

CR Grading Equipment Company LLC
 2400 Camp Easter Road
 Whispering Pines, NC 28387
 910-695-0297

Estimate

Date	Estimate #
1/2/2018	10

Name / Address
The Village of Pineland 141 Magnolia Road Pineland, NC 28374 Attention: Jeff Bacon

			Project
Description	Qty	Rate	Total
300 S.H.E. Pineland Brewery Main Drainage 1 - 48" Storm Drain w/ 60' of pipe & 24" Round Covers 16' x 24" R.C.P. Pipe 1 sq. Yards All C. gravel Base		88,710.00	88,710.00
		Total	\$88,710.00



PROGRESSIVE
CONTRACTING
COMPANY, INC.

115 Chatham Street, Suite 301
Sanford, North Carolina 27330
Tel: 919-718-5454 Fax: 919-718-5455

February 9, 2018

LKC Engineering
Attn: Perry Harrison
140 Aqua Shed Ct.
Aberdeen, NC 28315

Re: Storm Water Piping along Magnolia Rd
Pinehurst Brewery

Dear Mr. Harrison;

As requested, we are pleased to provide our lump sum proposal of Seventy Nine Thousand Two Hundred Dollars and Zero Cents (\$79,200.00) to complete the construction of the storm water drainage system along Magnolia Rd to the corner of McCaskill Drive. The following is a list of qualifications and clarifications that are a part of this proposal and shall become a part of any contract agreement.

- All work as shown and described on sheet C-10 dated 10/5/17 of the Adaptive Reuse of Historic Pinehurst Steam Plant project. All storm water piping is assumed to be class IV.
- All work is to be performed during normal operating hours (M – F 7:30 AM – 4:30 PM).
- We have assumed that the work across McCaskill will be performed via an open road cut and that McCaskill Rd will be shut down to through traffic during road crossing. Traffic control for this work is included in our proposal.
- Where the new storm water piping will cross under the water lines at McCaskill Rd, we have included changing 20 lf of 6" PVC water line and 20 lf of 8" PVC water line to ductile iron pipe.
- We have assumed no other utility conflicts will be in the path of the new storm water piping system.
- We have included asphalt cutting and patching as required to perform our work.
- We have excluded any costs associated with ROW, encroachments, bonds, and DOT approvals.

If you have any questions, or wish to schedule a time to review our scope of work in detail, please do not hesitate to contact me.

Sincerely,
PROGRESSIVE CONTRACTING CO., INC.

Todd Snyder

Todd Snyder
Vice President

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN TOWN PLANNING & URBAN DESIGN COLLABORATIVE LLC.
AND THE VILLAGE OF PINEHURST, NORTH CAROLINA**

This Agreement is by and between the Village of Pinehurst, North Carolina ("Client") and Town Planning & Urban Design Collaborative LLC. (also called "TPUDC") ("Consultant") entered into on this ____ day of _____, 2018.

PREAMBLE

The Client has asked TPUDC to assist with planning services related to the Village of Pinehurst Long Range Comprehensive Plan (the "Project") which are more fully described below and TPUDC has agreed to provide such services.

This Agreement contains the following sections:

- I. Basic Services
- II. Terms and Conditions
- III. Signatures
- IV. Appendices A, B, C, D & E

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. BASIC SERVICES

A. SCOPE OF SERVICES

The Consultant agrees to provide the services set forth in the described in "Appendix A" (herein called the "Services") and to undertake such work in accordance with this agreement.

B. ADDITIONAL SERVICES

Any services not specifically provided for in the scope of services will be considered additional services and performed on a labor fee plus expense basis using the hourly rates presented in Appendix C of this Agreement. The Client will provide a letter of authorization for the specific scope of services before any work is initiated by the Consultant.

C. INFORMATION PROVIDED BY THE CLIENT

The Client will be responsible for all base information described in Appendix B. The Consultant shall be entitled to rely on the completeness and accuracy of all information provided by the Client unless patently erroneous.

D. PROJECT SCHEDULE

The target timeline for completion of the Project is 17 months from the commencement of work.

E. CHANGES TO THE SCOPE OF WORK

Any change to the professional services described in this Agreement shall not be authorized unless documented in writing by an appropriate Change Order. A Change Order is a written instrument duly signed by Consultant and Client, in which both parties agree to: (1) Change the Scope of Services; (2) Adjust the total fees, if any; and/or (3) Change the project schedule, as appropriate.

F. COMPENSATION

The Consultant will provide the services described in this Scope of Services for a fee of not to exceed \$194,530, including travel expenses. The Client is responsible for expenses related to public outreach and engagement (any refreshments, print materials, etc) provided to the public.

G. PAYMENT

Fees will be invoiced monthly based on the percentage of services completed for the lump sum task (see Appendix D) as of the invoice date.

Payment for services rendered and expenses incurred pursuant to this Agreement shall be due as within 30 days of receipt by Client. Any invoice unpaid after 60 days of submission to Client shall bear interest at the rate of 1.5% compounded monthly.

II. TERMS AND CONDITIONS

A. THE CONSULTANT'S RESPONSIBILITIES

The Consultant's undertaking to perform professional services extends only to the services specifically described in this Agreement. However, if requested by the Client and agreed to by the Consultant, the Consultant will perform Additional Services, which shall be governed by these provisions. Unless otherwise agreed to in writing, the Client shall pay the Consultant for any Additional Services an amount based upon the Consultant's then-current hourly rates plus an amount to cover certain direct expenses including in-house duplicating, mileage, telephone calls, postage, and word processing. Other direct expenses will be billed at 1.15 times cost.

The Consultant shall be responsible for adhering to the following:

- A.1 Client's Mission, Vision, and Values: To achieve the Client's vision to be a "charming, vibrant community that reflects our rich history and traditions," the mission of the Client's employees is to "Promote, enhance, and sustain the quality of life for residents, businesses, and visitors." The Client strives to achieve this mission by adhering to a set of core values that are reflected in interactions with customers.

The Consultant is an extension of the Village workforce by either providing direct services to the Client's customers or partnering with Client employees. To ensure residents, businesses, and visitors receive the highest levels of service, the Client expects the Consultant to reflect the Village's core values while performing services under the terms of the contract. The Client's Core Values are as follows:

Initiative – the desire and will to identify what needs to be fixed, fix what needs to be fixed, and take leadership when leadership is needed.

Teamwork – the desire and will to selflessly function as part of a high performing whole and to collaboratively work in ways that take full advantage of input from all members of the team.

Service – the desire and will to selflessly meet the needs of those around you: customers, fellow employees, employers, and the community as a whole.

Improvement – the desire and will to learn and grow professionally and to enhance team processes in ways that improve performance, efficiency, or both.

- A2. Ethical Standards: As a contractor working on behalf of the Client, the Consultant is expected to reflect the Client's ethical standards. The foundation of government depends on public trust and confidence. While performing the terms of the contract, the Client expects the Consultant to foster public trust by providing quality service and fair dealings that are respectful, impartial, and accountable. The Consultant must also avoid any conflicts of interest or appearance of conflicts of interest or use their position or resources for personal gain.

The Client's employees or their families may not request or accept any kickback, rebate, cash, or anything of value from the Consultant. These practices are not only unethical, but are in most cases illegal.

The Client's employees have the right to be free from harassment on the job because of their race, color, sex, religion, gender, national origin, sexual orientation, age, disability, veteran's status, or other protected class. Harassment of any employee by management, supervisor, or the Consultant in any form is prohibited. The Consultant is expected to abide by these ethical standards of conduct while performing services under this contract.

B. THE CLIENT'S RESPONSIBILITIES

Client shall be responsible for performing the following tasks in conjunction with the Project:

- B.1 Designate in writing a person to act as its representative with respect to this Agreement, such person having complete authority to transmit instructions, receive information, and make or interpret the Client's decisions.

- B.2 Client will provide on a timely basis all Base Information in Appendix B and any other information that Consultant may reasonably request. If Client is unable to provide such information, Client will immediately alert Consultant and set about to determine whether the information may be obtained by some alternative means. Requests for changes which are due to certain base materials being unavailable shall be considered Additional Services.
- B.3 Client will provide available supplementary information that may be requested from time to time during the course of the Project.
- B.4 Client will arrange for a location to conduct design charrette and studio and all necessary charrette meetings, and promote the charrette using the promotional materials and Community Outreach Plan developed by the Consultant in consultation with the Client.
- B.5 Client will attend scheduled Project meetings with Consultant.
- B.6 Client will attend the Design Charrette/Planapalooza at specific times scheduled in advance.
- B.7 The Client shall endeavor to avoid scheduling difficulties by providing the Consultant with 30 days notice of anticipated meetings and deadlines.

C. DOCUMENT CLIENT REVIEW PERIOD PROCEDURES

Following the delivery of the Client Draft and Public Draft of the document (Task 2.7 and Task 3.2), the Client shall have a Client Review Period with a duration 30 days. On the final day of the Client Review Period, if not sooner, the Client shall send to the Consultant requested refinements, if any, in the form of one consolidated set of specific revisions made digitally utilizing the comment tools in Adobe Acrobat. All requested specific revisions must be consolidated as only one set of revisions per review period will be accepted. The Consultant shall make the requested specific revisions, if any, to be included in the final documents. Additional Major Revisions requested outside the Client Review Periods will be considered Additional Services. Major Revisions include: revisions to graphics, text edits of a paragraph or more in length or edits that require the addition or reorganization of pages. Additionally, revisions to the renderings and/or Illustrative Master Plan(s) requested after the Planapalooza™ will be considered Major Revisions. Typographical error corrections shall always be considered a Minor Revision and shall not be considered an Additional Service.

If no requests for revisions from the Client are received by the Consultant by the final day of the Client Review Period, this will indicate that the Client has no revisions to request and the Consultant will begin work on the next phase of work. If the Client requests additional review periods, the associated additional revisions will be considered Additional Services and the project deadline will be adjusted accordingly.

D. CONTRACT PERFORMANCE EVALUATION

At least annually, the Client will evaluate the Consultant's performance under the terms of this contract. This evaluation will assess how well the Consultant performed during the contract period in meeting Village contract requirements of: 1) Fair price, 2) Quality of goods and services, and 3) Timely delivery of goods and services.

As a requirement of this contract, the Consultant is required to periodically meet with the Client's staff to assess and communicate the Consultant's performance under the terms of the contract, including the aforementioned terms. These meetings may be in person or by telephone and will allow for open two-way communication between the contractor and the Client representative. These meetings are not an opportunity to renegotiate the terms of the contract, but will be focused on the quality and timeliness of the services provided under the contract. These meetings will also provide an opportunity to share innovative ideas for service delivery that may be incorporated into the Client's future process improvements.

The Client representative will review key contract service delivery performance measures with you during your meetings. If, for any reason, service delivery is below the contracted performance requirements, or if there are other shortcomings related to demonstration of the Client's values or ethical standards, the Client representative will discuss it with you at that time. These meetings will offer both parties an open opportunity to discuss any concerns and to ensure adequate service delivery and identify opportunities for service delivery improvements.

The performance evaluation meeting schedule for this contract shall be held quarterly. Client and Consultant representatives and their contact information are identified below:

	Client Representative	Consultant Representative
Name	Natalie Hawkins	Brian Wright
Contact Information	nhawkins@vopnc.org 910-295-1900 ext. 1103	brian@tpudc.com 615-948-8702

E. USE OF THE DOCUMENTS

The Consultant and the Client will share joint copyright privileges to the work products. The Documents shall be used solely in matters relating to this Agreement. The CLIENT will notify the CONSULTANT if a third party requests the native files. The original Documents shall remain in the possession of the Consultant.

F. DELAY OR PREVENTION OF PROVISION OF SERVICES NOT THE FAULT OF THE CONSULTANT

In the event that performance of the Basic Services and/or Additional Services is delayed or prevented due to an unforeseen condition or event beyond Consultant's control, including but not limited to: a natural disaster in the vicinity of the study area, any one of Consultant's offices, the offices of any one of Consultant's consultants or in an area through which any member of the team may be traveling in order to provide Services; the injury or death of Consultant personnel or their consultants or a family member of either. Consultant shall not be responsible for such delay or failure to perform and will not be liable for the consequences of any of the foregoing.

G. TERMINATION

- G.1 If the Client fails to make payment when due for service and reimbursable expenses as previously specified herein, the Consultant may, upon thirty days written notice, terminate the Agreement. Unless payment in full is received by the Consultant within thirty days of the receipt of the notice, the termination shall be final without further notice. In the event of such termination, the Consultant shall have no liability for delay or damage caused by such termination.
- G.2 The Client may terminate this agreement for cause after giving the Consultant written notice and an opportunity to cure. The Client may terminate without cause by giving the Consultant 14 days notice and compensating the Consultant equitably to the termination date.
- G.3 In the event of termination, the Client shall forfeit all rights to receive additional copies of documents previously received.
- G.4 In the event this Agreement is terminated, Client shall pay Consultant for all direct costs and Services and/or work undertaken in performance of its obligations hereunder up to the date of termination, including any Services performed but not invoiced as of the date of termination.

H. PUBLICATION

- H.1 The Consultant shall have the right to include representations of the Project or the work performed by Consultant, including photographs, among promotional and professional materials.
- H.2 If the Client publishes or causes to be published visuals created by the CONSULTANT related to Project, not including photography, the CLIENT agrees to include credit to the Consultant as follows: "Credit: Town Planning & Urban Design Collaborative LLC, www.tpudc.com & City Explained Inc., www.city-explained.com."

I. MEDIATION AND LITIGATION

- I.1 In the event any dispute arises between the Client and the Consultant in connection with the Agreement or services provided pursuant to the Agreement, the Client and the Consultant agree to submit the dispute to mediation by a mediator mutually selected by the parties, with each party sharing equally in the cost of mediation, prior to the initiation of Litigation.
- I.2 In the event of litigation between the Client and the Consultant arising under, related to, or in connection with the Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party.

J. MISCELLANEOUS PROVISIONS

- J.1 The Agreement shall be governed by the law of the State of North Carolina in the United States of America.
- J.2 The duties, responsibilities, and limitations of authority of the Consultant discussed in the Agreement shall not be restricted, modified, or extended without written agreement of the Client and the Consultant.
- J.3 The Client and the Consultant, respectively, bind themselves, their partners, successors, assigns, and legal representatives of the other party to the Agreement and to the partners, successors, assigns, and legal representatives of the Client with respect to all covenants of the Agreement. Neither the Client nor the Consultant shall assign the Agreement without the written consent of the other.
- J.4 The Agreement represents the entire and integrated agreement between the Client and the Consultant and supersedes all prior negotiations, representations, or agreements either written or oral. The Agreement may only be amended in writing, signed by both the Client and the Consultant.
- J.5 Nothing contained in the Agreement shall create a contractual relationship and/or a third-party beneficiary relationship with a third party.
- J.6 The proposed language of any certificates or certifications requested of the Consultant shall be submitted to the Consultant for review and approval at least fourteen days prior to execution. The Client shall not request, and Consultant shall not be required to provide, certifications that would require knowledge or services beyond the scope of the Agreement.
- J.7 Title and paragraph headings are for reference and are not a part of the Agreement.
- J.8 In the event of conflict between the terms of the Agreement and any terms or conditions contained in any attached documents, the terms of the Agreement shall rule.
- J.9 No waiver or breach of any provision of the Agreement shall constitute a waiver of any subsequent breach of the same or any provision hereof, and no waiver shall be effective unless made in writing.
- J.10 Should any provision, paragraph, sentence, word or phrase contained in the Agreement be determined to be invalid, illegal or otherwise unenforceable, such provision, paragraph, sentence, word or phrase shall be deemed modified to the extent necessary to conform with law, or else the same shall be deemed severable.

In any event, the remaining terms and provisions of the Agreement shall remain unmodified and in full force and effect.

- J.11 The appendices attached hereto are made a part hereof as if fully set forth herein.
- J.12 This Agreement is valid only if executed by the Client and the Consultant within 60 days of the other.
- J.13 In addition to the matters set forth herein, our Agreement shall include and be subject to, and only to, the terms and conditions in the attached Standard Provisions. In case of conflict, this Agreement shall control over the Standard Provisions. As used in the Standard Provisions, the term "the Consultant" shall refer to Town Planning & Urban Design Collaborative LLC and the term "the Client" shall refer to the Village of Pinehurst, North Carolina.

K. NOTICES

- K.1 All notices and communications given pursuant to the Agreement shall be in writing and delivered by email, personal service, or by registered mail to the other party at the address indicated herein or as the same may be changed from time to time. Such notice shall be deemed given on the day on which personally served; or, if by mail, on the fifth day after being post-marked or the date of the actual receipt, whichever is earlier.

CLIENT:
Village of Pinehurst
Attention: Jeff Sanborn
Village Manager
395 Magnolia Road
Pinehurst, NC 28374
jsanborn@vopnc.org
with cc: nhawkins@vopnc.org

CONSULTANT:
Town Planning & Urban Design Collaborative
LLC
Attention: W. Brian Wright
Principal
143 5th Ave. South
Franklin, Tennessee 37064
brian@tpudc.com
with cc: to emily@tpudc.com

III. SIGNATURES

The parties herein have caused this Agreement to be executed by their duly authorized representatives on the day and year first above written.

ACCEPTED AND AGREED:

Client
Village of Pinehurst

Consultant
Town Planning & Urban Design Collaborative LLC

Jeff Sanborn, Village Manager

W. Brian Wright, Founding Principal & Member

Date: _____

Date: _____

APPENDIX A.
VILLAGE OF PINE HURST LONG-RANGE COMPREHENSIVE PLAN UPDATE

SCOPE OF SERVICES

The CONSULTANT shall perform the following Scope of Services:

PHASE 0.0: Project Management & Coordination

Task 0.1 – General Coordination

The CONSULTANT'S Project Manager will establish and facilitate up to 24 conference calls with the CLIENT'S Project Manager to review progress and assess needs as they arise. During the project kickoff, the CLIENT and CONSULTANT will confirm project call and meeting schedules. Coordination activities may be used to present preliminary findings, discuss on-going issues, check in for project performance feedback and other general coordination. Routine coordination in between milestone meetings or conference calls will occur via telephone, email or interaction over a file share site.

Total Meetings/Calls: 24

Task 0.2 – Baseline Data Exchange

The CLIENT will make available to the CONSULTANT GIS data, resource documents, growth forecasts, economic data, stakeholder lists, development data, etc. identified as important to the long-range comprehensive planning process. Data will be exchanged via a file share site or hard drive disk. The CONSULTANT will rely on this data for its inventory and analysis to support recommendations in subsequent phases of the long-range comprehensive planning process.

The CONSULTANT will review data provided by the CLIENT, identify deficiencies and suggest alternative methods for collecting or creating missing data. The CLIENT will be responsible for the timely collection (or creation) of all data needed for the long-range comprehensive plan unless otherwise stated in this SCOPE OF SERVICES.

Task 0.3 – Think Tank (Committee)

The CONSULTANT will work with a Think Tank during the planning process. Recommendations from the Think Tank will be taken as advisory in nature. The CLIENT will select members for the Think

Tank. Membership on the Think Tank will be limited to 8 individuals, unless an increase is agreed to by both the CLIENT and CONSULTANT.

Think Tank meetings will be conducted in person in conjunction during trips scheduled for Tasks 1.8, 1.13, 2.4, 3.3, and 3.6, and up to three additional meetings via conference call or Skype when the CONSULTANT is not in Pinehurst. Meetings will last up to two hours each. The CLIENT will be responsible for identifying meeting dates and times, securing meeting locations, and advertising the events.

Total Meetings/Calls: 8

PHASE 1.0: Early Investigation

TASK 1.1: Project Initiation

The CONSULTANT will kick-start the long-range comprehensive planning process by leading a goal-setting work session with Village staff. The event will be used to identify and confirm overarching goals for the long-range comprehensive plan. This meeting will cover a multitude of topics, including:

- Clarification and creation of Client/Team interface and collaborative structure
- Goals based on the Client's perspective
- Goals based on the Team's experience
- Discussion of project schedule
- Discussion of local initiatives
- Client concerns and aspirations
- Initial assessment of available and missing data
- Establishment of measures of success
- Discussion of outreach objectives and strategy
- Project organization & staff coordination
- Procedures for sharing of information

The CONSULTANT will summarize general information and findings from the meeting in a brief memorandum for the CLIENT.

Total Meetings/Calls: 1
Deliverable: Meeting Summary Memorandum

TASK 1.2: Interdepartmental Coordination

The CONSULTANT joint meeting with department heads and any other participants the Client feels would be beneficial to participate. The CONSULTANT will summarize general information and findings from the interview process in a brief memorandum for the CLIENT.

Total Meetings/Calls: 1
Deliverable: Meeting Summary Memorandum

TASK 1.3: Site Reconnaissance & Tour of Village

The CLIENT will organize a driving tour of the study area for CONSULTANT team members; highlighting important themes, areas of interest, etc. that will be critical for developing the new long-range comprehensive plan. The driving tour will also include tours of potential locations for the Planapalooza™ event.

Total Meetings/Calls: 1

TASK 1.4: Policy-Maker Interviews

The CONSULTANT will attend up to fourteen interviews with Village elected and appointed officials (scheduled over a continuous two-day period) for updating the long-range comprehensive plan. The CLIENT will provide a list of individuals to interview and arrange all meeting dates, times and locations. The CONSULTANT will summarize general information and findings from the interview process in a brief memorandum for the CLIENT.

Total Meetings/Calls: 14 (over a continuous two-day period)
Deliverable: Interviews Summary Memorandum

TASK 1.5: Project Branding

The CONSULTANT will develop a project logo and tag line for the long-range comprehensive plan. Up to three rounds of edits will be included for CLIENT review and comment.

Deliverable: Project logo/tag line (logo design and up to 3 revisions)

TASK 1.6: Community Outreach and Engagement Plan

The CONSULTANT will work with the CLIENT to develop a Community Outreach and Engagement Plan, which will include:

- Toolkit elements for Building Awareness and Gathering Input tailored to the needs of the project;
- Identification of stakeholders and timing of meetings associated with public outreach and collaboration;
- Methods and materials anticipated to use throughout the public outreach effort and for each audience;
- Strategy to use for print and broadcast media for public meeting announcements and provision of information.

The CLIENT will be responsible for scheduling meetings, securing locations, printing materials, advertising events, etc. identified in the community outreach and engagement plan using outreach materials prepared by the CONSULTANT and provided to the CLIENT (electronic format).

Deliverable: Community Outreach and Engagement Plan (draft/final)

Task 1.7: Community Kick-Off Meeting

A public kick-off meeting will serve as the official start of the planning process for the general public. It will be used to get people excited about the long-range comprehensive plan, provide an overview of the planning process, begin to generate and share ideas for a long-term shared vision, and answer any questions about the planning process.

The CONSULTANT will program the meeting event and prepare necessary maps, handouts, etc. The CLIENT will be responsible for printing meeting materials. Two CONSULTANT team members will attend the workshop to facilitate small group activities. The CLIENT will be responsible for identifying a meeting date, time and location. The CLIENT will also be responsible for advertising the meeting event using outreach materials prepared by the CONSULTANT.

Total Meetings/Calls: 1

Deliverable: Meeting Materials

TASK 1.8: Print, Social Media Campaigns

The CONSULTANT will work with the CLIENT and the Think Tank to initiate the social media campaign using the tools agreed upon and identified during the completion of the Community Outreach & Engagement Plan. This first round of media outreach will be used to bring awareness of the project and build excitement. The CLIENT will be responsible for reaching out to constituents and sending marketing material out to stakeholders.

Deliverables: Press release, Marketing Posters for Community Kick-Off and Visioning Sessions.

TASK 1.9: Review Background Documents

The CONSULTANT will review the following documents to assess relevance for the long-range comprehensive plan, particularly of the older studies, and evaluate progress on the recommendations made:

- 2010 Comprehensive Long Range Plan
- 2015 Comprehensive Parks and Recreation Master Plan
- 2015 Comprehensive Bicycle Master Plan
- 2015 Comprehensive Pedestrian Master Plan
- 2003 Greenway Plan
- 2008 New Core Master Plan
- All other associated documents identified in the CLIENT'S Request for Proposal

TASK 1.10: Existing Conditions Analysis

The CONSULTANT will work with the CLIENT to gather pertinent information related to existing conditions for Village demographics, local and regional policies, housing and neighborhoods, transportation, market conditions, natural and environmental features, and existing land use and capital facilities. The transportation analysis will include utilization of traffic data from Street Light. CLIENT will contract separately with Street Light to obtain relevant traffic data for CONSULTANT analysis. The information collected will be summarized in a slide presentation branded as the State of the Village Presentation. A presentation of the information will be recorded for posting to the project website.

Deliverable: State of the Village Presentation.

TASK 1.11: Base Maps

The CONSULTANT will prepare up to ten base maps for use during community engagement sessions and as the base for any site-specific design work. The maps will be developed using information provided to the CONSULTANT under Task 0.2. All base maps will be printed by the CLIENT.

Deliverable: Base maps.

TASK 1.12: Visioning Sessions

The CONSULTANT will facilitate two visioning sessions (one in the late morning and one in the evening on the same day) to re-affirm and hone in on community aspirations and wishes for the future. From community conversation, the CONSULTANT will be able to use the Pinehurst goals in the current long-range comprehensive plan, coupled with community input collected under Task 1.12, to develop a set of guiding principles or themes that will be the foundation that the rest of the Plan will be built around.

Total Meetings/Calls: 2 (on the same day)

Deliverable: Visioning Sessions Summary of Input Received.

Phase 2.0: Plan Development

TASK 2.1: Print, Social Media Campaigns

The print and media campaign will continue during Phase 2.0, inviting all stakeholders to participate in the planning process and provide their input. The CLIENT will be responsible to reaching out to constituents and sending the marketing material out to stakeholders described in Phase 1. 0.

Deliverables: Press release, Marketing Posters for Community Kick-Off and Visioning Sessions

TASK 2.2: Online Engagement

The CONSULTANT will use Engagement HQ to develop a project website for the long-range comprehensive plan. The CONSULTANT will train the CLIENT on how to add materials to the site and keep it up-to-date throughout the planning process independent of the CONSULTANT.

Deliverable: Engagement HQ Site (initial setup and training)

Task 2.3: Scenario Planning

Scenario planning to support development of the long-range comprehensive plan will including the following tasks:

Task 2.3.1 – Future Year Growth Forecasts

The CONSULTANT will use growth forecasts available from the North Carolina State Demographer and/or Woods and Poole for the scenario planning process. The planning horizon for the long-range comprehensive plan will be 2035. The growth categories and units used in the CommunityViz model will include: single- family residential, multifamily residential, retail, office professional and recreational.

The CONSULTANT will also prepare average person per household assumptions and employee space ratio statistics for the Village study area. This information will be used to convert dwelling units to population and non-residential square feet to employees for some sections of the land use plan document.

Deliverable: Population, Dwelling Units, Non-Residential Square Feet & Employees Forecasts by general category for 2035

Task 2.3.2 – CommunityViz Model

The CONSULTANT will build a parcel-level CommunityViz model to measure and evaluate alternative growth scenarios contemplated for the study area. The model architecture and other key decisions will be determined with input from the CLIENT. General components of the model will include: carrying capacity analysis, land suitability analysis (growth and conservation focus), build out potential analysis, growth allocation analysis and reporting. The CONSULTANT will provide the CLIENT with a full copy of the model and all associated files at the end of the project for their future use (independent of the CONSULTANT). The CONSULTANT will purchase one copy of CommunityViz software for the CLIENT to run the model on their own (if desired). The CLIENT will be responsible for annual technical support renewals following adoption of the long-range comprehensive plan (if desired).

Deliverable: CommunityViz Model for the Village of Pinehurst Long-Range Comprehensive Plan (built using ArcGIS Desktop v. 10.4 & CommunityViz v. 5.1)

Task 2.3.3 – Performance Measures

The CONSULTANT will prepare a list of performance measures for CommunityViz (up to ten) based on information developed under Task 1.12. The performance measures will be used to measure the impacts of competing growth scenarios contemplated for Pinehurst and evaluate their tradeoffs. The CLIENT and the Think Tank will be asked to reach consensus and prioritize performance measures for the scenario planning process. The CONSULTANT will summarize statistics for the performance measures in a set of info-graphics (up to ten).

Deliverable: Growth Scenario Report Card Summarizing Results for Up to Ten Performance Measures (made part of the new long-range comprehensive plan document)

Task 2.3.4 – Alternative Growth Scenario Testing

The CONSULTANT will prepare up to three alternative growth scenarios, with input from the CLIENT and the Think Tank, for the long-range comprehensive planning process (i.e., trend scenario plus two alternative scenarios). Each scenario will be different enough to pose real alternative choices for addressing the important planning themes identified in Task 1.12. A map, development profile chart and narrative will be used to summarize each of the three alternative growth scenarios.

Deliverable: Alternative Growth Scenario Summary Workbook

TASK 2.4: Planapalooza (Design Charrette)

The CONSULTANT will lead a five-day PlanapaloozaTM event for the Pinehurst Long-Range Comprehensive Plan at a location in Pinehurst, NC. The schedule will include multiple presentations, technical roundtable discussions, public input sessions and client meetings, and a study area/precedent tour. There will be multiple opportunities for the public to provide their ideas and feedback and to comment on the development alternatives proposed for the Village. The CLIENT will be responsible for securing a studio space for the CONSULTANT as well as booking spaces where larger events/workshops will take place.

Total Meetings/Calls: 10 (over a continuous five-day period)

Deliverables: Opening Presentation, Illustrative Master Plans & Renderings, Summary Notes of Technical Meetings, Closing Presentation.

Task 2.5: Client Meeting

Following the Planapalooza, the CONSULTANT will meet with the CLIENT to debrief on the week, receive additional feedback on the vision, and reconfirm the schedule for the next phases of work. By this time, the CONSULTANT will have worked closely with the CLIENT to confirm an outline for the Long-Range Comprehensive Plan document.

Deliverable: Meeting Notes, Plan Outline

TASK 2.6: Targeted Analysis of Existing Conditions

Following the PlanapaloozaTM, the CONSULTANT will undertake a more targeted analysis of existing conditions related to specific issues and future goals identified by the community during the event. The CONSULTANT will work directly with the CLIENT to collect any additional data related to capital facilities assessments, residential growth patterns and housing, commercial and economic development.

Deliverable: Existing Conditions Analysis (included in the long-range comprehensive plan document)

TASK 2.7: Client Draft Long-range Range Comprehensive Plan

The CONSULTANT will prepare a long-range comprehensive plan document to summarize the planning process, background information, and future year recommendations. The document will be supported by text and tables for conveying information. General headings in the document will be confirmed with the CLIENT in Task 2.5; however, the CONSULTANT anticipates the following general headings for the document at this time: executive summary, introduction, vision and themes, public outreach, regional context, Village history, Village demographics, community character, local economy, housing and neighborhoods, natural environment, transportation, community facilities, guiding principles, conservation and growth framework, recommendations, site-specific concept studies and driving success.

The CONSULTANT will prepare and submit a Client Draft long-range comprehensive plan document to the CLIENT and the Think Tank for review. An outline for the document will be submitted to the CLIENT for approval at the completion of Task 2.5. The CLIENT review of draft material will be presented in Microsoft Word format (text only). The CLIENT will be responsible for printing and distributing copies of the document. After receiving the Client Draft Plan, the Village will have an opportunity to provide feedback and request changes that will be made before a draft goes out to the public. The City will provide one consolidated set of comments that will be integrated into the document.

Deliverable: Client Draft of the Long-Range Comprehensive Plan

First Client Review Period

PHASE 3.0: Plan Review & Adoption

TASK 3.1: Print, Social Media Campaigns

The media campaign will continue during Phase 3.0, inviting all stakeholders to review the Public Draft Long-Range Comprehensive Plan and provide their feedback, ensuring that the plan content reflects what the community has shared with the Team during the process. The CLIENT will be responsible to reaching out to constituents and sending marketing material out to stakeholders.

Deliverables: Press release, Marketing Poster for Community Open House

TASK 3.2A: Pre-Public Draft Long-Range Comprehensive Plan

Following the First Client Review Period, the CONSULTANT will revise the Client Draft long-range comprehensive plan document developed under Task 2.7 to reflect comments or requests for revision from the CLIENT (following the Client Review Procedures). This draft of the document will be fully formatted in the final graphic design layout and incorporate all of the text, tables, maps, infographics and renderings created during the earlier phases. This draft will be made public to start the official adoption process. One electronic copy (PDF format) of the revised draft document will be delivered to the CLIENT. The CLIENT will be responsible for printing and distributing copies of the document.

Deliverable: Pre - Public Draft of the Long-Range Comprehensive Plan

Second Client Review Period

TASK 3.2B: Public Draft Long-Range Comprehensive Plan

Following the Second Client Review Period, the CONSULTANT will revise the Pre-Public Draft long-range comprehensive plan document developed under Task 3.2A to reflect comments or requests for revision from the CLIENT (following the Client Review Procedures). This draft will be made public to start the official adoption process. One electronic copy (PDF format) of the revised draft document will be delivered to the CLIENT. The CLIENT will be responsible for printing and distributing copies of the document.

Deliverable: Public Draft of the Long-Range Comprehensive Plan

Third Client Review Period

TASK 3.3: Community Open House

The CONSULTANT will send two representatives to attend one public meeting or community open house to review the plan with the community. The CLIENT will organize and reconcile all feedback and edits collected during the public comment period and submit one set of revisions to the CONSULTANT for preparing the final long-range comprehensive plan document.

Total Meetings/Calls: 1

Deliverable: Open House Presentation of the Public Draft of the Plan

TASK 3.4: Client Meeting

The CONSULTANT will meet with the CLIENT to review comments, discuss the implementation plan, and discuss any other critical path items for completing and maintaining support for the Long-Range Comprehensive Plan. This meeting will take place in person in conjunction with Task 3.3.

Meetings: 1

TASK 3.5: Final Long-Range Comprehensive Plan

Following the Client Review Period, the CONSULTANT will revise the Public Draft comprehensive plan document developed under Task 3.2 based on requests made through formal motion by the Planning Board and Village Council during adoption hearings (see Tasks 3.6 and 3.7). The revised document will constitute the adopted *Village of Pinehurst 2035 Long-Range Comprehensive Plan*. One electronic copy (PDF format) of the final document will be delivered to the CLIENT under Task 2.7. The CLIENT will be responsible for printing and distributing copies of the document to the public.

Deliverable: Final Draft of the Long-Range Comprehensive Plan.

TASK 3.6: Present Final Long-Range Comprehensive Plan

One representative for the CONSULTANT will make a formal presentation of the Long-Range Comprehensive Plan to the Village Council and Planning & Zoning Board.

Total Meetings/Calls: 1

Deliverable: Presentation of the Final Draft of the Plan.

TASK 3.7: Plan Adoption

The CLIENT will be responsible for scheduling and noticing meetings, preparing staff reports, etc. to facilitate adoption of the Long-Range Comprehensive Plan.

The CLIENT will also be responsible for preparing all materials required to formally amend rules, policies, ordinances, regulations, etc. recommended in the long-range comprehensive plan following adoption of the document (independent of the CONSULTANT).

TASK 3.8: Client Meeting

The CONSULTANT will have a final meeting with the CLIENT to provide fifteen (15) bound copies of the an “As Adopted” version of the Long-Range Comprehensive Plan, along with a digital copy and all and a copy of the electronic work files created to support in the formats requested (final plan in InDesign; text in Microsoft Word; spreadsheets in Microsoft Excel; mapping in ESRI map package/shape files; photography as high resolution jpegs). This meeting will take place via teleconference.

Total Meetings/Calls: 1

Deliverable: Project Close-Out Files

APPENDIX B.
(TO BE PROVIDED BY THE CLIENT)

BASE INFORMATION

The Consultant must receive the information listed below and any other relevant information at least two weeks prior to the Charrette to the extent possible. It is essential that this information be thorough and accurate, as it will form the basis for the Deliverables. All documents shall be provided in searchable PDF format, with text documents provided in MS Word format if available. The Consultant will create a Village of Pinehurst Client Dropbox folder as a repository for all base information.

1. **Base map and GIS information** for the study area including, but not limited to the following elements:
 - a. Existing thoroughfares (pavement and right-of-way);
 - b. Existing sidewalks, walkways and paths;
 - c. Existing water bodies, shorelines and streams;
 - d. Existing property lines;
 - e. Site boundary;
 - f. Site topography;
 - g. Existing drainage information;
 - h. Existing utility information;
 - i. Existing physical or environmental constraints;
 - j. Any other significant features both above and below the ground and water.

Base maps should be provided in both GIS and PDF format, with each element/layer saved as a separate file, and elements symbolized using color and line weight protocols to be provided by the Consultant. The Consultant should also be provided with contact information and access to the Client's GIS technician(s).

In addition, two (2) printed and rolled (not folded) base maps should be provided at a scale to be determined by the Consultant (typically 1"=200'). One copy shall contain all of the information listed above. A second copy shall contain all of the information listed above plotted on top of an aerial photograph.

2. **Aerial photographs** that depict the study area and its surroundings in plan view, preferably in color, with a graphic scale and at the highest possible resolution.
3. **Published comments**, as available, of local government officials and administrators, which relate to zoning, land use, or development issues or projects relevant to the study area or Project.
4. **Relevant site studies**, including but not limited to:
 - a. Previous zoning, land use or development related studies;
 - b. Soils maps/reports;
 - c. Topographic analysis;
 - d. Environmental studies or mitigation plans;
 - e. Traffic and parking studies;
 - f. Infrastructure studies;
 - g. Market feasibility studies for the study area and its surroundings.
 - h. Any other relevant site studies.
5. **Current long-range planning documents** including but not limited to:
 - a. Comprehensive Plans;
 - b. Future Land Use Plans;
 - c. Zoning Maps;
 - d. Any other relevant planning documents
6. **Other appropriate documentation** related to the Project, including but not limited to:
 - a. Historical timeline of growth and development;
 - b. Business composition, including major employers and emerging markets;
 - c. Economic development initiatives currently in place;

- d. Summary of local regulations and policies that affect housing;
- e. Composition of current housing stock;
- f. Listing of local housing organization;
- g. Schedule for planned investment in road improvements;
- h. Existing parking inventory;
- i. Inventory, description, and deficiencies of current public / civic spaces;
- j. Listing of all open space and trail management organizations;
- k. Map of existing and proposed trail system;
- l. Sources of point and non-point source pollution;
- m. Description of threats to water quality and quantity and existing water protection and preservation measures;
- n. Inventory of critical natural resource and scenic areas;
- o. Inventory of historic and archaeological resources;
- p. Existing policies, standards, and organizations in place to protect historic and archaeological resources;
- q. Description of any forest or agricultural resources and current steps being taken to promote local farms and woodlots;
- r. Description of issues relating to stormwater management, public water & sewer, septic tanks, utilities, emergency response, solid waste, communications, health care, municipal government, and school locations and capacity;
- s. Schedule of planning investment in facilities and service improvements;
- t. Description of fiscal issues, including tax revenue as compared to planned and needed expenditures, anticipated changes in the tax base, capacity and strategies to fund capital investments, the Client's current borrowing capacity, and opportunities for sharing with neighboring communities;
- u. List of pending development applications or other anticipated projects.

APPENDIX C.

HOURLY RATE SCHEDULE

HOURLY & DAILY RATE SCHEDULE

Where this Agreement provides for Client's payment to Consultant of compensation on an hourly basis, professional fees shall accrue, and compensation shall be paid in accordance with the following hourly rate schedule:

<u>Title</u>	<u>Hourly Rates</u>
Principal	\$170
Attorney	\$200
Director	\$150
Senior Urban Designer	\$160
Admin	\$60
Graphic Designer	\$80
Illustrator	\$150
Transportation	\$110
Economist	\$125
Engineer	\$190

The hourly rates contained herein will remain constant for the duration of the project.

APPENDIX D.

FEE SCHEDULE

	Tasks Total	PHASE TOTAL
PHASE 1.0: EARLY INVESTIGATION		
TASK 0.1: General Coordination	\$9,600	
TASK 0.2: Baseline Data Exchange	\$0	
TASK 0.3: Think Tank	\$900	
TASK 1.1: Project Initiation	\$4,160	
TASK 1.2: Interdepartmental Coordination	\$600	
TASK 1.3: Site Reconnaissance & Village Tour	\$600	
TASK 1.4: Policymaker Interviews	\$2,400	
TASK 1.5: Project Branding	\$1,300	
TASK 1.6: Community Outreach & Engagement Plan	\$1,240	
TASK 1.7: Community Kick-Off	\$2,400	
TASK 1.8: Print, Social Media Campaigns	\$1,240	
TASK 1.9: Review Background Documents	\$6,680	
TASK 1.10: Existing Conditions Analysis	\$8,560	
TASK 1.11: Base Maps	\$2,600	
TASK 1.12: Visioning Sessions	\$2,400	\$44,680
PHASE 2.0: PLAN DEVELOPMENT		
TASK 2.1: Print, Social Media Campaigns	\$1,240	
TASK 2.2: Online Engagement	\$4,200	
TASK 2.3: Scenario Planning	\$22,800	
TASK 2.3.1: Future Year Growth Forecasts		
TASK 2.3.2: Community Viz Model		
TASK 2.3.3: Performance Measures		
TASK 2.3.4: Alternative Growth Scenario Testing		
TASK 2.4: Planapalooza	\$52,430	
TASK 2.5: Client Meeting	\$940	
TASK 2.6: Targeted Analysis of Existing Conditions	\$4,280	
TASK 2.7: Client Draft Comprehensive Plan	\$32,580	\$118,470
PHASE 3.0: PLAN REVIEW & ADOPTION		
TASK 3.1: Print, Social Media Campaigns	\$1,240	
TASK 3.2A: Pre-Public Draft Comprehensive Plan	\$7,400	
TASK 3.2B: Public Draft Comprehensive Plan	\$5,100	
TASK 3.3: Community Open House	\$1,200	
TASK 3.4: Client Meeting	\$900	
TASK 3.5: Final Comprehensive Plan	\$1,840	
TASK 3.6: Present Final Comprehensive Plan	\$1,200	
TASK 3.7: Plan Adoption	\$600	
TASK 3.8: Client Meeting	\$600	\$20,080
	Tasks Total	\$183,230
	EXPENSES	\$11,300
	TOTAL	\$194,530

APPENDIX E.

CLIENT MEMORANDUM OF UNDERSTANDING FOR PERFORMING SERVICES

The Client imposes certain minimum insurance and hold harmless requirements upon the Consultant as described below. In order to be considered an “eligible contractor/service provider” to complete services, the Consultant agrees to the following:

1. Consultant's Independent Status

Consultant acknowledges that they are an independent contractor and, as such, shall be responsible for all taxes and other expenses attributable to the rendering of its services to the Client. The Consultant agrees that there is no joint venture, partnership, or employer/employee relationship with the Client. Neither the Consultant nor its employees or agents shall look to the Client for vacation pay, sick leave, retirement benefits, Social Security, disability or unemployment insurance benefits, or other employee benefits. Neither Consultant nor Client shall be or become liable or bound by any representation, act, or omission whatsoever of the other made contrary to the provisions of this Agreement.

2. General Provision

The Consultant agrees to comply with the specifications and our requirements of the contract and provide for the proper protection of employees and the public for any and all work performed. The Consultant agrees to comply with all applicable federal, state and local regulations and requirements pertinent to the job or service being provided.

The Consultant agrees to maintain insurance in types and amounts as noted below as applicable per state law for as long as necessary to complete any job or service.

A. Workers' Compensation: Insurance covering all employees meeting statutory limits in compliance with the applicable state and federal laws. The coverage must include employers' liability with a limit of \$500,000.00 for each accident, \$500,000.00 bodily injury by disease, each employee; and \$500,000.00 bodily injury by disease, policy limit.

B. Commercial General Liability: Coverage shall have minimum limits of \$1,000,000.00 general aggregate, products/completed operations aggregate, personal and advertising liability and each occurrence. This shall include premises and operations, independent contractors, products and completed operations, broad form property damage, XCU coverage, if applicable and contractual liability. The coverage shall be written on an occurrence basis.

C. Business Auto Liability: Coverage shall have minimum limit of \$1,000,000.00 per occurrence, combined single limit for bodily injury liability and property damage liability. This shall include owned vehicles, hired and non-owned vehicles.

D. Professional Liability – If providing professional services such as legal, architectural, engineering, accounting or other service requiring specific licensure, coverage shall have minimum limits of \$1,000,000.00 per occurrence for errors and omissions.

E. Umbrella/Excess Liability: At the option of the Consultant, the limits of the primary general liability, auto liability and employers' liability may be less than stipulated herein, with an excess policy providing the additional limits needed. This form of coverage must be approved by the Client and will only be acceptable when both the primary and excess policies include the coverage and endorsements required herein.

3. Special Requirements

A. Current, valid insurance policies meeting the requirements herein identified shall be maintained to be considered an “eligible contractor/service provider.” Renewal certificates shall be sent to the Client 30 days prior to any expiration date. There shall also be a 30-day notification to the Client in the event of cancellation or modification of any stipulated insurance coverage. Certificates of insurance meeting the required

insurance provisions shall be forwarded to the Village of Pinehurst, 395 Magnolia Road, Pinehurst, NC 28374 Attn: Risk Manager. It shall be the responsibility of the Consultant to insure that all subcontractors comply with the same insurance requirements that he is required to meet.

B. E-Verify – The Consultant and their subcontractors with 25 or more employees in North Carolina as defined in Article 2 of Chapter 64 of the NC General Statutes must comply with E-Verify requirements to contract with the Client. E-Verify is a Federal program operated by the US Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law.

C. Iran Divestment Act – As of the date of this agreement, the Consultant, and all subcontractors utilized by the contractor, is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. 143-6A-4 and will not utilize any subcontractor performing work under this agreement which is listed on the Final Divestment List. The Final Divestment List can be found on the State Treasurer's website at the address www.nctreasurer.com/Iran and should be updated every 180 days.

4. Hold Harmless

The Consultant agrees to protect, defend, indemnify and hold the Client and its officers, employees, and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings or causes of action of every kind and character in connection with or arising directly or indirectly out of this agreement and/or the performance hereof and caused by the negligence of the Consultant. The Consultant further agrees to investigate, handle, respond to, provide defense for, and defend any such claims, etc., at his sole expense and agrees to bear all other costs and expenses related thereto, even if (claims, etc.) is groundless, false or fraudulent.

This memorandum of understanding is considered valid for any and all work completed by the Consultant during the term of this Agreement.

2015

BIRDIE Recommendation: Harness Track Financial Sustainability



Village Council Meeting
Assembly Hall
6/9/2015



Process of Evaluation

The project objective for this BIRDIE process was to determine if the Village could reduce the percentage of operating losses at the Harness Track, and how to make the facility financially sustainable. This study was related to the Village's strategic objective of Maintaining a Strong Financial Condition and Council's goal to Manage Operating Costs.

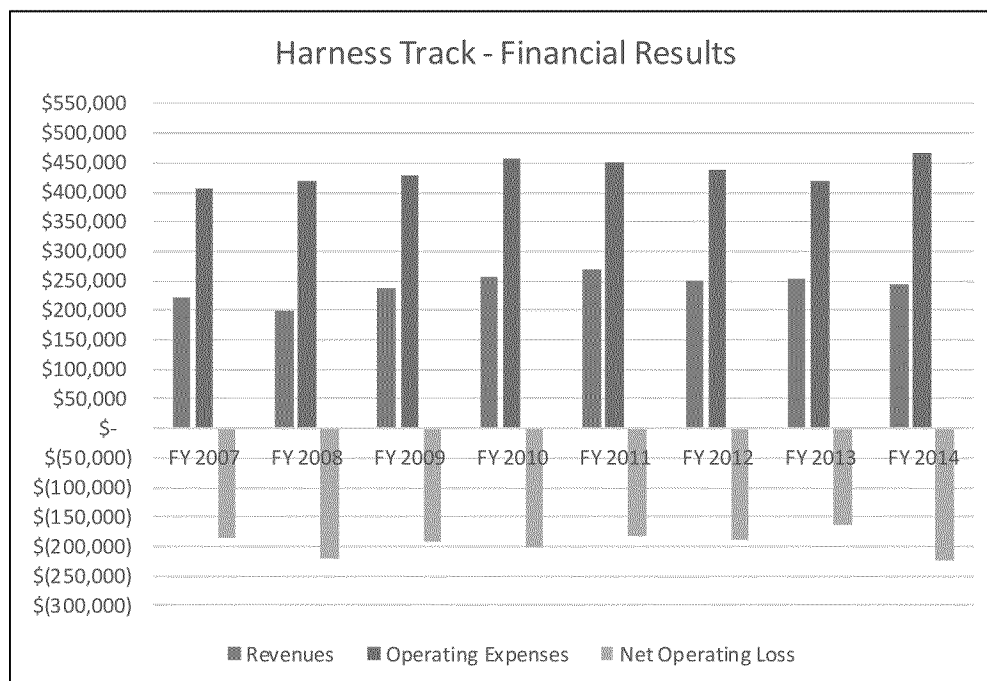
The BIRDIE team was comprised of the following members:



- Nancy Fiorillo, Village Mayor
- Ray Skellington, Harness Track
- Kay Whitlock, Show Promoter/Viewpoint Enterprises
- Garth Henry, Driving & Training Club President
- John Frye, Finance
- Angie Kantor, Human Resources
- Mark Wagner, Parks & Recreation

The Harness Track is a 111 acre horse training facility with a one mile track, a half-mile track, a five-eighths mile track, 17 barns, a tack shop, track restaurant, and other maintenance and office buildings on site. Standardbred training takes place from October 15th to May 1st, followed by various horse shows and other events in spring and late summer. A portion of the track property is also a contributing factor to the site's listing on the National Register of Historic Places.

One of the first things the team did was review the operations and finances of the track. From Fiscal Year 2007 through FY 2014, the average revenues at the track were \$241,338 while expenses averaged \$436,184. This resulted in an average net loss of (\$194,846) over this timeframe.





As stated above, the purpose of this study was to determine where the Village could reduce those operating losses and become more financially sustainable.

Conclusions

After evaluating all of the information gathered in the report that follows, the BIRDIE team has determined that the Village should be able reduce the percentage of operating losses at the Harness Track. This can be accomplished in the following manner:

- Adjustments to the Fees & Charges policy to increase revenues
- Operating expenditure reductions in the Harness Track budget
- Cost allocation corrections

By making adjustments to the Fees & Charges policy as recommended, this should result in an initial increase in revenues of \$26,800 in FY 2016. An adjustment of 3% annually is also being recommended for stall rentals which would result in additional revenues of \$53,500 by FY 2020.

The proposed operating expenditure reductions identified over the next five year planning cycle total \$37,100. Some of these are expenditures for a one time purchase or project, but it is anticipated that approximately \$30,000 in recurring savings can be found annually by FY 2020 if the recommended reductions are made.

The cost allocation corrections are related to work performed by the Harness Track staff as they maintain the grounds of the Fair Barn. We would seek to more accurately track actual costs for the work performed and allocate those costs to the Fair Barn budget instead of having them charged to the Harness Track budget.

Findings

The BIRDIE team has performed a comprehensive review of the Harness Track's operations. As part of this analysis, we looked at a number of different areas including revenues and expenses, the economic impact of facility to the area, staffing, while also reviewing the 2010 HT Business Model Review that was done by a previous committee.

While working through the BIRDIE process, the group ended up focusing on three primary considerations that would have the most significant impact: Revenue Analysis; Expenditure Reductions; and Cost Allocation Corrections.

Revenue Analysis

At the Harness Track, the largest source of revenue comes from stall rental income during the Standardbred training season. This includes full season and monthly stall rentals, grooms quarter rentals, and fees for cleaning out stalls. In FY 2015, the total revenue was \$204,930 from stall rentals. These totals are based on the fees charged as shown below according to the current Fees & Charges schedule:



BIRDIE Recommendation: Harness Track Financial Sustainability

Village of Pinehurst

Harness Track Stall Revenue Analysis by Fee Type

FY 2015

Fees	Rate	Units	Total Revenue
Full Season Stall Rental	\$ 825.00	236	\$ 194,700
Monthly Stall Rental	300.00	2	600
Grooms Qtr Improved	100.00	84	8,400
Occupant	30.00	5	150
Grooms Qtrs Prorate	3.00	50	150
Stall Clean out	6.00	28	168
Revenue			204,168
Interest on O/S Balance	1.50%		762
Total Revenue			<u>\$ 204,930</u>

The above fees have been in effect since 2013 without an increase as we have attempted to keep rates the same while improving the facility. This has been the case even though the lease agreement does allow the Village to increase stall rent annually according to the Consumer Price Index (CPI).

We also looked at yearly adjustments to the full season stall rental rate in the amount of 3% and felt these should be considered to keep up with inflation and operating costs. The monthly stall rate is currently \$300 per month which was last updated in FY 2011. There have been less rentals on a monthly basis since that rate was established with the track's desire to have mostly season stall rentals. Our team felt this was still the direction we should be taking and that is reflected in the recommendations below.

The consensus was to propose a rate increase to bring in additional revenue based on the number of stalls and grooms quarters rented each season. By increasing fees, revenues are projected to increase by \$26,800 in FY 2016. With a 3% annual increase to stall rental rates for Full Season and Monthly thereafter, based on current capacity this would result in an estimated \$53,500 in additional revenues by the end of FY 2020.

During the past few years without an increase in rates, staff at the track has focused on facility improvements. These include rebuilding the training track surfaces by adding clay and renovating barn interiors to provide the trainers with a much better facility to train at in the winter months.

The last area of focus related to training revenues dealt with the grooms quarters where some of the staff hired by the trainers live during the season. The team was able to take a walking tour of the facility and see all of the barns that have rooms for rent and where they are located. The rooms are basic living quarters and of minimal quality.



Currently these rooms rent for \$100 per month and last year brought in approximately \$8,400 in revenue. In comparison, the cost to heat these rooms with propane gas last year was over \$16,000. As you can see, we are not covering our expenses for gas heat alone in the groom quarters. This will be addressed later in the expenditure discussion but the committee felt it was certainly reasonable to see an increase in what is charged to stay in the rooms during the training season to help offset this cost.

When discussing revenues, the group also considered a sliding scale for stall rent based on the number of horses a trainer had, early payment discounts, and fees related to horse shows and other events. The team determined our other fees charged were mostly in line, but that we could potentially increase the fee for RV Parking/Hookups if improvements are made at the barns to the electrical service to allow for Recreation Vehicles to plug in at the barns.

There was also discussion about extending the season for horse shows through the month of October. However, it was determined that the last two weeks of the month would not likely lead to more shows being booked as those dates are generally reserved for championships elsewhere, so additional revenues would not be likely from making that change at this time.

Expenditures

The next area of focus was on expenditure reductions and where the Village could potentially cut our direct costs as a way to reduce the operating loss. We also looked at our operations to determine what are the essential functions at the track in order to be able to manage the facility while also provide a high level of customer service to our users.

When looking at our expenditures, a lot of the initial discussion was focused on the groom quarters and the cost to heat them in the winter months. As mentioned previously, we spend approximately \$16,000 per year on propane gas to heat the rooms. There have always been issues with windows and doors left open while the heat is running which we have limited ability to control. There was also a discussion about the safety of having the gas-fired heating units themselves inside the barns and how comfortable we were with that.

The team considered quite a few options in regards to the grooms quarters including not allowing grooms to stay on the grounds, charging utility costs to the trainers and switching to a different source of heat. Garth Henry polled the trainers and it was determined that not allowing them to stay on the grounds would not be an option and likely lead to trainers not bringing horses to train in Pinehurst. When exploring the option of charging utility costs to the trainers, that is something that would be difficult to do. This is because we often have multiple trainers in a single barn, and we also have multiple grooms staying in certain barns, not all of whom even work for the trainer with horses in that barn.

Ultimately, the team felt the best way to handle this was to change the way we heat the barns. We received multiple quotes to change out the propane heating system with electrical base board heat. This would require a capital investment of \$16,800 to install the heaters and upgrade the electrical service in some barns. Essentially, for one year of what we've been paying for propane gas, we can change to the electric base board heat for all the rooms.



BIRDIE Recommendation: Harness Track Financial Sustainability

We anticipate this change will save the Village an estimated \$5,000-7,000 per year in utility costs, which means we would pay for the investment in less than three years.

Including the savings in utilities from the propane gas project, staff identified additional line item adjustments that could be made over the next four fiscal years in the Harness Track budget that will ultimately reduce expenditures by \$37,100. These reductions are as follows and the fiscal year the reduction can take place:

- | | | |
|------------|---|-----------|
| • \$5,000 | LP gas savings from heating improvements | FY 2016 |
| • \$12,000 | 1 mile track clay improvements | FY 2016 |
| • \$4,000 | Tap fee ½ mile track water | FY 2016 * |
| • \$1,100 | Pine straw spread in house vs. contractor | FY 2016 |
| • \$3,000 | Advertising reduction – 100 th Anniversary | FY 2017 * |
| • \$2,000 | Survey 1 mile track | FY 2017 * |
| • \$10,000 | Building materials for barn renovations | FY 2020 |

**Indicates a one time savings*

Cost to Allocation Corrections

This is an adjustment related to maintenance of the grounds at the Fair Barn that is currently being handled by the staff at the Harness Track. These expenditures are being borne by the Harness Track and we would now more accurately track the actual costs for the work performed and allocate them to the Fair Barn budget instead.

Other Considerations

The committee looked at a number of other areas as part of the review of the operations and finances of the track. The perspective of all stakeholders in the track and its operation were considered including revisiting the 2010 Harness Track Business Model Review that was undertaken by a previous committee. We also looked at the current staffing levels for the facility and reviewed various scenarios to determine whether that was appropriate. There was some discussion regarding shifting a staff member in the off season to another department or division when the horses are not on the grounds. However, the workload at this time prevents that from being feasible, but it should continue to be monitored in subsequent years.

In looking at the operations of the facility, the committee felt there could be a reduction made to the size of the fleet at the track and that one of the trucks could be reallocated to another department. Staff has used the tractor and conditioners more on the tracks this year which should enable the truck to be freed up which will save on fuel and maintenance costs.

With the increased use of the tractor and conditioner to groom the training surfaces, this does present a need for a capital expenditure to replace the existing tractor as it is not strong enough or designed to pull the size conditioner that is needed to maintain the tracks. The proposed FY 2016 budget includes an 85 HP tractor and conditioner for the track that will be used to maintain the tracks and is sized properly to meet all of the facility's needs.



Discussion was also held in regards to the economic impact the facility has on the area and what it brings to the community. Garth Henry put together a survey of the trainers to show how much they spend on lodging, food, supplies, veterinarians, etc. while they are here during the training season. It's estimated that the trainers spend approximately \$1.5 million in the local economy each year while they are in Pinehurst and Moore County.

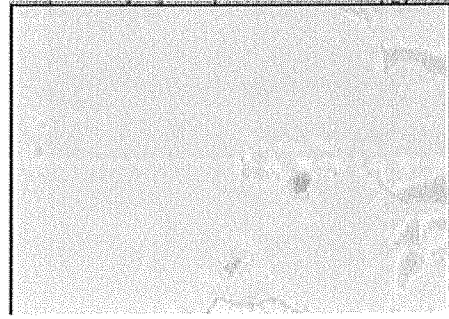
The committee also explored other uses for the track facility including the many events that are held on the grounds such as the 4th of July Fireworks, Concours d' Elegance, Relay for Life, etc. We all felt that there were opportunities to host more events on the site and that these should be explored as they become available. The track could and should be considered in some ways more like a park type setting and a venue that can be used for many more things when the horses are not in training. It is a popular location for residents to walk, jog, walking the dogs, hit golf balls, etc. We also host soccer and lacrosse practices at the facility as well as some cross country meets/practices for local high schools.

As was the case in the 2010 Business Model Review, the committee did briefly discuss the feasibility of closing the facility and maintaining the property for open space or a museum. While this might reduce annual losses we would still need to maintain the barns and grounds. This idea was unanimously rejected since it is not consistent with the intent of why the Village purchased the track in the first place. This would certainly not be in keeping with equestrian history we've been celebrating this year as we've marked the 100th year anniversary of the Harness Track.

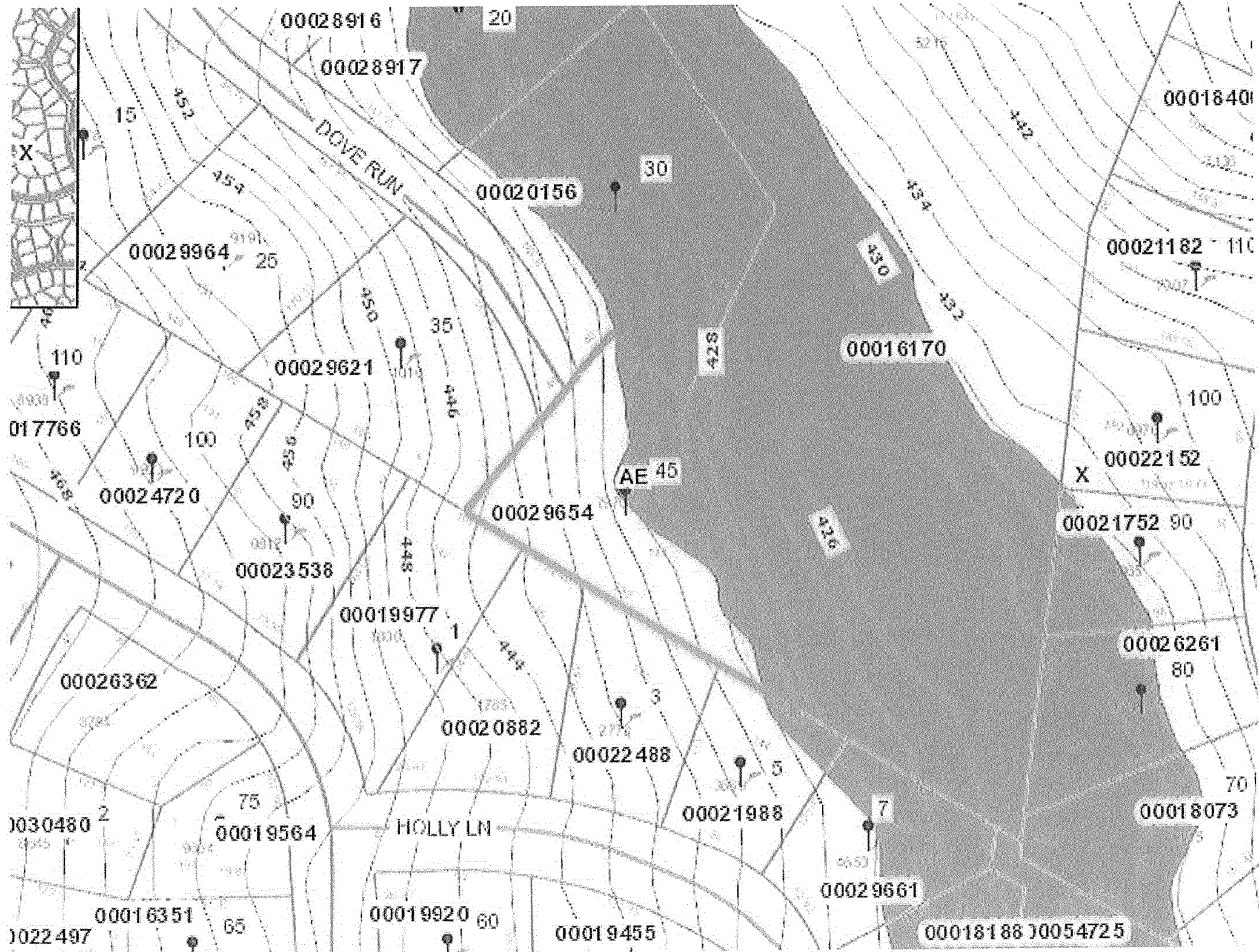
Recommendations

The BIRDIE team unanimously recommends the following for Council consideration:

1. Increase Fees & Charges Schedule for FY 2016 to raise revenues at the Harness Track:
 - a. Full Season Stall Rental from \$825 to \$900
 - b. Monthly Stall Rental from \$300 to \$400
 - c. Grooms Qtr. Rental from \$100 to \$200
 - d. Occupant Rental from \$30 to \$60
 - e. Grooms Qtr. Prorate from \$3 to \$7
 - f. Stall Clean out from \$6 to \$10
 - g. Oversized Vehicle (RV) Parking from \$20 to \$35
2. Purchase 85HP Tractor & Conditioner to maintain training tracks per FY 2016 budget request.
3. Replace existing propane gas heating systems in barns with electric base board heaters and upgrade electrical service accordingly.
4. Reduce operating expenditures as specified in the report and maintain those reductions in subsequent budget requests.



1:658 Feet



Village of Pinehurst
Harness Track Business Model Review Committee
Progress Report and Final Recommendations

October 5, 2010

Introduction

The Village of Pinehurst's management team formed a cost containment committee in the spring of 2010 to conduct a comprehensive review of the Village's operating expenditures in order to identify potential reductions in expenditures which could be achieved without impacting direct services to citizens. Included in this was a study to review the current business model of the Village's Harness Track facility. The Harness Track Business Model Review Committee was formed to be chaired by John Frye and included Doug Lapins, Village Council; Mark Wagner, Village Parks and Recreation Director; and Sue Smithson, a local horse show promoter. The committee also sought input from Harness Track staff, horse show promoters, a marketing expert, and members of the Standardbred Driving and Training Club.

The committee conducted a thorough review of the track's current operations and finances. The annual budget for the track is \$564,000 including capital funding for major repairs. Revenues are approximately \$257,000 for a budgeted deficit of \$307,000. Actual deficits, however, have averaged approximately \$250,000 per year. The primary goal of the committee was to identify, evaluate, and report alternative models which would reduce the deficit.

Facilities

The Harness Track facility consists of a 111 acre horse training facility with a one-half mile/five-eighths mile track, a one mile track, 17 barns, tack shop, and restaurant (see *Appendix A*). The facility is maintained and operated by four full-time employees. Winter Standardbred training at the track takes place from October 1st to May 1st, with the spring and late summer dedicated to horse shows and other events. Over the past few years the Standardbred use of the track has remained strong while the number of horse shows and their related revenues has declined.

Recommendations

The committee's recommendations for FY 2012 are as follows:

- 1. Construct two all-weather show rings in the infield of the half-mile track.**
- 2. Solicit financial participation in the show rings from show promoters.**
(Net revenue of \$15,000 per year from additional horse shows from items 1 & 2)
- 3. Shorten the Standardbred training season by one month to November 1 – May 1**
- 4. Change the fee schedule for both Standardbreds and horse shows**
(Net revenue of \$5,500 -\$8,500 per year)
- 5. Reduce track staffing by 10 hours per week**
(\$15,000 per year)

Discussion of Recommendations

1. Construct two all-weather show rings in the infield of the half-mile track

Two 275' x 150' show rings be would be constructed in the infield of the half-mile track. Horse show rings are rectangular areas of special footing for horse shows. The rings would have removable fencing around them and could be used for parking cars for other events. The rings would be placed at the south end of the track and be oriented north-south to protect the horses from the glaring sun in the west (see *Appendix A*).

The estimated cost to construct the rings using our own forces would be approximately \$75,000. The Village owns a motor grader that could be used in the construction process. Other required equipment would be rented. The construction would be handled by Harness Track staff in conjunction with Public Services.

The lack of suitable show rings substantially limits our ability to expand the use of the facilities. All of the show promoters we spoke with listed not having all-weather show rings at the track as the primary reason for the decline in the number of shows being held at the facility. We heard on numerous occasions that for horse shows the three most important things were footing, footing, and footing. We are fortunate to have many amenities that other horse show venues do not. We have 314 well maintained permanent horse stalls and infrastructure located in the middle of one of the most beautiful locations in North Carolina. We are also in close proximity to many hotels and restaurants. The rings are the only missing ingredient that would make the Pinehurst Harness Track a premier horse show facility

We feel strongly that these two rings would position the facility to attract future horse show business and generate additional revenues. These opinions were supported in discussions with trainers and show promoters. Each horse show held at the track generates \$5,000 revenue on average. If only three – five additional shows each year were added at the track, the rings would pay for themselves in two to five years.

<u>Additional Shows per Year</u>	<u>Three</u>	<u>Five</u>
Capital outlay for ring construction	\$75,000	\$75,000
Capital contributions from show promoters (See explanation in next item)	(<u>10,000</u>)	(<u>10,000</u>)
Net construction cost	<u>\$65,000</u>	<u>\$65,000</u>
Annual horse show revenue increase	\$15,000	\$25,000
Years to break-even point	4.3	2.6

Financial Impact: \$75,000 in one-time capital expenditures for the construction of show rings offset by capital participation from show promoters and increased horse show revenues

2. Solicit financial capital participation in the show rings from show promoters

In order to help generate funding for the construction of the rings and to secure future horse shows, we also recommend that financial participation in the construction of the show rings be sought from show promoters. We have been told that this financial participation is possible and are fairly confident that we can obtain commitments from at least two promoters. Show promoters would be asked to contribute \$5,000 each toward the construction of the show rings in exchange for free tack stalls during their shows for the next five

years. This incentive we estimate would generate between \$5,000 and \$20,000 toward the construction of the rings, but more importantly, it would establish “buy-in” from show promoters and encourage them to come to the track over the next five years. Since the track has an abundance of stalls, the cost of providing these tack stalls would be minimal. We also recommend that the tack stall rental rate be doubled from \$5 to \$10 for show promoters who do not participate in the construction of the show rings. This increase will more than offset the lost revenues from participating show promoters. Furthermore, increasing our horse show capabilities diversifies our revenue base to make us less dependent on the Standardbred industry.

Financial Impact: \$5,000 - \$20,000 in one-time contributions toward the construction of show rings

3. Shorten the Standardbred training season by one month to November 1 – May 1

Currently the Standardbred training season begins October 1st and runs until May 1st. We recommend that the season be shortened by one month while retaining the current seasonal stall rental fee. This will have a limited negative effect on Standardbred trainers as the month of October has a small number of horses at the facility (typically 40-50 horses) but will extend the horse show season by one month (a 20% increase). This change will also provide additional dates in a “good-weather” month for additional shows at the track.

In conjunction with the shorter season we also recommend that trainers be allowed the option of paying a non-prorated monthly stall fee of \$300 per month if they wish to come to the track early or stay beyond the end of the season. One or two barns would be designated for this purpose and the horses would have access to the infields for jogging. The tracks would not be open to horses in the off-season.

Financial Impact: See fee schedule changes below

4. Change the fee schedule for both Standardbreds and Horse Shows

Many ideas were discussed related to track revenues. The track currently generates approximately \$212,000 per year from Standardbred trainers, \$31,000 from horse shows, and \$14,000 from other sources. The track was at capacity last season and had a waiting list for Standardbred horses. While this is positive, the upside potential of revenues from Standardbred training is limited.

a. Standardbred Fees

The recommendations proposed will encourage seasonal stall rentals and discourage trainers from coming for only part of the season. We also feel that the proposed fees will generate additional revenues for the track over time. Staff researched other training facilities to compare our fees with similar training facilities in Virginia, Georgia, and Florida. The range for full season stall rental varied from \$600 - \$1,680 with Pinehurst rates currently at \$800 per stall for the full season. We consider the \$1,680 rate to be a poor comparison since that facility offers services not available here in Pinehurst such as an indoor walker facility, pond swimming for aquatic therapy, and an all weather stone dust track. The committee felt that our fees for Standardbred training were in line with the other facilities and appropriate for our area, and recommend the following:

- Eliminate the daily in-season stall rentals. These fees are administratively cumbersome and discourage full-season rental of the stalls.
- Establish a monthly stall rental fee of \$300, for in-season and off-season that is non-prorated. This will give trainers limited use of the facility while minimizing costs for track maintenance.

- Amend the fee schedule to give priority to seasonal stall rentals.
- Establish incentives for early payment of fees.

Financial Impact: Approximately \$2,000 - \$5,000 additional revenues per year

b. Horse Show Fees

Horse show revenues have declined over the years from an historical high of \$64,000 in FY 2004 to their current level of \$31,000 per year due to our lack of suitable training rings and poor footing compared to competitors. Several shows have been lost to the Carolina Horse Park at Five Points in Hoke County. Our review indicated that the Village operates a first class Standardbred training facility and that the Standardbred training revenues offset their expenses during that season. We felt that a great opportunity to generate additional revenues exists on the horse show side of the business. Our goal with many of our recommendations is focused on retaining, expanding, and attracting horse shows to the facility. This will put the facility to use in the off-season, generate additional revenues, and potentially generate additional economic activity for our area. Fee changes recommended for horse shows are as follows:

- Eliminate the “day trailer parking fee” of \$10 per day. This fee is not currently used very often as it is difficult to track. Also, show promoters always know how many horses are in the show, but do not keep records of their participant’s trailers.
- Increase the “horse not in stall” fee from \$5 to \$10 and make it “per day, per horse”. This will generate approximately \$2,500 in additional revenues.
- Add a fee waiver for tent inspections for horse shows. This is a current practice at the track that is not currently reflected in the fee schedule.
- Increase the tack stall fee from \$5 to \$10 per stall, per day to encourage show promoters to participate financially in the construction of the show rings. This will generate approximately \$1,000 in additional revenues.

Financial Impact: Approximately \$3,500 additional revenues per year

1. Reduce track staffing by 10 hours per week

Due to internal personnel reassignment, track management reviewed the vacancy this created under the Village’s cost containment guidelines and recommended that the position be reduced by ten hours per week.

Financial Impact: Estimated reduction of \$15,000 in annual operating costs.

Future Recommendations for Track Improvement

In addition to the current needs, the committee considered other long term projects which would support our horse show efforts. These, of course, would be dependent upon the success of our initial efforts and are detailed in *Appendix B*.

Other Ideas Explored That Are Not Being Recommended

The committee conducted a thorough review of the track's current operations and finances. The perspective of all stakeholders in the track and its operation were considered. Several other concepts were considered but are not recommended for implementation.

The idea of using the facility for private horse boarding was explored briefly. This is not recommended as there is very little area in which to ride pleasure horses. Most of the acreage is inside the tracks which would be off limits during the Standardbred season.

Contracting the operations of the facility out to a private entity with the Village retaining ownership was discussed similar to the facility owned by Hawkinsville, Georgia. Financial data and the operating contract for Hawkinsville were reviewed. This is not recommended due to concerns about the upkeep of the facility and the many barns/buildings on the grounds. We are concerned that if the facility is privatized that adequate maintenance and capital would not be committed to the barns such as replacing roofs, painting barns, renovating barn interiors, etc. The use of the facility by residents/visitors for walking, jogging, hitting golf balls and more also could be restricted if a private entity were to manage the facility. A portion of the track property is also a contributing factor to the site's listing on the National Register of Historic Places which is best kept under the purview of the Village.

We also discussed closing the facility and maintaining the property for open space or a museum. While this might reduce annual losses we would still need to maintain the shuttered facility and grounds. This idea was quickly abandoned as it is not consistent with the stated purpose for which the Village purchased the track and would be a departure from our rich equestrian heritage.

Conclusions

We believe that the recommendations for FY 2012 offer the opportunity to reduce the operating deficit of the Harness Track significantly over time. Much of this reduction will be dependent upon how many new horse shows we are able to attract to the facility. To support our horse show strategy, we met with Beverly Stewart of the Pinehurst Area Convention and Visitors Bureau and she is prepared to assist us in aggressively marketing the facility for additional shows.

Conservatively, the one-time capital investment in the construction of the show rings would repay itself in approximately four years and then generate additional revenues of \$15,000 and upward from that point forward. Also the reduction in operating expenditures from the staffing reduction will save approximately \$15,000 each year through the initiative of our staff. These changes, when combined with the modest increases in fees that are proposed, could have a combined net reduction in the Harness Track's operating deficit of \$35,500 - \$38,500 per year with the potential to improve in the years ahead.

In conclusion, we recommend that the council incorporate these plans into our 2012 capital and operating plans.



Appendix B - Future Recommendations for Track Improvement

In addition to the items recommended for implementation above, several other items are being recommended for future study and/or implementation:

1. The committee has noted that the facility currently has only one primary entrance with a secondary minimal entrance off of Monticello Road (see *Appendix A*). It is also of concern that the primary entrance crosses a railroad track. There have been instances where access to the track has been blocked by a train. We feel that the concept of a second permanent entrance should be explored with the assistance of a traffic engineer with possible locations for a second entrance along Morganton or Monticello Roads. Discussions with Resorts of Pinehurst will be necessary if Morganton Road is selected as the most feasible location.
2. A public address system should be added to the show ring area. The system should be capable of being extended to the horse barns at some point in the future.
3. The hill area on the south side of the one-mile track should be cleared and we are seeking a wildfire mitigation grant to fund the clearing. Once cleared, the area could serve as a location for temporary stalls for horse shows during the Standardbred season.
4. Public bathroom facilities should be added near the show ring area. The Club House and the Tack Shop buildings will be evaluated to see if they can be retrofitted for this purpose.
5. The concept of designating the harness track facility as a hurricane evacuation center for domestic pets should be explored. The stalls at the track are suitable for household pets and could serve this purpose during the hurricane season as Standardbred horses are not at the track during that time.