VILLAGE COUNCIL
AGENDA FOR REGULAR MEETING OF MARCH 24, 2015
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
4:30 PM

1. Call to Order.

2. Invocation and Pledge of Allegiance.

3. Presentation of resolution honoring Amy McKenzie for her service on the Community Appearance Commission.

4. Reports:
   - Manager
   - Council

5. Motion to Approve Consent Agenda.

   All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

   A. Approval of Draft Village Council Meeting Minutes.

      February 10 Regular Meeting Minutes
      February 10 Closed Session Minutes
      February 24 Regular Meeting Minutes

   End of Consent Agenda.

6. Presentation of the Beautification Committee Landscape Plan for Ritter Road/Hwy 5 Triangle.

7. Discuss the Pinehurst Business Guild funding request.

8. Discuss Economic Incentive Grant Guidelines.

9. Discuss and consider a motion for the Library Operations Contract.

10. Discuss and consider a budget ordinance and contract for Library OutPost Services.

11. Consider a motion to accept the donated lot on Timaquana Trail.

12. Discuss a revenue neutral property tax rate.

13. Other Business.

14. Comments from Attendees.

15. Motion to Adjourn.

History, Charm, & Southern Hospitality.

Vision

The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions.

Mission

Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Values

Competent
Courteous
Professional
Responsive

APPROVAL OF DRAFT VILLAGE COUNCIL MEETING MINUTES.

ADDITIONAL AGENDA DETAILS:

February 10 Regular Meeting Minutes
February 10 Closed Session Minutes
February 24 Regular Meeting Minutes

FROM:
Lauren Craig

CC:
Jeff Batton

DATE OF MEMO:
3/16/2015

MEMO DETAILS:
See attachments for draft minutes.

ATTACHMENTS:

	Description
	February 10 Regular Meeting Minutes
	February 10 Closed Session Minutes
	February 24 Regular Meeting Minutes

MINUTES OF
VILLAGE COUNCIL REGULAR MEETING
FEBRUARY 10, 2015

395 MAGNOLIA ROAD
ASSEMBLY HALL
PINEHURST, NORTH CAROLINA
4:30 P.M.

The Pinehurst Village Council held a Regular Meeting at 4:30 p.m., Tuesday, February 10, 2015 in the Assembly Hall of the Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Mr. Clark H. Campbell, Councilmember
Mr. John R. Cashion, Mayor Pro-Tem
Ms. Claire L. Phillips, Councilmember
Mr. John C. Strickland, Councilmember
Mr. Jeffrey H. Batton, Interim Village Manager
Ms. Lauren M. Craig, Village Clerk

And approximately 25 attendees, including 6 staff and 2 press.

1. **Call to Order.**
Mayor Nancy Roy Fiorillo called the meeting to order.

2. **Reports**
Manager
- None

Council
- Councilmember Strickland shared he attended the Moore County Schools civic stakeholders meeting and the recent Beautification Committee meeting.
- Mayor Fiorillo shared she attended a listening session with Pat Corso at Ft. Bragg last week regarding the future cut of troops due to sequestration.

3. **Motion to Approve Consent Agenda.**

All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

A. Public Safety Report
Fire Department
Police Department

End of Consent Agenda.

Councilmember Strickland moved to approve the Consent Agenda. The motion was seconded by Councilmember Cashion and passed unanimously with a vote of 5-0.

4. **Presentation by Jim Lewis on National Park Service meeting.**
Chairman of the Historic Preservation Commission, Jim Lewis, reported on his recent visit and discussions with the National Park Service (NPS) in Atlanta, GA in reference to Pinehurst and the National Historic Landmark status. Mr. Lewis explained he met with four members of the National Park Service to get suggestions on the Pinehurst Historic Preservation Commission and to share updates from the Village. Mr. Lewis explained the discussion included the NPS viewpoint on the roundabout and the Village Green projects. Mr. Lewis also discussed the status changes regarding the Village of Pinehurst historic landmark status and their noted concern about the proposed expansion of

the library and Village Chapel, and the proposed construction of the parking garage. He noted other items in their discussion regarding the railroad communication tower and the disappearance of the sand clay paths. Mr. Lewis does not believe the Village is in jeopardy of losing the status at this time. Council thanked Mr. Lewis for his efforts and suggested that he continue acting as the broker of this relationship going forward.

5. **Discuss the Village's upcoming 2015 special events.**
Mark Wagner, Parks and Recreation Director introduced Ashley Hunt, Special Events Coordinator, who presented Council with the upcoming events planned for 2015 in the Village of Pinehurst. Ms. Hunt shared the plans for the four Live After 5 events and Council formed a consensus to bring the Ground Forces Army Band on Saturday, September 12, following the September Live After 5 event. Ms. Hunt explained the plans for the 100th Anniversary of the Pinehurst Harness Track which includes a kickoff event on February 20 at the Fair Barn, the April 12 Spring Matinee Races and Centennial Exhibit, and the November 30 Centennial Ceremony to celebrate the 100 years.

6. **Review and consider a resolution to return donated assets.**
John Frye, Financial Services Director, explained that in 2010 the Village received a donation of sixteen Scott Pak-Tracker air pack tracking devices and four Scott hand-held tracking receivers from Fire Fighter Support Services, a 501(c)3 charitable organization and this equipment is no longer needed. The grantor has requested the donated equipment be returned to their organization to be redistributed. Mr. Frye explained that Council would need to act on a resolution to authorize the re-conveyance as allowed under G.S. 153A-177. Upon a motion by Councilmember Cashion, seconded by Councilmember Campbell, Council unanimously approved Resolution 15-09 authorizing the Interim Village Manager to re-convey certain donated capital assets to the original grantor, Firefighter Support Services by a vote of 5-0. (A copy of this resolution can be found in the resolution book.)

7. **Discuss and consider contracts for the citizen and business surveys.**
John Frye, Financial Services Director, explained that the Village contracted with ETC Institute for the last three years to administer citizen and business surveys and the contract has expired. Mr. Frye explained that ETC has provided two contracts for each survey to be administered annually for another three year period. Due to the three-year financial commitment and cost, Council must authorize the execution of the agreements. Upon a motion by Councilmember Phillips, seconded by Councilmember Cashion, Council unanimously approved that the Mayor or her designee, be authorized to execute the three year contract with ETC Institute for the Village of Pinehurst citizen's survey at an annual cost of $12,126 by a vote of 5-0. Upon a motion by Councilmember Phillips, seconded by Councilmember Strickland, Council unanimously approved that the Mayor or her designee, be authorized to execute the three year contract with ETC Institute for the Village of Pinehurst business survey at an annual cost of $4,725 by a vote of 5-0.

8. **Presentation of Quarterly Financial Statements for the Quarter Ended December 31, 2014.**
John Frye, Financial Services Director, presented Council with the Quarterly Financial Statements ended December 31, 2014. Mr. Frye explained that the Village remains in very good financial position through the first half of the fiscal year and that revenues exceeded expenditure by a larger margin than anticipated in the forecast for the first two quarters. Mr. Frye discussed the financial position, revenues and expenditures, and the financial outlook.

9. **Presentation of the mid-year financial projection and budget amendment.**
John Frye, Financial Services Director, presented the mid-year financial projection. Mr. Frye estimated the Village's expenditures will exceed its revenues at year-end by approximately $700,000. Mr. Frye predicted that fund balance will decrease by the close of this fiscal year leaving the ending fund balance for the General Fund at 39% of expenditures. Mr. Frye explained the need for Council to consider a budget amendment for mid-year adjustments. Upon a motion by Councilmember Cashion, seconded by Councilmember Phillips, Council unanimously approved Ordinance 15-02 amending the budget for the Village of Pinehurst for mid-year budget adjustments by a vote of 5-0. (A copy of the ordinance can be found in the Ordinance Book.)

10. Consider a lot donation offer in Pinehurst No. 6 neighborhood.
Interim Manager, Jeff Batton, explained that he was contacted by the owner of a lot on Timuquana Trail in #6 asking if the Village would be interested in accepting the lot as a donation. Mr. Batton noted this is undesirable as a building lot but is of value to the Village as a storm water acceptance lot with a tax value of $31,760 (pre-revaluation). Council discussed this opportunity and gave a consensus to proceed with the next steps for accepting this donation.

11. Review and approve the proposed FY 2016 BSC target performance levels.
Assistant Village Manager, Natalie Dean, explained several recommendations from the senior leadership team including amendments to four of the BSC KPIs and the recommended performance target levels for each KPI based on a review of the historical performance levels and benchmark communities' performance levels. After reviewing the target levels, Council held a discussion about these recommended changes. Upon a motion by Councilmember Strickland, seconded by Councilmember Cashion, Council unanimously approved the FY 2016 BSC target performance levels as presented by a vote of 5-0.

12. Discuss and consider an ordinance amending the Municipal Code Chapter 91: Animals.
Interim Manager, Jeff Batton, explained that the Pinehurst Municipal Code adopts by reference the Moore County Animal Control Ordinance and the Village also has several additional ordinances in the Municipal Code, one of which contradicts the County's ordinance. Mr. Batton suggested a wording change to clean up any current or future discrepancies between the two ordinances by indicating that the Village may adopt additional codes related to animal control and that the Village code supersedes the County's animal control ordinance in the event of any discrepancy between the two. Upon a motion by Councilmember Cashion, seconded by Councilmember Strickland, Council unanimously approved Ordinance 15-03 amending the Pinehurst Municipal Code Chapter 91 regarding Animals in the Village of Pinehurst by a vote of 5-0. (A copy of the ordinance can be found in the Ordinance Book.)

13. Discuss brick sidewalk proposal along a portion of Ritter Road.
Interim Manager, Jeff Batton, shared a proposal to add a brick sidewalk for Ritter Road from Carolina Vista to Highway 5. He noted that Pinehurst, LLC has been consulted and they are in favor of this project if Council would like to move forward. Mr. Batton noted this item has already been budgeted. Council held a discussion about this and the need to preserve the other sand clay paths around the Village. Council formed a consensus to complete the current brick walkway on Ritter Road from Carolina Vista to Highway 5.

14. Presentation of the Bicycle and Pedestrian Master Plan.
Mark Wagner, Parks and Recreation Director, introduced Mike Apke and Jim Ford with McGill Associates and Don Kostelec with Kostelec Planning who presented an initial draft of the Bicycle and Pedestrian Master Plans that the Steering Committee and consultants have been working on. Mr. Wagner noted that the NC DOT is also reviewing the bicycle plan due to their grant involvement and will be making changes. Once changes and suggestions are incorporated, the plan will come back to Council for a final version to consider for adoption perhaps in early April.

The team presented the NCDOT Bicycle Plan Grant and the VOP Pedestrian Plan project summaries, noted the steering committee members, and explained the efforts to gather input. The survey responses were summarized and shared with the Village Council. A preliminary map was shared for a potential pedestrian plan. Don Kostelec shared information and findings for the bicycle plan and golf cart traffic possibilities. Council thanked the team for their efforts and Mayor Fiorillo requested a hard copy of the presentation for Council to review.

15. Presentation of Public Services facility concept.
Interim Manager, Jeff Batton, shared a preliminary concept plan to enhance the current public services facility site. Mr. Batton noted LKC Engineering created this rendering free of charge to show enhanced parking and buffering, shifting of current buildings to more appropriate locations, a drive through fleet maintenance facility, and the possibility of a land swap with Moore County for a new recycling yard

location. Mr. Batton noted the concept to create additional buffering around the site to make it more aesthetically pleasing. Mr. Batton asked for Council's guidance on how to proceed at this time. Council held a discussion about the preliminary concept plan and determined to bring this forward for additional discussion on the next steps and a timeline.

16. Other Business

- Councilmember Cashion noted he will print copies of the economic development incentive plan that Moore County recently adopted and share this with the other Councilmembers.

17. Comments from attendees.

- None.

18. Motion to go into Closed Session pursuant to NCGS 143-318.11 (a) (3) to consult with the Village Attorney in order to preserve the attorney-client privilege between the Village Attorney and the Village Council. Specifically, the Council will discuss the litigation between the Estate of Ronald H. Armstrong, plaintiff v. The Village of Pinehurst.

Upon a motion by Councilmember Strickland, seconded by Councilmember Phillips, Council unanimously approved to go into Closed Session pursuant to NCGS 143-318.11 (a) (3) to consult with the Village Attorney in order to preserve the attorney-client privilege between the Village Attorney and the Village Council. Specifically, the Council will discuss the litigation between the Estate of Ronald H. Armstrong, plaintiff v. The Village of Pinehurst by a vote of 5-0.

19. Motion to adjourn the Closed Session and re-enter the Regular Meeting.
Upon a motion by Councilmember Strickland, seconded by Councilmember Cashion, Council unanimously approved to adjourn the Closed Session and re-enter the Regular Meeting by a vote of 5-0.

20. Motion to Adjourn.
Councilmember Strickland moved to adjourn the Regular Meeting. The motion was seconded by Councilmember Phillips and carried unanimously. The Regular Meeting adjourned at 7:10p.m.

Respectfully Submitted,

Lauren M. Craig
Village Clerk

MINUTES OF
VILLAGE COUNCIL REGULAR MEETING
FEBRUARY 24, 2015

395 MAGNOLIA ROAD
ASSEMBLY HALL
PINEHURST, NORTH CAROLINA
4:30 P.M.

The Pinehurst Village Council held a Regular Meeting at 4:30 p.m., Tuesday, February 24, 2015 in the Assembly Hall of the Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Mr. Clark H. Campbell, Councilmember
Mr. John R. Cashion, Mayor Pro-Tem
Ms. Claire L. Phillips, Councilmember
Mr. John C. Strickland, Councilmember
Mr. Jeffrey H. Batton, Interim Village Manager
Ms. Lauren M. Craig, Village Clerk

And approximately 18 attendees, including 7 staff and 1 press.

1. Call to Order.
Mayor Nancy Roy Fiorillo called the meeting to order.

2. Invocation and Pledge of Allegiance
Interim Manager, Jeff Batton, offered the invocation and led everyone in the Pledge of Allegiance.

3. Reports

Manager

- Interim Manager, Jeff Batton, reported the salt, brine and man-hours that it took to respond to the inclement weather last week.
  Mr. Batton shared there is a meeting scheduled for March 11 at 2:00pm with the neighborhood regarding the ideas for the Community Road streetscape plan.
- Mr. Batton suggested for Council to confirm the need to hold the March 3 work session that is scheduled and Council determined to hold this meeting.

Council

- None.

4. Motion to Approve Consent Agenda.

All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

A. Consider a resolution reappointing a member to the Historic Preservation Commission (Farren).

B. Approval of Draft Village Council Meeting Minutes
January 13 Regular Meeting Minutes
January 13 Closed Session Minutes
January 20 Special Meeting Minutes
January 20 Work Session Minutes
January 27 Regular Meeting Minutes

End of Consent Agenda.

Councilmember Cashion moved to approve the Consent Agenda. The motion was seconded by Councilmember Campbell and passed unanimously with a vote of 5-0.

5. **Presentation of Moore County Economic Incentive Grant Program.**
Pat Corso of Partners in Progress presented the Council with an update on the Moore County Economic Incentive Grant Program. Mr. Corso explained that he is meeting with Southern Pines and Aberdeen regarding this new program also in hopes that it can provide a guideline for incentives at the municipal level. Mr. Corso asked the Village Council to consider adopting these guidelines. He noted this is not a policy and the criteria can change but would act as a template for Partners in Progress with proactive recruitment for economic development in Pinehurst. Council held a discussion on the program guidelines and determined to discuss this with the Village's finance staff and bring it forward for a vote at an upcoming meeting.

6. **Presentation by Pinehurst Homes and Taylor Cooper for the community swimming pool on Rattlesnake Trail.**
Wayne Haddock of Pinehurst Homes and Taylor Cooper of the Sandhills Sandsharks presented a preliminary concept for the property at the corner of Rattlesnake Trail and Woods Drive for a swimming pool complex. Mr. Haddock noted this would be a private facility managed by Mr. Cooper of the Sandhills Sandsharks. Mr. Haddock shared the details of the preliminary site plan and a 3D plan of the site with the Village Council. Mr. Cooper explained there would be a full-range of classes and other activities open for public registration but that there would not be public open swim for a fee. Mr. Haddock noted the need to design this as a year-round facility and shared the plan to utilize a shell for swimming in a heated pool for the cold months. Mr. Haddock noted this project would be completed in phases and Mr. Cooper discussed the proposed implementation depending on the funding available. Principal Planner, Bruce Gould, explained the Village Council would need to consider rezoning to allow for certain conditions with this project in the future. Audience member, Jack Farrell, spoke in favor of this project and noted concern if the project stalls and cannot be completed but Mr. Cooper reassured him that they are motivated to complete this.

7. **Consider Lake Hills Road designated as "No Thru Trucks" Road.**
Interim Manager, Jeff Batton, explained traffic studies were conducted the week of February 9 and they revealed a considerable number of large trucks and tractor trailers using Lake Hills Road as a possible cut-through between Linden Road and NC Highway 5. Mr. Batton reported that staff recommends to establish a "No Thru Trucks" sign at the entrance to Lake Hills Road at NC Highway 5. After discussion, Council formed a consensus on this need and staff agreed to erect this sign accordingly. Audience member Jeanne Casinella encouraged the Council to approve this sign and to also do a traffic study with the NCDOT on NC Highway 5.

8. **Presentation of the FY 2015 Strategic Plan Q2 Status Update.**
Natalie Dean, Assistant Village Manager, presented a Q2 status update of the implementation of the FY 2015 Strategic Operating Plan initiatives noting that overall, Village staff has been successful in carrying out the action plans. Ms. Dean shared several recommended changes to the FY 2015 SOP initiatives which would add one initiative, rename one initiative, and eliminate five initiatives due to several reasons. Council noted appreciation for the format of this presentation and thanked Ms. Dean for this update.

9. **Discuss the Public Services facility concept.**
Interim Manager, Jeff Batton, shared an updated concept plan of the Public Services facility updated after the last Council meeting. Mr. Batton noted the changes and Council determined to discuss this further at an upcoming meeting.

10. **Presentation of Open Village Hall, the new online civic engagement portal.**
Lauren Craig, Village Clerk, shared that the Village has launched Open Village Hall, (www.vopnc.org/openvillagehall), an online platform hosted by Peak Democracy that is designed to engage citizens in important Village issues and she demonstrated how to use the site.

11. Other Business

- Mayor Nancy Fiorillo declared March 2-8, 2015 as Multiple Sclerosis Awareness Week in the Village of Pinehurst and directed staff to distribute a press release and proclamation to inform residents.
- Councilmember Campbell explained that the $500 fee for repaving sewer cuts when building a home was removed from the FY 2016 Fees and Charges Schedule but noted the need to make this effective sooner than the July 1 effective date. Upon a motion by Councilmember Campbell, seconded by Councilmember Cashion, the Council unanimously approved that the effective date for the elimination of the utility street cut fee be changed from the approved date of July 1, 2015 to an effective date of February 25, 2015 and that any fee currently held by the Village of Pinehurst for a utility street cut patch that has not been paved be refunded and that any fee currently owed to the Village of Pinehurst for any unpatched street cut be waived with the understanding that the County of Moore Public Utilities will be solely responsible for patching all utility street cuts within the Village of Pinehurst by a vote of 5-0.

12. Comments from attendees.

- Audience member, Jeanne Casinella, asked for Council to consider traffic enforcement and shared an editorial from the News and Observer. Ms. Casinella suggested Council should consider adding more police officers to the Village of Pinehurst Police Department due to the changing demographics and so more enforcement can happen to keep Pinehurst safe.

13. Motion to Adjourn.

Councilmember Cashion moved to adjourn the Regular Meeting. The motion was seconded by Councilmember Strickland and carried unanimously. The Regular Meeting adjourned at 6:00p.m.

Respectfully Submitted,

Lauren M. Craig
Village Clerk

PRESENTATION OF THE BEAUTIFICATION COMMITTEE LANDSCAPE PLAN FOR RITTER ROAD/HWY 5 TRIANGLE.

ADDITIONAL AGENDA DETAILS:

FROM:
Jeff Batton

DATE OF MEMO:
3/17/2015

MEMO DETAILS:
The Beautification Committee will be present to review a landscape plan for the Village-owned triangle bounded by Hwy 5, Ritter Road and Shaw Road.

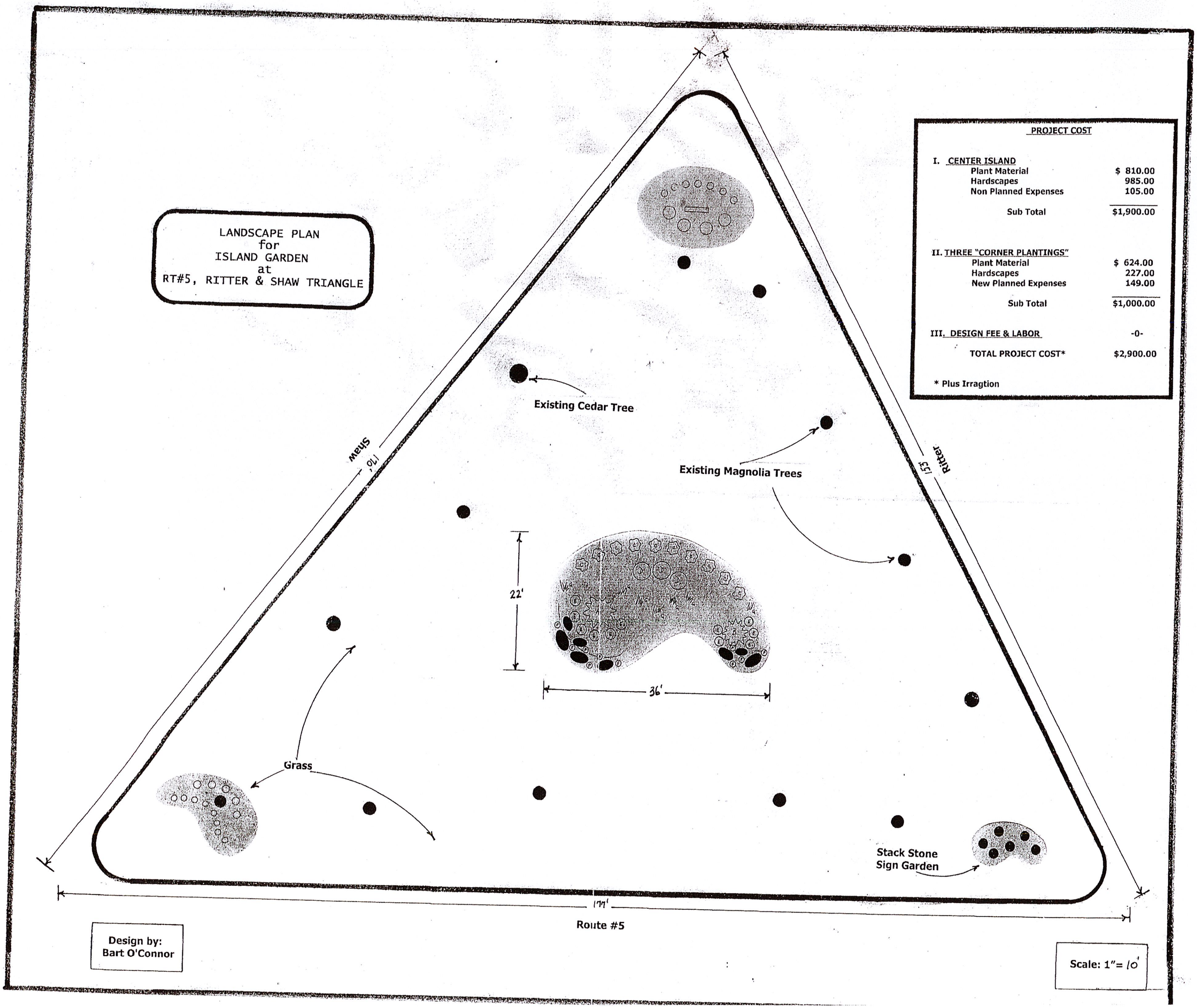
A copy of the plan and a reproduced magazine picture of the FirstHealth Hospice facility that is representative of the center landscape area is included.

Chair Molly Rowell and designer Bart O'Connor will be available to review the plan and answer any questions.

Thanks.

ATTACHMENTS:

	Description
	Landscape Plan

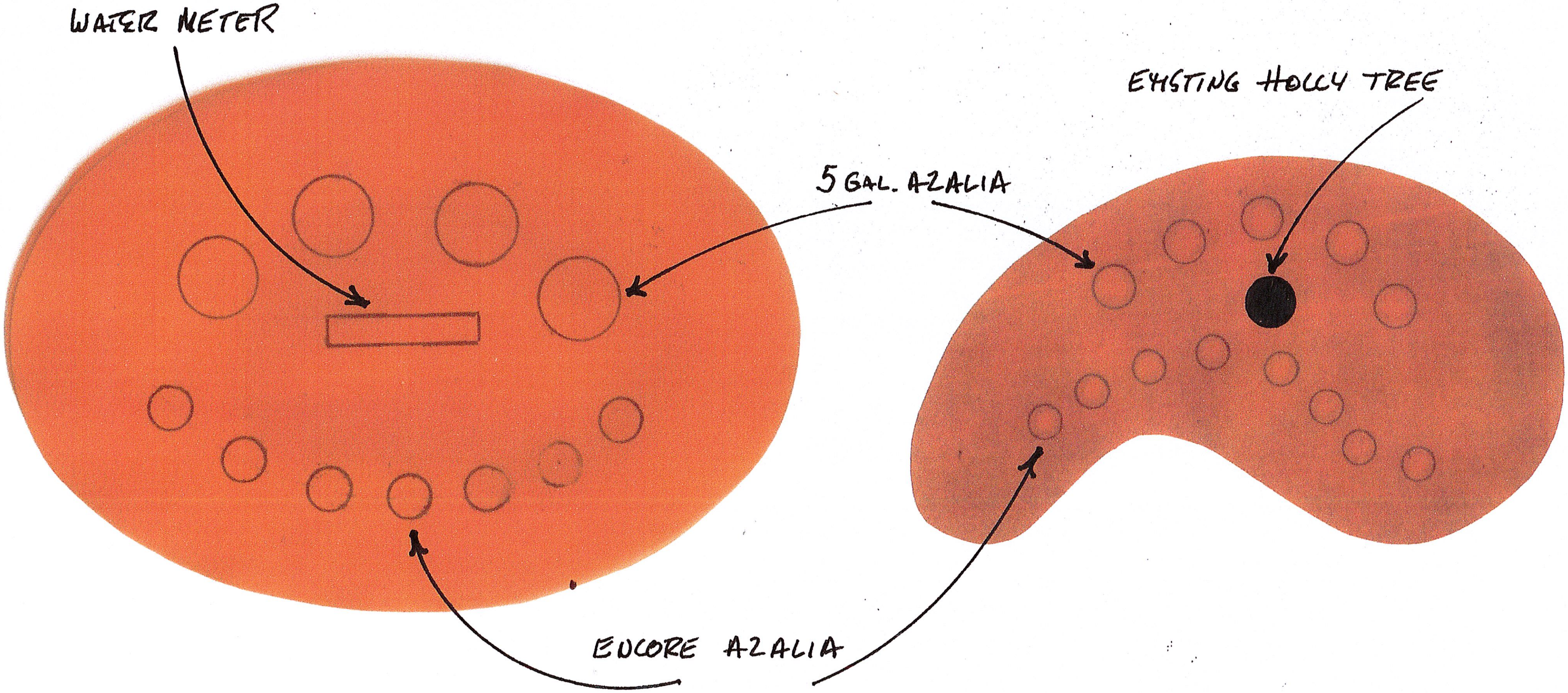


PROJECT COST

I. CENTER ISLAND		
	Plant Material	$ 810.00
	Hardscapes	985.00
	Non Planned Expenses	105.00
	Sub Total	$1,900.00
II. THREE "CORNER PLANTINGS"		
	Plant Material	$ 624.00
	Hardscapes	227.00
	New Planned Expenses	149.00
	Sub Total	$1,000.00
III. DESIGN FEE & LABOR		-0-
	TOTAL PROJECT COST*	$2,900.00

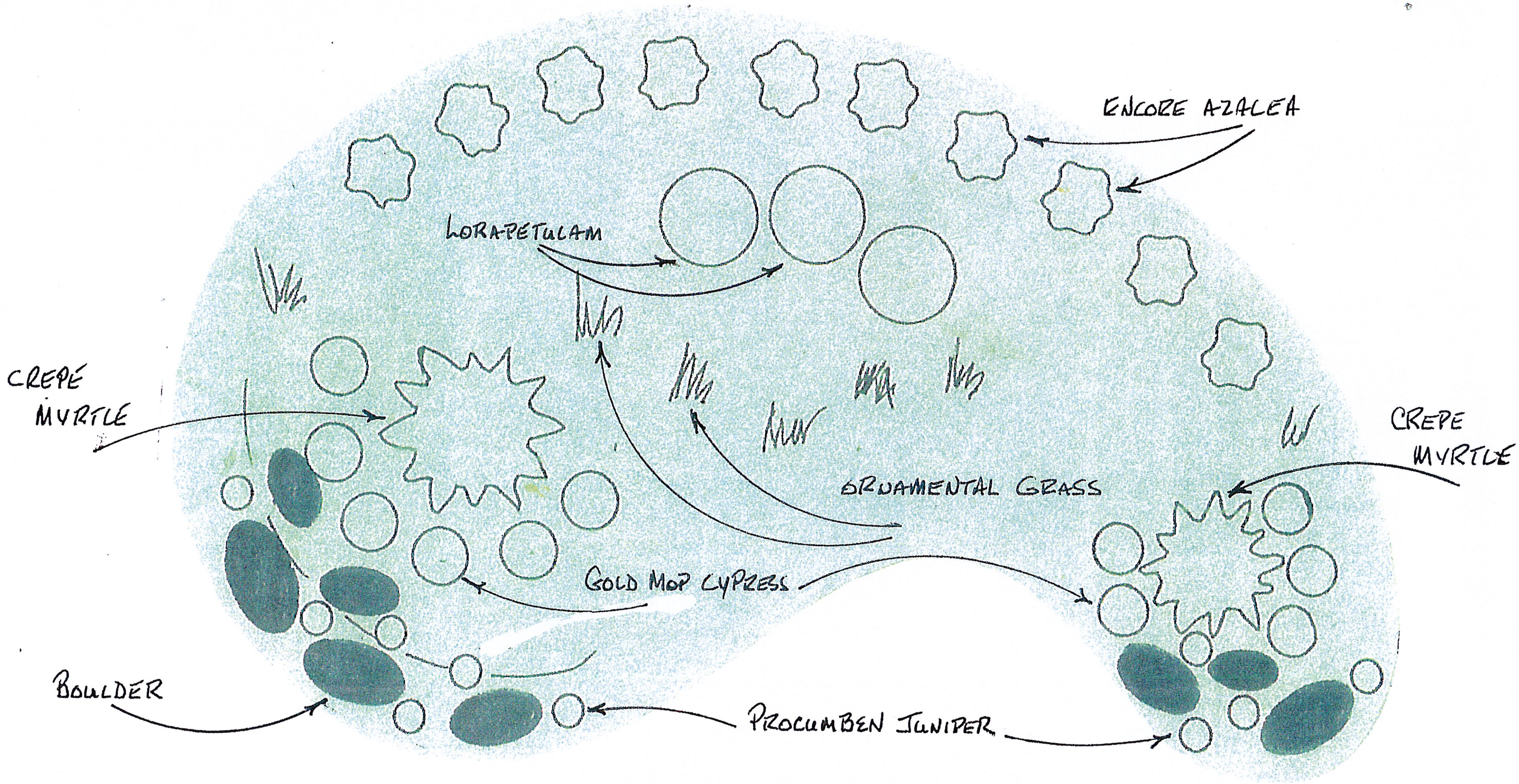
* Plus Irragtion

TRIANGLE CORNER GARDENS



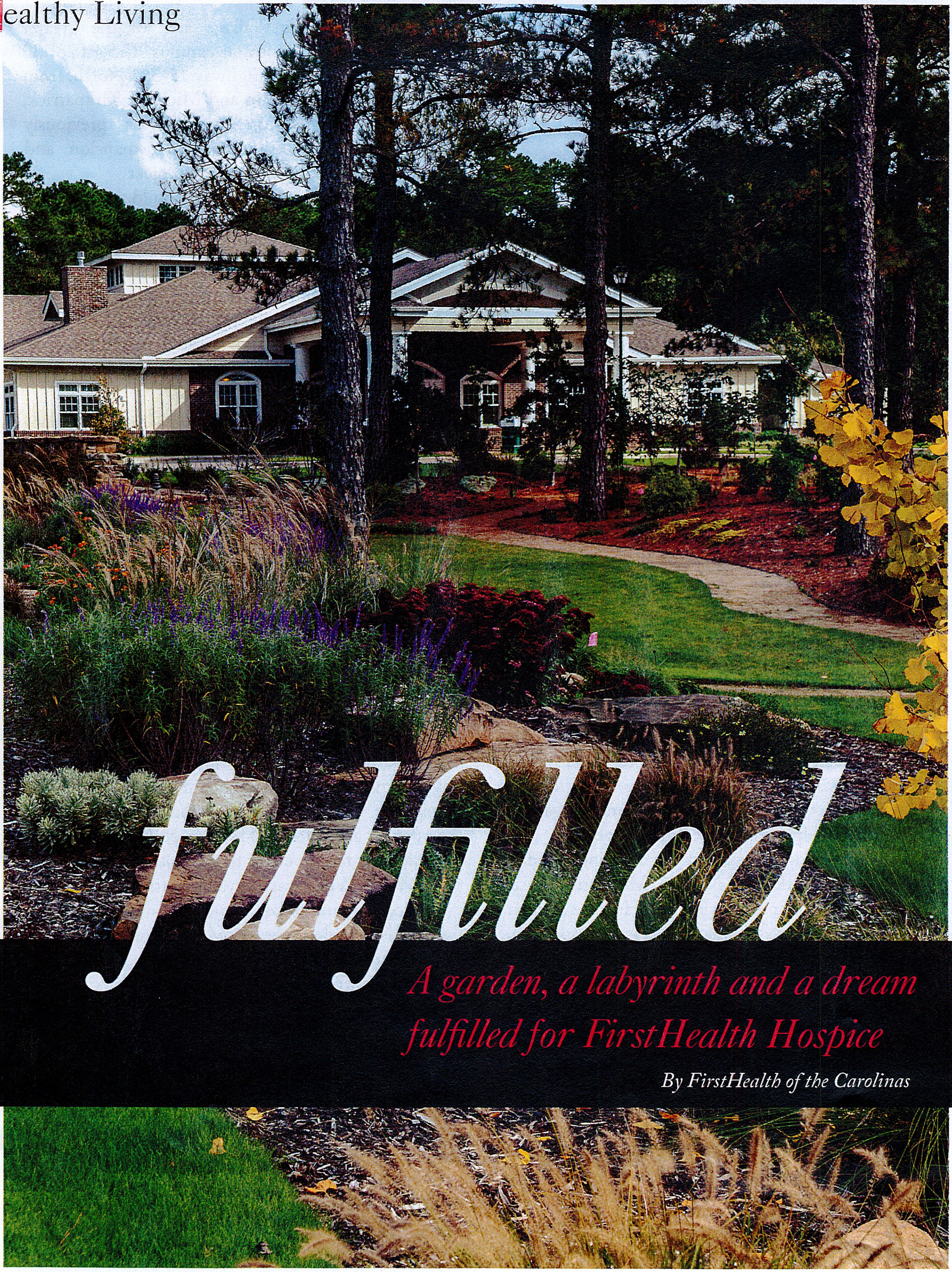
West Triangle

South East Triangle



LANDSCAPE PLAN
for
ISLAND GARDEN
at
RT#5, RITTER & SHAW TRIANGLE

SUGGESTED INSTALLATION DATE:
SPRING, 2015



fulfilled

A garden, a labyrinth and a dream fulfilled for FirstHealth Hospice

By FirstHealth of the Carolinas

DISCUSS THE PINEHURST BUSINESS GUILD FUNDING REQUEST.
ADDITIONAL AGENDA DETAILS:

FROM:
Natalie Dean

DATE OF MEMO:
3/18/2015

MEMO DETAILS:
This agenda item is a presentation by the Pinehurst Business Guild, who is requesting the Council consider providing funding for the Pinehurst Business Guild in FY 2015 and FY 2016.

Earlier this month, members of the Pinehurst Business Guild appointed a new Board of Directors that then elected its officers. The list below indicates the names of the new Pinehurst Business Guild Board of Directors:

Marty McKenzie, President
Deborah Davis, Co-President Elect
Dale Shortt, Co-President Elect
Mark Adel, Treasurer
Carolina Miller
Carole Boxell
Anna Edwards
Mike Phillips
Bill Wood

These individuals have been meeting weekly to develop the organization's short term and long term plans to provide enhanced programs and services under the new leadership. The Board is requesting the Council consider funding the organization by providing $52,800 in Village funds to help them carry out their programs and services.

Some of the key components of the request being made by the Pinehurst Business Guild are identified below:

1. Requesting $6,000 per month for April, May, and June 2015 (Total = $18,000).
2. Requesting $2,900 per month for FY 2016 (Total = $34,800)
3. Services to be provided by the Pinehurst Business Guild include organizing and hosting events, conducting educational programs, and marketing Pinehurst businesses.

Similar to the request for funding by the Given Memorial Library, any appropriation made by the Council to fund the Business Guild operations must comply with NC General Statutes. If Council agrees to fund the organization, staff will need to bring forward a budget amendment for FY 2015, since there are no funds currently appropriated for this request. In addition, staff will also bring forward a proposed Contract for Services that outlines the terms of the agreement for Council approval.

If you have any questions about this agenda item, please feel free to contact me.

DISCUSS ECONOMIC INCENTIVE GRANT GUIDELINES.
ADDITIONAL AGENDA DETAILS:

FROM:
Natalie Dean

CC:
Jeff Batton

MEMO DETAILS:
At your meeting on February 24th, Pat Corso of Partners in Progress, requested the Council consider adopting an Economic Development Incentive Grant Program similar to the one adopted by Moore Co. to aid his organization in business recruitment efforts. In subsequent discussions with Mr. Corso, he indicated the Village is able to modify the grant program criteria to suit our community, but his preference is the Village program be as consistent as possible with the Moore County program.

Staff has consulted with the Village attorney and Tyler Mulligan of the UNC- School of Government and conclude the guidelines meet statutory requirements, as long as some specific language is included in the performance agreement between the qualified business and the Village. Upon Council approval of the guidelines, staff would prepare a Performance Agreement template in consultation with Partners in Progress.

The draft Pinehurst Economic Incentive Grant Guidelines that include some recommended modifications to the Moore County guidelines that were presented are included as an attachment to this agenda item. The substantive changes are highlighted in the attached draft guidelines and include the following:

1. Required Criteria - Eligible businesses must be for profit (i.e. pay VOP property taxes)
2. Incentive Grant Award Process - Added language about the performance agreement to be executed
3. Award Process and Timeline - Added this section to clarify the process and timing of grant approval (I prepared and attached a draft application form).

I have also included a zoning map as an attachment that indicates those areas in the Village limits (and ETJ) that allow commercial development. These would be the areas where projects could occur to be eligible for the Economic Development Incentive Grant.

In addition, staff has reviewed the potential financial impact on the Village of implementing the proposed economic incentives program. Below are two examples of the estimated financial impact based on the thresholds provided in the Moore County guidelines:

Example 1 - Project with a tax value of $3,000,000				
	Percent Rebate	Total Tax	Rebate Amount	Village Revenue
Year 1	80%	$ 9,000	$ 7,200	$ 1,800
Year 2	70%	9,000	6,300	2,700
Year 3	60%	9,000	5,400	3,600
Year 4	50%	9,000	4,500	4,500
Year 5	40%	9,000	3,600	5,400
TOTAL		**$45,000**	**$27,000**	**$18,000**

Example 2 - Project with a tax value of $5,000,000				
	Percent Rebate	Total Tax	Rebate Amount	Village Revenue
Year 1	90%	$15,000	$13,500	$ 1,500
Year 2	80%	15,000	12,000	3,000
Year 3	70%	15,000	10,500	4,500
Year 4	60%	15,000	9,000	6,000
Year 5	50%	15,000	7,500	7,500
Year 6	40%	15,000	6,000	9,000
Year 7	30%	15,000	4,500	10,500
TOTAL		**$105,000**	**$63,000**	**$42,000**

It is worth noting that the Council does have the discretion to modify the criteria in these guidelines for specific projects if you conclude that is appropriate. Such criteria Council may want to consider modifying could include the rebate threshold of $3 million, the minimum number of jobs created, the minimum wage requirement, etc.

To qualify for an incentive under this program, a business must pay property taxes. If a business leases space and does not pay property taxes, it is not eligible for this program.

Given the limited amount of commercial property available for development in the Village limits and the jobs requirement of 10 new positions with benefits and a minimum wage requirement, it is not likely this incentive would be widely used or have a significant financial effect on the Village.

In 2012, I presented a consolidated report on Economic Development Incentives to the Council that I have also attached to this agenda item. This report covered the Village's statutory authority to offer incentive programs and indicated the variety of options available to the Council. If the Council is open to considering incentives to stimulate economic development, it may be useful to review this information again.

If you have any questions prior to the meeting, please don't hesitate to give me a call.

ATTACHMENTS:

	Description
🗋	Economic Development Incentive Grant Guidelines
🗋	Economic Development Incentive Grant Application
🗋	Pinehurst Commercial Zoning Districts Map
🗋	2012 Economic Development Incentives Report

Village of Pinehurst, North Carolina
Economic Development Incentive Grant Guidelines

Purpose:

The Village of Pinehurst (the "Village") desires to attract and help grow businesses that will provide quality jobs to the residents of the Village of Pinehurst and improve the overall economic strength of the Village. To further these goals, the Village provides the following Economic Development Incentive Grant Guidelines to a business (the "Business") looking to relocate to or expand within the Village of Pinehurst corporate limits.

Required Criteria:

In selecting projects that receive an Economic Development Incentive Grant, the Pinehurst Village Council requires the following criteria be met, as detailed in a Performance Agreement to be executed by the Village and the Business:

1. Locate a new **for profit** business within the Village limits; or

2. Expand an existing **for profit** business within the Village limits; and

3. Create and maintain throughout the term of the contract, as defined below, a minimum of 10 net new full time jobs with employee benefits that meet the wage requirements:

    Full-time employment: Full-time employment is a person working at least 35 hours a week, whose wages are subject to withholding and who is employed in a permanent position. Part-time, Full-time Equivalent (FTE) positions, or contract and consulting jobs are not eligible.

    Employee benefits: The Business will provide at least 50% employer-paid health insurance premiums for all full-time positions.

    Wage Requirements: The average wage of all new full-time workers employed during the taxable year must meet or exceed Moore County's average wage standard, as determined by the North Carolina Department of Commerce annually.

4. Agree to a minimum investment amount; and

5. Agree to clawback provisions; and

6. The Business must not have received any significant environmental violations with the North Carolina Department of Environmental and Natural Resources within the prior five years; and

7. The project will not have a negative environmental impact within the Village; and

8. The Business must not have received any "willful" or "failure to abate" serious OSHA violations within the prior three years; and

9. The Business must not have any overdue taxes; and

10. The Business must agree to maintain operations at the project site for at least 150% of the term of the grant; if the business fails to remain at the site for the required term, a clawback provision will recapture all or part of the Economic Development Incentive Grant funds; and

11. The full-time jobs created must be maintained throughout the duration of the contract term; and

12. Agree to additional criteria as may be determined by the Village and identified in the Performance Agreement.

Incentive Grant Award Process:

If a project meets the required criteria, the Village will consider providing an Economic Development Incentive Grant in the amount of the percentage of the prior year's ad valorem taxes paid to the Village. The Business must pay all ad valorem taxes for the prior year and provide the Village with documentation of payment before the Village will provide the Economic Development Incentive Grant payment.

Economic Development Incentive Grant payments are made as follows:

For projects in an amount less than Three Million Dollars ($3,000,000):

Year 1	80% of Village taxes paid
Year 2	70% of Village taxes paid
Year 3	60% of Village taxes paid
Year 4	50% of Village taxes paid
Year 5	40% of Village taxes paid

For projects in the amount of Three Million Dollars ($3,000,000) or greater:

Year 1	90% of Village taxes paid
Year 2	80% of Village taxes paid
Year 3	70% of Village taxes paid
Year 4	60% of Village taxes paid
Year 5	50% of Village taxes paid
Year 6	40% of Village taxes paid
Year 7	30% of Village taxes paid

Prior to the payment of any Economic Development Incentive Grant, the Village and the Business will execute a Performance Agreement that identifies the terms, conditions, and requirements of the grant.

Clawback Provisions:

If at any point during the Economic Development Incentive Grant the project fails to meet the required criteria, the Village will withhold all future Economic Development Incentive Grant payments and may require the repayment of all previous payments made to the Business.

The Village, in deciding whether or not to immediately enforce a clawback provision(s), may accept reasonable assurances from the Business that a specific year's failure to meet the required criteria will not be repeated in subsequent years. If the Village accepts such reasonable assurances, the Village will withhold that year's Economic Development Incentive Grant payment. If at the end of the subsequent year the required criteria are met, the Economic Development Incentive Grant payments will resume. However, if the required criteria are not met, all future Economic Development Incentive Grant payments will be withheld and the Village may require the repayment of all previous Economic Development Incentive Grant payments made to the Business.

Application Process and Timeline:

Businesses interested in applying for the Economic Development Incentive Grant must complete and submit an application to the Village Manager's Office. Any Economic Development Incentive Grant must be approved by the Village Council. Upon Council approval of the grant, the Village and the Business will execute a Performance Agreement.

Disclaimer:

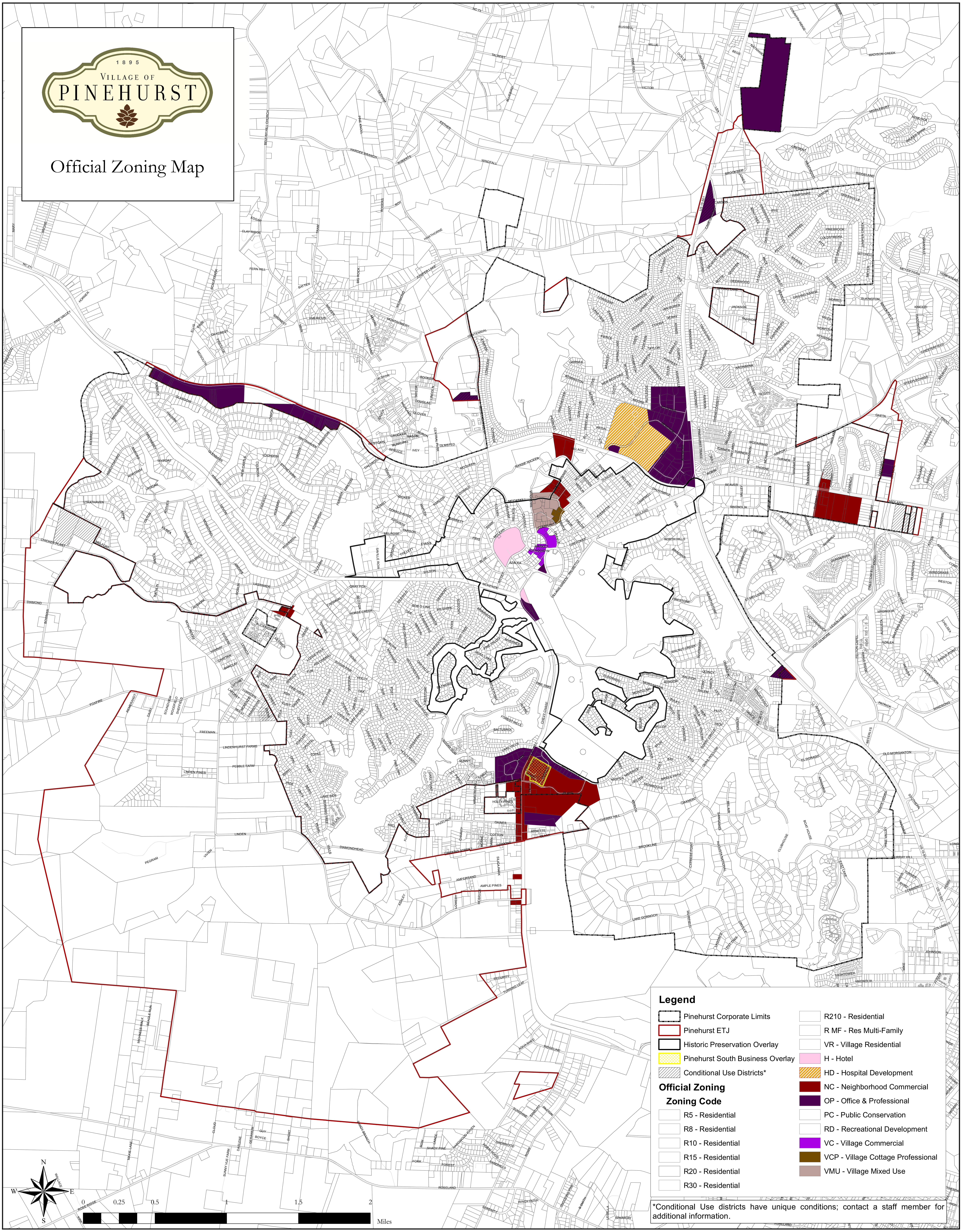
These guidelines in no way limits the authority and discretion of the Village of Pinehurst Council to require different criteria or to offer different or additional economic development incentives.

Village of Pinehurst
Economic Development Incentive Grant Application

In an effort to attract and help grow businesses that will provide quality jobs to the residents of Pinehurst and improve the overall economic strength of the Village, the Village of Pinehurst offers an economic incentive to businesses who meet the criteria of the Village's Economic Development Incentive Grant Guidelines.

Businesses interested in applying for the Economic Development Incentive must provide the following information:

Business Information		
Business Name		
Business Address		
Contact Name		
Contact Phone Number		
Project Information		
Location/Expansion	☐ Location	☐ Expansion of existing business
Address of Project Location		
Project Description		
Project Cost		
No. of Full Time Jobs		


1895
Village of
PINEHURST
Official Zoning Map
Legend
Pinehurst Corporate Limits
Pinehurst ETJ
Historic Preservation Overlay
Pinehurst South Business Overlay
Conditional Use Districts*
Official Zoning
Zoning Code
R5 - Residential
R8 - Residential
R10 - Residential
R15 - Residential
R20 - Residential
R30 - Residential
R210 - Residential
R MF - Res Multi-Family
VR - Village Residential
H - Hotel
HD - Hospital Development
NC - Neighborhood Commercial
OP - Office & Professional
PC - Public Conservation
RD - Recreational Development
VC - Village Commercial
VCP - Village Cottage Professional
VMU - Village Mixed Use
*Conditional Use districts have unique conditions; contact a staff member for additional information.
0 0.25 0.5 1 1.5 2
Miles
N
E
S
W

ECONOMIC DEVELOPMENT INCENTIVES

3/27/2012

VILLAGE OF PINEHURST, NORTH CAROLINA

This report includes an overview of economic development incentives used in NC communities and incentive options for the Village Council to consider in an effort to increase employment, expand the tax base, and raise the standard of living.

Economic Development Incentives

INTRODUCTION

To stimulate economic development means to support and influence private investment decisions in an effort to increase employment, expand the tax base, and raise the standard of living. This Village's economic development efforts have recently become more focused upon the creation of the Village Center Enhancement Committee and the appointment of a Downtown Manager.

The Village's current economic development initiatives are referred to as "place-based" development. Our strategies have historically focused on improving the physical environment and leveraging the natural attributes, cultural heritage, and distinctive character of the Village Center in order to encourage investment and growth.

This report will indicate the variety of direct economic development incentive options available to the Village Council under NC law. In addition, it also describes the incentives that other NC local governments are using to recruit and retain businesses.

Staff is seeking direction from the Village Council on their level of desire to implement one or more direct economic incentive programs.

STATUTORY AUTHORITY FOR ECONOMIC DEVELOPMENT INCENTIVES

North Carolina local governments have the statutory authority to provide direct incentives to commercial prospects. This authorization is found in G.S. 158-7.1 (see *Appendix A*) and has been addressed by the NC Supreme Court in the 1996 case of *Maready v. City of Winston-Salem*. In this case, the court ruled that the predominant benefit from direct incentive programs extends to the citizens (who as a result of the incentive program have greater employment opportunities) and to the local government that benefits from a stronger tax base. Therefore, direct incentives can and do serve a public purpose, if structured correctly, and the Village has broad authority to develop such incentive programs.

In North Carolina, local tax abatements are not currently allowed and violate the state constitution. Under Article V, Section 2, or the state constitution, property tax exemptions and classifications may be made only by the General Assembly and only on a state-wide basis. The legislature, to date, has not enacted any special exemptions or classifications, thereby making tax abatements unconstitutional. Despite this, a number of NC local governments have developed cash incentive programs that resemble tax abatements. Such programs calculate the amount of the incremental tax revenue generated from a project and after the business pays their local property taxes, they are given a cash incentive that is an equivalent or proportional amount to the taxes paid.

ECONOMIC DEVELOPMENT INCENTIVES IN NORTH CAROLINA COMMUNITIES

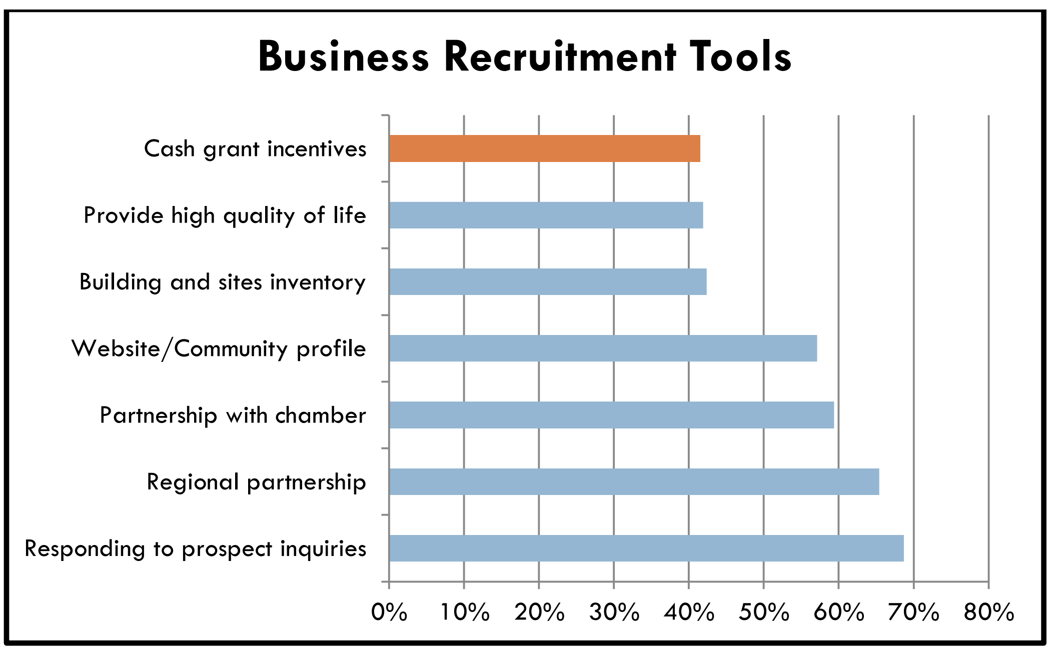
Direct economic incentives are used throughout North Carolina as a means to recruit and retain businesses. To quantify the extent of their use throughout the state, staff reviewed the June 2009 survey findings titled, *The Role of Local Government in Economic Development*, prepared by Jonathan Q. Morgan, a professor at the UNC-School of Government. This survey is the only separately published survey of development activities that was sent to all North Carolina local governments (cities and counties). A summary of some of the survey results are included herein. In addition, staff reviewed the findings of the NC Main Street Center survey on NC Main Street Communities' Redevelopment Incentives. The results of this survey are included in *Appendix B*.

Role of Local Government in Economic Development

The UNC – School of Government survey received a total of 217 responses. 150 NC municipalities responded and 67 NC counties responded. This represents a 27% and 67% response rate for municipalities and counties, respectively. Overall, 33% of NC local governments responded to the mail survey. Some of the more significant findings related to incentive programs are described below.

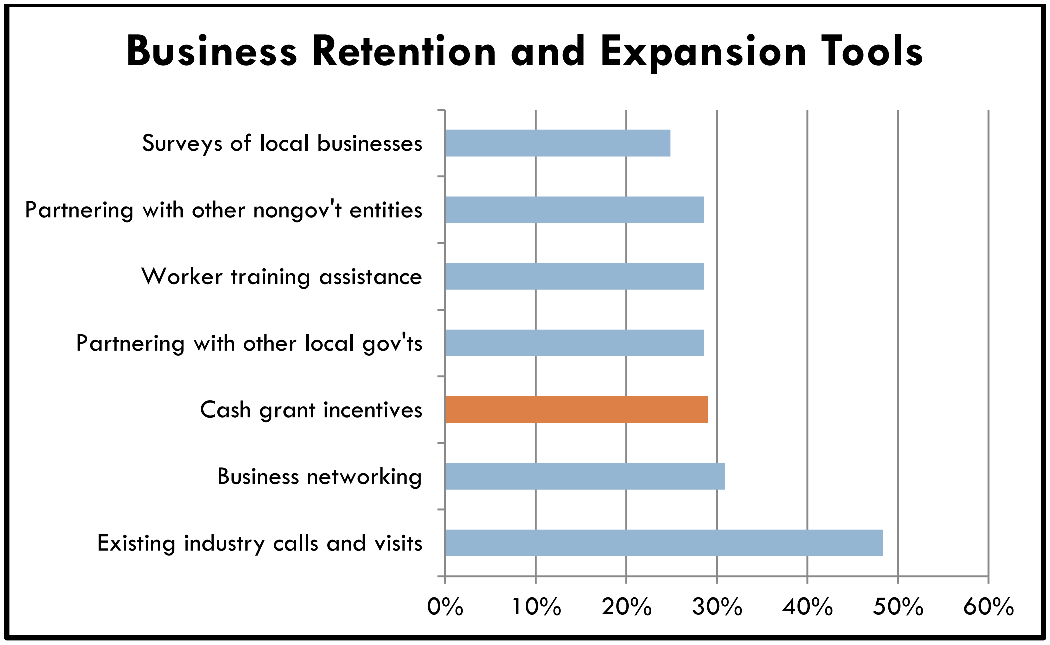
Local governments were asked to indicate their use of certain tools to recruit businesses to their community. In terms of cash grant incentives, 41.5% of the respondents reported using incentive programs as a business recruitment tool.

The chart below indicates the extent to which NC local governments utilize the listed business recruitment tools:



In addition, the survey inquired about the use of economic development tools for business retention and expansion. Fewer local governments (29% of those surveyed) reported using cash grant incentives as a means to retain businesses and help them expand as opposed to recruiting new businesses.

The chart below indicates the extent to which NC local governments utilize the listed business retention and expansion tools:



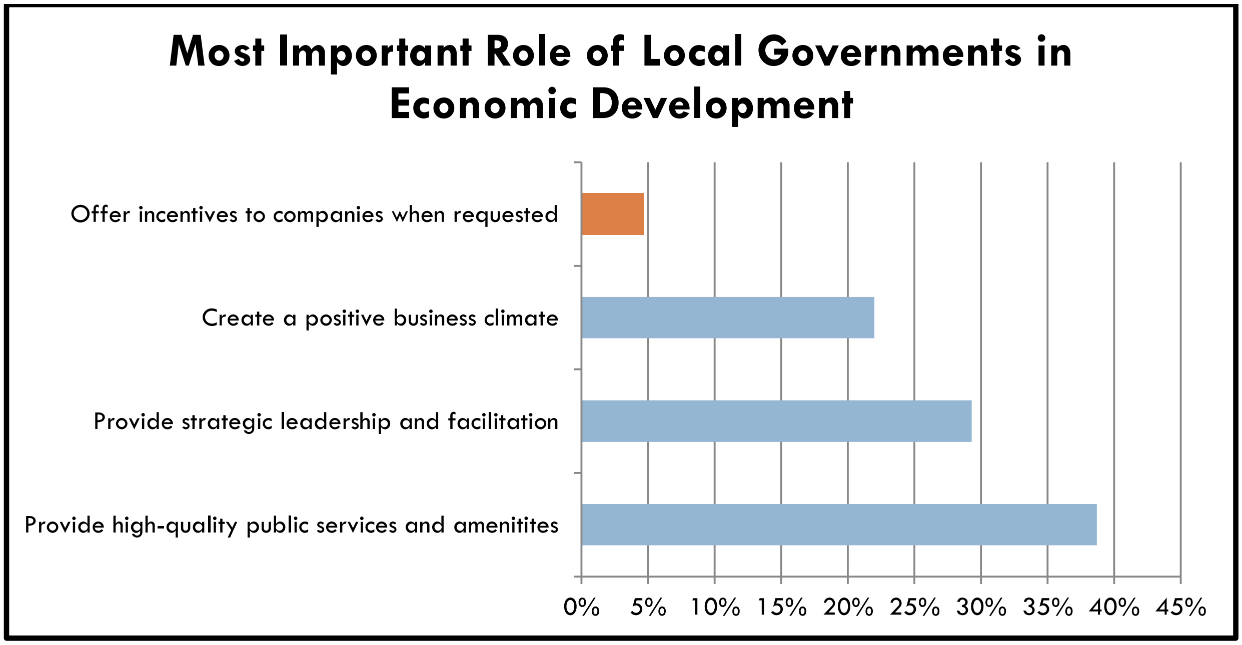
Irrespective of business recruitment or business retention/expansion, 28.7% of NC local governments reported using cash grant incentives. Other more frequently used economic development tools include zoning and permit assistance, infrastructure improvements, and streamlined "one-stop" permitting.

Economic Development Tool	% of Cities Utilizing
Zoning and permit assistance	59.3%
Infrastructure improvements	49.3%
Cash grant incentives	**28.7%**
One-stop permitting	22.7%

When considering economic development incentives the three most commonly used criteria by NC cities include:

1. Capital investment,
2. New jobs created, and
3. New tax revenue generated.

When asked to identify the single most important role for local government in the process of economic development, NC cities responded as follows:



While incentives are used as one tool, it is considered to be the least important tool among NC local governments. Providing high-quality public services and amenities, along with strategic leadership, are rated as the most important economic development tools, when forced to choose only one.

In summary, *The Role of Local Governments in Economic Development* survey indicates that direct economic incentives are used throughout NC to recruit and retain businesses. This recruitment and retention, in turn, creates employment opportunities, expands the local tax base, and raises the standard of living for residents.

NC Main Street Communities' Redevelopment Incentives

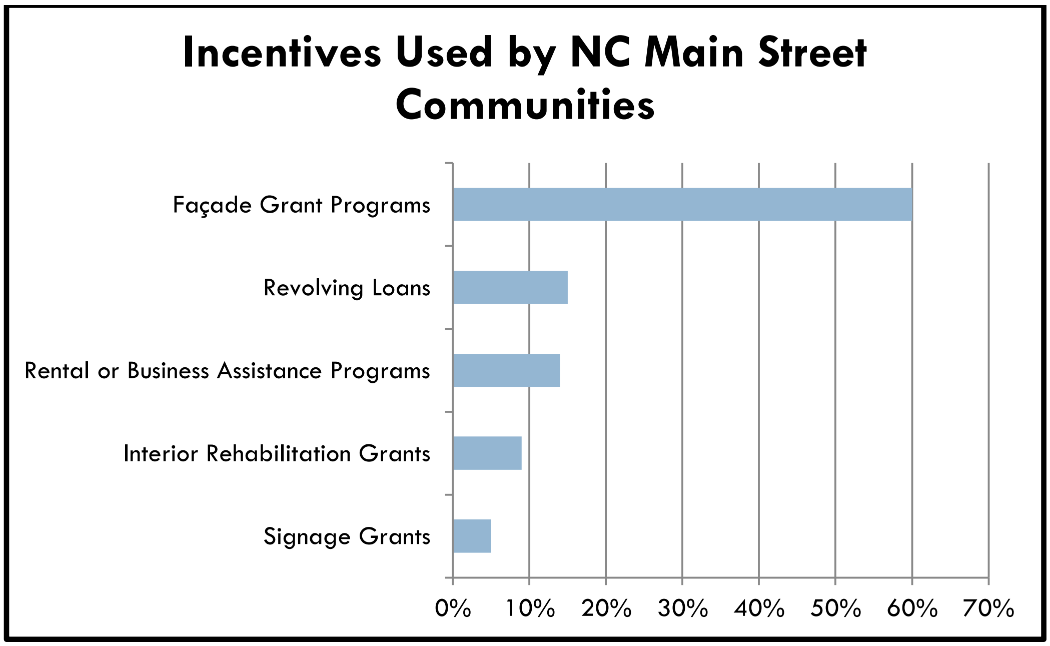
The NC Main Street Center works to stimulate economic development within the context of historic preservation, using an approach developed by the National Trust for Historic Preservation. While the Village is not a Main Street Community, the Village has modeled its Village Center Enhancement efforts using the Main Street Approach. There are currently 65 Main Street Communities in North Carolina.

The NC Main Street Center recently prepared a summary of the redevelopment incentives utilized by NC Main Street Communities. The initiatives were categorized as either:

- Façade grant programs,
- Revolving loans,
- Rental or business assistance,
- Signage grants, or
- Interior rehabilitation grants.

In addition, the survey identified "Other" incentive programs that were essentially hybrid programs of those listed above.

The chart below indicates the extent of the utilization of these redevelopment incentives by NC Main Street Communities:



By far, the most common incentive reported is façade grant programs, with 60% of NC Main Street Communities offering this type of incentive. Approximately 15% of NC Main Street communities offer revolving loans or rental/business assistance programs. A smaller percentage of communities offer interior rehabilitation and signage grants.

In summary, 44 of the 65 (or 68%) of the NC Main Street Communities offer some type of direct economic incentive program. At least among this group of municipalities, economic incentives are considered a valuable economic development tool. In addition, 13 of the 65 (or 20%) of the Main Street Communities offer multiple redevelopment incentives.

Economic Development Incentive Options

As mentioned previously, NC local governments have broad statutory authority to offer economic development incentives. The design of such incentive programs can be tailored to meet the needs of the community, and vary considerably across jurisdictions.

The information that follows is a general description of the types of incentives the Council may consider in an effort to influence private investment.

Façade Grant Programs

These programs are designed to encourage private investment in façade improvements to commercial properties to enhance the appearances of buildings. Façade improvements may include exterior painting, replacement of windows or doors, installation or replacement of awnings, etc.

Façade grant programs are typically provided on a matching basis. The amount of the match required and the grant available is at the discretion of the Village Council. Most of these programs in NC provide a 50% match up to a maximum grant amount of anywhere from $500 to $5,000. Typically, the grant is administered on a reimbursement basis.

Revolving Loan Programs

The goal of a revolving loan program is to give small business owners, who aren't ready for or able to obtain a commercial loan, access to capital needed for business startup or expansion costs. Either the Village or a partnering financial institution would provide loans to small businesses for startup costs, that is to be repaid by the small business over a period of time.

The Village Council can determine the types of startup costs allowed under a revolving loan program. In addition, the Council can set stipulations or requirements for the number of jobs to be created or the incremental increase in the tax value of the property being acquired or improved. The maximum amount of the revolving loan is established when the program is put into place.

Rental or Business Assistance Grant Programs

The goal of this type of a program is to encourage new business startup or expansion without the need to incur an additional business loan. Rental assistance programs are designed to offset the cost of rents, while business assistance grants may be used for a variety of startup costs (e.g. fixtures, renovation costs, initial inventory purchases, utilities, etc.).

Rental assistance grant programs can be developed to provide a per square foot rental assistance for a distinct period of time or can provide financial assistance at a set dollar amount. There is a lot of flexibility in the design of business assistance grants and these are typically for a set amount. Again, the types of allowable costs under a business assistance grant program can be determined by the Village Council. In addition, these grants can be provided in advance or on a reimbursement basis.

Signage Grant Programs

Signage grant programs are designed to help offset the cost of installing new signage or replacing signage.

Like façade grants, signage grants are typically provided on a matching basis. The amount of the match required and the grant available is at the discretion of the Village Council. Most of these programs in NC provide a 50% match up to a maximum grant amount of anywhere from $500 to $1,000. Typically, the grant is administered on a reimbursement basis.

BUSINESS RECRUITMENT AND RETENTION STRATEGIES INCLUDED IN THE VILLAGE CENTER ENHANCEMENT STRATEGY

On February 28, 2012 the Village Council approved the Village Center Enhancement Strategy. This included the work plans for strategies to assist in the recruitment of new retail businesses to the Village Center.

Specifically, the Business Recruitment and Retention Subcommittee suggested the Village strive to:

- Minimize vacancies in the Village Center, and
- Provide resources to support Village Center business owners.

One of the recommended strategies was to evaluate options for Village provided business incentive programs. What follows is an overview of that strategy and the timeline.

Evaluate options for Village provided business incentive programs

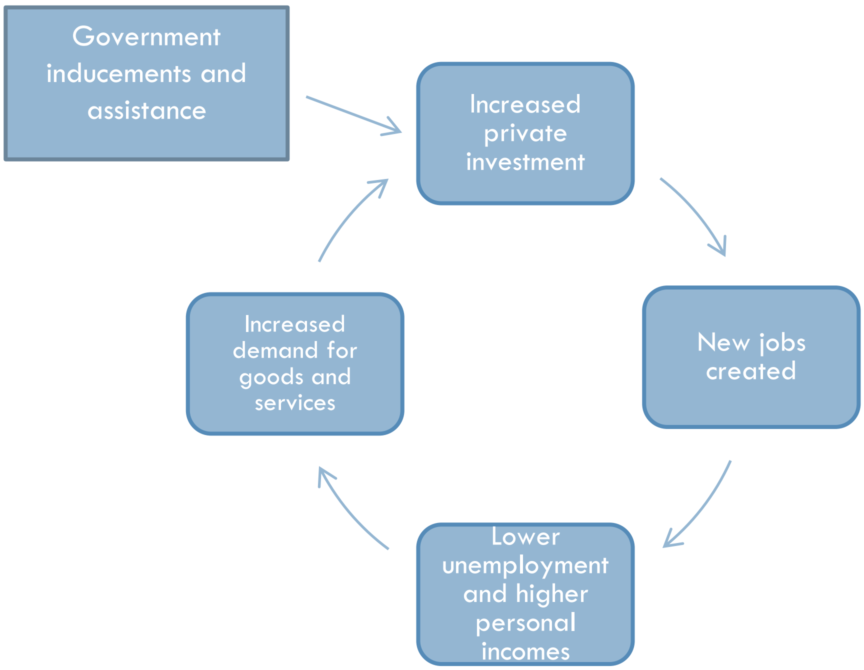
Currently the Village offers business incentive programs through the Community Appearance Grant Program and the Alternative Energy Committee's Green Building Program. This strategy recommends the Village Staff research additional incentive programs and their use in other cities across North Carolina and provide the Village Council with a list of potential business incentive programs for their consideration.

Timeframe: March – July 2012

The work plan included in Appendix D of the Village Center Enhancement Strategy indicated that staff would provide the Village Council with a summary of what other NC municipalities offer in terms of business incentives prior to April 15, 2012. The work plan also indicated that prior to April 30, 2012 the Village Council would identify which, if any, incentives programs they would like to develop. If Council desires to implement a program, staff would then develop that program prior to July 31, 2012. A copy of the detailed work plan is included in *Appendix C* of this report.

CONCLUSION

As indicated previously, the Village Council has broad statutory authority to develop direct incentive programs to stimulate private investment in the community. This investment, as indicated by the employment multiplier graphically depicted below, increases employment, which then increases personal incomes and thereby demand for goods and services. This increased demand then, in turn, results in increased private investment.



Some of the challenges local governments face as they strive to stimulate private investment include:

1. *Ensuring a good strategic plan for economic development* – strategic planning helps communities be more systematic in choosing the right mix of strategies and tools. The Village has a strategic economic development plan, which is the Village Center Enhancement Strategy that was approved by the Village Council.
2. *Taking a long term view* – communities that take a long term approach that looks beyond the next election cycle are better positioned in their economic development efforts and there are no quick fixes in economic development.
3. *Using incentives as a public* investment – incentives are often considered a necessary evil. The challenge is to how to use incentives as an investment of public dollars for the greater good rather than as a mere subsidy of private business activities.
4. *Balancing the tax base* – residential development does not tend to generate sufficient tax revenue to fund expanded public services, while commercial development typically more than pays for itself in terms of the ratio of tax revenues to the cost of public services.

To determine the right mix of economic development strategies for Pinehurst, the Village Council must first determine what role it wants to play in local economic development. That role can be to:

- Provide high quality public services and amenities,
- Provide strategic leadership and facilitation,
- Create a positive business climate, <u>and/or</u>
- Offer incentives to companies.

Any or all of the roles above may be appropriate or necessary to stimulate the Council's desired amount of capital investment in Pinehurst.

As discussed previously, the Village's strategies have historically been what is called "place based" development. These strategies have focused on improving the physical environment and leveraging the natural attributes, cultural heritage, and distinctive character of the Village Center in order to encourage investment and growth. The Downtown Facilities subcommittee and the Business and Community Relations Subcommittee of the Village Center Enhancement Committee are focused on these types of strategies.

The Village's approach to its Village Center Enhancement efforts is based on the Main Street Four Point Approach. The Village has organized its Village Center Enhancement Committee around this approach. The four points include:

1. Organization,
2. Promotions,
3. Design, and
4. Economic Restructuring.

<u>Organization</u>

The Village has the Village Center Enhancement Committee in place with a designated Downtown Manager and subcommittees focused on the remaining three points.

<u>Promotions</u>

The Business and Community Relations subcommittee is focused on promoting the Village Center through marketing efforts and increased special events and retail events.

<u>Design</u>

The Downtown Facilities Subcommittee is focused on improving the physical environment of the Village Center.

<u>Economic Restructuring</u>

This is where economic incentives fall in the Main Street Approach, as this area is aimed at recruiting new businesses, retaining existing businesses, and assisting current businesses expand. Incentives are merely one tool the Village Council can add to its toolbox to aid in economic restructuring, if desired.

Should the Council elect to implement an economic incentive program, the following factors should be considered in the design of such programs:

Public Input

While not specifically required in the NC General Statutes, the Village should consider holding a public hearing if it intends to put an economic development incentive program in place, such as those described in the NC Main Street survey. In the *Maready* decision, the NC Supreme Court clearly encouraged public hearings in these instances.

Geographical Area of Focus

The Council must determine the geographical area of focus for incentive programs (i.e. the Village Center or the Village as a whole).

Criteria or Eligibility Requirements

Some incentive programs can be targeted for new businesses or they can be targeted for existing businesses. In addition, incentives can be offered for only certain types of businesses (e.g. retail, restaurants, etc.)

Incentive Grant Agreement Requirements

Should an incentive program be instituted, the Council must determine the requirements of the grant. These can include investment of a certain dollar amount, increased employment, or increased tax value of property. In addition, the Council can elect to require businesses to submit a business plan with financial projections to determine the sustainability of the business.

Terms of the Grant Agreement

The terms of the grant agreement can stipulate if the grant is paid in advance with certain requirements. If so, clawback provisions are recommended if the requirements are not met. Or the grant can provide funds in advance of the private investment. Substantiation of expenses may or may not be required, at Council's discretion.

Should the Council explore developing an incentive program(s), funding can come from the Village's General Fund (per G.S 158-7.1) and, in the case of revolving loans, state grants.

In summary, the Village Council has a number of factors to consider when determining whether or not to offer direct economic incentives. The Council has broad authority to do so and a significant amount of flexibility in the design of such programs.

Respectfully submitted,

Natalie Dean, CPA

Assistant Village Manager

APPENDICES

A North Carolina General Statutes 158-7.1

B NC Main Street Communities' Redevelopment Incentives

C Work Plan to Evaluate Options for Village Provided Business Incentive Programs

APPENDIX A

North Carolina General Statutes 158-7.1

§ 158-7.1. Local development.

(a) **Each county and city in this State is authorized to make appropriations for the purposes of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of the governing body of the city or of the county commissioners of the county, will increase the population, taxable property, agricultural industries and business prospects of any city or county. These appropriations may be funded by the levy of property taxes pursuant to G.S. 153A-149 and 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.**

(b) A county or city may undertake the following specific economic development activities. (This listing is not intended to limit by implication or otherwise the grant of authority set out in subsection (a) of this section). The activities listed in this subsection may be funded by the levy of property taxes pursuant to G.S. 153A-149 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.

(1) A county or city may acquire and develop land for an industrial park, to be used for manufacturing, assembly, fabrication, processing, warehousing, research and development, office use, or similar industrial or commercial purposes. A county may acquire land anywhere in the county, including inside of cities, for an industrial park, while a city may acquire land anywhere in the county or counties in which it is located. A county or city may develop the land by installing utilities, drainage facilities, street and transportation facilities, street lighting, and similar facilities; may demolish or rehabilitate existing structures; and may prepare the site for industrial or commercial uses. A county or city may convey property located in an industrial park pursuant to subsection (d) of this section.

(2) A county or city may acquire, assemble, and hold for resale property that is suitable for industrial or commercial use. A county may acquire such property anywhere in the county, including inside of cities, while a city may acquire such property inside the city or, if the property will be used by a business that will provide jobs to city residents, anywhere in the county or counties in which it is located. A county or city may convey property acquired or assembled under this subdivision pursuant to subsection (d) of this section.

(3) A county or city may acquire options for the acquisition of property that is suitable for industrial or commercial use. The county or city may assign such an option, following such procedures, for such consideration, and subject to such terms and conditions as the county or city deems desirable.

(4) A county or city may acquire, construct, convey, or lease a building suitable for industrial or commercial use.

(5) A county or city may construct, extend or own utility facilities or may provide for or assist in the extension of utility services to be furnished to an industrial facility, whether the utility is publicly or privately owned.

(6) A county or city may extend or may provide for or assist in the extension of water and sewer lines to industrial properties or facilities, whether the industrial property or facility is publicly or privately owned.

(7) A county or city may engage in site preparation for industrial properties or facilities, whether the industrial property or facility is publicly or privately owned.

(c) Any appropriation or expenditure pursuant to subsection (b) of this section must be approved by the county or city governing body after a public hearing. The county or city shall publish notice of the public hearing at least 10 days before the hearing is held. If the appropriation or expenditure is for the acquisition of an interest in real property, the notice shall describe the interest to be acquired, the proposed acquisition cost of such interest, the governing body's intention to approve the acquisition, the source of funding for the acquisition and such other information needed to reasonably describe the acquisition. If the appropriation or expenditure is for the improvement of privately owned property by site preparation or by the extension of water and sewer lines to the property, the notice shall describe the improvements to be made, the proposed cost of making the improvements, the source of funding for the improvements, the public benefit to be derived from making the improvements, and any other information needed to reasonably describe the improvements and their purpose.

(d) A county or city may lease or convey interests in real property held or acquired pursuant to subsection (b) of this section in accordance with the procedures of this subsection. A county or city may convey or lease interests in property by private negotiation and may subject the property to such covenants, conditions, and restrictions as the county or city deems to be in the public interest or necessary to carry out the purposes of this section. Any such conveyance or lease must be approved by the county or city governing body, after a public hearing. The county or city shall publish notice of the public hearing at least 10 days before the hearing is held; the notice shall describe the interest to be conveyed or leased, the value of the interest, the proposed consideration for the conveyance or lease, and the governing body's intention to approve the conveyance or lease. Before such an interest may be conveyed, the county or city governing body shall determine the probable average hourly wage to be paid to workers by the business to be located at the property to be conveyed and the fair market value of the interest, subject to whatever covenants, conditions, and restrictions the county or city proposes to subject it to. The consideration for the conveyance may not be less than the value so determined.

(d1) Repealed by Session Laws 1993, c. 497, s. 22.

(d2) In arriving at the amount of consideration that it receives, the Board may take into account prospective tax revenues from improvements to be constructed on the property, prospective sales tax revenues to be generated in the area, as well as any other prospective tax revenues or income coming to the county or city over the next 10 years as a result of the conveyance or lease provided the following conditions are met:

(1) The governing board of the county or city shall determine that the conveyance of the property will stimulate the local economy, promote business, and result in the creation of a substantial number of jobs in the county or city that pay at or above the median average wage in the county or, for a city, in the county where the city is located. A city that spans more than one county is considered to be located in the county where the greatest population of the city resides. For the purpose of this subdivision, the median average wage in a county is the median average wage for all insured industries in the county as computed by the Department of Commerce, Division of Employment Security, for the most recent period for which data is available.

(2) The governing board of the county or city shall contractually bind the purchaser of the property to construct, within a specified period of time not to exceed five years, improvements on the property that will generate the tax revenue taken into account in arriving at the consideration. Upon failure to construct the improvements specified in the contract, the purchaser shall reconvey the property back to the county or city.

(e) All appropriations and expenditures pursuant to subsections (b) and (c) of this section shall be subject to the provisions of the Local Government Budget and Fiscal Control Acts of the North Carolina General Statutes, respectively, for cities and counties and shall be listed in the annual financial report the county or city submits to the Local Government Commission. The budget format for each such governing body shall make such disclosures in such detail as the Local Government Commission may by rule and regulation direct.

(f) At the end of each fiscal year, the total of the following for each county and city may not exceed one-half of one percent (0.5%) of the outstanding assessed property tax valuation for the county or city as of January 1 preceding the beginning of the fiscal year:

(1) The investment in property acquired at any time under subdivisions (b)(1) through (b)(4) of this section and owned at the end of the fiscal year.

(2) The amount expended during the fiscal year under subdivisions (b)(5) and (b)(7) of this section.

(3) The amount of tax revenue that was taken into account under subsection (d2) of this section and was expected to be received during the fiscal year.

The Local Government Commission shall review the annual financial reports filed by counties and cities to determine if any county or city has exceeded the limit set by this subsection. If the Commission finds that a county or city has exceeded this limit, it shall notify the county or city. A county or city that receives a notice from the Commission under this subsection must submit to the Commission for its review and approval any appropriation or expenditure the county or city proposes to make under this section during the next three fiscal years. The Commission shall not approve an appropriation or expenditure that would cause a county or city to exceed the limit set by this subsection.

(g) Repealed by Session Laws 1989, c. 374, s. 1.

(h) Each economic development agreement entered into between a private enterprise and a city or county shall clearly state their respective responsibilities under the agreement. Each agreement shall contain provisions regarding remedies for a breach of those responsibilities on the part of the private enterprise. These provisions shall include a provision requiring the recapture of sums appropriated or expended by the city or county upon the occurrence of events specified in the agreement. Events that would require the city or county to recapture funds would include the creation of fewer jobs than specified in the agreement, a lower capital investment than specified in the agreement, and failing to maintain operations at a specified level for a period of time specified in the agreement. (1973, c. 803, s. 37; 1985, c. 639, s. 1; 1985 (Reg. Sess., 1986), c. 846, s. 1; c. 848, s. 1; c. 858, s. 1; c. 911, s. 1; c. 921, s. 1; 1987, c. 577, s. 1.1; 1989, c. 374, s. 1; 1991, c. 598, s. 6; c. 659, ss. 1, 2; 1991 (Reg. Sess., 1992), c. 793, s. 1; c. 799, s. 1; c. 938, s. 1; 1993, c. 31, s. 1; c. 42, s. 1; c. 246, ss. 1(a), 1(b); c. 275, s. 2; c. 358, s. 13; c. 497, ss. 22, 24; c. 536, ss. 1, 4; 2007-515, ss. 1, 7; 2011-401, s. 3.24.)

APPENDIX B

NC Main Street Communities' Redevelopment Incentives

North Carolina Main Street Communities Redevelopment Initiatives

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Albemarle	50% Matching Funds up to $1,000.00			50% Matching Funds up to $500.00	
Benson	Reimbursement based; $500 grant award paired with a 1:1 dollar match for approved façade projects up to a ceiling amount of $1,500	**Rehabilitation Loan Fund**--loans at a fixed interest rate of ¾ prime amortized over 20-40 years. Each loan has a five year balloon payment or call. Business needs identified in the 2009 Market Analysis will receive first priority for lending. **Retail-Commercial Loan**--for leasehold improvements only. Building owners and lessees will not qualify unless they are up-fitting the building for their own small business use. The loan program shall provide up to 100% of up-fit for projects not exceeding $10,000. **Operating Loan**--Loans for inventory, furniture, fixtures, signage and equipment are eligible for this program. For new businesses only up to $5K.	**Downtown Benson New Business Start-Up Incentive Grant:** $1,500 as a 1:1 match per grant. The goal of this grant is to encourage new business start-up without the need to establish another loan. **Downtown Benson New Business Rental Assistance Grant:** Grant amounts shall be 25% of the rental price for a period of 12 months. The maximum contribution will be established by an annual market assessment of downtown rental properties but in no case shall the contribution exceed $300 per month. Must submit a grant application along with a copy of the lease agreement and business plan.		**Downtown Benson Residential Incentive Grant:** This grant should have a $2,500 maximum amount and should be used for up-fitting the upper floor(s) of any downtown commercial building for a residential tenant. This will be a 1:1 matching grant program. This grant may not be used for any other ground floor or upper floor use.

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Boone	Grants shall be awarded on a reimbursement basis only following the satisfactory completion of an exterior facade renovation as detailed in the approved FACADE INCENTIVE GRANT APPLICATION**.** Up to one-half of the total cost for a renovation may be approved with a maximum award of $2000.00 per facade			Grants shall be awarded on a reimbursemen t basis only following the satisfactory completion as detailed in the application. Up to one-half of the total cost for a sign may be approved with a maximum award of $1000.00 per sign.	
Brevard	**No incentive programs in place.**				
Burlington	Properties within the BDC Municipal Service Area are eligible for grant funds of up to $4,000 per façade project and/or $1,000 per sign project. The objective of this program is to dramatically improve building appearances, which in turn helps create a visually attractive downtown.				

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Carrboro		Loans from the fund for projects such as construction or renovation of a building, purchasing existing buildings, the acquisition of equipment, the extension of utilities or streets to new sites, parking lots, and inventory. Other potential projects are explored s as long as it can be shown new jobs are created or retained. Project must use some private funds, preferably at least 50% of the project cost. Project must create or retain at least one job per $10,000 of CRLF moneys and 51% of jobs should go to those with low or moderate incomes.			
Clayton	Grant of up to $5,000 per façade on a 50% (DDA) / 50% (Applicant) matching basis as funds are available				
Concord		Reimbursement matching grants, 50/50 matching basis. The maximum CDDC contribution is $2,500.	**Jump-Start Grant Program:** created to encourage the location of businesses in specific categories to the Municipal Service District of downtown Concord. The grant is a one-time reimbursable matching grant in an amount up to $1,500 which may be used to assist in interior building improvements and other start-up expenses related to opening the business.	Designed to assist business owners in the design and funding of signage for downtown businesses. Th ese reimbursemen t matching grants cover up to 50 percent of the cost of the design and production of signage and will not exceed $350.00	**Upper Floor Grant Program** was created to encourage investment in renovating and restoring upper floors of buildings within the MSD. Reimbursement matching grant program, 50/50 matching basis. The maximum CDDC contribution may not exceed $2,500.

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Davidson	**No incentive programs in place.**				
Eden	Façade Grant program-$500 maximum award, 1:1 match required				
Edenton	Costs of eligible projects are shared between the tenant/owner and Destination Downtown Edenton on a 50/50 matching basis, with DDE's share provided as reimbursement at the completion of the project. In each project the contribution by the owner must equal or exceed the DDE amount. Upon completion and inspection, a check will be issued for half the actual project cost **or** an agreed upon figure determined by the DDE Design Committee.				
Elizabeth City	**Facade Matching Grant Program**-funds available for façade improvements 1:1 up to$ 1000 include awnings and signage.				
Elkin	Standard Façade Grant program- currently unfunded.				
Farmville	**No incentive programs in place.**				
Forest City	Provides design services only.				
Franklin	**No incentive programs in place.**				
Fuquay-Varina	Façade Matching Grant program currently on hold due to funding difficulties.				

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Garner	Available to commercial buildings located in the Central Business District. Up to 50% of the renovation costs, not to exceed $5,000 will be reimbursed to the property owner upon successful completion of the project. Grant funds will be disbursed once work has been completed, inspected and all copies of all paid receipts presented to GRA. Property owners must sign a Maintenance Agreement committing to maintain the property after work is completed.				

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Goldsboro	**Three facade award categories are available,** depending on the project scope: 1) At a minimum, qualifying projects are eligible for a grant of up to $1,000 per façade on a 50/50 matching, reimbursement basis. 2) Special Projects that cost less than $10,000 in total facade expenditures by an applicant are eligible for a grant of up to the lesser of $2,500 or 1/2 the total cost. 3) Special Projects that exceed $10,000 in total façade expenditures by an applicant are eligible for a grant of up to 25% of the total façade project cost. The maximum amount awarded to an applicant per project is not to exceed $10,000 in a 10 year period.		**Downtown Business Incentive Grant Program:** Applicant must either be a new business start up or an existing business that has been in operation for at least 3 years and is located outside of downtown with plans to relocate within the MSD. The program offers a one-year grant of no more than $400/month paid in equal monthly installments for one year to the applicant once the applicant's business has opened.Funds will serve as a reimbursement for eligible expenses during the monthly period, including but not limited to: a) advertising, b) utilities, c) rent and d) insurance.		
Greensboro	The **Façade Improvement Program** provides a matching grant of up to $5,000 or 50% of the façade renovation project, whichever is less. The **Façade Design Assistance Program** provides the services of architects to offer ideas for façade improveme nts. Business owners select an architect from a DGI list. After conferring with the property owner, the architect provides sketches of a potential new façade.				

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Greenville	maximum grant that may be awarded per facade is $5,000 on a minimum of $10,000 ofexpended facade improvements/repairs by the owner/tenant with a $1:$2 match.				
Henderson	**No incentive programs in place.**				
Hendersonville	Façade Grants- approved by Historic Preservation Commission; 1:1 match up to $1000.				
Hertford	Standard façade grant program				
Hickory	Through City of Hickory: Grants are given up to a 50-50 matching basis for a maximum amount of $5,000.00 per application. Grants awards are distributed after work on the project is completed, reviewed, and paid project bills are submitted. No after-the-fact applications are eligible.				
Jacksonville	matching reimbursable grant funds whereby **B.O.L.D.** of Jacksonville, Inc. will match 50% of each dollar spent by the applicant/business on exterior façade improvements, up to $2,500.00 after the work has been completed.				

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Kings Mountain			**Rent & Utility Incentive Grant**: business may be a start-up, expansion or relocation into the MSD. If an application is approved, the applicant must sign a letter of intent to remain in the downtown district for at least one year. Funds available include a maximum grant of $1,500 for rent, or a maximum grant of $500 for utilities.		
Kinston	Typical façade grant is up to $2000 per façade with a 50-50 match.				Interior renovation projects-- Maximum grant of $20,000 over three years at a one to three match, includes interior renovations.
Lenoir	Grant funds will be made on a first-come, first-served basis until budgeted funds are committed. Grant amounts will be calculated as 25% of the cost of eligible improvements to a maximum of $5,000 per grant. **Small Façade Improvement Grant** program provides a matching grant of up to $500.00 for qualified improvements to the exterior facades of commercial buildings				Grant funds will be made on a first-come, first-served basis until budgeted funds are committed. Grant amounts will be calculated as 25% of the cost of eligible improvements to a maximum of $5,000 per grant.

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Lexington	Façade grants available to property owners/tenants in the MSD as follows: 50 Lineal Feet or Less is eligible for a maximum grant of $2,400 per facade that faces a city street; 50 Lineal Feet or More: Any building w/ a facade exceeding 50 lineal feet may request an additional $25 per lineal foot as determined by Uptown Lexington, Inc. The maximum grant available is $4,200; Any parking lot or improvement other than a building shall receive a maximum grant of up to 50% of the total cost or $4,000, whichever is less. Signs are eligible for grants of 50% of the project cost up to $500.	**Endangered Properties Program:** Uptown Lexington Inc., works to purchase and stabilize significant properties in the Uptown district and then market them for business development.			

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Lincolnton	**Incentive Grant Program for Storefront Rehabilitation**: Provides 50% of the total cost of approved projects up to $40 per linear foot of front façade. Side facades are eligible on corner buildings and buildings where the side façade is clearly visible from a public right-of-way as the result of a missing building or change in building setback. (If a building has more than one eligible facade, each façade is considered separately. See Example) Rear facades are ineligible to receive grant funds	Downtown Development Association of Lincolnton, Inc established its **Redevelopment Venture Fund t**o actively participate in real estate development projects in downtown. Gives preferential consideration for rehabilitation and renovation for individual buildings of architectural and cultural significance;; alllows for purchase of properties for resale, with protective covenants in place as necessary; lend funds, secured by mortgages, to persons wishing to buy and/or restore DDA held property but for whom ordinary financing is unavailable;			
Lumberton	City of Lumberton will pay one-half (1:1 dollar ratio) of the cost of improvements not to exceed $5,000. The property owner is responsible for maintenance of façade and/or landscape improvements. Funds disbursed on a reimbursement basis upon furnishing paid receipts for approved expenditures				

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Marion		Is partnering with the North Carolina Rural Economic Development Center to offer local entrepreneurs express loans of up to $5,000 to start or expand a small business through the center's Microenterprise Loan Program. The Rural Center has committed $250,000 for their new express loan product. The express loan gives a chance to small business owners that aren't quite ready for a larger business loan or who need to build their credit.			
Mocksville	**No incentive programs in place.**				

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Monroe	1. **City of Monroe Façade Rehabilitation Grant Program:** Owners may receive up to 25% of the cost of façade renovations not to exceed $15,000. Corner buildings or buildings with rear facades are eligible to apply for up to 25% of the cost of the additional renovations not to exceed $10,000 to rehabilitate or restore qualifying additional facades on a first come first serve basis. 2. **Façade Improvement Grant (FIG)**, was created for the purpose of encouraging private investment in the restoration of building façades in downtown Monroe. The grant assists with the costs associated with exterior improvements of buildings that reside within the Central Business District and can significantly reduce these costs by as much as 50%, up to a limit of $4,000.		**Downtown PRONTO** offers rental assistance, business license fee assistance and interior upfit assistance for qualifying retail/restaurant businesses wishing to open in Downtown.		**Residential Investment Grant** (RIG), assists with the development of residential uses in the upper levels of the buildings that reside within the CBD. This grant can significantly reduce the costs associated with the rehabilitation of an income producing structure by providing up to $20 per $100 (up to 20%) of the assessed tax value.

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Mooresville	**Façade Awning Grants**: grants are made on a 50-50 matching basis and that the reimbursement can be only ½ of the expenses associated with the awning project, up to a maximum of $1,000.00 per awning, per address		**Downtown Mooresville Utility Connection Incentive: PROPOSED-** properties located within the Mooresville MSD, will be subject to payment of "System Development" fees only for utility connections. "Utility availability" fees will not apply to those properties located in the MSD.		
Morehead City	Standard Façade Grant program. 1:1 match				
Morganton	**Façade Grants** availabe-$2500 per façade, 1:1 match, **painting** and **awning** grant assistance available as well.				
New Bern	**No incentive programs in place.**				
Newton	**No incentive programs in place.**				
N. Wilkesboro	**No incentive programs in place.**				
Oxford	**No incentive programs in place.**				
Reidsville	**No incentive programs in place.**				
Roanoke Rapids	**No incentive programs in place.**				
Rocky Mount	**Façade Improvement Grant**—up to $2500 on a 50-50 matching basis. **Major Impact Grant**--Funding of up to $5,000 per project available for exterior improvements, Projects require matching capital investment of 20%		For new retail businesses locating in the Central City Business District, matching funds up to 12K for two years and must create at least one permanent job per $250/mo. in assistance.		

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Roxboro	Up to $2000, requires at least a 1:1 match, can include improvements on the side of a builiding and includes sign and awning replacement.				
Rutherfordton	Currently suspended- usually up to $1000, at a 1:1 match. Will do the side of a building sometimes depending on what needs to be done.				
Salisbury	**Municipal Service District Incentive Grants** are given up to a 50-50 matching basis up to $2500 for facade improvements, sign improvements, landscaping, driveway consolidation, parking improvements, bicycle improvements, pedestrian enhancements, etc. within the MSD	Internal Revolving Loan Fund where the city workds with the bank to stabilize historic properties and then sells them for appropriate downtown business development.			
Sanford	Incentives for exterior improvements and life & safety interior improvements for non-residential buildings, 1:1 match with awards up to $5K				
Shelby	Pay %50 of allowable costs up to a total of $2,400 from our funds (projects of $4,800 or more)		$50 and $200 a month for new businesses locating in Uptown		
Smithfield	Façade grant program. Standard 1:1 match.				
Southport	**No incentive programs in place.**				
Sparta	**No incentive programs in place.**				
Spruce Pine	**No incentive programs in place.**				
Statesville	**No incentive programs in place.**				
Sylva	**No incentive**				

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
	programs in place.				
Tarboro	**No incentive programs in place.**				
Wadesboro	Small grants to promote storefront renovation and restoration of commercial buildings in Uptown Wadesboro with the purpose of encouraging good design projects and workmanship, preserving Uptown Wadesboro's unique historic character. and attracting new businesses to Uptown Wadesboro.				**Interior Renovation Grants** are issued for 100% of the actual project cost with a **maximum $500.00** per project as determined by the UWI Board of Directors and are may only be used to finance interior improvements.
Wake Forest	The Façade Improvement Grant Program is available to existing business and/or building owners that are located in the Renaissance Area - Historic Core zoning district as designated by the town. Maximum grants will be a 50% match up to $2,500, pending funding.				
Washington	**No incentive programs in place.**				
Waynesville	**No incentive programs in place.**				

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Wilmington		**Building Improvement Loan Fund:** To encourage the development of commercial and residential uses in the CBD, Loans are offered at fixed interest rates of ¾ prime amortized over 20-30 years. Each loan has a five, seven, or ten year call. The lower interest rates and longer terms will reduce the owner's monthly debt service and will enable an owner to offer the units for monthly rents affordable to more people. This program provides low-interest fixed loans at ¾ the prime rate amortized for a term of up to twenty (20) years with a balloon payment in five (5) to ten (10) years.			
Wilson	**Facade Matching Grant Program-** Awards of up to $10,000 dollars to enhance building exteriors. Up to $2,500 for the project costs for work up to $5,000; An additional 10% for all project costs for work $5,001 - $80,000; $1,000 minimum project investment.	**Downtown Loan Pool-$**2 Million Loan Pool available at prime to point below prime for real estate purchases, building renovations and equipment purchase.	**Owner Occupied Building Grant-**can receive up to $8,400 to help with the purchase price. **Rent Incentive Grant Awards-**up to $8,400 to attract pedestrian-oriented businesses. Extensions for both programs potentially available.		

City	Façade Grant Program	Revolving or Special Loan Funds	Rental or Business Assistance Program	Signage Grants	Interior Rehabilitation Grants
Winston-Salem	**Building Rehabilitation Program (formerly Façade Improvement Program)**: Deferred payment loans up to $10,000 per building. Loan repayment deferred for 5 years. At the end of 5 years, balance forgiven in full if the property has been maintained.	**Restaurant Development/Recruitment Loans:** Working with local banks, City of Winston-Salem will be able to provide a subordinated loan equal to 37.5% of a project cost, up to $150,000 per applicant subject to the applicant and participating lender providing 62.5% percent of the project cost. Interest rates are 3-5 percent; term up to 15 years. Loan repayments deferred for 2 years.			

APPENDIX C

Work Plan to Evaluate Options for Village Provided Business Incentive Programs

Work Plan from Village Center Enhancement Strategy

Goal #2: Provide resources to support Village Center business owners		**Objective:** Evaluate options for Village provided business incentive programs **Priority:** A	
Work Plan			
Tasks	**Responsible Party**	**Partners**	**Deadline**
1. Research and summarize what business incentives other NC municipalities are providing	Administration	NC Main Street Program	03/15/12
2. Provide research and summarized information to the Village Council	Administration		04/15/12
3. Village Council to identify which incentives to pursue, if any	Village Council		04/30/12
4. Develop business incentive programs based on Village Council Directives	Administration	Village Council	07/31/12

DISCUSS AND CONSIDER A MOTION FOR THE LIBRARY OPERATIONS CONTRACT.

ADDITIONAL AGENDA DETAILS:

FROM:
John Frye

CC:
Jeff Batton & Natalie Dean

DATE OF MEMO:
3/17/2015

MEMO DETAILS:
Over the past few months, staff has worked to draft an operating agreement to formalize the operating agreement between the Given Memorial Library (GML) and the Village. The attached contract has been developed in conjunction with the GML Board of Directors and has been reviewed by the Village Attorney.

The contract outlines the annual services to be provided, reporting requirements, financial disclosures, insurance requirements, and other items related to the provision of these services. The contract does not bind the Village to future commitments of funding nor does it specify a dollar amount but rather defines the library services and procedural actions required by the library should Council appropriate funds. The GML will still be required to submit its funding request annually and Council will retain its discretion of whether to fund and at what level during each annual budget cycle.

In order to approve the contract, the Mayor must be authorized by motion to execute the contract on behalf of the Village.

ATTACHMENTS:

	Description
🗋	Contract for Library Operations

STATE OF NORTH CAROLINA — CONTRACT FOR SERVICES

COUNTY OF MOORE — GIVEN MEMORIAL LIBRARY SERVICES

THIS CONTRACT, entered into as of the ___day of ______________2015, by and between the VILLAGE OF PINEHURST 56-1211319, (hereinafter referred to as VILLAGE), and the Given Memorial Library, Inc. 56-0812935 (hereinafter referred to as LIBRARY).

WITNESSETH:

WHEREAS, VILLAGE has agreed to pay the LIBRARY up to a certain amount of money, hereinafter stated, out of the VILLAGE'S General Fund Budget, and that in exchange for said funding LIBRARY has agreed to perform certain services for the VILLAGE of a public nature, it is mutually agreed and understood between the parties as follows:

1. **TERM OF CONTRACT:** This contract shall commence March 24, 2015 and shall end on June 30, 2015. Beginning July 1, 2015, this contract will be renewed for an additional one-year increment from July 1, 2015 - June 30, 2016 fiscal year basis. Each year thereafter, this contract will automatically renew for one additional fiscal year unless either party does not provide written notification to the other party of their intent not to renew at least 90 days prior to the expiration of the contract. Any extension shall be on the same terms, covenants, and provisions as the original contract, unless changes are mutually agreed upon and reduced to writing as an addendum to this contract. Provided however, that either party can, in their sole discretion, elect not to renew, or immediately terminate this contract, so long as a 90-day notice is given to the other party of the decision not to renew, or to terminate. If LIBRARY shall at any time breach any part of this Agreement, this Agreement shall immediately terminate upon receipt of written notice of the same, signed by the Village Manager or his/her designee.
2. **SERVICES TO BE PERFORMED:** LIBRARY, in and for the consideration recited in Section 5 below, agrees to provide public library services at 150 Cherokee Road, Pinehurst.

Public library services for the purposes of this contract shall be defined as providing free access to residents of the Village of Pinehurst to public library services including but not limited to adult and children's literacy programs, cultural programs and borrowing items from the Given Memorial Library's collection of books, magazines, and other literary materials in both paper and electronic formats. LIBRARY agrees to notify the VILLAGE Manager in writing immediately of any significant change in the type or level of services to be performed.

3. **STATUTORY FUNDING AUTHORIZATION:** Funding in support of LIBRARY services described in Section 2 is authorized by North Carolina General Statute 160A-209(c)20.
4. **ANNUAL APPROPRIATION:** For the FY 2014-2015 Fiscal Year, the appropriation available for this contract is $80,000. Of this amount, $60,000 has been disbursed to the LIBRARY prior to the execution of the contract, leaving $20,000 payable for the initial contract period ending June 30, 2015. Each year, the Village Council will consider the LIBRARY operating funding request submitted by March 1 for funding the following fiscal year. There is no guarantee of funding beyond the contract term.
5. **PAYMENT:** That VILLAGE will pay the LIBRARY in the amount approved in the VILLAGE's budget for operations each fiscal year. Each year, the available funds will be disbursed as follows: 25 percent per quarter, July 1, October1, January 1, and April 1. For the purposes of receiving payments, the mailing address of the Agency shall be: **P.O. BOX 159 Pinehurst, North Carolina 28370.** Payments to the LIBRARY shall be automatically remitted during the first ten (10) days of the quarter by the Village's Financial Services Department.
6. **USE OF FUNDS:** Funding provided under this agreement to the LIBRARY shall be used exclusively to provide the services outlined in Section 2. No funds provided by the VILLAGE shall be used for fund raising, political purposes, or any other purpose other

than providing public library services as authorized under North Carolina General Statute 160A-209(c)20 and outlined specifically in Section 2.

7. **ANNUAL ACTIVITY REPORT:** LIBRARY shall provide the Village Manager an annual report of the accomplishments and services provided under this agreement. The report shall be submitted with the LIBRARY funding request by March 1 of each year and shall contain information for the previous calendar year. Reports shall be mailed to Village Manager, Village of Pinehurst, 395 Magnolia Road, Pinehurst, NC 28374.

8. **FINANCIAL REPORTING:**

   A. Funds paid under the terms of this agreement shall be reported as municipal support and clearly identifiable in the LIBRARY financial statements.

   B. The LIBRARY agrees that it will provide the VILLAGE with an annual financial review (REPORT) by a qualified CPA firm for the fiscal year periods ending in or including 2014 and each subsequent year. The LIBRARY shall also provide a copy of its IRS Form 990 for each year beginning in 2014. The REPORT and IRS Form 990 is due to the VILLAGE one hundred and twenty (120) days after the LIBRARY's fiscal year-end.

9. **PUBLIC INFORMATION:** The REPORT and IRS Form 990 referenced in Section 8B shall also be made available to the general public upon request per G.S. 55A-15-24.

10. **INDEPENDENT CONTRACTOR:** LIBRARY is a non-profit corporation of the State of North Carolina and is an independent contractor. LIBRARY is not an agent, officer, or employee of the VILLAGE and shall have no authority to act as an agent of the VILLAGE, nor enter any Agreement for, or on behalf of, the VILLAGE. The LIBRARY shall at all times maintain its status as a non-profit corporation organized to do business in the State of North Carolina and shall provide VILLAGE with satisfactory proof of said status. In addition, employees of the LIBRARY shall not, in any way, be considered employees of the

VILLAGE.

11. **ASSIGNMENT:** The LIBRARY shall not assign its contract rights under this Agreement or any part thereof, nor delegate any performances hereunder, nor subcontract without first obtaining the VILLAGE'S written approval thereof.

12. **AGENCY AND AUTHORITY:** The LIBRARY hereby designates its Executive Director, as its exclusive agent with respect to this Agreement. The Executive Director is authorized, on behalf of the LIBRARY, to negotiate directly with the VILLAGE on all matters pertaining to this Agreement. The VILLAGE agrees that all of its dealings with the LIBRARY in respect to the terms and conditions of this Agreement shall be exclusively with the Executive Director. Further, the VILLAGE hereby designates the Village Manager, as its exclusive agent with respect to this Agreement. The Manager is authorized, on behalf of the VILLAGE, to negotiate directly with the LIBRARY on all matters pertaining to this Agreement. The LIBRARY agrees that all of its dealings with the VILLAGE in respect to the terms and conditions of this Agreement shall be exclusively with the same Manager.

13. **MODIFICATION:** This Agreement may be modified only by a written instrument duly executed by the parties or their respective successors.

14. **NOTICES:** Any notices to be given by either party to the other under the terms of this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered by hand, with written acknowledgment of receipt, or mailed by registered or certified mail to the other party at the following addresses or to such other addresses as either party hereafter from time to time designates in writing to the other party for the receipt of notice:

LIBRARY:
Executive Director
Given Memorial Library
PO Box 159
Pinehurst, NC 28370

VILLAGE:
Village Manager
Village of Pinehurst
395 Magnolia Road
Pinehurst, NC 28374

Such notice, if mailed, shall be deemed to have been received by the other party on the date contained in the receipt.

15. **INSURANCE AND LIABILITY:** LIBRARY will maintain worker's compensation and employer's liability insurance for employees as required by law. Current, valid insurance policies meeting the requirements herein identified shall be maintained to be considered an "eligible contractor" of the VILLAGE. LIBRARY will maintain insurance policies at all times within the minimum limits as follows:

    A. Coverage and Minimum Limits: Worker's Compensation: Insurance shall be maintained covering all employees meeting statutory requirements in compliance with all state and federal laws as they may apply.

    B. Commercial General Liability: Coverage shall have minimum limits of $1,000,000 general aggregate, products/completed operations aggregate, person and advertising injury and each occurrence. This shall include premises and operations, independent contractors, products and completed operations, broad form property damage, XCU coverage and contractual liability. The coverage shall be written on an occurrence basis.

16. **INDEMNIFICATION:**

    A. LIBRARY will, to the fullest extent permitted by law, indemnify, defend, and hold harmless, the Village from and against any and all claims, liabilities, losses, damages, costs, or expenses . This includes, without limitation, reasonable attorney's fees, awards, fines, or judgments arising out of, or relating to, any or all of the following:

        i. Damages to persons, personal property, or the VILLAGE caused by an act or omission of LIBRARY; and

        ii. All claims, suits, losses, injuries, death, and property liability, including, without limitation, expenses in connection with any such claim or suit, including reasonable attorney's fees, occurring in the performance of the proposed services;

and

iii. All claims and liabilities resulting from LIBRARY's violation of federal, state, or local statute, regulation, or ordinance; and

iv. In the event that any good, service, or process sold and delivered or sold and performed is defective in any respect whatsoever, LIBRARY will indemnify and hold harmless the Village from all loss or the payment of all sums of money by reason of all accidents, injuries, or damages to persons or property that happen or occur in connection with the use or sale of such good, service, or process.

B. VILLAGE will, to the fullest extent permitted by law, indemnify, defend, and hold harmless, the LIBRARY from and against any and all claims, liabilities, losses, damages, costs, or expenses . This includes, without limitation, reasonable attorney's fees, awards, fines, or judgments arising out of, or relating to, any or all of the following:

i. Damages to persons, personal property, or the LIBRARY caused by an act or omission of VILLAGE; and

ii. All claims, suits, losses, injuries, death, and property liability, including, without limitation, expenses in connection with any such claim or suit, including reasonable attorney's fees, occurring in the performance of the proposed services; and

iii. All claims and liabilities resulting from VILLAGE'S violation of federal, state, or local statute, regulation, or ordinance; and

iv. In the event that any good, service, or process sold and delivered or sold and performed is defective in any respect whatsoever, VILLAGE will indemnify and hold harmless the LIBRARY from all loss or the payment of all sums of money by reason of all accidents, injuries, or damages to persons or property that happen or occur in connection with the use or sale of such good, service, or process.

17. **STRICT COMPLIANCE:** The Village may at any time insist upon strict compliance with these terms and conditions despite any previous course of dealing or course of performance between the parties that may have been contrary to the terms of this Agreement.

18. **SEVERABILITY:** In the event that any provision herein is deemed invalid or unenforceable, the other provisions will remain in full force and effect, and binding on both parties.

19. **SURVIVAL:** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the Village and Partners will survive the completion of the services and the termination of the Agreement.

20. **GOVERNING LAW:** The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties to this Agreement, is governed by the laws of the State of North Carolina. The parties agree and submit, solely for matters concerning this Agreement, to the exclusive jurisdiction of the General Courts of Justice of North Carolina. In addition, the parties agree that the exclusive venue for any legal proceeding will be Moore County, North Carolina.

21. **ENTIRE AGREEMENT:** This Agreement represents the entire understanding and agreement between the parties with respect to contracting for library services as outlined in Section 2. This Agreement supersedes all prior agreements, whether written or oral, that may exist between the parties with respect to contracting for library services as outlined in Section 2. In addition, no subsequent amendment or modification to this Agreement or waiver of any provisions will be effective unless in writing and signed by both parties.

22. **CHANGES IN BYLAWS AND INSURANCE POLICIES:** That in the event of any change in the LIBRARY'S bylaws, or insurance policies, LIBRARY agrees that it shall immediately notify the Village Manager. LIBRARY shall have this CONTRACT approved by its Board of Directors with a copy of the minutes approving this CONTRACT being submitted to the

VILLAGE at the time of execution.

23. EX-OFFICIO REPRESENTATION ON LIBRARY BOARD OF DIRECTORS

The Mayor of the VILLAGE shall be granted membership as an ex-officio Board Member of the LIBRARY during the term of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the

________________________ by their respective duly authorized representatives.

ATTEST

By: ____________________________	By: _________________________
Lauren M. Craig Village Clerk	Nancy Roy Fiorillo Mayor

ATTEST

By: ____________________________	By: _________________________
Thomas R. McPherson, Jr. President	Audrey Moriarty Executive Director

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.	Approved for legal sufficiency.
By: ____________________________	By: _________________________
John G. Frye Finance Officer	Michael Newman Village Attorney

DISCUSS AND CONSIDER A BUDGET ORDINANCE AND CONTRACT FOR LIBRARY OUTPOST SERVICES.

ADDITIONAL AGENDA DETAILS:

FROM:
John Frye

CC:
Jeff Batton & Natalie Dean

DATE OF MEMO:
3/17/2015

MEMO DETAILS:
Representatives of the Given Memorial Library (GML) presented a proposal for additional library services to be provided in the newly renovated "OutPost" facility in the former post office building downtown. The contract will provide first-year funding for programming staff and other costs related to the services provided in the new venue.

The Village budgeted $50,000 in Contingency for this initiative in FY 2015. Of this amount, $25,000 will be transferred from Contingency to the Library operations budget to facilitate the disbursements due for the project before June 30, 2015. The remaining $25,000 will be rolled forward into the FY 2016 budget.

A budget ordinance amendment and the related contract for services are attached for your consideration.

ATTACHMENTS:

	Description
	Ordinance 15-05: Budget Amendment-Library OutPost Services
	Contract for Library OutPost Services

ORDINANCE #15-05:

AN ORDINANCE AMENDING THE ORDINANCE APPROPRIATING FUNDS FOR OPERATIONS OF THE VILLAGE OF PINEHURST FOR FISCAL YEAR 2015, REGARDING REVENUES AND EXPENDITURES OF THE GENERAL FUND FOR THE VILLAGE OF PINEHURST, NORTH CAROLINA (GIVEN MEMORIAL LIBRARY OUTPOST SERVICES)

THAT WHEREAS, representatives of the Given Memorial Library presented a proposal for the Village Council's consideration on March 10, 2015 for additional Library Services to be provided at the newly renovated "OutPost" facility at 95 Cherokee Road in Pinehurst; and

WHEREAS, the Village Council would like to support these additional library services as authorized under G.S. 160A-209(c)20; and

WHEREAS, the expenditures related to these services were included in the general contingency line item of the FY 2014-2015 Budget when originally adopted and should be transferred to the Given Library Outpost Operations line item;

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina, in the regular meeting assembled this 24th day of March 2015, as follows:

SECTION 1. To amend the FY 2015 General Fund budget with regard to revenues and expenditures, the revenue and expenditure accounts are to be changed as follows:

Account No.	Account Name	Debit	Credit
10-80-615-6932	Given Library Outpost Operations	$ 25,000	
10-00-990-9999	General Contingency		$ 25,000

SECTION 2. Copies of this budget amendment shall be furnished to the Clerk to the Village Council, Village Manager, and Financial Services Director for their direction and implementation.

THIS ORDINANCE passed and adopted this 24th day of March 2015.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

STATE OF NORTH CAROLINA — CONTRACT FOR SERVICES

COUNTY OF MOORE — GIVEN MEMORIAL LIBRARY OUTPOST

THIS CONTRACT, entered into as of the ___day of ______________2015, by and between the VILLAGE OF PINEHURST 56-1211319, (hereinafter referred to as VILLAGE), and the Given Memorial Library, Inc. 56-0812935 (hereinafter referred to as LIBRARY).

WITNESSETH:

WHEREAS, VILLAGE has agreed to pay the LIBRARY up to a certain amount of money, hereinafter stated, out of the VILLAGE'S General Fund Budget, and that in exchange for said funding LIBRARY has agreed to perform certain services for the VILLAGE of a public nature, it is mutually agreed and understood between the parties as follows:

1. **TERM OF CONTRACT:** This contract shall commence March 31, 2015 and shall end on March 31, 2016. If LIBRARY shall at any time breach any part of this Agreement, this Agreement shall immediately terminate upon receipt of written notice of the same, signed by the Village Manager or his/her designee.
2. **SERVICES TO BE PERFORMED:** LIBRARY, in and for the consideration recited in Section 5 below, agrees to provide public library services at 95 Cherokee Road, Pinehurst. Public library services for the purposes of this contract shall be defined as those services outlined in **Exhibit A** of this agreement. LIBRARY agrees to notify the VILLAGE Manager in writing immediately of any significant change in the type or level of services to be performed.
3. **STATUTORY FUNDING AUTHORIZATION:** Funding in support of LIBRARY services described in Section 2 is authorized by North Carolina General Statute 160A-209(c)20.
4. **PAYMENT:** That VILLAGE will pay the LIBRARY $50,000 for the services outlined in this contract as approved in the VILLAGE's budgets. The disbursements shall be as follows: $12,500 on March 31, 2015, June 30, 2015, September 30, 2015, and December

31, 2015. For the purposes of receiving payments, the mailing address of the Agency shall be: **P.O. BOX 159 Pinehurst, North Carolina 28370.**

5. **USE OF FUNDS:** Funding provided under this agreement to the LIBRARY shall be used exclusively to provide the services outlined in Section 2 and further described in Exhibit A. No funds provided by the VILLAGE shall be used for fund raising, political purposes, or any other purpose other than providing public library services as authorized under North Carolina General Statute 160A-209(c)20 and outlined specifically in Section 2 and Exhibit A.

7. **ACTIVITY REPORT:** LIBRARY shall provide the Village Manager an annual report of the accomplishments and services provided under this agreement. The report shall be submitted at the end of the contract period. The report shall be mailed to Village Manager, Village of Pinehurst, 395 Magnolia Road, Pinehurst, NC 28374.

8. **FINANCIAL REPORTING:**
   A. Funds paid under the terms of this agreement shall be reported as municipal support and clearly identifiable in the LIBRARY financial statements.
   B. The LIBRARY agrees that it will provide the VILLAGE with an annual financial review (REPORT) by a qualified CPA firm for the fiscal year periods ending in or including 2015. The LIBRARY shall also provide a copy of its IRS Form 990 for each year ending in or including 2015. The REPORT and IRS Form 990 is due to the VILLAGE one hundred and twenty (120) days after the LIBRARY's fiscal year-end.

9. **PUBLIC INFORMATION:** The REPORT and IRS Form 990 referenced in Section 8B shall also be made available to the general public upon request per G.S. 55A-15-24.

10. **INDEPENDENT CONTRACTOR:** LIBRARY is a non-profit corporation of the State of North Carolina and is an independent contractor. LIBRARY is not an agent, officer, or employee of the VILLAGE and shall have no authority to act as an agent of the VILLAGE,

nor enter any Agreement for, or on behalf of, the VILLAGE. The LIBRARY shall at all times maintain its status as a non-profit corporation organized to do business in the State of North Carolina and shall provide VILLAGE with satisfactory proof of said status. In addition, employees of the LIBRARY shall not, in any way, be considered employees of the VILLAGE.

11. **ASSIGNMENT:** The LIBRARY shall not assign its contract rights under this Agreement or any part thereof, nor delegate any performances hereunder, nor subcontract without first obtaining the VILLAGE'S written approval thereof.

12. **AGENCY AND AUTHORITY:** The LIBRARY hereby designates its Executive Director, as its exclusive agent with respect to this Agreement. The Executive Director is authorized, on behalf of the LIBRARY, to negotiate directly with the VILLAGE on all matters pertaining to this Agreement. The VILLAGE agrees that all of its dealings with the LIBRARY in respect to the terms and conditions of this Agreement shall be exclusively with the Executive Director. Further, the VILLAGE hereby designates the Village Manager, as its exclusive agent with respect to this Agreement. The Manager is authorized, on behalf of the VILLAGE, to negotiate directly with the LIBRARY on all matters pertaining to this Agreement. The LIBRARY agrees that all of its dealings with the VILLAGE in respect to the terms and conditions of this Agreement shall be exclusively with the same Manager.

13. **MODIFICATION:** This Agreement may be modified only by a written instrument duly executed by the parties or their respective successors.

14. **NOTICES:** Any notices to be given by either party to the other under the terms of this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered by hand, with written acknowledgment of receipt, or mailed by registered or certified mail to the other party at the following addresses or to such other addresses as either party hereafter from time to time designates in writing to the other party for the receipt of

notice:

LIBRARY:	VILLAGE:
Executive Director Given Memorial Library PO Box 159 Pinehurst, NC 28370	Village Manager Village of Pinehurst 395 Magnolia Road Pinehurst, NC 28374

Such notice, if mailed, shall be deemed to have been received by the other party on the date contained in the receipt.

15. **INSURANCE AND LIABILITY:** LIBRARY will maintain worker's compensation and employer's liability insurance for employees as required by law. Current, valid insurance policies meeting the requirements herein identified shall be maintained to be considered an "eligible contractor" of the VILLAGE. LIBRARY will maintain insurance policies at all times within the minimum limits as follows:

    A. Coverage and Minimum Limits: Worker's Compensation: Insurance shall be maintained covering all employees meeting statutory requirements in compliance with all state and federal laws as they may apply.

    B. Commercial General Liability: Coverage shall have minimum limits of $1,000,000 general aggregate, products/completed operations aggregate, person and advertising injury and each occurrence. This shall include premises and operations, independent contractors, products and completed operations, broad form property damage, XCU coverage and contractual liability. The coverage shall be written on an occurrence basis.

16. **INDEMNIFICATION:**

    A. LIBRARY will, to the fullest extent permitted by law, indemnify, defend, and hold harmless, the Village from and against any and all claims, liabilities, losses, damages, costs, or expenses . This includes, without limitation, reasonable attorney's fees, awards, fines, or judgments arising out of, or relating to, any or all of the following:

    i. Damages to persons, personal property, or the VILLAGE caused by an act or omission of LIBRARY; and

ii. All claims, suits, losses, injuries, death, and property liability, including, without limitation, expenses in connection with any such claim or suit, including reasonable attorney's fees, occurring in the performance of the proposed services; and

iii. All claims and liabilities resulting from LIBRARY's violation of federal, state, or local statute, regulation, or ordinance; and

iv. In the event that any good, service, or process sold and delivered or sold and performed is defective in any respect whatsoever, LIBRARY will indemnify and hold harmless the Village from all loss or the payment of all sums of money by reason of all accidents, injuries, or damages to persons or property that happen or occur in connection with the use or sale of such good, service, or process.

B. VILLAGE will, to the fullest extent permitted by law, indemnify, defend, and hold harmless, the LIBRARY from and against any and all claims, liabilities, losses, damages, costs, or expenses . This includes, without limitation, reasonable attorney's fees, awards, fines, or judgments arising out of, or relating to, any or all of the following:

i. Damages to persons, personal property, or the LIBRARY caused by an act or omission of VILLAGE; and

ii. All claims, suits, losses, injuries, death, and property liability, including, without limitation, expenses in connection with any such claim or suit, including reasonable attorney's fees, occurring in the performance of the proposed services; and

iii. All claims and liabilities resulting from VILLAGE’S violation of federal, state, or local statute, regulation, or ordinance; and

iv. In the event that any good, service, or process sold and delivered or sold and performed is defective in any respect whatsoever, VILLAGE will indemnify and hold harmless the LIBRARY from all loss or the payment of all sums of money by reason of all accidents, injuries, or damages to persons or property that happen or occur in connection with the use or sale of such good, service, or process.

17. **STRICT COMPLIANCE:** The Village may at any time insist upon strict compliance with these terms and conditions despite any previous course of dealing or course of performance between the parties that may have been contrary to the terms of this Agreement.

18. **SEVERABILITY:** In the event that any provision herein is deemed invalid or unenforceable, the other provisions will remain in full force and effect, and binding on both parties.

19. **SURVIVAL:** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the Village and Partners will survive the completion of the services and the termination of the Agreement.

20. **GOVERNING LAW:** The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties to this Agreement, is governed by the laws of the State of North Carolina. The parties agree and submit, solely for matters concerning this Agreement, to the exclusive jurisdiction of the General Courts of Justice of North Carolina. In addition, the parties agree that the exclusive venue for any legal proceeding will be Moore County, North Carolina.

21. **ENTIRE AGREEMENT:** This Agreement represents the entire understanding and agreement between the parties with respect to contracting for library services as outlined in Section 2 and Exhibit A. This Agreement supersedes all prior agreements, whether written or oral, that may exist between the parties with respect to contracting for library services as outlined in Section 2 and Exhibit A. In addition, no subsequent amendment or modification to this Agreement or waiver of any provisions will be effective unless in writing and signed by both parties.

22. **CHANGES IN BYLAWS AND INSURANCE POLICIES:** That in the event of any change in the LIBRARY'S bylaws, or insurance policies, LIBRARY agrees that it shall immediately notify the Village Manager. LIBRARY shall have this CONTRACT approved by its Board of Directors with a copy of the minutes approving this CONTRACT being submitted to the VILLAGE at the time of execution.

23. **EX-OFFICIO REPRESENTATION ON LIBRARY BOARD OF DIRECTORS**

    The Mayor of the VILLAGE shall be granted membership as an ex-officio Board Member of the LIBRARY during the term of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the ________________________ by their respective duly authorized representatives.

ATTEST

By: ____________________________
Lauren M. Craig
Village Clerk

By: _________________________
Nancy Roy Fiorillo
Mayor

ATTEST

By: ____________________________
Thomas R. McPherson, Jr.
President

By: _________________________
Audrey Moriarty
Executive Director

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Approved for legal sufficiency.

By: ____________________________
John G. Frye
Finance Officer

By: _________________________
Michael Newman
Village Attorney

Exhibit A

Village of Pinehurst Support of the Given Memorial Library Outpost Initiative

Terms

1. Will be used for expenses related to Outpost Programming
   - Events expenses
   - Programming manager salary (new hire starting in March)
   - Related overhead (utilities etc.)
2. Events
   - Family movie on Sunday afternoon
   - Health and wellness lectures in Partnership with First Health
   - Book clubs such as the Military Officers Spouse Club
   - Literacy training
   - Author events
   - Intimate concerts
   - SCC classes
   - Artist exhibits and presentations such as pottery
   - Other literacy and cultural gatherings
3. Funds will be classified as restricted. LIBRARY will report the balance of the restricted funds and the use of such funds once per calendar quarter.

CONSIDER A MOTION TO ACCEPT THE DONATED LOT ON TIMAQUANA TRAIL.

ADDITIONAL AGENDA DETAILS:

FROM:
Jeff Batton

DATE OF MEMO:
3/17/2015

MEMO DETAILS:
As you'll recall, we discussed a lot donation at 24 Timaquana Trail back in February (map attached).

The lot was offered as a donation to the Village by the owner and Council agreed that it was a desirable lot for the Village to own for possible drainage purposes.

Staff has had the necessary documents produced and seeks Council to take formal action to accept the lot via motion.

Thanks.

ATTACHMENTS:

	Description
🗋	Location Map


ADAMS CIR
15
501
US 15-501 HWY
MINIKAHADA TRL
KNICKERBOCKER LN
TIMUQUANA TRL
WAMPANOAG LN
SPRING LAKE LN
SPRING LAKE RD
N
W
E
S
Total Length: 454.26 Feet
13084.25 Sq. Feet
or.3 Acres
or Sq. Miles
1 : 276 Feet

DISCUSS A REVENUE NEUTRAL PROPERTY TAX RATE.
ADDITIONAL AGENDA DETAILS:

FROM:
John Frye

CC:
Jeff Batton & Natalie Dean

DATE OF MEMO:
3/18/2015

MEMO DETAILS:
As we prepare our revenue projections for next fiscal year and the remainder of the five-year forecast, staff will need Council's directive on whether to proceed with a revenue neutral property tax rate.

Moore County's 2015 revaluation estimate of $3.31 billion places the market value of the Village's tax base $180 million lower than the current tax base of $3.49 billion, representing a 5.1% decrease. If the Village maintains its current tax rate of $0.28 cents per $100 of valuation, the Village would levy approximately $504,000 less in property taxes in FY2016 than in FY2015. A budget reduction of this magnitude would significantly impact the Village's ability to maintain current service levels. Adjusting the tax rate to the revenue neutral rate of $0.30 in FY2016 would generate approximately $9.8m in property tax revenue, the same amount as was levied in FY2015.

It is worth noting that adopting a Village-wide revenue neutral tax rate does not mean that each property owner will pay the same tax as in the previous year. At the $0.30 revenue neutral rate proposed, property owners whose value decreased by more than 7% will pay less in property tax. Those whose value decreased by less than 7%, or increased in value, will pay more.

It is also worth mentioning that the revaluation estimate provide by Moore County is subject to change based on the appeals process. The County estimates that approximately 10% of property owners will appeal their revaluations.

We hope the Council finds this information helpful as you consider the tax rate position of the Village for the upcoming planning period and look forward to our discussion.

ATTACHMENTS:

	Description
🗋	2015 Revaluation Review

VILLAGE OF PINEHURST 1895

Revaluation 2015

Reviewing the impacts of the revaluation on residents and the Village of Pinehurst

Revaluation Basics

- All properties valued at market rates
- Equalizes the property tax burden
- Must be done at least every 8 years

Revenue Neutral Basics

- Revenue neutral is achieved by setting a property tax rate that will generate the same revenue as the previous year, plus normal growth
- Normal growth (1.17% this year) would have occurred even if properties were not revalued
- If a revenue neutral rate is adopted, it negates the effect of the revaluation on a Village-wide basis
- Individual property tax bills will vary based on the specific change in value
- The revenue neutral formula is dictated by the State Treasurer's Office
- The revenue neutral tax rate must be reported in the FY 2016 Budget document to 4 decimal places

Revaluation Summary

	Tax Base	Tax Rate	Tax Levy
FY 2015 Tax Base	$3,492,000,000	$0.28	$9,776,000
FY 2016 Tax Base	$3,312,000,000	$0.30	$9,891,000
Increase/(Decrease)	($180,000,000)	$0.02	$115,000
Percent Change	(5.15%)		1.17%

Residential Examples

	Property A	Property B	Property C	Property D
FY 2015 Value	$200,000	**$360,000**	$454,000	$750,000
FY 2016 Value	$205,000	**$336,000**	$410,000	$625,000
$ Value Change	$5,000	**($24,000)**	($44,000)	($125,000)
% Change	2.5%	**(6.7%)**	(9.7%)	(16.7%)
FY 2015 Tax @ $0.28	$560	**$1,008**	$1,271	$2,100
FY 2016 Tax @ $0.30	$615	**$1,008**	$1,230	$1,875
Annual Tax Change	$55	**$0**	($41)	($225)

Village of PINEHURST 1895

Other Items to Consider

- Values will likely affect revenues for the next 8 fiscal years
- Keeping the rate at $0.28 would result in a revenue loss of $504,000 in FY 2016 and $2.6m over the 5-year planning period
- Tax base figures are subject to change based on appeals
- Equalization to revenue neutral means property owners pay their fair portion of the property tax based on the market value of their property