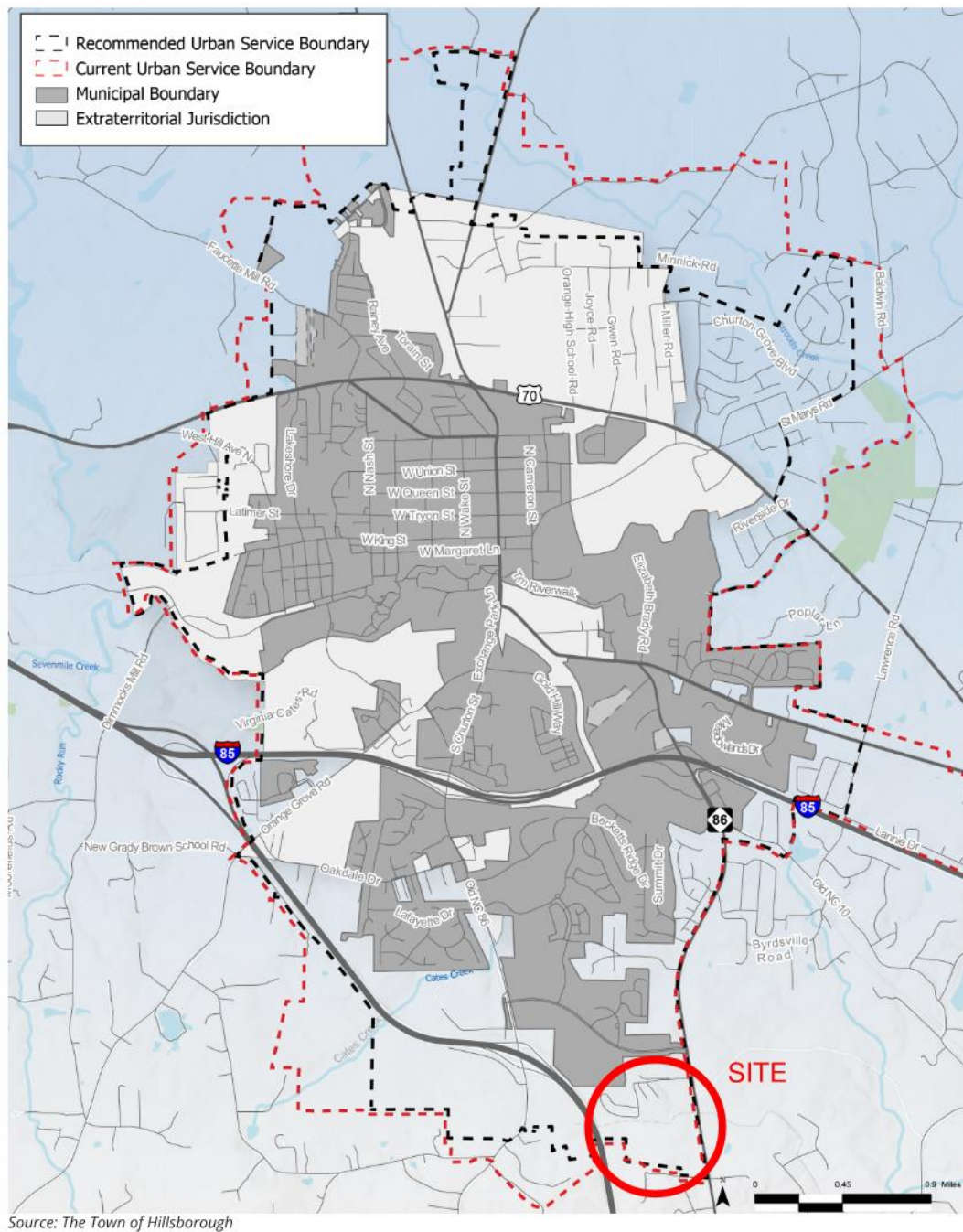


Exhibit B

Figure 4.1. Urban Service Boundary



- b. Consistent with the Comprehensive Plan. In June of 2023 the Town of Hillsborough adopted a new Comprehensive Plan entitled “Town of Hillsborough Comprehensive Sustainability Plan 2030. The proposed mixed-use community and associated annexation are consistent with this comprehensive plan in virtually every respect.
 1. Land Use and Development. This section of the comprehensive plan applies most directly to this proposed mixed-use development.

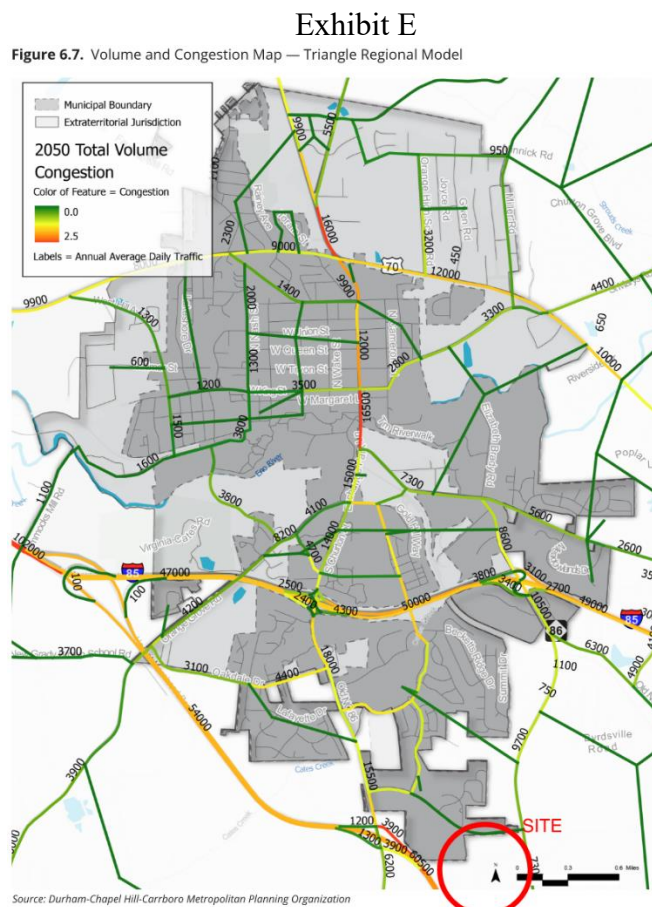
- a. Pages 4-5 of the Comprehensive Plan, at the beginning of the section, states that Hillsborough “seeks development patterns that create more compact communities and walkable spaces with a mix of uses”, and page 4-8 speaks to the southern area of Town holding opportunities for growth in the form of “compact, mixed use, and transit-oriented development”. This mixed-use development is in the southern portion of Town and provides compact development, a mix of uses, and mass transit opportunities.
- b. The comprehensive plan contemplates contracting the urban services boundary away from areas that are less practical to provide sewer services, or the Town wants to otherwise discourage development. The proposed mixed-use community remains within the primary service area whether the area is contracted or not (see attached exhibit B from page 4-12 of the Comprehensive Plan.
- c. The comprehensive plan speaks of the Town’s limited and in some areas constrained sewer capacity. It is pointed out that the “Elizabeth Brady Basin is newer and has more capacity”. (Page 4-14 Comprehensive and Sustainability Plan 2030). This proposed mixed-use community is in the Elizabeth Brady Basin.
- d. The comprehensive plan points out that a significant problem with the existing sewer system is that there are too many pump stations, and many of them are substandard and ageing. (Pages 4-15 and 4-16 Comprehensive and Sustainability Plan 2030). The proposed mixed-use community eliminates two ageing substandard pump stations and constructs one new station built to modern standards with excess capacity for the future.
- e. The comprehensive plan page 4-16 points out that “Planned growth is a driver for sewer improvements in the newer Elizabeth Brady Pumping Station Sewer Basin. Significant investment will be needed to prepare for future needs and growth”. The proposed mixed-use community is proposing a contribution of 8 million dollars in needed sewer improvement for the Town of Hillsborough’s system. Of the 8 million dollars 3.3 million would be in direct construction (including upgrading the Elizabeth Brady Pump Station, eliminating the Alice Loop Pump Station, and replacing the Nazarene Pump Station), and 4.7 million dollars would be in accelerated access fees that would be paid upon approval of each of the 3 phases. This is a very large contribution to the public infrastructure. Hillsborough has not seen this level of commitment in the past. However the comprehensive plan specifically suggest this type of cost sharing arrangement with developers.
- f. In the conclusion of the Comprehensive Plan’s section on Land Use and Development, page 4-22 states that, “Based on the water and sewer capacity constraints, growth should be focused on the southern part of Town in the Elizabeth Brady Basin. This area is ripe for additional compact and mixed-use development.....”. As demonstrated in the Growth Areas Map (Figure 4.4), most growth is anticipated in the southern portion of town (within the Elizabeth Brady Basin). “The town plans, regulations and ordinances should be revised to direct this

pedestrian trail system with multiple connections both current and future to Waterstone Drive, which then provide links to other areas of Hillsborough. We have also proposed a public sidewalk on both sides of all new public streets and will discuss the potential of public sidewalk along Highway 86 to provide access to Elementary and Middle Schools. This type of connectivity is essential.

The comprehensive plan has several transportation related maps that I have attached to this report as exhibits e-i. I will include a brief narrative of each map as they relate to the proposed mixed-use community.

- a. Figure 6.7, Volume and Congestion Map, page 6-17.

This map shows areas around Hillsborough that experience high traffic volumes and congestion. Please notice that at Waterstone Drive and Highway 86 where the proposed mixed-use community is located there are only green hues shown. This indicates low volume and congestion.



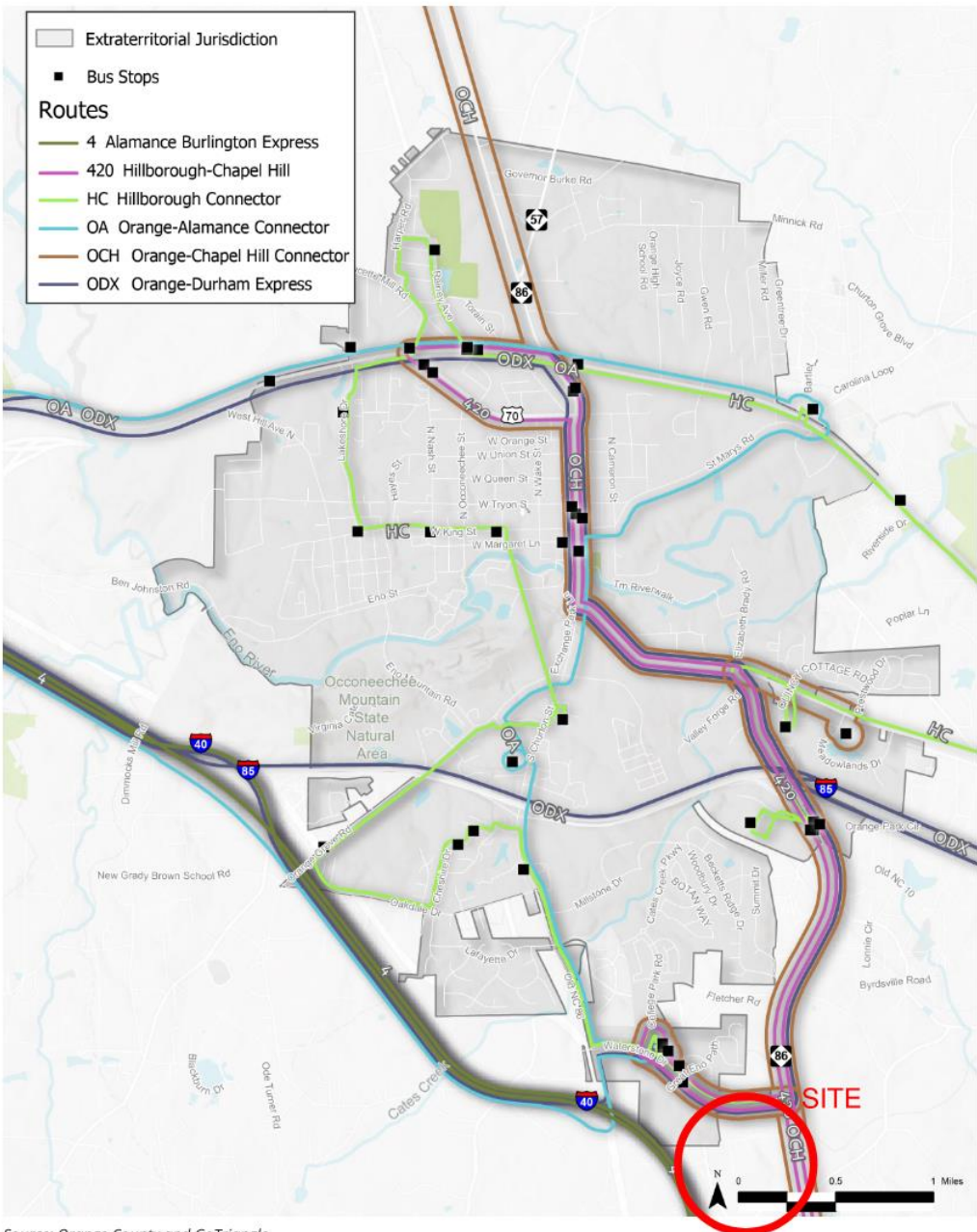
- b. Figure 6.8, page 6-19 Existing Transit Routes.

This map shows where transit opportunities currently exist. Please note that Waterstone Drive and Highway 86 South, where the proposed mixed-use community is located, has more mass transit opportunities than anywhere else in

Hillsborough. These opportunities include the Hillsborough Circulator route, Hillsborough to Chapel Hill routes, and the Orange - Alamance Connector.

Exhibit F

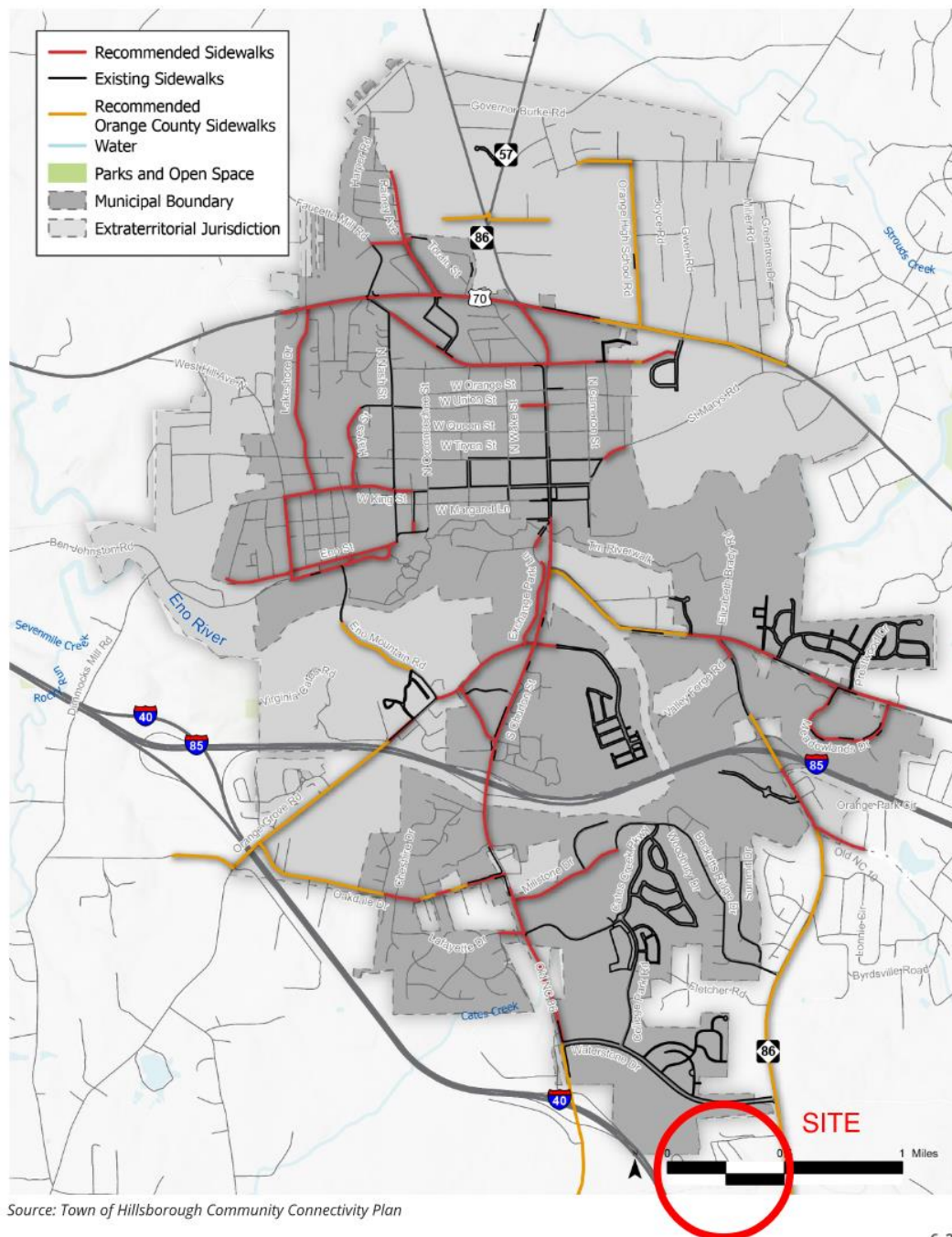
Figure 6.8. Existing Transit Routes



c. Figure 6.10, page 6-22. Sidewalk System Map.
This map shows an Orange County recommended sidewalk along Highway 86 South.

Exhibit G

Figure 6.10. Sidewalk System Map

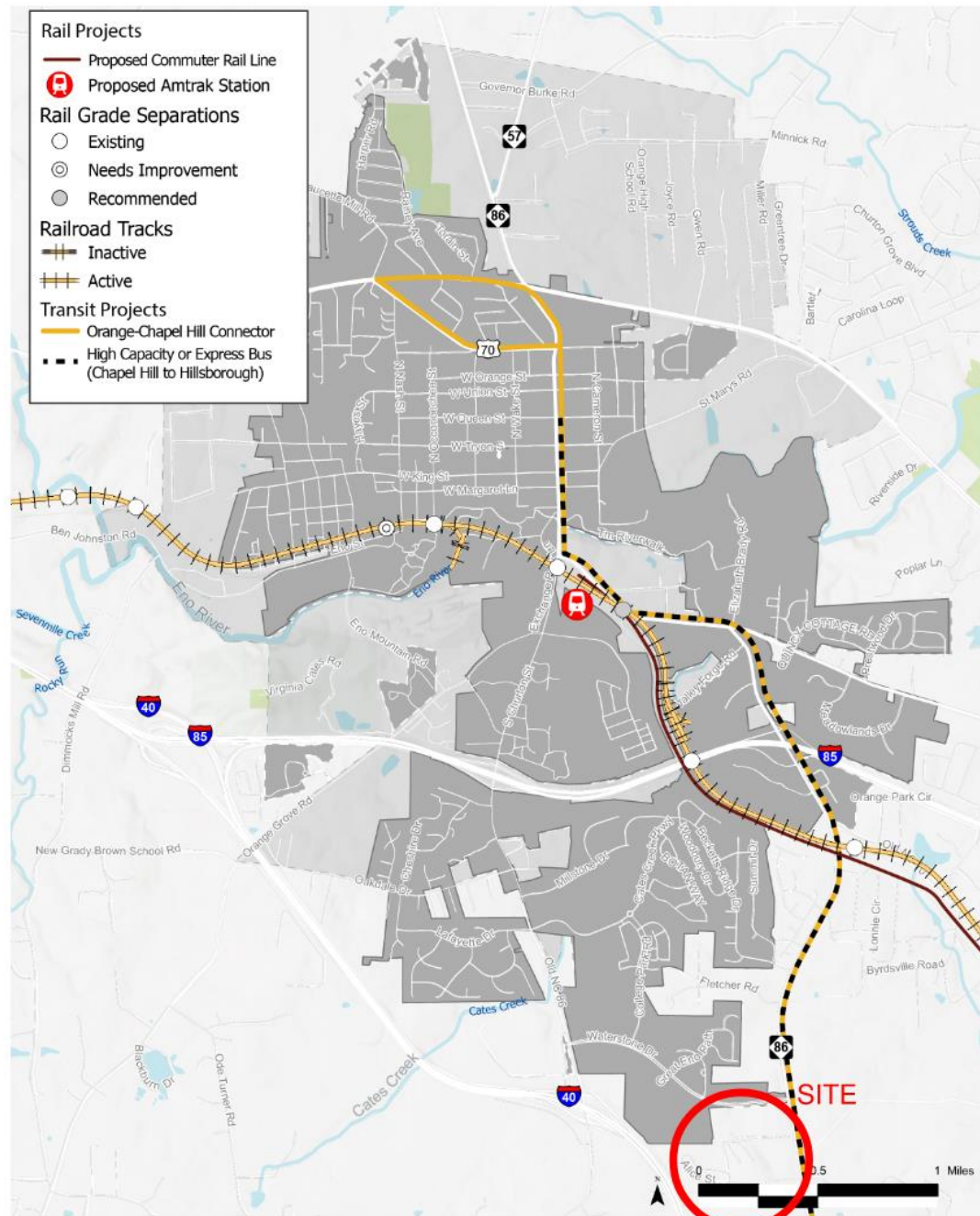


6-22

- d. Figure 6.17, page 6-38 Existing Rail and Improvements Map.
This map shows that Highway 86 directly in front of the proposed mixed-use development has “High Capacity or Express Bus between Hillsborough and Chapel Hill.”

Exhibit H

Figure 6.17. Existing Rail and Improvements Map

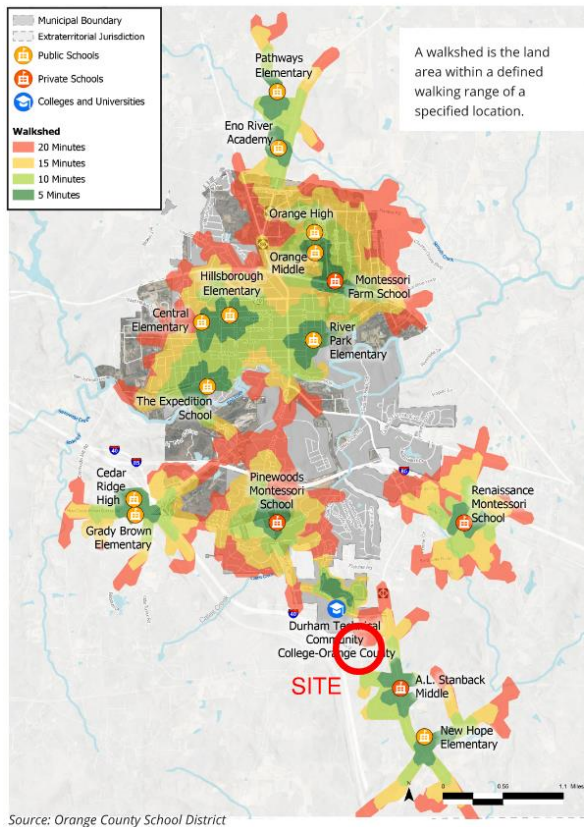


Source: Durham-Chapel Hill-Carrboro Metropolitan Planning Organization Comprehensive Transportation Plan, November 2017

- e. Figure 7.3, page 7-9. Educational Walkshed Map (K-12 and Higher Education). This property is connected to local schools with green shading which indicates a 5 minute or less walk to the educational facilities of Durham Technical College, A.L. Stanback Middle School, and New Hope Elementary. This makes walking a potential opportunity for all three schools.

Exhibit I

Figure 7.3. Educational Walkshed Map (K-12 and Higher Education)



Child Care

Hillsborough is home to several child care centers that offer daycare and preschool services. These centers support growth, development and educational advancement of children, and creates a positive economic impact for families and communities. These centers are vital to the success of the community, and all families should have access to quality and affordable child care. As the population of Hillsborough grows, more quality child care options will be needed to meet the demand.

3. **Planning and Economic Development.** The comprehensive plan states that “The town understands the importance of continued growth and support to existing businesses.”. And it also recognizes that “Hillsborough’s largest industry is healthcare and social services with the UNC Hospitals Hillsborough Campus as the largest employer in this sector.”. (Pages 9-4 and 9-5 Comprehensive and Sustainability Plan 2030). The proposed mixed-use community is immediately adjacent to the UNC Hospitals Campus and is offering Medical Office and Outpatient Services to support the hospital’s future and current needs. We are also offering middle-income housing designed with hospital workers in mind. The residential component of this mixed-use neighborhood provides a realistic opportunity for the employees at Hillsborough’s largest employer to walk to work. The proposed Medical Office and Outpatient Services is located Orange County’s **Economic Development District** (see figure 9.3). (Page 9-8 Comprehensive and Sustainability Plan 2030). The proposed mixed-use community has a mix of 41% commercial tax base and 59% residential tax base.

Exhibit J

Coordination with Orange County

The partnerships that the town has with Orange County are important for a strong economic development strategy. The county invests significant resources into economic growth for the county, which the town can use and build upon at a local level.

Orange County Economic Development Districts around Hillsborough

In 1984, Orange County outlined areas around Interstate 40 near Hillsborough as economic development districts (identified in lavender in *Figure 9.3*). These areas encompass all four corners of the Interstate 40 exchange with Exit 261 south of Hillsborough, totaling 703 acres that include Waterstone Business Park, UNC Hospitals Hillsborough Campus and Durham Technical Community College's Orange County Campus. Approximately 208.08 acres of these economic development districts have been developed.

Figure 9.3. Orange County Economic Development Districts



4. Housing and Affordability. There are several very important sections from the comprehensive plan that warrant inclusion in the discussion of consistency with the proposed mixed-use community.

During the development process for this plan “addressing affordability and cost of living” was noted as one of the most important sustainability issues facing the town. (Page 8-4 Comprehensive and Sustainability Plan 2030).

“The affordability of housing in a market function on a supply and demand model. The prices of housing units will be higher the lower the supply is in an area. Further, high housing costs have the unintended consequence of promoting sprawl, as households seek

more affordable options away from densely populated areas with access to services. This generates adverse social and environmental effects, such as development of natural areas, increases in service rates (such as water and sewer), and higher emissions from longer commutes”. (Page 8-4 Comprehensive and Sustainability Plan 2030)’

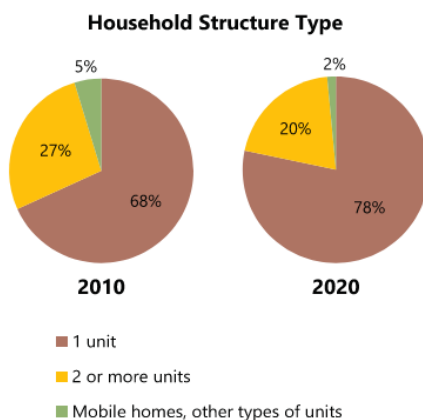
“A mixture of housing types helps neighborhoods be more sustainable and stable. Approaching housing with a smart growth lens curbs sprawl and reduces environmental impacts by building compactly, promoting a mix of uses....”. (Page 8-3 Comprehensive and Sustainability Plan 2030).

“Missing middle housing refers to building types that provide denser housing options, such as duplexes, fourplexes, cottage courts, and courtyard buildings. These housing types have the capacity to better support transit and economic mobility of residents without the cost and maintenance burden of a detached single-family home”. (Page 8-4 Comprehensive and Sustainability Plan 2030)’

In addition, between 2010 – 2020 the percentage of single-family homes has risen from 68% to 78% of Hillsborough’s total housing stocks (see Housing Structure Type in Hillsborough, Figure 8.4). (Page 8-8 Comprehensive and Sustainability Plan 2030).

Exhibit K

Figure 8.4. Household Structure Type in Hillsborough (2020 and 2010)



Source: U.S. Census, American Community Survey 5-Year Estimates

The proposed mixed-use development seeks to address the missing middle, and workforce housing by following the guidance laid out above from the comprehensive plan by providing townhomes and apartments and no single-family homes. We have chosen the more compact, denser design, that is more affordable and more sustainable. Our plan also addresses affordability by integrating 15% of affordable homes throughout the townhomes which will be affordable to those earning 80% or less of the median income. We will also commit to 15% of the entire residential portion of the project to be

affordable. We are committed to working with the Hillsborough Commissioners to come up with the best plan for providing affordability within the apartments.

5. The extent to which the proposed amendment would result in a logical and orderly development pattern or deviate from logical and orderly development patterns.

The proposed plan will allow an appropriate type of growth to the Town's anticipated future southern border that is in keeping with an orderly and logical development pattern. Recent development in this area has been characterized by the creation of significant employment centers, including Durham Technical Community College, UNC Hospital and a medical office building at Waterstone Drive and South Churton. This proposal requests a mix of townhome and multifamily housing types which would be more affordable and in walkable and bikeable proximity to those employment centers, as well as to a nearby middle school and elementary school. In addition, the proposal calls for a small neighborhood retail area along NC 86 along the property frontage, again walkable and bikeable to the new residents, as well as a general and medical office area on Waterstone Drive, directly adjacent to the hospital. Those latter uses will provide additional employment and business lease space opportunities in an area designated for mixed use by the Future Land Use Plan. In summary, the Town has a dwindling supply of available land to provide additional housing, business and employment opportunities, and by graduating the intensity of these uses south from Waterstone Drive to the Rural Buffer is an appropriate use of this property and a logical pattern of development.

6. The extent to which the proposed amendment would encourage premature development.

We don't believe there is anything premature about the proposed mixed-use community. There is a documented housing shortage both nationally and locally as referenced earlier in Section 3(a) above. The medical office and outpatient services being proposed along Waterstone Drive next to UNC Hospital are necessary to support the hospital and allow for the area to develop into a signature medical campus. The neighborhood commercial proposed at the entrance to the residential component of the community along Highway 86 will allow for the opportunity for restaurants, day cares barber shops, and hair salons to be in an area of town where there are few neighborhood businesses.

7. The extent to which the proposed amendment would result in strip or ribbon commercial development.

This proposed rezoning would in fact not result in strip or ribbon commercial development. The proposed neighborhood commercial along NC 86 will be limited to 40,000 sf maximum. The location is purposeful to be within walking distance of the new residential units, and calls for uses including daycare, restaurants, commercial office and small retail spaces. This is not a strip form of development. The remaining non-residential uses are proposed along Waterstone Drive and are committed to be general office and medical office, not retail. This is inherently not a strip form of development.

8. The extent to which the proposed amendment would result in the creation of an isolated zoning district unrelated to or incompatible with adjacent and surrounding zoning districts.

While there will be two large parcels of property between our proposed mixed-use community and Waterstone Drive, they will most certainly be developed in a similar fashion to what we are proposing. They are located along Highway 86 and the larger parcel sits at the corner of Waterstone Drive and Highway 86. There is a third 4-acre parcel located near the UNC Hospital and we have been in contact with them about purchasing the property. They currently have the property advertised for sale. The current owners of the two larger parcels were not inclined to sell their property at this time, but neither parcel could be considered isolated.

9. The extent to which the proposed amendment would result in significant adverse impacts on the property values of surrounding lands.

We do not believe the annexation of the subject property and proposed mixed-use development will result in significant adverse impacts on the property values of surrounding lands. As mentioned earlier I-40 provides a significant buffer to the property west of the site. We don't believe the proposed mixed-use development will have any effect on the properties west of I-40. The same is true, although possibly to a lesser extent, of the properties along Highway 86 which serves as the eastern boundary of the proposed mixed-use community. There are a total of 8 lots across Highway 86 along the property's eastern border. Duke University owns 439 acres of forestry land. The owner of Investors Title owns 4 of the properties with one rental home on the combined parcels. Blalocks Towing and Recovery owns one lot, and there is one individual home set back on an 8-acre lot. We do not believe that the proposed mixed-use community will have any negative effects on these properties. The proposed mixed-use development may have a positive effect on the business of Blalocks Towing and Recovery. There should be no effect on the Duke Forestry property or the investment properties as they are all outside the urban services boundary. The homes to the south of the property are on large lots and are all in the rural buffer. We would anticipate a slight increase in property values due to the addition of the neighborhood commercial and other facilities being located nearby, but no decrease in property values. Lastly, we believe the proposed mixed-use community can only enhance the properties adjacent to the northern area of the site. Because the site is immediately adjacent to UNC Hospital the proposal includes uses intended to support UNC Hospital. The effect should be positive. One of the most significant advantages of the proposed mixed-use community for the Town of Hillsborough is that the additional residential component has the potential to stimulate the lack of anticipated commercial growth in the Waterstone Community. While the location of UNC Hospital and Durham Technical College have been positive, they have not contributed significantly to Hillsborough's tax base. The anticipated commercial that would supply the commercial revenue has not been built. The residential component of the proposed mixed-use community may provide the necessary "rooftops" to stimulate needed commercial growth along Waterstone Drive.

10. The extent to which the proposed development would result in significantly adverse impacts, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.

The planned development is designed to be sensitive to natural features and environmental systems. Streams were mapped by Orange County, and the plan is configured to avoid these and

the associated riparian buffers. Stoney Creek is the most significant environmental feature on the property. A substantial portion of the property is currently in a meadow due to the wide overhead powerline easement and will largely be maintained as such. Riparian buffer areas of the site, as well as a 100' buffer along I-40 will remain in a wooded state. Stormwater management control measure to Town and State standards will be installed with the development to maintain the quantity and quality of runoff and not degrade the existing streams. Also, continuous wildlife corridors with limited road and greenway crossings will be maintained east/west through the site along Stoney Creek, and north/south along Interstate 40.

EXHIBIT C

CONDITIONS OF APPROVAL FOR WATERSTONE SOUTH, A PLANNED DEVELOPMENT

I. **Generally**

- a. Site plans and construction drawings for the development shall comply with these conditions of approval, as well as any applicable development regulations for the Town of Hillsborough that are in effect when the plans and/or drawings are submitted. When there is a conflict between a condition of approval and the development regulations of the town, the condition of approval shall govern.
- b. The size of the townhome blocks, denoted as Blocks A, B, C, and D on the master plan, and the number of units within them may be adjusted administratively with the Planning Manager's approval only if the overall acreage and density of the combined townhome blocks remains the same.

II. **Affordable Housing**

- a. Fifteen percent (15%) of the total market rate homes in the development, including the townhomes and multi-family apartment units, shall be affordable to those earning an average of 80% or less of the median income. Median income shall be determined using data from the US Department of Housing and Urban Development for the geographic statistical area in which Hillsborough is located. Response. Agreed.
- b. A deed restriction reserving the affordable units for a period of ninety-nine (99) years and requiring annual certification with the town of the number of affordable units shall be recorded before a Zoning Compliance Permit will be issued for the first residential unit.
Response. Typically for townhomes the deed restriction would be placed on the deed conveying the town home lot to the purchaser. The Community Home Trust has always purchased our town homes and inserted the appropriate language in the deed conveying the lot to homeowners. What Chapel Hill requires is an "Affordable Housing Plan" that is executed by the Applicant and the Town Manager's office that is recorded in the register of deeds office so that it becomes part of the chain of title. I have attached Chapel Hill's requirements for the Affordable Housing Plan. I think for the town homes that this comment should be changed to read that "The Applicant will record an affordable housing plan, approved by the Town Manager's office, that includes the specifics of the Applicants affordable housing commitment.'. A deed restriction would probably be more appropriate for the apartments. The annual certification could be included in the Affordable Housing Plan.
- c. The affordable units shall be integrated with the market-rate units, and the exterior finishes shall make the affordable units indistinguishable from those that are market-rate.
- d. Affordable units will be developed in accordance with the following minimum size schedule:

Minimum Net Livable Square Footage	
Number of Bedrooms in Unit	Minimum Square Footage
Efficiency/studio apartment	500
1 Bedroom	700
2 Bedroom	850
3 Bedroom	1,100
4 Bedrooms or more	1,200 plus 250 sq. ft. per additional bedroom above 4

- e. The affordable unit mix shall be proportionate to the market-rate unit mix. For example, the number of one-bedroom affordable apartment units shall be proportionate to the number of one-bedroom market-rate apartment units.
- f. Floor plans for buildings containing affordable units must be submitted for review with zoning compliance permit applications.

III. Conservation Easement

- a. Approximately 12.8 acres along the southern project boundary shall be held in a conservation easement. The easement, shown on sheet MP1.1 of the approved Waterstone South Master Plan set, was mandated by the Orange County Board of Adjustment as part of the modified Special Use Permits for The Woods and Woodsedge on May 8, 2024. The applicant shall record the conservation easement in a form satisfactory to the Town of Hillsborough with the Orange County Register of Deeds within 120 days of annexation by the Town of Hillsborough. The Town of Hillsborough shall hold the conservation easement in perpetuity.

IV. Multi-modal Transportation

- a. The locations of the internal streets shown on the master plan are conceptual. Exact street locations will be established during site plan/construction drawing review.
- b. The developer shall record a public access easement and private maintenance agreement in each phase for all trails labeled "Walking & Bicycle Trail" on the approved Master Plan before the issuance of a Zoning Compliance Permit for the first residential unit for that phase.
- c. The developer shall request in writing a public access easement from UNC Hospitals to connect the proposed "Walking & Bicycle Trail" on the western side of the Waterstone South development to the water tower access road on the UNC Hospitals property (PIN 9873-32-0287). A copy of the written request will be sent to the Town of Hillsborough Planning Manager. If UNC Hospitals agrees to grant said easement, the developer shall

- i. record the deed of easement and a private maintenance agreement with the Orange County Register of Deeds office, and
 - ii. extend the proposed "Walking & Bicycle Trail" from the shared property line between UNC Hospitals and the Waterstone South development to the water tower access road on the UNC Hospitals property (PIN 9873-32-0287). Response. Discussion needed.
- d. The developer shall pave all trails labeled "Walking & Bicycle Trail" on the approved Master Plan unless a proposed trail is in an environmentally sensitive area (e.g., floodplains; wetlands; slopes exceeding 25%; highly erodible soils), in which case crushed stone or soft surfaces (e.g., natural earth; wood chips) may be used. The layout of trails shown on the Master Plan is conceptual. Exact trail locations and surfaces will be established during site plan/construction drawing review. Response. In addition to making the exception for environmentally sensitive area, we would request that we exempt the trails in the 12.8 acres that will be placed under a conservation easement in the southwest corner of the site. These should be natural surface trails.
- e. All trails shall be maintained in perpetuity by the developer, any successors and assigns of the developer, or other acquiring parties.
- f. The developer shall install a sidewalk network interior to the site that connects with a sidewalk system on the west side of NC 86 S as shown on the Master Plan.
- g. The developer shall install a painted crosswalk with high-visibility striping and a flashing beacon at E. Scarlett Mountain Road and Storey Lane at the NC 86 S intersections if allowed and approved by the North Carolina Department of Transportation.
- h. The developer shall design all streets designated as public on the Master Plan to NCDOT Subdivision Design Standards and Town of Hillsborough cross-sections provided in the town's Unified Development Ordinance. This design will include, but shall not be limited to, the following: radii, vertical curves, storm drainage design, and gutter spread. The design speed will be consistent with current Town of Hillsborough ordinances. Curb and gutter will be required on all streets proposed for town acceptance.
- i. The developer shall install all off-site improvements recommended by their Traffic Impact Analysis prepared September 19, 2023, and concurred with by NCDOT in its letter dated December 7, 2023.
- j. The developer shall update the Traffic Impact Analysis prior to the issuance of any Zoning Compliance Permits for Phase 2 to ensure acceptable operation at the various study intersections. ~~If an updated Traffic Impact Analysis projects a Level of Service (LOS) of D or lower at the intersection of Waterstone Parkway and NC 86 S, then the developer shall~~

install a traffic signal at the intersection before the approval of the final Certificate of Occupancy in Phase 2. Response. The language crossed through above should be changed to “... meets the MUTCD signal warrants for signal upgrades....”. It is my understanding from both the TIA and NCDOT’s conditional approval letter that the signals should be upgraded if warranted by the Manual on Uniform Traffic Control Devices (MUTCD) as used by the Federal Highway Administration and NCDOT to trigger signal upgrades, not just a spot in time Level of Service (LOS). Also, please change “Zoning Compliance Permits” in the first sentence to “Certificates of Occupancy”. This will enable the infrastructure to be built but no additional traffic added to the streets before signal upgrades are analyzed.

V. Phasing

- a. The Town of Hillsborough will not issue zoning compliance permits for the last 10 (ten) dwelling units in a phase until the developer
 - i. completes, certifies, and submits for town acceptance of all public infrastructure (e.g., sidewalks, streets, trails, greenways, utilities) in said phase, and
 - ii. installs or bonds all landscaping, street trees, and stormwater conveyances in said phase.
- b. The development shall be constructed in three phases:
 - i. Phase 1: 205 townhomes and 10,000 square feet of neighborhood commercial.
 - ii. Phase 2: 225 apartment units and 10,000 square feet of neighborhood commercial.
 - iii. Phase 3: 225 apartment units and 20,000 square feet of neighborhood commercial.
- c. The medical and general office portion of the development (Blocks H and I as shown on sheet MP1.1 of the approved Waterstone South Master Plan set) is not included in the phasing plan and shall be developed based on market demand as the adjacent UNC Health facility grows.

VI. Utilities

- a. A new sewer pumping station, associated force main, and all appurtenances shall be constructed and donated to the Town of Hillsborough by the developer after successful completion. The existing gravity sewer to the Woodsedge Back and Nazarene Pumping Stations shall be redirected into this new pumping station located at a site near or on the development as agreed to with the Town of Hillsborough.

- i. The new gravity sewers and sewer pumping station shall be designed to Town of Hillsborough specifications and details including site layout, drive, fencing, and station features.
 - ii. If the new pumping station is in a conspicuous location, something more than a chain link fence may be required. However, any landscaping shall not be placed atop any piping or close to the fencing.
 - b. The developer shall connect the project water main extension to the town's existing water distribution system at the general locations shown in the Master Plan. A minimum of two connections is required.
 - i. The new water main shall be of a size and type acceptable to the Town of Hillsborough and designed in accordance with the town's specifications and details. Final connection points shall be approved by the town. The minimum size for any main to be dedicated to the town is 8".
 - ii. The connections to the UNC water main and to the NC 86 S water main must both be completed prior to the issuance of the first Certificate of Occupancy for the subject property. The developer shall work with the town, NCDOT, and UNC Hospitals for construction, access, and easement recordation as necessary and restore all disturbed area on the UNC property and NCDOT right-of-way to their satisfaction.

Response. We are working on an alternative routing of the looped water system that would utilize the existing waterlines in Woodsedge. I have attached an illustration from Bryant Green. We will agree to b(i) which should cover the Town as a minimum of two connections are being required (b). In either case we think the looping should be delayed until prior to the issuance of Certificates of Occupancy for Phase II. The proximity of the other infrastructure would allow for the more orderly construction of the looping when Phase II is constructed. Getting UNC to enter into an easement agreement is proving problematic.
 - c. The developer agrees to accelerate payment of System Development Fees (SDFs) sooner than allowable by statute for each planned phase upon its approval by the town of provide better cash flow for downstream capital improvement projects that are needed and will benefit the project. The SDFs must match the unit bedroom counts for each phase of site plan approval, and site plan approval will not be issued for a phase until the appropriate SDFs are paid. SDFs shall be those in effect at the time of payment.
 - d. The developer shall demolish the existing Nazarene and Woodsedge Back pumping stations to specifications agreed upon with the town and the property owner of Woodsedge Mobile Home Park after the new pumping station is fully certified and operational with redirected flow from these existing pumping stations active with no apparent issues.

- i.** In general, any equipment the town wishes to keep shall be carefully salvaged and provided to the town.
 - ii.** The existing stations and force mains shall be flushed out. The station features, if unable to be removed completely, shall be taken to 3 feet below grade. Any voids shall be filled with excavatable flowable fill.
 - iii.** The existing station sites shall be graded, seeded, and mulched to establish new ground cover.
 - iv.** Installation of the new pumping station and force main must be complete prior to the release of any water meter in the development. The abandonment of the Woodsedge Back and Nazarene pumping stations must be complete prior to the release of Certificates of Occupancy for Phase 1.
- e.** The developer shall enter into a Water and Sewer Extension Contract as typical with the town. This contract shall provide the finer details of the design, permitting, construction and acceptance details.
- f.** The developer shall contribute \$500,000 to the cost of upgrading the Elizabeth Brady Pump Station to handle the additional flow generated by the proposed project. This contribution shall be made before the approval of the first site plan for the project and will be used by the town to install upgraded instrumentation, monitoring equipment, and controls.
Response. Currently trying to schedule a discussion regarding this condition.
- g.** By agreeing to the developer's proffers and pledged water and sewer improvements, the town guarantees capacity for each phase of the project as it comes online in accordance with the phasing schedule in Section V.b.

Memorandum

To: Town Board of Commissioners and Planning Board
From: Molly Boyle, Planner II
Cc: Shannan Campbell, Planning & Economic Development Manager
Date: August 15, 2024
Subject: Staff analysis – Waterstone South annexation and rezoning requests



Summary of Proposal

Proposed Annexation and Rezoning Details – Waterstone South	
Property Owners/Applicants	Capkov Ventures, Inc. and Woodsedge Properties, LLC
Property Location	East of I-40, west of NC 86 S, and south of Waterstone Drive (vicinity map on the next page)
Project Size	99.14 acres (97.02 proposed for annexation)
Parcel ID Numbers	<ul style="list-style-type: none"> • 9872-49-0872 • 9873-41-6716 • 9873-42-2375 • 9873-50-4152 • 9873-41-5972 • 9873-41-0172 (portion) • 9873-50-2573 • 9873-42-5076 • 9873-51-0737 • 9873-42-5271
Applicant Request	<ol style="list-style-type: none"> 1) Annex the project area that is not already within town limits. 2) Rezone approximately 99.14 acres from R1 (County), EDH-2 (County), and ESU (Town) to a Planned Development (PD) district for apartments, townhomes, and various non-residential uses, including medical, office, and neighborhood commercial uses
Proposed Residential Land Uses	<ul style="list-style-type: none"> • 450 apartment units • 205 townhome units • 15% of the units to be affordable to those making 80% of the median income
Proposed Non-Residential Land Uses	<ul style="list-style-type: none"> • 200,000 sq. ft. along Waterstone Drive (allowable uses to include medical and general office, outpatient services, hospital, restaurant, and childcare facility) • 40,000 sq. ft. along NC 86 S (allowable uses to include neighborhood commercial, retail, daycare, and restaurant)

Staff review

The submittal was reviewed by the town's Technical Review Committee (TRC) in February and April 2024. The TRC includes representatives from various departments related to development, including Planning, Utilities, Stormwater, Public Works, the NC Department of Transportation, and the Fire Marshal.

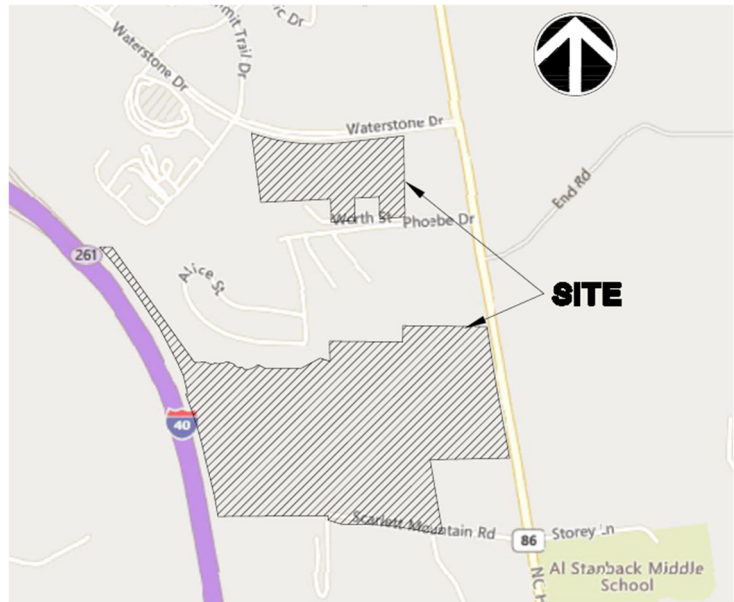
Compliance with Unified Development Ordinance

After TRC review, Planning staff found the submittal complies with the Unified Development Ordinance (UDO) regulations for Map Amendments and Planned Development Districts, specifically:

- Section 3.7 *Administrative Procedures - Unified Development Ordinance and Map Amendments*
- Section 4.6.1 *Zoning Districts – Planned Development (PD)*
- Section 5.2.39 *Use Standards – Planned Development*

The UDO is available on the town's website:

<https://www.hillsboroughnc.gov/about-us/departments/community-services/planning/unified-development-ordinance>.



Waterstone South Vicinity Map

Consistency with Comprehensive Sustainability Plan

The North Carolina General Statutes and the UDO require the Planning Board and Commissioners consider if a zoning amendment is consistent with the comprehensive plan. Staff finds the proposal generally consistent with the Comprehensive Sustainability Plan, with the exception of Figure 4.4 *Potential Growth Areas* (page 4-23). A portion of the project area is outside of the town's identified "potential growth area" (shown in orange in the image at right).

Note that the Board of Commissioners can determine that a zoning amendment is inconsistent (in full or in part) with its comprehensive plan and still approve the amendment. [NC GS § 160D-605 \(a\), Governing board statement – Plan Consistency](#) states, "if a zoning map amendment is adopted and the action was deemed inconsistent with the adopted plan, the zoning amendment has the effect of also amending any future land-use map in the approved plan, and no additional request or application for a plan amendment is required."



Excerpt from Figure 4.4 in the CSP

The Comprehensive Sustainability Plan is available online at

<https://www.hillsboroughnc.gov/home/showpublisheddocument/572/638556087250230532>.

Planning Board review and recommendation

Under the North Carolina General Statutes, the Planning Board is to offer comment to the Board of Commissioners on zoning amendments (see [NC GS § 160D-604 \(b\) Planning Board review and comment – Zoning Amendments](#)).

Since this is a planned development, which is a type of conditional zoning district, the town and the applicant may agree to various conditions of approval for the project pursuant to [NC GS § 160D-703 \(b\) Zoning districts – Conditional Districts](#). A draft set of conditions is included as **Attachment 5**.

The Planning Board is to make a recommendation to the Board of Commissioners about whether to approve the rezoning request, but not the annexation (annexations are not subject to Planning Board review and comment). As part of this recommendation, the Planning Board may comment on the draft conditions and recommend additional ones. Ultimately, the applicant and the Board of Commissioners will negotiate the conditions, and both parties must agree to the conditions for the zoning amendment to be approved.

Please note that this proposal is for annexation and rezoning (*i.e.*, land use). The submitted Master Plan is therefore broad and covers allowable land uses, general development standards, and a conceptual layout. Detailed development plans (*e.g.*, site plans, construction drawings) are not submitted at this stage. The applicant will submit detailed plans for staff review and approval later should the annexation and rezoning requests be approved.

Board of Commissioners decision

The Board of Commissioners is tentatively scheduled to vote on this proposal on August 26, 2024. At that time, the Commissioners and the applicant must mutually agree to any conditions if the proposal is to be approved.

**Item 5A
Attachment 7**

Executive Summary

Capkov Ventures, Inc. has plans to develop a mixed-use development along NC 86 and Waterstone Drive in Hillsborough, North Carolina (Figure 1). The development is planned to be constructed in phases, with Phase 1 completed by 2027 and the full build-out of the development by 2033. The site will provide townhomes, apartments, general office, medical office, and neighborhood retail.

Project Background

The proposed Capkov Waterstone development was analyzed in two (2) different phases. Phase 1 of the development is anticipated to be completed by 2027 and includes the following land use totals.

- › 205 Townhomes
- › 20,000 square feet (sf) Retail

The full build-out of the development is anticipated to be completed by 2033 and will construct the following additional land uses.

- › 20,000-sf Retail
- › 450 Apartments
- › 100,000-sf General Office
- › 100,000-sf Medical Office

The development plans to provide two (2) driveways on NC 86 and two (2) driveways on Waterstone Drive. The following summarizes the location of each planned access point:

- › Future Access #1, full movement access on NC 86, approximately 2,650 feet south of Waterstone Drive to be construction during Phase 1.
- › Future Access #2, full movement access on NC 86, approximately 1,900 feet south of Waterstone Drive to be constructed during Phase 1.
- › Future Access #3, full movement access on Waterstone Drive, approximately 950 feet west of NC 86 to be constructed after Phase 1.
- › Future Access #4, right-in/right-out access on Waterstone Drive, approximately 1,550 feet west of NC 86 to be constructed after Phase 1.

As determined through the project scoping process with the North Carolina Department of Transportation (NCDOT) and the Town of Hillsborough, the following intersections were included in the study area and analyzed for existing and future conditions, as applicable:

- › Old NC 86 (SR 1009) and I-40 Eastbound Ramps (unsignalized, future signalized)
- › Old NC 86 (SR 1009) and I-40 Westbound Ramps (unsignalized, future signalized)
- › Old NC 86 (SR 1009) and Waterstone Drive/ Rippy Lane (SR 1224) (signalized)
- › Old NC 86 (SR 1009) and Cates Creek Parkway/ Lafayette Drive (unsignalized)
- › NC 86 and Waterstone Drive (signalized)
- › NC 86 and New Hope Church Road (SR 1723) (signalized)
- › Waterstone Drive and Hospital East Driveway/ Summit Trail Drive (unsignalized)
- › NC 86 and Future Access #1 (future unsignalized)
- › NC 86 and Future Access #2 (future unsignalized)
- › Waterstone Drive and Future Access #3 (future unsignalized)
- › Waterstone Drive and Future Access #4 (future unsignalized)

The development is planned to be analyzed in multiple build phases. The following six (6) scenarios are proposed to be analyzed for AM and PM peak hour conditions:

- › Existing (2023) Conditions
- › No-Build (2027) Conditions
- › Phase 1 (2027) Conditions
- › No-Build (2033) Conditions
- › Build-out (2033) Conditions
- › Build-out (2033) Conditions with Improvements

The Existing (2023) scenario includes typical weekday AM and PM peak hour analysis based on turning movement count data collected in October 2022 and April 2023. For any turning movements collected prior to 2023, an annual growth rate of one percent (1%) was applied to the volumes. The No-Build (2027) and No-Build (2033) scenarios include existing traffic with an annual projected background growth rate of one percent (1%) applied in addition to site trips that were identified from two (2) nearby background developments. The Phase 1 (2027) scenario includes No-Build (2027) volumes with the addition of site trips generated by only Phase 1 of the proposed development, and the Build-out (2033) scenario includes No-Build (2033) volumes with the addition of site trips generated by the full build-out of the development. Potential offsite roadway and traffic control improvements with the complete development in place are accounted for within Build-out (2033) with Improvements scenario.

Existing (2023) Conditions

Existing analyses were conducted based on current roadway geometrics and intersection turning movement counts collected in October 2022 and April 2023. Turning movements for the intersection

of Old NC 86 (SR 1009) and Cates Creek Parkway/ Lafayette Drive were grown to 2023 using an annual growth rate of one percent (1%).

As reported in the Summary Level of Service (LOS) table on page viii, the existing signalized intersections are operating at LOS C or better during both peak hours. The stop-controlled eastbound I-40 off-ramp is operating at LOS F during the AM peak hour and LOS E during the PM peak hour. Stop-controlled eastbound Lafayette Drive at Old NC 86 is operating at LOS F during both peak hours, and stop-controlled eastbound Waterstone Drive at NC 86 is operating at LOS E during the PM peak hour.

No-Build (2027) Conditions

An annual growth rate of one percent (1%) was applied to the Existing (2023) peak hour volumes to calculate the expected background growth within the study area. Two (2) background developments are expected to be completed before the construction of Phase 1 of the Capkov Waterstone development. The peak hour site trips from these developments were included in the No-Build (2027) volume calculations:

- › Cates Creek Multifamily
- › Research Triangle Logistics Park

One (1) background roadway improvement project was identified in the study area to be completed before the completion of Phase 1. NCDOT STIP No. I-3306A is widening I-40 from across Orange County but is also providing interchange improvements at Old NC 86. The project plans to provide additional turn lanes and signalize both ramp intersections. The widening project is currently under construction and should be completed before Phase 1 of the development is complete.

As shown on the Summary LOS table on page viii, all signalized intersections within the study area are expected to operate at LOS D or better during both peak hours. Eastbound stop-controlled Lafayette Drive and westbound Cates Creek Parkway are projected to operate at LOS F during both peak hours. Stop-controlled eastbound Waterstone Drive at NC 86 is expected to operate at LOS F during the PM peak hour only.

Phase 1 (2027) Trip Generation

The Capkov Waterstone development was analyzed in two (2) different build phases. Trip generation for Phase 1 was conducted based on the most appropriate corresponding trip generation codes included in the *ITE Trip Generation Manual, 11th Edition* and the suggested method of calculation in the NCDOT's "Rate vs. Equation" Spreadsheet. Phase 1 proposes to build up to 205 townhomes and 20,000-sf of neighborhood retail space. ITE Land Use Code (LUC) 215 (Single-Family Attached Housing) and LUC 822 (Strip Retail Plaza (<40k)) were used based on the NCDOT guidance. Internal capture was calculated based on the NCHRP 684 method and NCDOT Internal Capture spreadsheet.

As a result, Phase 1 of the Capkov Waterstone development is projected to generate 2,465 daily external site trips, with 145 trips (52 entering, 93 exiting) occurring in the AM peak hour and 233 trips (127 entering, 106 exiting) occurring in the PM peak hour. The external site trips were apportioned

as pass-by and non-pass-by trips based on NCDOT and ITE guidance. The generated site trips were distributed in accordance with the existing turning movement counts and land uses.

Phase 1 (2027) Conditions

The Phase 1 (2027) conditions account for both the No-Build (2027) traffic and the site traffic generated by Phase 1 of the proposed development.

As shown on the Summary LOS table on page viii, with the addition of site trips, all signalized intersections within the study area are expected to maintain operations at LOS D or better during both peak hours. Stop-controlled eastbound Lafayette Drive and stop-controlled westbound Cates Creek Parkway are expected to continue to operate at LOS F during both peak hours. Stop-controlled eastbound Waterstone Drive is expected to continue to operate at LOS F during only the PM peak hour. Both future access driveways along NC 86 are projected to operate at LOS C during both peak hours.

No-Build (2033) Conditions

To calculate the No-Build (2033) volumes, an annual growth rate of one percent (1%) was applied to the Existing (2023) volumes to calculate the background growth in the study area in addition to site trips from background developments assumed within the No-Build (2027) scenario. No additional background developments were identified to be included in the No-Build (2033) volume calculations.

One (1) additional background roadway improvement project was identified in the study area that is expected to be constructed before the full build-out of the development is completed. NCDOT STIP No. U-5845 plans to widen Old NC 86 (SR 1009) from I-40 to the Eno River to provide a four-lane cross-section.

As shown on the Summary LOS table on page viii, all signalized intersections within the study area are expected to operate at LOS D or better during both peak hours. Eastbound stop-controlled Lafayette Drive and westbound Cates Creek Parkway are projected to operate at LOS F during both peak hours. Stop-controlled eastbound Waterstone Drive at NC 86 is expected to operate at LOS E during the AM peak hour and LOS F during the PM peak hour.

Build-out (2033) Trip Generation

Trip generation for the full build-out of the development was conducted based on the most appropriate corresponding trip generation codes included in the *ITE Trip Generation Manual, 11th Edition* and the suggested method of calculation in the NCDOT's "Rate vs. Equation" Spreadsheet. The full build-out of the Capkov Waterstone development proposes to build a maximum of 205 townhomes, 450 apartments, 100,000-sf general office, 100,000-sf medical office, and 40,000-sf neighborhood retail. ITE Land Use Code (LUC) 215 (Single-Family Attached Housing), LUC 220 (Multifamily Housing (Low-Rise)), LUC 710 (General Office), LUC 720 (Medical-Dental Office), and LUC 822 (Strip Retail Plaza (<40K)) were used based on the NCDOT guidance. Internal capture was

calculated based on the NCHRP 684 method and the NCDOT Internal Capture calculation spreadsheet.

As a result, the Waterstone Capkov development is projected to generate 11,187 external daily weekday site trips, with 695 external trips (422 entering, 273 exiting) occurring in the AM peak hour and 1,107 external trips (456 entering, 651 exiting) occurring in the PM peak hour. The external site trips were apportioned as pass-by and non-pass-by trips based on NCDOT and ITE guidance. The generated site trips were distributed in accordance with the existing turning movement counts and land uses.

Build-out (2033) Conditions

The Build-out (2033) conditions account for both the No-Build (2033) traffic and site traffic generated by the full build-out of the proposed development.

As shown on the Summary LOS table on page viii, with the addition of site trips, the signalized intersection of NC 86 and New Hope Church Road is expected to operate at LOS F during the AM peak hour. All other study area signalized intersections are projected to operate at LOS C or better during both peak hours. Stop-controlled eastbound Lafayette Drive and stop-controlled westbound Cates Creek Parkway are expected to operate at LOS F during both peak hours. Stop-controlled eastbound Waterstone Drive at NC 86 is projected to operate at LOS F during both peak hours. Stop-controlled future Access #1 is projected to operate at LOS E during the AM peak hour and LOS F during the PM peak hour, and stop-controlled Future Access #2 and Future Access #3 are projected to operate at LOS E during the PM peak hour.

Roadway Improvement Recommendations

Phase 1 (2027)

As indicated in the traffic capacity analyses, Phase 1 of proposed development is projected to have a minimal impact on the traffic operations at the study area intersections. Therefore, no offsite improvements are recommended with the construction of only Phase 1. The following outlines the recommended lane configurations for each driveway connection that is proposed with Phase 1.

NC 86 and Future Access #1

Stop-controlled Future Access #1 is expected to operate at LOS C during the AM and PM peak hours under Phase 1 (2027) conditions. While some turn lanes along NC 86 may not be warranted with only site traffic from Phase 1 in place, this driveway should be designed to account for future phases of development. The following lane configurations are recommended for the driveway connection:

- › Construct Future Access #1 as full movement access with a single ingress lane and two egress lanes with a continuous left-turn lane and exclusive right-turn lane with at least 100 feet and appropriate taper. Provide an internal protected stem (IPS) of 100 feet for Future Access #1.
- › Provide a northbound left-turn lane along NC 86 with at least 100 feet of storage and appropriate taper.

- › Provide a southbound right-turn lane along NC 86 with at least 100 feet of storage and appropriate taper.

NC 86 and Future Access #2

Stop-controlled Future Access #2 is expected to operate at LOS C during the AM and PM peak hours under Phase 1 (2027) conditions. While some turn lanes along NC 86 may not be warranted with only site traffic from Phase 1 in place, this driveway should be designed to account for future phases of development. The following lane configurations are recommended for the driveway connection:

- › Construct Future Access #2 as full movement access with a single ingress lane and two egress lanes with a continuous left-turn lane and exclusive right-turn lane with at least 100 feet and appropriate taper. Provide an internal protected stem (IPS) of 100 feet for Future Access #2.
- › Provide a northbound left-turn lane along NC 86 with at least 100 feet of storage and appropriate taper.
- › Provide a southbound right-turn lane along NC 86 with at least 100 feet of storage and appropriate taper.

Build-out (2033)

The full build-out of the development is expected to impact operations within the surrounding roadway network with the additional site traffic. The following offsite roadway improvements are recommended with the full build-out of the development.

NC 86 and Waterstone Drive

The existing stop-controlled approach is expected to operate at LOS F during both peak hours under Build-out (2033) conditions. The following improvements should be implemented with the full build-out of the development:

- › Monitor the intersection for signalization, and when warranted and approved install a traffic signal.

NC 86 and New Hope Church Road (SR 1723)

The existing signalized intersection is expected to deteriorate to LOS F during the AM peak hour under Build-out (2033) conditions. The following improvements should be implemented with the full build-out of the development.

- › Construct an exclusive southbound right-turn lane along NC 86 with at least 150 feet of storage and appropriate taper.
- › Construct an exclusive westbound left-turn lane along New Hope Church Road with at least 200 feet of storage and appropriate taper.

No additional lane configuration or traffic control improvements are recommended for either Future Access #1 or Future Access #2 along NC 86 with the additional development in place. Operations along Future Access #1 and Future Access #2 are expected to degrade to LOS E or worse during at least one peak hour; however, peak hour signal warrants are not expected to be met for either driveway. Additionally, significant queueing is not expected along either driveway approach. The following is recommended for the proposed driveway connections along Waterstone Drive.

Waterstone Drive and Future Access #3

Stop-controlled Future Access #3 is expected to operate at LOS C during the AM peak hour and LOS E during the PM peak hour under Build-out (2033) conditions. The Future Access #3 connection is proposed to provide full movement access which would necessitate a new opening in the median along Waterstone Drive. This new median opening should meet the NCDOT's guidelines for median opening spacing and will promote the potential for development on the north side of Waterstone Drive. The following lane configurations are recommended for the driveway connection:

- › Construct Future Access #3 as full movement access with a single ingress lane and two egress lanes with a continuous left-turn lane and exclusive right-turn lane with at least 100 feet and appropriate taper. Provide an internal protected stem (IPS) of 100 feet for Future Access #3.
- › Provide a westbound left-turn lane along Waterstone Drive with at least 100 feet of storage and appropriate taper.
- › Provide an eastbound right-turn lane along Waterstone Drive with at least 100 feet of storage and appropriate taper.

Waterstone Drive and Future Access #4

Stop-controlled Future Access #4 is expected to operate at LOS B during the AM and PM peak hours under Build-out (2033) conditions. The following lane configurations are recommended for the driveway connection:

- › Construct Future Access #4 as a right-in/right-out only access with a single ingress lane and single egress lane. Provide an internal protected stem (IPS) of 100 feet for Future Access #4.

Additional Discussion

Old NC 86 (SR 1009) and Cates Creek Parkway/ Lafayette Drive

The stop-controlled approaches along Cates Creek Parkway and Lafayette Drive are projected to operate at LOS F during both peak hours under No-Build (2027) conditions. No improvements are recommended for the intersection for this development since the site is not anticipated to generate vehicular traffic along either stop-controlled approach. This intersection is within the NCDOT STIP No. U-5845 project study area, and the intersection is being studied and improved with that project.

Additional analysis may be needed to assess the timing for improvements recommended within the Build-out (2033) analysis. Improvements may be needed either with the completion of development along NC 86 or not until later portions of development occur along Waterstone Drive. Future phasing studies may be necessary to better define the timing of these improvements.

The summary of LOS results for all scenarios are shown in Table ES-1. The future lane configurations and traffic control at the study area intersections with Phase 1 and the full build-out of the development are shown in Figure ES-1 and Figure ES-2, respectively.

Table ES-1 Summary Level of Service Table

Intersection and Approach	Traffic Control	Existing (2023)		No-Build (2027)		Phase 1 (2027)		No-Build (2033)		Build-out (2033)		Build-out (2033) with Improvements	
		AM	PM	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
Old NC 86 and I-40 EB Ramps	Unsignalized/ Signalized	-	-	C	B	C	B	C	C	C	C	C	C
		F-129.8	E-38.3	C-33.5	C-32.3	C-33.5	C-32.4	C-34.4	D-36.0	C-31.8	D-38.9	D-38.9	D-38.9
		---	---	C-26.1	C-20.5	C-26.1	C-20.5	C-22.9	C-23.0	C-24.2	C-23.0	C-23.0	C-23.0
Old NC 86 and I-40 WB Ramps	Unsignalized/ Signalized	---	---	C-21.6	B-16.4	C-21.6	B-16.4	B-18.4	B-18.5	C-20.2	B-19.9	C-20.2	B-19.9
		-	-	B	A	B	A	B	B	B	B	B	B
		C-18.6	C-20.6	A-5.7	A-0.5	A-5.7	A-0.5	B-17.5	A-3.0	B-12.9	A-3.0	B-12.9	A-3.0
Old NC 86 and Waterstone Drive/ Rippy Lane	Signalized	---	---	A-9.3	A-6.0	A-9.3	A-5.9	A-9.3	A-9.4	A-9.2	A-9.4	A-9.2	A-9.4
		---	---	B-14.5	B-10.7	B-14.5	B-10.7	B-14.3	B-14.8	B-14.4	B-14.9	B-14.4	B-14.9
		B	B	B	B	B	B	B	B	B	B	B	B
Old NC 86 and Cates Creek Parkway/ Lafayette Drive	Unsignalized	(13.8)	(15.0)	(14.3)	(15.8)	(14.5)	(15.9)	(14.8)	(16.2)	(15.5)	(18.3)	(15.5)	(18.3)
		C-29.5	C-30.0	C-31.5	C-35.0	C-32.0	D-35.5	C-33.5	D-37.0	D-35.5	D-35.5	D-35.5	D-35.5
		B-19.5	C-21.8	C-21.6	C-24.9	C-21.7	C-24.9	C-22.4	C-25.8	C-23.0	C-27.8	C-23.0	C-27.8
Old NC 86 and New Hope Church Road	Signalized	B-13.7	B-14.3	B-14.1	B-14.5	B-14.2	B-14.6	B-14.4	B-14.7	B-14.5	B-15.3	B-14.5	B-15.3
		B-11.5	B-10.6	B-11.7	B-11.0	B-11.8	B-11.2	B-12.0	B-11.3	B-12.8	B-13.0	B-12.8	B-13.0
		-	-	-	-	-	-	-	-	-	-	-	-
NC 86 and Waterstone Drive	Unsignalized	F-67.0	F-63.6	F-180.6	F-175.3	F-180.7	F-185.3	F-82.6	F-74.9	F-98.5	F-94.6	F-98.5	F-94.6
		C-20.7	C-20.2	F-144.1	F-79.4	F-149.2	F-82.3	F-67.3	F-55.0	F-78.5	F-68.7	F-78.5	F-68.7
		C	B	D	B	D	B	D	B	F	D	D	C
NC 86 and Future Access #1	Signalized	(33.3)	(15.7)	(41.2)	(16.4)	(47.8)	(18.7)	(48.6)	(17.5)	(83.1)	(46.7)	(50.8)	(25.0)
		D-48.6	B-18.1	E-62.8	B-19.3	E-77.7	C-21.8	E-74.0	C-20.2	F-142.3	F-86.9	F-92.1	D-36.0
		D-43.4	B-13.7	D-54.5	B-14.3	D-49.2	B-14.7	E-55.3	B-14.4	D-43.9	C-21.9	C-33.2	B-15.8
NC 86 and Future Access #2	Unsignalized	A-8.8	B-15.5	A-9.0	B-16.0	B-11.4	B-17.6	B-11.8	B-17.4	B-14.9	B-16.6	B-17.6	C-22.7
		C-29.7	B-15.3	D-36.5	B-16.0	D-48.2	B-19.5	D-47.7	B-17.2	F-103.4	E-58.1	C-54.7	C-24.3
		-	-	-	-	-	-	-	-	-	-	C	(20.2)
NC 86 and Future Access #3	Unsignalized	D-25.9	E-40.7	D-31.3	F-53.1	D-34.5	F-63.5	E-40.4	F-82.3	F-138.1	F-235.8	C-26.8	B-19.2
		---	---	---	---	---	---	---	---	---	---	C-21.1	B-18.0
		---	---	---	---	---	---	---	---	---	---	C-27.2	C-24.6
NC 86 and Future Access #4	Unsignalized	-	-	-	-	-	-	-	-	-	-	-	-
		B-11.5	B-10.9	B-11.8	B-11.3	B-11.8	B-11.4	B-11.8	B-10.9	B-12.5	B-13.6	B-12.5	B-13.6
		B-12.8	B-12.9	B-13.4	B-13.4	B-13.7	B-13.7	B-13.4	B-12.9	C-18.1	C-20.9	C-18.1	C-20.9
Waterstone Drive and Hospital East Driveway/ Summit Trail Drive	Unsignalized	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Waterstone Drive and Future Access #3	Unsignalized	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Waterstone Drive and Future Access #4	Unsignalized	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-

X (XX.X) = Overall intersection LOS (average delay). X-XX = Approach LOS and average delay

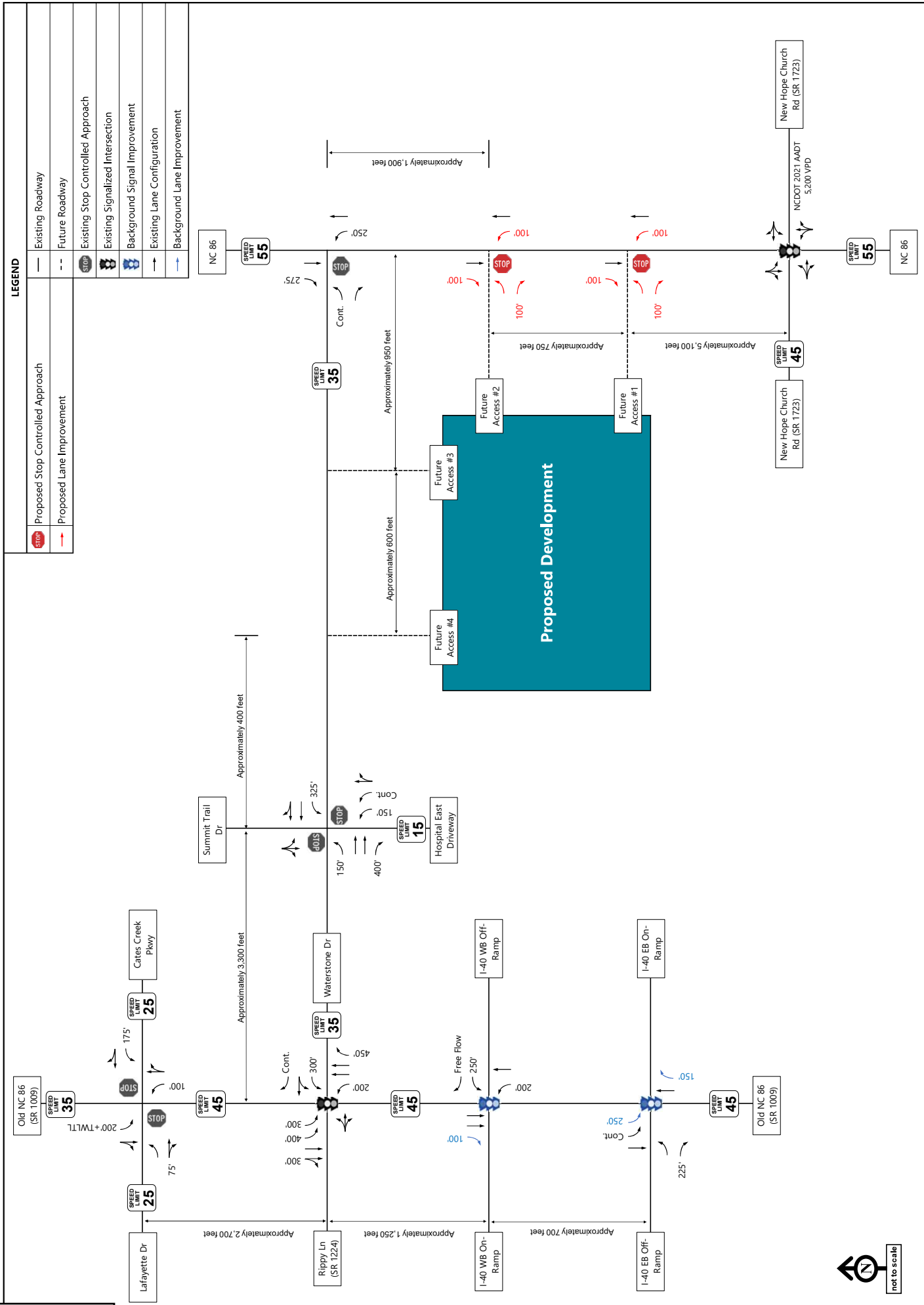


Figure ES-1

Phase 1 (2027) Lane Configurations and Traffic Control

Section 5, Item A.

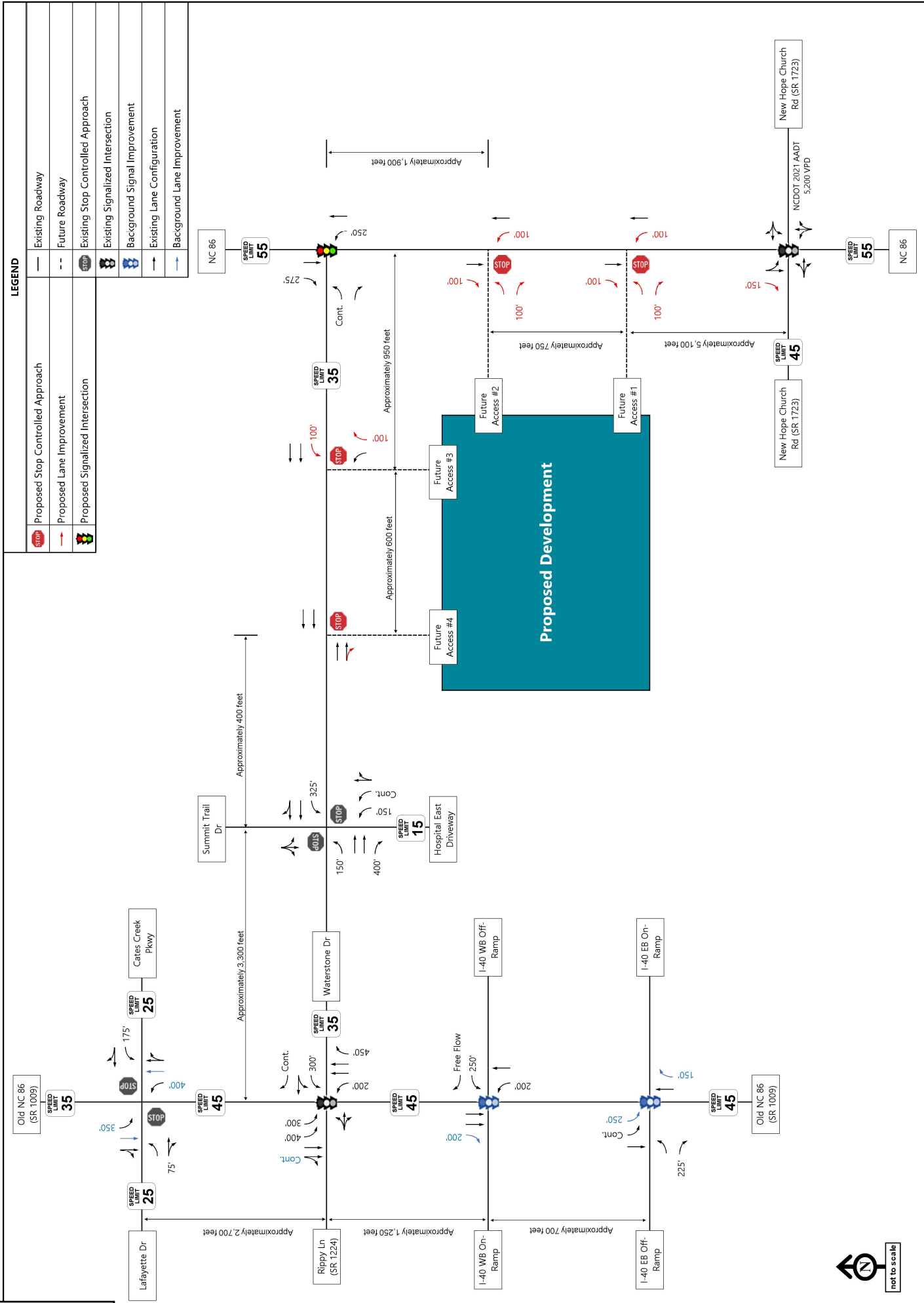


Figure ES-2

Build-out (2033) Lane Configurations and Traffic Control



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

J. R. "JOEY" HOPKINS
SECRETARY

December 7, 2023

ORANGE COUNTY

Nathaniel Rhomberg, PE
VHB Engineering
940 Main Campus Drive, Suite 500
Raleigh, NC 27606

Subject: Proposed Capkov Waterstone Mixed Use Development
Located on NC 86 and Waterstone Drive (Municipal)
Review of Transportation Impact Analysis (TIA)

Dear Mr. Rhomberg,

NCDOT staff has performed a review of the TIA and preliminary concept site plan enclosed therein. Based on the submitted information and upon conferring with Town staff, we offer the following comments.

General:

The proposed development is located on the southwest corner of the intersection of NC 86 and Waterstone Drive. The development is planned to be developed in two phases with phase one completed in 2027 and full buildout by 2033. Phase one consists of 205 townhomes and 20,000 SF of retail. Phase one is expected to generate approximately 2600 unadjusted daily trips. Phase two will add 20,000 SF of retail, 450 apartments, 100,000 SF of general office and 100,000 SF of medical office. Upon full buildout, the site is expected to generate approximately 12,000 unadjusted daily trips. Proposed development access consists of the following:

- Future Access #1, full movement access on NC 86, approximately 2,650 feet south of Waterstone Drive to be construction during Phase 1.
- Future Access #2, full movement access on NC 86, approximately 1,900 feet south of Waterstone Drive to be constructed during Phase 1.

Mailing Address:
NC DEPARTMENT OF TRANSPORTATION
DIVISION 7, DISTRICT 1
PO BOX 766
GRAHAM, NC 27253-0766

Telephone: (336) 570-6833
Fax: (336) 570-6873
Customer Service: 1-877-368-4968

Location:
115 EAST CRESCENT SQUARE DRIVE
GRAHAM, NC 27253

Website: www.ncdot.gov

- Future Access #3, full movement access on Waterstone Drive, approximately 950 feet west of NC 86 to be constructed after Phase 1.
- Future Access #4, right-in/right-out access on Waterstone Drive, approximately 1,550 feet west of NC 86 to be constructed after Phase 1.

Findings and Recommendations and Analysis Updates:

We concur with the findings and recommendations contained in the TIA. However, due to the extended buildout period of the proposed development, updates to the TIA prior to proceeding with Phase 2 will be required in order to ensure an accurate assessment of future conditions.

Required Improvements:

As a condition of the pending NCDOT driveway permit, the following are the improvements that the applicant is required to construct to mitigate the anticipated site traffic impacts and to ensure acceptable operation at the various study intersections.

Phase 1 :

NC 86 and Future Access #1:

- Construct Future Access #1 as a stop controlled, full movement access with a single ingress lane and two egress lanes with a continuous left-turn lane and exclusive right-turn lane with at least 100 feet of storage and appropriate transitions.
- Provide an internal protected stem (IPS) of 100 feet for Future Access #1.
- Provide a northbound left-turn lane along NC 86 with at least 100 feet of storage and appropriate transitions.
- Provide a southbound right-turn lane along NC 86 with at least 100 feet of storage and appropriate transitions.

NC 86 and Future Access #2:

- Construct Future Access #2 as a stop controlled, full movement access with a single ingress lane and two egress lanes with a continuous left-turn lane and exclusive right-turn lane with at least 100 feet and appropriate transition.
- Provide an internal protected stem (IPS) of 100 feet for Future Access #2.
- Provide a northbound left-turn lane along NC 86 with at least 100 feet of storage and appropriate transition.
- Provide a southbound right-turn lane along NC 86 with at least 100 feet of storage and appropriate transition.

Phase 2:

NC 86 and Waterstone Drive:

- Monitor the intersection for signalization, and when warranted and approved install a traffic signal.

NC 86 and New Hope Church Road:

- Construct an exclusive southbound right-turn lane along NC 86 with at least 150 feet of storage and appropriate transition.
- Construct an exclusive westbound left-turn lane along New Hope Church Road with at least 200 feet of storage and appropriate transition.
- Modify traffic signal to accommodate revised intersection geometry.

Waterstone Drive and Future Access #3:

- Construct Future Access #3 as stop controlled, full movement access with a single ingress lane and two egress lanes with a continuous left-turn lane and exclusive right-turn lane with at least 100 feet and appropriate transitions.
- Provide an internal protected stem (IPS) of 100 feet for Future Access #3.
- Provide a westbound left-turn lane along Waterstone Drive with at least 100 feet of storage and appropriate transitions.
- Provide an eastbound right-turn lane along Waterstone Drive with at least 100 feet of storage and appropriate transitions.

Since Waterstone Drive is a municipal street, this access is subject to approval by the Town of Hillsborough.

Waterstone Drive and Future Access #4:

- Construct Future Access #4 as a right-in/right-out only access with a single ingress lane and single egress lane.
- Provide an internal protected stem (IPS) of 100 feet for Future Access #4.

Since Waterstone Drive is a municipal street, this access is subject to approval by the Town of Hillsborough.

Multi-modal and Streetscape Enhancements:

Any locally stipulated multi-modal enhancements including but not limited to sidewalk, bike lanes, bus pull offs, lighting, landscaping etc. on State maintained routes are subject to NCDOT requirements and approval through the encroachment process.

Cross-Access Connectivity:

Provision of cross access with the adjacent properties is encouraged to accommodate internal connectivity and improve distribution of existing and future traffic volumes on the adjacent public road network.

General Requirements:

It is necessary to obtain an NCDOT driveway permit and/or encroachment agreement(s) prior to performing work on the NCDOT right of way. As a condition of the agreement, the permittee shall be responsible for design and construction of the above stipulated improvements in accordance with NCDOT requirements. An approved permit will be issued upon receipt of applicable approved roadway and signal construction plans, and any necessary performance and indemnity bonds.

The applicant shall dedicate any additional right of way necessary to accommodate the required road improvements or future improvements as stipulated.

The applicant shall verify that the proposed street and driveway connections provide for adequate vertical and horizontal sight distances in accordance with NCDOT requirements.


Intersection radii and geometry shall be designed to accommodate turning movements of the largest anticipated vehicle.

All pavement markings shall be long life thermoplastic. Pavement markers shall be installed if they previously existed on the roadway.

The permittee shall be responsible for the installation and relocation of any additional highway signs that may be necessary due to these improvements and shall comply with the requirements of the MUTCD.

Feel free to contact me if you have any questions.

Sincerely,

DocuSigned by:

C60BB6060F8A458...

C. N. Edwards Jr., PE
District Engineer

Cc: D.M. McPherson, Division Traffic Engineer
Town of Hillsborough

**Item 5A
Attachment 8**

FISCAL BENEFITS AND ECONOMIC IMPACTS

WATERSTONE SOUTH

**TOWN OF HILLSBOROUGH, NC
ORANGE COUNTY, NC**

SEPTEMBER 30, 2022

**PREPARED FOR:
CAPKOV VENTURES, INC.**

PREPARED BY:



Orange County, CA
Sarasota, FL

Sacramento, CA
Research Triangle, NC

Austin, TX

Amelia Island, FL
Dallas, TX

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SUMMARY OF FISCAL AND ECONOMIC BENEFITS

Capkov Ventures, Inc. is seeking approval from the Town of Hillsborough, North Carolina ("Town") for a mixed-use, master-planned community referred to as Waterstone South ("Project"). At full buildout, the Project will include 655 apartment and townhome units, 200,000 square feet of medical office space, and 40,000 square feet of retail, restaurant, and day care space.

Key fiscal and economic benefits of the Project at buildout are highlighted below.

FISCAL BENEFITS – TOWN OF HILLSBOROUGH

	Phase 1	Phase 2	Total
Generate real property tax base	\$ 117,100,000	\$ 124,425,000	\$ 241,525,000
Commercial as % of Total Tax Base	46%	36%	41%
Generate annual real property tax revenue	\$ 666,000	\$ 708,000	\$ 1,375,000
Generate total annual general fund revenues	\$ 912,000	\$ 1,000,000	\$ 1,912,000

FISCAL BENEFITS – ORANGE COUNTY

	Phase 1	Phase 2	Total
Generate real property tax base	\$ 117,100,000	\$ 124,425,000	\$ 241,525,000
Generate annual real property tax revenue	\$ 965,000	\$ 1,026,000	\$ 1,992,000
Generate total annual general fund revenues	\$ 1,172,000	\$ 1,265,000	\$ 2,437,000

ECONOMIC IMPACT

At buildout, the operating activities of the new businesses in Waterstone South and the occupancy of the new residential units are expected to:

- Create total annual economic impact, in terms of output, of \$220.4 million
- Create 1,014 direct onsite permanent jobs in the Town of Hillsborough
- Create 1,647 total permanent jobs in the local area
- Create total annual labor income of \$104.3 million in the local area

The local spending by the new businesses and residents of Waterstone South will be a boon to existing Hillsborough businesses.

INTRODUCTION

The proposed development program for the Project is presented in Table 1.

Table 1: Waterstone South Development Program

	Phase 1	Phase 2	Total
Residential Product Type	Units	Units	Units
Apartments	225	225	450
Townhomes	70	135	205
Total	295	360	655
Non-Residential Product Type	Square Feet	Square Feet	Square Feet
Medical Office	100,000	100,000	200,000
Retail	15,000	-	15,000
Restaurant	15,000	-	15,000
Day Care	10,000	-	10,000
Total	140,000	100,000	240,000

Source: Capkov Ventures, Inc., DPFG, 2022

The 655 residential units are projected to generate 1,131 new residents as shown in Table 2.

Table 2: Waterstone South Population Projection

Residential Product	Units	Persons per Housing Unit	Projected Population
Apartments	225	1.70	382
Townhomes	70	1.79	125
Phase 1 Total	295		507
Apartments	225	1.70	382
Townhomes	135	1.79	242
Phase 2 Total	360		624
Grand Total	655		1,131

Source: Capkov Ventures, Inc., 2020 ACS 5-Year Estimates, DPFG, 2022

As shown in Table 3, the non-residential land uses are projected to generate 1,014 new onsite employees. Most of the new jobs are high-paying medical jobs, but new job demand also includes jobs across all wage ranges.

Table 3: Waterstone South New Employment Projection

Non-Residential Land Uses	Square Feet	Occupancy %	Occupied Sq. Ft.	Sq Ft per Employee	New FTE Employees	FTE Conversion Factor	Total New Employees
Medical Office	100,000	100%	100,000	250	400	0.9124	438
Retail	15,000	100%	15,000	420	36	0.8571	42
Restaurant	15,000	100%	15,000	266	56	0.7925	71
Day Care	10,000	100%	10,000	450	22	0.8849	25
Phase 1 Total	140,000		140,000		514		576
Medical Office	100,000	100%	100,000	250	400	0.9124	438
Phase 2 Total	100,000		100,000		400		438
Grand Total	240,000		240,000		914		1,014

Source: Capkov Ventures, Inc., IMPLAN, ITE Trip Generation Manual 10th Edition, DPGF, 2022

This report analyzes the fiscal benefits and economic impacts generated by the Project on the Town of Hillsborough (“Town”) and Orange County (“County”). The key assumptions and methodologies used in the analysis are described in the Methodology section of this report. Supporting tables are provided in the Appendix.

FISCAL BENEFITS – TOWN OF HILLSBOROUGH

GENERAL FUND REVENUES

Property Taxes

The real property tax base of the Project at buildout of Phase 1 is projected to be \$117.1 million as shown in Table 4.

Table 4: Waterstone South Real Property Tax Base – Phase 1

Residential Land Use	Units	Market Value	Construction Price Index	Adjusted	Cost of Sales Factor	Tax Value	Tax Base	%
		per Unit (2022\$)				(Jan 1, 2021) Per Unit		
Apartments	225	\$ 230,000	0.918	\$ 211,000	5%	\$ 200,000	\$ 45,000,000	54%
Townhomes	70	\$ 350,000	0.774	\$ 271,000	6%	\$ 255,000	17,850,000	
Phase 1 Total	295						\$ 62,850,000	
Non-Residential Land Use				Tax Value (Jan 1, 2021)				
	Sq. Ft.			Per Sq. Ft.	Tax Base			
Medical Office	100,000			\$ 450	\$ 45,000,000			
Retail	15,000			\$ 250	3,750,000			
Restaurant	15,000			\$ 250	3,750,000			
Day Care	10,000			\$ 175	1,750,000			
Phase 1 Total	140,000				\$ 54,250,000		46%	
						Phase 1 Total	\$ 117,100,000	100%

Note: January 1, 2021 is the most recent Orange County reappraisal.

Source: Capkov Ventures, Inc., Orange County, DPGF, 2022

The real property tax base of the Project at buildout of Phase 2 is projected to be \$124.4 million as shown in Table 5.

Table 5: Waterstone South Real Property Tax Base – Phase 2

Residential Land Use	Units	Market Value	Construction	Tax Value				
		per Unit (2022\$)	Price Index	Adjusted	Cost of Sales Factor	(Jan 1, 2021) Per Unit	Tax Base	%
Apartments	225	\$ 230,000	0.918	\$ 211,000	5%	\$ 200,000	\$ 45,000,000	64%
Townhomes	135	\$ 350,000	0.774	\$ 271,000	6%	\$ 255,000	34,425,000	
Phase 2 Total	360						\$ 79,425,000	
				Tax Value				
Non-Residential					(Jan 1, 2021)			
Land Use	Sq. Ft.			Per Sq. Ft.		Tax Base		
Medical Office	100,000			\$ 450		\$ 45,000,000		
Phase 2 Total	100,000					\$ 45,000,000		
				Phase 2 Total		\$ 124,425,000		
						100%		

Note: January 1, 2021 is the most recent Orange County reappraisal.

Source: Capkov Ventures, Inc., Orange County, DPGF, 2022

At buildout of Phases 1 and 2, the real property tax base is projected to exceed \$241.5 million with the commercial real property tax base comprising 41 percent of the total.

At buildout of Phase 1, the Project is expected to generate annual real property tax revenue of \$666,000 for the Town. Phase 2 is projected to generate annual real property tax revenue of \$708,000. In total, the Project is projected to generate annual real property tax revenue of nearly \$1.4 million. Annual real property tax revenue is shown in Table 6.

Table 6: Waterstone South Annual Real Property Tax Revenue - Town

Real Property Tax	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Real Property Tax Base	\$ 117,100,000	\$ 124,425,000	\$ 241,525,000
Property Tax Rate per \$100 Valuation	0.5870	0.5870	0.5870
Annual Real Property Tax	\$ 687,000	\$ 730,000	\$ 1,418,000
Collection %	97.00%	97.00%	97.00%
Annual Real Property Tax Net of Collection %	\$ 666,000	\$ 708,000	\$ 1,375,000

Source: Capkov Ventures, Inc., Orange County, NC Department of Revenue, DPGF, 2022

At buildout of Phase 1, the Project is expected to generate annual business property tax revenue of \$28,000 for the Town. Phase 2 is projected to generate annual business property tax revenue of \$23,000. In total, the Project is projected to generate annual business property tax revenue of \$50,000. Annual business property tax revenue is shown in Table 7.

Table 7: Waterstone South Annual Business Property Tax Revenue - Town

Business Personal Property	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Commercial Assessed Value	\$ 54,250,000	\$ 45,000,000	\$ 99,250,000
% Furniture and Equipment	9%	9%	9%
Business Personal Property Assessed Value	\$ 4,883,000	\$ 4,050,000	\$ 8,933,000
Property Tax Rate per \$100 Valuation	0.5870	0.5870	0.5870
Annual Business Personal Property Tax	\$ 29,000	\$ 24,000	\$ 52,000
Collection %	97.00%	97.00%	97.00%
Annual Business Property Tax Net of Collection %	\$ 28,000	\$ 23,000	\$ 50,000

Source: Capkov Ventures, Inc., Orange County, NC Department of Revenue, DPGF, 2022

At buildout of Phase 1, the Project is expected to generate annual motor vehicle property tax revenue of \$26,000 for the Town. Phase 2 is projected to generate annual motor vehicle property tax revenue of \$32,000. In total, the Project is projected to generate annual motor vehicle property tax revenue of \$58,000. Annual motor vehicle tax revenue is shown in Table 8.

Table 8: Waterstone South Annual Motor Vehicle Tax Revenue - Town

Motor Vehicle Property Tax	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Motor Vehicle Tax Base			
Countywide Motor Vehicle Valuation	\$ 1,352,075,629	\$ 1,352,075,629	\$ 1,352,075,629
County Population	149,013	149,013	149,013
Motor Vehicle Tax Base per Capita	\$ 9,074	\$ 9,074	\$ 9,074
Watertone South Population	507	624	1,131
Watertone South Motor Vehicle Tax Base	\$ 4,600,518	\$ 5,662,176	\$ 10,262,694
Property Tax Rate per \$100 Valuation	0.5870	0.5870	0.5870
Annual Real Property Tax	\$ 27,000	\$ 33,000	\$ 60,000
Collection %	97.00%	97.00%	97.00%
Annual Motor Vehicle Tax Net of Collection %	\$ 26,000	\$ 32,000	\$ 58,000

Source: Orange County, NC Department of Revenue, DPGF, 2022

Local Option Sales Tax

The local sales and use taxes are levied by the Orange County Board of Commissioners and are collected by the State of North Carolina on behalf of Orange County. The local option sales tax rate of 2 cents consists of three separate taxes that are authorized by North Carolina General Statutes: Article 39 One-Cent tax, Article 40 One-Half Cent tax, and Article 42 One-Half Cent tax. Article 39 taxes are distributed back to counties based on a point-of-sale basis. Article 40 taxes are distributed back to counties on a statewide county per capita basis (with a factor adjustment applied). Article 42 taxes are distributed back to counties in the same manner as Article 39 taxes. Distributions of these funds are made to the Town monthly on a per capita basis.

For purposes of this analysis, it assumed the per capita taxable retail spending of Waterstone South residents will be consistent with that of the existing Town population.

Projected annual local option sales tax revenue is calculated in Table 9.

Table 9: Waterstone South Annual Local Option Sales Tax - Town

Local Option Sales Tax	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Local Option Sales Tax	\$ 2,474,060	\$ 2,474,060	\$ 2,474,060
Town Population	9,681	9,681	9,681
Per Capita	\$ 256	\$ 256	\$ 256
Watertone South Resident Population	507	624	1,131
Total Sales Tax Revenue	\$ 130,000	\$ 160,000	\$ 290,000

Source: NC Department of Revenue, Town of Hillsborough, DPFG, 2022

Auto Decal Fees

The Town charges Auto Decal Fees of \$30 per vehicle. For purposes of this analysis, one vehicle per residential unit is assumed which is a conservative assumption.

Table 10: Waterstone South Annual Auto Decal Fees - Town

Auto Decal Fee	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Vehicles in Waterstone South	295	360	655
Auto Decal Fees per Vehicle	\$ 30	\$ 30	\$ 30
Auto Decal Fee Revenue	\$ 9,000	\$ 11,000	\$ 20,000

Source: Town of Hillsborough, DPFG, 2022

Other General Fund Revenues

Projected other General Fund revenues are presented in Table 11.

Table 11: Waterstone South Annual Other General Fund Revenues - Town

Other Revenues	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Intergovernmental - Est. Unrestricted	\$ 1,019,000	\$ 1,019,000	\$ 1,019,000
Total Other Revenue	\$ 1,019,000	\$ 1,019,000	\$ 1,019,000
Town Population	9,681	9,681	9,681
Per Capita	\$ 105	\$ 105	\$ 105
Watertone South Resident Population	507	624	1,131
Total Other Revenues	\$ 53,000	\$ 66,000	\$ 119,000

Source: NC Department of Revenue, Town of Hillsborough, DPFG, 2022

Stormwater Fees

The Town charges an annual stormwater fee of \$75 per residential property. Annual non-residential stormwater fees are subject to a fee schedule. Annual stormwater fees are estimated in Table 12.

Table 12: Waterstone South Annual Stormwater Fees - Town

Stormwater Fee	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Residential			
Fee per Townhome	\$ 75	\$ 75	\$ 75
Watertone South Townhomes	70	135	205
Stormwater Fee Annual Revenue	\$ 5,000	\$ 10,000	\$ 15,000
Non-Residential (Apartments)			
	225	225	225
Tier 5, 200,000 sq. ft. and above	12,900	12,900	12,900
Parcels	1	1	2
Stormwater Fee Annual Revenue	\$ 13,000	\$ 13,000	\$ 26,000
Non-Residential (Medical Office and Retail)			
Tier 3, 30,001 to 100,000	1,800	1,800	1,800
Parcels	2	1	3
Stormwater Fee Annual Revenue	\$ 4,000	\$ 2,000	\$ 6,000
Total Stormwater Fee Annual Revenue	\$ 22,000	\$ 25,000	\$ 47,000

Source: Town of Hillsborough, DPFG, 2022

TOTAL ANNUAL GENERAL FUND REVENUES

At buildout, the Project is projected to generate annual general fund revenue of \$1.9 million for the Town.

Table 13: Waterstone South Annual General Fund Revenues - Town

General Fund Revenues	Phase 1 Annual Revenue	Phase 2 Annual Revenue	Total Annual Revenue
Property Tax - Real Property	\$ 694,000	\$ 731,000	\$ 1,425,000
Property Tax - Motor Vehicle	26,000	32,000	58,000
Local Option Sales Tax	130,000	160,000	290,000
Auto Decal Fees	9,000	11,000	20,000
Other Town Revenues	53,000	66,000	119,000
Annual General Fund Revenues	\$ 912,000	\$ 1,000,000	\$ 1,912,000

Stormwater Revenues	Phase 1 Annual Revenue	Phase 2 Annual Revenue	Total Annual Revenue
Stormwater Fees	22,000	25,000	47,000

Source: DPGF, 2022

FISCAL BENEFITS – ORANGE COUNTY

GENERAL FUND REVENUES

Property Taxes

As shown in Table 14, at buildout the Project is expected to generate annual real property tax revenue of almost \$2.0 million for the County.

Table 14: Waterstone South Annual Real Property Tax Revenue – Orange County

Real Property Tax	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Real Property Tax Base	\$ 117,100,000	\$ 124,425,000	\$ 241,525,000
Property Tax Rate per \$100 Valuation	0.8312	0.8312	0.8312
Annual Real Property Tax	\$ 973,000	\$ 1,034,000	\$ 2,008,000
Collection %	99.20%	99.20%	99.20%
Annual Real Property Tax Net of Collection %	\$ 965,000	\$ 1,026,000	\$ 1,992,000

Source: Capkov Ventures, Inc., Orange County, NC Department of Revenue, DPGF, 2022

Projected annual business property tax revenue is shown in Table 15.

Table 15: Waterstone South Annual Business Property Tax Revenue – Orange County

Business Personal Property	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Commercial Assessed Value	\$ 54,250,000	\$ 45,000,000	\$ 99,250,000
% Furniture and Equipment	9%	9%	9%
Business Personal Property Assessed Value	\$ 4,883,000	\$ 4,050,000	\$ 8,933,000
Property Tax Rate per \$100 Valuation	0.8312	0.8312	0.8312
Annual Business Personal Property Tax	\$ 41,000	\$ 34,000	\$ 74,000
Collection %	99.20%	99.20%	99.20%
Annual Business Property Tax Net of Collection %	\$ 41,000	\$ 34,000	\$ 73,000

Source: Capkov Ventures, Inc., Orange County, NC Department of Revenue, DPFG, 2022

As shown in Table 16, at buildout the Project is projected to generate annual motor vehicle tax revenue of \$85,000 for the County by vehicles owned by the new residents.

Table 16: Waterstone South Annual Motor Vehicle Tax Revenue – Orange County

Motor Vehicle Property Tax	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Motor Vehicle Tax Base			
Countywide Motor Vehicle Valuation	\$ 1,352,075,629	\$ 1,352,075,629	\$ 1,352,075,629
County Population	149,013	149,013	149,013
Motor Vehicle Tax Base per Capita	\$ 9,074	\$ 9,074	\$ 9,074
Watertone South Population	507	624	1,131
Watertone South Motor Vehicle Tax Base	\$ 4,600,518	\$ 5,662,176	\$ 10,262,694
Property Tax Rate per \$100 Valuation	0.8312	0.8312	0.8312
Annual Real Property Tax	\$ 38,000	\$ 47,000	\$ 85,000
Collection %	99.40%	99.40%	99.40%
Annual Motor Vehicle Tax Net of Collection %	\$ 38,000	\$ 47,000	\$ 85,000

Source: Orange County, NC Department of Revenue, DPFG, 2022

Local Option Sales Tax

For purposes of this analysis, it assumed the per capita taxable retail spending of Waterstone South residents will be consistent with that of the existing Orange County population. The North Carolina General Statutes require that 30 percent of the Article 40 and 60 percent of the Article 42 sales tax revenue be earmarked for public school capital outlay or debt.

In addition to Articles 39, 40, and 42 sales tax, the County also levies the Article 46 One-Quarter cent sales and use tax. The proceeds of the Article 46 tax are allocated 50 percent to the County's two school systems and 50 percent to Economic Development initiatives.

A summary of the projected annual local option sales tax revenues is shown in Table 17. Detailed calculations are provided in the Appendix.

Table 17: Waterstone South Annual Local Option Sales Tax – Orange County

Local Option Sales Tax	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Unrestricted	\$ 87,000	\$ 107,000	\$ 194,000
Restricted - School Capital or Debt	27,000	33,000	60,000
Restricted - Education	7,000	9,000	16,000
Restricted - Economic Development	7,000	9,000	16,000
Total	\$ 128,000	\$ 158,000	\$ 286,000

Source: Orange County, NC Department of Revenue, DPFG, 2022

In 2009, the North Carolina General Assembly ratified the Congestion Relief and Intermodal Transport Fund Act, allowing Orange, Durham, and Wake Counties to generate new revenue for transportation. These revenues include a one-half cent sales tax (Article 43 sales tax) which Orange County voters approved in 2012. A regional transportation public authority, known as GoTriangle, was created to help administer these revenues and work on public transit projects involving all three counties. Article 43 revenues are allocated by the North Carolina Department of Revenue to GoTriangle, which then allocates a portion of that money to Orange County through reimbursements for projects that either offer new public transit services or expand existing ones. Due to these restrictions, projected Article 43 sales tax revenues are excluded from this analysis.

TOTAL ANNUAL GENERAL FUND REVENUES

As shown in Table 18, at buildout the Project is projected to generate annual general fund revenue of \$2.4 million for the County.

Table 18: Waterstone South Annual General Fund Revenues - County

General Fund Revenues	Phase 1 Annual Revenue	Phase 2 Annual Revenue	Total Annual Revenue
Property Tax - Real Property	\$ 1,006,000	\$ 1,060,000	\$ 2,066,000
Property Tax - Motor Vehicle	38,000	47,000	85,000
Local Option Sales Tax			
Unrestricted	87,000	107,000	194,000
Restricted - School Capital or Debt	27,000	33,000	60,000
Restricted - Education	7,000	9,000	16,000
Restricted - Economic Development	7,000	9,000	16,000
Annual General Fund Revenues	\$ 1,172,000	\$ 1,265,000	\$ 2,437,000

Source: DPFG, 2022

ECONOMIC IMPACT

The development of Waterstone South impacts the Town's economy in two phases. The initial impact occurs during the construction of the new residential units and the commercial buildings. When construction is complete, the activities of the new businesses and the local spending by the new residents will impact the local economy on an ongoing basis.

PERMANENT ONGOING IMPACT – PHASE 1

As shown in Table 19, at buildout of Phase 1, the businesses in Waterstone South are projected to generate 576 direct onsite jobs. The new business activities combined with the new annual spending by the Project's Phase 1 residents are expected to support 885 total jobs and generate \$53.8 million in annual labor income in the local area.

Table 19: Waterstone South Permanent Ongoing Annual Economic Impact - Phase 1

Impact Type	Jobs	Labor Income	Value Added	Output
Direct Effect	576	\$40.1 Million	\$43.7 Million	\$68.0 Million
Indirect Effect	105	\$4.9 Million	\$7.5 Million	\$15.0 Million
Induced Effect	204	\$8.9 Million	\$18.6 Million	\$30.7 Million
Total Effect	885	\$53.8 Million	\$69.9 Million	\$113.7 Million

Source: IMPLAN, DPGF, 2022

PERMANENT ONGOING IMPACT – PHASE 2

As shown in Table 20, at buildout of Phase 2 the businesses in Waterstone South are projected to generate 438 direct onsite jobs. The new business activities combined with the new annual spending by the Project's Phase 2 residents are expected to support 762 total jobs and generate \$50.5 million in annual labor income in the local area.

Table 20: Waterstone South Permanent Ongoing Annual Economic Impact - Phase 2

Impact Type	Jobs	Labor Income	Value Added	Output
Direct Effect	438	\$36.2 Million	\$38.3 Million	\$59.0 Million
Indirect Effect	92	\$4.3 Million	\$6.5 Million	\$12.8 Million
Induced Effect	232	\$10.1 Million	\$21.3 Million	\$35.0 Million
Total Effect	762	\$50.5 Million	\$66.1 Million	\$106.7 Million

Source: IMPLAN, DPGF, 2022

PERMANENT ONGOING IMPACT – AT BUILDOUT

As shown in Table 21, at buildout the businesses in Waterstone South are projected to generate 1,014 direct onsite jobs. The new business activities combined with the new annual spending by the Project's residents are expected to support 1,647 total jobs and generate \$104.3 million in annual labor income in the local area.

Table 21: Waterstone South Permanent Ongoing Annual Economic Impact – At Buildout

Impact Type	Jobs	Labor Income	Value Added	Output
Direct Effect	1,014	\$76.2 Million	\$82.1 Million	\$127.0 Million
Indirect Effect	197	\$9.2 Million	\$14.1 Million	\$27.8 Million
Induced Effect	436	\$19.0 Million	\$39.9 Million	\$65.6 Million
Total Effect	1,647	\$104.3 Million	\$136.0 Million	\$220.4 Million

Source: IMPLAN, DPGF, 2022

Table 22 shows the top job demand by industry generated by the new annual spending. High-paying medical jobs are in demand as well as jobs across all wage ranges.

Table 22: Waterstone South Top Job Demand by Industry

Rank	Industry	Jobs
1	Medical office (offices of physicians)	907
2	Full-service restaurants	120
3	Other real estate	44
4	Retail - Food and beverage stores	39
5	All other food and drinking places	34
6	Child day care services	33
7	Limited-service restaurants	31
8	Personal care services	21

Source: IMPLAN, DPGF, 2022

KEY ASSUMPTIONS AND METHODOLOGY

KEY ASSUMPTIONS

Because substantial growth is projected for the Research Triangle area over the next decade, the residential and commercial impacts in this analysis are considered “new.” For example, even if new residents do not directly purchase or rent homes in the Project, vacancies left by existing residents will make existing units available for new residents. Likewise, population and job growth are expected to fuel the demand for the new commercial facilities in Waterstone South.

Market values for the residential properties in Waterstone South were estimated by Capkov Ventures, Inc. Residential market values were converted to taxable values by applying a (1) cost index to adjust values to the most recent County reappraisal (January 1, 2021) and (2) cost of sales factor. Non-residential tax values per product type were based on assessed values (January 1, 2021) of comparable Orange County properties.

All amounts in this report are presented in constant dollars (2022). Results are rounded to the nearest one thousand dollars (\$1,000). Tax rates in effect for the Fiscal Year 2022-2023 are also held constant in this analysis.

Supporting tables are provided in the Appendix.

ECONOMIC IMPACT METHODOLOGY

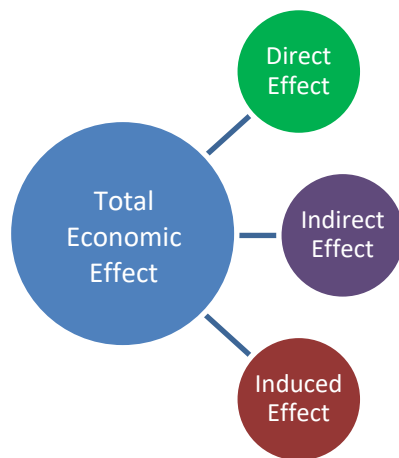
A key concept in economic impact analysis is that one form of economic activity almost always stimulates other economic activities. The total economic impact of a specific project or event on a study area is the sum of the direct, indirect and induced impacts.

Direct Impacts are the initial, immediate economic impacts (jobs and income) generated by a project or development. Direct impacts coincide with the first round of spending in the economy. For example, a new high-tech manufacturing facility that has a payroll of \$5 million and purchases \$5 million of goods and services from local suppliers would directly contribute \$10 million to the local economy. To determine direct economic impacts, it is ideal to use economic data supplied by the project's development team or financial information, if available, about similar projects implemented in similar communities. A common method of establishing direct impact parameters is to use available industry averages for the study area.

Indirect Impacts are the production, employment and income changes occurring in other businesses/industries in the community that supply inputs to the project's industry(s).

Induced Impacts are the effects of spending by the households in the local economy as a result of the direct and indirect effects from an economic activity. The induced effects arise when employees who are working for the project (i.e., new manufacturing facility) spend their new payroll dollars in the study area.

Figure 1: Components of Economic Impact Analysis



The primary economic benefits of Waterstone South will be experienced in the local area; however, benefits will also extend to the region and the state. In our experience with similar projects nationally, the smaller the study area, the more leakages (purchases and sales) occur outside the area. Fewer ripple effects occur inside the area thus multipliers and related impacts generally become larger as the geographic area increases in size. The study area for this report was limited to Orange County.

This analysis utilizes models generated by the IMPLAN modeling system. IMPLAN is a nationally recognized system of local economic models that are specifically designed to represent a local economy such as Orange County.

The economic impacts from the annual operations of the businesses proposed for Firefly Park were modeled using Industry Change, which is the increase or decrease in economic activity due to the expansion or change in production of new businesses. Instead of value of production or value added for the office and retail sectors, new employment by industry sector was used as a proxy for production changes.

In conjunction with this new employment as proxy for production change approach, direct full-time equivalent jobs were converted to total average annual jobs using the appropriate IMPLAN conversion factors. The resulting direct jobs were assigned to the various IMPLAN industry sectors based on a direct correlation (e.g., dental office) or were allocated proportionately based on existing industry sector employment.

GENERAL LIMITING CONDITIONS

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of DPFG and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by DPFG from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of September 2022 and DPFG has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by DPFG that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of DPFG in any manner without first obtaining the prior written consent of DPFG. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of DPFG. This report is not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of DPFG. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from DPFG. Any changes made to the study, or any use of the study not specifically prescribed under agreement between the parties or otherwise expressly approved by DPFG, shall be at the sole risk of the party making such changes or adopting such use.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

APPENDIX

Appendix Table 1: Fiscal Assumptions - Town

	Town of Hillsborough
0.587	FY 2023 Property Tax Rate per \$100
97.00%	Collection %
\$ 1,352,075,629	2021-22 Countywide Motor Vehicle Valuation
149,013	Countywide Population NCDOR (July 2022)
9,681	Town Population - NCDOR (July 2022)
\$ 30	Vehicle Fee
	Census.Gov Single Family Construction Price Index
185.1	August 2022
143.2	January 1, 2021 (December 2020)
0.7736	Ratio
6%	Single Family Residential Cost of Sales Factor
	Census.Gov Multi-Family Construction Price Index
195.9	Second Quarter 2022
179.9	January 1, 2021 (December 2020)
0.9183	Ratio
5%	MF Residential Cost of Sales Factor
	Stormwater Fee
\$ 75	Residential per Year
\$ 1,800	Non-Residential 30,001 to 100,000 sq. ft.

Source: Town of Hillsborough, Census. Gov, NCDOR, DPFG, 2022

Appendix Table 2: Fiscal Assumptions - County

	Orange County
0.8312	FY 2023 Property Tax Rate per \$100
99.20%	Collection % Real Property
99.40%	Collection % Motor Vehicles
\$ 1,352,075,629	2021-22 Countywide Motor Vehicle Valuation
149,013	Countywide Population NCDOR (July 2022)
\$ 14,681,551	Article 39 - FY 2023
\$ 11,348,156	Article 40 - FY 2023
\$ 3,404,447	Article 40 - FY 2023 Restricted
\$ 7,943,709	Article 40 - FY 2023 Unrestricted
\$ 7,386,782	Article 42 - FY 2023
\$ 4,432,069	Article 42 - FY 2023 Restricted
\$ 2,954,713	Article 42 - FY 2023 Unrestricted
9%	Taxable Personal Property as % of Real
	Article 46 Sales Tax - FY 2023
\$ 2,101,100	Education
\$ 2,101,100	Community Services
50%	Education
50%	Community Services

Source: Orange County, NC Department of Revenue, DPFG, 2022

Appendix Table 3: Orange County Persons per Housing Unit

Housing Type	Units B25024	Units	Population B25033	Persons per Housing Unit
1, detached	35,772			
1, attached	3,668	39,440	98,144	2.49
2	1,146			
3 to 4	1,526	2,672	4,785	1.79
5 to 9	3,710			
10 to 19	4,739			
20 to 49	2,089			
50 or more	1,955	12,493	21,222	1.70
Mobile Home	4,361	4,361	10,059	2.31
Boat, RV, Van	27	27	51	1.89
Total	58,993	58,993	134,261	2.28
Townhome				1.79

Source: 2020 ACS 5-Year Estimates for Orange County, NC, DPGF, 2022

Appendix Table 4: Waterstone South Annual Local Option Sales Tax Articles 39, 40 and 42 - County

Local Option Sales Tax	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Article 39 Local Option Sales Tax - Unrestricted	\$ 14,681,551	\$ 14,681,551	\$ 14,681,551
County Population	149,013	149,013	149,013
Per Capita	\$ 99	\$ 99	\$ 99
Watertone South Resident Population	507	624	1,131
Annual Sales Tax Revenue	\$ 50,000	\$ 62,000	\$ 112,000
Article 40 Local Option Sales Tax - Unrestricted	\$ 7,943,709	\$ 7,943,709	\$ 7,943,709
County Population	149,013	149,013	149,013
Per Capita	\$ 53	\$ 53	\$ 53
Watertone South Resident Population	507	624	1,131
Annual Sales Tax Revenue	\$ 27,000	\$ 33,000	\$ 60,000
Article 40 Local Option Sales Tax - Restricted (School Capital or Debt)	\$ 3,404,447	\$ 3,404,447	\$ 3,404,447
County Population	149,013	149,013	149,013
Per Capita	\$ 23	\$ 23	\$ 23
Watertone South Resident Population	507	624	1,131
Annual Sales Tax Revenue	\$ 12,000	\$ 14,000	\$ 26,000
Article 42 Local Option Sales Tax - Unrestricted	\$ 2,954,713	\$ 2,954,713	\$ 2,954,713
County Population	149,013	149,013	149,013
Per Capita	\$ 20	\$ 20	\$ 20
Watertone South Resident Population	507	624	1,131
Annual Sales Tax Revenue	\$ 10,000	\$ 12,000	\$ 22,000
Article 42 Local Option Sales Tax - Restricted (School Capital or Debt)	\$ 4,432,069	\$ 4,432,069	\$ 4,432,069
County Population	149,013	149,013	149,013
Per Capita	\$ 30	\$ 30	\$ 30
Watertone South Resident Population	507	624	1,131
Annual Sales Tax Revenue	\$ 15,000	\$ 19,000	\$ 34,000

Source: Orange County, NC Department of Revenue, DPF, 2022

Appendix Table 5: Waterstone South Annual Local Option Sales Tax Article 46 - County

Local Option Sales Tax	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Article 46 Local Option Sales Tax - Education	\$ 2,101,100	\$ 2,101,100	\$ 2,101,100
County Population	149,013	149,013	149,013
Per Capita	\$ 14	\$ 14	\$ 14
Watertone South Resident Population	507	624	1,131
Annual Sales Tax Revenue	\$ 7,000	\$ 9,000	\$ 16,000
Article 46 Local Option Sales Tax - Economic Development	\$ 2,101,100	\$ 2,101,100	\$ 2,101,100
County Population	149,013	149,013	149,013
Per Capita	\$ 14	\$ 14	\$ 14
Watertone South Resident Population	507	624	1,131
Annual Sales Tax Revenue	\$ 7,000	\$ 9,000	\$ 16,000
Total Articles 39, 40, 42, and 46	\$ 128,000	\$ 158,000	\$ 286,000

Source: Orange County, NC Department of Revenue, DPGF, 2022

**Item 5A
Attachment 9**

**WATERSTONE SOUTH
NET FISCAL IMPACT
TOWN OF HILLSBOROUGH, NC**

OCTOBER 15, 2023

**PREPARED FOR:
CAPKOV VENTURES, INC.**

PREPARED BY:



Orange County, CA
Sarasota, FL

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Research Triangle, NC

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Amelia Island, FL
Dallas, TX

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SUMMARY OF FISCAL AND ECONOMIC BENEFITS

Capkov Ventures, Inc. is seeking approval from the Town of Hillsborough, North Carolina (“Town”) for a mixed-use, master-planned community referred to as Waterstone South (“Project”). At full buildout, the Project will include 450 apartments, 205 townhomes, 200,000 square feet of medical office space, and 40,000 square feet of retail, restaurant, and day care space.

Key fiscal and economic benefits of the Project at buildout are highlighted below.

FISCAL BENEFITS – TOWN OF HILLSBOROUGH

At full buildout, Waterstone South is expected to:

- Generate real property tax base of \$241.5 million.
- Generate annual real property tax revenue of \$1.4 million.
- Generate total annual revenue of \$2.0 million.
- Generate annual net fiscal benefit of \$958,000.
- Generate annual stormwater revenue of \$47,000.

Developer Town Water and Sewer System Proposed Improvements:

- Accelerate payment of \$4.7 million Water and Sewer Development Fees.
- Direct Water and Sewer Construction Improvements of \$3.3 million.

ECONOMIC BENEFITS – TOWN OF HILLSBOROUGH

At buildout, the operating activities of the new businesses in Waterstone South and the occupancy of the new residential units are expected to:

- Create total annual economic impact, in terms of output, of \$220.4 million.
- Create 1,014 direct onsite permanent jobs in the Town of Hillsborough, most of which are projected to be high-paying medical jobs.
- Create 1,647 total permanent jobs in the local area.
- Create total annual labor income of \$104.3 million in the local area.

The local spending by the new businesses and residents of Waterstone South will be significant to existing Hillsborough businesses.¹

¹ The economic benefits are described in the report, “Fiscal and Economic Impacts of Waterstone South (September 30, 2022).”

INTRODUCTION

The proposed development program for the Project is presented in Table 1.

Table 1: Waterstone South Development Program

	Phase 1	Phase 2	Total
Residential Product Type	Units	Units	Units
Apartments	225	225	450
Townhomes	70	135	205
Total	295	360	655
Non-Residential Product Type	Square Feet	Square Feet	Square Feet
Medical Office	100,000	100,000	200,000
Retail	15,000	-	15,000
Restaurant	15,000	-	15,000
Day Care	10,000	-	10,000
Total	140,000	100,000	240,000

Source: Capkov Ventures, Inc., DPFG, 2023

The 655 residential units are projected to generate 1,102 new residents as shown in Table 2.

Table 2: Waterstone South Population Projection

Residential Product	Units	Persons per Housing Unit	Projected Population
Apartments	225	1.54	346
Townhomes	70	2.00	140
Phase 1 Total	295		486
Apartments	225	1.54	346
Townhomes	135	2.00	270
Phase 2 Total	360		616
Grand Total	655		1,102
Apartments	450		692
Townhomes	205		410
Grand Total	655		1,102

Source: Town of Hillsborough, 2021 ACS Estimates, DPFG, 2023

As shown in Table 3, the non-residential land uses are projected to generate 1,014 new onsite employees. Most of the new jobs are high-paying medical jobs, but new job demand also includes jobs across all wage ranges.

Table 3: Waterstone South New Employment Projection

Non-Residential Land Uses	Square Feet	Occupancy %	Occupied Sq. Ft.	Sq Ft per Employee	New FTE Employees	FTE Conversion Factor	Total New Employees
Medical Office	100,000	100%	100,000	250	400	0.9124	438
Retail	15,000	100%	15,000	420	36	0.8571	42
Restaurant	15,000	100%	15,000	266	56	0.7925	71
Day Care	10,000	100%	10,000	450	22	0.8849	25
Phase 1 Total	140,000		140,000		514		576
Medical Office	100,000	100%	100,000	250	400	0.9124	438
Phase 2 Total	100,000		100,000		400		438
Grand Total	240,000		240,000		914		1,014

Source: Capkov Ventures, Inc., IMPLAN, ITE Trip Generation Manual 10th Edition, DPGF, 2023

This report analyzes the net fiscal benefit generated by the Project on the Town of Hillsborough ("Town"). The key assumptions and methodologies used in the analysis are described in the Methodology section of this report. Supporting tables are provided in the Appendix.

ANNUAL NET FISCAL BENEFIT – TOWN OF HILLSBOROUGH

ANNUAL GENERAL FUND REVENUES

Property Taxes

As shown in Table 4, the real property tax base of Waterstone South is projected to exceed \$241.5 million with the commercial real property tax base comprising 41 percent of the total. ²

² The tax base estimates are consistent with the estimates provided in the "Fiscal and Economic Impacts of Waterstone South (September 30, 2022)."

Table 4: Waterstone South Real Property Tax Base

Residential Land Use	Units	Market Value	Construction Price Index	Adjusted	Cost of Sales Factor	Tax Value	Tax Base	%
		per Unit (2022\$)				(Jan 1, 2021) Per Unit		
Apartments	450	\$ 230,000	0.918	\$ 211,000	5%	\$ 200,000	\$ 90,000,000	59%
Townhomes	205	\$ 350,000	0.774	\$ 271,000	6%	\$ 255,000	52,275,000	
Total	655						\$ 142,275,000	
Non-Residential Land Use		Sq. Ft.	Tax Value (Jan 1, 2021) Per Sq. Ft.		Tax Base		41%	
Medical Office	200,000	\$ 450	\$ 90,000,000					
Retail	15,000	\$ 250	3,750,000					
Restaurant	15,000	\$ 250	3,750,000					
Day Care	10,000	\$ 175	1,750,000					
Total	240,000		\$ 99,250,000					
		Total	\$ 241,525,000		100%			

Note: January 1, 2021 is the most recent Orange County reappraisal.

Source: Capkov Ventures, Inc., Orange County, DPGF, 2023

At buildout, the Project is expected to generate annual real property tax revenue of \$1.4 million for the Town as shown in Table 5.

Table 5: Waterstone South Annual Real Property Tax Revenue - Town

Real Property Tax	Total Project Annual
Real Property Tax Base	\$ 241,525,000
Property Tax Rate per \$100 Valuation	0.5870
Annual Real Property Tax	\$ 1,418,000
Collection %	97.00%
Annual Real Property Tax Net of Collection %	\$ 1,375,000

Source: Capkov Ventures, Inc., Town of Hillsborough, DPGF, 2023

At buildout, the Project is expected to generate annual business property tax revenue of \$50,000 as shown in Table 6.

Table 6: Waterstone South Annual Business Property Tax Revenue - Town

Business Personal Property	Total Project Annual
Commercial Assessed Value	\$ 99,250,000
% Furniture and Equipment	9%
Business Personal Property Assessed Value	\$ 8,933,000
Property Tax Rate per \$100 Valuation	0.5870
Annual Business Personal Property Tax	\$ 52,000
Collection %	97.00%
Annual Business Property Tax Net of Collection %	\$ 50,000

Source: Capkov Ventures, Inc., Town of Hillsborough, Orange County, DPGF, 2023

Estimated annual motor vehicle tax revenue at buildout is shown in Table 7.

Table 7: Waterstone South Annual Motor Vehicle Tax Revenue - Town

Motor Vehicle Property Tax	Total Project Annual
Motor Vehicle Tax Base	
Countywide Motor Vehicle Valuation	\$ 1,433,315,493
County Population	148,197
Motor Vehicle Tax Base per Capita	\$ 9,672
Watertone South Population	1,102
Watertone South Motor Vehicle Tax Base	\$ 10,658,544
Property Tax Rate per \$100 Valuation	0.5870
Annual Real Property Tax	\$ 63,000
Collection %	97.00%
Annual Motor Vehicle Tax Net of Collection %	\$ 61,000

Source: Town of Hillsborough, Orange County, DPFG, 2023

Local Option Sales Tax

The local sales and use taxes are levied by the Orange County Board of Commissioners and are collected by the State of North Carolina on behalf of Orange County. The local option sales tax rate of 2 cents consists of three separate taxes that are authorized by North Carolina General Statutes: Article 39 One-Cent tax, Article 40 One-Half Cent tax, and Article 42 One-Half Cent tax. Article 39 taxes are distributed back to counties based on a point-of-sale basis. Article 40 taxes are distributed back to counties on a statewide county per capita basis (with a factor adjustment applied). Article 42 taxes are distributed back to counties in the same manner as Article 39 taxes. Distributions of these funds are made to the Town monthly on a per capita basis.

For purposes of this analysis, it assumed the per capita taxable retail spending of Waterstone South residents will be consistent with that of the existing Town population.

Projected annual local option sales tax revenue is calculated in Table 8.

Table 8: Waterstone South Annual Local Option Sales Tax - Town

Local Option Sales Tax	Total Project Annual
Local Option Sales Tax	\$ 3,026,000
Town Population	9,868
Per Capita	\$ 307
Watertone South Resident Population	1,102
Total Sales Tax Revenue	\$ 338,000

Source: NC Department of Revenue, Town of Hillsborough, DPFG, 2023

Auto Decal Fees

The Town charges Auto Decal Fees of \$30 per vehicle. For purposes of this analysis, one vehicle per residential unit is assumed which is a conservative assumption.

Table 9: Waterstone South Annual Auto Decal Fees - Town

Auto Decal Fee	Total Project Annual
Vehicles in Waterstone South	655
Auto Decal Fees per Vehicle	\$ 30
Auto Decal Fee Revenue	\$ 20,000

Source: Town of Hillsborough, DPFG, 2023

Other General Fund Revenues

Projected other General Fund revenues are presented in Table 10.

Table 10: Waterstone South Annual Other General Fund Revenues - Town

Other Revenues	Total Project Annual
Intergovernmental - Est. Unrestricted	\$ 1,027,000
Total Other Revenue	\$ 1,027,000
Town Population	9,868
Per Capita	\$ 104
Watertone South Resident Population	1,102
Total Other Revenues	\$ 115,000

Source: NC Department of Revenue, Town of Hillsborough, DPFG, 2023

Stormwater Fees

The Town charges an annual stormwater fee of \$75 per residential property. Annual non-residential stormwater fees are subject to a fee schedule. Annual stormwater fees are estimated in Table 11.

Table 11: Waterstone South Annual Stormwater Fees - Town

Stormwater Fee	Phase 1 Annual	Phase 2 Annual	Total Project Annual
Residential			
Fee per Townhome	\$ 75	\$ 75	\$ 75
Watertone South Townhomes	70	135	205
Stormwater Fee Annual Revenue	\$ 5,000	\$ 10,000	\$ 15,000
Non-Residential (Apartments)			
	225	225	225
Tier 5, 200,000 sq. ft. and above	12,900	12,900	12,900
Parcels	1	1	2
Stormwater Fee Annual Revenue	\$ 13,000	\$ 13,000	\$ 26,000
Non-Residential (Medical Office and Retail)			
Tier 3, 30,001 to 100,000	1,800	1,800	1,800
Parcels	2	1	3
Stormwater Fee Annual Revenue	\$ 4,000	\$ 2,000	\$ 6,000
Total Stormwater Fee Annual Revenue	\$ 22,000	\$ 25,000	\$ 47,000

Source: Town of Hillsborough, DPFG, 2023

Total Annual General Fund Revenues

At buildout, the Project is projected to generate annual general fund revenue of over \$1.9 million for the Town.

Table 12: Waterstone South Annual General Fund Revenues - Town

General Fund	Annual Revenues
Revenues:	
Property Tax Revenue:	
Property Tax - Real Property	\$ 1,375,000
Property Tax - Business Personal	50,000
Property Tax - Motor Vehicle	61,000
Total Property Tax Revenue	<u>\$ 1,486,000</u>
Local Option Sales Tax	338,000
Auto Decal Fees	20,000
Other Town Revenues	115,000
Total Revenues	<u>\$ 1,959,000</u>
Stormwater Revenue	\$ 47,000

Source: DPFG, 2023

ANNUAL GENERAL FUND EXPENDITURES

DPFG worked closely with the Town to identify the departments which will generate demand for service from Watertone South and to develop estimates of annual operating and capital costs.

Total Annual General Fund Expenditures

Annual operating expenditures are provided in Table 13 using the case study approach for Police, Fire, and Streets, and the average cost approach for the remaining categories. A full-time equivalent functional population approach was integrated into the per capita demand calculations.

At buildout, Waterstone South is projected to generate annual Town expenditures of \$1.0 million.

Table 13: Waterstone South Annual General Fund Expenditures - Town

Department	Amount
Administration	\$ 26,000
Accounting	15,000
Planning	45,000
Information Technology	31,000
Police	473,000
Fire Protection	265,000
Fleet Maintenance	49,000
Streets	14,000
Solid Waste	34,000
Subtotal	\$ 952,000
Police Vehicles - Annual Debt Service	49,000
Annual Expenditures	\$ 1,001,000

Total Police - Operating and Capital 522,000

Source: Town of Hillsborough, DPFG, 2023

Table 14 provides the assumptions applied in projecting annual operating expenditures using the functional population per capita methodology.

Table 14: Town of Hillsborough Annual General Fund Operating Expenditure Allocation

Department	FY 2024 Grouping	Personnel, Operating, Cost Alloc. & Debt Service Cost	FY 2024 Budget Less I/F Transfers	Allocation Method	Town Allocation Base	Unit Cost	Demand Multiplier	Adjusted Unit Cost	Waterstone South Population	Annual Expenditures
Governing Body	\$ 160,903		160,903	Fixed	-	\$ -	\$ -	\$ -	-	-
Administration	802,789		802,789	Funct Pop	12,211	\$ 65.74	0.30	\$ 19.72	1,342	26,000
Accounting	447,647		447,647	Funct Pop	12,211	\$ 36.66	0.30	\$ 11.00	1,342	15,000
Planning	1,366,152		1,366,152	Funct Pop	12,211	\$ 111.88	0.30	\$ 33.56	1,342	45,000
Facilities Management	417,106		417,106	Fixed	-	-	-	-	-	-
Public Space	649,203		649,203	Fixed	-	-	-	-	-	-
Safety and Risk Management	289,094		289,094	Fixed	-	-	-	-	-	-
Information Technology	558,776		558,776	Funct Pop	12,211	\$ 45.76	0.50	\$ 22.88	1,342	31,000
Police	4,608,623	\$ 4,418,623		Calculated	12,211	\$ 361.86	0.97	\$ 352.10	1,342	473,000
Fire Protection	1,750,770		1,975,770	Calculated						265,000
Fleet Maintenance	446,423		446,423	Funct Pop	12,211	\$ 36.56	1.00	\$ 36.56	1,342	49,000
Streets	1,608,661	1,219,661		Calculated						14,000
Solid Waste	822,116		822,116	Town Home Population	9,868	\$ 83.31	1.00	\$ 83.31	410	34,000
Cemetery	15,560		15,560	Fixed	-	-	-	-	-	-
Special Appropriations	620,768		620,768	Fixed	-	-	-	-	-	-
Contingency	500,000		500,000	Fixed	-	-	-	-	-	-
Interfund Transfers	1,457,003			Fixed	-	-	-	-	-	-
General Fund Expenditures	\$ 16,521,594	\$ 5,638,284	\$ 9,072,307							\$ 952,000

Source: Town of Hillsborough, DPFG, 2023

Police Services

According to the Town's Police Chief, the new Waterstone South residents and businesses are expected to generate demand for four (4) new police full-time equivalent ("FTEs") positions. The annual Operating Cost of \$473,000 and the annual Capital Cost of \$49,000 are projected in Table 15. The total projected annual Police Service cost is \$522,000.

Table 15: Waterstone South Annual Police Expenditures - Town

Operating Cost	Amount
Personnel, Operating, Cost Alloc. & Debt Service Cost	\$4,418,623
Existing FTEs	37.40
Annual Cost per FTE	\$ 118,145
New FTEs	4.00
Annual Personnel, Operating, Cost Alloc & Debt Service Cost	\$ 473,000
Capital Cost	Amount
Town of Hillsborough Existing Level of Service:	
Functional Population	12,211
Police Department FTEs	37.40
Officers per 1,000 Population	3.06
Waterstone South:	
Functional Population	1,342
Officers per 1,000 Population	3.06
Projected Police Department FTEs	4.11
New Police Officers per Police Chief	4.00
Cost of New Vehicle	\$ 45,000
Total Vehicle Cost	\$ 180,000
Interest Rate	4.0%
Term, in Years	4
Annual Police Vehicle Cost	\$ 48,771
Annual Police Vehicle Cost - Rounded	49,000

Source: Town of Hillsborough, DPFG, 2023

Fire Protection Services

The Orange Rural Fire Department ("Fire Department") provides fire, rescue, hazmat, and emergency medical care services to the Central Orange Fire District and the Town of Hillsborough. The Fire Department estimates Waterstone South will generate demand for 1.5 additional firefighters for each shift at an annual cost of \$265,000 as shown in Table 16.

Table 16: Waterstone South Annual Fire Expenditures – Orange Rural Fire Department

Orange Rural Fire Department Estimate	Amount
Firefighter per Shift	1.5
# of Shifts	3.0
Annual Cost per Firefighter (Including Benefits)	\$ 54,530
Estimated Annual Cost	\$ 245,385
Estimated Cost Radios, Protective Clothing, etc.	\$ 20,000
Estimated Annual Cost	\$ 265,385
Estimated Annual Cost - Rounded	\$ 265,000

Source: Orange Rural Fire Department, Town of Hillsborough, DPFG, 2023

Streets

Capkov Ventures estimates Waterstone South will dedicate approximately 1.632 miles of public roads to the Town. The annualized cost of periodic road resurfacing is provided in Table 17.

Table 17: Waterstone South Annual Streets Expenditures - Town

Description	Amount
Miles of Public Roads	1.632
Resurfacing Cost per Mile	\$ 175,000
Resurfacing Cost	\$ 285,600
Resurfacing Cycle, in years	20
Annualized Resurfacing Cost	\$ 14,280
Annualized Resurfacing Cost - Rounded	\$ 14,000

Source: Capkov Ventures, Inc., Town of Hillsborough, DPFG, 2023

ANNUAL NET FISCAL IMPACT

At buildout, Waterstone South is projected to generate an annual net fiscal benefit of \$958,000 for the Town.

Table 18: Waterstone South Net Fiscal Benefit – Town

General Fund	Annual Revenues
Revenues:	
Property Tax Revenue:	
Property Tax - Real Property	\$ 1,375,000
Property Tax - Business Personal	50,000
Property Tax - Motor Vehicle	61,000
Total Property Tax Revenue	<u>\$ 1,486,000</u>
Local Option Sales Tax	338,000
Auto Decal Fees	20,000
Other Town Revenues	115,000
Total Revenues	<u>\$ 1,959,000</u>
Expenditures:	
Administration	\$ 26,000
Accounting	15,000
Planning	45,000
Information Technology	31,000
Police	522,000
Fire Protection	265,000
Fleet Maintenance	49,000
Streets	14,000
Solid Waste	34,000
Total Expenditures	<u>\$ 1,001,000</u>
Excess Annual General Fund Revenues	<u>\$ 958,000</u>
Stormwater Revenue	<u>\$ 47,000</u>

Source: DPGF, 2023

DEVELOPER CONTRIBUTIONS TOWN WATER AND SEWER SYSTEM

As part of the Waterstone South proposal to the Town, Capkov Ventures, Inc. will make a significant contribution to the Town's water and sewer system. The structure of the contribution is divided between the direct construction of needed improvements and accelerated "System Development Fees" for both water and sewer.

1. Direct Construction of Improvement

Capkov Ventures Inc. has proposed constructing the following to improve the existing Town sewer utility infrastructure. The estimated cost of the improvements is \$3.3 million.

- a. Demolish the old Nazarene lift station and construct a new lift station with significantly higher capacity. The new lift station will have the capacity to allow inflows from areas not currently being served along the I-86 corridor.
- b. Eliminate the existing Woods Edge South lift station on Alice Loop Drive and construct a new gravity sewer line. The Woods Edge South lift station is an antiquated lift station constructed to serve the Woods Edge Mobile Home community and was not constructed to municipal standards. The elimination of the lift station and conversion to gravity flow sewer will save the Town significant maintenance and replacement cost in the future.
- c. Run a new larger diameter forced main line from the Nazarene lift station to the Cates Creek Outfall, along Highway I-86 South and Waterstone Drive. This will allow more potential capacity from the public schools to the south and other potential future users.

2. Accelerate System Development Fee Payments

The Town needs to upgrade several elements of their existing system to handle the existing and committed sewer flows, and to add capacity for future development. Capkov Ventures proposes accelerating the System Development Fees for each townhome or apartment in the proposed community upon approval of each phase. This will provide immediate funding for the essential improvements.

The 2023 Sewer System Development Fee per unit is \$3,243, and the total 2023 Water System Development Fee per unit is \$3,864 for a total of \$7,107 per unit.

Table 19 summarizes the proposed developer contribution of \$8.0 million.

Table 19: Proposed Developer Contributions to Water and Sewer System - Town

Description	# of Units	Fees per Unit	Total
Phase II	205	\$ 7,107	\$ 1,456,935
Phase II	225	\$ 7,107	1,599,075
Phase III	225	\$ 7,107	1,599,075
Total System Development Fees	655		\$ 4,655,085
Direct Construction Improvements			3,300,000
Total Proposed Developer Contribution			\$ 7,955,085

Source: Capkov Ventures, Inc, 2023

KEY ASSUMPTIONS AND METHODOLOGY

METHODOLOGY AND KEY ASSUMPTIONS

Because substantial growth is projected for the Research Triangle area over the next decade, the residential and commercial impacts in this analysis are considered “new.” For example, even if new residents do not directly purchase or rent homes in the Project, vacancies left by existing residents will make existing units available for new residents. Likewise, population and job growth are expected to fuel the demand for the new commercial facilities in Waterstone South.

Market values for the residential properties in Waterstone South were estimated by Capkov Ventures, Inc. Residential market values were converted to taxable values by applying a (1) cost index to adjust values to the most recent County reappraisal (January 1, 2021) and (2) cost of sales factor. Non-residential tax values per product type were based on assessed values (January 1, 2021) of comparable Orange County properties.

The fiscal impact analysis of Waterstone South uses a marginal/average cost hybrid methodology to determine the Project’s impact on capital and operating costs. Revenues, such as property taxes, were projected on a marginal basis, whereas other revenues attributable to growth were reflected on an average cost basis. A full-time equivalent functional population approach was used in the per capita demand calculations to estimate certain annual expenditures.

The Town’s fiscal year (“FY”) 2024 budget forms the basis for the service levels and revenue and cost assumptions. This “snapshot” approach does not attempt to speculate how services, costs, revenues, and other factors will change over time. Instead, it evaluates the fiscal impact to the Town as it conducts business under the current budget. Tax rates in effect for FY 2024 are also held constant in this analysis.

All amounts in this report are presented in constant dollars (2023). Results are rounded to the nearest one thousand dollars (\$1,000).

The impacts of self-supporting funds (e.g., enterprise funds) were not included in this analysis as is typical in fiscal impact analysis. Utility rates and capacity fees are established through independent studies. Public utilities generally benefit from economies of scale (i.e., more customers) since rate structures are dependent upon recovering infrastructure costs which are considered fixed from a cost accounting perspective.

Supporting tables are provided in the Appendix.

GENERAL LIMITING CONDITIONS

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of DPFG and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by DPFG from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of October 2023 and DPFG has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by DPFG that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of DPFG in any manner without first obtaining the prior written consent of DPFG. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of DPFG. This report is not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of DPFG. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from DPFG. Any changes made to the study, or any use of the study not specifically prescribed under agreement between the parties or otherwise expressly approved by DPFG, shall be at the sole risk of the party making such changes or adopting such use.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

APPENDIX

Appendix Table 1: Fiscal Assumptions - Town

	Town of Hillsborough
0.587	FY 2024 Property Tax Rate per \$100
97.00%	Collection %
\$ 30	Motor License Vehicle Fee
\$ 1,433,315,493	2022-23 Countywide Motor Vehicle Valuation
148,197	Countywide Population NCDOR (July 2023)
9,601	Town Population - NCDOR (July 2023)
4,614	Town Employed Population 16+ 2020 ACS 5-Year Est.
9,868	Town Population - Town of Hillsborough (State Demographer)
	Census.Gov Single Family Construction Price Index
185.1	August 2022
143.2	January 1, 2021 (December 2020)
0.7736	Ratio
6%	Single Family Residential Cost of Sales Factor
	Census.Gov Multi-Family Construction Price Index
195.9	Second Quarter 2022
179.9	January 1, 2021 (December 2020)
0.9183	Ratio
5%	MF Residential Cost of Sales Factor
	Stormwater Fee
\$ 75	Residential per Year
\$ 1,800	Non-Residential 30,001 to 100,000 sq. ft.
	System Development Fee - Residential
\$ 3,864	Water Treatment per Unit
\$ 3,243	Wastewater Treatment per Unit

Source: Town of Hillsborough, Census. Gov, NCDOR, DPFG, 2023

Appendix Table 2: Orange County Persons per Housing Unit

Housing Type	Units B25024	Units	Population B25033	Persons per Housing Unit
1, detached	38,129			
1, attached	5,180	43,309	104,923	2.42
2	860			
3 to 4	2,091	2,951	4,839	1.64
5 to 9	3,075			
10 to 19	3,408			
20 to 49	1,880			
50 or more	3,658	12,021	18,466	1.54
Mobile Home	3,480	3,480	8,361	2.40
Boat, RV, Van	-	-	-	
Total	61,761	61,761	136,589	2.21
Townhome - per Town of Hillsborough				2.00

Source: 2021 ACS Estimates for Orange County, NC, DPGF, 2023

Appendix Table 3: Functional Population Calculations

Town of Hillsborough				
Full-Time Equivalent Functional Population				
Description	Hillsborough Population	24/7 Functional Population	24/7 Functional Population	%
		Coefficient		
Working $\{[(24*7)-(9*5)]/(24*7)\}$	4,614	0.7321	3,378	
Non-Working (24/24)	5,254	1.0000	5,254	
Permanent Population	9,868	0.8747	8,632	71%
Hillsborough Employment Population				
Agriculture Forestry, Fishing, & Hunting	77	0.3002	23	
Construction	319	0.3002	96	
Manufacturing	196	0.2904	57	
Transportation	10	0.3002	3	
Communication	19	0.3002	6	
Utility	30	0.3002	9	
Wholesale Trade	571	0.3095	177	
Retail Trade	2,942	0.8663	2,549	
Finance, Insurance, Real Estate	347	0.3064	106	
Hotels & Lodging	31	0.3714	12	
Automotive Services	33	0.3002	10	
Health Services	656	0.4747	311	
Legal Services	63	0.3064	19	
Education Institutions & Libraries	749	0.2679	201	
Other Services	1,460	0.3002	438	
Government	1,592	0.4066	647	
Unclassified	100	0.3002	30	
Total	9,195	0.3892	3,579	29%
Full-Time Equivalent Functional Population			12,211	100%
Waterstone South				
Waterstone South	Estimated Residents/ Employees	24/7 Functional Population	24/7 Functional Population	%
		Coefficient		
Apartments	692	0.8747	605	
Townhomes	410	0.8747	359	
Total Projected Residents	1,102	0.8748	964	72%
Projected Employees				
Office	876	0.3064	268	
Retail	113	0.8663	98	
Day Care	25	0.4747	12	
Total Employees	1,014	0.3729	378	28%
Full-Time Equivalent Functional Population			1,342	100%

Source: 2021 ACS Estimates for Town of Hillsborough, NC, Town of Hillsborough, NC, DPFG, 2023



Waterstone South Neighborhood Meeting - October 10, 2023 at 7:00 pm.

Issues Raised

1. Open Space as part of the Trailer Park Development:

A neighbor mentioned that a portion of land south of the trailer park was supposed to be kept as open space. This agreement was potentially part of the approval process because (according to the neighbor) more trailers were allowed to be installed than normal. He also mentioned that an attorney said that a portion of the parcel could never be developed.

The developer responded that no such restriction was found during the title search phase of the acquisition but said that the issue would be investigated further.

The developer also mentioned that this is a very early stage in the process and that landscape buffers and open spaces have not been finalized yet.

2. Taxes:

A neighbor wondered if their taxes would increase because of the annexation.

Neighboring properties will not be annexed as part of this process and by law, the Town of Hillsborough cannot force them to be annexed.

3. Housing:

A neighbor asked how many houses would be built.

Residential units will consist of apartments and townhomes, and they will serve people working at the hospital and other nearby businesses. The current proposal includes 450 apartments and 205 townhomes.

4. Traffic:

a. Several neighbors mentioned that traffic in the area has increased in recent years.

A traffic impact analysis (TIA) was performed. The TIA concluded that by the time the project is completed in 2033, a traffic signal should be installed at the intersection of NC 86 and Waterstone Drive. Turn lanes into the project are also recommended on NC 86 and New Hope Church Road. These measures should help minimize impacts to traffic in the area.

- b. Someone asked if any potential turn lanes would impact their property. Any right of way expansion would only affect this project. A neighbor mentioned that people are unable to cross Hwy 86 at AL Stanback Middle School because of traffic.

The developer said they would look at putting a traffic signal in that area. Sidewalks will be installed to make the area more walkable.

- c. Another neighbor worried that they would lose land because Hwy 86 might be widened to 4 lanes.

There is currently no indication that Hwy 86 will be widened, or additional right of way acquired.

- d. Someone worried that traffic would impact them on Scarlett Mountain Road.

An entrance is not being proposed along that edge of the project.

5. Safety:

A neighbor mentioned that there have been bad auto accidents in the area and more traffic will make it worse.

The project will be built in phases over a period of about ten years. During that time as traffic counts warrant, traffic signals and turn lanes will be installed.

Changes Made in Response to Issues Raised

1. The applicant has changed the Master Plan by significantly increasing open space along the southern property line to the site. The plan has been changed to reflect a minimum of 100' of permanent open space along the southern property line adjacent to Scarlett Mountain Road. The 100' buffer then turns north to buffer the property and the northwest corner of Scarlett Mountain Road and Highway 86 South. The open space that separates the proposed community from Scarlett Mountain Road will ensure that there will be no vehicular connection between the community and Scarlett Mountain Road. Orange County does not require any buffer between residential uses in this residential zoning district.
2. There is roughly 10 acres of rural buffer in the southwestern corner of the site. The applicant had proposed the 10 acres to be used for a park containing youth baseball and soccer fields. The applicant had eliminated the playfields and will dedicate the entire 10 acres as permanent open space. This will provide a 10-acre undisturbed wooded open space between the proposed community and the western section of Scarlett Mountain Road.

3. Additional open space buffers have been added in the northern and western portions of the site to add buffering from I-40 and protect environmentally sensitive tree stands, steep slopes, and creeks.
4. The applicant has verified that no widenings outside our property and the existing right of way will need to be acquired.



PLANNING BOARD STATEMENT OF PLAN CONSISTENCY AND RECOMMENDATION

August 15, 2024

Request from Capkov, Inc. and Woodsedge Properties, LLC to
amend the Official Zoning Map of the Town of Hillsborough

WHEREAS, the Town of Hillsborough Planning Board has received and reviewed an application from Capkov Ventures, Inc. and Woodsedge Properties, LLC to amend the Official Zoning Map as follows:

- Rezone approximately 99.14 acres from R1 (County), EDH-2 (County), and ESU (Town) to a Planned Development (PD) district for apartments, townhomes, and various non-residential uses, including medical, office, and neighborhood commercial

WHEREAS, North Carolina General Statute 160D-604 *Planning Board review and comment*, paragraphs (b) *Zoning Amendments* and (d) *Plan Consistency*, require that, when considering a proposed zoning map amendment, the Planning Board must advise and comment on whether the amendment is consistent with any adopted comprehensive or land-use plan, and any other applicable, officially adopted plan. The Planning Board must then provide a written recommendation to the Town Board of Commissioners addressing plan consistency and other matters deemed appropriate; and

WHEREAS, UDO §3.7.10 *Planning Board Recommendation* requires the written report be delivered to the Town Board of Commissioners within 30 days after the legislative hearing is closed; and

WHEREAS, UDO §3.7.12 *Town Board Action* states the Town Board shall not take action on a proposed zoning map amendment until 30 days after the date of the legislative hearing or until the Planning Board makes its recommendation, whichever comes first; and

WHEREAS, after discussion and deliberation on the requested amendment, the Planning Board finds:

1. The proposed amendment **IS/IS NOT CONSISTENT** with the Town of Hillsborough Comprehensive Sustainability Plan; specifically, the following goal and strategy in the *Land Use and Development* chapter:

- Land Use and Development Goal 1: Ensure that future growth and development, including infill and redevelopment, are aligned with smart growth principles and consider infrastructure constraints such as water and wastewater system capacity.
- Strategy: Develop and adopt plans that contribute to meeting preferred future land use and growth patterns.

2. The proposed regulations advance identified goals and strategies found in the CSP, and promote public health, safety, and welfare by _____.

WHEREFORE, upon a motion by _____, seconded by _____, the foregoing was put to a vote of the Board, the results of which vote are as follows:

Ayes:

Noes:

Absent:

NOW, THEREFORE, the Planning Board hereby **RECOMMENDS** that the Town Board of Commissioners **APPROVE/DENY** the requested zoning map amendment.

Frank Casadonte, Chair
Town of Hillsborough Planning Board

Date of signature by Chair: _____



Agenda Abstract

JOINT PUBLIC HEARING

Meeting Date: August 15, 2024
Department: Stormwater and Environmental Services
Agenda Section: 5B
Public hearing: Yes
Date of public hearing: August 15, 2024

PRESENTER/INFORMATION CONTACT

Terry Hackett, Stormwater and Environmental Services Manager

ITEM TO BE CONSIDERED

Subject: Unified Development Ordinance (UDO) text amendment (staff-initiated):

- Section 6.1 *Development Standards - Purpose and Intent*
- Section 6.20.16 *Development Standards - Stormwater Management - Riparian Buffers*

Attachments:

1. Proposed text amendment to UDO section referenced above

Summary:

Stormwater and Environmental Services previously proposed text amendments to the following UDO sections:

- Section 3.10.3 *Variance – General Standards/Findings of Fact*
- Section 3.10.6 *Variance – Procedure*
- Section 6.20.16 *Stormwater Management – Riparian Buffers*

Those amendments were adopted by the Board of Commissioners on February 12, 2024. Since that time, the NC Division of Water Resources has requested some minor revisions, which are shown in red in the attached amendment.

Comprehensive Sustainability Plan goals:

- Environment and Natural Systems Goal 1: Employ an integrated ecosystem approach and stewardship mentality to protect, conserve, and restore critical environmental areas and natural systems.
- Strategy: Develop and participate in programs that contribute to sustained ecological health of the environment and natural systems (delegated local authority from the state to enforce the Neuse Riparian Buffer Rules)

Financial impacts:

None

Staff recommendation and comments:

Staff recommends approval of the text amendment as written.

Action requested:

Hold the public hearing. After the public hearing is closed, the Planning Board may make its recommendation.

6.1 PURPOSE AND INTENT

The general intent of this section is to provide standards for development to help ensure the safe and convenient development of land on sites and in locations adequate for the uses proposed. No Zoning Compliance Permit or Certificate of Occupancy shall be issued for uses of land, structures and/or buildings, or for a change in the use, unless the requirements of this Chapter are met. The standards set forth in this section are to be used in conjunction with the other sections of this Ordinance in the development of projects and submittal of site plans.

For the purpose of Section 6.20.16 Riparian Buffers, “development” includes any impact or use within the riparian buffer or outside the riparian buffer with hydrological impacts on the riparian buffer.

6.20 STORMWATER MANAGEMENT

6.20.16 RIPARIAN BUFFERS

6.20.16.1 Purpose and Intent

In order to minimize sedimentation and pollution of surface waters within the planning jurisdiction, riparian buffers shall be provided along all surface waters identified in *Section 6.20.16.3, Applicability*. Undisturbed natural areas along surface waters act as a filter for sedimentation control and as a stabilizing agent for the banks of surface waters. In addition, these areas filter storm water run-off which may carry significant amounts of bacteria, excess nutrients and heavy metals into surface waters. The buffer areas, along with controls on impervious surfaces, provide a good measure of water quality protection for the Eno River.

The Neuse River Basin Nutrient Sensitive Waters Management Strategy riparian buffer protection rules (Neuse Rules) of 15A NCAC 02B .0714, apply to all lands within the Town of Hillsborough’s planning jurisdiction. For the purpose of Section 6.20.16 Riparian Buffers, “development” includes any impact or use within the riparian buffer or outside the riparian buffer with hydrological impacts on the riparian buffer. Wherever standards of the Neuse Rules and the standards listed in this ordinance differ, the more restrictive provisions shall apply.

6.20.16.2 Delegated Authority

The ~~North Carolina Environmental Management Commission~~ North Carolina Division of Water Resources (NCDWR) has jurisdiction to the exclusion of the Planning Director or designee to implement the requirements of the State’s program for the following types of activities:

6.20.16.2.a Activities undertaken by the State.

6.20.16.2.b Activities undertaken by the United States.

6.20.16.2.c Activities undertaken by multiple jurisdictions.

6.20.16.2.d Activities undertaken by local units of government; and

6.20.16.2.e Forestry Operations

6.20.16.3 Applicability

A riparian buffer shall be established directly adjacent to surface waters (i.e. intermittent streams, perennial streams, lakes and ponds) identified by any of the following means:

6.20.16.3.a Surface water shown as solid blue or purple lines or as broken blue or purple lines on the most recent version of USGS Quadrangle maps.

6.20.16.3.b Surface water shown in the ~~most recent~~ published version of the Orange County Soil Survey; or

6.20.16.3.c A surface water identified in a field determination made by Hillsborough staff trained in surface water identification through the North Carolina ~~Department of Environmental Quality (NCDEQ)~~ Division of Water Resources (NCDWR). ~~Disputes pertaining to water feature decisions by staff shall be filed directly to the Director of NCDEQ. If a party disputes the presence of a subject feature, then a request should be made to Hillsborough staff to conduct a field evaluation.~~

6.20.16.4 Exemption Based upon an On-site Determination

When a landowner or other affected party including ~~NCDEQ-NCDWR~~ believes that the maps inaccurately depict surface waters, they may request an On-site determination conducted by Hillsborough staff who has successfully completed the ~~NCDEQ's~~ NCDWR's Surface Water Identification Training Certification course, its successor, or other equivalent training curriculum approved by ~~NCDEQ NCDWR~~. Any disputes over on-site determinations shall be referred to the Director of ~~NCDEQ-NCDWR~~ in writing. A determination of the Director of ~~NCDEQ-NCDWR~~ as to the accuracy or application of the maps is subject to review as provided in articles 3 and 4 of G.S. 150B. Surface waters that appear on the maps shall not be subject to *Section 6.20.16, Riparian Buffers* ~~is-if~~ a site evaluation reveals any of the following cases:

6.20.16.4.a Man-made ponds and lakes that are not part of a natural drainage way that is classified in accordance with 15A NCAC 02B .0101, including ponds and lakes created for animal watering, irrigation, or other agricultural uses. A pond or lake is part of a natural drainage way when it is fed by an intermittent or perennial stream or when it has a direct discharge point to an intermittent or perennial stream.

6.20.16.4.b Ephemeral streams.

6.20.16.4.c The absence on the ground of a corresponding intermittent or perennial stream, lake, reservoir, or pond.

6.20.16.4.d Ditches or other man-made water conveyances, other than modified natural streams.

6.20.16.5 Exemption when Existing Uses are Present and Ongoing

Section 6.20.16, Riparian Buffers does not apply to portions of the riparian buffer where a use is considered existing and ongoing according in accordance with 15A NCAC 02B .0714 (6) (a). A use is considered existing if it was present within the riparian buffer as of July 22, 1997. Existing uses shall include, but not be limited to, agriculture, buildings, industrial facilities, commercial areas, transportation facilities, maintained lawns, utility lines and on-site

sanitary sewage systems. Only the portion of the riparian buffer that contains the footprint of the existing use is exempt from *Section 6.20.16, Riparian Buffers*.

6.20.16.6 Calculations for Width of Riparian Buffers

A buffer of fifty (50) feet in width as defined in *Section 6.20.16.7* is required on all sides of the surface water as identified in *Section 6.20.16.3, Applicability*. For streams within the PW and PWCA zoning districts (see *Section 4.5, Other Zoning Districts*), the width of the stream is calculated as outlined in *Section 4.5.3.8.d, Calculating Width of Riparian Buffer*.

6.20.16.7 Zones of the Riparian Buffer

6.20.16.7.a Zone 1 shall consist of a vegetated area that is undisturbed except for uses provided for in sections 6.20.16.8, ~~Permitted~~ *Uses within Riparian Buffers* and 6.20.16.11, *Stormwater Runoff Through the Riparian Buffer*. The location of Zone 1 shall be as follows:

- (i) For intermittent and perennial streams, Zone 1 shall begin at the most landward limit of the top of bank or the rooted herbaceous vegetation and extend landward a distance of 30 feet on all sides of the stream, measured horizontally on a line perpendicular to the stream (where an intermittent or perennial stream begins or ends, including when it goes underground, enters or exits a culvert, or enters or exits a wetland, the required distance shall be measured as a radius around the beginning or the end).
- (ii) For ponds, lakes and reservoirs, Zone 1 shall begin at the normal water level and extend landward a distance of 30 feet, measured horizontally on a line perpendicular to the surface water.

6.20.16.7.b Zone 2 shall consist of a stable, vegetated area that is undisturbed except for activities and uses provided for in sections 6.20.16.8, ~~Permitted~~ *Uses within Riparian Buffers* and 6.20.16.11, *Stormwater Runoff Through the Riparian Buffer*. Grading and revegetating Zone 2 is allowed provided that the health of the vegetation in Zone 1 is not compromised. Zone 2 shall begin at the outer edge of Zone 1 and extend landward 20 feet as measured horizontally on a line perpendicular to the surface water. The combined width of Zones 1 and 2 shall be 50 feet on all sides of the surface water.

6.20.16.8 ~~Permitted~~ Uses Within Riparian Buffers

Uses within the riparian buffer, or outside the riparian buffer with hydrological impacts on the riparian buffer, shall be designated as deemed allowable, allowable upon authorization, allowable with mitigation upon authorization, ~~allowable with exception~~ or prohibited. Potential new uses shall have the following requirements.

6.20.16.8.a Deemed Allowable. Uses designated as deemed allowable in *Table 6.20.16.8, ~~Permitted~~ Uses within Riparian Buffers* and 6.20.16.11, *Stormwater Runoff Through the Riparian Buffer* may occur within the riparian buffer. Deemed allowable uses shall be designed, constructed and maintained to minimize vegetation and soil disturbance and to provide the maximum water quality protection practicable, including construction, monitoring, and maintenance

activities. In addition, deemed allowable uses shall meet all requirements listed in *Table 6.20.16.8, ~~Permitted~~ Uses within Riparian Buffers* for the specific use.

- 6.20.16.8.b Allowable Upon Authorization.** Uses designated as allowable upon authorization in *Table 6.20.16.8, ~~Permitted~~ Uses within Riparian Buffers* and *6.20.16.11, Stormwater Runoff Through the Riparian Buffer* require a written Authorization Certificate for impacts within the riparian buffer pursuant to *Section 6.20.16.9, Basis for “No Practical Alternatives”* and *Section 6.20.16.10, Written Authorization Required*.
- 6.20.16.8.c Allowable with Mitigation Upon Authorization.** Uses designated as allowable with mitigation upon authorization in *Table 6.20.16.8, ~~Permitted~~ Uses within Riparian Buffers* require a written Authorization Certificate for impacts within the riparian buffer pursuant to *Section 6.20.16.9, Basis for “No Practical Alternatives”* and *Section, 6.20.16.10, Written Authorization Required*. In addition, an appropriate mitigation strategy is required pursuant to *Section 6.20.16.12, Mitigation*.
- 6.20.16.8.d Prohibited.** Uses designated as prohibited in *Table 6.20.16.8, ~~Permitted~~ Uses within Riparian Buffers* may not proceed within the riparian buffer unless a variance is granted by the North Carolina Environmental Management Commission pursuant to 15A NCAC 02B .0226. Mitigation may be required as a condition of variance approval.

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
<u>a) Airport Facilities</u>				
<u>i) Vegetation removal activities necessary to comply with Federal Aviation Administration requirements (e.g., line of sight requirements) provided the disturbed areas are stabilized and revegetated</u>	X			
<u>ii) Airport facilities that impact equal to or less than one-third of an acre of riparian buffer</u>		X		
<u>iii) Airport facilities that impact greater than one third of an acre of riparian buffer</u>			X	
<u>a)b) Archaeological activities</u>	X			
<u>b)c) Bridges:</u>				
i) Impact equal to or less than one-tenth of an acre of riparian buffer	X			
ii) Impact greater than one-tenth of an acre of riparian buffer		X		
<u>e)d) Dam maintenance activities:</u>				
i) Dam maintenance activities that do not cause additional riparian buffer disturbance beyond the footprint of the existing dam	X			
ii) Dam maintenance activities that do cause additional riparian buffer disturbance beyond the footprint of the existing dam		X		
<u>d)e) Drainage of a pond subject to Section 6.20.16.3, Applicability</u> provided that a new riparian buffer is established by natural regeneration or planting, within 50 feet of any stream which naturally forms or is constructed within the drained pond area. Drained ponds shall be allowed to naturalize for a minimum of six months from completion of the draining activity before a stream determination is conducted pursuant to Section 6.20.16.3.c.	X			
<u>e)f) Fences:</u>				
i) Fencing livestock out of surface waters	X			
ii) Installation does not result in removal of trees from Zone 1	X			
iii) Installation results in removal of trees from Zone 1		X		

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers (continued)

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
<u>f)g)</u> Fertilizer application:				
i) One-time fertilizer application at agronomic rates in the riparian buffer to establish replanted vegetation. No runoff from this one-time application in the riparian buffer is allowed in the surface water	X			
ii) Ongoing fertilizer application				X
<u>h)</u> Forest harvesting – see 15A NCAC 02B .0612				
<u>g)l)</u> Grading only in Zone 2 provided that the health of existing vegetation in Zone 1 is not compromised, <i>Section 6.20.16.11, Stormwater Through the Riparian Buffer</i> is complied with, and disturbed areas are stabilized and revegetated		X		
<u>h)j)</u> Greenways, trails, sidewalks or linear pedestrian/bicycle transportation systems:				
i) In Zone 2 provided that no built-upon area is added within the riparian buffer	X			
ii) In Zone 1 provided that no built-upon area is added within the riparian buffer and the installation does not result in the removal of tree(s)	X			
iii) When built-upon area is added to the riparian buffer, equal to or less than 10 feet wide with two foot wide shoulders. Shall be located outside Zone 1 unless there is no practical alternative		X		
iv) When built-upon area is added to the riparian buffer, greater than 10 feet wide with two foot wide shoulders. Shall be located outside Zone 1 unless there is no practical alternative			X	
<u>i)k)</u> Historic preservation	X			
<u>j)l)</u> New Landfills as defined by NC G.S. 130A-290				X
<u>m)</u> <u>Maintenance access on modified natural streams or canals: a grassed travelway on one side of the waterbody when less impacting alternatives are not practical. The width and specifications of the travelway shall be only that needed for equipment access and operation. The travelway shall be located to maximize stream shading.</u>		X		

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers (continued)

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
<u>k)n</u> Mining activities:				
i) Mining activities that are covered by the Mining Act provided that new riparian buffers that meet the requirements in sections 6.20.16.7, <i>Zones of the Riparian Buffer</i> and 6.20.16.11, <i>Stormwater Runoff Through the Riparian Buffer</i> are established adjacent to any relocated channels		X		
ii) Mining activities that are not covered by the Mining Act OR where new riparian buffers that meet the requirements in sections 6.20.16.7, <i>Zones of the Riparian Buffer</i> and 6.20.16.11, <i>Stormwater Runoff Through the Riparian Buffer</i> are not established			X	
iii) Wastewater or mining dewatering wells with approved NPDES permit	X			
<u>l)o</u> On-site sanitary sewage systems - new ones that use ground absorption				X
<u>m)p</u> Pedestrian access trails and associated steps leading to a surface water, dock, canoe or kayak access, fishing pier, boat ramp or other water dependent structure:				
i) Equal to or less than six feet wide that does not result in the removal of tree(s) within the riparian buffer and does not result in the addition of built-upon area to the riparian buffer	X			
ii) Equal to or less than six feet wide that results in the removal of tree(s) or the addition of built-upon area to the riparian buffer		X		
iii) Greater than six feet wide			X	
<u>n)q</u> Playground equipment:				
i) Playground equipment on single-family lots provided that installation and use does not result in removal of vegetation	X			
ii) Playground equipment on single-family lots where installation or use results in the removal of vegetation		X		
iii) Playground equipment installed on lands other than single-family lots		X		
<u>o)r</u> Ponds created or modified by impounding streams subject to riparian buffers pursuant to Section 6.20.16.3, <i>Applicability</i> and not used as stormwater control measures (SCMs):				
i) New ponds provided that a riparian buffer that meets the requirements of sections 6.20.16.7, <i>Zones of the Riparian Buffer</i> and 6.20.16.11, <i>Stormwater Runoff Through the Riparian Buffer</i> is established adjacent to the pond		X		
ii) New ponds where a riparian buffer that meets the requirements of sections 6.20.16.7, <i>Zones of the Riparian Buffer</i> and 6.20.16.11, <i>Stormwater Runoff Through the Riparian Buffer</i> is NOT established adjacent to the pond			X	

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers (continued)

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
p/s Protection of existing structures and facilities when this requires additional disturbance to the riparian buffer		X		
q/t Public Safety - Publicly owned spaces where it has been determined by the head of the local law enforcement agency with jurisdiction over that area that the riparian buffers pose a risk to public safety. The head of the local law enforcement agency shall notify the local government with land use jurisdiction over the publicly owned space and the Division of Water Resources of any such determination in writing	X			
r/u Removal of previous fill or debris provided that <i>Section 6.20.16.11, Stormwater Runoff Through the Riparian Buffer</i> is complied with and any vegetation removed is restored		X		
s/v Residential Properties: Where application of this Rule would preclude construction or expansion of a single-family residence and necessary infrastructure, the single-family residence may encroach in the buffer if all of the following conditions are met: (1) the residence is set back the maximum feasible distance from the top of the bank, rooted herbaceous vegetation, normal high-water level, or normal water level, whichever is applicable, on the existing lot; (2) the residence is designed to minimize encroachment into the riparian buffer; (3) the residence complies with <i>Section 6.20.16.11, Stormwater Runoff Through the Riparian Buffer</i> ; and (4) if the residence will be served by an on-site wastewater system, no part of the septic tank or drainfield may encroach into the riparian buffer:				
i) The residence or necessary infrastructure only impact Zone 2		X		
ii) The residence or necessary infrastructure impact Zone 1			X	
iii) Impacts other than the residence or necessary infrastructure			X	
t/w Restoration or enhancement (wetland, stream) as defined in 33 CFR Part 332 available free of charge on the internet at: http://water.epa.gov/lawsregs/guidance/wetlands/wetlandsmitigation_index.cfm :				
i) Wetland or stream restoration is part of a compensatory mitigation bank, nutrient offset bank, or the In Lieu Fee program	X			
ii) Wetland or stream restoration other than those listed above		X		

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers (continued)

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
w <u>x</u>) Road, driveway or railroad - impacts other than perpendicular crossings of streams and other surface waters subject to this Rule			X	
v <u>y</u>) Road, driveway or railroad - perpendicular crossings of streams and other surface waters subject to this Rule				
i) Impact equal to or less than one-tenth of an acre of riparian buffer	X			
ii) Impact greater than one-tenth of an acre but equal to or less than one-third of an acre of riparian buffer		X		
iii) Impact greater than one-third of an acre of riparian buffer			X	
iv) Driveway crossings in a residential subdivision that cumulatively impact equal to or less than one-third of an acre of riparian buffer		X		
v) Driveway crossings in a residential subdivision that cumulatively impact greater than one-third of an acre of riparian buffer			X	
vi) Farm roads and forest roads that are exempt from permitting from the U.S. Army Corps of Engineers per Section 404(f) of the Federal Clean Water Act	X			
w <u>z</u>) Road relocation of existing private access roads associated with public road projects where necessary for public safety:				
i) Less than or equal to 2,500 square feet of riparian buffer impact		X		
ii) Greater than 2,500 square feet of riparian buffer impact			X	
x <u>aa</u>) Scientific studies and stream gauging	X			
y <u>bb</u>) Slatted uncovered decks, including steps and support posts, which are associated with a dwelling, provided that it meets the requirements of sections 6.20.16.7, <i>Zones of the Riparian Buffer</i> and 6.20.16.11, <i>Stormwater Runoff Through the Riparian Buffer</i> and:				
i) Installation does not result in removal of vegetation in Zone 1		X		
ii) Installation results in removal of vegetation in Zone 1			X	
z <u>cc</u>) Stormwater Control Measure (SCM) as defined in 15A NCAC 02H .1002:				
i) In Zone 2 if <i>Section 6.20.16.11, Stormwater Runoff Through the Riparian Buffer</i> is complied with		X		
ii) Installation results in removal of vegetation in Zone 1			X	

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers (continued)

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
aa dd) Streambank or shoreline stabilization		X		
bb ee) Temporary roads, provided that the disturbed area is restored to pre-construction topographic and hydrologic conditions and replanted with comparable vegetation within two months of when construction is complete. Tree planting may occur during the dormant season. At the end of five years, any restored wooded riparian buffer shall comply with the restoration criteria in 15A NCAC 02B .0295:				
i) Less than or equal to 2,500 square feet of riparian buffer disturbance	X			
ii) Greater than 2,500 square feet of riparian buffer disturbance		X		
iii) Associated with culvert installation or bridge construction or replacement		X		
cc ff) Temporary sediment and erosion control devices provided that the disturbed area is restored to preconstruction topographic and hydrologic conditions and replanted with comparable vegetation within two months of when construction is complete. Tree planting may occur during the dormant season. At the end of five years, any restored wooded riparian buffer shall comply with the restoration criteria in 15A NCAC 02B .0295:				
i) In Zone 2 provided that ground cover is established within the timeframes required by the Sedimentation and Erosion Control Act, vegetation in Zone 1 is not compromised, and that discharge is released in accordance with <i>Section 6.20.16.11, Stormwater Runoff Through the Riparian Buffer</i>	X			
ii) In Zones 1 and 2 to control impacts associated with uses identified in this table or uses that have received an Authorization Certificate with Exception provided that sediment and erosion control for upland areas is addressed outside the riparian buffer		X		
iii) In-stream temporary erosion and sediment control measures for work within a stream channel that is authorized under Sections 401 and 404 of the Federal Clean Water Act	X			
dd gg) Utility Lines - Streambank stabilization for the protection of publicly owned utility lines (not including new line installation):				
i) Less than 150 feet of streambank disturbance	X			
ii) Greater than 150 feet of streambank disturbance		X		

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers (continued)

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
<u>ee)hh)</u> Utility – Sewer lines – Sanitary Sewer Overflows:				
i) Emergency sanitary sewer overflow response activities, provided that the disturbed area within the riparian buffer outside of the existing utility line maintenance corridor is the minimum necessary to respond to the emergency overflow, is restored to pre-construction topographic and hydrologic conditions, and is replanted with comparable vegetation (e.g. grass with grass, hardwoods with hardwoods) within two months of when disturbance is complete	X			
ii) Emergency sanitary sewer overflow response activities that do not meet the listing above. For any new proposed permanent impacts that are not a "Deemed Allowable" activity, an application for an Authorization Certificate shall be submitted to the Authority no later than 30 calendar days of conclusion of the emergency response activities		X		
<u>ff)jj)</u> Utility - Sewer Lines – Vegetation maintenance activities that remove forest vegetation from existing sewer utility right of ways (not including new line installation) outside of the existing utility line maintenance corridor:				
i) Zone 2 impacts	X			
ii) Zone 1 impacts: For lines that have not been maintained, the vegetation can be mowed, cut or otherwise maintained without disturbance to the soil structure for a maintenance corridor that is equal to or less than 30 feet wide	X			
iii) Zone 1 impacts other than those listed above		X		
<u>gg)jj)</u> Utility - Sewer Lines –Replacement/Rehabilitation of existing sewer lines within, or adjacent to, an existing right of way but outside of an existing utility line maintenance corridor provided that comparable vegetation (e.g. grass with grass, hardwoods with hardwoods) is allowed to regenerate in disturbed riparian buffers outside of the permanent maintenance corridor and riparian buffers outside of the permanent maintenance corridor are not maintained:				
i) Permanent maintenance corridor equal to or less than 30 feet wide provided there is no grading and/or grubbing within 10 feet of the top of bank when the sewer line is parallel to the stream	X			
ii) Grading and/or grubbing within 10 feet of the top of bank when the sewer line is parallel to the stream and permanent maintenance corridor equal to or less than 30 feet wide		X		

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers (continued)

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
iii) Permanent maintenance corridor greater than 30 feet wide. For impacts other than perpendicular crossings, mitigation is only required for Zone 1 impacts. For perpendicular crossings that disturb equal to or less than 40 linear feet, no mitigation is required. For perpendicular crossings that disturb greater than 40 linear feet, mitigation is only required for Zone 1 impacts			X	
hh)kk) Utility - Sewer Lines – New Line Construction/Installation Activities – Perpendicular crossings of streams and other surface waters subject to <i>Section 6.20.16</i> , or perpendicular entry into the riparian buffer that does not cross a stream or other surface water subject to <i>Section 6.20.16</i> , provided that vegetation is allowed to regenerate in disturbed areas outside of the permanent maintenance corridor:				
i) Construction corridor of less than or equal to 40 linear feet wide and a permanent maintenance corridor that is equal to or less than 30 feet wide	X			
ii) Construction corridor of greater than 40 linear feet wide and less than or equal to 150 linear feet wide and a permanent maintenance corridor that is equal to or less than 30 feet wide		X		
iii) Construction corridor of greater than 150 linear feet wide and a permanent maintenance corridor that is equal to or less than 30 feet wide			X	
iv) Permanent maintenance corridor greater than 30 feet wide. For impacts other than perpendicular crossings, mitigation is only required for Zone 1 impacts. For perpendicular crossings that disturb equal to or less than 40 linear feet, no mitigation is required. For perpendicular crossings that disturb greater than 40 linear feet, mitigation is only required for Zone 1 impacts			X	
ii)ll) Utility - Sewer Lines – New Line Construction/Installation Activities – Impacts other than perpendicular crossings provided that vegetation is allowed to regenerate in disturbed areas outside of the permanent maintenance corridor:				
i) Zone 2 impacts	X			
ii) Zone 1 impacts to less than 2,500 square feet when impacts are solely the result of tying into an existing utility line and when grubbing or grading within 10 feet immediately adjacent to the surface water is avoided		X		
iii) Zone 1 impacts other than those listed above			X	

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers (continued)

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
jj <u>mm</u> Utility - Non-sewer Underground Lines – Vegetation maintenance activities that remove forest vegetation from existing utility right of ways (not including new line installation) outside of the existing utility line maintenance corridor:				
i) Zone 2 impacts	X			
ii) Zone 1 impacts: For lines that have not been maintained, the vegetation can be mowed, cut or otherwise maintained without disturbance to the soil structure for a maintenance corridor that is equal to or less than 30 feet wide	X			
iii) Zone 1 impacts other than those listed above		X		
kk <u>nn</u> Utility – Non-Sewer Underground Lines – Perpendicular crossings of streams and other surface waters subject to <i>Section 6.20.16</i> , or perpendicular entry into the riparian buffer that does not cross a stream or other surface water subject to <i>Section 6.20.16</i> , provided that vegetation is allowed to regenerate in disturbed areas outside of the permanent maintenance corridor:				
i) Construction corridor of less than or equal to 50 linear feet wide and a permanent maintenance corridor that is equal to or less than 30 feet wide	X			
ii) Construction corridor of greater than 50 linear feet wide and less than or equal to 150 linear feet wide and a permanent maintenance corridor that is equal to or less than 30 feet wide		X		
iii) Construction corridor of greater than 150 linear feet wide and a permanent maintenance corridor that is equal to or less than 30 feet wide			X	
iv) Permanent maintenance corridor that is greater than 30 linear feet wide (mitigation is required only for Zone 1 impacts)			X	
ll <u>oo</u> Utility – Non-Sewer Underground Lines – Impacts other than perpendicular crossings provided that vegetation is allowed to regenerate in disturbed areas outside of the permanent maintenance corridor:				
i) Zone 2 impacts	X			
ii) Zone 1 impacts to less than 2,500 square feet when impacts are solely the result of tying into an existing utility line and when grubbing or grading within 10 feet immediately adjacent to the surface water is avoided		X		
iii) Zone 1 impacts other than those listed above			X	

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers (continued)

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
mm)pp) Utilities – Non-sewer aerial lines - Perpendicular crossings of streams and other surface waters subject to <i>Section 6.20.16</i> , or perpendicular entry into the riparian buffer that does not cross a stream or other surface water subject to <i>Section 6.20.16</i> :				
i) Disturb equal to or less than 150 linear feet wide of riparian buffer provided that a minimum zone of 10 feet wide immediately adjacent to the waterbody is managed such that only vegetation that poses a hazard or has the potential to grow tall enough to interfere with the line is removed, that no land grubbing or grading is conducted in Zone 1, and that poles or aerial infrastructure are not installed within 10 feet of a waterbody	X			
ii) Disturb greater than 150 linear feet wide of riparian buffer		X		
nn)qq) Utilities – Non-sewer Aerial Lines - Impacts other than perpendicular crossings of streams and other surface waters subject to this <i>Section 6.20.16</i> , or perpendicular entry into the riparian buffer that does not cross a stream or other surface water subject to this <i>Section 6.20.16</i> :				
i) Impacts in Zone 2 only	X			
ii) Impacts in Zone 1 provided that a minimum zone of 10 feet wide immediately adjacent to the waterbody is managed such that only vegetation that poses a hazard or has the potential to grow tall enough to interfere with the line is removed, that no land grubbing or grading is conducted in Zone 1, and that poles or aerial infrastructure are not installed within 10 feet of a waterbody		X		
oo)rr) Vegetation management:				
i) Emergency fire control measures provided that topography is restored	X			
ii) Periodic mowing and harvesting of plant products only in Zone 2	X			
iii) Placement of mulch ring around restoration plantings for a period of five years from the date of planting	X			
iv) Planting non-invasive vegetation to enhance the riparian buffer	X			
v) Pruning forest vegetation provided that the health and function of the forest vegetation is not compromised	X			
vi) Removal of individual trees, branches or limbs which are in danger of causing damage to dwellings, existing utility lines, other structures or human life, or are imminently endangering stability of the streambank provided that the stumps are left or ground in place without causing additional land disturbance	X			

Table 6.20.16.8 ~~Permitted~~ Uses within Riparian Buffers (continued)

Riparian Buffer Use/Activity	Deemed Allowable	Allowable Upon Authorization	Allowable with Mitigation Upon Authorization	Prohibited
vii) Removal of individual trees that are dead, diseased or damaged	X			
viii) Removal of poison ivy, oak or sumac. Removal can include application of pesticides within the riparian buffer if the pesticides are certified by EPA for use in or near aquatic sites and are applied in accordance with the manufacturer's instructions. If removal is significant, then the riparian buffer shall be replanted with non-invasive species		X		
ix) Removal of understory nuisance vegetation as defined in: Smith, Cherri L. 2008. Invasive Plants of North Carolina. Dept. of Transportation. Raleigh, NC. Removal can include application of pesticides within the riparian buffer if the pesticides are certified by EPA for use in or near aquatic sites and are applied in accordance with the manufacturer's instructions. If removal is significant then the riparian buffer shall be replanted with non-invasive species		X		
x) Removal of woody vegetation in Zone 1 provided that <i>Section 6.20.16.11, Stormwater Runoff Through the Riparian Buffer</i> is complied with			X	
pp) ss) Vehicle access roads and boat ramps (excluding parking areas) leading to surface water, docks, fishing piers, and other water dependent activities:				
i) Single vehicular access road and boat ramp to the surface water but not crossing the surface water that are restricted to the minimum width practicable not to exceed 15 feet wide		X		
ii) Vehicular access roads and boat ramps to the surface water but not crossing the surface water that are restricted to the minimum width practicable and exceed 15 feet wide			X	
qq) tt) Water dependent structures (except for boat ramps) as defined in 15A NCAC 02B .0202		X		
rr) uu) Water supply reservoirs:				
i) New reservoirs provided that a riparian buffer that meets the requirements of sections 6.20.16.7, <i>Zones of the Riparian Buffer</i> and 6.20.16.11, <i>Stormwater Runoff Through the Riparian Buffer</i> is established adjacent to the reservoir		X		
ii) New reservoirs where a riparian buffer that meets the requirements of sections 6.20.16.7, <i>Zones of the Riparian Buffer</i> and 6.20.16.11, <i>Stormwater Runoff Through the Riparian Buffer</i> is NOT established adjacent to the reservoir			X	
ss) vv) Water wells	X			
tt) ww) Wildlife passage structures		X		

6.20.16.9 Basis for “No Practical Alternatives”

Where written authorization is required in *Section 6.20.16.8, ~~Permitted~~ Uses Within Riparian Buffers*, the applicant must demonstrate “no practical alternatives.” The determination of “no practical alternatives” will be made by the Planning Director or designee based upon the following:

- 6.20.16.9.a** The basic project purpose cannot be practically accomplished in a manner that would better minimize disturbance, preserve aquatic life and habitat, and protect water quality.
- 6.20.16.9.b** The use cannot practically be reduced in size or density, reconfigured or redesigned to better minimize disturbance, preserve aquatic life and habitat, and protect water quality.
- 6.20.16.9.c** Best management practices shall be used if necessary to minimize disturbance, preserve aquatic life and habitat, and protect water quality.

6.20.16.10 Written Authorization Required

Where written authorization is required in *Section 6.20.16.8, ~~Permitted~~ Uses Within Riparian Buffers*, proposed impacts to the riparian buffer may not commence until written authorization is provided by the Planning Director or designee. Use authorization may include conditions specific to the proposed activity. Unauthorized impacts to riparian buffers are subject to enforcement penalties as outlined in *Section 8, Enforcement*.

Prior to any land disturbing activity within a designated riparian buffer, the property owner shall provide written notification of the location and nature of the proposed use to the Planning Director or designee for review. Written notification must include the following:

- 6.20.16.9.a** The name, address and phone number of the applicant.
- 6.20.16.9.b** The nature of the activity to be conducted by the applicant.
- 6.20.16.9.c** The location of the activity.
- 6.20.16.9.d** A map of sufficient detail to accurately delineate the boundaries of the land to be utilized in carrying out the activity, the location and dimensions of any disturbance in the riparian buffers associated with the activity, and the extent of the riparian buffers on the land; and
- 6.20.16.9.e** An explanation of why this plan for the activity cannot be practically accomplished, reduced or reconfigured to better minimize disturbance to the riparian buffer, preserve aquatic life and habitat and protect water quality.
- 6.20.16.9.f** Plans for any best management practices proposed to be used to control the impacts associated with the activity.

6.20.16.11 Stormwater Runoff Through the Riparian Buffer

6.20.16.11.a Stormwater runoff into the riparian buffer shall meet dispersed flow as defined in 15A NCAC 02H .1002 except as otherwise described in this section. Drainage conveyances include drainage ditches, roadside ditches, and stormwater conveyances.

The following stormwater conveyances through the riparian buffer are either deemed allowable or allowable upon authorization, as defined in *Section 6.20.16.8, ~~Permitted~~ Uses within Riparian Buffers*, provided that they do not

erode through the riparian buffer and do not cause erosion to the receiving waterbody. Stormwater conveyances through the riparian buffer that are not listed below ~~shall be allowable with exception as defined in Section 6.20.16.8.e;~~ Allowable with Exception are not allowable.

6.20.16.11.b The following are deemed allowable as defined in *Section 6.20.16.8.a, Deemed Allowable*:

- i. New drainage conveyances from a Primary SCM, as defined in 15A NCAC 02H .1002, when the Primary SCM is designed to treat the drainage area to the conveyance and that comply with a stormwater management plan reviewed and approved under a state stormwater program or a state-approved local government stormwater program; and
- ii. New stormwater flow to existing drainage conveyances provided that the addition of new flow does not result in the need to alter the conveyance.

6.20.16.11.c The following are allowable upon authorization as defined in *Section 6.20.16.8.b, Allowable Upon Authorization*:

- i. New drainage conveyances from a Primary SCM as defined in 15A NCAC 02H .1002 when the Primary SCM is provided to treat the drainage area to the conveyance but are not required to be approved under a state stormwater program or a state-approved local government stormwater program;
- ii. New drainage conveyances when the drainage area to the conveyance is demonstrated via approved nutrient calculation methodologies to meet the nutrient loading goal of 2.2 pounds per acre per year of Nitrogen (N) and 0.33 pounds per acre per year of Phosphorus (P);
- iii. New drainage conveyances when the flow rate of the conveyance is less than 0.5 cubic feet per second during the peak flow from the 0.75 inch per hour storm;
- iv. New stormwater runoff that has been treated through a level spreader-filter strip that complies with 15A NCAC 02H .1059;
- v. Realignment of existing drainage conveyances applicable to publicly funded and maintained linear transportation facilities when retaining or improving the design dimensions provided that no additional travel lanes are added and the minimum required roadway typical section is used based on traffic and safety considerations;
- vi. Realignment of existing drainage conveyances retaining or improving the design dimensions provided that the size of the drainage area and the percent built-upon area within the drainage area remain the same;
- vii. New or altered drainage conveyances applicable to publicly funded and maintained linear transportation facilities provided that SCMs, or BMPs from the NCDOT Stormwater Best Management Practices Toolbox, are employed;
- viii. New drainage conveyances applicable to publicly funded and maintained linear transportation facilities that do not provide a stormwater

management facility due to topography constraints provided other measures are employed to protect downstream water quality to the maximum extent practical; and

- ix. New drainage conveyances where the drainage area to the conveyance has no new built-upon area as defined in 15A NCAC 02H .1002 and the conveyance is necessary for bypass of existing drainage only.

6.20.16.12 Mitigation

Where mitigation is required pursuant to the permitted uses listed in *Section 6.20.16.8, ~~Permitted Uses Within Riparian Buffers~~* and *Table 6.20.16.8, ~~Permitted Uses within Riparian Buffers~~*, mitigation shall follow the standards set out in the state's consolidated Riparian Buffer Mitigation Rule, 15A NCAC 02B .0295.

6.20.16.13 Riparian Buffer and Minimum Lot Requirements

The riparian buffer may be used in meeting the required minimum lot areas set forth in the Ordinance.



Agenda Abstract

JOINT PUBLIC HEARING

Meeting Date: August 15, 2024
 Department: Planning and Economic Development Division
 Agenda Section: 5C
 Public hearing: Yes
 Date of public hearings: August 15, 2024

PRESENTER/INFORMATION CONTACT

Molly Boyle, Planner II
 Shannan Campbell, Planning and Economic Development Manager

ITEM TO BE CONSIDERED

Subject: Paliouras Tract Master Plan amendment

Attachments:

1. Submitted Application Package
2. Vicinity, Zoning, and Future Land Use Maps
3. Original Paliouras Tract Master Plan & Approval
4. Staff Analysis

Background:

In 2019, James Paliouras submitted annexation, rezoning, and master plan applications for several parcels totaling 25 acres east of NC Highway 86 S and south of the I-85 interchange. The 25 acres is known as the “Paliouras Tract.” The Board of Commissioners approved the requests on June 10, 2019. This annexed the Paliouras Tract to the town, rezoned it to Entranceway Special Use (ESU), and enacted the master plan.

Vicinity, zoning, and future land use maps for the Paliouras Tract are enclosed, as are the master plan and the Resolution of Approval. Note that the Sheetz site (1990 NC 86 S; PIN 9873-69-3547) is not part of the Paliouras Tract. It was annexed and rezoned separately and is zoned High Intensity Commercial (HIC).

Proposal:

The applicant is proposing the following amendments to the Paliouras Tract Master Plan:

- Change the allowable land uses for lots 1, 2, and 8 from retail and hotel/retail to multi-family residential to allow for the development of apartments (see original master plan map to the right);
- Allow a maximum of 260 apartment units, 30% of which would be affordable to those making 70% of the average median income (AMI); and
- Set a maximum building height of 60’ for the apartment units.

The applicant is proposing to amend the master plan for the Paliouras Tract but not the zoning designation. If this amendment request is approved, the zoning will remain



Original Paliouras Tract Master Plan 2019

Entranceway Special Use (ESU). Under the terms of the master plan, the applicant will need to submit a Special Use Permit application, including a site plan, to the Board of Adjustment for approval to develop the property.

Note the applicant has submitted a sketch plan showing a conceptual layout for the apartment units. This is for illustrative purposes only. If the proposed master plan amendments are approved, the applicant will be submitting a site plan to the Board of Adjustment as stated above.

Comprehensive Sustainability Plan goals:

- Land Use and Development Goal 1:
Ensure that future growth and development, including infill and redevelopment, are aligned with smart growth principles and consider infrastructure constraints such as water and wastewater system capacity.
- Strategy:
Develop and adopt plans that contribute to meeting preferred future land use and growth patterns.

Financial impacts: To be determined

Staff comments and recommendations:

Planning

Planning staff finds the proposal consistent with the planned growth pattern for the town but inconsistent with the Future Land Use Map/Plan. The future land use designation for the project area is “Retail Services,” which does not envision residential uses. However, the Board of Commissioners could still approve the master plan amendment despite this inconsistency per [NC GS § 160D-605 \(a\)](#), [Governing board statement – Plan Consistency](#).

The application package proposes an affordable housing component. If the Board of Commissioners wishes to approve the proposal, staff recommends including conditions on affordable housing in the master plan. Specifically:

1. Thirty percent (30%) of the apartment units shall be affordable to those making 70% of the average median income (AMI).
2. A deed restriction shall be recorded reserving the affordable units for a period of ninety-nine (99) years and requiring annual certification with the town of the number of affordable units before a Zoning Compliance Permit will be issued for the first apartment building.
3. The developer shall modify the intersection if needed and install a painted crosswalk with high-visibility striping, pedestrian signal heads, and a flashing beacon at the intersection of NC 86 S and Paliouras Court/Hampton Point Boulevard as allowed and approved by the North Carolina Department of Transportation.

Planning staff also recommends that the boards consider residential units “in the pipeline” (*i.e.*, approved but not yet constructed) as it reviews this proposal. As of August 2024, there are 877 approved residential units not yet built. See the enclosed staff analysis for further details.

Utilities

The Utilities Department has indicated that, based on its calculations, a multifamily development at this site would use significantly more water and discharge significantly more sewer than a hotel. The Utilities Department maintains that additional conditions to the master plan are necessary if the proposed amendment is to be approved. Specifically, Utilities recommends requiring off-site improvements to address the additional sewer flow and multiple water connections. See the enclosed staff analysis for further details.

Action requested:

Hold the public hearing and provide feedback to the applicant



TOWN OF
HILLSBOROUGH

**APPLICATION FOR
Master Plan Amendment**

Planning Department
101 E. Orange Street / P.O. Box 429
Hillsborough, NC 27278
Phone: (919) 296-9471 Fax: (919) 644-2390
Website: www.townofhillsborough.org

Project Title: Comet Hills brough Apartments

Address: intersection of Hwy 86 and Old Hwy 10 ... approximately 10.74 acres **PIN #:** a portion of 9873-79-0052

Applicant Name: Comet Development, LLC

Mailing Address: PO Box 116
City, State, Zip: Colfax, NC 27235

Phone: 336-362-3070
Email: scoker@cometdev.com

Property Owner Name: Paliouras Enterprises, LLC

Mailing Address: 303 Wesley Dr
City, State, Zip: Chapel Hill, NC 27516

Phone: 919 - 942 - 5356
E-mail: globaltravel@yahoo.com

Amendment Requested: In the space provided below, or on a separate sheet of paper, explain the details of the proposed change(s) requested. Be as specific as possible. Also, attach a site plan indicating all proposed changes.

See attached plan ... request is to change lots ^{SC} 1, 2, and 8 from uses of retail/hotel to multi-family.

- Maximum density of 260-units.
- 30% of multi-family units would be restricted to rental levels that would not exceed the affordability of 70% of AMI.
- Height of buildings will not exceed 60'

Note: master plan for 25 acres was originally approved at SE Quadrant of I-85/NC Hwy 86 was originally approved on 6/10/19.

I, the applicant, hereby certify that the forgoing application is complete and accurate. I understand that I am bound to comply at all times with the rules and regulations of the issued Special or Conditional Use Permits for the property, as well as all applicable requirements of the Town of Hillsborough Unified Development Ordinance. **APPLICATIONS WILL NOT BE ACCEPTED WITHOUT SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT.**


Applicant Signature

3/20/24
Date


Property Owner Signature

3/20/24
Date

DEPARTMENT USE ONLY

Date Received: _____

Fee: \$ ____ .00 Receipt #: _____ Staff: _____

Misc: _____

April 8, 2024

Shannan Campbell
Planning Director, Town of Hillsborough
101 E. Orange St
Hillsborough, NC 27278

Re: Paliouras Master Plan Amendment

Dear Ms. Campbell:

This letter is relating the proposed master plan amendment to the four evaluation categories of the original master plan approved June 10, 2019 and the conditions placed on that approval.

FOUR EVALUATION CATEGORIES

1. High Quality Development

- **2019 Narrative:** the proposed development for this property has the potential to include a variety of retail and commercial tenants. The owner has interviewed several of these already, including national restaurant chains and retail stores and pharmacies, hotel developers, and major grocery store brands. A car dealership is also interested in occupying part of the property. The intent of the Master Plan development of the property is to integrate these businesses together with complimentary architectural designs that meet the UDO requirements and highlighted with the proper screening and landscaping as required.
- **2024 Update:** development as originally intended has integrated a variety of quality businesses including Hillsborough Chrysler Jeep Ram, Sheetz Convenience Store, and ALDI grocery store. One outparcel, which is under contract to a restaurant developer, remains undeveloped along Hwy 86. The remainder of the master plan either facing Old Hwy 10 or behind the access road are being requested to amend use from Hotel/Retail to Multifamily.

2. Environmental and Traffic Impacts

- **2019 Narrative:** the development of this area has already started with the construction of the Sheetz Convenience Store and is served by an access road at the intersection of Hampton Pointe Dr and NC Hwy 86. This signalized intersection was improved with full access turn-lanes on NC Hwy 86 and a two-way entrance/exit drive with median island on the south side of the Sheetz store. This will remain the only access from NC Hwy 86 into the property, which will prevent adverse traffic impacts that would occur if there were multiple access points. The proposed Master Plan will have an internal road that extends southward through the property and will connect with Old NC 10. This access point will be approximately 500' from the intersection of Old NC 10 and NC Hwy

86. The NCDOT district engineer has reviewed this propose connection and has given preliminary approval. Additionally, the stormwater runoff from the proposed development will meet or exceed the stormwater management requirements for water quality and runoff rate/volume. One Stormwater Control Measure (SCM) has already been constructed for stormwater management of the Sheetz parcel and additional measures will be designed and installed for the proposed developed area. Since the property has extensive road frontage on NC Hwy 86 and I-85, there will be very minimal impact to any neighboring residential properties.

- **2024 Update:** if approved, the development of the multifamily community will complete the envisioned connection of Hampton Pointe Dr and Old NC Hwy 10 relieving pressure on the Hampton Pointe Dr and Hwy 86 intersections and the Old NC Hwy 10 and Hwy 86 intersection. In general, a multifamily community generates fewer daily traffic trips than comparable density hotel or retail uses.

3. District Objectives

- **2019 Narrative:** the property is located along a main entryway corridor to the Town of Hillsborough and the proposed requested zoning is Entryway Special Use (ESU). The west side of the entryway is occupied by Home Depot, Eagles Gas station/Convenience Mart and other diverse uses including restaurants and retail/commercial development. This proposed Master Plan will continue the diversity of the development along this primary entrance to Hillsborough and will offer a variety of employment opportunities. The proposed mixture of tenants previously noted, will help to build a solid business community to serve the local and transient population and build economic strength for the Town.
- **2024 Update:** the proposed amendment to the Master Plan will continue to meet the district's objectives offering employment opportunities, building the Town's economic strength, and additionally offering workforce housing.

4. Regulatory Compliance

- **2019 Narrative:** as required, the project has frontage along an arterial street leading into the Hillsborough area; has adequate capacity and infrastructure to accommodate future traffic volumes and will not endanger the safety or welfare of the public; and can be served by the water and sewer utilities of the Town of Hillsborough.
- **2024 Update:** the proposed amendment to the Master Plan will, for comparable density of use, have a reduction in daily traffic volume than the current hotel/retail designated use. The water lines have been upgraded on the Master Plan property and can serve the remaining property. The sewer utilities will need an upgrade regardless of the use of which the proposed multi-family community is prepared to participate in paying for the upgrade beyond normal connection fees.

CONDITIONS OF APPROVAL

- **Condition 1:**
 - a. **2019:** the Master Plan Narrative included a condition for the outparcels to not have individual driveway access to NC 86 or Old NC 10. This is made a condition of the Master Plan
 - b. **2024:** amendment will still abide by approved Master Plan condition
- **Condition 2:**
 - a. **2019:** the Master Plan shows some aspects that would require the approval of waivers on a Special Use Permit. This town does not commit to issuing those waivers for future Special Use Permits, but the applicant may request the waiver at the time of each application for a Special Use Permit
 - b. **2024:** the amendment is designating a part of the master plan to Multifamily. Under the Master Plan's zoning, Multifamily requires a Special Use Permit. Any proposed Multifamily project must be able to demonstrate it meets the finding of facts requirements of the Special Use Permit.

Thank you for your consideration and please let me know what questions, desired clarifications, or concerns you have with this request.

Sincerely,

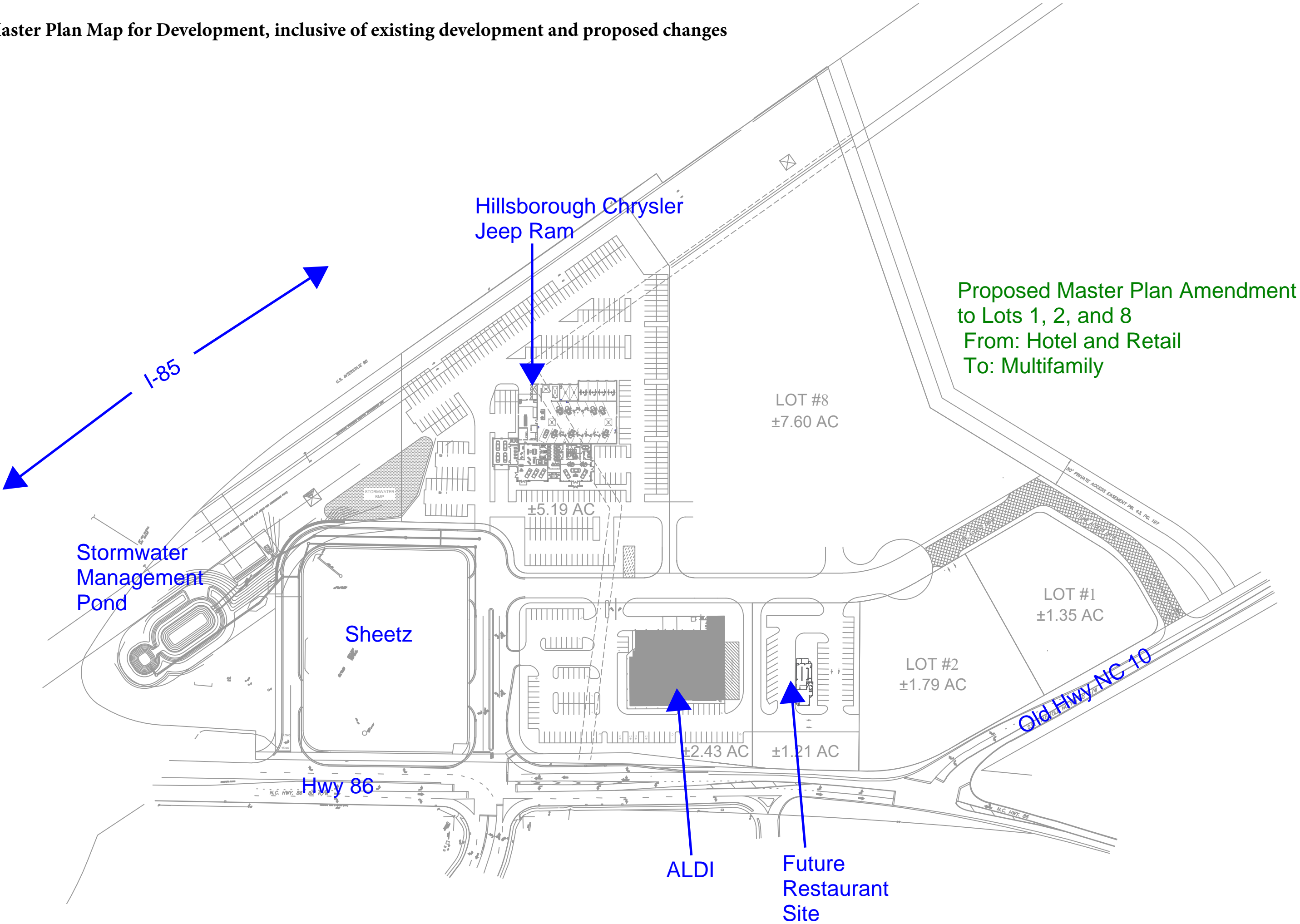


Seth Coker
scoker@cometdev.com
PO Box 116
Colfax, NC 27235
www.cometdev.com
336-362-3070

Attachments:

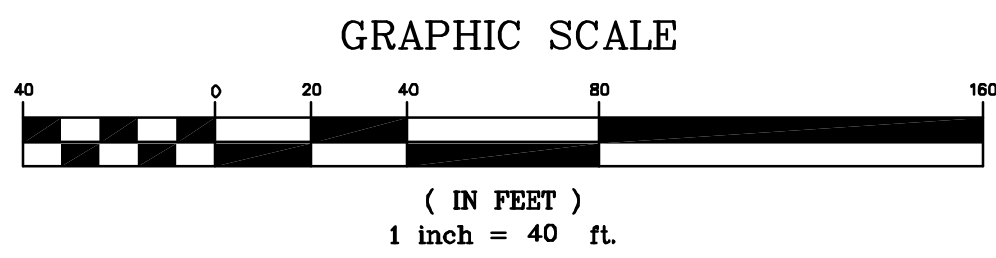
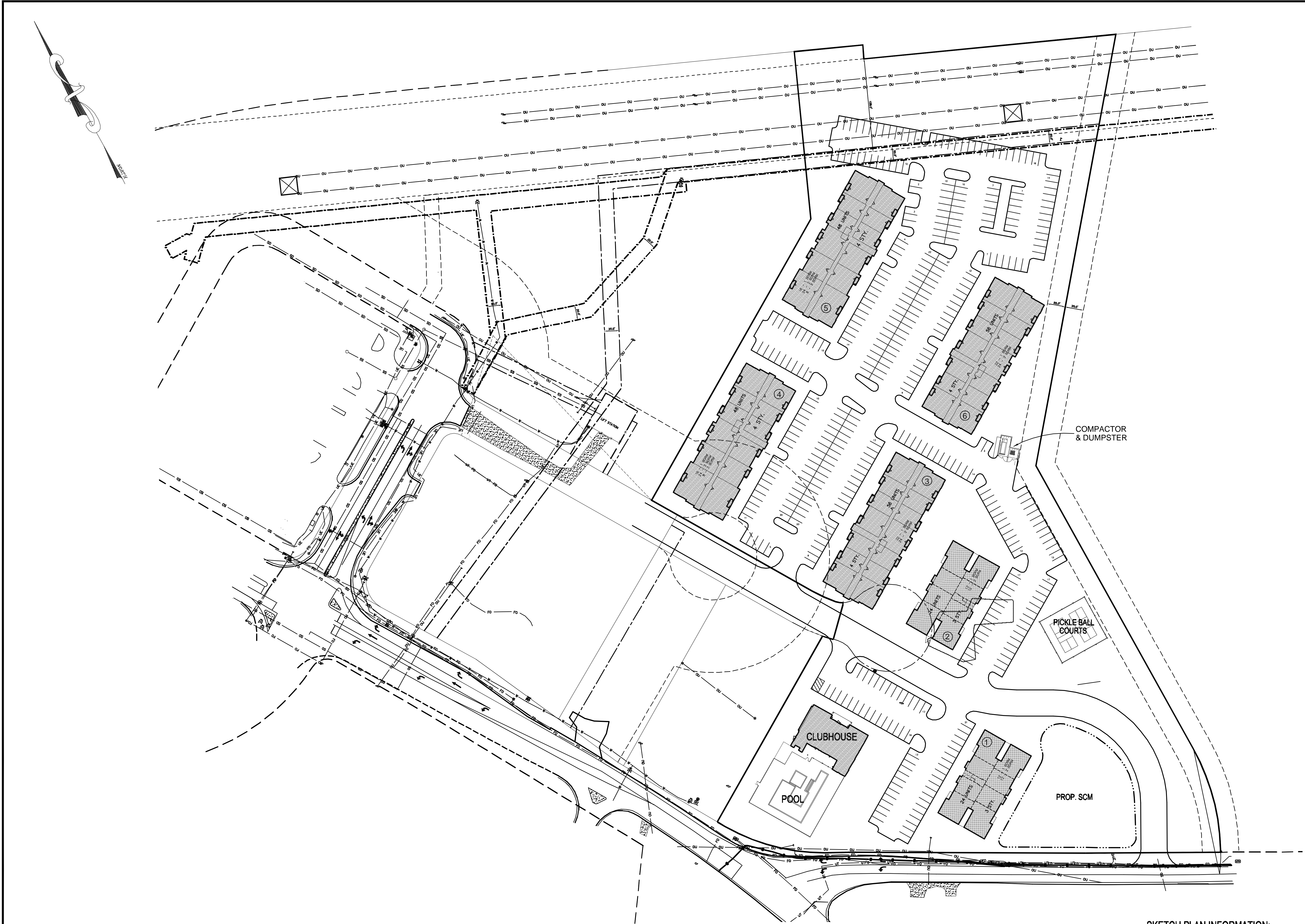
- 2019 Master Plan Narrative
- 2019 Master Plan Map
- 2019 Master Plan Approval
- 2024 Master Plan Updated for Development Since 2019 and Proposed Amendment Map
- 2024 Sketch of Potential Multifamily Site Plan
- Comet Community Websites Listing

2024 Master Plan Map for Development, inclusive of existing development and proposed changes



Proposed Master Plan Amendment
to Lots 1, 2, and 8
From: Hotel and Retail
To: Multifamily

P:\projects\1820-23\DWG\1820-23_Comet Hillsborough Rev. 10-26-23.dwg, 1820-23 APT SKETCH, 11/14/2023 12:04:23 PM, 1:1



SKETCH PLAN INFORMATION:
- APPROX. SITE AREA: 12.0 ACRES±
- NO. OF APARTMENT BUILDINGS: 6
- NO. OF APARTMENT BUILDING UNITS: 256
- PARKING SPACES PROVIDED: 431

REVISIONS

ENGINEERING AND SURVEYING, INC.
LAND DEVELOPMENT CONSULTING
CORPORATE LICENSE NUMBER C-1375
4400 TYNING STREET
HIGH POINT, NORTH CAROLINA 27265
PHONE: (336) 812-8800 ~ FAX: (336) 812-8780

PRELIMINARY

PRELIMINARY SKETCH PLAN
COMET HILLSBOROUGH APARTMENTS
HILLSBOROUGH TOWNSHIP ~ ORANGE COUNTY ~ HILLSBOROUGH, NORTH CAROLINA

PRELIMINARY
SKETCH
PLAN

SCALE: 1" = 60'

DATE: 10-16-23

PROJECT: 1820-23

DRAWN BY: MV

SHEET SK-1

Current Comet Communities

www.cometwestgate.com

www.cometbermudarun.com

www.cometgreensboro.com

www.cometwnb.com

www.cometgarner.com

www.cometspartanburg.com

www.cometscottshill.com

Comet Sneads Ferry - need website live May 2024

Comet North Raleigh – need website live Dec 2024

Comet Richland - need website live Mar 2025

Built and Sold Comet Communities

www.beckston-apts.com ... formerly Comet Creek Apartments (sold 2018)

www.seapathon67.com (sold 2022)

www.magnoliasouthapts.com (sold 2023)

Vicinity Map



7/31/2024, 10:23:24 AM

1:4,514

Streets

Addresses

Parcels

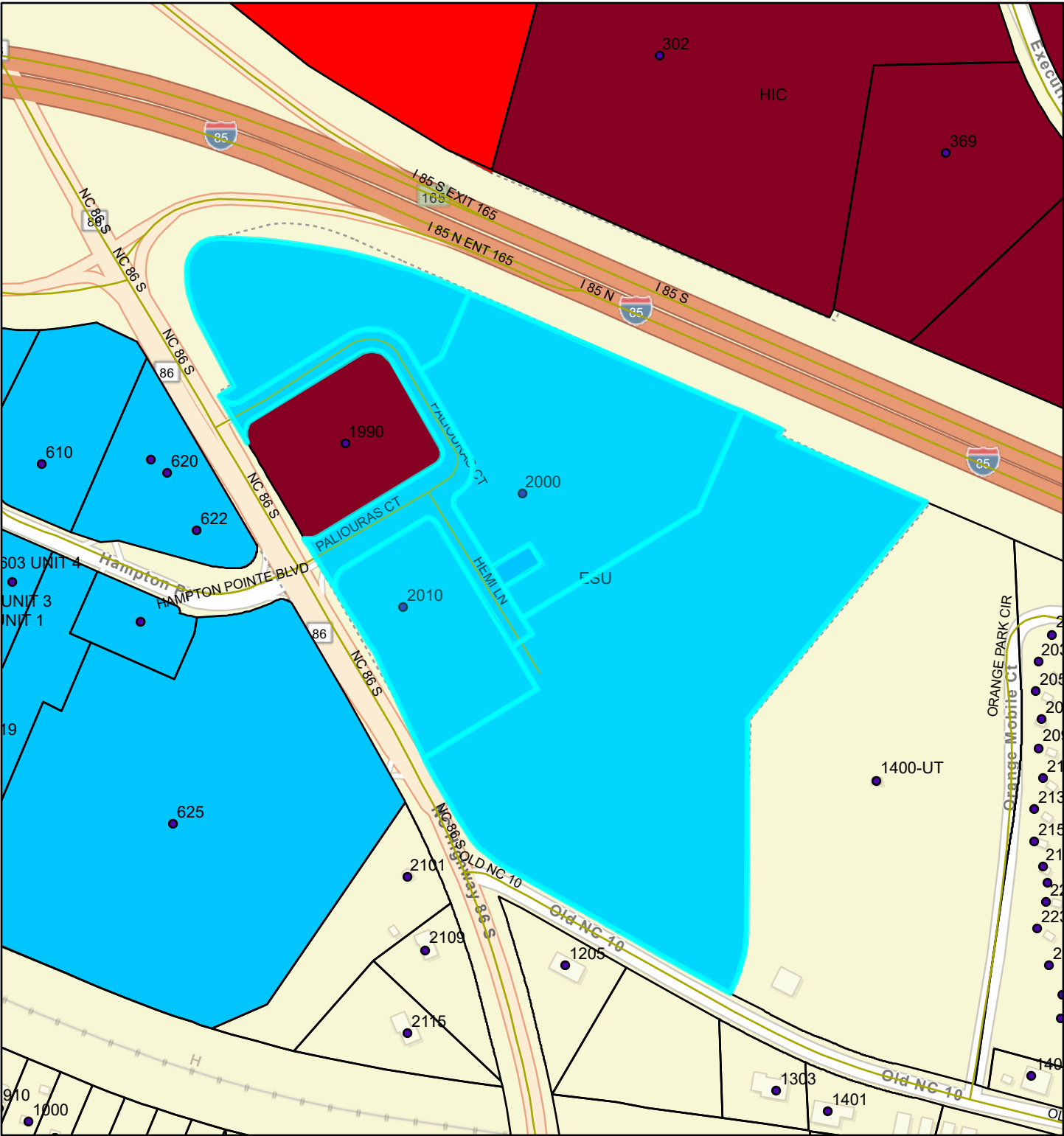
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Section 5, Item C.

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NC CGIA, Maxar |

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Zoning Map



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Streets

Addresses

Parcels

ZoningLayers

ESU Entranceway Special Use

GC General Commercial

HIC High Intensity Commercial

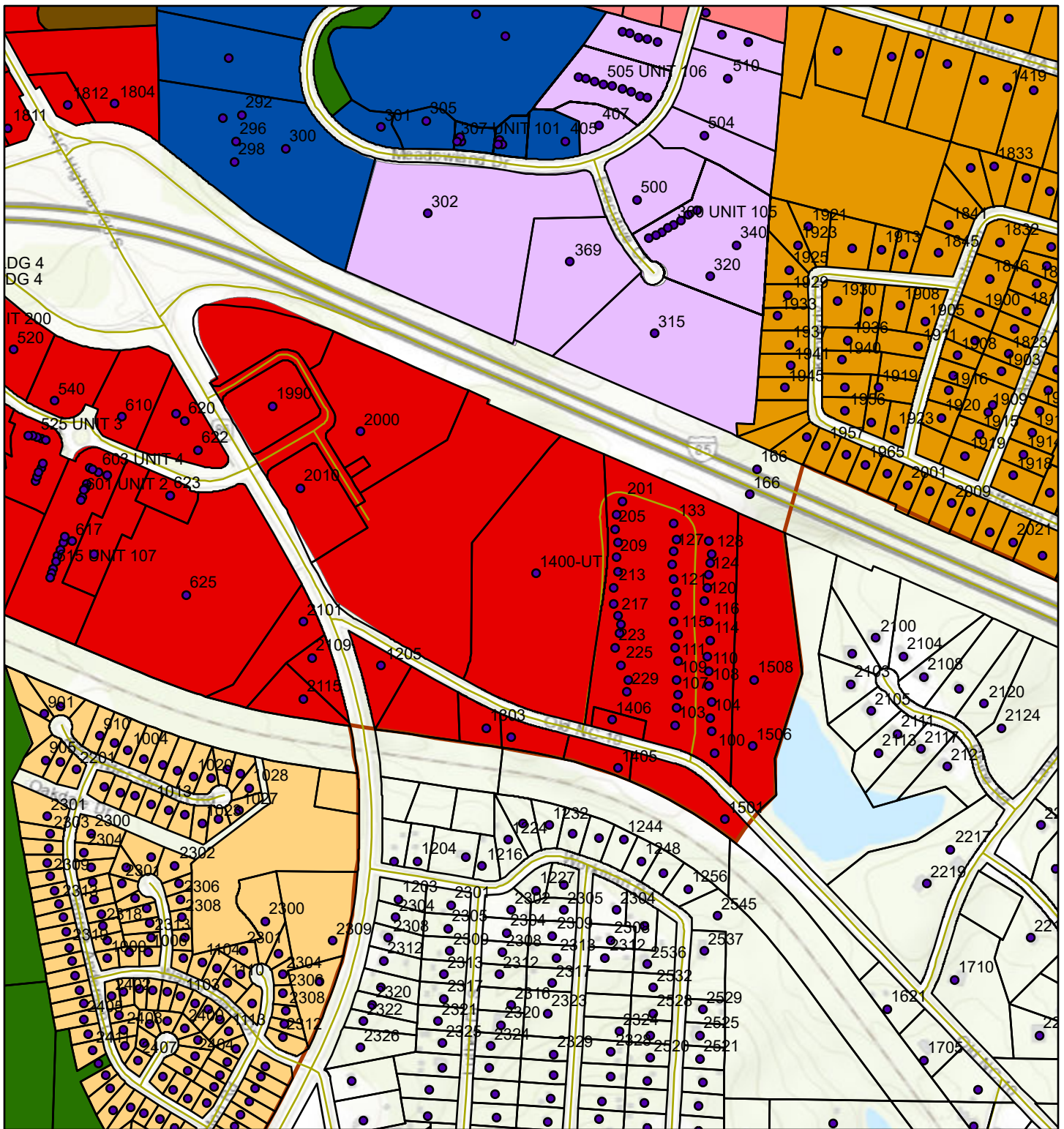
A scale bar for the map. It shows distances in miles (0 to 0.12) and kilometers (0 to 0.2). The scale is 1:4,514.

Esri Community Maps Contributors, Town of Cary, Land Records/GIS/Addressing, State of North Carolina DOT, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS

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Section 5, Item C. Community Maps Contributors, Town of Cary, Land Records/GIS/Addressing, State of North Carolina DOT, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Web AppBuilder for ArcGIS

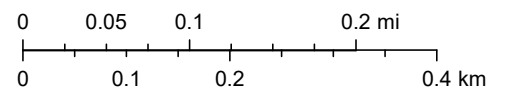
Future Land Use Map



8/1/2024, 9:43:39 AM

1:9,028

- Addresses
- ▭ Parcels
- Streets
- ▭ Urban Service Area
- HillsboroughLandUse
- ▭ Attached Residential
- ▭ Light Industrial
- ▭ Medium-Density Residential
- ▭ Mixed Residential Neighborhood
- ▭ Neighborhood Mixed Use
- ▭ Permanent Open Space
- ▭ Retail Services
- ▭ Small Lot Residential
- ▭ Suburban Office



Town of Cary, Orange County, NC, State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, Intermap, USGS, METI/NASA, EPA, USDA

Web AppBuilder for ArcGIS

Town of Cary, Orange County, NC, State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, Intermap, USGS, METI/NASA, EPA, USDA |



January 22, 2019

Town of Hillsborough Planning Department
Margaret Hauth, Planning Director
101 East Orange Street
Hillsborough, NC 27278

Re: NC Highway 86 Commercial Parcel – Master Plan Application Narrative

Dear Margaret:

As you are aware our client, James Paliouras, has requested annexation of the remaining 25 acres on the east side of NC Hwy 86 across from Walmart and the Hampton Pointe Shopping Center. Along with our Annexation, Zoning Map Amendment and Master Plan applications, we offer the following information as required per Appendix K.

- **High Quality Development:**

The proposed development for this property has the potential to include a variety of retail and commercial tenants. The owner has interviewed several of these already, including national restaurant chains and retail stores and pharmacies, hotel developers and major grocery store brands. A car dealership is also interested in occupying part of the property. The intent of the Master Plan development of the property is to integrate these businesses together with complimentary architectural designs that meet the UDO requirements and highlighted with the proper screening and landscaping as required.

- **Environmental and Traffic Impacts:**

The development of this area has already started with the construction of the Sheetz Convenience Store and is served by an access road at the intersection of Hampton Pointe Drive and NC Hwy 86. This signalized intersection was improved with full access turn-lanes on NC Hwy 86 and a two-way entrance/exit drive with median island on the south side of the Sheetz store. This will remain the only access from NC Hwy 86 in to the property, which will prevent adverse traffic impacts that would occur if there were multiple access points. The proposed Master Plan will have an internal road that extends southward through the property and will connect with Old NC 10. This access point will be approximately 500-ft. from the intersection of Old NC 10 and NC Hwy 86. The NCDOT district engineer has reviewed this proposed connection and has given preliminary approval. Additionally, the stormwater runoff from the proposed development will meet or exceed the stormwater management requirements for water quality and runoff rate/volume. One Stormwater Control Measure (SCM) has already been constructed for stormwater management of the Sheetz parcel and additional measures will be designed and installed for the proposed developed area. Since the property has extensive road frontage on NC Hwy 86 and I-40/85, there will be very

minimal impact to any neighboring residential properties.

- **District Objectives:**

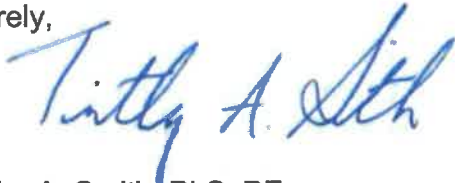
The property is located along a main entryway corridor to the Town of Hillsborough and the proposed requested zoning is Entryway Special Use (ESU). The west side of this entryway is occupied by Home Depot, Eagles Gas Station/Convenience Mart and other diverse uses including restaurants and retail/commercial development. This proposed Master Plan will continue the diversity of the development along this primary entrance to Hillsborough and will offer a variety of employment opportunities. The proposed mixture of tenants previously noted, will help to build a solid business community to serve the local and transient population and build economic strength for the Town.

- **Regulatory Conformance:**

As required, the project has frontage along an arterial street leading in to the Hillsborough area; has adequate capacity and infrastructure to accommodate future traffic volumes and will not endanger the safety or welfare of the public; and can be served by the water and sewer utilities of the Town of Hillsborough.

Please let me know if you have any questions regarding this supporting documentation for our application or if you need any additional information for acceptance.

Sincerely,

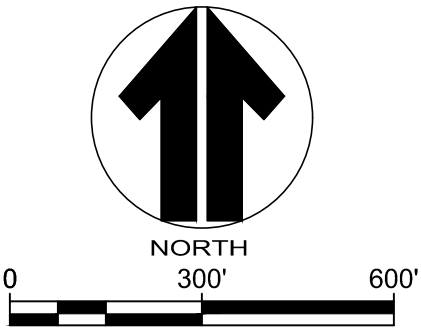


Timothy A. Smith, PLS, PE
Senior Land Development Project Manager

Attachment – Master Plan Exhibit



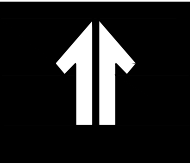
Section 5, Item C.



PROPOSED MASTER PLAN FOR:
N.C. HWY 86 COMMERCIAL

HILLSBOROUGH, NORTH CAROLINA
(PALIOURAS ENTERPRISES, INC.)

THIS GRAPHIC REPRESENTATION IS MEANT FOR ILLUSTRATION PURPOSES ONLY.
ELEMENTS SHOWN ARE APPROXIMATE IN LOCATION AND ARE SUBJECT TO CHANGE AT THE TIME OF SPECIAL USE PERMIT.



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TOWN OF HILLSBOROUGH BOARD OF COMMISSIONERS
RESOLUTION APPROVING THE MASTER PLAN
FOR 25 ACRES IN THE SOUTHEAST QUADRANT OF THE I-85/NC 86
INTERCHANGE

WHEREAS, the Town of Hillsborough Board of Commissioners has received an application from Paliouras Enterprises, LLC, as owner, for the approval of a Master Plan pursuant to Sections 3 of the Unified Development Ordinance for the Town of Hillsborough to guide development of the 25 acres on the southeast quadrant of the I-85/NC 86 interchange and known as OC PINs 9873-69-8276 & 9873-69-4294.

WHEREAS, the Town of Hillsborough Board of Commissioners has referred the application to the Town of Hillsborough Planning Board in accordance with the applicable provisions and procedures of the Town of Hillsborough Unified Development Ordinance; and

WHEREAS, the Town of Hillsborough Planning Board and the Board of Commissioners conducted a joint public hearing to consider the application for the Master Plan on April 18, 2019 after giving notice as required by law of such hearing; and

WHEREAS, at the aforesaid public hearing, the applicant and all others wishing to be heard in connection with the application for the Master Plan were given an opportunity to speak; and

WHEREAS, the Town of Hillsborough Planning Board made its recommendation of approval on May 16, 2019 to the Town of Hillsborough Board of Commissioners regarding the application for the Master Plan approval; and

WHEREAS, the Town of Hillsborough Board of Commissioners has considered the recommendation of the Planning Board and all the information and testimony presented to it at the public hearing; and

WHEREAS, the Master Plan application and associated exhibits, including but not limited to a Master Plan prepared by Summit Design and Engineering Services and submitted with the application, are incorporated herein by reference; and

NOW, THEREFORE, BE IT RESOLVED by the Town of Hillsborough Board of Commissioners, on motion of Commissioner Kathleen Ferguson, seconded by Commissioner Jenn Weaver, this 10th day of June, 2019, as follows:

1. The Board of Commissioners has considered all the information presented to it both in support of and in opposition to the application a Master Plan at the April public hearing;
2. The Board of Commissioners finds that the application a Master Plan is complete, and, subject to additional condition of approval detailed below, complies with all applicable provisions of the Town of Hillsborough Zoning Ordinance;

3. The Board of Commissioners finds that the Conditions of Approval, are intended to preserve and/or promote the health, safety and welfare of the surrounding areas and the Town of Hillsborough in general; and

4. The Board of Commissioners attaches these specific conditions to this master plan:

- a. The Master Plan narrative included a commitment for the outparcels to not have individual driveway access to NC 86 or Old NC 10. This is made a condition of the Master Plan.
- b. The Master Plan shows some aspects that would require the approval of waivers on a Special Use Permit. This town does not commit to issuing those waivers for future Special Use Permits, but the applicant may request waivers at the time of each application for a Special Use Permit.

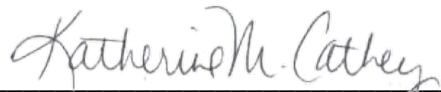
WHEREFORE, the foregoing Resolution was put to a vote of the Town of Hillsborough Board of Commissioners this 10th day of June, 2019 the result of which vote was as follows:

Ayes: 5

Noes: 0

Absent or Excused: 0

Dated: June 10, 2019



Katherine M. Cathey, Town Clerk

Memorandum

To: Town Board of Commissioners and Planning Board
From: Molly Boyle, Planner II
Cc: Shannan Campbell, Planning & Economic Development Manager
Date: August 15, 2024
Subject: Staff analysis – Paliouras Tract Master Plan amendment



Property and Proposal Summary

Property/Proposal Summary – Paliouras Tract Master Plan Amendment	
Property Owner	Paliouras Enterprises, LLC
Applicant	Comet Development, LLC
Property Location	East of NC 86 S and south of I-85 interchange
Parcel ID Number	PIN 9873-79-0052 (portion of the Paliouras Tract, which is subject to a master plan approved in 2019)
Zoning Designation	Entranceway Special Use (ESU)
Future Land Use Designation	Retail Services
Applicant Request	Amend the Paliouras Tract Master Plan to allow multi-family residential on lots 1, 2, and 8 of the Paliouras Tract with a maximum of 260 apartment units, 30% of which would be affordable to those making 70% of the average median income (AMI).

Consistency with the Unified Development Ordinance (UDO) and Zoning Map

Staff reviewed the submittal at its Technical Review Committee (TRC) meeting in May 2024. Staff found that the application conformed with the application requirements in UDO. The UDO is available on the town's website at <https://www.hillsboroughnc.gov/about-us/departments/community-services/planning/unified-development-ordinance>.

The applicant is proposing to amend the master plan associated with the property, but no changes to the Official Zoning Map are proposed. If the master plan amendment is approved, only the conditions of the master plan will change. The property will still be zoned Entranceway Special Use (ESU).

The Board of Commissioners can negotiate conditions for the master plan with the applicant pursuant to [NC GS § 160D-703 \(b\) Zoning districts – Conditional Districts](#). Both the Board of Commissioners and the applicant must agree to the conditions.

Consistency with Comprehensive Sustainability Plan/Future Land Use Plan

The North Carolina General Statutes and the UDO require that the Planning Board and Commissioners consider if this proposed amendment is consistent with the comprehensive plan/future land use plan.

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919-732-1270 | www.hillsboroughnc.gov | @HillsboroughGov

Staff finds the proposal consistent in some ways but inconsistent in others. Figure 4.4 *Potential Growth Areas* (Comprehensive Sustainability Plan, page 4-23) identifies the project area as a “potential growth area,” as shown in the image below. The proposed amendment is consistent with this.

However, the Future Land Use Map/Plan designates this area as Retail Services. The Future Land Use Plan defines “Retail Services” as follows:

***“Retail Services.** These areas focus on retail and commercial uses. They should be located near residential and employment areas to provide good access to commerce and personal services. Retail areas can have a range of characteristics depending on their primary markets. The larger scale regional draws are more automobile-oriented and draw people from throughout the region. These areas should be located near interstate access, and they may include larger scale stores like “big boxes”, warehouse clubs, and large specialty retailers. Smaller, accessory uses can also locate in these areas to provide convenience shopping and include restaurants and smaller specialty retailers; often located on outparcels or in smaller shopping centers.*



Excerpt from Figure 4.4 - Potential Growth Areas
(potential growth areas shown in orange)

***Zoning Districts:** Adaptive Re-Use; Neighborhood Business; Neighborhood Business Special Use; Central Commercial; Central Commercial Special Use; General Commercial; High Intensity Commercial; Entranceway Special Use; Special Design Special Use”*

The Retail Services designation focuses on retail and commercial uses, not residential. Staff finds the proposed master plan amendment to be inconsistent with the Future Land Use Map/Plan in this regard.

Note that the Board of Commissioners can determine that a zoning amendment is inconsistent (in full or in part) with its comprehensive plan/future land use plan and still approve the amendment. [NC GS § 160D-605 \(a\), Governing board statement – Plan Consistency](#) states, “if a zoning map amendment is adopted and the action was deemed inconsistent with the adopted plan, the zoning amendment has the effect of also amending any future land-use map in the approved plan, and no additional request or application for a plan amendment is required.” The Comprehensive Sustainability Plan is available online at <https://www.hillsboroughnc.gov/home/showpublisheddocument/572/638556087250230532>.

Residential Units – Approved but Not Constructed

The boards may also wish to consider the number of residential units “in the pipeline” (i.e., approved but not yet constructed). As of August 2024, Hillsborough has 877 residential units pending construction:

Residential Units Approved but Not Yet Built		
Project Name	Type of Units Approved	# of Units Approved
Collins Ridge Pod D	Apartments	326
Collins Ridge Phase 2	Townhomes	51
Collins Ridge Phase 2	Single-family	79
East Village at Meadowlands	Townhomes (Habitat)	75
Persimmon Phase 1	Townhomes (Rental)	30
Persimmon Phase 1	Apartments	316
Total		877

Utilities

The Utilities Department has indicated that, based on its calculations, a multifamily development at this site would use significantly more water and discharge significantly more sewer than a hotel. The town's current hydraulic sewer modeling does not account for a higher density use such as this. Also, the town is still working on a water system master plan. Utilities staff cannot identify deficiencies with and needed improvements to the water system until that plan is completed.

As such, the Utilities Department maintains that additional conditions to the master plan are necessary. Specifically, Utilities recommends requiring off-site improvements to address the additional sewer flow and multiple water connections. Failure to conduct off-site improvements to facilitate the proposed development could have direct impacts on the environment and the town's ability to serve the development as proposed.



Agenda Abstract

JOINT PUBLIC HEARING

Meeting Date:	August 15, 2024
Department:	Planning and Economic Development Division
Agenda Section:	5D
Public hearing:	Yes
Date of public hearing:	August 15, 2024

PRESENTER/INFORMATION CONTACT

Molly Boyle, Planner II
Shannan Campbell, Planning & Economic Development Manager

ITEM TO BE CONSIDERED

Subject: Unified Development Ordinance (UDO) text amendment to Section 5.2.8, *Dwelling, Accessory* (applicant-initiated)

Attachments:

1. Submitted application materials, including applicant's proposed amendment and justification
2. UDO Section 5.2.8, *Dwelling, Accessory*, as currently written in the UDO
3. Staff Analysis
4. Minutes from previous meetings discussing attached ADUs on private streets
5. Map of single-family parcels on private streets in town's planning jurisdiction
6. Examples of private streets in town's planning jurisdiction

Background:

On April 18, 2024, a joint public hearing was held for a staff-initiated UDO text amendment on accessory dwelling units (ADUs). The main goal of the text amendment was to increase the maximum size of ADUs.

A resident, Natalie Dolgireff, spoke at the hearing. She and her husband live on the private portion of Daphine Drive (originally platted as Daphine Court). She asked that the amendment be revised to allow freestanding (*i.e.*, detached) ADUs on private streets so they could build a freestanding ADU; currently, the UDO allows freestanding ADUs only on lots with direct access to a public street.

On June 10, 2024, the Board of Commissioners adopted the text amendment as originally proposed by staff (*i.e.*, Ms. Dolgireff's request was not included). When making its recommendation in May 2024, the Planning Board asked staff to investigate the feasibility of allowing freestanding ADUs on private streets and to report back to the board. Before the Planning Board met again, the applicant submitted their own request to amend the UDO.

Proposal:

The applicant is proposing to amend UDO Section 5.2.8, *Dwelling, Accessory* to allow freestanding ADUs on private streets. The applicant's proposed amendment and justification are enclosed with the application materials.

Comprehensive Sustainability Plan goals:

- Land Use & Development Goal 1: Ensure that future growth and development, including infill and redevelopment, are aligned with smart growth principles and consider infrastructure constraints such as water and wastewater system capacity.
- Strategy: Ensure that land use and development regulations are aligned with preferred future land use and growth patterns.

Financial impacts: None.

Staff comments and recommendation:

See the enclosed Staff Analysis for comments from Planning and Utilities.

Staff does not support the proposed text amendment as written. Staff has many concerns about increasing residential density on private streets as outlined in the Staff Analysis. If the boards wish to allow freestanding ADUs on private streets, staff recommends including the following limitations:

- A platted, deeded public utility easement shall be required and existing utility lines shall be upsized, if deemed necessary by the Utilities Department; and
- The private street providing access to the ADU must conform to UDO Section 6.21.4, *Design Standards – Private Streets*.

Note this would necessitate additional amendments to Section 6.21.4. For example, subsection 6.21.4.5.b prohibits “any other residential use or nonresidential use that would tend to generate more traffic than that customarily generated by four (4) single-family residences” on private streets. This language would need to be revised.

Action requested:

Hold the public hearing and indicate if allowing freestanding ADUs on private streets is desired.

If so, staff will coordinate with the applicant to make the boards’ requested revisions, if any. The item will then go to the Planning Board for recommendation on September 19, 2024.



TOWN OF
HILLSBOROUGH

GENERAL APPLICATION

Amendment to Future Land Use Map, Unified Development Ordinance or Official Zoning Map

Planning and Economic Development Division
101 E. Orange St., PO Box 429, Hillsborough, NC 27278
919-296-9477 | Fax: 919-644-2390
www.hillsboroughnc.gov

This application is for amendments to the Comprehensive Sustainability Plan, Unified Development Ordinance, and/or Official Zoning Map. Incomplete applications will not be accepted or processed.

OFFICIAL USE ONLY			
Case Number:		Fee: \$	Receipt No.:
FLUM Designation:		Zoning District:	Overlay Zone:

Amendment Type: ☐ Future Land Use Map ☒ Unified Development Ordinance Text
☐ Zoning Map – General Use or Overlay District ☐ Zoning Map – Planned Development District

PROPERTY LOCATION AND DESCRIPTION	
N/A	
Property Address or Location:	
PIN(s):	Size of Property (Acres/Sq. Ft.):
Current Use of Property:	
Current Zoning Classification(s):	
Proposed Zoning Classification(s):	

CERTIFICATION AND SIGNATURES

Applications will not be accepted without signature of legal property owner or official agent.

I certify that the information presented by me in this application and all accompanying documents are true and accurate to the best of my knowledge, information, and belief; and I acknowledge that the processing of this application may require additional town, county and/or state permits, approvals, and associated fees.

Applicant Name: Natalie Dolgireff and Armand Bath	Legal Property Owner Name:
Mailing Address: 170 Daphne Drive	Mailing Address:
City, State, ZIP Code: Hillsborough, NC 27278	City, State, ZIP Code:
Telephone: [REDACTED]	Telephone:
Email: [REDACTED]	Email:
Signature: [Signature]	Signature:
Date: 6/19/24	Date:

**Reasons Supporting Change to
Town of Hillsborough Ordinance 5.2.8 Dwelling, Accessory
to Allow Freestanding Accessory Dwelling Units (ADUs) on Private Streets**

**Proposed Amendment to Unified Development Ordinance Text
Town of Hillsborough**

Section 5.2.8 of the Unified Development Ordinance (last amended Oct. 9, 2023) is hereby amended as follows:

Accessory dwelling units (ADUs) built as free-standing outbuildings from a single-family dwelling, shall be allowed on lots accessible by private street/road. The prior requirement that accessory dwelling units on private street/road be connected to the main dwelling, is rescinded. Accessory dwelling units built on lots accessible by private street shall be subject to the same requirements and restrictions as for accessory dwelling units on lots accessed by public street.

**Reasons Supporting Change to
Town of Hillsborough Ordinance 5.2.8 Dwelling, Accessory
to Allow Freestanding Accessory Dwelling Units (ADUs) on Private Streets**

We, Natalie Dolgireff and Armand Roth, Town of Hillsborough residents and property owners, respectfully request that the Town of Hillsborough amend its Ordinance 5.2.8 to allow freestanding ADUs on lots accessed by private streets/roads. The Town's stricter requirements that ADUs developed on lots accessed via private street, be attached to the primary dwelling, remain unsupported by the Town's own data during the past 5 years, which shows no ADUs have been built on private streets/roads.

The following six (6) reasons support this amendment:

- (1) **No ADUs built on lots accessible by private roads in the past 5 years since the Ordinance was amended to allow them**, per research provided by Planning and Economic Development Manager Shannan Campbell.
- (2) **Hypothetical issues** about the potential burdens of increased numbers of ADUs on private streets (further described below based on information provided by Planning and Economic Development Manager Shannan Campbell) are **unsupported by the Town's own 5-year experience** to date since no such ADUs have been built.
 - 2.1) Hypothetical issue that ADUs pose increased burdens for **maintenance of private gravel roads** is unrelated to if an ADU is detached. Any such cost would be the responsibility of private owners and Homeowners' Associations (HOAs) to bear, not the Town from public funds.
 - 2.2) Hypothetical issue about **potential delayed emergency access response time** on private gravel roads is unrelated to whether ADUs are freestanding or attached.
 - 2.3) Hypothetical issue that an **increased number of trash and recycling cans associated with ADUs could cause crowding on an adjacent public street** if that is where such trash is collected, is unrelated to whether ADUs are freestanding or not [in our own case, all cans in our HOA are picked up in front of our houses on the HOA's private gravel street].
 - 2.4) Hypothetical issues that detached ADUs cause **significantly decreased water pressure and increased sewage flows** necessitating increased numbers of meters and sewer lines are unrelated to whether ADUs are freestanding. Instead, the Town's own intermittent, anecdotal experience most likely correlates to overall increased building of single-family dwellings since no ADUs have been built on lots accessible via private street. (Any hypothetical costs for ADUs on private roads would also be borne by their owners.)
3. The Town's unique higher requirement that ADUs built on private roads can only be attached to the primary dwelling results in **unequal financial burdens** on homeowners of lots on private roads.

**Reasons Supporting Change to
Town of Hillsborough Ordinance 5.2.8 Dwelling, Accessory
to Allow Freestanding Accessory Dwelling Units (ADUs) on Private Streets**

Conclusion

Applying the same Town requirements for the types of ADUs allowed to be built on lots accessible via private and public streets promotes greater equality amongst all residential property owners and provides a fairer, more level playing field. It's also consistent with the recent study by the American Association of Retired Persons (AARP) recommending that communities further liberalize their restrictions as much as possible to promote greater building of ADUs and minimize ADU-only specific requirements (study available at <https://www.aarp.org/content/dam/aarp/livable-communities/housing/2022/ABCs%20of%20ADUs-web-singles-082222.pdf>).

5.2.8 DWELLING, ACCESSORY

The following sections are provided to create opportunities for a diversity of housing stock within town. A dwelling unit must contain sleeping, cooking, and bathroom facilities. Guest quarters or suites that do not contain all three types of facilities are not dwelling units and are not reviewed in this section.

5.2.8.1 Accessory dwelling units in freestanding structures

New or existing accessory buildings may be used as dwelling units in addition to the principal dwelling unit in the R-10, R-15, and R-20 districts, subject to the following conditions:

- 5.2.8.1.a** The lot is developed, or proposed to be developed, with a single-family dwelling and customary accessory outbuildings.
- 5.2.8.1.b** The lot has direct access to a public street.
- 5.2.8.1.c** One (1) accessory dwelling unit is permitted per lot, whether within the principal dwelling or as a freestanding structure.
- 5.2.8.1.d** The structure containing the accessory dwelling must meet the applicable primary building setbacks established in Table 6.3.1, *Dimensional Requirements – residential* OR Section 7.5.3, *Non-conforming lot setback requirements*. The existing, primary dwelling may be non-conforming in regard to building setbacks required in the zoning district. The setback provision in Section 9.1.5.2.c of this ordinance is available for an accessory building containing a dwelling unit.
- 5.2.8.1.e** An accessory dwelling unit in a freestanding structure shall be located to the side or rear of the primary dwelling and behind the primary dwelling's front façade.
- 5.2.8.1.f** All structures containing dwellings are connected to municipal water and sewer service.
- 5.2.8.1.g** The accessory dwelling unit shall not exceed fifty (50) percent of the gross floor area of the principal dwelling unit or 1,000 square feet in gross floor area, whichever is greater. In no case shall the accessory dwelling unit exceed the gross floor area and/or height of the principal dwelling unit.
- 5.2.8.1.h** The accessory unit is constructed to the state building code for one- and two-family dwellings (i.e., is not a manufactured home).
- 5.2.8.1.i** There is sufficient off-street parking on the parcel to accommodate two spaces for the principal dwelling and one space per bedroom in the accessory unit, which may include garage spaces.
- 5.2.8.1.j** The application materials indicate storage locations for solid waste and recycling containers for both dwellings consistent with Town Code requirements.
- 5.2.8.1.k** Units that existed on August 12, 1996 that do not meet one or more provisions of this section may continue as legal non-conforming uses.

5.2.8.2 Accessory dwelling units within a principal single-family dwelling

Accessory dwelling units may be located within a principal single-family dwelling in any zoning district, subject to the following conditions:

- 5.2.8.2.a** The lot is developed, or proposed to be developed, with a single-family dwelling and customary accessory outbuildings.
- 5.2.8.2.b** One (1) accessory dwelling unit is permitted per lot, whether within the principal dwelling or as a freestanding structure.
- 5.2.8.2.c** Both dwellings are connected to municipal water and sewer service.
- 5.2.8.2.d** The accessory dwelling unit shall not exceed fifty (50) percent of the gross floor area of the principal dwelling unit or 1,000 square feet in gross floor area, whichever is greater. In no case shall the accessory dwelling unit exceed the gross floor area of the principal dwelling unit.
- 5.2.8.2.e** The accessory dwelling unit must have its own exterior access. Any interior access to the principal dwelling must be lockable from both dwellings.
- 5.2.8.2.f** There is sufficient off-street parking on the parcel to accommodate two spaces for the principal dwelling and one space per bedroom in the accessory unit, which may include garage spaces.
- 5.2.8.2.g** The application materials indicated storage locations for solid waste and recycling containers for both dwellings consistent with Town Code requirements.
- 5.2.8.2.h** Units that existed on August 12, 1996 that do not meet one or more provisions of this section may continue as legal non-conforming uses.

5.2.8.3 Temporary Family Health Care Structure

A structure meeting the definition of “temporary family health care structure,” as defined in Section 9.2, *Definitions*, of this Ordinance, may be used as a dwelling unit in addition to a principal dwelling, subject to the following conditions:

- 5.2.8.3.a** The Permit applicant, in addition to other items required for the issuance of a Zoning Compliance Permit for any other structure or building, shall provide the following information as part of their application:
 - (a) written certification from a physician licensed to practice in the State of North Carolina that the person being cared for is mentally or physically impaired, and
 - (b) a floor plan of the proposed temporary family health care structure.
- 5.2.8.3.b** Only one temporary family health care structure will be permitted per lot.
- 5.2.8.3.c** The temporary family health care structure may, or may not, be placed on a permanent foundation.
- 5.2.8.3.d** The temporary family health care structure must be occupied by a caregiver in providing care for a mentally or physically impaired person as defined in Section 9.2, *Definitions*, of this Ordinance.
- 5.2.8.3.e** The temporary family health care structure must be located on property owned or occupied by either:

Memorandum

To: Town Board of Commissioners and Planning Board
From: Molly Boyle, Planner II
Cc: Shannan Campbell, Planning & Economic Development Manager
Date: August 15, 2024
Subject: Staff analysis for UDO text amendment to Section 5.2.8, *Dwelling, Accessory* (applicant-initiated)



Proposal Summary

The applicant is proposing to amend UDO Section 5.2.8, *Dwelling, Accessory* to allow freestanding (*i.e.*, detached) ADUs on private streets. The applicant lives on the private portion of Daphine Drive (originally platted as Daphine Court) and would like to build a freestanding ADU. Currently, the UDO allows attached ADUs on private streets but not detached ones. The applicant's proposed amendment and justification are enclosed with the application materials.

Planning Analysis

Daphine Drive

The applicant lives on the private portion of Daphine Drive, which consists of the following:

- a 60' private right-of-way;
- a new gravel travel-way approximately 20' wide, which was laid within the past three years; and
- a new gravel cul-de-sac approximately 95' in diameter, also laid within the past three years.

The lots on the private right-of-way for Daphine Drive were created decades ago. The street serving the lots was historically gravel and deteriorated over time after homes were removed from the lots. Around 2019, a developer bought the lots and, after consultation with town staff and the Fire Marshal, installed new utility lines and improved the street to the standard described above.

Private Street Standards

Not all private streets in town are built to the same standard as Daphine Drive.

UDO Section 6.21.4, *Design Standards – Private Streets* and the town's Street Manual contain standards for new private streets. Private streets that provide primary access to no more than four lots and/or dwelling units may be constructed with a right-of-way as narrow as 18' in width. The travel-way in these situations may be gravel and 12' wide. There are no design standards for private streets that serve only one or two lots. Some existing private streets pre-date these standards and are considered nonconforming, meaning they do not meet, and are not required to meet, current private street design standards.

Allowing freestanding ADUs on all private streets raises concerns about emergency access, such as:

- Can the private street support the width and weight of a fire apparatus and other emergency vehicles?
- Does the private street have a turn-around, such as a cul-de-sac or t-turn, that can accommodate these emergency vehicles?

It raises the same questions for other types of service vehicles, such as school buses and garbage trucks. Bus stops and trash receptacles may have to be brought to the closest public street intersection as well, which may be a significant distance.

ADU Regulations: Attached vs. Detached

On June 14, 2021, pursuant to a citizen-initiated text amendment application, the Board of Commissioners amended the UDO to allow attached ADUs on private streets (vote 3-2). In the UDO, an attached ADU is referred to as “within a principal single-family dwelling.” Minutes from the subject hearing, Planning Board meeting, and Commissioners meeting are attached.

Street access standards should be made the same for both attached and detached ADUs, either through the text amendment process or during the UDO rewrite. However, because of the variability in private streets in town, access standards should be established in the interest of public health, safety, and welfare.

Utilities Analysis

Per the Utilities Department, many of the private streets in town have undersized, outdated utilities without properly platted and recorded public utility easements. The Utilities Department does not support additional development on streets that do not meet the town’s current standards for sizing and access for maintenance.

If freestanding ADUs are to be allowed on a private street, then Utilities staff suggests that the private street be required to have a platted, deeded public utility easement and that the existing utility lines must be upsized, if needed, prior to development.

Staff Recommendation

Staff does not support the proposed text amendment as written because of the issues outlined above. If the boards wish to allow all types of ADUs on private streets, staff recommends including the following limitations:

- A platted, deeded public utility easement shall be required and existing utility lines shall be upsized, if deemed necessary by the Utilities Department; and
- The private street providing access to the ADU must conform to UDO Section 6.21.4, *Design Standards – Private Streets*.

Note this will necessitate additional amendments to Section 6.21.4. For example, subsection 6.21.4.5.b prohibits “any other residential use or nonresidential use that would tend to generate more traffic than that customarily generated by four (4) single-family residences” on private streets. This language would need to be revised.

Minutes

Remote Joint Public Hearing

Planning Board and Board of Commissioners

7 p.m. April 15, 2021

Virtual meeting via YouTubeLive

[Town of Hillsborough YouTube channel](#)

Present

Town board: Mayor Jenn Weaver and commissioners Mark Bell, Kathleen Ferguson, Matt Hughes and Evelyn Lloyd
Planning Board: Chair Chris Johnston, Vice Chair Jenn Sykes, Christopher Austin, Frank Casadonte, Oliver Child-Lanning, Lisa Frazier, Alyse Polly, Jeff Scott, Scott Taylor and Toby Vandemark
Absent: Board of Commissioners: Robb English
Early exit: Kathleen Ferguson (8:02 p.m.)
Staff: Planning Director Margaret Hauth and Town Attorney Brady Herman

1. Call to order and confirmation of quorum

Mayor Jenn Weaver called the meeting to order at 7:09 p.m. Planning Director Margaret Hauth called the roll and confirmed the presence of a quorum, noting that Commissioner Matt Hughes had not yet arrived. Weaver turned the meeting over to Planning Board Chair Chris Johnston.

2. Agenda changes and approval

There were no changes. The agenda stood as presented.

Hughes arrived at 7:11 p.m.

Motion: Commissioner Kathleen Ferguson moved to approve the agenda as presented. Planning Board Vice Chair Jenn Sykes seconded.

Hauth called the roll for voting.

Vote: 13-0. Ayes: Commissioners Mark Bell, Ferguson, Hughes and Evelyn Lloyd; Planning Board members Christopher Austin, Frank Casadonte, Lisa Frazier, Johnston, Alyse Polly, Hooper Schultz, Jeff Scott, Sykes and Scott Taylor. Nays: None.

3. Open the public hearing

Johnston introduced the public hearing. The hearing was opened without a vote.

4. Text amendments to the Unified Development Ordinance

- A. Section 5.2.9.2 to remove requirement for public road access for accessory dwellings within a principal residential structure and Section 6.3.1 to decrease setbacks from 50 feet to 30 feet in the Agricultural Residential district.

Johnston introduced Item 4A, noting that citizen Samantha Johnson has requested the text amendment. Johnson arrived at 7:13 p.m.

Hauth summarized Johnson's application, saying the request comprises two parts.

Hauth summarized the request's first part: The applicant requests that the ordinance allow accessory dwelling units to be developed on parcels that only have access from a private road. Hauth said Johnson has acquired property with access from a private road and wants to construct an accessory dwelling attached to the existing house. Hauth summarized the current text of the ordinance, which states an accessory dwelling unit may be located within a single-family dwelling if the lot has direct access to a public street. Hauth noted that the same limitation exists for accessory dwellings in separate buildings and that the limitation on access has been in place for more than 30 years. She also noted that for the past few years the town has been loosening restrictions on accessory dwellings based on requests.

Hauth summarized the request's second part: The applicant requests a reduction in setbacks in Agricultural-Residential zoning districts to improve flexibility. Hauth said the minimum setbacks in Agricultural-Residential districts are 50 feet on the side, rear and front, which is wider than in other residential districts. She said about 21% of the town's jurisdiction is zoned Agricultural-Residential, but added that most properties in that district are large landholdings unlikely to change their development patterns without rezoning. She said the most likely area to be impacted is about 150 acres zoned Agricultural-Residential inside the town limits. She said a setback reduction would align the Agricultural-Residential setbacks more closely to setbacks in the Residential-40 district, a district that is very similar. Hauth noted these changes would apply across the Agricultural-Residential district, adding there is no way to grant a reduction to just the applicant's property.

Regarding the request's first part, Johnson explained that she had acquired property on a gravel road and wants to build an accessory unit so that her father can live with her and her family. Regarding the request's second part, Johnson said that although most residential areas require a minimum 30-foot setback, her property happens to be zoned Agricultural-Residential although there is no agricultural on the property or surrounding properties. She said requesting the ordinance changes seemed easier than requesting a rezoning, which also would affect her neighbors.

Regarding the request's first part, Ferguson noted that Hauth had suggested amending the ordinance by removing the requirement that the lot be on a public road. Ferguson asked amending the ordinance to require a lot have access via a public road or a private road also would be a viable solution. Hauth said she would prefer removing the requirement altogether, because specifying both road types would imply there is some third alternative for access. Hauth asked Town Attorney Brady Herman if he had an opinion. Herman said either alternative would work.

Sykes asked Hauth if there is a way to address the fact that some private roads in town are in poor condition. She noted a previous Board of Adjustment meeting regarding development along a private road that resulted in traffic and safety issues. Hauth said a few of the town's private roads existed before the town developed private road standards. Hauth noted that most of the town's private roads are new and must meet current development standards. Hauth added that private roads are a private issue, with residents on those roads responsible for maintaining ingress and egress; she said it is difficult for the town to insert itself very much into such a situation.

Weaver noted a similar setback request several months ago regarding a different zoning district. She asked if it is possible or makes sense to have a broader conversation about setbacks. Hauth also recalled the conversation to which Weaver referred and said it had been specific to the setbacks for unattached accessory

dwelling units. Hauth said rezoning would not have solved that person's issue, but staff had provided possible next steps to that person – similar to those steps pursued by Johnson tonight – which that person had not chosen to pursue. Hauth said a broader conversation about setbacks is possible, though perhaps not at a public hearing.

Hughes said he is not in favor of eliminating the requirement for public road access for accessory dwelling units. He noted that postal carriers, school busses and emergency vehicles might not be able to fit down private roads. He said he does not think it is in the town's best interest to remove the requirement that accessory dwelling units have guaranteed access to those three basic services. He said he is not opposed to reducing the setbacks from 50 feet to 30 feet in Agricultural-Residential districts.

Johnson acknowledged that her requests would change the requirements across the town's Agricultural-Residential districts, but she noted houses already have been developed along her specific road.

Hughes said he could understand that this solution could be feasible in Johnson's specific situation, but he noted that the boards are enacting town-wide policies.

Regarding the setback reduction request, Polly said she understood the applicant is requesting setbacks be reduced to 30 feet on all sides for Agricultural-Residential districts. She said she understood the boards are considering bringing Agricultural-Residential setbacks in line with Residential-40 setbacks, and she noted that Residential-40 setbacks are 30 feet in the side and rear but 40 feet in the front. Polly asked for clarity around which numbers are correct. Hauth said the applicant is not necessarily trying to align her setbacks with those in Residential-40, but that Hauth had simply noted the two are very similar. Hauth said the applicant's particular interest is in the side and rear setbacks rather than the front, but she said it seemed cleaner and easier to request 30 feet on all sides because the Agricultural-Residential district currently requires the same distance on all sides. Johnson confirmed Hauth is correct.

Casadonte asked if it is possible to grant the applicant a variance rather than change the requirements for the entire Agricultural-Residential district. Hauth explained that the applicant does not qualify for a variance. Hauth briefly outlined the state law's requirements for variances. Hauth said staff would have proposed an easier solution to the applicant's requests if an easier solution existed. When asked, Hauth confirmed that the requested changes would apply to all Agricultural-Residential districts in town. When asked, Hauth confirmed no other tools exist to grant the applicant's requests. Hauth confirmed the two parts of the applicant's request could be considered separately.

Johnston asked if the applicant could apply for rezoning, noting that also is a substantial request. Hauth agreed and added that such a rezoning request would be inconsistent with the town's Future Land Use Plan.

Scott noted that larger emergency vehicles are not always able to access dwellings on private roads. He asked if anything in the town's code would be at odds with the requested amendment. Hauth said if the text amendment is approved it is possible an accessory dwelling could trigger an issue under the fire code regarding turnaround clearance. Hauth said such a technical violation is conceivable, but she is not sure it would be captured in the permitting process, noting that the fire marshal does not look at residential development. She noted the fire code is not user-friendly and is difficult to integrate into traditional planning and zoning situations.

Casadonte asked whether the fire marshal would already have taken the road into account in the applicant's particular case, as the road is developed already. Hauth said that is not necessarily the case, as the applicant's road is one of the town's older private roads. Hauth noted the applicant's road is in excellent condition and

has been maintained very well, but it has more than the four houses that the town currently allows on new private roads, possibly making the road problematic for the fire code. Hauth added the applicant's house is very close to the entrance to the public road, which may be a mitigating factor. Haugh said she could see how a circumstance could develop on an old or new private road where an additional accessory dwelling unit could exceed the fire code's limit on number or spacing of dwellings. When asked, Hauth confirmed that the applicant's road had been grandfathered in and, were it a new private road today, would not be allowed to have as many houses on it as currently exist there.

Hughes asked why sufficient turnaround space on a private road could be overlooked regarding fire code but not trash pickup. Hauth said trash pickup trucks do not go down private roads. When asked, Hauth said that new private roads are required to have road maintenance agreements, which often are accomplished via homeowners' associations. She added private road residents are welcome to bring their trash bins to the public road for pickup. Hughes said he sees the request as a potentially significant policy change regarding accessory dwelling units and private roads, and he is concerned that such a change be equitable. When asked, Hauth said the town does not have a way to ensure all private roads stay well-maintained, adding that in such situations it is the residents' responsibility to self-police and ensure they are safe and well protected, although the town does due diligence by requiring the road maintenance agreement. She said private road construction standards include minimum travel width and gravel depth but are not nearly as elaborate as the standards for public paved roads. Sykes noted that newer townhouse developments are very different from some older private developments. Hughes noted that private roads might meet standards when first constructed but could fall into disrepair; he expressed concern that the town would still be required to provide emergency services to out-of-repair roads, which might damage town equipment. He wondered if private roads could be held to maintenance standards in perpetuity. He noted that some subdivisions have begun requesting more services, even though when built their developers understood the roads would be maintained privately. Hauth said she believes Hughes to be speaking more about townhome neighborhoods, which will always have a homeowners' association and are required to build their private roads to state Department of Transportation standards. Hauth said she does not think the town has any recourse if a neighborhood is not maintaining its private roads. Hughes noted townhome neighborhoods often have private trash services.

Johnston clarified that the discussion at hand deals not with fixing the town's existing issues regarding services and access for dwellings on private roads, but instead with whether to allow more density on those private roads via accessible dwelling units.

Hughes asked whether Town Attorney Bob Hornik had been consulted about the two requested changes. Hauth noted that Herman is substituting for Hornik at tonight's meeting. Herman said the boards are discussing the relevant issues, particularly as the requested changes would impact all properties in the Agricultural-Residential districts. Herman said he did not have any relevant case law on hand but offered to further research specific questions.

Johnson noted that the residents of the private road are not requesting new services, as they already receive certain services. Johnston said he thinks Hughes' concern is that allowing additional dwellings could create additional pressure on town resources. Hughes clarified he also is concerned about equitable school bus and trash pickup access.

Motion: Sykes moved to close the public hearing for Item 4A. Ferguson seconded.

Hauth called the roll for voting.

Vote: 13-0. Ayes: Commissioners Bell, Ferguson, Hughes and Lloyd; Planning Board members Austin, Casadonte, Frazier, Johnston, Polly, Schultz, Scott, Sykes and Taylor. Nays: None.

Hauth noted the text amendments would be discussed at the May 2021 Planning Board meeting.

8. Section 7.5 to no longer require the combination of undeveloped contiguous non-conforming lots

Johnston introduced Item 4B and requested that he be recused from this item.

Motion: Sykes moved to allow Johnston to recuse himself from public hearing Item 4B. Hughes seconded.

Hauth called the roll for voting.

Vote: 12-0. Ayes: Commissioners Bell, Ferguson, Hughes and Lloyd; Planning Board members Austin, Casadonte, Frazier, Polly, Schultz, Scott, Sykes and Taylor. Nays: None.

Hauth summarized Item 4B. She explained Section 7.5 of the Unified Development Ordinance requires adjacent non-conforming lots owned by the same property owner to be recombined into conforming lots before the properties can be developed. She said the town has a policy of reducing non-conformities. She gave a brief history of the requirement and noted the recombination requirement is common in zoning ordinances. Hauth said Hillsborough also has accommodated nonconforming lots in the ordinance for many years but still maintains the recombination requirement. She outlined several of the current accommodations.

Hauth outlined the requested text amendment, noting that it limited the recombination requirement to lots narrower than 40 feet, rather than all nonconforming lots. She said the impact of the change would be limited to roughly two dozen lots throughout town. Hauth said requirements for water and sewer connections would still apply, which would limit the possibility of undevelopable lots being created. She noted that the amendment would consolidate exceptions in the ordinance, streamlining the requirements and exceptions. Hauth added that the reduced setback provisions will be discussed in the next quarterly hearing to address a recent Board of Adjustment interpretation.

Hauth introduced Richard Turlington of Habitat for Humanity of Orange County, which has requested the text amendment. Turlington said Habitat owns five non-conforming lots on Homemont Street that they hope to recombine into four lots of equal size, noting that the resulting four lots would not be large enough to meet that location's zoning requirements.

Hughes asked Hauth what unintended consequences might result from such a change to the ordinance. He expressed concern about enacting town-wide change. He expressed concern that commercial developers could use the amended ordinance as a bypass. Hauth said the areas where there are many lots that the change would apply to all are outside town limits and lack utility connections, thus limiting their developability. Hughes asked whether a legislative change is warranted, as it would affect only two dozen lots. He wondered if there is another mechanism that could solve the applicant's issue. Hauth said she is not aware of another tool that the applicant could use. She added the amendment would further goals she believes the boards support, such as encouraging development in the existing town core on smaller lot sizes and encouraging diversity of lot sizes. Hauth noted many localities do not have a recombination ordinance.

Ferguson left at 8:02 p.m.

Minutes

Planning Board

Remote regular meeting

7 p.m. May 20, 2021

Virtual meeting via YouTubeLive

[Town of Hillsborough YouTube channel](#)

Present: Chair Chris Johnston, Vice Chair Jenn Sykes, Christopher Austin, Frank Casadonte, Lisa Frazier, Alyse Polly, and Scott Taylor

Absent: Hooper Schultz and Jeff Scott

Staff: Planning Director Margaret Hauth and Town Attorney Bob Hornik

1. Call to order and confirmation of quorum

Chair Chris Johnston called the meeting to order at 7:03 p.m. Planning Director Margaret Hauth called the roll and confirmed the presence of a quorum.

2. Agenda changes and approval

The agenda was accepted as presented. Later in the meeting, a conversation with prospective board members was added as Item 6C.

3. Minutes review and approval

Minutes from the regular meeting on March 18, 2021, and from the joint public hearing on April 15, 2021.

Motion: Vice Chair Jenn Sykes moved to approve the minutes as presented. Member Scott Taylor seconded.

Hauth called the roll for voting.

Vote: 6-0. Ayes: Members Chris Austin, Lisa Frazier, Johnston, Alyse Polly, Sykes and Taylor. Nays: None.

4. Recommendations to town board of public hearing items

A. Unified Development Ordinance: Amendments to Section 5.2.9.2 and Section 6.3.1 – Allow accessory dwelling units on private roads and Agricultural Residential setback reduction

Applicant Samantha Johnson and her husband Matthew Johnson arrived.

Johnston introduced Item 4A. Hauth summarized the proposed text amendment, noting the proposed change comprises two parts: first, to allow accessory dwelling units on private roads, and second, to reduce the width of setbacks in the Agricultural Residential zoning district. Hauth noted that both changes would apply town-wide and said no other options exist to meet the applicant's interests. Regarding allowing accessory dwelling units on private roads, Hauth noted the ordinance has long required accessory dwelling units to be on public

roads, but she noted the board consistently has been loosening regulations on accessory dwelling units to encourage more development. Regarding reducing setbacks in Agricultural Residential zoning districts, Hauth noted the applicant's property is located in a small section of town zoned Agricultural Residential where water and sewer service is available, and so the proposed change could result in more intense development in that location. She noted that Agricultural Residential districts currently require 50-foot setbacks on all sides, which she characterized as significant. She added that this request pertains to land within the city limits, noting the town has very limited zoning authority on any parcel in the extraterritorial jurisdiction in active agricultural use.

Regarding reducing the setbacks, Sykes said that instead of reducing the setbacks from 50 feet on each side to the proposed 30 feet on each side, she prefers matching Agricultural Residential setbacks to those in Residential-40 districts, which would require 30-foot side and rear setbacks and 40-foot front setbacks. She said it would seem strange to allow smaller setbacks in Agricultural Residential districts than in Residential-40 districts, as Agricultural Residential districts are designed for larger lots than the more dense Residential-40 districts.

Regarding allowing accessory dwelling units on private roads, Sykes expressed concern that some of the town's private roads are not in good shape and may not be able to support the higher traffic that could come with allowing accessory dwelling units on such roads. Johnston noted that the change would apply across town, not just to the applicant's property.

Hauth noted there is a difference between roads in disrepair and whether or not services are provided to dwellings on a private road. She said it is in the nature of private roads that school buses and mail delivery generally do not go serve them, especially when they are unpaved. She noted that the board's decision would have no impact on whether those services are provided on private roads.

Johnston said the conflict is between board members' desire to encourage increased density and hesitancy about allowing increased density on roads that do not receive public services.

Sykes noted that inadequate private roads naturally could limit the amount of development along those roads, citing a private road in some disrepair off of Nash Street that has limited what the property owner can develop there.

When asked, Hauth confirmed the applicant's property is located on Burnside Drive. Matthew Johnson said the property is within 300 yards of the corner of South Cameron Avenue, a public road.

Samantha Johnson acknowledged the board must consider the proposed amendment's impact on the entire town. She wondered if it is too late to add language allowing the board to consider applications on a case-by-case basis, based on the condition of the private road in question. Matthew Johnson wondered if language could be added to consider a property's distance from a public road.

Austin recalled Town Commissioner Matt Hughes' points from the April 15 public hearing that having mail and school bus services are parts of the cornerstones of democracy. Austin said he would argue it is important to let people live the way they prefer and have the choices to do that. Austin said he agreed with Hughes' point that it is important to create equitable situations across town. Austin noted that this application would allow a Johnson family member to age in place; he said it is important to promote aging in place as part of equity, especially as demographics shift to include more elderly citizens. Austin said he does not agree with disapproving of where people can provide dwellings based on the board's discomfort with the amount of government services they receive.

Matthew Johnson said that the property's mailbox is on South Cameron Avenue, a public road. Samantha Johnson added that they receive trash pickup and school bus services via South Cameron Avenue.

Austin acknowledged that the amendment would affect properties town-wide.

Member Frank Casadonte arrived at 7:15 p.m.

When asked whether case-by-case language is allowed, Hauth said that the board could require that a private road be constructed to certain standards when someone asks to build an accessory dwelling unit on a private road. She noted the town would not be able to inspect that road in an ongoing manner after it is constructed. Regarding the Johnson's particular case, Hauth noted that Burnside Drive is unusual in that it is a private road predating zoning, it is one of the town's best-constructed private roads and the town does provide trash service there due to tradition.

Town Attorney Bob Hornik confirmed that case-by-case language is not possible in this situation. He agreed with Hauth that a text amendment could require a private road to be constructed. He said the amendment also could require a property to be a certain distance from a public road in order to build an accessory dwelling unit. Hauth said a fixed distance requirement would be easier for staff to enforce than a requirement about the road's quality.

Taylor asked what the downsides might be of allowing accessory dwelling units on private roads.

Hauth said allowing accessory dwelling units on private roads could create future private property disputes, which the town could neither intervene in nor solve. She said that if homeowners at the end of a private road were to build accessory dwelling units and create more traffic and wear on the road than their neighbors, the private road agreement might not address which neighbor has to pay to maintain the road. Hauth added that would be the case in any private road situation where one family has more cars and people than their neighbors. Hauth said resolving such private property issues is not the town's job, though the town does try to write ordinances that encourage neighbors to be happy with one another.

When asked, Hauth clarified that Public Space Manager Stephanie Trueblood has proposed reducing front setbacks for commercial developments. Hauth said the town also has seen a shift in the setbacks that new neighborhoods propose under special use permits, noting that the Forest Ridge, Collins Ridge and Fiori Hill subdivisions all have significantly smaller setbacks than the town's traditional zoning districts. Hauth said the special use permit process offers developers more setback flexibility than building on a large tract of residentially zoned land. Hauth said staff has concerns about the long-term maintenance of private roads in townhome neighborhoods, noting that staff is unable to help resolve private disputes that may arise from such roads not being maintained.

Polly said she agreed with Sykes that the setbacks in Agricultural Residential districts should mirror those in Residential-40 districts, with a minimum width of 30 feet in the sides and rear and 40 feet in the front. Polly also noted that the town boards have been discussing ways to encourage smart development, infill development and more dense neighborhoods; she said allowing accessory dwelling units on private roads could help meet those goals. Sykes agreed but noted that some of the town's private roads are very old and increased traffic on them could put cars at risk. Sykes said she would want to include a requirement addressing road quality, such as requiring the lot in question to be within a certain distance of a public road.

Hornik asked Hauth how much Agricultural Residential land within town limits would be suitable for infill projects, as most Agricultural Residential districts are on the outskirts of town and would not see infill development.

Hauth confirmed about 150 acres are zoned Agricultural Residential within town limits and also have water and sewer access, which is required for accessory dwelling units. She said most of that land is on Burnside Drive, where the applicants live. Hauth said overall the town has about 800 acres zoned Agricultural Residential, but she said much of that would never be developed for various logistical reasons.

Hauth said reducing the setbacks in Agricultural Residential districts does not concern her, as she does not think it would not open the town to any risks or pose any challenges to staff.

When asked, Hornik confirmed the board could make separate recommendations regarding reducing the setbacks and allowing accessory dwelling units on private roads.

Motion: Sykes moved to recommend approval of the text amendment changing the minimum setbacks in Agricultural Residential zoning districts to 30 feet on the sides, 30 feet in the rear and 40 feet in the front. Austin seconded.

Hauth called the roll for voting.

Vote: 7-0. Ayes: Austin, Casadonte, Frazier, Johnston, Polly, Sykes and Taylor. Nays: None.

Polly said she is leaning toward allowing accessory dwelling units on private roads. She said she hears Sykes' point about the existence of older private roads in town. Polly wondered how many private roads in town would be affected, aside from Burnside Drive.

Hauth said the proposed change only would allow accessory dwelling units within a principal dwelling on a private road. She said freestanding accessory dwelling units still would not be allowed on a private road, noting that most people want to build freestanding accessory dwelling units. Hauth said accessory dwelling units also must have water and sewer services, which increases the likelihood that they will be built within town limits rather than on some of the older private roads in the extraterritorial jurisdiction.

Hauth said that if the board wants to include a requirement that the lot be a certain distance from a public road, the distance would need to be 300 feet from the lot's driveway in order to capture what the current applicant is requesting. Hauth said most of the town's private roads are not much longer than 300 feet, excluding townhome neighborhoods. She said including that requirement would include more private roads than it excludes and she is not sure including the distance requirement would be worthwhile. Hauth recommended the board decide either to leave the requirement in or take it out, noting that any problems created would be for residents of the private road to resolve, not the government.

When asked, Hauth confirmed there are no code restrictions for private roads. Hauth said new private roads meet a basic standard, but she said that would not be easy to verify or enforce after a road is in place. Regarding emergency services, Hauth said ambulance drivers have the right to choose whether they can drive down a private road or not. She noted that the town's private roads are in better shape than many county private roads, some of which force ambulance drivers to choose between damaging their vehicles and not providing service.

Johnston noted that allowing more accessory dwellings on private roads would create more density in areas where the town has less regulatory control. He noted the board wants people to be able to do what they want on their property, but he said the town still has responsibilities to citizens.

Sykes said the situation currently before the board is one of aging in place, but she noted that residents of other private roads might want to rent out their accessory dwelling units. She said economic pressures could take care of potential problems, noting that no one would want to rent an accessory dwelling unit if the road to it would damage their car. She said she would prefer a more elegant solution to bring private roads up to code, but she acknowledged that most of the town's private roads are in subdivisions and townhome communities and so already are up to code.

When asked, Hauth said the majority of the town's private roads are new and are no longer than 400 feet. She said of the roughly two dozen private roads outside townhome neighborhoods, less than a third are older. Hauth confirmed there are only a small handful of older private roads in town.

Motion: Austin moved to recommend approval of the text amendment removing the requirement for public road access for accessory dwelling units within a principal structure. Sykes seconded.

Hauth called the roll for voting.

Vote: 6-1. Ayes: Austin, Casadonte, Frazier, Polly, Sykes and Taylor. Nays: Johnston.

Hauth said the town board would receive the planning board's recommendations at the June 14 Board of Commissioners meeting, noting that would be the final action on the items.

Samantha and Matthew Johnson left at 7:46 p.m.

~~B. Unified Development Ordinance: Amendments to Section 7.5 – Limit requirement to combine undeveloped contiguous non-conforming lots~~

~~Johnston asked to recuse himself from Item 4A because his wife works for the applicant requesting the amendment, Habitat for Humanity of Orange County.~~

~~Motion: Sykes moved to allow Johnston to recuse himself from Item 4B. Taylor seconded.~~

~~Hauth called the roll for voting.~~

~~Vote: 6-0. Ayes: Austin, Casadonte, Frazier, Polly, Sykes and Taylor. Nays: None.~~

~~Sykes introduced Item 4A. Hauth said the proposed change would limit the circumstances in which adjoining, undeveloped, contiguous non-conforming lots need to be combined into less-non-conforming lots. Hauth said the change would remove the requirement that one of the newly combined lots be developed and that all lots be 50 feet wide; the proposed language would require only that the newly combined lots be 40 feet wide. Hauth said the change would provide more flexibility, noting that Habitat for Humanity of Orange County had requested the change in order to serve one more family. Hauth added there are not many vacant lots left in town that were platted out in small increments, and so the change likely will not have a large impact.~~

~~Applicant Richard Turlington arrived at 7:48 p.m.~~

TOWN OF HILLSBOROUGH

Minutes

Board of Commissioners

Remote regular meeting

7 p.m. June 14, 2021

Virtual meeting via YouTube Live

[Town of Hillsborough YouTube channel](#)

Present: Mayor Jenn Weaver and commissioners Mark Bell, Robb English, Kathleen Ferguson, Matt Hughes, and Evelyn Lloyd

Staff: Interim Human Resources Director Haley Bizzell, Budget Director Emily Bradford, Assistant to the Manager/Deputy Budget Director Jen Della Valle, Interim Town Clerk/Human Resources Technician Sarah Kimrey, Stormwater and Environmental Services Manager Terry Hackett, Police Chief Duane Hampton, Assistant Town Manager/Planning Director Margaret Hauth, Interim Public Works Director Dustin Hill, Town Attorney Bob Hornik, Town Manager Eric Peterson, Utilities Director Marie Strandwitz, Public Space Manager Stephanie Trueblood and Public Information Officer Catherine Wright

Opening of the meeting

Mayor Jenn Weaver called the meeting to order at 7:03 p.m. Interim Town Clerk and Human Resources Technician Sarah Kimrey called the roll and confirmed the presence of a quorum.

1. Public charge

Weaver did not read the public charge.

2. Audience comments not related to the printed agenda

There was none.

3. Agenda changes and approval

The mayor noted a change sent by the budget director by email prior to the meeting regarding the Community Development Block Grant project ordinance and an associated budget amendment. She also noted a change sent by the deputy budget director earlier regarding amending the miscellaneous budget amendments with two additional amendments regarding an aerator blower.

Motion: Commissioner Kathleen Ferguson moved to approve the amended agenda. Commissioner Mark Bell seconded.

Kimrey called the roll for voting.

Vote: 5-0. Ayes: Commissioners Bell, Robb English, Ferguson, Matt Hughes and Evelyn Lloyd. Nays: 0.

4. Public hearings

A. Request to close unopened right of way named Cole Avenue

The mayor opened the public hearing. Assistant Town Manager and Planning Director Margaret Hauth said Cole Avenue is an unopened lane that separates property between two neighbors, serves no purpose, is unimproved and has no utilities. The closure was requested by one of the neighbors. Both neighbors were in

attendance at the meeting. The property owner who made the request, Mark Rhoades, said the closure would allow the two neighbors to have a cleaner property line and would remove questions of maintenance responsibilities along the boundary. Hauth said the other neighbor, Christina Perrella, had noted in an email that she was planning to observe rather than participate in the meeting. The mayor asked for confirmation that both parties are amenable to the request. Hauth said she had not heard otherwise.

Motion: Ferguson moved to close the public hearing. Bell seconded.

Kimrey called the roll for voting.

Vote: 5-0. Ayes: Bell, English, Ferguson, Hughes and Lloyd. Nays: None.

B. FY2022 budget public hearing

Mayor Weaver opened the public hearing. A water and sewer customer, William Johnson, provided a brief presentation against increasing utility rates. His presentation included a comparison of rates with surrounding communities and a look at specific aspects of the town's water and sewer fund. There were no other speakers. The mayor said the board received public comments from three other people via email. She summarized them:

- Will Lane, who attended the town's academy on operations, said he was glad to see funding for future sessions, thanked staff for making the budget document easy to understand, and said he wants to see the property tax rate stay the same.
- Lavone Tucker expressed concerns about out-of-town water and sewer rates. The mayor noted that the town manager had responded to the email.
- Michelle Jenkins was curious about the location for the proposed installation of a bench on Nash Street and had some questions about the installation.

The mayor said the board also received a letter from Fairview Community Watch asking for signage to be changed to rename the community center in the neighborhood after Dorothy Johnson.

Motion: Bell moved to close the public hearing. Ferguson seconded.

Kimrey called the roll for voting.

Vote: 5-0. Ayes: Bell, English, Ferguson, Hughes and Lloyd. Nays: None.

5. Items for decision — consent agenda

A. Minutes

1. Joint Public Hearing April 15, 2021
2. Regular meeting May 10, 2021
3. Work session May 24, 2021

B. Miscellaneous budget amendments and transfers (revised item)

C. Miscellaneous Tourism Board amendments and transfers

D. Hillsborough Tourism Board FY2022 Budget Ordinance

E. Proclamation Commemorating Juneteenth Independence Day

F. Consistency statement and ordinance amending Unified Development Ordinance Sections 7.5 – limiting the requirement to combine nonconforming lots

G. Consistency statement and ordinance amending Unified Development Ordinance Sections 5.1.6 and 5.1.7, Table of permissible uses

H. Reclassification and pay amendment – utilities analyst position to civil engineer

I. Deed restriction for all town parcels surrounding the West Fork Eno Reservoir

- J. Special event permit – road closure and sponsorship request for police service for Juneteenth March
- K. NC 86 Connector Study (Phase II)
- L. Community Development Block Grant (CDBG-CV) project ordinance and associated budget amendment (added item)

Motion: Ferguson moved to approve all items on the amended consent agenda. Bell seconded.

Kimrey called the roll for voting.

Vote: 5-0. Ayes: Bell, English, Ferguson, Hughes and Lloyd. Nays: None.

6. Items for decision — regular agenda

A. Consistency statement and ordinance amending Unified Development Ordinance Sections 5.2.9.2 and 6.3.1 – citizen request related to accessory dwelling units and setbacks

Planning Director Margaret Hauth said she placed this request for text amendments on the regular agenda vs. the consent agenda because the Planning Board had a lot of discussion on it at the public hearing. She said the request is from a private property owner who would like to construct an accessory dwelling on the property. The ordinance does not allow accessory dwellings on private roads. The owner also would like to change the setback requirements of the property, which is zoned agricultural residential and has setbacks of 50 feet on all sides. The structures on this property are built closer to the property line already. The owner is asking to conform with setbacks in a nearby neighborhood, with a 40-foot setback in front and 30-foot setbacks on the other sides. Hauth said staff does its best to find options that don't involve changing the ordinance since it is a solution that impacts the entire town. She said the Planning Board's recommendation to allow accessory dwellings on private roads was not unanimous.

She answered questions from the board. She said the property is on Burnside Drive and is one of a few agricultural residential areas serviced by town water and sewer. Most agricultural residential zoning is outside town limits, and the impact of the request would be very limited, especially for the setback issue.

Hughes suggested separating the vote on setbacks and accessory dwelling units.

There was additional discussion. Hauth noted a change in the setback would affect all land zoned agricultural residential. She said that properties with the designation include the mining area and some places in West Hillsborough and that mining is regulated by the state. She said the only other tool that could be used to grant the request is a variance, but there is no hardship in this case to justify a variance. Hauth said reducing the setback gives property owners more ability to use their lot. She said individual houses that would be impacted likely are a dozen or fewer; a lot of the land in areas without water and sewer service are not developed; and the town has almost no way to oversee property used for agricultural purposes in its extraterritorial jurisdiction.

Motion: Hughes moved to approve ordinance change and consistency statement regarding setbacks. Lloyd seconded.

Kimrey called the roll for voting.

Vote: 3-1. Ayes: Bell, Ferguson, and Lloyd. Nays: Hughes. English lost connection and was unable to vote.

The board discussed the request to allow an accessory dwelling unit on a private road. The planning director said the applicant wants to build a garage with an apartment over it for a family member. She said the town greatly expanded the ability to have accessory dwelling units but the requirement to be on a public road has been in place for more than 30 years. Hauth said the Planning Board discussed whether a fixed distance could be set from a private road to allow accessory dwellings. The distance needed to allow the unit at this particular property is 300 feet, which would allow accessory dwellings on any private road in town. One of the Planning Board members was opposed to allowing the unit on a private road.

Hauth answered questions from the board. She confirmed the private road is a gravel road. She said it is one of the oldest private roads in town and probably one of the more well-constructed ones, noting that garbage trucks do travel it. She said most of the new private roads built are to access deeper lots and most private roads in town are very short. Hauth said the Planning Board discussed looking at the standard of a private road and she was very hesitant to accept the option because town staff are not qualified to look at a road and determine whether it's built to a certain standard and because the maintenance and standard for private roads is determined by the private owners. It was determined that a fair standard could not be implemented and the only option before the Planning Board was to allow accessory dwellings on private roads or don't.

In answering what the downside is to allowing accessory dwellings on private roads, Hauth said that not all private roads have been built in the last five years and some may not be well maintained or have a maintenance agreement among all the owners. She said the more people who live on a private road, the more pressure there will be also for the town to accept a road that would be a challenge. Hauth said staff have had conversations that private roads are a problem in the long run and perhaps they should not be allowed in town.

The mayor noted that the town has already taken steps to make accessory dwelling units more accessible to people and that both parts of this request seem to do that. In this case, the dwelling would make it possible for an aging parent to live on site. For another person, renting out the unit could help produce funds to maintain the road.

There was continued discussion about the assumption people have that private roads are public and subject to the same services as public roads and about the treatment of this private road. Hauth said the long tradition of garbage and recycling service on this road and the possibility of the road becoming public should be discussed separately.

Motion: Bell moved to adopt the ordinance and consistency statement to allow accessory dwelling units on private roads. Lloyd seconded.

Kimrey called the roll for voting.

Vote: 3-2. Ayes: Bell, English and Lloyd. Nays: Ferguson, Hughes.

~~B. Order closing unopened right of way named Cole Avenue~~




~~**Motion:** Hughes moved to close unopened right of way named Cole Avenue. Ferguson seconded.~~

~~Kimrey called the roll for voting.~~

~~**Vote:** 5-0. Ayes: Bell, English, Ferguson, Hughes and Lloyd. Nays: None.~~



Section 5, Item D.

-  Single Family Parcels on Private Streets with ADU Potential in Town Limits and ETJ
 Town Limits
 Extraterritorial Jurisdiction



Private Street off McAdams Road



Private Street – Birch Run Minor Subdivision off North Nash Street



Private Street – Private Portion of Daphine Drive (Daphine Court)



Private Street - Amanda Lane



Unnamed Private Street off W Orange Street 1



Unnamed Private Street off W Orange Street 2





Agenda Abstract

JOINT PUBLIC HEARING

Meeting Date: August 15, 2024
Department: Planning and Economic Development Division
Agenda Section: 5E
Public hearing: Yes
Date of public hearing: August 15, 2024

PRESENTER/INFORMATION CONTACT

Tom King, Senior Planner: 919-296-9475; tom.king@hillsboroughnc.gov

ITEM TO BE CONSIDERED

Subject: Flood Damage Prevention Ordinance (FDPO) text amendment (staff initiated):

- Article 3, *General Provisions*, Section 3.C, *Establishment of Floodplain Development Permit*

Attachments:

1. Article 3, Section 3.C with proposed amendments
2. Article 3, Section 3.C clean version

Summary:

The town's FDPO was likely adopted in 1981. Amendments were made in February 2007 to reference new FEMA (Federal Emergency Management Agency) flood maps & incorporate federal model FDPO revisions. Staff suggested amending the ordinance further to prohibit development from SFHAs (Special Flood Hazard Areas) excepting certain public uses (e.g., greenways, utilities). This amendment was adopted in June 2007. A 2015 citizen-initiated amendment expanded allowed uses to include a certain type of fencing. The ordinance was last amended in 2017 to reference new flood map panels & incorporate federal model FDPO revisions.

Staff believes the current language in subsection 3.C regarding allowed development should be broadened to allow additional uses such as agriculture, horticulture & private utility connections. These uses will be required to obtain floodplain development permits & comply with applicable FDPO requirements.

The proposed amendments comply with NCGS 143-215.54, which states local governments may allow certain uses in flood hazard areas without a permit. A copy of the proposed amendment language was shared with NC Department of Safety, Emergency Management staff, in May 2024. No issues were raised.

Comprehensive Sustainability Plan goals:

Town Government & Public Services Goal 2: Adopt local laws, regulations & policies that help to achieve sustainable & equitable outcomes.

Financial impacts:

None

Staff recommendation and comments:

Hold the public hearing

Action requested:

Hold the public hearing

3.C. ESTABLISHMENT OF FLOODPLAIN DEVELOPMENT PERMIT.

In general, no development ~~or development activity~~ is allowed in the Special Flood Hazard Areas ~~unless one or more of the following are met.~~ However, the following development activities may be permitted provided the activity and any related structures, including accessory/appurtenant structures and equipment, comply with all applicable provisions of this and other federal, state, and local ordinances; and receive a Floodplain Development Permit in accordance with the provisions of Article 4.B:

~~3.C.1. The site has an approved, valid site specific development plan triggering a vested right and the plan was approved prior to the effective date of this ordinance.~~

~~3.C.2.1 The development is for~~ Construction of public or private roads, greenways, pedestrian crossings (e.g., footbridges), and hiking or horseback riding trails. ~~park-related equipment, or public utilities and facilities such as wastewater, gas, electrical, and water systems that are located and constructed to minimize flood damage. Structures for pedestrian crossings (e.g. footbridges, etc.), playground equipment, and other similar items may be permitted if the applicant provides certification by a professional registered engineer, architect or landscape architect that these encroachments will not result in any increase in flood levels during the base flood.~~

~~3.C.32.~~ Installation of public or private utilities and facilities such as wastewater, gas, electrical and water systems, including accessory service lines.

~~3.C.3. The development consists of fencing proposed to be located outside the floodway and meets each of the following requirements:~~

- ~~(a) Vertical post height not to exceed 4 feet.~~
- ~~(b) The construction method is wire, post and wire with or without top and bottom rails, post and rail with or without wire, or post and cross rails with or without wire.~~
- ~~(c) The smallest dimension on the wire opening may not be less than 1 inch.~~
- ~~(d) The largest dimension on support rails or posts may not exceed 6 inches.~~
- ~~(e) The minimum spacing on vertical posts may not be less than 6 feet on center.~~

Fences meeting all the following requirements:

- (a) Vertical support posts do not exceed eight feet in height and six inches in width or diameter at any point,
- (b) Vertical support posts are placed no less than six feet on center,
- (c) The construction method is wire, post and wire (with or without top and bottom rails), post and rail (with or without wire), or post and cross rails (with or without wire), and
- (d) The smallest dimension of wire openings is no less than one inch.

3.C.4 General farming, pasture, outdoor plant nurseries, horticulture, forestry, wildlife sanctuary, game farm and other similar agricultural, wildlife and related uses.

1 3.C.5 Lawns, gardens, play areas and other similar uses.

2

3 3.C.6 Picnic grounds, parks, playgrounds, open space and other similar public and private
4 recreational uses.

3.C. ESTABLISHMENT OF FLOODPLAIN DEVELOPMENT PERMIT.

In general, no development or development activity is allowed in Special Flood Hazard Areas. However, the following development activities may be permitted provided the activity and any related structures, including accessory/appurtenant structures and equipment, comply with all applicable provisions of this and other federal, state, and local ordinances; and receive a Floodplain Development Permit in accordance with the provisions of Article 4.B:

- 3.C.1. Construction of public or private roads, greenways, pedestrian crossings (e.g., footbridges), and hiking or horseback riding trails.
- 3.C.2. Installation of public or private utilities and facilities such as wastewater, gas, electrical and water systems, including accessory service lines.
- 3.C.3. Fences meeting all the following requirements:
 - (a) Vertical support posts do not exceed eight feet in height and six inches in width or diameter at any point,
 - (b) Vertical support posts are placed no less than six feet on center,
 - (c) The construction method is wire, post and wire (with or without top and bottom rails), post and rail (with or without wire), or post and cross rails (with or without wire), and
 - (d) The smallest dimension of wire openings is no less than one inch.
- 3.C.4. General farming, pasture, outdoor plant nurseries, horticulture, forestry, wildlife sanctuary, game farm and other similar agricultural, wildlife and related uses.
- 3.C.5. Lawns, gardens, play areas and other similar uses.
- 3.C.6. Picnic grounds, parks, playgrounds, open space and other similar public and private recreational uses.



Agenda Abstract

JOINT PUBLIC HEARING

Meeting Date: August 15, 2024
Department: Planning and Economic Development Division
Agenda Section: 5F
Public hearing: Yes
Date of public hearing: August 15, 2024

PRESENTER/INFORMATION CONTACT

Tom King, Senior Planner: (919) 296-9475; tom.king@hillsboroughnc.gov
Molly Boyle, Planner II: (919) 296-9473; molly.boyle@hillsboroughnc.gov

ITEM TO BE CONSIDERED

Subject: Unified Development Ordinance (UDO) text amendment (staff initiated):

- Section 3, *Administrative Procedures*, Subsection 3.13, *Site Plan Review*

Attachments:

1. Subsection 3.13 with proposed amendments
2. Subsection 3.13 clean version

Summary:

Site plan review is a staff-level procedure designed to ensure uses allowed by right in a particular zoning district comply with applicable UDO requirements before zoning permit issuance. Currently, single-family homes, smaller commercial structures, & additions are exempt from the procedure, as are uses subject to a special use permit (for special use permits, site plans are reviewed and approved by the Board of Adjustment as part of the permit). Recent requests for certain uses requiring site plan approval prompted staff to re-examine when the procedure should apply. Staff discovered current requirements hinder residential uses that could increase the town's supply of duplexes & other smaller multi-family housing, as well as agricultural land uses. Staff revisited Subsection 3.13 in its entirety & proposes additional changes to remove unnecessary language & provide opportunity for vesting beyond the standard expiration date.

Comprehensive Sustainability Plan goals:

- Town Government & Public Services Goal 2: Adopt local laws, regulations, & policies that help to achieve sustainable & equitable outcomes.
 - Strategy: Develop & adopt policies that help accomplish town goals.
 - Implementation Action: Regularly review & update town policies as new information is garnered & achievements are met.
- Land Use and Development Goal 1: Ensure that future growth & development, including infill & redevelopment, are aligned with smart growth principles & consider infrastructure constraints such as water & wastewater system capacity.
 - Strategy: Ensure that land use & development regulations are aligned with preferred future land use & growth patterns.

- Implementation Action: Ensure that the Unified Development Ordinance incorporates strategies to achieve a mix of housing types through zoning.
- Housing & Affordability Goal 1: Develop & maintain a variety of safe, healthy, & sustainable housing options to increase housing stability for renters & homeowners.
 - Strategy: Adopt development regulations that contribute to meeting identifiable affordable housing needs.
 - Implementation Action: Increase diversity of housing stock through development regulations & decisions.
 - Strategy: Adopt development regulations that contribute to meeting overall housing needs.
 - Implementation Actions:
 - Adopt regulations that promote a variety in housing that fills the missing middle housing.
 - Streamline the permitting process for multiple parts of the housing development process.

Financial impacts:

None.

Staff recommendation and comments:

Hold the public hearing.

Action requested:

Hold the public hearing.

3.13 SITE PLAN REVIEW

3.13.1 INTENT

It is the intent of this subsection is to address the specific conditions and standards of evaluation for ~~the review of site plans~~ review and approval.

3.13.2 APPLICABILITY

Site Plan review is the general term used to describe review of projects other than (a) the construction of or addition to single-family dwellings on lots zoned for single-family uses and (b) uses requiring a Special Use Permit, as Site Plan review is built into the Special Use Permit review process.

The Site Plan Review process is applicable only to proposed development involving:

~~3.13.2.1~~ The disturbance of 10,000 square feet or more of land and/or:

~~3.13.2.1.a~~ the construction of new structures consisting of more than 5,000 square feet of gross floor area, or

~~3.13.2.1.b~~ additions to existing structures consisting of more than 2,500 square feet of gross floor area

in any general purpose residential or non-residential zoning district.

~~3.13.2.2~~ The construction of attached dwelling units in any general-purpose zoning district that does not otherwise exceed a threshold established by subparagraphs a or b above.

~~3.13.2.3~~ All development located within the PD (Planned Development) zoning district.

Site plan review and approval is required prior to issuance of a Zoning Compliance Permit for any development except the following:

(a) Bona fide farms and agricultural uses, including associated principal and accessory buildings and structures.

(b) Single-family dwellings, two-, three-, and four-unit attached dwellings, and manufactured homes, including their accessory uses and structures, located on an individual lot.

(c) The ~~Construction~~ of new structures not listed in (a) or (b), above consisting of more than 5,000 square feet of gross floor area.

(d) Expansion of existing development if the expansion results in:

(1) an addition of no more than 15% of previously existing gross floor area, or 2,500 square feet of gross floor area, whichever is greater.

(2) ~~an addition of no more than 15% of previously existing parking spaces, or 10 parking spaces, whichever is greater, and~~

(3) ~~an increase of no more than 15% in the amount of land cleared for non-agricultural development, or 10,000 square feet of new land clearing, whichever is greater.~~

(e) Any sign.

(f) Uses requiring a Special Use Permit, as site plan review is built into the Special Use Permit review process.

3.13.3 PROCEDURE

3.13.3.1 Authority to Apply

The property owner ~~of any property~~, or their authorized representative; may apply ~~to the Planning Director~~ for site plan approval.

3.13.3.2 Pre-application Conference

~~Before submitting an application for site plan approval, the Applicants should first meet with the Planning Director to review the proposed site plan and the discuss ordinance requirements of this Ordinance before submitting an application for site plan review.~~

3.13.4 APPLICATION REQUIREMENTS

The Planning Director shall provide forms ~~for applications for site plan approval review;~~ which shall be submitted by the applicant. Applicants ~~for site plan approval~~ shall submit all ~~required information required to be submitted as set forth found in the Administrative Manual, and any additional information needed to demonstrate and support compliance with the standards of evaluation this Ordinance.~~ No application shall be accepted as complete unless accompanied by ~~all the required application fees as set forth in the Schedule of Fees.~~

3.13.5 REVIEW PROCESS

3.13.5.1 GENERAL

The Planning Director shall review and, if the site plan submitted otherwise meets all ~~of the standards of this Ordinance, approve the site plans for uses permitted as of right in any general-purpose zoning district.~~ Approval or denial of the ~~Site Plan~~ shall be made within 45 working days of a site plan submittal being deemed complete.

3.13.5.2 COMPLETENESS REVIEW

Upon receipt of a Site Plan Review application, the Planning Director shall first determine whether the application is complete, including ~~the payment of all the required application fees.~~ The Planning Director shall have five working days in which to determine application completeness. If the Planning Director determines the

application is ~~not~~ incomplete, they shall notify the applicant in writing of the reasons for such determination.

3.13.5.3 TECHNICAL REVIEW COMMITTEE

Upon determination that a complete application has been filed, the Planning Director shall refer the site plan to the Technical Review Committee. The Technical Review Committee shall review the plan at its next regularly scheduled meeting. Written ~~committee~~ review comments shall then be forwarded to the applicant.

3.13.6 DECISIONS ON SITE PLAN APPLICATIONS

The Planning Director ~~shall have~~ has the authority to approve or deny site plans, ~~or to deny.~~ Denial of site plan approval shall be based on the grounds that the site plan submitted fails to comply with any specific requirements of this Ordinance. The dDecisions shall be provided in writing via first class mail to the applicant within 5 working days of the decision.

3.13.7 APPEAL

~~3.13.7.1~~ A decision of ~~t~~The Planning Director's decision on an application for a Site Plan Review may be appealed to the Board of Adjustment ~~by an aggrieved party. Such appeal shall be made within thirty (30) days of filing of the decision in the office of the Planning Director or the delivery of the notice required in Section 3.13.6, Decision on Site Plan Applications, whichever is later, following procedures established in Section 3.11, Appeal.~~

~~3.13.7.2~~ The official who made the decision to deny the Site Plan shall be present at the appeal hearing as a witness.

~~3.13.7.3~~ The appellant shall not be limited at the hearing to matters stated in the notice of appeal. If any party or the Town would be unduly prejudiced by the presentation of matters not presented in the notice of appeal, the Board of Adjustment shall continue the hearing to allow such party time to adequately prepare a response.

~~3.13.7.4~~ The Board of Adjustment may reverse or affirm, wholly or partly, or may modify the decision appealed from. The Board of Adjustment shall make any order, requirement, decision, or determination that ought to be made.

3.13.8 VESTING

No statutory vested right is established by approval of a site plan. However, as part of their application, applicants may request statutory vesting of a site plan following procedures found in subsection 1.8, Vested Rights, of this Ordinance.

3.13.9 MODIFICATIONS

Approval of modifications to approved site plans can ~~shall~~ be made ~~to the approved Site Plan~~ by applying the ~~procedures and criteria found in Sections paragraphs 3.8.18, Minor Changes and Modifications, and 3.8.19, Criteria Used for Determination, of this Ordinance.~~

3.13.10 REVOCATION

The Planning Director may revoke site Pplan Approval ~~may be revoked by the issuing authority by following the same procedure and applying the same criteria as established for revocation found in Section sub-paragraph 8.6.4.5, Revocation of Permits or Certificates, of this Ordinance.~~

3.13.11 EXPIRATION

Site plan approval expires ~~twelve (12)~~ calendar months from the date of approval if unless:

- (a) a Zoning Compliance Permit has ~~not~~ been issued for the project prior to the expiration date.
- (b) a statutory vested right was obtained under procedures found in subsection 1.8, Vested Rights, of this Ordinance prior to approval, or
- (c) a common law vested right is obtained from the Planning Director following provisions found in North Carolina General Statute 160D-108(h).

3.13 SITE PLAN REVIEW

3.13.1 INTENT

The intent of this subsection is to address the specific conditions and standards of evaluation for site plan review and approval.

3.13.2 APPLICABILITY

Site plan review and approval is required prior to issuance of a Zoning Compliance Permit for any development except the following:

- (a) Bona fide farms and agricultural uses, including associated principal and accessory buildings and structures.
- (b) Single-family dwellings, two-, three-, and four-unit attached dwellings, and manufactured homes, including their accessory uses and structures, located on an individual lot.
- (c) Construction of new structures not listed in (a) or (b), above consisting of more than 5,000 square feet of gross floor area.
- (d) Expansion of existing development if the expansion results in:
 - (1) an addition of no more than 15% of previously existing gross floor area, or 2,500 square feet of gross floor area, whichever is greater,
 - (2) an addition of no more than 15% of previously existing parking spaces, or 10 parking spaces, whichever is greater, and
 - (3) an increase of no more than 15% in the amount of land cleared for non-agricultural development, or 10,000 square feet of new land clearing, whichever is greater.
- (e) Any sign.
- (f) Uses requiring a Special Use Permit, as site plan review is built into the Special Use Permit review process.

3.13.3 PROCEDURE

3.13.3.1 Authority to Apply

The property owner or their authorized representative may apply for site plan approval.

3.13.3.2 Pre-application Conference

Applicants should meet with the Planning Director to review the proposed plan and discuss ordinance requirements before submitting an application for site plan review.

3.13.4 APPLICATION REQUIREMENTS

The Planning Director shall provide forms for site plan review. Applicants shall submit all required information found in the *Administrative Manual*, and any additional information needed to demonstrate compliance with this Ordinance. No application shall be accepted as complete unless accompanied by the required application fee.

3.13.5 REVIEW PROCESS

3.13.5.1 GENERAL

The Planning Director shall review and, if the site plan submitted otherwise meets all standards of this Ordinance, approve the site plan. Approval or denial of the site plan shall be made within 45 working days of a site plan submittal being deemed complete.

3.13.5.2 COMPLETENESS REVIEW

Upon receipt of a Site Plan Review application, the Planning Director shall first determine whether the application is complete, including payment of the application fee. The Planning Director shall have five working days in which to determine application completeness. If the Planning Director determine the application is incomplete, they shall notify the applicant in writing of the reasons for such determination.

3.13.5.3 TECHNICAL REVIEW COMMITTEE

Upon determination that a complete application has been filed, the Planning Director shall refer the site plan to the Technical Review Committee. The Technical Review Committee shall review the plan at its next regularly scheduled meeting. Written review comments shall then be forwarded to the applicant.

3.13.6 DECISIONS ON SITE PLAN APPLICATIONS

The Planning Director has the authority to approve or deny site plans. Denial of site plan approval shall be based on the grounds that the site plan fails to comply with any specific requirements of this Ordinance. Decisions shall be provided in writing via first class mail to the applicant within 5 working days of the decision.

3.13.7 APPEAL

The Planning Director's decision on an application for a Site Plan Review may be appealed to the Board of Adjustment following procedures established in Section 3.11, *Appeal*.

3.13.8 VESTING

No statutory vested right is established by approval of a site plan. However, as part of their application, applicants may request statutory vesting of a site plan following procedures found in subsection 1.8, *Vested Rights*, of this Ordinance.

3.13.9 MODIFICATIONS

Approval of modifications to approved site plans shall be made by applying the criteria found in paragraphs 3.8.18, *Minor Changes and Modifications*, and 3.8.19, *Criteria Used for Determination*, of this Ordinance.

3.13.10 REVOCATION

The Planning Director may revoke site plan approval by following the procedure found in sub-paragraph 8.6.4.5, *Revocation of Permits or Certificates*, of this Ordinance.

3.13.11 EXPIRATION

Site plan approval expires 12 calendar months from the date of approval unless:

- (a) a Zoning Compliance Permit has been issued for the project prior to the expiration date,
- (b) a statutory vested right was obtained under procedures found in subsection 1.8, *Vested Rights*, of this Ordinance prior to approval, or
- (c) a common law vested right is obtained from the Planning Director following provisions found in North Carolina General Statute 160D-108(h).



Agenda Abstract

JOINT PUBLIC HEARING

Meeting Date: August 15, 2024
Department: Planning & Economic Services Division
Agenda Section: 5G
Public hearing: Yes
Date of public hearing: August 15, 2024

PRESENTER/INFORMATION CONTACT

Molly Boyle, Planner II
Shannan Campbell, Planning & Economic Services Manager

ITEM TO BE CONSIDERED

Subject: Unified Development Ordinance (UDO) text amendment (applicant-initiated): Section 5.1.8 *Use Table for Non-residential Districts*

Attachments:

1. Application materials, including proposed revisions and reasoning
2. Map of GC zoned properties in town's jurisdiction

Background:

The applicant owns two parcels on US 70 E totaling approximately 16.43 acres (PINs 9875-10-4533 and 9875-00-9537). The parcels were previously zoned Entranceway Special Use (ESU) with a master plan, which allowed for a variety of non-residential uses. The parcels were then annexed and rezoned to General Commercial (GC) on June 21, 2023, at the applicant's request. The House at Gatewood restaurant is on PIN 9875-10-4533. The other parcel is undeveloped.

Proposal:

The applicant's submittal, including the proposed amendment and justification, is attached. The applicant is proposing to amend Table 5.1.8 *Use Table for Non-residential Districts*. Specifically, they are proposing the following uses be allowed in the General Commercial district subject to a Special Use Permit:

- Dwelling, Attached (5-19 units)
- Dwelling, Attached (20+ units)

Comprehensive Sustainability Plan goals:

- Land Use & Development Goal 1: Ensure that future growth and development, including infill and redevelopment, are aligned with smart growth principles and consider infrastructure constraints such as water and wastewater system capacity.
- Strategy: Ensure that land use and development regulations are aligned with preferred future land use and growth patterns.

Financial impacts: None

Staff comments:

Planning

Note that single-family residences (and associated accessory dwelling units) are allowed by right in the General Commercial district. It appears the district was originally applied in areas with a high concentration of existing single-family residences along a major thoroughfare.

The UDO does not intend for multi-family residential uses in the General Commercial (GC) district. UDO Section 4.2.5, *General Commercial District (GC)* states, “the purpose of the GC District is to accommodate a diverse range of retail, service, and office uses that provide goods and services to the residents and businesses in the community at large...”. If multi-family residential uses are to be allowed in General Commercial, this language in Section 4.2.5 will need to be amended.

Allowing multi-family uses in the General Commercial district may also necessitate amending the Future Land Use Plan. For example, the applicant’s properties are zoned General Commercial and designated as Retail Services on the Future Land Use Map/Plan. The plan envisions Retail Services near residential development, but it does not envision mixed-use development, such as retail and multi-family residential on the same parcel. The plan would need to be amended to include residential uses in any Future Land Use category that corresponds with the General Commercial district. The Future Land Use Map/Plan can be found under “Ordinances and Other Guiding Documents” on the town’s website: <https://www.hillsboroughnc.gov/about-us/departments/community-services/planning>.

Creating more opportunities for mixed-use development is reasonable, even desirable. However, with upcoming updates to the UDO and Future Land Use Map/Plan, the proposed amendment is premature. This amendment would apply to all GC-zoned properties and would necessitate additional amendments to the UDO and Future Land Use Map/Plan. Further research would be necessary to determine the feasibility of allowing multi-family development on all existing parcels zoned General Commercial.

A request to rezone the applicant’s parcels to Planned Development (PD) or Multi-Family (MF) would be more appropriate to achieve mixed use development or multi-family development in this location. However, rezoning the parcels would still not guarantee utility capacity, and there are concerns about the town’s ability to serve multi-family development in this location (see comments from Utilities below).

Utilities

The town’s sewer model is based on flow rates from commercial developments consistent with Subchapter 02T, *Waste Not Discharged to Surface Waters* in the North Carolina Administrative Code. Flow from residential development within commercial areas is consistently higher than commercial flows (even with the state’s recent reductions in residential flows).

Utilities would need to re-model the impacts of allowing multifamily “by right” in commercial areas before confirming that the utilities system could support this change. It is unlikely that modeling the areas impacted by the proposed amendment will indicate that capacity is available to support the proposed UDO change given observed current capacity constraints in the sewer system.

Staff recommendation:

Staff recommends denial of the proposed text amendment.

Action requested:

Hold the public hearing. The item will then go to the Planning Board for recommendation on September 19, 2024.



TOWN OF
HILLSBOROUGH

GENERAL APPLICATION
Amendment to Future Land Use Map, Unified
Development Ordinance or Official Zoning
Map

Planning and Economic Development Division
101 E. Orange St., PO Box 429, Hillsborough, NC 27278
919-296-9477 | Fax: 919-644-2390
www.hillsboroughnc.gov

This application is for amendments to the Comprehensive Sustainability Plan, Unified Development Ordinance, and/or Official Zoning Map. Incomplete applications will not be accepted or processed.

OFFICIAL USE ONLY		
Case Number:	Fee: \$	Receipt No.:
FLUM Designation:	Zoning District:	Overlay Zone:

Amendment Type: ☐ Future Land Use Map ☒ Unified Development Ordinance Text
☐ Zoning Map – General Use or Overlay District ☐ Zoning Map – Planned Development District

PROPERTY LOCATION AND DESCRIPTION	
Property Address or Location:	300 Route 70, Hillsborough, NC
PIN(s):	9875104533
Size of Property (Acres/Sq. Ft.):	76 acres
Current Use of Property:	Commercial / Restaurant
Current Zoning Classification(s):	General Commercial Use
Proposed Zoning Classification(s):	General Commercial Use

CERTIFICATION AND SIGNATURES	
Applications will not be accepted without signature of legal property owner or official agent.	
I certify that the information presented by me in this application and all accompanying documents are true and accurate to the best of my knowledge, information, and belief; and I acknowledge that the processing of this application may require additional town, county and/or state permits, approvals, and associated fees.	
Applicant Name:	Jennifer Spada
Legal Property Owner Name:	Gastwood Properties, LLC
Mailing Address:	4017 McKee School Rd
Mailing Address:	
City, State, ZIP Code:	Hurdle Mills, NC 27541
City, State, ZIP Code:	Same
Telephone:	[Redacted]
Telephone:	Contact info
Email:	[Redacted]
Signature:	J Spada
Signature:	
Date:	6/24/20
Date:	



TOWN OF
HILLSBOROUGH

SUPPLEMENTAL FORM

Amendment to Official Zoning Map

Planning and Economic Development Division
101 E. Orange St., PO Box 429, Hillsborough, NC 27278

919-296-9477 | Fax: 919-644-2390

www.hillsboroughnc.gov

To the Hillsborough Board of Commissioners:

I, Jennifer Spade, hereby petition the Board of Commissioners to change the zoning designation of the property described in the attached General Application Form

FROM General Commercial General Commercial
Use Use + SUP for attached dwellings

FACTORS RELEVANT TO DECISION TO AMEND THE OFFICIAL ZONING MAP

The Hillsborough Unified Development Ordinance lists the following 10 general standards/findings of fact that the Board of Commissioners must weigh and consider before deciding to amend the official zoning map. Below or on a separate sheet, indicate the facts you intend to show and the arguments you intend to make to convince the Board of Commissioners that it can properly reach these 10 findings.

1. The extent to which the proposed amendment is consistent with all applicable Town adopted plans.

This proposed amendment would keep the desired Commercial zoning on North End of town, but allow for integrated housing to support Commercial businesses.

2. The extent to which there are changed conditions that require an amendment.

Feedback from multiple Commercial Developers & potential tenants, like Breweries & Cideries say more roof tops are needed to support investment.

3. The extent to which the proposed amendment addresses a demonstrated community need.

The North End of town needs more Commercial development, like House at Gatewood and the town needs more housing.

4. The extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject land and is the appropriate zoning district for the land is consistent with the Hillsborough Comprehensive Plan.

Proposed changes are consistent with the Commercial planned use for North End of town / Comprehensive Plan.

5. The extent to which the proposed amendment would result in a logical and orderly development pattern or deviate from logical and orderly development patterns.

No deviation from orderly development patterns

6. The extent to which the proposed amendment would encourage premature development.

The overall plan for Commercial Development of our property was started in 2017. There should not be premature development.

7. The extent to which the proposed amendment would result in strip or ribbon commercial development.

This would not cause strip or ribbon commercial development.

8. The extent to which the proposed amendment would result in the creation of an isolated zoning district unrelated to or incompatible with adjacent and surrounding zoning districts.

This would tie the North End together more.

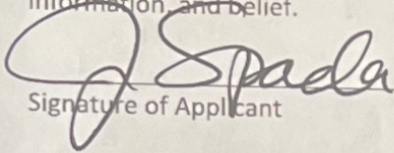
9. The extent to which the proposed amendment would result in significant adverse impacts on the property values of surrounding lands.

This would increase property values as the House at Gatewood development already has.

10. The extent to which the proposed amendment would result in significantly adverse environmental impacts, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.

There should not be negative environmental impacts and SUPs for attached dwellings will give town more control.

I certify that all the information presented by me in this application is accurate to the best of my knowledge, information, and belief.


Signature of Applicant

6/24/24
Date

Request for Text Change to the Commercial Zoning – Town of Hillsborough, NC

Introduction

We own 16 acres of General Commercial Use land on the north end of Hillsborough, at 300 Route 70 and have a restaurant on the property, House at Gatewood. Our plan for the property is to be a destination for hospitality, adding other commercial businesses to enhance the restaurant and event business we have already established. Based on feedback from several Commercial developers, the limiting factor for Commercial investment and development on the north end is the limited number of roof tops to support new Commercial businesses. Therefore, we are requesting a change to the Hillsborough, NC Unified Development Ordinance to add Special Use Permitting (SUP) for attached dwellings in the permitted use table for the General Commercial (GC) districts. This change will allow residential to be selectively incorporated into commercial development projects, creating increased demand for to allowing residential use in GC districts with an SUP would benefit the town by creating more commercial services, enhancing the quality of life for residents, and creating a more walkable/sustainable environment within the town borders.

Proposed Change to the Permitted Use Table

The current permitted uses for the Commercial Zoning District does not allow any residential use, except for a single family home. We would like to expand on this by allowing SUPs for attached dwellings that can be incorporated into commercial development. This will make commercial development of the north end of town more attractive to developers and potential tenants.

The proposed change to the permitted use table is highlighted in red:

5.1.8 TABLE: USE TABLE FOR NON-RESIDENTIAL DISTRICTS

P = Permitted by Right
accessory use

SUP = Permitted with a Special Use Permit
* = Refer to 5.2.47

PA = Permitted as

	L O	NB	OI	CC	GC	HIC	AR U	B P	ED D	L I	GI		ES U	NBS U	SDS U
Adult Day Care			P			P							SUP	SUP	SUP
Adult Use						SUP									
Artisan Studio	P	P	P	P	P	P	P	P	P	P	P		SUP	SUP	SUP
Bank & Financial Institution	P		P	SUP	P	P		P	P				SUP		SUP
Bar				P	P	P	P		P				SUP		SUP

Bed and Breakfast Facility															
Botanical Garden & Arboretum		P	P	P	P	P	P				P		SU P		
Brewery		SU P			P	P	P	P	P	P	P				
Building/Trade Contractor's office		P			P	P		P	P	P	P		SU P		
Cemetery			SU P			SUP									
Child Day Care		P	P		P	P	P	P	P				SU P	SUP	SUP
Church, Place of worship		P	P	P			P		P				SU P	SUP	SUP
Detention Facility			SU P						SU P						
Dwelling: Accessory		P	P	P	P	P		P					SU P	SUP	SUP
Dwelling: Attached (1-4 units)				P			P				SU P		SU P	SUP	SUP
Dwelling: Attached (5-19 units)				P	SUP		P				SU P		SU P		SUP
Dwelling: Attached (20+ units)				SU P	SUP		P				SU P		SU P		SUP
Dwelling: Mobile Home A															
Dwelling: Mobile Home B															
Dwelling: Mobile Home C															
Dwelling: Single-family		P	P	P	P	P							SU P	SUP	SUP
Electronic Gaming Operation		PA		PA	PA/SU P	PA/SU P								SUP	

Event Center			P	SUP	P	P	P	P	P				SUP	SUP	SUP
Extended Care Facility			P			P							SUP		SUP
Family Care Home													SUP	SUP	SUP
Family Child Care Home														SUP	
Farm, Bona fide															
Farmer's Market		P	P	P	P	P	P		P	P	P		SUP		SUP

Rationale for Allowing Residential Use with an SUP in GC Districts

The rationale for allowing residential use with an SUP in GC districts is based on the following considerations:

- The GC district is intended to accommodate a wide range of commercial uses that serve the needs of the town and the region. Allowing residential use with an SUP in GC districts would not change the primary purpose of the district, but rather add a complementary use that would support the existing and future commercial activities, bringing new businesses and new investment to the area.
- The GC district is suitable for mixed-use development that integrates residential and commercial uses in a compact and walkable form. Allowing residential use with an SUP in GC districts would create more opportunities for mixed-use development that would enhance the vitality and diversity of the town, provide more housing options and affordability, and reduce the dependence on automobiles and greenhouse gas emissions.
- The GC district is subject to the SUP process, which requires review and approval by the Board of Adjustments, based on specific criteria and conditions. Allowing residential use with an SUP in GC districts would ensure that each proposal is evaluated on its own merits and impacts, and that the town has the authority and discretion to approve, deny, or modify the proposal to protect the public interest.

Benefit to House at Gatewood and 300 Route 70 Property

We believe this change is important to the development of our property at 300 Route 70, where we established the House at Gatewood. The ability to incorporate rooftops into the development plans for our property will increase interests of potential tenants and partners that can bring new commercial businesses, hospitality, and entertainment to residents and visitors.

Allowing residential use with an SUP in GC districts would enable the property owner to pursue this vision, which would have several advantages for the town and the business:

- It would expand the hospitality options in the town, attracting more visitors and generating more tax revenue.
- It would create a built-in customer base for the existing and future businesses on the site, such as the restaurant, the event venue, and the retail shops.
- It would increase the investment and development potential of the property, enhancing its value and appearance.
- It would preserve the historic character and charm of the House at Gatewood, which is a landmark and an asset for the town.

By allowing residential use with an SUP in GC districts, the town would support the growth and success of the House at Gatewood and the 300 Route 70 property, while ensuring that any proposed development meets the standards and goals of the town's comprehensive plan and zoning ordinance.

5.1.8 TABLE: USE TABLE FOR NON-RESIDENTIAL DISTRICTS

P = Permitted by Right

SUP = Permitted with a Special Use Permit

PA = Permitted as accessory use

* = Refer to 5.2.47

	LO	NB	OI	CC	GC	HIC	ARU	BP	EDD	LI	GI		ESU	NBSU	SDSU
Adult Day Care			P			P							SUP	SUP	SUP
Adult Use						SUP									
Artisan Studio	P	P	P	P	P	P	P	P	P	P	P		SUP	SUP	SUP
Bank & Financial Institution	P		P	SUP	P	P		P	P				SUP		SUP
Bar				P	P	P	P		P				SUP		SUP
Bed and Breakfast Facility															
Botanical Garden & Arboretum		P	P	P	P	P	P				P		SUP		
Brewery		SUP			P	P	P	P	P	P	P				
Building/Trade Contractor's office		P			P	P		P	P	P	P		SUP		
Cemetery			SUP			SUP									
Child Day Care		P	P		P	P	P	P	P				SUP	SUP	SUP
Church, Place of worship		P	P	P			P		P				SUP	SUP	SUP
Detention Facility			SUP						SUP						
Dwelling: Accessory		P	P	P	P	P		P					SUP	SUP	SUP
Dwelling: Attached (1-4 units)				P			P				SUP		SUP	SUP	SUP
Dwelling: Attached (5-19 units)				P	SUP		P				SUP		SUP		SUP
Dwelling: Attached (20+ units)				SUP	SUP		P				SUP		SUP		SUP
Dwelling: Mobile Home A															
Dwelling: Mobile Home B															
Dwelling: Mobile Home C															
Dwelling: Single-family		P	P	P	P	P							SUP	SUP	SUP
Electronic Gaming Operation		PA		PA	PA/SUP	PA/SUP								SUP	
Event Center			P	SUP	P	P	P	P	P				SUP	SUP	SUP
Extended Care Facility			P			P							SUP		SUP
Family Care Home													SUP	SUP	SUP
Family Child Care Home														SUP	

Farm, Bona fide															
Farmer's Market		P	P	P	P	P	P		P	P	P		SUP		SUP



Town of Hillsborough
Properties Zoned General Commercial (GC)

 Properties Zoned GC  Parcels  Town Limits  Extraterritorial Jurisdiction

