



AGENDA

Wednesday, December 7, 2022: 6:00 PM

Town Council Agenda Meeting

C. Michael Haney Community Room: Southern Pines Police Department

450 W. Pennsylvania Ave

1. CALL TO ORDER

2. TOWN MANAGER'S COMMENTS

3. PRESENTATIONS

a. Whitehall Program Recommendations

During the agenda meeting, the design team will review public input results and draft program recommendations that have been prepared for consideration. This information, in addition to three concept plan sketches, will be presented to the public for feedback on Thursday, December 8th at 6pm at the E.S. Douglass Community Center.

4. REVIEW PROPOSED ACTION ITEMS FOR UPCOMING BUSINESS MEETING AGENDA

a. AR-12-22: Waterworks Plus

PTAH, LLC is applying for an Architectural Compliance Permit for a second commercial building at the Waterworks Planned Development located at 1605 Central Drive, across the road from the entrance to Reservoir Park. The proposed 11,000 square foot building will be located behind the existing building that was recently approved for a significant expansion.

b. AR-23-22: Gerber Collision

The applicant, Neal Smith Engineering, Inc., is requesting an Architectural Compliance Permit on behalf of the legal property owner, Gerber Real Estate, Inc., for renovations and an expansion to the property owner's existing building located at 255 Bell Ave. The development proposed will expand the commercial space by adding an addition to the rear side of the building for a total of 5,040 additional square feet. The applicant is proposing architectural design modifications to the existing building that will bring the existing building closer to compliance.

5. REVIEW LEGISLATIVE PUBLIC HEARING APPLICATIONS FOR UPCOMING BUSINESS MEETING AGENDA

a. AX-05-22: Public hearing for annexation of .41 acres at 480 S. Pine St.

Veronica Lofton is requesting voluntary annexation of .41 acres that is currently outside of the corporate limits of the Town of Southern Pines. The deed recorded in Book 5881 at Page 586 describes the property as "Lots Numbers Twelve (12), Fourteen (14) and Fifteen (15) in Block One as shown on a map entitled 'Westhaven Grove' which is recorded in Map Book 3 at page 100 in the Office of the Register of Deeds of Moore County." Per the Moore County tax records, the subject property is identified as PIN 857216729769 (PARID 00033536).

b. AX-06-22: Public hearing for annexation of .56 acres at 275, 285 and 295 Duncan Rd.

Dewey Holderfield, on behalf of Moore HL Properties, Inc., is requesting voluntary annexation of .56 of an acre that is currently outside of the corporate limits of the Town of Southern Pines. Per the Moore County tax records, the subject properties are identified as PIN 858220804641 (PARID 00032386) and PIN 858220805642 (PARID 20020514) and are owned by Moore HL Properties, Inc. The request also includes annexation of the portion of Duncan Road that abuts the subject property as well as the intersection of Duncan Road and Petty Street.

c. Z-02-22: RJ Property Holdings

Mr. Brandon Goodman, on behalf of RJ Property Holding, LLC, has submitted a request to establish a rezoning of a single 13.81-acre parcel from FRR (Facilities, Resource, and Recreation) to RE (Rural Estate) in the extra-territorial jurisdiction (ETJ). The subject parcel was owned by the North Carolina State University Veterinary and Equestrian research center (a public entity) and was sold to RJ Property Holding, LLC (a private entity). The subject parcel is located on the south side of Equestrian Road, which is off of U.S. Route 1.

6. REVIEW EVIDENTIARY HEARINGS (QUASI-JUDICIAL) FOR UPCOMING BUSINESS MEETING AGENDA

a. SU-07-22: Southern Pines Country Club

On behalf of Mid-Pines Development Group, LLC, Mr. Bob Koontz with KoontzJones Design has submitted an application for a special use permit for the development of ten guest cottages on a portion of property that formerly served as the Southern Pines Elks Club Facilities, also known as the Southern Pines Country Club. The development proposal is for ten detached golf cottage temporary dwellings housing a total of fifty-six guest rooms with associated parking and amenities such as a putting green and practice tee. No subdivision of property is proposed for the site, which constitutes a portion of the +/-292.11 total acreage of the property.

7. REVIEW CONSENT AGENDA FOR BUSINESS MEETING

a. Adopt 2023 Town Council Meeting Schedule

Based on direction at the November 28th Council work session, staff has prepared two schedules for Council review during the agenda meeting. If there is consensus on a preferred schedule, the final draft will be included on the December 13th consent agenda for approval.

b. Approve Town Council Meeting Minutes for November 2022

- November 2, 2022
- November 8, 2022
- November 28, 2022

Staff has prepared the November meeting minutes for review.

c. Accept the Fiscal Year 2022 Audit Report

Staff is requesting approval of the FY22 Audit Report from Forvis, LLP.

d. Actions Related to Waste Collection

At the November 28th work session, Council expressed an interest in reviewing a proposal for consulting services to formally evaluate the Town's solid waste services. The purpose of this study is to assist with making decisions on the future delivery method(s) for solid waste services. Staff has obtained a proposal from DavenportLawrence and will review the suggested next steps, if Council wishes to move forward with this evaluation.

i. Direct Staff to Enter into a Consulting Agreement

ii. Budget Amendment

iii. Extend Waste Collection Contract with GFL thru December 31, 2023

8. ADJOURNMENT

Meetings/work sessions of the Southern Pines Town Council are now available on the Town's [YouTube channel](https://bit.ly/3hXx2Qk). Video of the Town Council meetings will be live streamed on the channel for viewing either during the meetings or after they have concluded. Please note, the video is provided only for the purposes of viewing the meetings; public comments or questions are not accepted via the live stream. To receive notifications when new content is published, please "subscribe" to the Town's channel at <https://bit.ly/3hXx2Qk>

MEMORANDUM

To: Reagan Parsons, Town Manager
From: Jessica Roth, Assistant Town Manager
Re: Whitehall Master Plan Update
Date: December 2, 2022

INITIAL PUBLIC INPUT

The Town is under contract with CPL (with Creech & Associates as a sub-contractor for architectural services) to prepare a master plan for the 157-acre tract of land, known as the Whitehall property. Work on the plan has been underway since June, with formal public input opportunities launching in August, which have included:

- August 23rd public meeting, attended by approximately 35 community members
- Focus group interviews conducted by CPL and Creech primarily in late August. Approximately 30 individuals participated, including Council and staff as well as others who have specialized interest/expertise in the property, i.e. Three Rivers Land Trust, The Nature Conservancy, Sandhills Prescribed Burn Association, and others.
- 686 community members completed the online survey, which was available for two months.
- Staff engaged with individuals via phone, e-mail, and visits to the property, forwarding feedback to the design team.

DRAFT PROGRAM RECOMMENDATIONS & CONCEPT SKETCHES

Based on the public input and the design team's inventory and analysis of the existing conditions, they have created draft program recommendations and concept sketches to be shared with Town Council and the community next week. Presentations will include:

- **Wednesday, December 7th Council Agenda Meeting:** The design team and staff will attend the meeting to review the status of work completed to date, share public input results, and discuss the draft program recommendations.
- **Thursday, December 8th Public Input Meeting:** The design team and staff will share public input results, discuss the program recommendations, and share three concept plan sketches that demonstrate opportunities to implement the suggested program.

Community feedback has overwhelming suggested that 1) Whitehall be enhanced for public access and 2) uses should prioritize "passive" recreation. 55% of the nearly 700 survey respondents indicated their preference for passive uses, such as nature and bike trails, bird watching, and similar. Approximately one-third of survey respondents felt some mix of passive and active uses would be appropriate, meaning over 85% of respondents want the property enhanced for public access and enjoyment. Only 12% would like it to see it remain in its current condition with no changes and a very small number of people suggested active uses. Direction received via the other methods of public input have been consistent overall with the survey.

Based on this feedback, the draft program recommendations focus on ways to enhance the property for safe, inclusive public access, while being sensitive to and protecting the natural ecology and features, including the longleaf pine forest and the endangered red-cockaded woodpecker (RCW). Whitehall is a public asset that can be used and enjoyed respectfully through unstructured recreation activities and low-impact exploration of its open, natural spaces.

With a program focused on passive recreation, “low key” events, educational activities, picnics, trails, kite flying, and similar activities would be accommodated through enhancements for public access. The Town has successfully utilized Whitehall in this way during 2022 with the annual Arbor Day celebration, gatherings of the Whitehall book club and youth storytime, educational programs hosted by the Library, and low-intensity Parks & Recreation offerings such as outdoor yoga, meditative walks, and similar.

By designing enhancements that “tread lightly” on the land, “active” recreation uses would not be available at Whitehall. The park would not include athletic fields and leagues, aquatic facilities, bleachers, and similar amenities required for structured/regulated sports, like those found at the Morganton Road Sports Complex, Memorial Park, or Pool Park.

The design team will present three concept plan sketches that illustrate ways to enhance Whitehall for passive recreation and public access and enjoyment. The sketches will be presented at the December 8th public meeting.

NEXT STEPS

Following next week’s meetings with Town Council, staff, and the community, the design team will analyze the feedback provided on the draft program recommendations and the concept plan sketches. This input will inform the decisions needed to make a final draft of the recommended program and a single concept plan. These documents will then be shared with Town Council, staff, and the community for validation and to identify any necessary updates. The final program and master plan will be forwarded to Town Council for adoption.

Following master plan adoption, next steps would include: prioritizing program activities and property enhancements; identifying funding sources (including potential grants); completing environmental studies and construction drawings; and construction. Staff anticipates it is likely that the overall master plan will be implemented in multiple phases, focusing on the highest priorities first.

December 1, 2022

DRAFT Program Recommendations for “Whitehall at Reservoir Park”

The following draft recommendations have been developed by CPL and Creech & Associates, based on the community input that was received and an evaluation of the existing conditions.

Theme: It is recommended that “Whitehall at Reservoir Park” provide passive recreation opportunities for the Southern Pines community, while still being sensitive to and protecting the natural ecology and features. Whitehall has been thoughtfully cared for and protected by its previous owners, providing 157 acres of natural lands that highlight the area’s native ecosystems, including the longleaf pine forest and the endangered red-cockaded woodpecker (RCW).

By focusing on “passive” rather than “active” recreation, the property can be used in a way that does not require major alterations to the land that would destroy its natural beauty and habitats. In other words, the goal should be to “tread lightly” as the natural areas are enhanced for public passive recreation uses.

Parks and trails are public assets that should be enjoyed and used respectfully. A park system is a major contributor to a community’s overall quality of life and offers people the opportunity to exercise, enjoy the outdoors, and participate in activities they can’t enjoy in their own living spaces. When designed thoughtfully and sensitively, parks can provide the functional facilities needed for public access without compromising the natural features.

In order to open Whitehall as a public passive park that treads lightly on the land, the program should be developed with the following goals and understanding:

- Enhance unstructured recreation activities and open, natural spaces.
- Structured or regulated sports or activities are not suitable for Whitehall. Examples include, but are not limited to, athletic fields and leagues, aquatic facilities, bleachers, and similar. The Town offers a variety of active recreation opportunities at nearby parks, such as the Morganton Road Sports Complex, Memorial Park, etc.
- “Low key” events, educational activities, small picnics, trail use, kite flying, and similar can be incorporated into Whitehall in a sensitive way. The Town has successfully utilized Whitehall in this way during 2022 with the annual Arbor Day celebration, gatherings of the Whitehall book club and youth storytime, educational programs hosted by the Library, and low-intensity offerings by the Parks & Recreation department, such as outdoor yoga, meditative walks, and similar.
- Infrequent, but larger scale events, can be appropriately programmed at Whitehall under certain conditions, i.e. utilizing off-site parking with shuttles or parking in open areas, temporary tents that do not damage natural features, and similar. Examples may

include, but are not limited to: weddings; community events (Easter Egg Hunt, Haunted Trail/Woods, etc.); trail runs; re-enactments or cultural festivals.

- Each facility, activity, and program should be evaluated as to whether it fits into the overall vision and theme, ensuring it does not conflict or detract from these goals.
- It is anticipated that the existing enclosed structures (house, barn, and garage) should reasonably accommodate a passive recreation program at Whitehall. Any additional building construction should be considered minor structural enhancements to compliment the overall program. Examples might include, but are not limited to: small buildings/structures for restrooms, storage, picnic/shelter; observation decks/structures; “natural” play/exercise structures; and similar.
- Parking considerations will be important for overall programming. A large, impervious parking lot(s) does not fit the character of Whitehall and would not “tread lightly” on the land. Instead, priorities should include: low-intensity pervious parking; using nearby facilities (such as Elizabeth Rounds Park) and then providing connections into Whitehall; off-site parking agreements with nearby uses; shuttle service for events; and similar.
- More formal, structured events and activities should be prioritized in and/or close to the house, using the adjacent structures and courtyard spaces for spill over.
- Whitehall has always been owned, maintained, and used as a private residence with the typical associated uses. In order to open the property to the public, the town will need to add, construct, and modify some infrastructure and improvements in order to enhance and make the house and park safer and more functional and inclusive for all users.

Initial Studies:

Prior to development, create a Site-based land management plan to include:

- Base-line information (include Reservoir Park in relevant studies)
 - Soils, hydrology, Field run topography and specimen tree survey.
 - Assemble FEMA, USGS and NC state/local GIS maps.
 - Botanical Survey of Habitat/Natural Communities (cover type) Report.
 - Endangered Species Review, including locating potential nesting trees/sites report.
 - Site report on history/historic use
 - Archaeological and historical resources survey
 - Establish Management Units (generally set at 10-20 acres each).
 - Evaluate (i.e., *Arborist report*) on the health and vitality of the existing fruit and nut trees and identify prescriptive methods to improve productivity.

- Land Management objectives
 - Determine what is being managed by management unit (i.e., endangered species, longleaf pine, bottomland hardwood, pond pine, “pollinator meadow”, native grassland meadow, etc.)
 - Determine how the unit will be managed (i.e., invasive plant management, prescribed fire, mechanical maintenance, forest health, etc.)
 - Establish clearly defined goals for preservation and enhancement of the flora and fauna of the site.

These studies will aid in the planning and development process as well as add the educational programs planned for the park.

Some Specific Land Management Recommendations

1. Develop and Implement a Prescribed Fire Burn Program for the 300+ acres that incorporates Whitehall and Reservoir Park.
 - a. Special emphasis on Longleaf Pine and the Red-cockaded Woodpecker.
 - b. Develop an annual burn plan so that each area is burned approximately every 2-3 years.
 - c. Annual burn for the meadow and grasslands.
 - d. Create management units, separated by firebreaks, of approximately 20 acres each.
2. Design trail system that, in addition to serving as a firebreak for the prescribed burn management units, also provides outdoor recreation opportunities and needed access for management activities, viewing, and visitor access.
3. Consider working with federal, state, non-profit, and local agencies to develop a Prescribed Fire Training School or Center to use the site and facilities as an educational and training facility. Include affiliated educational institutions in the process.
4. Develop and implement an invasive species management program.
5. Develop and implement an Integrated Pest Management (IPM) program to provide a more effective and environmentally sensitive approach to pest management and pesticide use.
6. Establish forest management standards that maintain and protect the healthy Red-cockaded Woodpecker (RCW) habitat.
7. Establish a plan that provides details on volunteer projects and activities that could enhance the site and provide educational opportunities. For example, identify possible locations for “nesting and roosting boxes” with accompanying interpretive signage education. Consider:
 - a. Bat houses
 - b. Purple martin houses
 - c. Blue bird boxes

- d. Chimney swift chimneys
 - e. Hummingbird feeders
 - f. Waterfowl (ex: wood ducks)
 - g. Native bee nesting houses (remote and isolated from public)
 - h. Others as determined
8. Develop a Bird Watchers program, route, and facilities for the site.
 9. Establish and maintain a “perimeter” (i.e., generally follows the Whitehall/Reservoir property boundary) firebreak to help ensure fires remain inside the park, limiting access by wildfires originating outside the park, and helping protect property boundaries from potential, inadvertent incursion from adjacent landowners.
 10. Develop a Safe Harbor program for local fauna.
 11. Develop native grasslands and a wildflower meadow in a section of the open area.
 12. Consider allowing the installation of a bee habitat to be used for educational and training purposes by local apiarist.
 13. Include overlook viewing deck and birdwatching blinds.
 14. Plant native pollinating and forage plants for wildlife.
(<https://ncwildflower.org/recommended-native-species/>)
 15. Evaluate the feasibility of designating Whitehall as a Dark Sky Observatory.

General Site Program Recommendations:

The following recommendations are program opportunities that enhance the passive recreation theme and highlight the property’s natural features. It is not necessary that the Town implement every recommendation on this list. Rather, the Town can evaluate and prioritize these program options as funding and resources permit. This is not intended to be an exhaustive list, as there will be opportunities in the future that can also be compatible with and enhance the passive recreation theme.

1. Recognizing Reservoir Park and Whitehall together as a single municipal park and protected open space has value, given the combined total of over 300 acres and the existing name recognition Reservoir Park already has.
 - a. Consider a name such as “Whitehall at Reservoir Park” to enhance this brand, while still recognizing the significance and special nature of Whitehall.
 - b. Where appropriate, unify the signage and enhancements such as benches, tables, trash cans, and similar so the overall 300+ acres are visually recognized as a singular recreation area.
 - c. Where appropriate, consider using the same rules for both Reservoir Park and Whitehall, to eliminate confusion for both users and staff.

2. Strategically connect the Whitehall trail system to Reservoir Park, the parking lot at Elizabeth Rounds Park, Sandhills Community College and botanical gardens, and to the greater Southern Pines greenway trail network.
3. Create a series of onsite trails and viewing areas based on proposed uses.
 - a. Establish trail heads at both ends of the park for access and services.
 - b. 10' paved multi use trails connected to Reservoir Park and beyond.
 - c. Paved trail around the open space as a border and separator.
 - d. 8' soft surface walking / nature /trail system in loops with markers.
 - e. Work with the local high schools to designate a route for the Cross Country teams to use for practices and meets.
 - f. Geo Caching route.
 - g. Address appropriate uses and locations for dogs.
 - i. Establish "on-leash only" dog trails that are at least 200 feet from the RCW habitat areas.
 - ii. Given the Town's existing 50-acre Martin off-leash dog park as well as the nearby Pooch Park in the Pines, it is not recommended that Whitehall be programmed as a dog park.
 - iii. Some local users currently use Whitehall informally for off-leash dog exercise. It is recommended to either 1) discontinue this altogether and direct owners to the nearby dog parks or 2) permit off-leash dogs only during certain and minimal times, i.e. the first hour of each day Whitehall is open or a certain day(s) of the week or month.
 - iv. Designate "poop" areas (at trail heads/buildings) and waste disposal systems.
4. Trail design and amenities
 - a. Design the trails with enhancements and amenities such as, benches, markers, rest stops, bridges, education signs, overlooks, birdwatching blinds, etc.
 - b. Trail heads with parking, bathrooms, shelter and possible restrooms.
 - c. Create viewing and photo opportunity platforms overlooking areas of special interest and vistas.
 - d. Perimeter trail around the open grass field as fire break and to separate from forest sections.
 - e. Mountain bikes may be too destructive and intrusive for the proposed natural and preservation objectives of the park. Bikes should be permitted on the paved trails only.
5. Maintain the large open grass field for multipurpose passive uses, events, and activities.
6. Locate a small picnic shelter(s) around the open area, along trails, and in the park.
7. Consider establishing a community garden and/or orchard and urban foraging program. Steps and considerations may include:
 - a. Develop program, designate area, and establish garden plots.
 - b. Identify partners for management oversight, maintenance, plot assignments, and similar.

- c. Include agriculture plots for seasonal crops, pumpkins, poinsettias, watermelons etc., which could be used for fundraising events.
 - d. Include existing Pecan trees and Fruit trees in program; prune, trim and treat to maintain health and production.
 - e. Plant additional fruit and nut trees to expand fresh food options.
 - f. Incorporate programs and tree groves into an educational program using interpretive signs and annual events. (pruning, fertilizing, harvesting)
 - g. Add an arbor for native wild grapes.
 - h. Consider partnering with the North Carolina State Extension Service/Moore County to establish programs, provide volunteers and expertise, and to promote additional community-oriented educational opportunities and facilities.
 - i. Partner with the Sandhills Community College horticulture department, local master gardeners, Extension Service, or similar partners to set up educational programs and plant species placements.
8. Protect native plant ecosystems
 - a. Establish native plant ecosystems, as well as a demonstration site and outdoor laboratory for horticulture collections. Use the plants that are grown as part of an education program and for restoration planting in the park.
 - b. Establish a nature succession monitoring ecosystem site.
 - c. Set aside an endangered plant rescue site to relocate plants that are in danger of being destroyed.
9. Restore the small pond to original condition; include an overlook (which could serve as a photo opportunity platform) and nesting boxes for waterfowl.
10. Develop outdoor classrooms in special locations for multipurpose uses.
11. Partner with local and state educational institutions to develop forestry and horticultural educational assets on the site.
12. Evaluate appropriate uses for the barn. Ideas may include, but are not limited to:
 - a. Storage of Town equipment and supplies for maintaining Whitehall and Reservoir Park.
 - b. Prescribed Fire equipment storage and maintenance
 - c. Burn School instructional and orientational facility
 - d. Classroom/meeting space that can be reserved by local schools and educational facilities
 - e. As assembly and educational space for birdwatchers, tours, etc.
 - f. For larger picnics and gatherings, i.e. corporate picnic, local churches, Scout groups, etc.
13. Parking Recommendations
 - a. Develop Park entrance and roadway access through Elizabeth High Rounds Park to the house. Develop as a trail head off Pee Dee Road.

- b. Develop pervious parking in the SW corner of the site to service the park and house. Consider strategically locating the spaces amongst the trees, where appropriate and feasible.
 - c. Consider establishing a user agreement or similar with the adjacent church and school for off-site parking at permissible times. These parking lots could be used routinely or to augment parking during special events with the use of shuttles.
 - d. Consider other parking/trail head options along Pee Dee Road and/or Central Drive.
 - e. Overflow parking in the open area for special events.
 - f. Consider pervious parking spaces amongst the trees along the roadway loop to the house entering near the SE access from Pee Dee Road and exiting on the driveway.
 - g. Need bus/emergency vehicle access and parking option
14. Create small outdoor stage in the SW corner with power to serve as a small natural open-air outdoor entertainment venue. It is not anticipated that this would have structured seating.
15. Evaluate the feasibility of appropriate activities and events that can generate revenue:
 - a. Annual pumpkin pick patch
 - b. Halloween haunted house – Whitehall or the barn – or haunted trails
 - c. Annual poinsettia sale; Permanent Christmas tree on site.
 - d. Pecan Pick; *Come and pick up Pecans* – Include pie baking contest
 - e. Easter Egg Hunt: Children’s Easter egg hunt around the house.
 - f. Wildflower pick: At the peak, gather flowers on set days.
 - i. Permit professional photographers to “rent” access to wildflower fields, pumpkin patch, house decorated for Christmas, etc. for family photo sessions – uninterrupted time at these areas where they can set up their own props.
 - g. Highland Games or other similar open events in the large open field
 - h. Annual 5 – 10K run terminus: Start on the greenway, end at Whitehall.
 - i. Volunteer Days to remove invasive plants and other maintenance activities
 - j. Others to be brainstormed.
16. Evaluate the feasibility and potential location for a caretaker on site. An RV host program may be one option.
17. Maintenance and event storage is needed on site since P&R are out of space at Public Works
18. Look at primitive/small groups camp site location with small fire ring, hike-in options
19. Review funding sources from grants, programs, activities, and organizations

Barn:

1. Renovate and activate the barn to serve multiple uses. Consider the layout, including the exterior covered space, to provide options for rentable space. Potential options might include:

- a. Weddings / receptions
- b. Corporate picnics and retreats
- c. Educational class space
- d. Barn dances and entertainment events.
- e. Class, church, or family reunions
- f. Burn School facilities and headquarters
- g. Birdwatcher orientation and education
- h. Others as determined

2. Reserve a section of the barn for maintenance and storage.
3. Develop a restroom / dressing room as part of the renovation.
4. Develop restroom open to the outside for the greater park users.
5. Consider a trail center to provide information, possible equipment rentals, and similar.
6. Include Wi-Fi and phone chargers in the building

Garage:

1. Needs a different reference name other than Garage.
2. Upgrade bathrooms to serve the park and any garage uses
3. Renovate the inside as a multipurpose venue for smaller events, classes, and activities.
4. Tie use to the house so it can serve as an extension to any large activities in the house.
5. Include Wi-Fi and phone chargers in the building
6. Smaller restroom with rentable area

House:

Architects from Creech & Associates recommend the following potential uses to program inside the house. It is not anticipated that all of these would fit or work well together, so they need to be further evaluated and prioritized.

- Small meeting space for local organizations
- Parks & Recreation offices (relocated from the Campbell House)
- The Nature Conservancy office (they are still interested in leasing space here)
- Rentable venue for small weddings or similar events
- Town Conference Room/Meeting Facility
- Small History and Museum Room
- Parks Maintenance and storage in the attached garage
- Lease office space to organizations focused on conservation and other environmental activities
- Rentable Meeting / Conference rooms
- Rentable Banquet and Event Room with the Kitchen and large living room.
- Rentable Classroom and educational spaces.
- Include Wi-Fi and phone chargers in the building

Outside Perimeter around house:

- Develop a small botanical garden of rare and native plants placed around the house; include interpretive signage, “quiet” areas for reflection; and multiple “backdrops” for photo shoots.
- Develop a courtyard garden suitable for weddings, events, reunions, and classes.
- Outdoor muscadine arbor patio with benches, tables, seating / food service patio.
- Sundial and appropriate local outdoor sculpture and art in the exterior spaces around the house.
- Set up solar powered outdoor workstations ex <https://gosunbolt.com/workstations/> or <https://themeetingpod.co.uk/>

Infrastructure:

In order to use the buildings for public use and assembly, there are some basic infrastructure improvements that would be needed.

Barn:

1. Add restroom facilities for events
2. Restrooms should open to the outside or under the shed to serve the everyday park users.
3. Septic field will have to be added.
4. Floor if the barn needs to be upgraded to concrete.
5. Doors and access with security locks need to be upgraded.
6. Water system added to the building
7. Lighting, electronic, fire alarm, audio visual and other capabilities should be added to the building
8. The second floor will need major improvements in order to make it usable.
9. Stairs up to the second floor will have to meet the building code.
10. Shelter may also need a concrete floor under the shed with lights and ceiling fans.
11. Access from the shed to the inside of the barn should be established.
12. A fire hydrant will have to be brought closer to the building.

Garage

1. Bathroom to be upgraded to meet ADA and local code. Access from the outside for park users.
2. Lighting, electronic, fire alarm, audio visual and other capabilities should be added to the building.

House:

1. ADA access to the house and within the building from room to room.
2. Lighting, electronic, fire alarm, audio visual and other capabilities should be added to the building
3. Emergency escape doors with panic bars.
4. Exit lights and fire escapes routes.
5. The kitchen may have to be brought up to code.
6. Grease trap
7. Restrooms must meet ADA and code requirements

Agenda Item

To: Reagan Parsons, Town Manager
From: Pamela Graham, Principal Planner
Subject: AR-12-22 Waterworks Plus
Date: December 13, 2022

I. SUMMARY OF APPLICATION REQUEST:

Mr. Bryan Bowles of Neal Smith Engineering is requesting approval of an Architectural Compliance Permit on behalf of property owner PTAH, LLC (Andy Bleggi, Registered Agent) for the Waterworks Plus project. The project was approved as a Planned Development District on January 11, 2022, with the Phase 1 PDP being approved on February 8, 2022. The project is located at the site that formerly served as the Southern Pines water plant, on NC Highway 22, just east of Reservoir Park. (See Figure 1). A previous architectural permit request for Waterworks SNC was approved by Town Council on August 9, 2022.

The proposal, originally scheduled for the October 11, 2022 Town Council meeting, was continued to December 7, 2022.

The newly revised proposal is for two buildings to be constructed in separate phases, to be connected before completion of the project. The initial phase for Waterworks Plus consists of a 10,884 square foot two-story building, with later phases calling for a building of approximately the same square footage as the first, with a connecting enclosed structure of approximately 903 square feet.

II. PROJECT INFORMATION:

1. PARID 00039185; PIN 858300245709

2. Applicant:

Neal Smith Engineering, Inc. on behalf of Andy Bleggi of PTAH, LLC
139 Pinehurst Avenue
Suite C
Southern Pines, NC 28387

Figure 1: Vicinity Map for Subject Property Outlined in Red

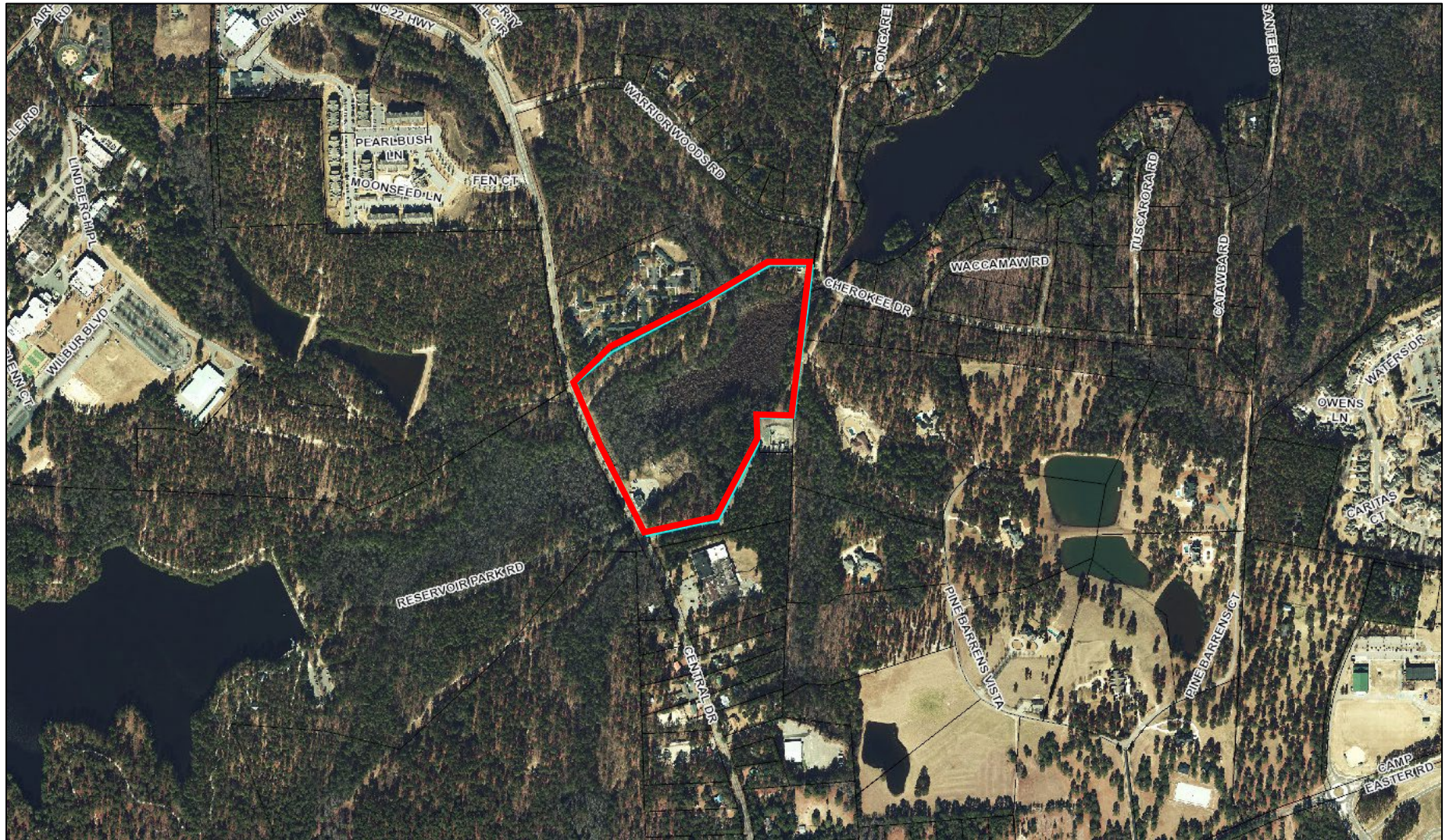
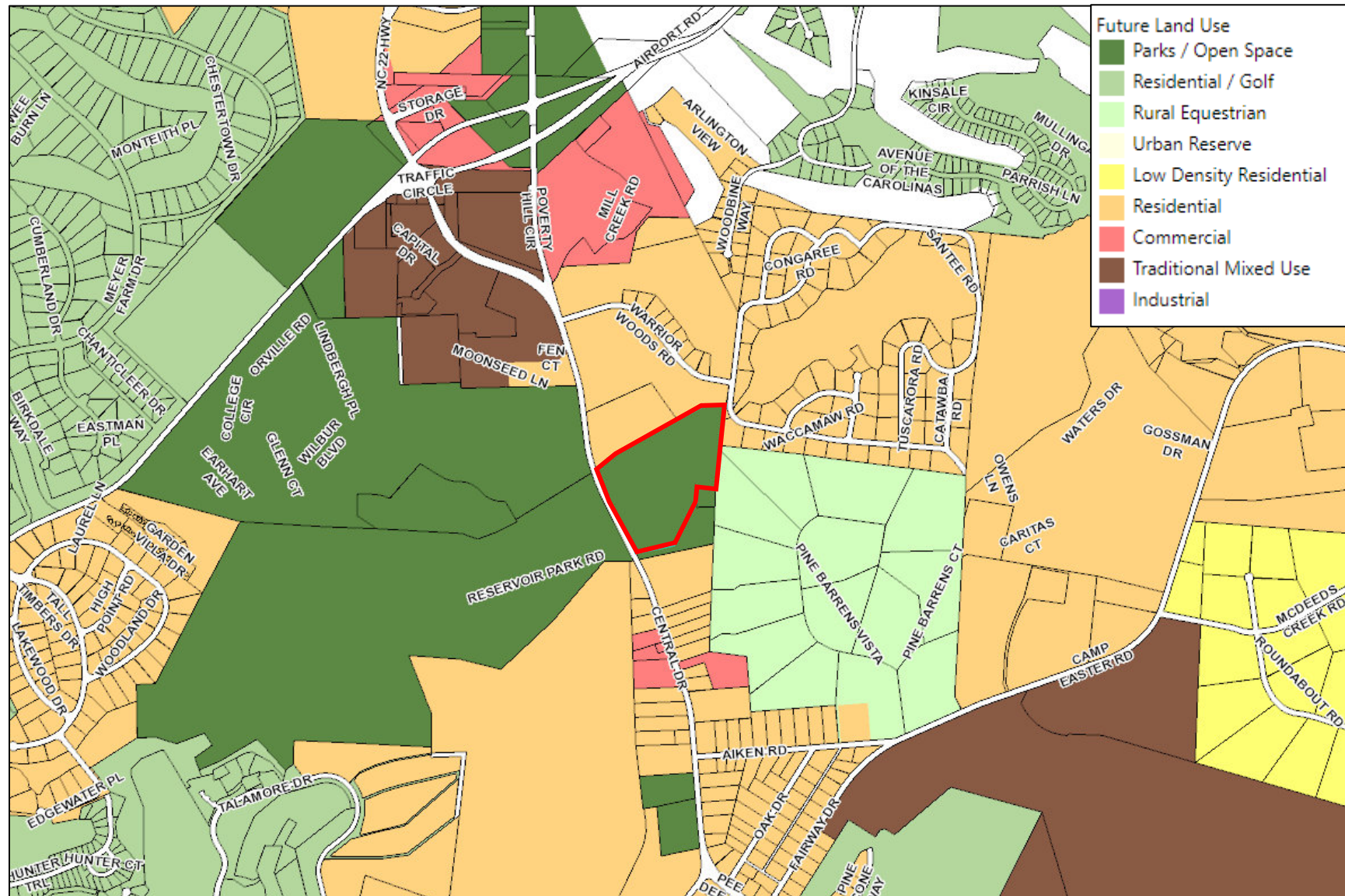


Figure 2: Zoning Map for Subject Property Outlined in Red



Figure 3: CLRP Future Land Use Map Designation Subject Property Outlined in Red



3. Planned Development Approval:

The initial approval of the property as a PD District in 2018 was amended in 2022 to include, per the application, “a modified Conceptual Development Plan (CDP) that better addresses planned development in the Planned Development (PD) District” and to “establish the permitted uses, density, standards and conditions under which the subject property shall be developed through this document”. The CDP states that “a variety of land uses and building types including single family, retail, restaurant, service and office uses” are encouraged, and “results in a master planned development, and discourages disjointed, piecemeal development” while excluding “very intensive commercial uses and heavy industry”.

III. STAFF REVIEW:

1. Review Process:

Applications for Architectural Compliance Permits are reviewed pursuant to UDO §2.26.

2. Application Review Dates:

Application Submitted: May 2, 2022

Application Resubmittal: May 11, 2022

Application Complete: May 20, 2022

Town Council Presentation Delayed by Applicant until August: June 14, 2022

Town Council Presentation Delayed by Applicant until September: July 8, 2022

Town Council Presentation Delayed by Applicant until October: August 11, 2022

Town Council Agenda Meeting: October 5, 2022 (item continued until December at the request of the applicant)

Town Council Agenda Meeting: December 7, 2022

Town Council Regular Meeting: December 13, 2022

3. Criteria for Review:

When reviewing an application for an Architectural Compliance Permit, the Town Council shall approve, conditionally approve or deny the application based on the following criteria, as set forth in **UDO §2.26.7**:

1. *The application is consistent with applicable Comprehensive Plan goals and policies;*
2. *The application substantially conforms with the applicable multi-family or commercial design standards and other applicable provisions of the UDO, including the purposes of the zoning district in which the property is located;*
3. *The application is consistent with applicable conditions of prior Development approvals; and*
4. *The development as proposed will be compatible with neighboring development and has mitigated potential conflicts.*

4. Staff Comments based on Building Design Requirements per UDO §4.10.4:

UDO §4.10.4 includes requirements as listed below; applicant responses may be found in the attached “Narrative and Architectural Compliance for Waterworks Plus” document. Staff assessment regarding compliance with the requirements is signified in the bullet symbols shown below.

✓ = compliant ✗ = not compliant ? = compliance has not been determined

- *The front of buildings shall face and have the primary customer entry facing the street.*

✓ **Compliant with standard(s):**

The buildings as shown on the site plan, elevation drawings and renderings with the primary entrance facing the street-side of the property. The building is separated from the street by a parking lot and the existing and planned expansion of the Waterworks SNC building. Secondary entrances are proposed for each side of the building.

- *Maximum spacing or distance between customer entries in the HCO District is 150', and may be increased for buildings located at least 40 feet back from the sidewalk and for buildings with common entries serving multiple businesses.*

✓ **Compliant with standard(s):**

The spacing between customer entries does not exceed 150'.

- *In all districts other than Central Business (CB) and Downtown Overlay (DTO) Districts, the width of the buildings or building segments shall not be more than twice the building height. Building segments may be created through a combination of vertical features such as changes in material, building offsets, courtyards, changes in rooflines or architectural features that create the appearance of building segments.*

✓ The building height is 29'-0" and the width of the front of the building is 100'. The UDO standard restricts the width of the building or building segments to no more than twice the height. The correct calculation based on a 29' height calls for the building or building segments to be no more than 58' wide across the front ($29 \times 2 = 58'$). However, the exterior design of the front and one side of each building does include some segmentation through the use of changing brick patterns and 2" offsets to the plane. The widest building segment along the front measures 43.5'.

- *The exterior finish of building walls shall be primarily comprised of brick. Cementitious horizontal lap siding, textured concrete masonry, cast stone and stucco may be used for accents, provided that they cover no more than twenty (20) percent of the exterior walls, exclusive of*

doors and windows. Wood and metal may be used as trim around doors and windows. The permit-issuing authority may approve:

- *The use of alternative building materials that establish an equivalent appearance and have equal or greater durability.*
- *Alternative materials satisfying minimum building code standards on walls that are screened and not visible from any public street, walkway or residential zoning district.*
- *Alternative materials satisfying minimum building code standards for structures located within a planned golf course Development that are compatible with the Development and the proposed location within the Development.*

✕ Requesting a deviation:

The applicant has provided an exhibit that breaks down the exterior building material percentages for each building, which is attached to this report. In summary, brick percentages are 100% on side walls that are not facing the “sister” building, 99% on front walls, 4% on side walls that face the “sister” building, and 2% on the rear. The predominant exterior material on walls that do not meet the 80% standard is “pre-engineered metal building (PEMB) construction”. The connector building will be constructed predominantly of glass with metal as the supporting material.

This exterior treatment is generally consistent with the materials approved for the Waterworks SNC building.

- *Windows shall be glazed in non-reflective, clear glass.*

This requirement is allowed by building code:

Southern Pines’ Inspection Department has confirmed that clear glass is not compliant with the North Carolina Building Code. Although the UDO calls for clear glass, this cannot be achieved and remain compliant with building code.

- *In all zoning districts other than the Central Business (CB) District, windows and doors shall comprise at least twenty-five (25) percent of street-facing building facades between the elevations of two (2) and ten (10) feet above the grade of the building entry.*

✓ Compliant with standard(s):

Per the elevation drawings and calculations exhibit provided by the applicant, the street-facing facades of all buildings comply with this standard.

- *Awnings are encouraged and may encroach over the sidewalk within the CB district and may encroach up to six (6) feet into any street side setback in other districts. The minimum clearance between the lowest point of an awning and sidewalk shall be eight (8) feet. Awnings shall*

be canvas or material of similar appearance and flexibility unless otherwise approved by Town Council.

✕ Requesting a deviation:

Metal/aluminum awnings are planned for the buildings of a similar style to those approved for the Waterworks SNC building. The narrative states that the awnings “should not protrude into the sidewalk area”. Staff requests clarification on this statement.

- *In all zoning districts other than the Central Business (CB) District, buildings may use parapets with cornices, gable or hip roofs. Changes in parapet height or design, gables or other changes in the roofline as viewed from any public street shall be required for any building that is wider than one hundred (100) feet. For buildings that are wider than one hundred (100) feet, changes in rooflines shall be used to avoid uninterrupted planes of longer than two hundred (200) feet.*

✓ Standard is not applicable to this proposal:

No individual building exceeds 100’ in width, and therefore, this standard does not apply.

- *Shingles or standing seam, non-reflective metal shall be used on all roofs visible from public streets. Brightly colored roofs, such as intense blues, reds or oranges are prohibited.*

✓ Standard is not applicable to this proposal:

The building roofs will not be visible from the public street.

- *Mechanical equipment shall be screened from view from the street and shall not be located between the street and the building.*

✓ Compliant with standard(s):

The applicant’s narrative states that mechanical units will be located on the roof and be screened by the rooftop parapets.

- *Garage doors and loading bays shall face an interior Lot line alley or service drive and shall not face a street or residential district unless buffered or screened in accordance with sections 4.3.4 and 4.3.5.*

✓ Compliant with standard(s):

The applicant’s narrative states that loading/unloading areas will be screened per UDO requirements. No garage doors are proposed.

- *Signage shall comply with the standards in section 4.6 and any applicable zoning district standards.*

✓ Standard is not applicable to this proposal:

The applicant’s narrative indicates that the owner will apply for signage permits under separate application.

IV. NOTEWORTHY PROJECT ELEMENTS FOR TOWN COUNCIL CONSIDERATION AND STAFF RECOMMENDATION

Approval of the application would require the following deviations from UDO standards:

1. **UDO 4.10.4(C) Building Materials.** The rear of each building as well as the inward-facing side of each building contain only 2% and 4% (respectively) brick facades. The predominant exterior material on walls that do not meet the 80% standard is “pre-engineered metal building (PEMB) construction”. The connector building will be constructed predominantly of glass with metal as the supporting material (0% brick).
2. **UDO 4.10.4(E) Awnings.** Metal/aluminum awnings are planned for the buildings of a similar style to those approved for the Waterworks SNC building. This is a deviation from the requirement that awnings be of canvas or similar material. The narrative states that the awnings “should not protrude into the sidewalk area”. Staff requests clarification on this statement.

Staff recommends approval of AR-12-22, with the two deviation requests listed above being granted. The proposal is largely consistent with the prior approval of the Waterworks SNC architecture and will be fitting to the overall development.

V. ATTACHMENTS (provided by applicant):

1. Application
2. Deed
3. Applicant’s Narrative and Architectural Compliance document dated October 28, 2022
4. Elevation Drawings
5. Architectural Renderings
6. Materials Calculation Exhibit
7. Site Plan

VI. TOWN COUNCIL ACTION:

The Town Council should consider the purpose of an architectural compliance permit per UDO §2.26 and shall vote on whether the proposed application complies with the criteria per UDO §2.26 and the commercial building design requirements per UDO §4.10.4.

The Town Council may make one of the following motions or any alternative they wish:

I move to:

1. Approve AR-12-22;
2. Approve AR-12-22 with the following conditions:

3. Deny AR-12-22.

Architectural Compliance Permit

REQUIRED APPLICATION MATERIALS:

- _____ **Application fee** in the amount of **\$100.00** (gross floor area of 3,499 sq. ft. or less); or **\$300.00** (gross floor area of 3,500 sq. ft. or greater).
- _____ **Completed Application** signed by the applicant. Please do not leave anything blank and make sure that all of the information provided is correct.
- _____ **Appointment of Agent**, if applicable, signed by the property owner(s) and the agent.
- _____ **Deed** copy to provide proof of ownership and property boundaries.
- _____ **Written narrative**: It is the responsibility of the applicant to demonstrate compliance with **UDO §2.26.7**. Please also address **UDO §4.10.4** as part of the narrative.
- _____ **Renderings of elevations** (color).
- _____ **Site plan** if applicable.
- _____ **Electronic copy (PDF) of all application materials** submitted to plan@southernpines.net.

PLEASE SUBMIT ONLY ONE (1) COMPLETE SET OF ALL MATERIALS.

REVIEW AND APPROVAL:

1. **Staff review**: Planning staff will review the application and notify the applicant if additional information or materials are needed.
2. **Public hearing**: A public hearing will be held before the Town Council at its regular monthly meeting. (Please refer to the **Application Processing Timeline** to determine the hearing date.) In addition to the regular meeting, the applicant or a representative is expected to attend the Town Council agenda meeting the Wednesday prior to the regular meeting.
3. **Approval**: The Town Council may approve, conditionally approve or deny the application based on the criteria listed in **UDO §2.26.7**.
4. **Issuance of an Architectural Compliance Permit**: If the request is approved by the Town Council, an Architectural Compliance Permit setting forth any conditions of approval will be issued to the applicant.

PLANNING DEPARTMENT
TOWN OF SOUTHERN PINES
801 SE Service Road, Southern Pines, NC 28387
plan@southernpines.net (910) 692-4003 www.southernpines.net



Architectural Compliance Permit Application

Date Received: _____ Fee Paid: _____ Case No.: AR- 15 - 22

Amended 10/28/22; By B. Bowles

TO THE TOWN COUNCIL OF THE TOWN OF SOUTHERN PINES:

I, the undersigned, do hereby make application for an Architectural Compliance Permit regarding for the following project:

Project Information:

Project Name: Waterworks Plus

Street Address: 1605 Central Dr, Southern Pines, NC 28387

PIN: 858300245709 Parcel ID: 00039185 Zoning: PD (PD-12-21)

Type of building (retail, office, etc.): Office Total square footage: ~~13,272~~

Phase I: 7,890 s.f.
Phase II: 8,581 s.f.
Total: 16,471 s.f.

Applicant:

Name: Neal Smith Engineering, Inc.

Email: bbowles@nsengineering.com Phone: 910-695-8825

Mailing Address: 139 Pinehurst Avenue - Ste. C, Southern Pines, NC 28387

Legal Property Owner(s), if different from Applicant:

Name(s): PTAH, LLC

Email: andybleggi@gmail.com Phone: 910-639-1985

Mailing Address: 109 Arnette St, Aberdeen, NC 28315

Date: 05/02/2022

Bryan Bowles
Applicant

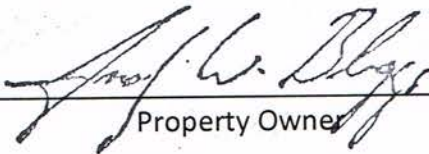
APPOINTMENT OF AGENT

The undersigned owner(s), PTAH, LLC, hereby appoint(s) Neal Smith Engineering, Inc. as the exclusive agent for the purpose of making an application to the Town of Southern Pines for an **Architectural Compliance Permit** for improvements to the property described in the attached application. The owner(s) hereby agree(s) that this agent has the authority to act for and on behalf of the owner(s) as follows:

1. to submit an application and required supplemental materials;
2. to appear at public meetings and give representation and comments on behalf of the owner(s);
3. to accept conditions or recommendations made by the Town of Southern Pines Town Council for the issuance of an **Architectural Compliance Permit** for improvements to the subject property; and
4. to act on behalf of the owner(s) without limitations with regard to any and all things directly or indirectly connected with or arising out of any application for an **Architectural Compliance Permit** under the Southern Pines Unified Development Ordinance.

This Appointment of Agent shall remain in effect until final resolution of the attached application.

Signed this 02 day of May, 2022.



Property Owner

Property Owner



Agent

UDO §2.26.7. Criteria

No Architectural Compliance Permit shall be approved unless the Town Council finds that:

- (A) The application is consistent with applicable Comprehensive Plan goals and policies;
- (B) The application substantially conforms with the applicable multi-family or commercial design standards and other applicable provisions of the UDO, including the purposes of the zoning district in which the property is located;
- (C) The application is consistent with applicable conditions of prior Development approvals; and
- (D) The development as proposed will be compatible with neighboring development and has mitigated potential conflicts.

UDO §2.26.9. Effect of Approval

- (A) The Architectural Compliance Permit shall expire unless a Building Permit is issued within one (1) year of approval.
- (B) Development activities subject to this section shall conform to the approved application and any conditions or restrictions. Any deviation from the approved Architectural Compliance Permit, unless approved in advance and in writing by the Planning Director, is deemed a violation of the UDO.

Please review UDO §2.26 in its entirety as well as UDO §4.10.4 for Building and Design Requirements (www.southernpinesudo.org).

For Registration Register of Deeds

Judy D. Martin

Moore County, NC

Electronically Recorded

March 12, 2019 4:45:55 PM

Book: 5099 Page: 508 - 509 #Pages: 2

Fee: \$26.00 NC Rev Stamp: \$0.00

Instrument # 2019003103

Mail after recording to: Richard Yelverton, Van Camp, Meacham and Newman
 This instrument was prepared by: Emily A. Tobias, Gill & Tobias, LLP
 Brief description for the Index: Water Works Plant, 1605 Central Drive, Southern Pines, NC
 Tax Stamps: \$ - (exempt per NCGS § 105-228.28)

**NORTH CAROLINA
 SPECIAL WARRANTY DEED
 (No Title Search by Drafting Attorney)**

THIS DEED made this the 5th day of March, 2019 by and between:

Grantor:
Town of Southern Pines
 A NC Municipal corporation
 P.O. Box 870
 Southern Pines, NC 28388

Grantee:
PTAH, LLC
 275 SW Broad Street
 Southern Pines NC 28387

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

The Grantor, for valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of Southern Pines, McNeill Township, Moore County, North Carolina and more particularly described as follows:

Being all of that 28.8 acres, more or less, described in Plat Cabinet 18, Slide 25 Moore County Registry.

The property hereinabove described was acquired by Grantor by instruments recorded in Book 349, Page 474 and Book 2011, Page 349 Moore County Registry.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee that Grantor has done nothing to impair such title as Grantor received, and Grantor will warrant and defend the title against the lawful claims of all persons claiming by, under or through Grantor, other than the following exceptions:

Title to the property hereinabove described is subject to the following exceptions:
 (i) the lien for ad valorem taxes or other assessments for the current year; (ii) utility easements of record; and (iii) applicable zoning and municipal ordinances.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be signed in its corporate name by its Mayor, attested to by its Town Clerk, and its seal to be hereunto affixed, the day and year first above written.

Town of Southern Pines,
 a North Carolina municipality

ATTEST:

By: W. David McNeill (Seal)
 W. David McNeill, Mayor

Peggy Knight Smith (Seal)
 Peggy Knight Smith, Town Clerk

(town seal)

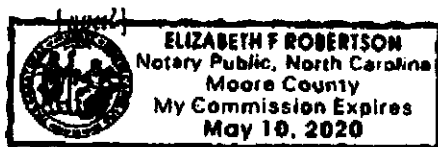
STATE OF NORTH CAROLINA
 COUNTY OF MOORE

I, a Notary Public of the County and State aforesaid, certify that Peggy Knight Smith personally came before me this day and acknowledged that she is Town Clerk of Southern Pines and that by authority duly given and as the act of the Town of Southern Pines, the foregoing instrument was signed in its name by its Mayor, sealed with its town seal and attested by him as its Town Clerk.

Witness my hand and official stamp or seal, this 12 day of March, 2019.

My commission expires:
May 19, 2020

Elizabeth F. Robertson
 Notary Public





Neal Smith Engineering, Inc.

139 Pinehurst Ave. – Suite C

Southern Pines, NC 28387

Phone: (910) 695-8825 | Fax: (910) 695-8832

www.nseengineering.com | NC License No. C-1425



**NARRATIVE AND ARCHITECTURAL COMPLIANCE
FOR
WATERWORKS PLUS**

1605 CENTRAL DRIVE, SOUTHERN PINES

NSE PROJECT NO. 2112002

TOSP ARCHITECTURAL PERMIT NO. AR-15-22

ZONED: PDD (PD-12-21, WATERWORKS PHASE 1, APPROVED 03-01-22)

MAY 2, 2022

REV. 01; MAY 11, 2022

REV. 02; MAY 27, 2022

REV. 03; OCT. 28, 2022

NARRATIVE:

This is a multi-story building that will be located on the same property as originally owned Town of Southern Pines Waterworks building located across the street from the Town of Southern Pines Reservoir Park. This project will consist of Building #1 comprising of 7,890 square foot main floor and a 2,994 square foot second floor along with the appearance of Building #2 comprising of 7,890 square foot main level and a second floor of the approximate square footage of Building #1. Building #1 will be of pre-engineered metal building (PEMB) construction with brick on two sides (Front and Right Side) and pre-engineered metal building wall panels on two sides (Left Side and Rear). Once Building #2 is built during Phase II of this project, the front, left and right sides will comprise of brick and glass along with the rear of both buildings comprising of pre-engineered metal panels. The connector building comprising of 691 square foot main level and 212 square foot second floor. This structure will comprise mostly of glass and metal material.

ARCHITECTURAL COMPLIANCE – CHAPTER 4 DEVELOPMENT AND DESIGN STANDARDS:

4.10.4(A)(1): The front of buildings shall face and have the primary customer entry facing that street. Corner Lot buildings shall face and have the primary customer entry facing the higher order street, facing the corner, or facing each street. Buildings that extend the full depth of a block may be required to have entries on each street frontage.

This building main entrance will be of the parking lot that is located to the rear of the property, refer to site plan.

Revision 03: The primary entrances to Building #1 (Phase I) and Building #2 (Phase II) will be directly off the main shared parking lot. These building do not front on a street, so we are asking for consideration of the layout and guidance from staff as to how to meet this requirement.

4.10.4(A)(2): Maximum spacing or distance between customer entries shall not exceed the standards established in Exhibit 4-15.

This is Zoned PDD.

Revision 01: The revised PDD (2022) does not address this standard and the property before being purchased by the developer was unzone (Town of Southern Pines owned) and therefore the classification that best fits the property would be GB with 150 feet maximum spacing. The current layout has a maximum spacing of 103.50 feet

Revision 03: The classification that best fits the property would be GB with 150 feet maximum spacing. The current layout has a maximum spacing of 98.08 feet.

4.10.4(B)(1): In the CB and DTO districts, buildings or building segments shall be taller than wide.

This building is not located in either of the referenced zoning districts.

4.10.4(B)(2): In other districts, the width of buildings or building segments shall not be more than twice the building height.

This a PDD and will meet all regulations set forth in the regulations.

Revision 01: This building is in an approved PDD. However, the building has been reviewed by both the planning board and the Town of Southern Pines Council during the PDD approval process. The concept drawings, along with renderings, are part of the PDD documents that was approved at the regular town meeting on February 8, 2022 and then again, in writing, at the Town Council work session of February 28, 2022. The Covenants & Restrictions for the PDD have not been written as required by UDO Section 2.18(D) that will ultimately control the Architectural Standards for the entire development once the Final Development Plans are approved for the entire development.

Revision 03: The front and two side of this project (Building #1 and Building #2 included) will consist of brick veneer that will establish multiple building segments with the brick protruding out two inches further in order to create segments in the horizontal and vertical directions. Refer to the rendering for additional clarifications. The rear of the buildings and the two opposing sides will consist of PEMB vertical seam siding (approximate depth of 1-1/2" depending on mfg.) with the windows and doors recessed approximately 2" to help facility this requirement.

4.10.4(B)(3): Building segments may be created through a combination of vertical features such as changes in material, building offsets, courtyards, changes in rooflines or architectural features that create the appearance of building segments.

This building will have recessed window opening on both levels to the required offsets.

Revision 03: This building will contain vertical and horizontal features by use of recessing brick veneer in different locations along with recessed doors and windows.

4.10.4(B)(4): Large scale retail structures shall comply with Section 4.10.6.

This is not a large-scale retail structure.

4.10.4(C): The exterior finish of building walls shall be primarily comprised of brick. Cementitious horizontal lap siding, textured concrete masonry, cast stone and stucco may be used for accents, provided that they cover no more than twenty (20) percent of the exterior walls, exclusive of doors and windows. Wood and metal may be used as trim around doors and windows. The Permit Issuing Authority may approve: (1) The use of alternative building materials that establish an equivalent appearance and have equal or greater durability. (2) Alternative materials satisfying minimum building code standards on walls that are screened and not visible from any public street, walkway or residential zoning district. (3) Alternative materials satisfying minimum building code standards for structures located within a planned golf course development that are compatible with the development and the proposed location within the development

This building will not meet these regulations. However, it will meet the regulation set forth by the PDD Zoning.

Revision 01: The exterior finish of building has been discussed at length during multiple TRC meetings, planning board meetings and Town Council meetings. The building will comply with the Covenants & Restrictions once written by the developer. The Covenants & Restrictions will ultimately control the overall look of the entire development written and recorded with Moore County.

Revision 03: The fronts of Building #1 and Building #2 comprises of 99% brick veneer and 1% Metal Trim (Main Entry Door). The Connector building does not contain brick. The combined front, once build out is complete, will comprise of 96% brick and 4% metal trim. Please refer to attached calculation for the remaining wall face data.

4.10.4(D)(1): Windows shall be glazed in non-reflective, clear glass

The windows will be non-reflective but will be tinted in accordance NC Energy Conservation Code.

Revision 01: The North Carolina Energy Conservation Code, Chapter 4, requires the building to use Low-E windows to meet the energy efficiency requirement set forth in the chapter. Low-E windows are opaque (tinted) as they are manufactured to meet said standards. The placement of the non-Low E windows (non-tinted) in this building is violation of the North Carolina Codes as written by the International Building Code Council and as amended by the North Carolina Department of Insurance.

4.10.4(D)(2): The following standards apply in the CB district

4.10.4(D)(2)(a): On the ground Floor a minimum of seventy (70) percent of the street-facing building façades between the elevations of two (2) and ten (10) feet above the sidewalk must be comprised of windows with at least eighty (80) percent transparency or doors. In the DTO district, this minimum window requirement is forty (40) percent.

This building is not located in the CB District.

Revision 03: The fronts of Building #1 and Building #2 comprises of 64% transparency. The Connector building comprises of 96% transparency. The combined front, once build out is complete, will comprise of 67% transparency. Please refer to attached calculation for the remaining wall face data.

4.10.4(D)(2)(b): On upper Floors a minimum of thirty (30) percent of the street-facing walls of all structures, including parking garages, above the first Floor shall be comprised of clear, windows with at least sixty (60) percent transparency or other openings for parking structures approved by the Planning Director. Openings shall be horizontally aligned with openings on adjacent buildings, vertically aligned, or proportionate with openings on the ground Floor of the building.

This building is not located in the CB District.

Revision 03: The fronts of Building #1 and Building #2 comprises of 16% transparency. The Connector building comprises of 64% transparency. The combined front, once build out is complete, will comprise of 20% transparency. Please refer to attached calculation for the remaining wall face data. Please refer to attached calculation for the remaining wall face data.

4.10.4(D)(2)(c): Window height shall be at least one and one-half (1.5) times the width.

This building is not located in the CB District.

Revision 03: This building does not meet this requirement due to the interior layout and structural framing of the building. Some of the windows are narrower in height than they are in width due to the nature of the rooms that these windows are providing natural light. Refer to the floor plan for the location of these windows and nature of each room.

4.10.4(D)(3): In other zoning districts, windows and doors shall comprise at least twenty-five (25) percent of street-facing building façades between the elevations of two (2) and ten (10) feet above the grade of the building entry.

This building is not located in the CB District.

Revision 01: This building is in an approved PDD. However, the building has been reviewed by both the planning board and the Town of Southern Pines Council during the PDD approval process. The concept drawings, along with renderings, are part of the PDD documents that was approved at the regular town meeting on February 8, 2022 and then again, in writing, at the Town Council work session of February 28, 2022. The Covenants & Restrictions for the PDD have not been written as required by UDO Section 2.18(D) that will ultimately control the Architectural Standards for the entire development once the Final Development Plans are approved for the entire development.

Revision 03: The fronts of Building #1 and Building #2 comprises of 64% transparency. The Connector building comprises of 96% transparency. The combined front, once build out is complete, will comprise of 67% transparency. Please refer to attached calculation for the remaining wall face data. Please refer to attached calculation for the remaining wall face data.

4.10.4(E)(1): Awnings are encouraged and may encroach over the sidewalk within the CB district and may encroach up to six (6) feet into any street side setback in other districts.

This building is not located in the CB District.

4.10.4(E)(2): The minimum clearance between the lowest point of an awning and sidewalk shall be eight (8) feet.

This building is not located in the CB District.

Revision 03: Awning are planned for this building at specific door and window locations and should not protrude into the sidewalk area.

4.10.4(E)(3): Awnings shall be canvas or material of similar appearance and flexibility unless otherwise approved by the Town Council. Street facing awnings shall not be taller than six (6) feet unless specifically approved by the Town Council.

This building is not located in the CB District.

Revision 03: The awnings planned are metal/aluminum material that will match the Waterworks SNC Building on the same property. Style will be different just to help defy this building.

4.10.4(F)(1): Galleries and arcades are encouraged and may encroach up to six (6) feet into any street side setback but may not encroach into public right-of-way.

There are no galleries or arcades planned for this building.

4.10.4(F)(2): The minimum clearance for arcades and galleries shall be twelve (12) feet between the sidewalk and the ceiling of the gallery or arcade.

There are no galleries or arcades planned for this building.

4.10.4(G)(1): In the CB district horizontal parapets with cornices shall be required along Broad Street. Parapets, gable or hip roofs may be used along other streets in the CB district. Parapet height should vary between adjacent buildings.

This building is not located in the CB District.

4.10.4(G)(2): In other districts, buildings may use parapets with cornices, gable or hip roofs. Changes in parapet height or design, gables or other changes in the roofline as viewed from any public street shall be required for any building that is wider than one hundred (100) feet. For buildings that are wider than one hundred (100) feet, changes in rooflines shall be used to avoid uninterrupted planes of longer than two hundred (200) feet).

This building is in a PDD Zoning and will meet all the requirements of the PDD.

Revision 01: This building is in an approved PDD. However, the building has been reviewed by both the planning board and the Town of Southern Pines Council during the PDD approval process. The concept drawings, along with renderings, are part of the PDD documents that was approved at the regular town meeting on February 8, 2022 and then again, in writing, at the Town Council work session of February 28, 2022. The Covenants & Restrictions for the PDD have not been written as required by UDO Section 2.18(D) that will ultimately control the Architectural Standards for the entire development once the Final Development Plans are approved for the entire development

Revision 03: This building is exactly 100 feet long but does not exceed 100 feet, so respectfully this requirement does not apply.

4.10.4(G)(3): Shingles or standing seam, non-reflective metal shall be used on all roof's visible public streets. Brightly colored roofs, such as intense blues, reds or oranges are prohibited.

The only roof that is visible from the street will be Standing Seam and will not be of the listed colors.

Revision 01: The roofing material will be of non-reflected material and will be of similar color of the building exterior finish.

4.10.4(H): Mechanical Equipment; Mechanical equipment shall be screened from view from the street and shall not be located between the street and the building.

All roof top units and ground mounted units will be screened.

Revision 01: The mechanical units are located on the roof and set back from the perimeter of the roof by a minimum of 72" to meet the OSHA's fall requirements and the building will have a parapet on three side to provide screening.

Revision 03: There will be a parapet on two sides of Building #1 (front and right side), two sides of Building #2 (front and left side), and on the front of the connector building. This should provide enough screening for the roof top mounted units at build-out.

4.10.4(I): Loading Zones and Garage Bays; Garage doors and loading bays shall face an interior Lot line alley or service drive and shall not face a street or residential district unless buffered or screened in accordance with sections 4.3.4 and 4.3.5.

All loading/unloading areas and garage doors will face to the interior.

Revision 03: All loading/unloading areas and garage doors will be screened in accordance to the referred sections.

4.10.4(J): Signage; Signage shall comply with the standards in section 4.6 and any applicable zoning district standards.

Owner to apply for all appliable permits as it pertains to the onsite signage.

Additional concerns as copied from the email received Monday, May 9, 2022 (4:25pm). The comments have been copied and italicized with responses following.

- 1. The exterior building materials and overall design of the building in this proposal will likely bring about questions regarding compatibility. The approved CDP, in Section 2.2 – Vision states that architectural themes and design elements common to Southern Pines will be utilized. Additionally, Section 5.5.3 – Architectural Standards addresses consistency with regard to architectural standards within the development. With this proposal being the first incidence of new construction on the site, and the historic Waterworks building being the apparent precedent for guiding design decisions for the development, the disparity in design features when comparing the proposal with the existing conditions is dramatic and will require justification.*

Owner Response: The original Waterworks building was built in 1925, and the second phase was built in 1949. The original Waterworks facility consisted of a front building (red brick façade, concrete half sides and concrete back), two large above ground settlement ponds with concrete walls, and several large metal buildings with corrugated roofs around the site. One of the metal buildings was located directly behind the building approximately the same size as the front building. There were also two large concrete cisterns, one above ground and one below ground. One very large settlement pond with a concrete tower was present (a metal water tower with cross hatched metal support beams). The whole area was fenced by two metal fences, with gravel and concrete parking areas around all the areas. When designing the new building for the Waterworks projects, these elements were taken into consideration.

If you look at the 1966 aerial photograph (Exhibit A), you will note that the new proposed building has been positioned to approximately overlay the old concrete water retention areas and metal buildings that were removed from the site in the early 1980s. If you look at the design of the new building, we have brought in the metal side panels to acknowledge the original buildings, on the site and its concrete and metal structure. The window design with the cross hatch structural metal pole beams in front of the window is to acknowledge the steel that was used to support not only the original water tower but other metal features around the site and to acknowledge this was an industrial structure. The large windows and glass were chosen to acknowledge the open area feeling and water related features of the original site. Part of the original cistern in the center of the project is still there and will be incorporated as part of the exterior entry landscaping and seating area. The color of the metal panels was chosen as a nod to the concrete, metal, and water features that were part of the original structure that were removed, plus to match into the original red brick feature on the front building as the concrete and metal once did. (Note: The original red brick on the original building will not be changed in color.) To simulate the running water features of the original working water treatment facility, added a waterfall feature in front that runs over a concrete retaining wall, this is very similar to the running water as it moved from tank to tank in the original buildings.

Although the buildings are being designed with current needs and environmentally conscious uses in mind (office professional, restaurant, retail, workout facility, etc.), the whole design has been laid out to take into consideration that this was an Industrial building in an Industrial Park for a specific use of being a Waterworks for the town of Southern Pines.

2. *Per UDO 4.10.4(B)(3) the appearance of building segments may be created through a combination of vertical features such as changes in material, building offsets, courtyards, changes in rooflines or architectural features. The narrative responds by stating that the building will have recessed window openings on both levels to the required offsets. This single feature, though repeated, does not meet the standard of a combination of features and does not result in the appearance of building segments.*

Owner Response: From base the concrete footings will transition to a concrete wall that will raise for approximately 6-12", transition to a vertical metal panel, then at approximately, 10' it will transition to a horizontal metal panel, then to recessed open window section, then to an approximately 4-6' metal panel section, then to a capped parapet flashing.

3. *Per UDO 4.10.4(B)(4) large scale retail structures shall comply with Section 4.10.6. While the immediate plans for the building are other than large-scale retail, please keep in mind that this option will not be available to you at a future time unless the building meets the requirements of 4.10.6.*

4.10.6(B): The standards of this section shall apply to any new building with a retail business occupying 25,000 square feet or more of floor area and any new retail building serving 25,000 square feet or more of Gross Floor Area to one or more businesses from a common entry or interior space.

The general building area of the building is 15,852 square feet with a total area of both floors equaling 31,623 square feet.

4.10.6(C)(1): Utility Design. Utilities shall be designed to accommodate future subdivision of the space into retail spaces no larger than 20,000 square feet with independent exterior entrances.

The utilities are being designed for the entire PDD.

4.10.6(C)(2): Entries. Building façades shall be designed with entries that are no further than one hundred and fifty (150) feet apart. Building entries should be clearly defined, visible entrances, providing access from the front of the building to the pedestrian zone, and featuring no less than three of the following:

The building has awning on all the exterior doors. There is an area on the left side of the building that can be used as a patio in the future and there is a deck off the second floor that can also be used for a patio for that location. The building has large windows on the second floor that can be used for displays.

4.10.6(C)(3): Predominant wall materials shall have the appearance of brick. Predominant wall materials shall cover at least eighty (80) percent of walls, exclusive of windows and doors. Stucco, stone and cementitious lap siding may be used as accent materials. Materials with the appearance of concrete block, smooth concrete, corrugated or standing seam metal are prohibited.

The exterior finish of building has been discussed at length during multiple TRC meetings, planning board meetings and Town Council meetings. The building will comply with the Covenants & Restrictions once written by the developer. The Covenants & Restrictions will ultimately control the overall look of the entire development written and recorded with Moore County.

4.10.6(C)(4): Building Articulation. Front and street-facing side façades greater than one hundred (100) feet in length, measured horizontally, shall

4.10.6(C)(4)(a): Incorporate wall plane projections or recesses having a depth of at least three (3) percent of the length of the façade and extending at least twenty (20) percent of the length of the façade.

This can be achieved with an upfit permit later if required.

4.10.6(C)(4)(b): Have a change in at least three of the following elements every one hundred (100) feet along all walls facing a public street or internal street: color change; texture change; material change; or architectural feature, such as an offset, projection, columns, canopies, arcades, or reveal with at least twelve (12) inches in depth.

This can be achieved with an upfit permit later if required.

4.10.6(C)(5): Rooflines

4.10.6(C)(5)(a): Rooflines shall be varied in height, or at least every one hundred (100) feet along any side of a building facing a street. Hips, gables or changes in parapet elevation shall be used to provide relief in height.

This can be achieved with an upfit permit later if required.

4.10.6(C)(5)(b): Gable and hip roofs are allowed; parapets shall be used to conceal flat roofs and rooftop mechanical equipment from public view.

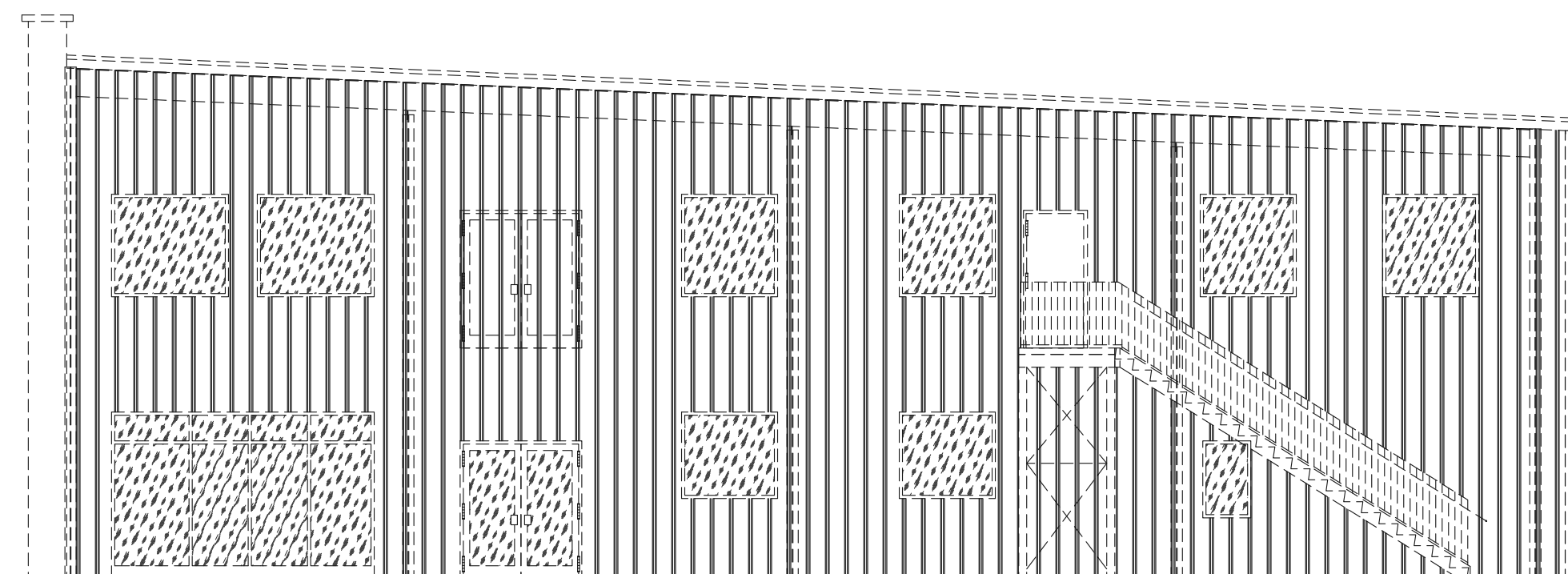
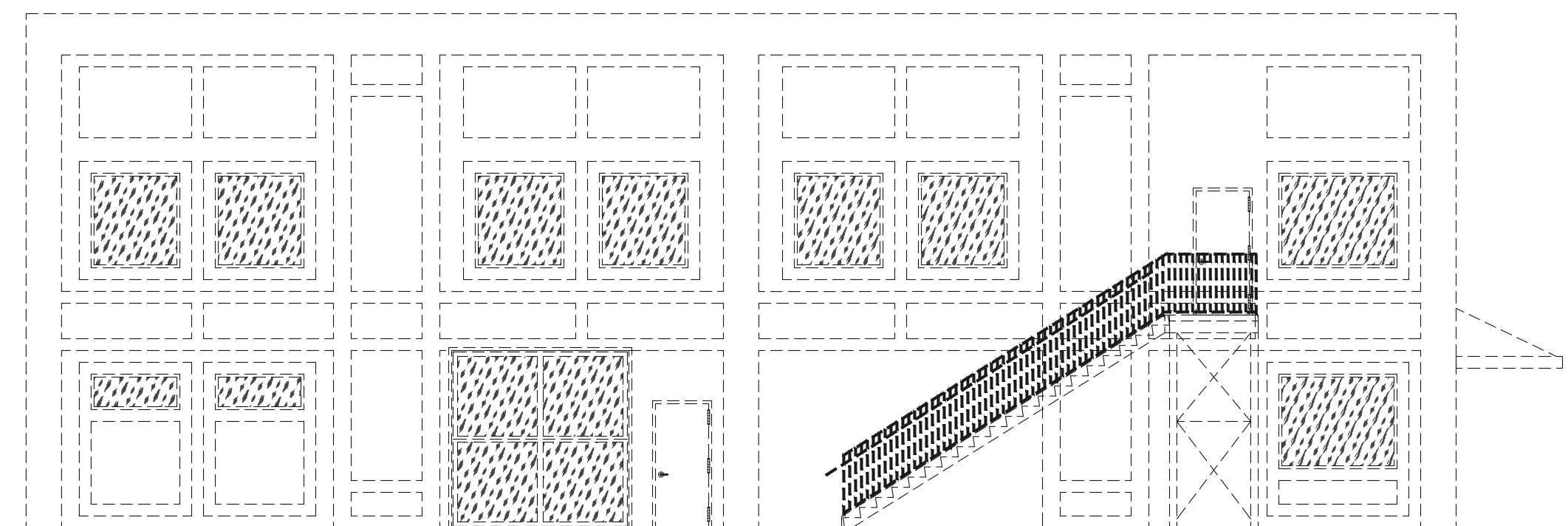
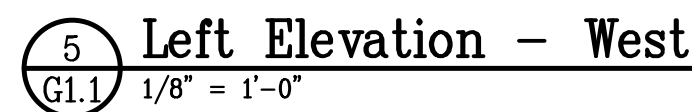
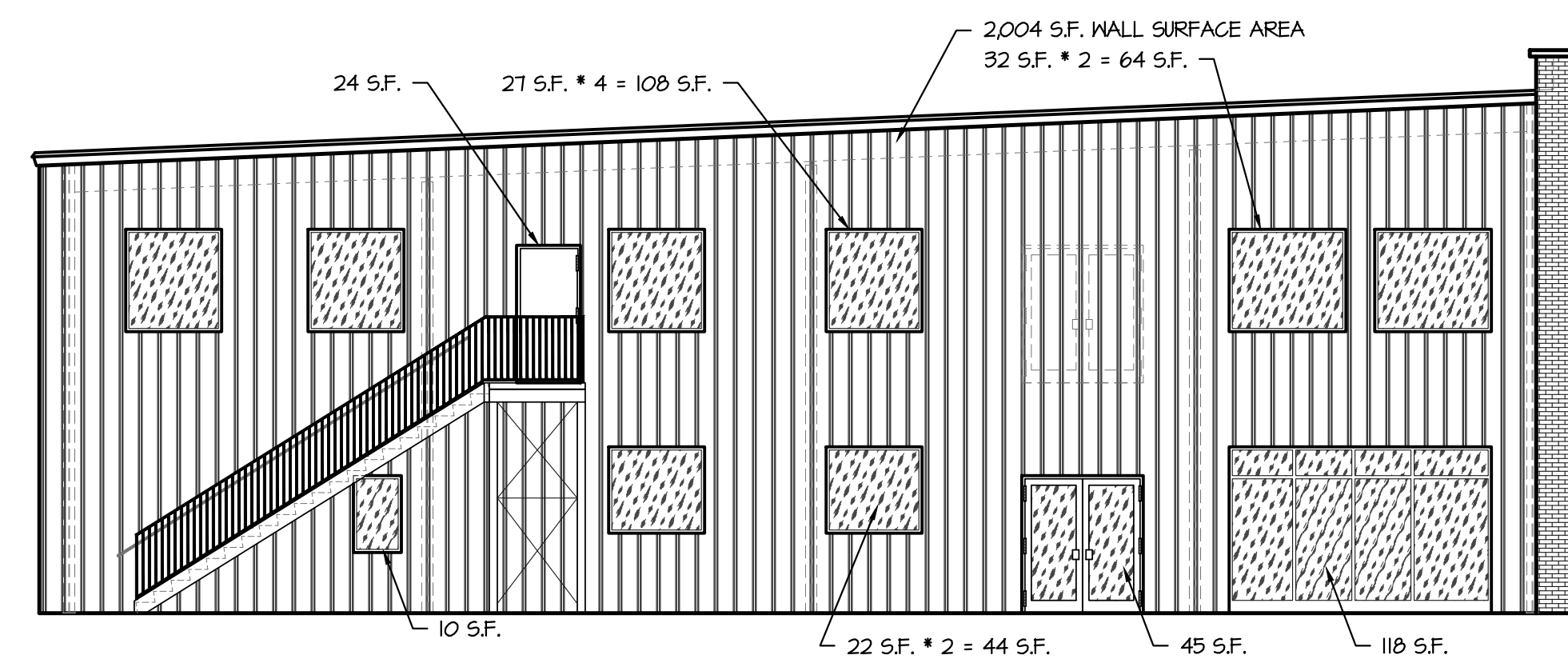
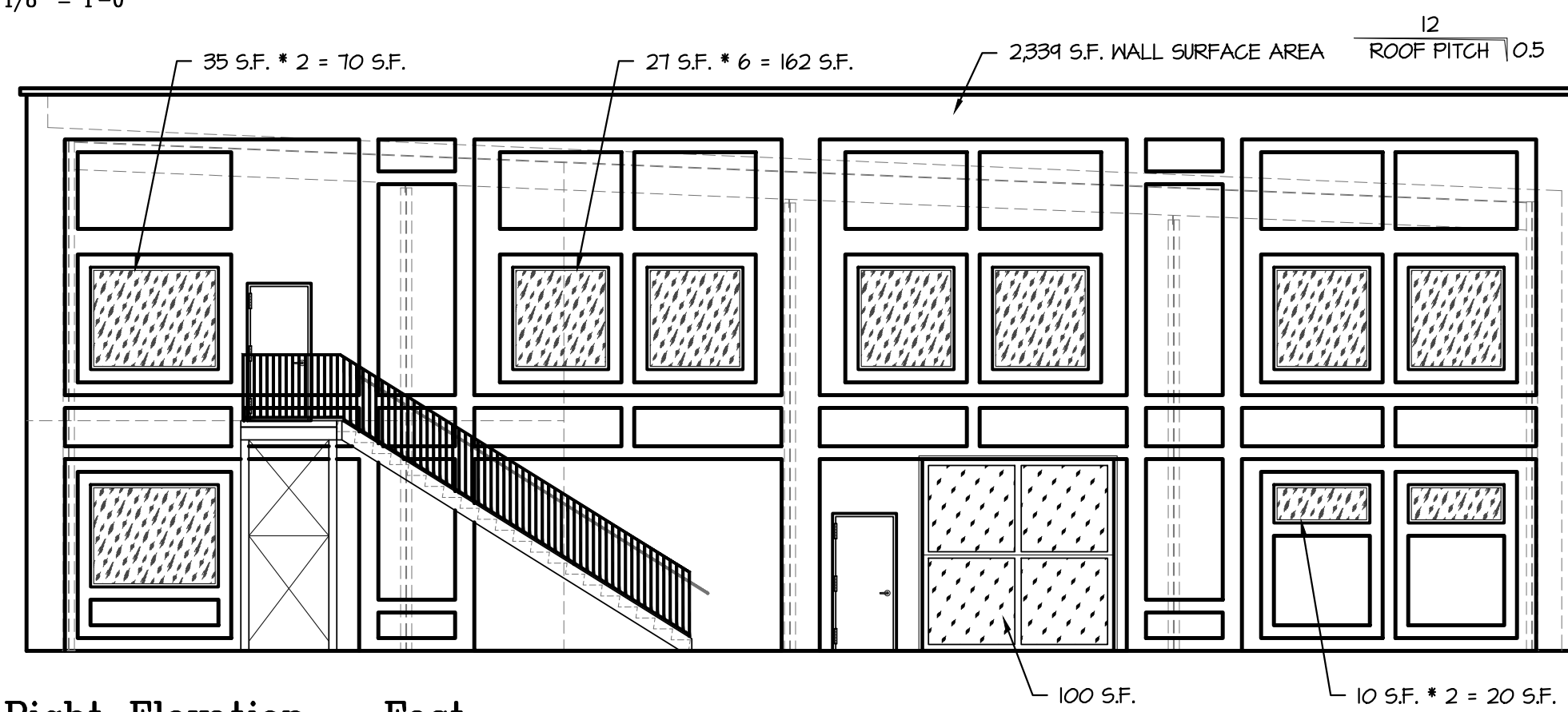
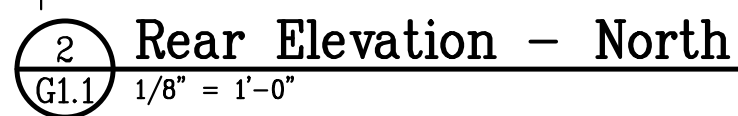
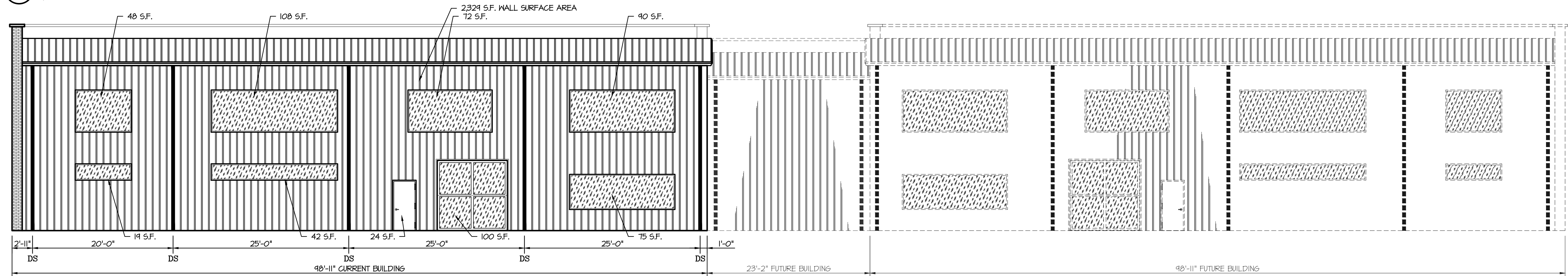
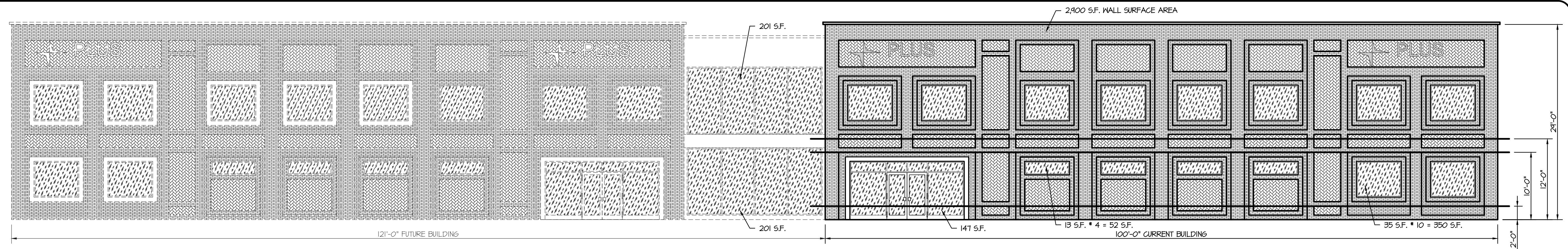
This will already be complete once the building is built.

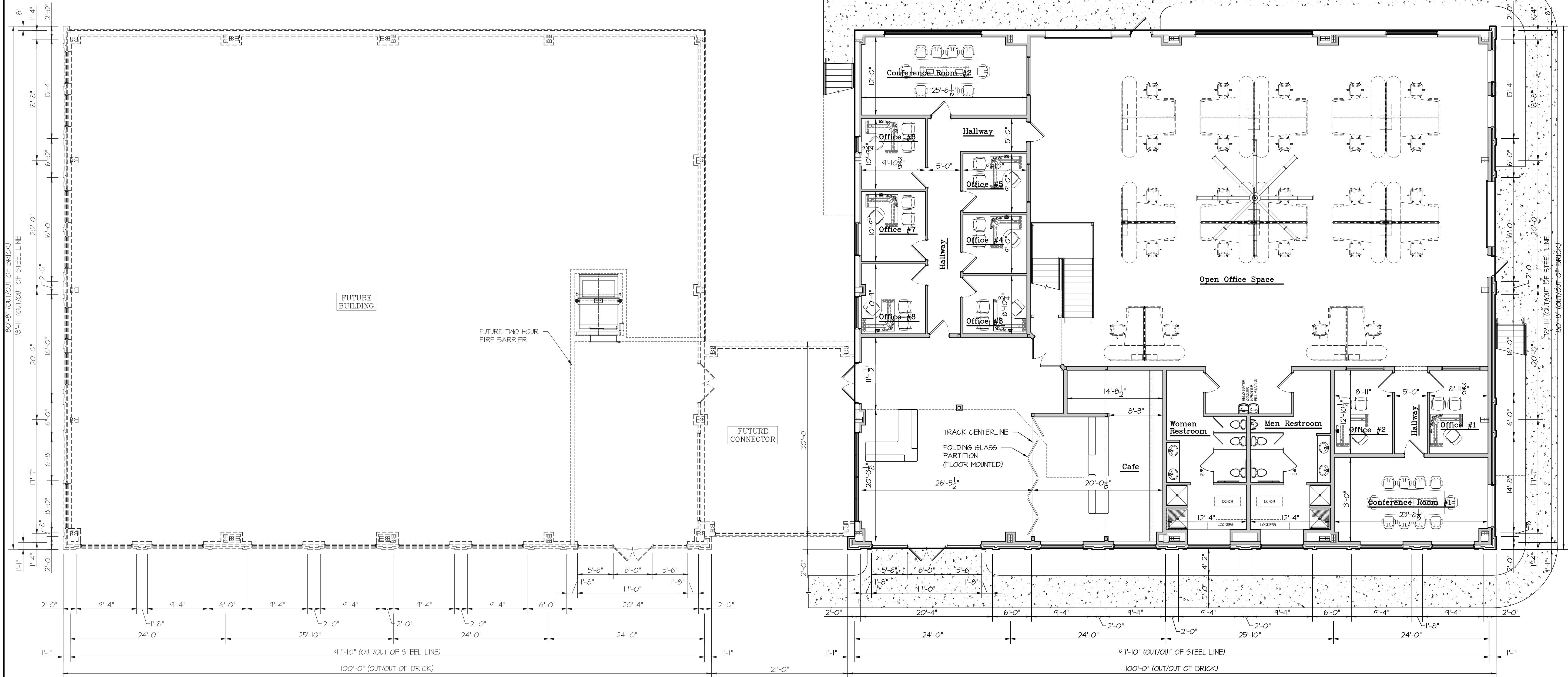
4.10.6(C)(5)(c): The parapet design shall be a minimum of three (3) feet in height and shall incorporate a three-dimensional cornice treatment.

This can be achieved with an upfit permit later if required.

If you any additional questions or concerns, please feel free to contact us at any time.

Sincerely,
NEAL SMITH ENGINEERING, INC.





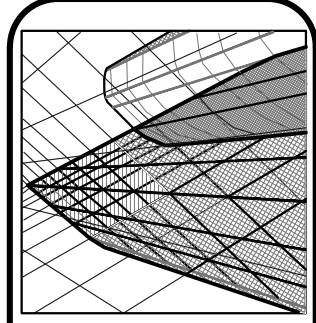
1 Floor Plan - Main Level
1/8" = 1'-0"

IMPORTANT NOTE:
ALL INTERIOR DIMENSIONS ARE
FINISHED WALL TO FINISHED WALL

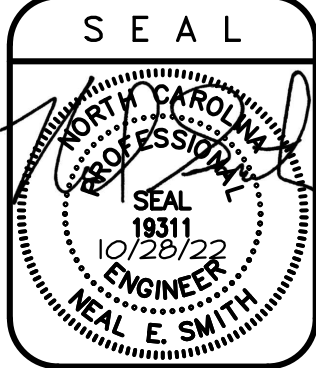
WATERWORKS PLUS
Southern Pines, NC

FLOOR PLAN - MAIN LEVEL

REVISIONS

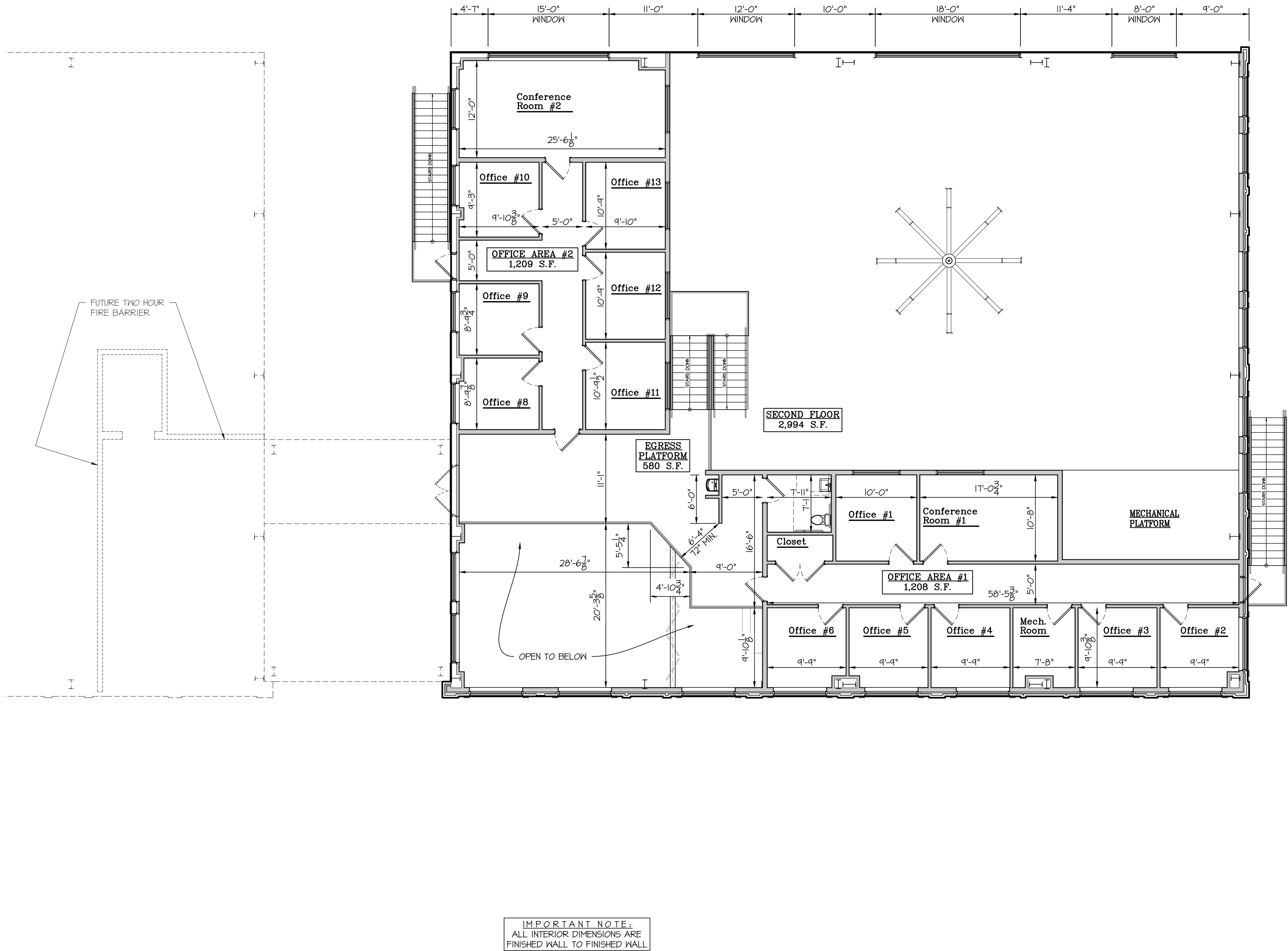


Neal Smith Engineering, Inc.
139 Piedmont Avenue - Suite C
Southern Pines, NC 28387
Phone: (910) 695-8825
Fax: (910) 695-8832
www.nseengineering.com
License No. C-1425



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Do not use for
construction

DRAWN BY: BKB
SCALE: As Noted
DATE: 10/28/22
JOB NUMBER: 2112002
DRAWING KEY: 62.1



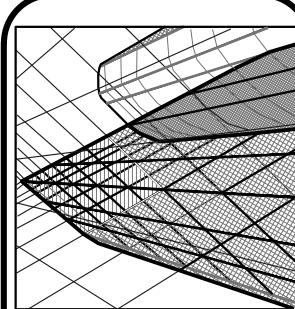
1 Floor Plan – Upper Level
G2.2 1/8" = 1'-0"

WATERWORKS PLUS
Southern Pines, NC

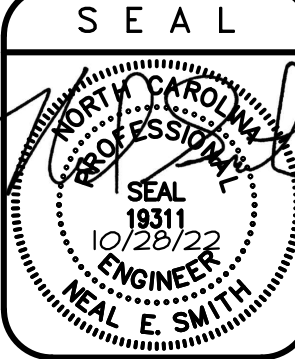
FLOOR PLAN – UPPER LEVEL

REVISIONS

REVISIONS



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Phone: (910) 695-8825
Fax: (910) 695-8832
www.nseengineering.com
License No. C-1425



PRELIMINARY
Do not use for
construction

DRAWN BY:
BKB
SCALE:
As Noted
DATE:
10/28/22
JOB NUMBER:
2112002
DRAWING KEY:
G2.2

















Waterworks Plus Calculations Per UDO (Pemit AR-15-22)

Building #1

Front Wall (Facing Main Parking Area)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	2,900 sf
Total Door/Window Area	549 sf
Exclusive Wall Area	2,351 sf

Brick Veneer

Brick Wall Area	2,327 sf
Percentage of Coverage	99%

UDO Requirement is 80% Min.

Other Material

Metal Trim Around Main Door	24 sf
Percentage of Coverage	1%

UDO Requirement is 20% Max.

Transparency Calculations - UDO Section 4.10.4(D)(2)(a)

Main Level	Total Wall Area Between 2ft & 10ft	800 sf
	Total Door/Window Area Bet. 2ft & 10ft	515 sf
	Percentage of Transparency	64%

UDO Requirement is 70% (CB District) 25% (All other Districts)

Upper Level	Total Wall Area Between 12ft & Parapet	1,700 sf
	Total Door/Window Area Bet. 12ft & Parapet	280 sf
	Percentage of Transparency	16%

UDO Requirement is 30%

Right Wall (Facing Side Road)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	2,339 sf
Total Door/Window Area	357 sf
Exclusive Wall Area	1,982 sf

Brick Veneer

Brick Wall Area	1,982 sf
Percentage of Coverage	100%

UDO Requirement is 80% Min.

Left Wall (Facing Future Building)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	2,004 sf
Total Door/Window Area	413 sf
Exclusive Wall Area	1,591 sf

Brick Veneer

Brick Wall Area	58 sf
Percentage of Coverage	4%

UDO Requirement is 80% Min.

Rear Wall (Facing Wooded Area & Wetlands)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	2,329 sf
Total Door/Window Area	578 sf
Exclusive Wall Area	1,751 sf

Brick Veneer

Brick Wall Area	42 sf
Percentage of Coverage	2%

UDO Requirement is 80% Min.

Building #2 (Future)

Front Wall (Facing Main Parking Area)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	2,900 sf
Total Door/Window Area	549 sf
Exclusive Wall Area	2,351 sf

Brick Veneer

Brick Wall Area	2,327 sf
Percentage of Coverage	99%

UDO Requirement is 80% Min.

Other Material

Metal Trim Around Main Door	24 sf
Percentage of Coverage	1%

UDO Requirement is 20% Max.

Transparency Calculations - UDO Section 4.10.4(D)(2)(a)

Main Level	Total Wall Area Between 2ft & 10ft	800 sf
	Total Door/Window Area Bet. 2ft & 10ft	515 sf
	Percentage of Transparency	64%
	UDO Requirement is 70% (CB District) 25% (All other Districts)	

Upper Level	Total Wall Area Between 12ft & Parapet	1,700 sf
	Total Door/Window Area Bet. 12ft & Parapet	280 sf
	Percentage of Transparency	16%
	UDO Requirement is 30%	

Right Wall (Facing Side Road)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	2,339 sf
Total Door/Window Area	357 sf
Exclusive Wall Area	1,982 sf

Brick Veneer

Brick Wall Area	1,982 sf
Percentage of Coverage	100%

UDO Requirement is 80% Min.

Left Wall (Facing Future Building)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	2,004 sf
Total Door/Window Area	413 sf
Exclusive Wall Area	1,591 sf

Brick Veneer

Brick Wall Area	58 sf
Percentage of Coverage	4%

UDO Requirement is 80% Min.

Rear Wall (Facing Wooded Area & Wetlands)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	2,329 sf
Total Door/Window Area	578 sf
Exclusive Wall Area	1,751 sf

Brick Veneer

Brick Wall Area	42 sf
Percentage of Coverage	2%

UDO Requirement is 80% Min.

Connector Building (Future)

Front Wall (Facing Main Parking Area)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	567 sf
Total Door/Window Area	402 sf
Exclusive Wall Area	165 sf

Brick Veneer

Brick Wall Area	0 sf
Percentage of Coverage	0%

UDO Requirement is 80% Min.

Other Material

Metal Trim	165 sf
Percentage of Coverage	100%

UDO Requirement is 20% Max.

Transparency Calculations - UDO Section 4.10.4(D)(2)(a)

Main Level	Total Wall Area Between 2ft & 10ft	168 sf
	Total Door/Window Area Bet. 2ft & 10ft	161 sf
	Percentage of Transparency	96%
	UDO Requirement is 70% (CB District) 25% (All other Districts)	

Upper Level	Total Wall Area Between 12ft & Parapet	315 sf
	Total Door/Window Area Bet. 12ft & Parapet	201 sf
	Percentage of Transparency	64%
	UDO Requirement is 30%	

Rear Wall (Facing Wooded Area & Wetlands)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	497 sf
Total Door/Window Area	0 sf
Exclusive Wall Area	497 sf

Brick Veneer

Brick Wall Area	0 sf
Percentage of Coverage	0%

UDO Requirement is 80% Min.

Other Material

Metal Trim	497 sf
Percentage of Coverage	100%

UDO Requirement is 20% Max.

Building #1, Connector Building (Future) & Building #2 (Future)

Front Wall (Facing Main Parking Area)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	6,367 sf
Total Door/Window Area	1,500 sf
Exclusive Wall Area	4,867 sf

Brick Veneer

Brick Wall Area	4,654 sf
Percentage of Coverage	96%

UDO Requirement is 80% Min.

Other Material

Metal Trim	213 sf
Percentage of Coverage	4%

UDO Requirement is 20% Max.

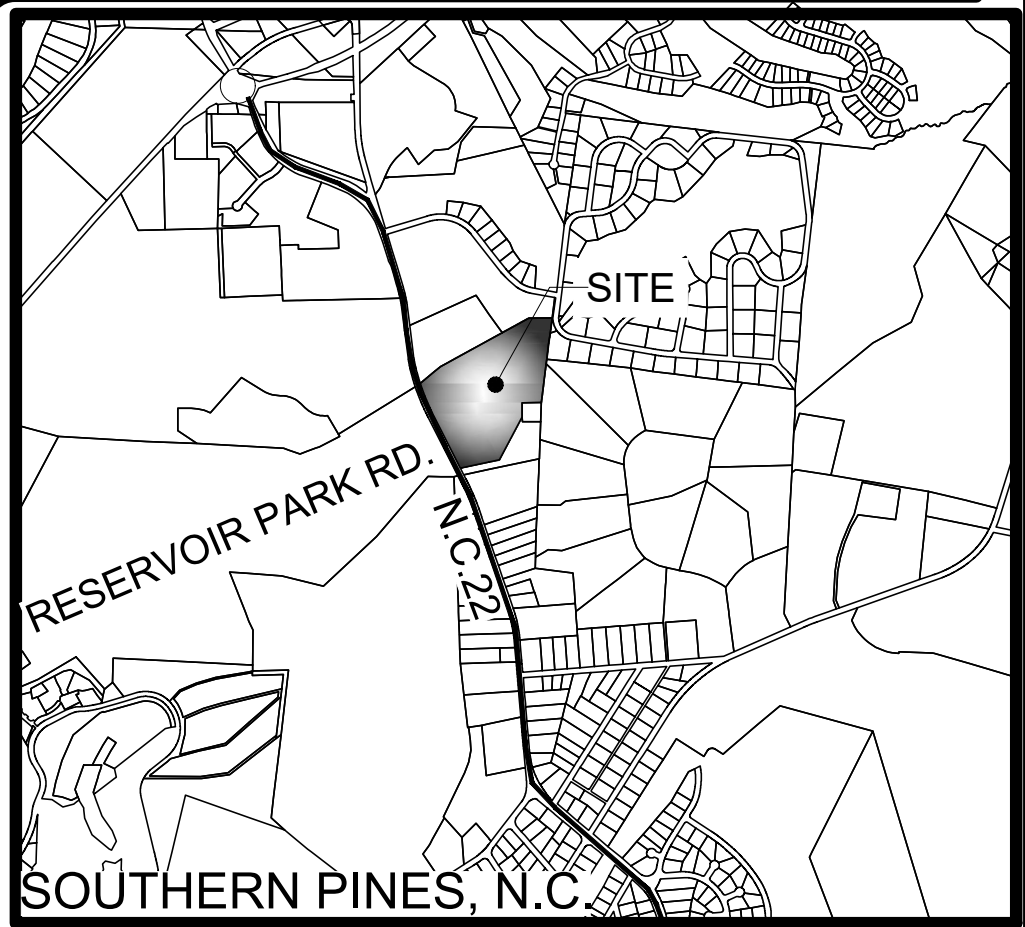
Transparency Calculations - UDO Section 4.10.4(D)(2)(a)

Main Level	Total Wall Area Between 2ft & 10ft	1,768 sf
	Total Door/Window Area Bet. 2ft & 10ft	1191 sf
	Percentage of Transparency	67%

UDO Requirement is 70% (CB District) 25% (All other Districts)

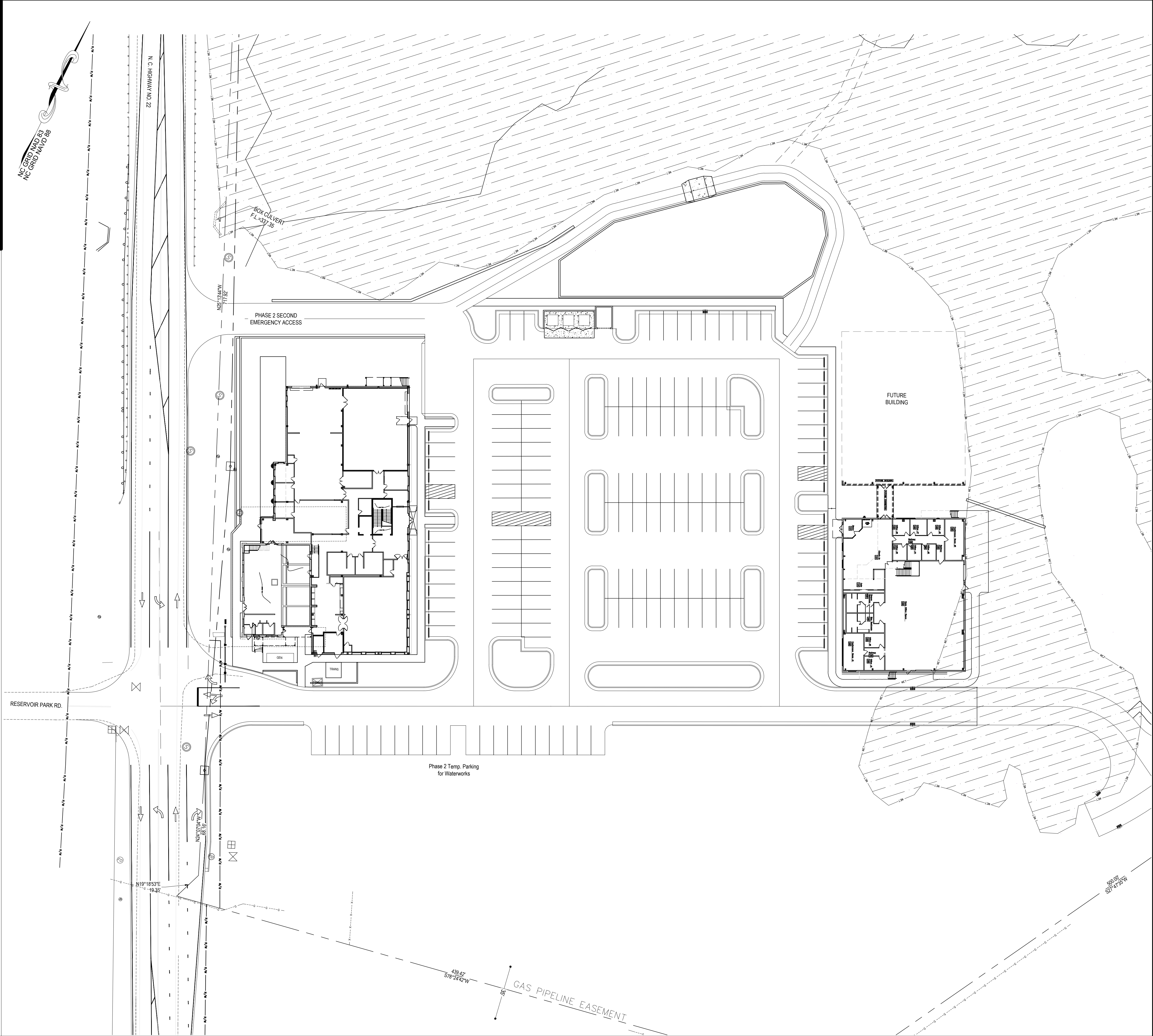
Upper Level	Total Wall Area Between 12ft & Parapet	3,715 sf
	Total Door/Window Area Bet. 12ft & Parapet	761 sf
	Percentage of Transparency	20%

UDO Requirement is 30%

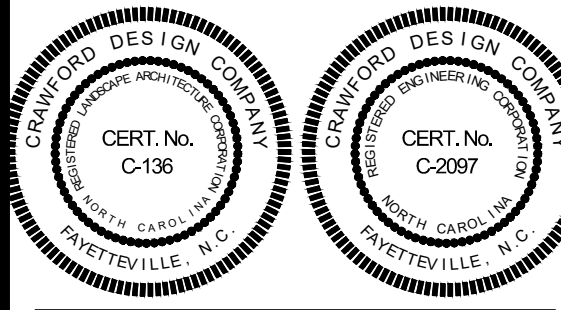


VICINITY MAP (1" = 2000')

SITE NOTES



Landscape Architecture ♦ Fayetteville, NC
Civil Engineering ♦ Southern Pines, NC
230C W. Pennsylvania Ave. ♦ Southern Pines, NC 28387
Voice: 910-725-1107
www.crawforddsn.com



SEALS



FOR PERMITTING

REVISIONS

PTAH, LLC
PTAH-WW-SNC

WATERWORKS REVISED PHASE 2
PRELIMINARY DEVELOPMENT PLAN (PDP)

PROJECT DETAILS
Project Manager: KSL
CAD Technician: RFN/GER
Reviewed / Approved By:
Project Number: 17028

SCALE: 0 30 60
Full Scale: Horiz.: 1" = 30'
Half Scale: Horiz.: 1" = 60'

ISSUE DATE: 03/25/2022

SHEET NUMBER

C2.0

Agenda Item

To: Reagan Parsons, Town Manager
From: Alaina Mallette, Senior Planner
Subject: AR-23-22, 255 Bell Ave. Gerber Collision
Date: December 13, 2022

I. SUMMARY OF APPLICATION REQUEST

The applicant, Neal Smith Engineering, Inc., is requesting an Architectural Compliance Permit on behalf of the legal property owner, Gerber Real Estate, Inc., for renovations and an expansion to the property owner's existing building located at 255 Bell Ave. Gerber Real Estate, Inc., provides automobile repair and related services, thus is commercial in nature. The site is located in the General Business zoning district. The development proposed will expand the commercial space by adding an addition to the rear side of the building for a total of 5,040 additional square feet. The applicant is proposing architectural design modifications to the existing building that will bring the existing building closer to compliance.

II. PROJECT INFORMATION

A. Property Owner

PIN 857112868361 (PARID 00055813)
Gerber Real Estate Inc
400 West Grand Ave.
Elmhurst, IL 60126

B. Applicant and Authorized Agent

Neal Smith Engineering, Inc.
139 Pinehurst Ave.
Southern Pines, NC 28387

Figure 1. Zoning and Vicinity Map for Subject Property Outlined in Yellow. The subject property is located near the intersection of W. Morganton Rd. and US Highway 1 S. Though it is close to these important highway corridors, the subject property does not front either. Structures on properties are shown in purple. The solid fill of parcels shows zoning districts. The subject property is in General Business and adjacent parcels are also zoned General Business. The broader community includes Central Business across W. Morganton Rd.; Facilities, Resources, and Recreation across W. Morganton Rd. and US Highway 1; and some residential zones down Rothney Ave.

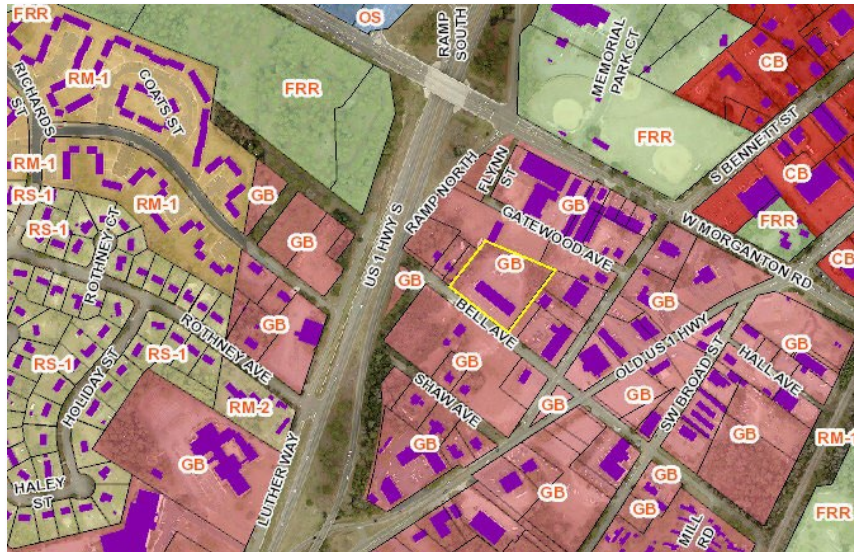
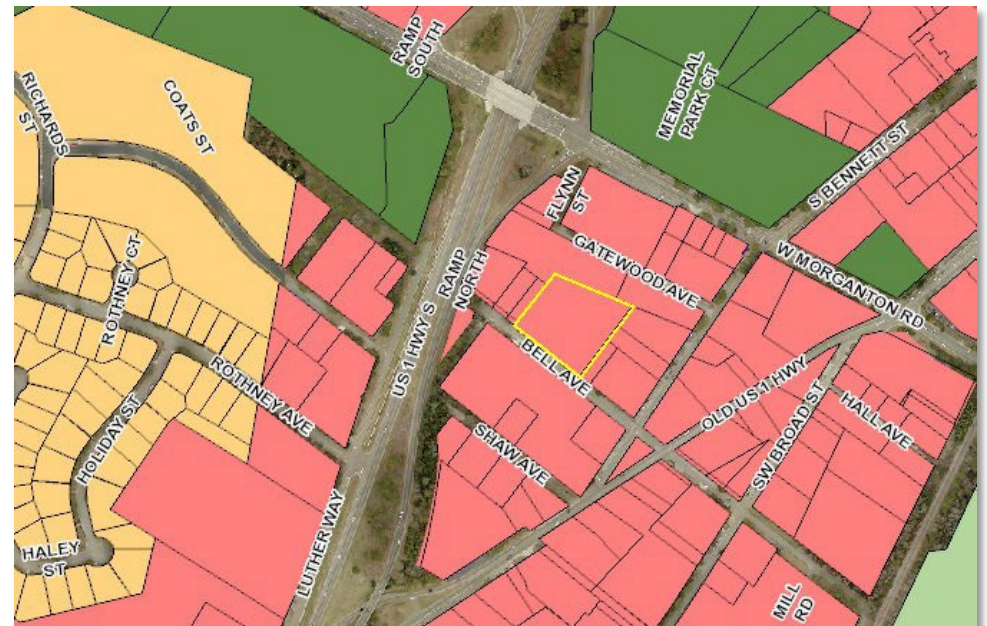


Figure 2. CLRP Future Land Use Map Designation with Subject Property Outlined in Yellow. The zones filled with pink, including the subject property, have a Future Land Use Map designation as “commercial” while the green and orange areas are “parks/open space” and “residential,” respectively.



Figures 3-6. Images of Subject Property.

Google Streetview Image of the Front Elevation of the Existing Building as of July 2022 © 2022 Google.



Drone-Captured Image of Subject Property Looking Northeast Towards W. Morganton Rd. as of January 26, 2022.



Drone-Captured Image of the Subject Property Looking West Towards US Highway 1 and the new Bell Ave. Storage Construction Across Bell Ave. as of January 26, 2022.



Drone-Captured Image of Subject Property Looking Southwest Towards the Intersection of Bell Ave. and S. Bennet St. as of January 26, 2022.



III. STAFF REVIEW

1. Review Process

Applications for Architectural Compliance Permits are reviewed pursuant to UDO §2.26.

2. Application Review Dates

Application Submitted: **October 31, 2022**

Application Complete: **November 1, 2022**

Town Council Agenda Meeting: **December 7, 2022**

Town Council Regular Meeting: **December 13, 2022**

3. Criteria for Review per UDO §2.26.7 and Staff Comments

When reviewing an application for an Architectural Compliance Permit, the Town Council shall approve, conditionally approve, or deny the application based on the following criteria, as set forth in **UDO §2.26.7**:

- (A) *The application is consistent with applicable Comprehensive Plan goals and policies;*
- (B) *The application substantially conforms with the applicable multi-family or commercial design standards and other applicable provisions of the UDO, including the purposes of the zoning district in which the property is located;*
- (C) *The application is consistent with applicable conditions of prior Development approvals; and*
- (D) *The development as proposed will be compatible with neighboring development and has mitigated potential conflicts.*

Staff find that the Architectural Compliance Permit application is consistent with UDO §2.26.(A through D).

4. Staff Comments based on Commercial Building Design Requirements per UDO §4.10.4

- ✓ = compliant ✗ = not compliant
- ⚡ = compliance has not been determined
- ▲ = not applicable

The proposed development includes renovation and expansion of the property owner's existing building to include new work space for automobile service and repair. Staff has reviewed the project for compliance with UDO §4.10.4 *Building Design Requirements*. See staff comments for each requirement below.

- **Applicant requires a deviation** for UDO §4.10.4 (A), *which states that the front of buildings shall face and have the primary customer entry facing the street. Maximum spacing or distance between customer entries shall not exceed*

the standards in Exhibit 4-15, 150 feet in the General Business Zone, which may be increased for buildings located at least 40 feet back from the sidewalk.

- ✘ The applicant will be using the existing primary entry on the right elevation, which does not face the street. The building orientation will not be modified, either.
- **Applicant requires a deviation** for UDO §4.10.4 (B), *which states (2) in other districts, the width of buildings or building segments shall not be more than twice the building height. (3) Building segments may be created through a combination of vertical features such as changes in material, building offsets, courtyards, changes in rooflines or architectural features that create the appearance of building segments.*
 - ✘ The applicant is making significant changes to bring the existing building closer to compliance. The property owner is not expanding workspace vertically, which would be difficult to do considering the type of automobile work that the property owner conducts. If the replaced (proposed) blue downspouts can be considered for segmenting the building, then most of the elevations do satisfy the width-not-more-than-two-times-height rule. In this scenario, there are only four segments that are more than two times wider than the building height on the rear, left, and right elevations. If the downspouts are not considered to segment the building, then the width for each elevation is much greater than two times the building height.
- **Applicant is generally compliant** for UDO §4.10.4 (C), *which states the exterior finish of building walls shall be primarily comprised of brick. Cementitious horizontal lap siding, textured concrete masonry, cast stone and stucco may be used for accents, provided that they cover no more than twenty (20) percent of the exterior walls, exclusive of doors and windows. Wood and metal may be used as trim around doors and windows.*
 - ✓ The proposed design brings the existing building closer to compliance with the Town's design standards. There will be sufficient quantities of brick veneer on the exterior elevations of the front, left, and right sides of the building. The applicants are including new panels at the pinnacle of the brick veneer as accents and the downspouts will be painted a custom blue, in effect, segmenting the brick veneer of the front elevation. Brick veneer will be visible from public streets and metal will be used on elevations that will not be readily visible from public streets.
- **Applicant requires a deviation** for UDO §4.10.4 (D), *which states that windows shall be glazed in non-reflective clear glass. The following standards apply in the GB district: windows and doors shall comprise at least twenty-five (25) percent of street-facing building façades between the elevations of two (2) and ten (10) feet above the grade of the building entry.*
 - ✘ The garage doors are being used to satisfy the 25% or greater coverage requirement. Including the garage doors, the total window and door

coverage for the building façade would be 46% door or window (primarily, garage doors). The applicant will be adding a new window to the rear elevation that will be non-reflective and glazed. However, according to the applicant, it will not be clear, rather tinted for energy conservation purposes.

- **Applicant requires a deviation** for UDO §4.10.4 (E), *which states that (1) awnings are encouraged and may encroach up to six feet into any street side setback within the GB district, (2) the minimum clearance between the lowest point of an awning and sidewalk shall be eight feet, and (3) awnings shall be canvas or material of similar appearance and flexibility unless otherwise approved by the Town Council. Street facing awnings shall not be taller than six feet unless specifically approved by the Town Council.*
 - ✗ No awning encroachment is occurring within lot setback requirements. The awning is proposed to be 10 feet tall, which is compliant, and 30 feet wide. However, the material proposed is steel with a metal roof “due to the size and shape of the canopy,” according to the applicant. The Town Council may still approve the canopy as proposed considering the circumstances of the existing building and intended use.
- **Requirement does not apply** for UDO §4.10.4 (F), *which states galleries and arcades are encouraged and may encroach up to six (6) feet into any street side setback but may not encroach into public right-of-way. (2) The minimum clearance for arcades and galleries shall be twelve (12) feet between the sidewalk and the ceiling of the gallery or arcade.*
 - ▲ The applicant states there will be no galleries or arcades provided. Therefore, this is not applicable.
- **Applicant is generally compliant** for UDO §4.10.4 (G), *which states that in the GB zone buildings may use parapets with cornices, gable or hip roofs. Changes in parapet height or design, gables or other changes in the roofline as viewed from any public street shall be required for any building that is wider than 100 feet. For buildings that are wider than 100 feet, changes in rooflines shall be used to avoid uninterrupted planes of longer than 200 feet. It further states that (3) shingles or standing seam, non-reflective metal shall be used on all roofs visible public streets. Brightly colored roofs, such as intense blues, reds or oranges are prohibited.*
 - ✓ The building façade, as seen from Bell Ave., is 126 feet and one inch wide with minimal change in roof line. The addition to the rear of the building will be slightly taller by about two feet, thus just visible from the front elevation. The addition of a parapet would improve the roofline. The applicant states that an additional parapet would cause costly water-related issues for the property owner, so it was not added to the design for that reason. However, since this is an existing building and not a new proposed development, the rear addition’s additional height is a small improvement from the existing conditions.

The proposed standing seam roof panels on the new awning will be the only roofing that will change. According to the color renderings for the front elevation, the new awning's roof will be gray in color. The remaining roof will remain unchanged, according to the applicant.

- **Applicant is generally compliant** for UDO §4.10.4 (H), *which states that mechanical equipment shall be screened from view from the street and cannot be located between the building and the street.*

- ✓ All mechanical equipment is proposed to be sited in the rear or within a shed on the left side of the building.

- **Applicant is generally compliant** for UDO §4.10.4 (I), *which states garage doors and loading bays shall face an interior lot line alley or service drive and shall not face a street unless buffered or screened per the landscaping code in UDO §4.3.*

- ✓ Existing garage doors face the street and the rear lot line. The applicant is proposing the replacement of two street-facing garage doors with one single 316 ft² garage door. The rear lot-facing garage doors will be reduced from 12 to four as the expanded work space will be located on the right side of the rear elevation. Two garage doors will be added to the left elevation while one garage door will be added to the right elevation.

Per Exhibit 4-2 in the UDO, no minimum buffer width is required for proposed development in the General Business zone when it abuts other parcels within the General Business zone. All adjacent parcels are General Business, thus waiving any requirement. Furthermore, even though a portion of the subject property falls within the Urban Village Highway Corridor, the lot frontage is on Bell Ave. rather than US Highway 1. Therefore, the planted buffer width requirements for the Urban Village Corridor Overlay also does not apply.

- **Compliance will be determined during sign permit review** for UDO §4.10.4 (J), *which states signage shall comply with the standards in section 4.6 and any applicable zoning district standards.*

- ? The applicant states that a separate application will be submitted following procedures outlined in UDO §4.6. Therefore, this is not applicable for this architectural compliance permit review.

5. Noteworthy Project Elements for Town Council Consideration and Staff Recommendation

The applicant is proposing an expansion of the commercial space by adding an addition to the rear elevation for a total addition of 5,040 ft². As mentioned in this report, there are several deviations that are required for the permit to be approved. The brick veneer and aluminum accents at the pinnacle of first floor plus the blue downspouts effectively segmenting the building will improve the subject property's elevations. The applicant is proposing architectural design modifications to the existing building that will bring

the existing building closer to compliance, which should be weighed appropriately when making a final decision.

Staff recommends approval of AR-21-22.

- Regarding UDO §4.10.4 (A) Building Orientation and Entries, the Planning Department recommends granting a deviation. The automotive nature of the current use benefits from automobile access on the front elevation.
- Regarding UDO §4.10.4 (B) Building Dimensions, the Planning Department recommends granting a deviation. The existing building is much wider than it is tall, and the proposed blue downspouts, effectively, add more vertical segments to each elevation.
- Regarding UDO §4.10.4 (D) Windows, the Planning Department recommends granting a deviation. The applicant claims the new window will satisfy North Carolina Energy Conservation Codes and it will be located on the rear elevation, thus not visible from public streets.
- Regarding UDO §4.10.4 (E) Awnings, the Planning Department recommends granting a deviation. A steel awning is consistent with the existing building design and commercial use, and may be more appropriate considering the 30-foot width of the awning and the 10-foot height.

IV. ATTACHMENTS PROVIDED BY THE APPLICANT

1. Completed Application, including Appointment of Agent Form
2. Deed
3. Narrative Addressing Building Design Requirements per UDO §4.10.4
4. Site Layout
5. Building Plans Color Elevations Renderings and Color Charts
6. Staff Communication with Applicant

V. TOWN COUNCIL ACTION

The Town Council should consider the purpose of an architectural compliance permit per UDO §2.26 and shall vote on whether the proposed application complies with the criteria per UDO §2.26 and the commercial building design requirements per UDO §4.10.4.

The Town Council may make one of the following motions or any alternative they wish:

I move to:

1. Approve AR-23-22;
2. Approve AR-23-22 with the following conditions:

3. Deny AR-23-22.

Architectural Compliance Permit

REQUIRED APPLICATION MATERIALS:

- _____ **Application fee** in the amount of **\$100.00** (gross floor area of 3,499 sq. ft. or less); or **\$300.00** (gross floor area of 3,500 sq. ft. or greater).
- _____ **Completed Application** signed by the applicant. Please do not leave anything blank and make sure that all of the information provided is correct.
- _____ **Appointment of Agent**, if applicable, signed by the property owner(s) and the agent.
- _____ **Deed** copy to provide proof of ownership and property boundaries.
- _____ **Written narrative**: It is the responsibility of the applicant to demonstrate compliance with **UDO §2.26.7**. Please also address **UDO §4.10.4** as part of the narrative.
- _____ **Renderings of elevations** (color).
- _____ **Site plan** if applicable.
- _____ **Electronic copy (PDF) of all application materials** submitted to plan@southernpines.net.

PLEASE SUBMIT ONLY ONE (1) COMPLETE SET OF ALL MATERIALS.

REVIEW AND APPROVAL:

1. **Staff review**: Planning staff will review the application and notify the applicant if additional information or materials are needed.
2. **Public hearing**: A public hearing will be held before the Town Council at its regular monthly meeting. (Please refer to the **Application Processing Timeline** to determine the hearing date.) In addition to the regular meeting, the applicant or a representative is expected to attend the Town Council agenda meeting the Wednesday prior to the regular meeting.
3. **Approval**: The Town Council may approve, conditionally approve or deny the application based on the criteria listed in **UDO §2.26.7**.
4. **Issuance of an Architectural Compliance Permit**: If the request is approved by the Town Council, an Architectural Compliance Permit setting forth any conditions of approval will be issued to the applicant.

PLANNING DEPARTMENT
TOWN OF SOUTHERN PINES
801 SE Service Road, Southern Pines, NC 28387
plan@southernpines.net (910) 692-4003 www.southernpines.net

Architectural Compliance Permit Application

Date Received: _____ Fee Paid: _____ Case No.: AR-____-____

TO THE TOWN COUNCIL OF THE TOWN OF SOUTHERN PINES:

I, the undersigned, do hereby make application for an Architectural Compliance Permit regarding for the following project:

Project Information:

Project Name: Gerber Collision
Street Address: 225 Bell Avenue
PIN: 857112868361 Parcel ID: 00055813 Zoning: GB
Type of building (retail, office, etc.): Repair Garage Total square footage: 14,369

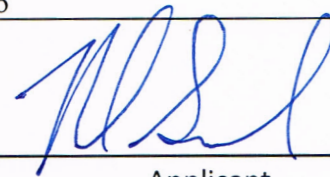
Applicant:

Name: Neal Smith Engineering, Inc.
Email: nsmith@nsengineering.com Phone: 910-695-8825
Mailing Address: 139 Pinehurst Avenue - Ste. C, Southern Pines, NC 28387

Legal Property Owner(s), if different from Applicant:

Name(s): GERBER REAL ESTATE INC
Email: paul.fashingbauer@gerbercollision.com Phone: (815) 299-3805
Mailing Address: 400 WEST GRAND AVE, ELMHURST, IL 60126

Date: 10/24/22



Applicant

APPOINTMENT OF AGENT

The undersigned owner(s), GERBER REAL ESTATE, INC., hereby appoint(s) NEAL SMITH ENGINEERING, INC. as the exclusive agent for the purpose of making an application to the Town of Southern Pines for an **Architectural Compliance Permit** for improvements to the property described in the attached application. The owner(s) hereby agree(s) that this agent has the authority to act for and on behalf of the owner(s) as follows:

1. to submit an application and required supplemental materials;
2. to appear at public meetings and give representation and comments on behalf of the owner(s);
3. to accept conditions or recommendations made by the Town of Southern Pines Town Council for the issuance of an **Architectural Compliance Permit** for improvements to the subject property; and
4. to act on behalf of the owner(s) without limitations with regard to any and all things directly or indirectly connected with or arising out of any application for an **Architectural Compliance Permit** under the Southern Pines Unified Development Ordinance.

This Appointment of Agent shall remain in effect until final resolution of the attached application.

Signed this 9th day of June, 2022.

Paul Fashingbauer

Property Owner

Property Owner

Neil Smith

Agent

1/12/22

UDO §2.26.7. Criteria

No Architectural Compliance Permit shall be approved unless the Town Council finds that:

- (A) The application is consistent with applicable Comprehensive Plan goals and policies;
- (B) The application substantially conforms with the applicable multi-family or commercial design standards and other applicable provisions of the UDO, including the purposes of the zoning district in which the property is located;
- (C) The application is consistent with applicable conditions of prior Development approvals; and
- (D) The development as proposed will be compatible with neighboring development and has mitigated potential conflicts.

UDO §2.26.9. Effect of Approval

- (A) The Architectural Compliance Permit shall expire unless a Building Permit is issued within one (1) year of approval.
- (B) Development activities subject to this section shall conform to the approved application and any conditions or restrictions. Any deviation from the approved Architectural Compliance Permit, unless approved in advance and in writing by the Planning Director, is deemed a violation of the UDO.

Please review UDO §2.26 in its entirety as well as UDO §4.10.4 for Building and Design Requirements (www.southernpinesudo.org).

For Registration Register of Deeds

Judy D. Martin

Moore County, NC

Electronically Recorded

July 1, 2021 1:53:46 PM

Book: 5652 Page: 20 - 25 #Pages: 6

Fee: \$26.00 NC Rev Stamp: \$0.00

Instrument# 2021015164

WHEN RECORDED MAIL TO:

**FIDELITY NATIONAL TITLE CO – NCS DIV
ONE EAST WASHINGTON STREET, SUITE 450
PHOENIX, AZ 85004
ATTN: JERRY STAECKELER
(602)343-7572**

ESCROW NO.: Z2136106

DO NOT REMOVE THIS COVER SHEET. IT IS NOW PART OF THE RECORDED DOCUMENT.

DOCUMENT TO BE RECORDED:

Non- Warranty Deed

Submitted electronically by "The Banks Law Firm, P.A."
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Moore County Register of Deeds.

NON-WARRANTY DEED

THIS INSTRUMENT PREPARED BY:

Margaret A. Lorenz, Esq.
Lorenz & Creed Law Firm, PLLC
230 N. Bennett Street
Southern Pines, NC 28387

TO BE RECORDED IN THE
DEED RECORDS OF
MOORE COUNTY, NC

Excise Tax: \$ NTC

THIS DEED made this 9 day of June, by and between:

<u>GRANTOR</u>	<u>GRANTEE</u>
OVERTON BODY SHOP, a North Carolina General Partnership	GERBER REAL ESTATE INC., a Delaware Corporation Tax address: 400 West Grand Ave Elmhurst, IL 60126

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in Moore County, North Carolina and more particularly described as follows:

**BEGINNING AT 1" OPEN TOP PIPE FOUND LOCATED ON THE
NORTHEASTERN RIGHT OF WAY OF BELL AVENUE AT THE COMMON
CORNER OF PROPERTY OWNED NOW OR FORMERLY BY OVERTON
BODY SHOP, APPROXIMATELY 250 FEET FROM THE INTERSECTION OF
THE NORTHEASTERN RIGHT OF WAY OF BELL AVENUE AND THE**

SOUTHWESTERN RIGHT OF WAY OF S. BENNETT STREET, THENCE RUNNING ALONG THE NORTHEASTERN RIGHT OF WAY OF BELL AVENUE N52°06'19" W FOR A DISTANCE OF 299.61 FEET TO A ¾" OPEN TOP PIPE FOUND, THENCE LEAVING THE RIGHT OF WAY OF BELL AVENUE AND RUNNING ALONG THE COMMON PROPERTY LINE OF PROPERTIES OWNED NOW OR FORMERLY BY ANNA C. HARRIS, BY CHARLES MACDONALD AND BY KATHRYN S. HENDERSON N 37°53'41" E FOR A DISTANCE OF 230.14 FEET TO A ¾" OPEN TOP PIPE SET, THENCE RUNNING ALONG THE COMMON LINE OF PROPERTY OWNED NOW OR FORMERLY BY KATHRYN S. HENDERSON AND THEN ALONG THE COMMON LINE OF PROPERTY OWNED BY DANIEL P. BLACK S 67°47'24" E FOR A DISTANCE OF 311.20 FEET TO A ¾" OPEN TOP PIPE SET, THENCE RUNNING ALONG THE COMMON LINE OF PROPERTY OWNED NOW OR FORMERLY BY DANIEL P. BLACK AND THEN ALONG THE COMMON LINE OF PROPERTY OWNED NOW OR FORMERLY BY OVERTON BODY SHOP S 37°53'41" W FOR A DISTANCE OF 314.27 FEET TO A 1" OPEN TOP PIPE FOUND, THE POINT OF BEGINNING, CONTAINING 1.872 ACRES OR 81,556 SQUARE FEET, MORE OR LESS, ACCORDING TO A PLAT ENTITLED "ALTA/NSPS LAND TITLE SURVEY BELL AVENUE PROJECT, 225 BELL AVENUE, SOUTHERN PINES, NC 28387", DATED 05/03/2021, PREPARED BY R. SCOTT BARRETT, PLS, NC REGISTRATION NO. L-4513, OF BARRETT SURVEYING GROUP, PLLC, BEARING PROJECT NO. 202101572-001.

This property herein described does not include the primary residence of the Grantor.

The property hereinabove described was acquired by Grantor by instrument recorded in Book 4937, Page 307.

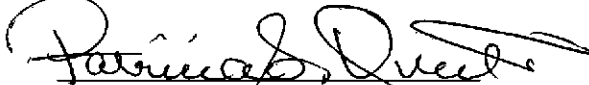
The Grantor makes no warranty, express or implied, as to title to the property hereinabove described.

(remainder of page intentionally left blank)

(signatures and notary acknowledgements to follow)

IN WITNESS WHEREOF, the said Grantor has hereunto set their hand and seal the day and year first above written.

Overton Body Shop, a North Carolina General Partnership

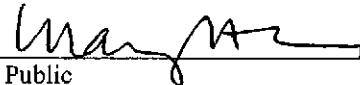

PATRICIA S. OVERTON, GENERAL PARTNER

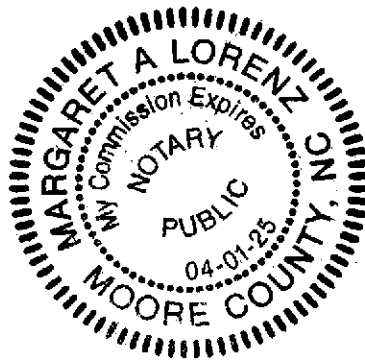
STATE OF NC
COUNTY OF MOORE

I certify that the following person(s) personally appeared before me this day and (☒) I have personal knowledge of the identity of the principal(s); (☐) I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a driver's license; (☐) a credible witness has sworn to the identity of the principal(s); the principal(s) acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Name of Principal(s): Patricia S. Overton, General Partner

Date: 6-9-21


Notary Public



IN WITNESS WHEREOF, the said Grantor has hereunto set their hand and seal the day and year first above written.

Overton Body Shop, a North Carolina General Partnership

Tyler T. Overton
TYLER T. OVERTON, GENERAL PARTNER

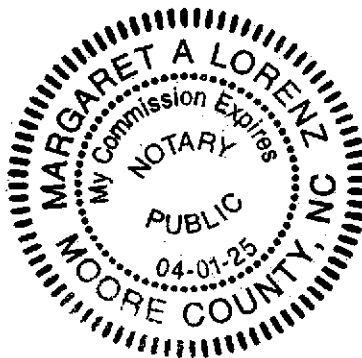
STATE OF NC
 COUNTY OF moore

I certify that the following person(s) personally appeared before me this day and (☒) I have personal knowledge of the identity of the principal(s); (☐) I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a driver's license; (☐) a credible witness has sworn to the identity of the principal(s); the principal(s) acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Name of Principal(s): Tyler T. Overton, General Partner

Date: 6-9-21

[Signature]
 Notary Public



IN WITNESS WHEREOF, the said Grantor has hereunto set their hand and seal the day and year first above written.

Overton Body Shop, a North Carolina General Partnership

Ernest D. Overton
ERNEST D. OVERTON, GENERAL PARTNER

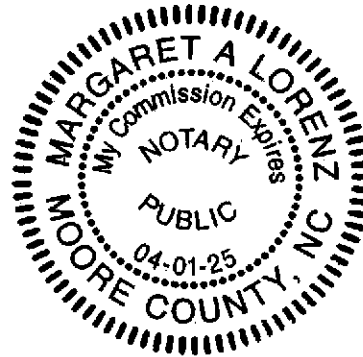
STATE OF NC
COUNTY OF MOORE

I certify that the following person(s) personally appeared before me this day and ☒ I have personal knowledge of the identity of the principal(s); ☐ I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a driver's license; ☐ a credible witness has sworn to the identity of the principal(s); the principal(s) acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Name of Principal(s): Ernest D. Overton, General Partner

Date: 6-9-21

Margaret A. Lorenz
Notary Public





Neal Smith Engineering, Inc.

139 Pinehurst Ave. – Suite C

Southern Pines, NC 28387

Phone: (910) 695-8825 | Fax: (910) 695-8832

www.nseengineering.com | NC License No. C-1425



**NARRATIVE AND ARCHITECTURAL COMPLIANCE
FOR
GERBER COLLISION
255 BELL AVENUE
NSE PROJECT NO. 2200503
NOVEMBER 7, 2022**

NARRATIVE:

This project is a refurbishment of the existing building with a building addition to be added to the rear of the building.

ARCHITECTURAL COMPLIANCE – CHAPTER 4 DEVELOPMENT AND DESIGN STANDARDS:

4.10.4(A)(1): The front of buildings shall face and have the primary customer entry facing that street. Corner Lot buildings shall face and have the primary customer entry facing the higher order street, facing the corner or facing each street. Buildings that extend the full depth of a block may be required to have entries on each street frontage.

The existing building has a primary entrance off the right side of the building and there are no plans to relocate the entrance currently.

4.10.4(A)(2): Maximum spacing or distance between customer entries shall not exceed the standards established in Exhibit 4-15.

As this is an existing building with a rear addition, there are no plans to add additional customer entrances since any additional entrances would provide direct access into the working areas of the building.

4.10.4(B)(1): In the CB and DTO districts, buildings or building segments shall be taller than wide.

This is an existing building with a rear building addition and would be costly modification to meet this requirement. However, this project does not fall within the CB or DTO districts and should be exempt from this requirement.

4.10.4(B)(2): In other districts, the width of buildings or building segments shall not be more than twice the building height.

This is an existing building and owners plans to dress-up the front and sides that are most visual from street view.

4.10.4(B)(3): Building segments may be created through a combination of vertical features such as changes in material, building offsets, courtyards, changes in rooflines or architectural features that create the appearance of building segments.

Each existing over-head door jamb and header is recessed approximately 8" to provide a vertical and horizontal building segment. However, this an existing building.

4.10.4(B)(4): Large scale retail structures shall comply with Section 4.10.6.

This is an existing building and the new addition is not planned to become a Large-Scale retail structure.

4.10.4(C): The exterior finish of building walls shall be primarily comprised of brick. Cementitious horizontal lap siding, textured concrete masonry, cast stone and stucco may be used for accents, provided that they cover no more than twenty (20) percent of the exterior walls, exclusive of doors and windows. Wood and metal may be used as trim around doors and windows. The Permit Issuing Authority may approve: (1) The use of alternative building materials that establish an equivalent appearance and have equal or greater durability. (2) Alternative materials satisfying minimum building code standards on walls that are screened and not visible from any public street, walkway or residential zoning district. (3) Alternative materials satisfying minimum building code standards for structures located within a planned golf course development that are compatible with the development and the proposed location within the development

The existing building now consist of a pre-engineered metal building with pre-engineered metal building wall panel and vinyl siding over-lay. The owner is planning to remove all the vinyl siding and pre-engineered metal panels of the existing building from the street-facing side along with the customer entrance side (right elevation – existing building only) and the existing left elevation. The new left elevation will receive brick veneer as shown on the elevations.

Refer to attached calculations.

4.10.4(D)(1): Windows shall be glazed in non-reflective, clear glass

The existing windows, customer entrance side (right elevation), are to remain in place at this time unless otherwise recommended by a professional to be replace due to damage or long-term exposure to the elements. One new window will be added to the rear of the building and will meet or exceed the minimum requirements of the NC Energy Conservation Codes that will require a tinted window to meet the needed U/R value for this location/zone.

4.10.4(D)(2): The following standards apply in the CB district

See below.

4.10.4(D)(2)(a): On the ground Floor a minimum of seventy (70) percent of the street-facing building façades between the elevations of two (2) and ten (10) feet above the sidewalk must be comprised of windows with at least eighty (80) percent transparency or doors. In the DTO district, this minimum window requirement is forty (40) percent.

This building is not located within the CB district. However, refer to attached calculations

4.10.4(D)(2)(b): On upper Floors a minimum of thirty (30) percent of the street-facing walls of all structures, including parking garages, above the first Floor shall be comprised of clear, windows with at least sixty (60) percent transparency or other openings for parking structures approved by the Planning Director. Openings shall be horizontally aligned with openings on adjacent buildings, vertically aligned, or proportionate with openings on the ground Floor of the building.

There is not upper floor planed or existing for this building.

4.10.4(D)(2)(c): Window height shall be at least one and one-half (1.5) times the width.

There are no windows planned to be installed on the front of the building.

4.10.4(D)(3): In other zoning districts, windows and doors shall comprise at least twenty-five (25) percent of street-facing building façades between the elevations of two (2) and ten (10) feet above the grade of the building entry.

The only change to the front of the building is to remove three overhead doors and replacing with a larger single overhead door. The elevations are currently showing a total of 66% door openings with 1.90% glass panels. There are no existing windows on the street-facing side of this existing building.

4.10.4(E)(1): Awnings are encouraged and may encroach over the sidewalk within the CB district and may encroach up to six (6) feet into any street side setback in other districts.

A new drop-off canopy (24' x 30') is planned for the right elevation (customer entrance), but no other canopies are planned.

4.10.4(E)(2): The minimum clearance between the lowest point of an awning and sidewalk shall be eight (8) feet.

The new drop-off canopy is planned to have 10'-0" clearance.

4.10.4(E)(3): Awnings shall be canvas or material of similar appearance and flexibility unless otherwise approved by the Town Council. Street facing awnings shall not be taller than six (6) feet unless specifically approved by the Town Council.

The new canopy will of steel and metal roof panel due to the size and shape of canopy.

4.10.4(F)(1): Galleries and arcades are encouraged and may encroach up to six (6) feet into any street side setback but may not encroach into public right-of-way.

None are planned.

4.10.4(F)(2): The minimum clearance for arcades and galleries shall be twelve (12) feet between the sidewalk and the ceiling of the gallery or arcade.

None are planned.

4.10.4(G)(1): In the CB district horizontal parapets with cornices shall be required along Broad Street. Parapets, gable or hip roofs may be used along other streets in the CB district. Parapet height should vary between adjacent buildings.

This building is not located in the CB district.

4.10.4(G)(2): In other districts, buildings may use parapets with cornices, gable or hip roofs. Changes in parapet height or design, gables or other changes in the roofline as viewed from any public street shall be required for any building that is wider than one hundred (100) feet. For buildings that are wider than one hundred (100) feet, changes in rooflines shall be used to avoid uninterrupted planes of longer than two hundred (200) feet).

This is an existing building that the owner plans to dress up by removing the existing vinyl siding/metal building panels (behind the siding) and add a masonry veneer for all street visible sides.

4.10.4(G)(3): Shingles or standing seam, non-reflective metal shall be used on all roof's visible public streets. Brightly colored roofs, such as intense blues, reds or oranges are prohibited.

There is no plan to change the existing roofing panels currently. However, the new drop-off canopy shall be a standing seam roof panel and will be non-reflective in nature.

4.10.4(H): Mechanical Equipment; Mechanical equipment shall be screened from view from the street and shall not be located between the street and the building.

All planned mechanical equipment is either planned to the rear of the building or will be located within the existing compressor shed that currently exist on the left side of the building.

4.10.4(I): Loading Zones and Garage Bays; Garage doors and loading bays shall face an interior Lot line alley or service drive and shall not face a street or residential district unless buffered or screened in accordance with sections 4.3.4 and 4.3.5.

All garage doors currently associated with this building are to remain.

4.10.4(J): Signage; Signage shall comply with the standards in section 4.6 and any applicable zoning district standards.

Signage will be applied for under the permitting requirements of the above-mentioned sections.

If you any additional questions or concerns, please feel free to contact us at any time.

Sincerely,
NEAL SMITH ENGINEERING, INC.

Gerber Collision Calculations Per UDO

Front Wall (Facing Street)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	2,863 sf
Total Door/Window Area	1,307 sf
Exclusive Wall Area	1,556 sf

Brick Veneer

Brick Wall Area	1,295 sf
Percentage of Coverage	83%

UDO Requirement is 80% Min.

Other Material

Limestone Veneer	92 sf
ACM Panels	169 sf
Total Area	261 sf
Percentage of Coverage	17%

UDO Requirement is 20% Max.

Transparency Calculations - UDO Section 4.10.4(D)(2)(a)

Total Wall Area Between 2ft & 10ft	1,341 sf
Total Door/Window Area	889 sf
Percentage of Transparency	66%

UDO Requirement is 70% (CB District) 25% (All other Districts)

Right Wall (Customer Entrance Side)

Material Calculations - UDO Section 4.10.4(C)

Total Wall Area	1,119 sf
Total Door/Window Area	144 sf
Exclusive Wall Area	975 sf

Brick Veneer

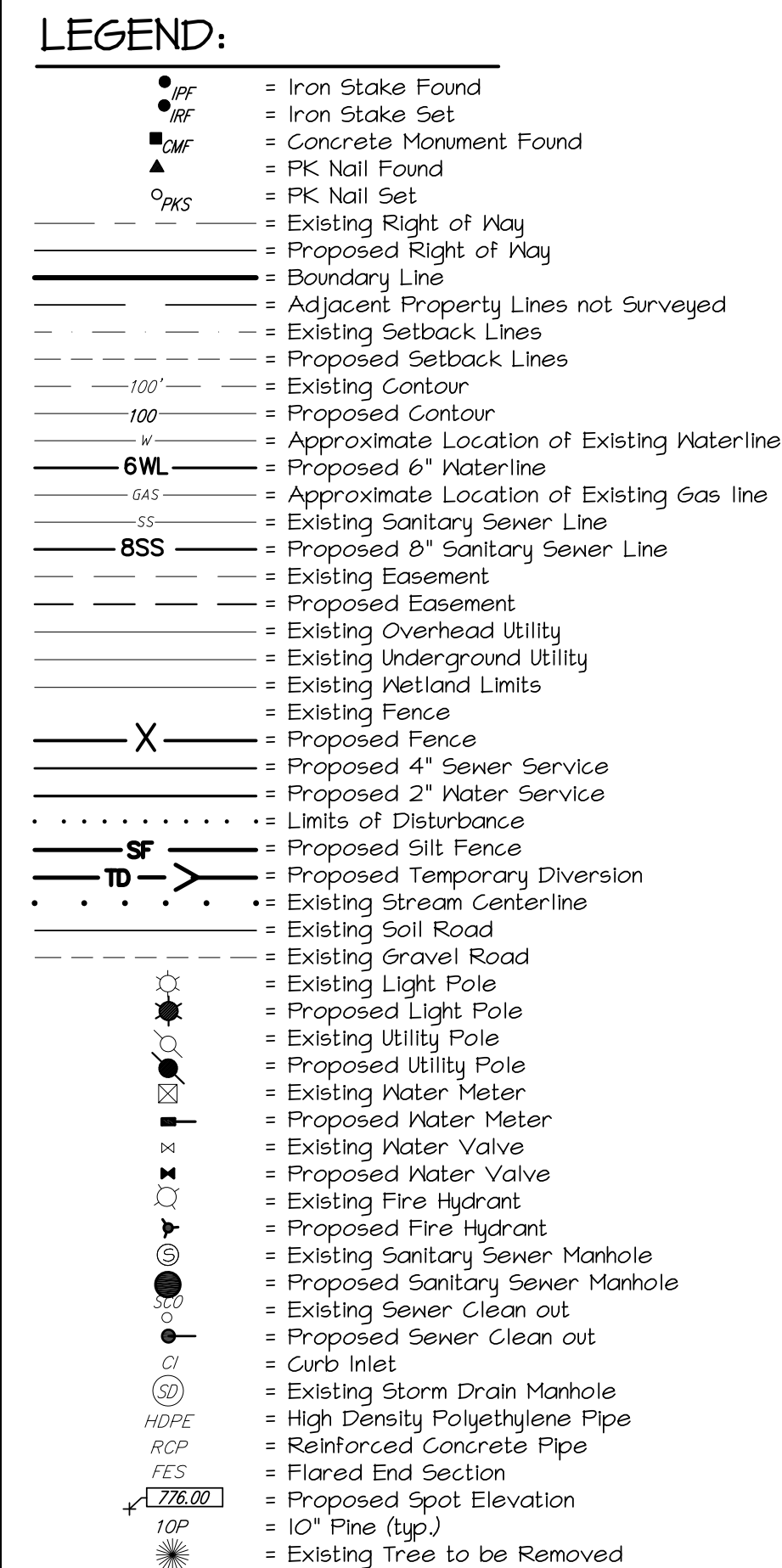
Brick Wall Area	875 sf
Percentage of Coverage	90%

UDO Requirement is 80% Min.

Other Material

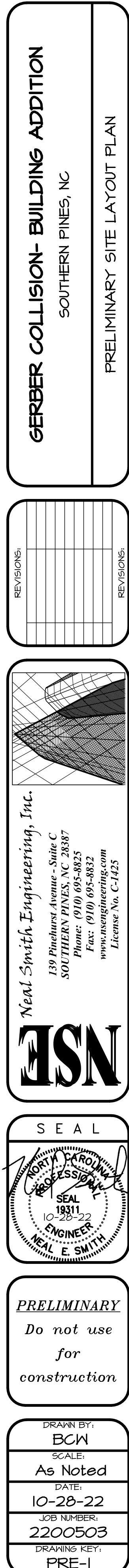
Limestone Veneer	100 sf
ACM Panels	0 sf
Total Area	100 sf
Percentage of Coverage	10%

UDO Requirement is 20% Max.



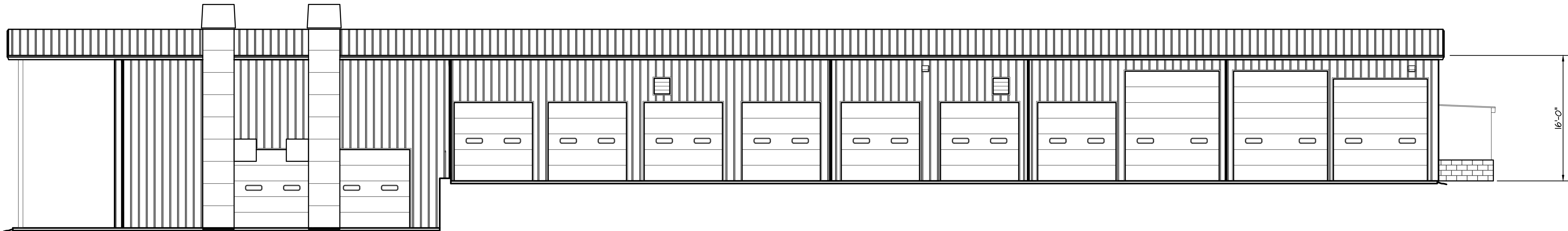
PARCEL ID:	00055013
PIN:	05711206361
DEED BOOK & PAGE	BOOK 5652, PAGE 20
ADDRESS:	255 BELL AVE.
CURRENT ZONING:	GB
SETBACKS:	THERE IS NO MINIMUM SETBACK REQUIREMENT FOR GB ZONED PROPERTY
HCOD-URBAN VILLAGE	
FRONT:	40'
SIDE/REAR:	5'
WATERSHED:	PROPERTY DOES NOT LIE WITHIN A PUBLIC WATER SUPPLY WATERSHED. UNNAMED TRIBUTARY TO ABERDEEN CREEK
DOWNSTREAM RECEIVING STREAM	NA
STREAM CLASSIFICATION	LUMBER RIVER
RIVER BASIN	03-07-50
SUB BASIN ID	
TOTAL ACREAGE:	1.01 ACRES

PROPOSED PARKING USE:	AUTOMOTIVE REPAIR 1 SPACE/200SF GROSS FLOOR AREA
BUILDING AREA:	
EXISTING:	8553 SF
PROPOSED:	5040 SF
PARKING SPACES REQUIRED	25
PARKING SPACES PROVIDED	45
HANDICAP SPACES REQUIRED	1
HANDICAP SPACES PROVIDED	1 (VAN ACCESSIBLE)

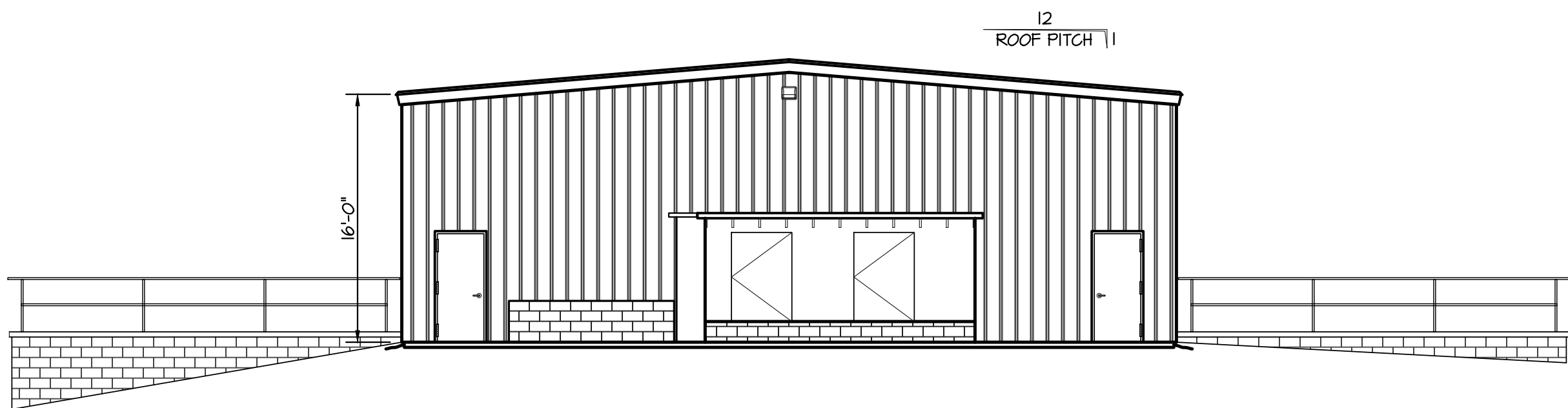




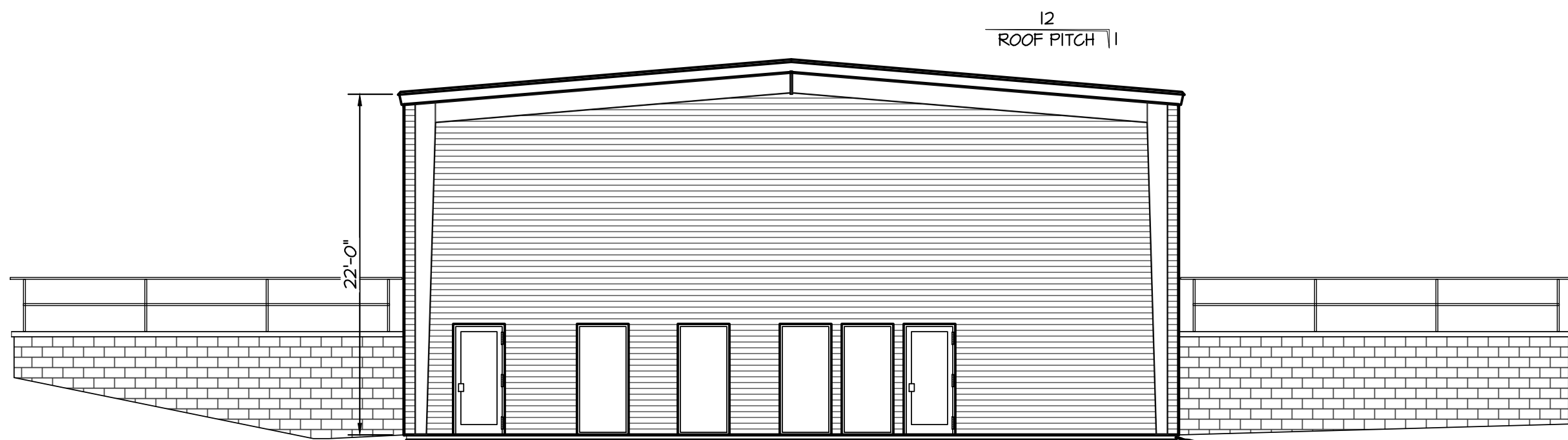
1 Front Elevation - Existing
X1.1 1/8" = 1'-0"



2 Rear Elevation - Existing
X1.1 1/8" = 1'-0"



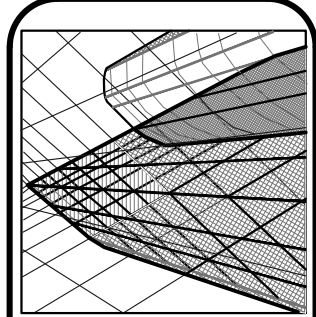
3 Left Elevation - Existing
X1.1 1/8" = 1'-0"



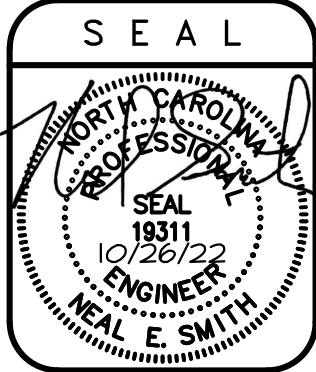
4 Right Elevation - Existing
X1.1 1/8" = 1'-0"

GERBER COLLISION
Southern Pines, NC
EXTERIOR ELEVATIONS - EXISTING

REVISIONS

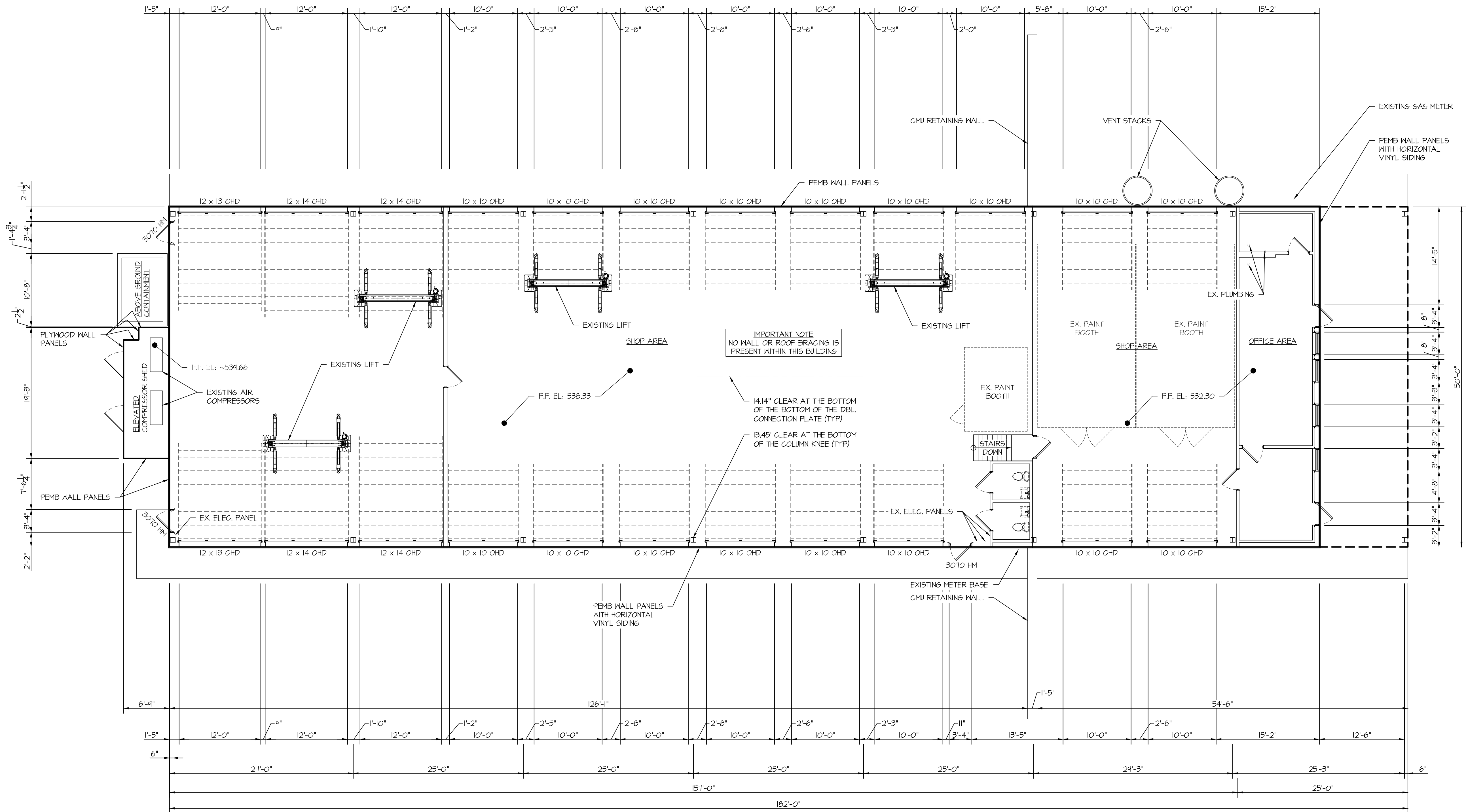


Neal Smith Engineering, Inc.
139 Pinhurst Avenue - Suite C
Southern Pines, NC 28387
Phone: (910) 695-8825
Fax: (910) 695-8832
www.nseengineering.com
License No. C-1425



PRELIMINARY
Do not use for
construction

DRAWN BY:
BKB
SCALE:
As Noted
DATE:
10/26/22
JOB NUMBER:
2200503
DRAWING KEY:
X1.1

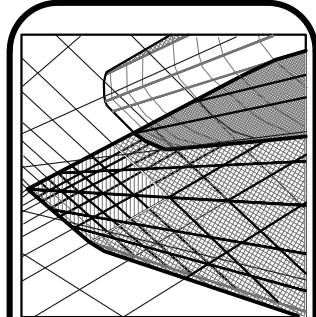


1 Floor Plan - Existing
X2.1 1/8" = 1'-0"

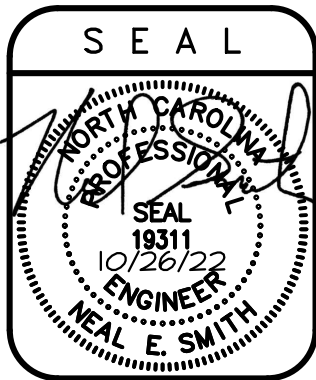
GERBER COLLISION
Southern Pines, NC

FLOOR PLAN - EXISTING

REVISIONS

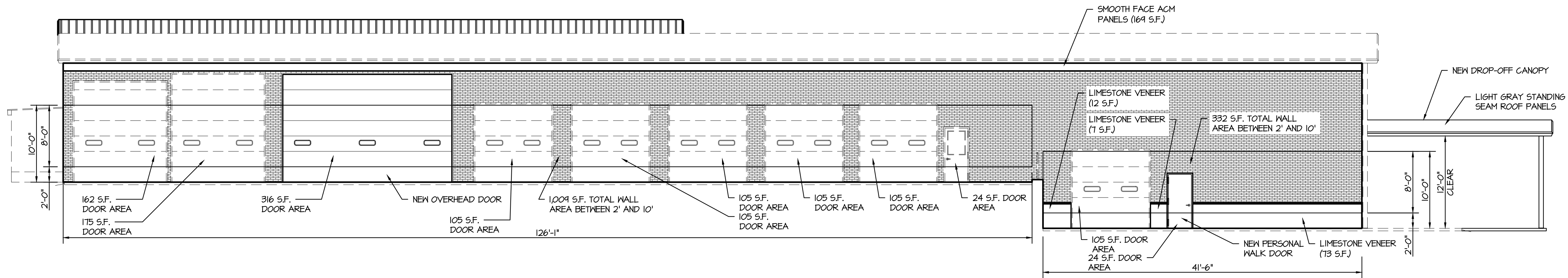


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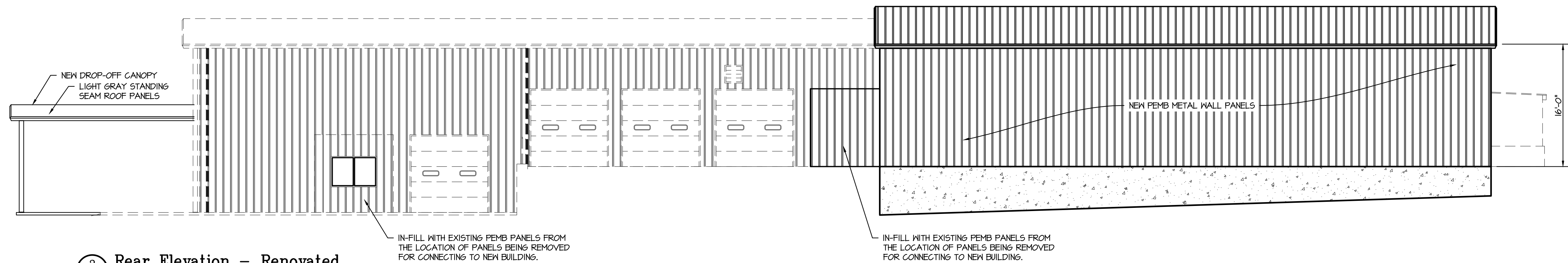


PRELIMINARY
Do not use for
construction

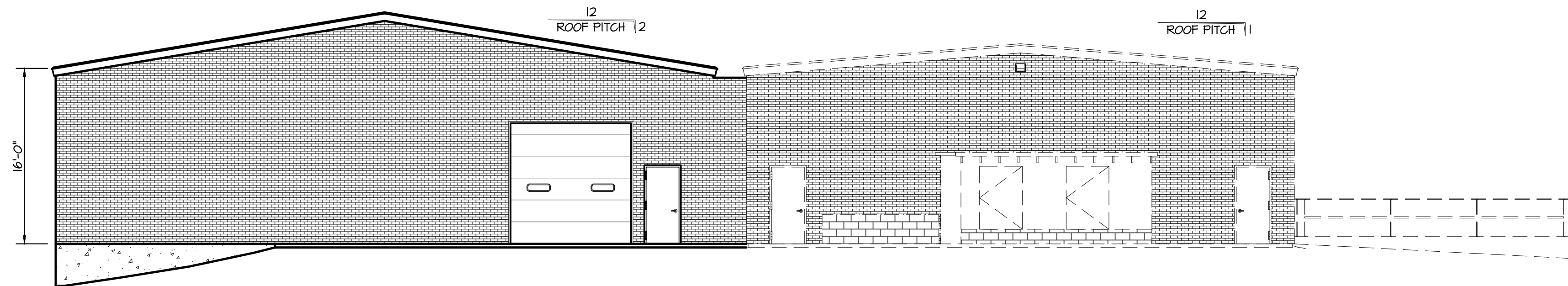
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SCALE: As Noted
DATE: 10/26/22
JOB NUMBER: 2200503
DRAWING KEY: X2.1



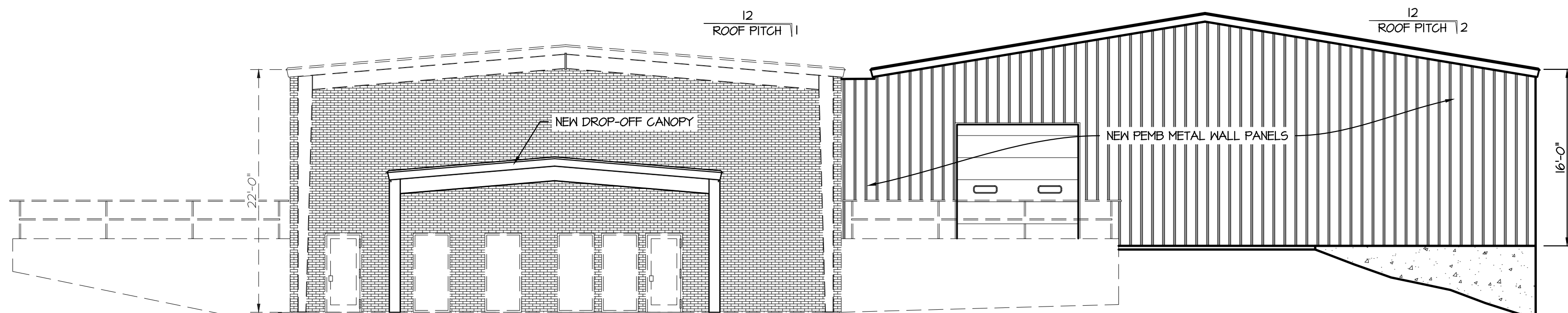
1 Front Elevation - Renovated
G1.1 1/8" = 1'-0"



2 Rear Elevation - Renovated
G1.1 1/8" = 1'-0"



3 Left Elevation - Renovated
G1.1 1/8" = 1'-0"



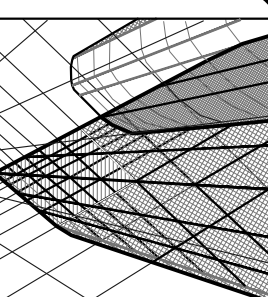
4 Right Elevation - Renovated
G1.1 1/8" = 1'-0"

GERBER COLLISION
Southern Pines, NC

EXTERIOR ELEVATIONS - RENOVATED

REVISIONS

REVISIONS



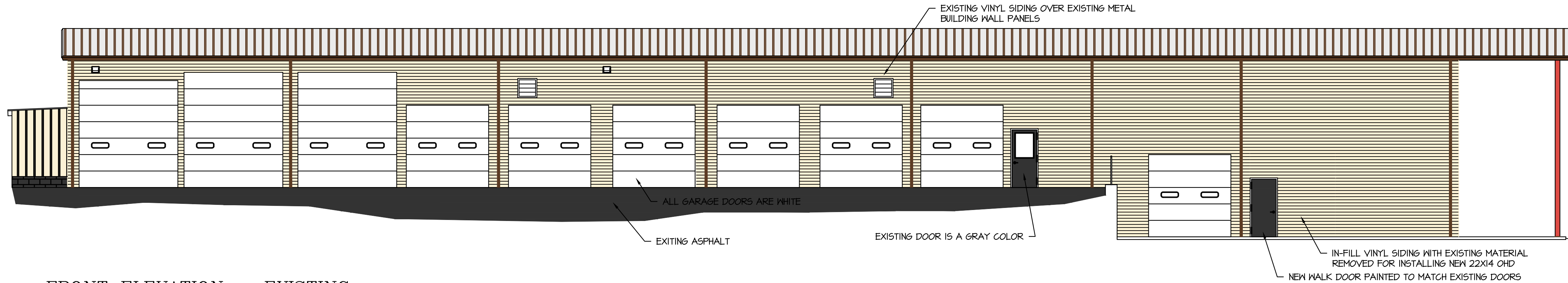
Neal Smith Engineering, Inc.
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Southern Pines, NC 28387
Phone: (910) 695-8825
Fax: (910) 695-8832
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NSE



PRELIMINARY
Do not use for
construction

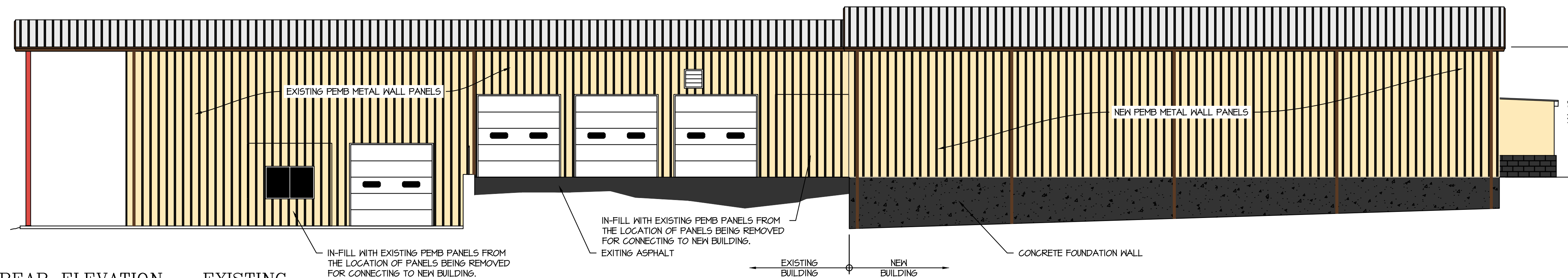
DRAWN BY:
BKB
SCALE:
As Noted
DATE:
10/26/22
JOB NUMBER:
2200503
DRAWING KEY:
G1.1



FRONT ELEVATION – EXISTING
SCALE: 1/8" = 1'-0"



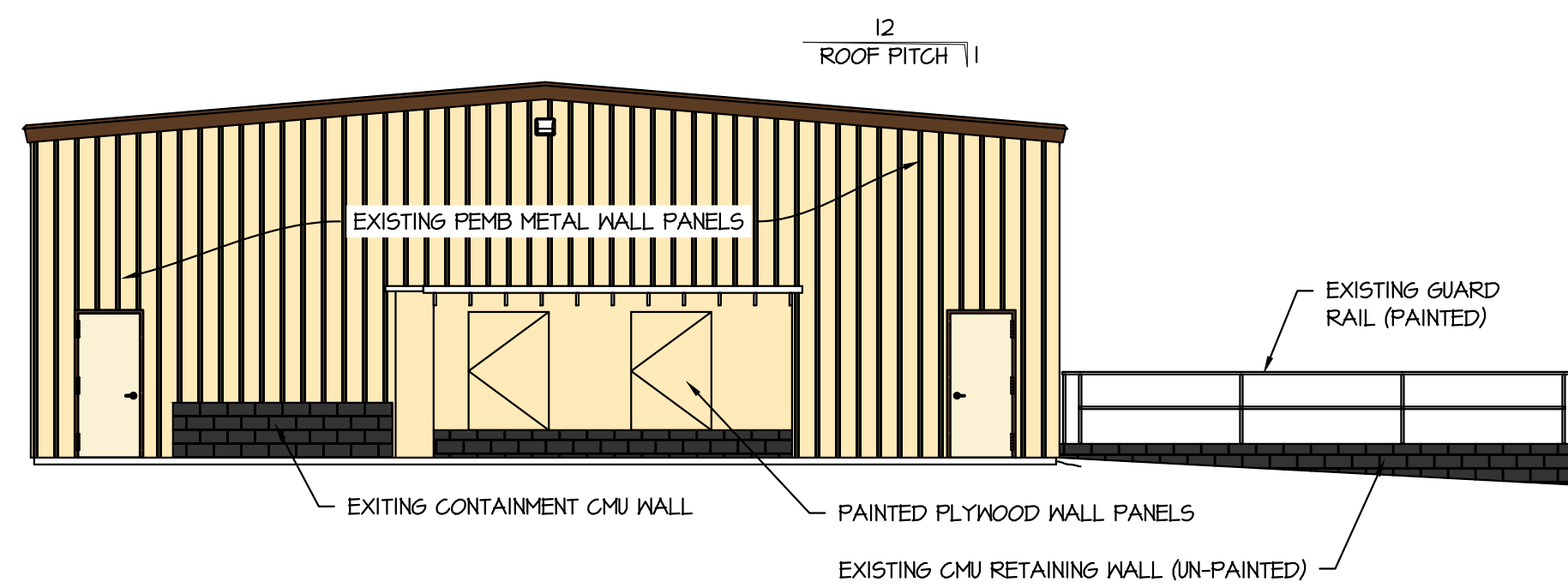
LEFT ELEVATION – CURRENT CONDITION



REAR ELEVATION – EXISTING
SCALE: 1/8" = 1'-0"



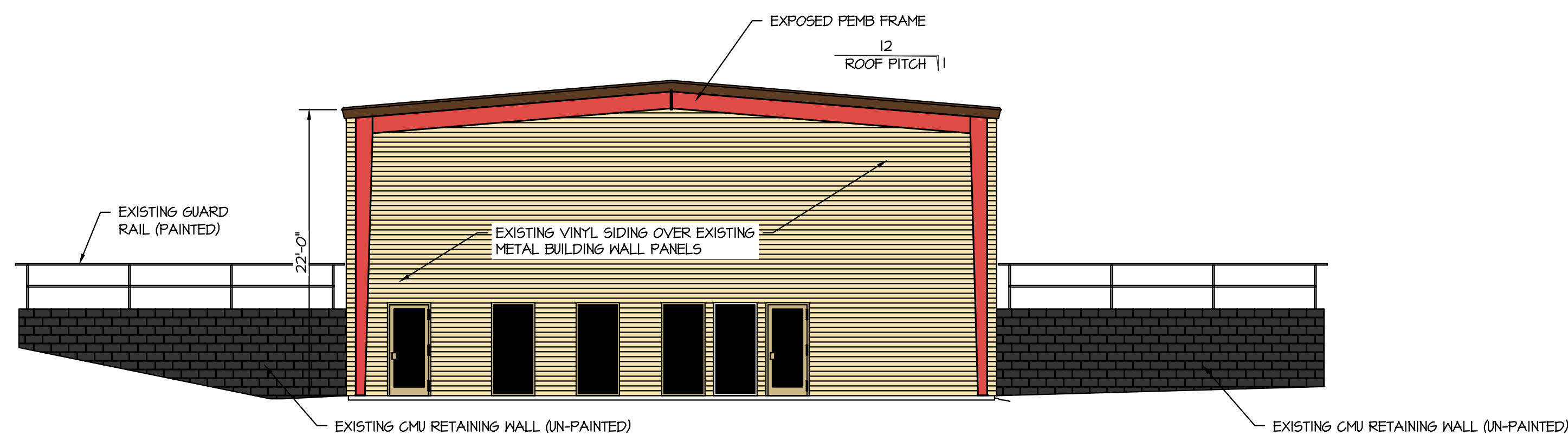
RIGTH ELEVATION – CURRENT CONDITION



LEFT ELEVATION – EXISTING
SCALE: 1/8" = 1'-0"



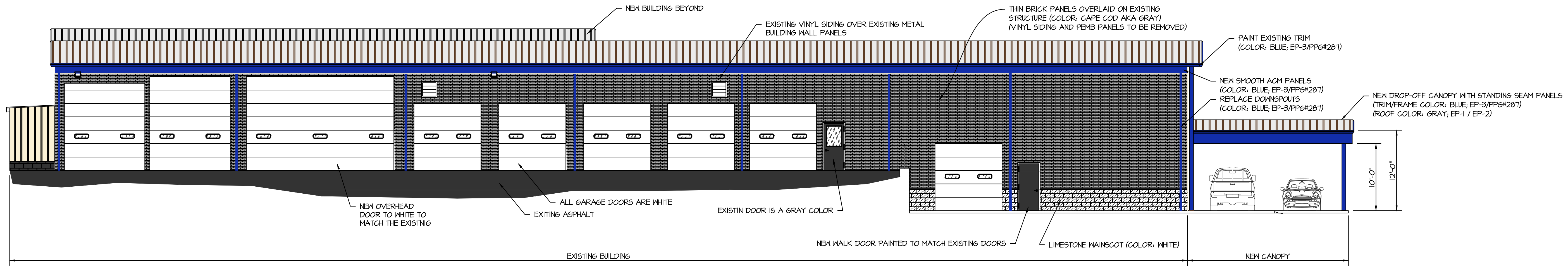
FRONT ELEVATION – CURRENT CONDITION



RIGHT ELEVATION – EXISTING
SCALE: 1/8" = 1'-0"

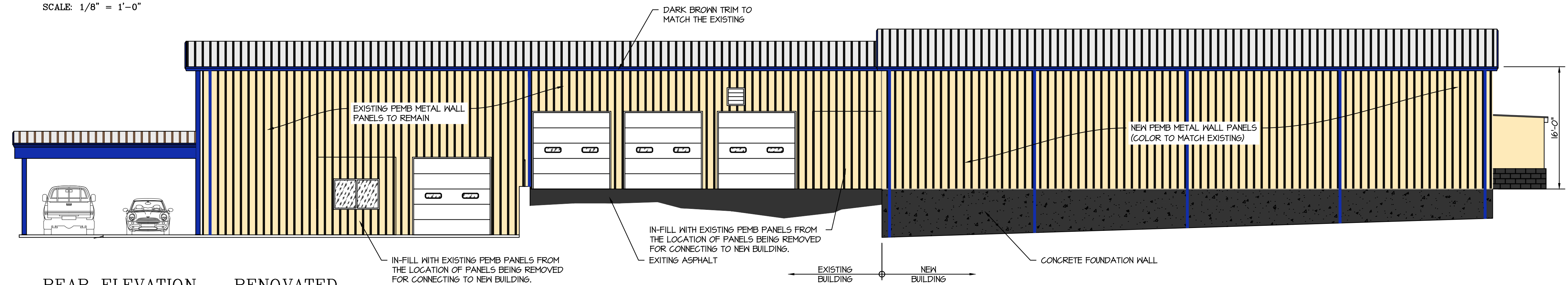


REAR ELEVATION – CURRENT CONDITION



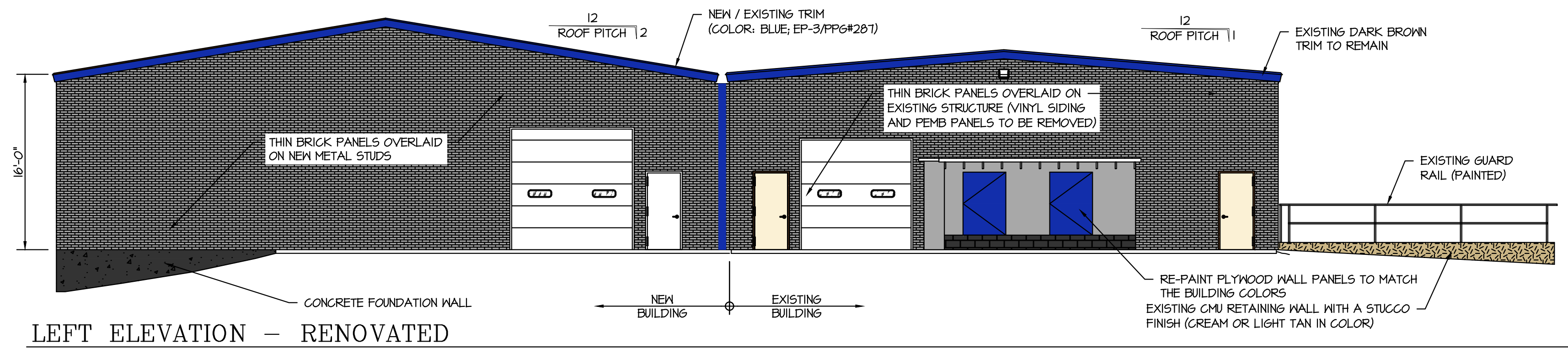
FRONT ELEVATION – RENOVATED

SCALE: 1/8" = 1'-0"



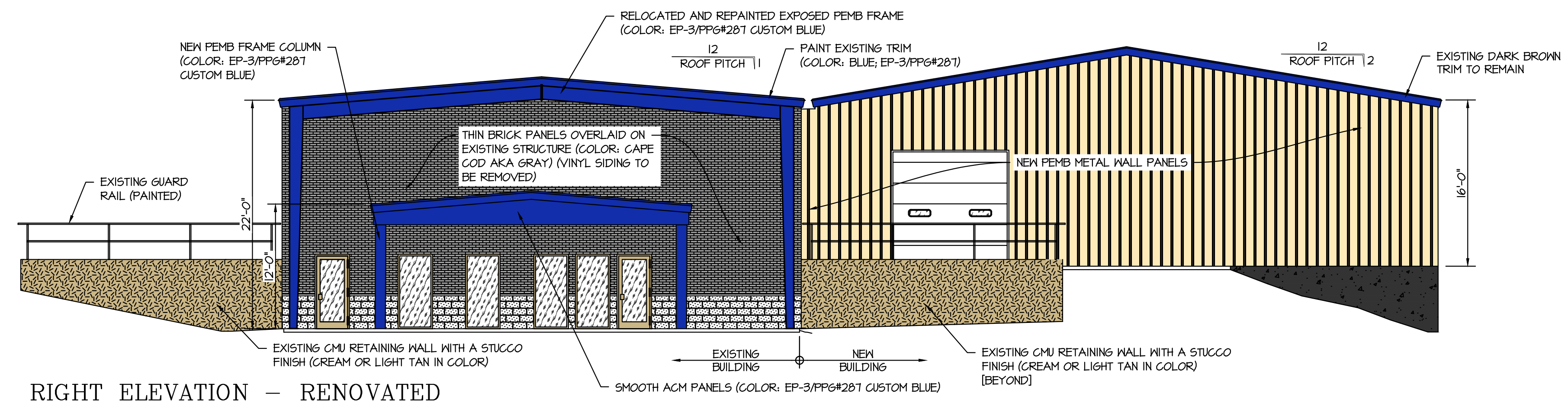
REAR ELEVATION – RENOVATED

SCALE: 1/8" = 1'-0"



LEFT ELEVATION – RENOVATED

SCALE: 1/8" = 1'-0"



RIGHT ELEVATION – RENOVATED

SCALE: 1/8" = 1'-0"

PRODUCT DETAILS

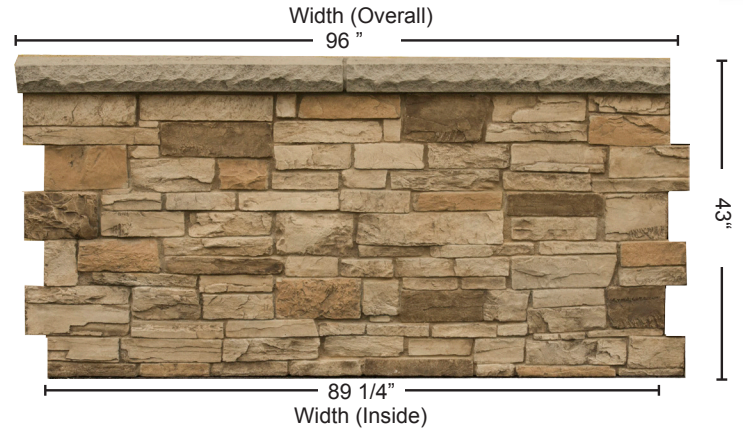
PRODUCT

Ledgestone Wainscot
DP 2730

Thickness -1 3/4" Height: 43"
Weight: 37 lbs Area: 28 sq ft



Cascade Canyon Fieldstone Desert Tan Rustic Gray



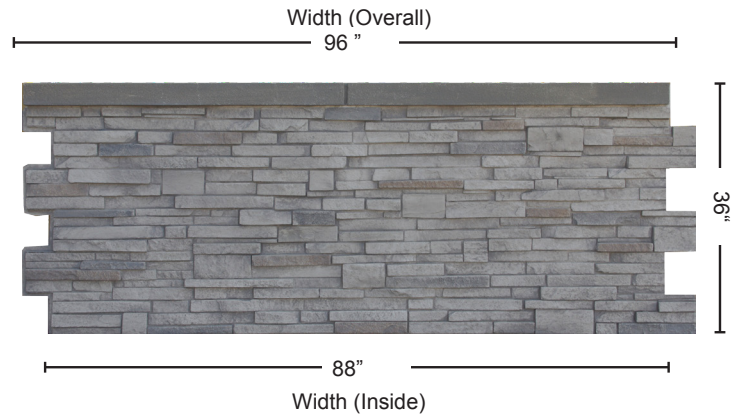
PRODUCT

Virginia Stacked Wainscot

Thickness -2 3/4" Height: 36"
Weight: 28 lbs Area: 24 sq ft



Cascade Canyon Fieldstone Desert Tan Mountain Country



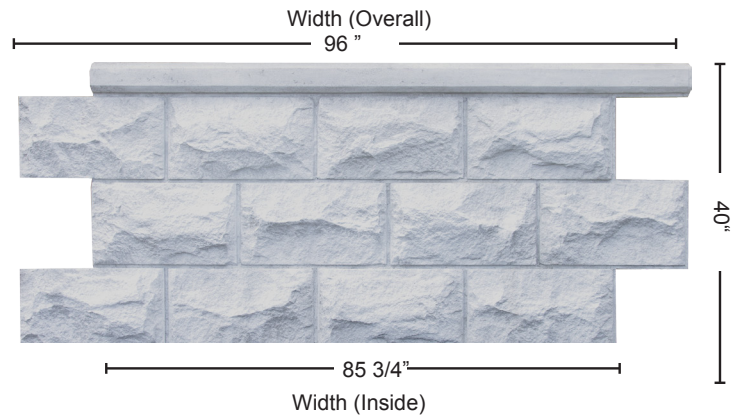
PRODUCT

Limestone Wainscot
DP 2710

Thickness -2 3/4" Height: 48"
Weight: 40 lbs Area: 28 sq ft



Latte Gray White Kahki



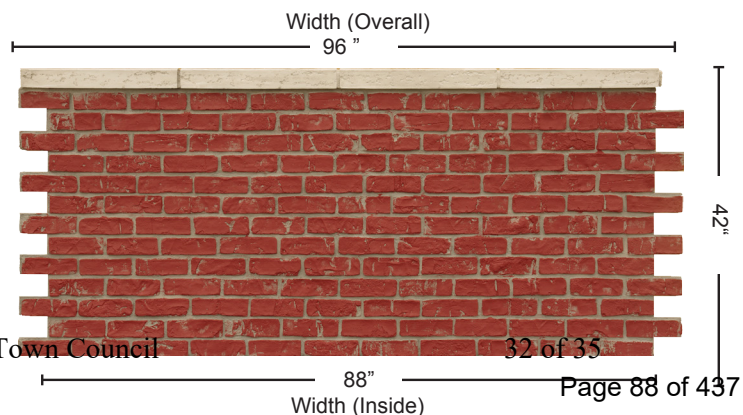
PRODUCT

Brick Wainscot
DP 2700

Thickness -1 1/2" Height: 42"
Weight: 32 lbs Area: 28 sq ft



Brown Cape Cod Sandstone Red



AR-23-22 Gerber Collision

December 2022 Town Council

32 of 35

[view website for all color options](#)

Exterior Colors PPG CUSTOM MATCH WITH NEXGEN COLORANTS

SPRING 2021



Space/Color: **EP-1** / PPG#429 Custom Lt. Grey
 Product: 6-2110XI Speedhide Ext. Satin
 Formula: BX-1Y+24 | CX-12 | EX-6 | HX-9 | WX-2Y+36

For Metal



Space/Color: **EP-1** / PPG#429 Custom Lt. Grey
 Product: 4216-0200L, Pitt-Tech Plus Semi-Gloss DTM
 Formula: BX-1Y+44 | CX-14 | EX-4 | FX-2 | WX-2Y+12



Space/Color: **EP-2** / PPG#430 Custom Grey
 Product: 6-2150XI, Speedhide Ext. Satin
 Formula: BX-3Y+32 | CX-22 | DX-10 | WX-3Y+40

For Metal



Space/Color: **EP-2** / PPG#430 Custom Grey
 Product: 4216-0300L, Pitt-Tech Plus Semi-Gloss
 Formula: BX-2Y+24 | CX-12 | DX-9



Space/Color: **EP-3** / PPG#287 Custom Blue
 Product: 6-2300XI, Speedhide Ext. Satin
 Formula: EX-9Y+32 | VX-1Y+40 | WX-40

For Metal



Space/Color: **EP-3** / PPG#287 Custom Blue
 Product: 4216-0500L, Pitt-Tech Plus Semi-Gloss DTM
 Formula: EX-8Y+40, VX-2Y+32, WX-44

For Metal



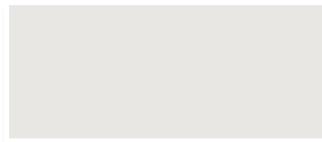
Space/Color: **EP-4** / Safety Yellow
 Product: 11-54, Zoneline Traffic & Marking Paint



Space/Color: **EP-4** / Safety Yellow
 Product: 90-330, Pitt-Tech Int/Ext High Gloss DTM Ind Enamel

Interior Colors

SPRING 2021



P-1 / PPG1010-1 Pegasus



P-2 / PPG1001-6 Knights Armor



P-3 / PPG1241-7 Cobalt Stone



P-5 / PPG1010-5 Downpour



P-6 / PPG1012-7 Black Forest



P-7 / PPG1025-1 Commercial White



P-8 / PPG15-24 French Toast



P-9 / PPG1001-1 Delicate White



EXP-1 / PPG MegaSeal SL Self-Leveling Epoxy, PPG PC815 Conveyor Grey

Alaina Mallette

From: Alaina Mallette
Sent: Wednesday, November 30, 2022 9:24 AM
To: 'nsmith@nsengineering.com'
Subject: AR-23-22 Gerber Collision Follow-Up

Brian,

Thank you for your call. Here is a summary of our conversation for your records and important dates for this application.

- Regarding UDO §4.10.4(B) Building Dimensions, the downspouts may be considered sufficient to segment the building elevations. This is an existing, non-compliant building, of which we are aware. However, you will still a deviation granted.
- Regarding UDO §4.10.4(D) Windows, you stated that the new window on the rear elevation will be non-reflective, glazed, and tinted for energy conservation purposes. Since the window will not be clear, a deviation will be required.
- Regarding UDO §4.10.4(E) Awnings, due to the 10'*30' size of the canopy, you propose it be built in steel with a metal roof. This requires a deviation, as well.
- Regarding UDO §4.10.4(G) Roofs, you clarified that the color will be grey not blue and pointed me to the front elevation canopy description for reference.

What I did not mention in our call, but will also require a deviation, is the customer entry on the right elevation rather than the street-facing front elevation. I understand you are keeping the existing entry where it currently is. You may want to address in your comments/presentation why the entry could/will not be moved to the street-facing front elevation.

Important dates

- Application Submitted: October 31, 2022
- Application Complete: November 1, 2022
- Town Council Agenda Meeting: December 7, 2022 (Planning Staff report presentation)
- Town Council Regular Meeting: December 13, 2022 (Final decision made)

Let me know if you have any additional comments.

Regards,
Alaina

Alaina Mallette, MSc
Senior Planner
Planning Department
Town of Southern Pines
801 SE Service Road, Southern Pines, NC 28387
(910) 692-4003 x7232

amallette@southernpines.net



Agenda Item

To: Reagan Parsons, Town Manager

From: B.J. Grieve, Planning Director
Cindy Williams, Planning Technician

Subject: AX-05-22: Hold a Public Hearing for Voluntary Annexation of .41 acres Contiguous to the Corporate Limits of the Town of Southern Pines; Applicant: Veronica Lofton

Date: December 13, 2022

I. SUMMARY OF APPLICATION REQUEST:

Veronica Lofton is requesting voluntary annexation of .41 acres that is currently outside of the corporate limits of the Town of Southern Pines. The deed recorded in Book 5881 at Page 586 describes the property as “Lots Numbers Twelve (12), Fourteen (14) and Fifteen (15) in Block One as shown on a map entitled ‘Westhaven Grove’ which is recorded in Map Book 3 at page 100 in the Office of the Register of Deeds of Moore County.” Per the Moore County tax records, the subject property is identified as PIN 857216729769 (PARID 00033536).

II. PRIOR TOWN COUNCIL ACTION:

During the October 24, 2022 Town Council Work Session, the Town Council approved a *Resolution Directing the Clerk to Investigate a Petition Received Under G.S. 160A-31*.

During the November 15, 2022 Town Council Regular Meeting, the Town Council approved a *Resolution Fixing Date of Public Hearing on Question of Annexation Pursuant to G.S. 160A-31, As Amended*.

III. PROJECT INFORMATION:

A. Physical Address:

W. Indiana Avenue
Southern Pines, NC 28387

B. Property Owner/Applicant:

Veronica Donell Lofton
4894 Downing Drive
Columbus, OH 43232

C. Property Identification & Parcel Identification Number:

PIN 857216729769; PARID 00033536

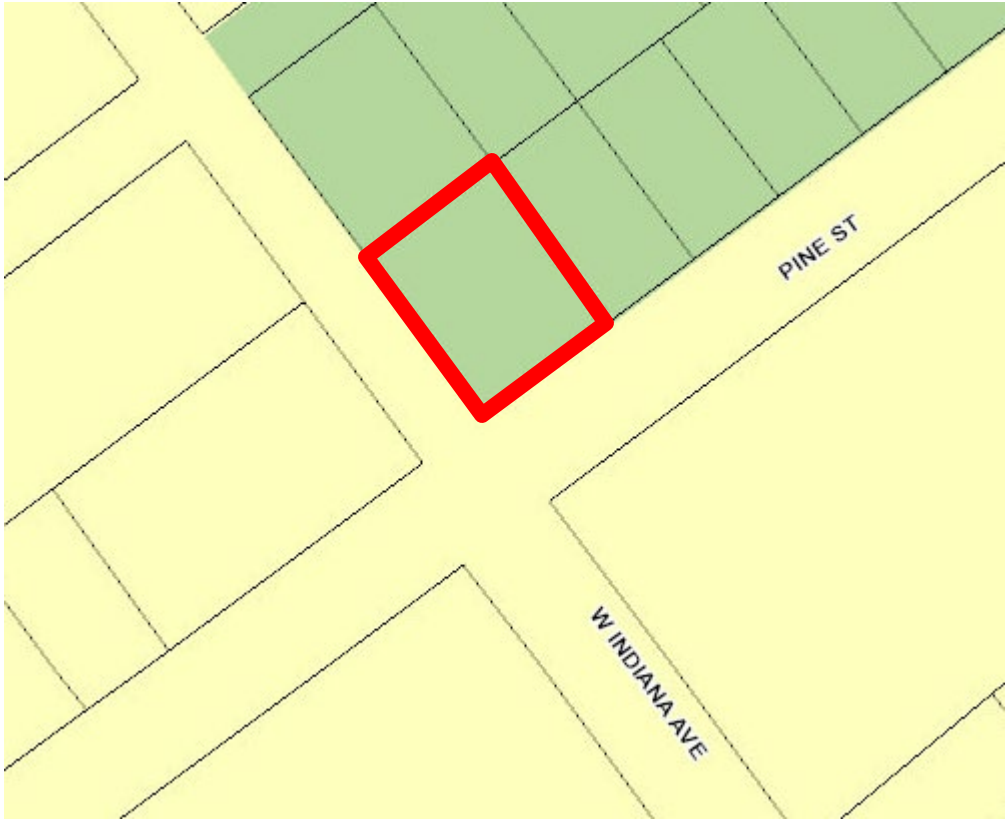
D. Size of Property:

Total area: .41 acre

IV. STAFF COMMENTS:

- The applicant has submitted a Petition for Voluntary Annexation accompanied by a survey and written metes and bounds description of the subject property.
- The written metes and bounds description of the area to be annexed has been approved by the Moore County Tax Mapper.
- The request is a voluntary request for contiguous annexation as the adjacent properties are within the corporate limits of the Town of Southern Pines (see Figure 1).
- The subject property is presently zoned RS-1 (Residential Single-Family). The adjacent property is also zoned RS-1.
- During the October 24, 2022 Town Council Work Session, the Town Clerk was directed to investigate the sufficiency of the Petition for Voluntary Annexation of the subject property.
- During the November 15, 2022 Town Council Regular Meeting, the Town Clerk approved a *Resolution Fixing Date of Public Hearing on Question of Annexation Pursuant to G.S. 160A-31, As Amended*.
- The purpose of this agenda item is to hold a public hearing to consider the annexation request.
- **Comprehensive Long Range Plan Analysis:**
 - The subject property is identified as “Residential” on the Comprehensive Long Range Plan (CLRP) Future Land Use Map (see Figure 3). Per the CLRP 2015-2016 update:
“This designation encompasses the majority of Southern Pines’ residential land, providing for single-family and attached housing at development densities ranging from one unit per acre in areas that are less intensively developed to up to twelve units per acre in places that are clearly more urban. Elementary schools, civic uses, parks and neighborhood scale commercial services may be authorized through the rezoning process without amending the future land use map.”

Figure 1: Adjacent Property (Area to be Annexed Outlined in Red)



 Town of Southern Pines Corporate Limits  Town of Southern Pines ETJ

Figure 2: Zoning Map (Area to be Annexed Outlined in Yellow)



Figure 3: CLRP Future Land Use Map (Area to be Annexed Outlined in Blue)



V. ATTACHMENTS:

1. Petition
2. Written metes and bounds description
3. Survey of subject property
4. Signed Resolution

VI. TOWN COUNCIL ACTION:

To either approve or deny the voluntary annexation, the Town Council may choose one of the following motions or any alternative they wish:

- 1) I move to adopt an Ordinance approving voluntary annexation request AX-05-22 for the property as defined in the submitted written metes and bounds description, and to have the Ordinance effective immediately.
- 2) **or-**
- 2) I move to deny voluntary annexation request AX-05-22 for the property as defined in the submitted metes and bounds description.

PETITION FOR VOLUNTARY ANNEXATION

To the Town Council of the Town of Southern Pines, North Carolina:

1. I/We the undersigned owner(s) of real property respectfully request that the area described in the attached Exhibit A be annexed to the Town of Southern Pines.
2. The area to be annexed is **contiguous** to the Town of Southern Pines and the boundaries of such territory are described in the attached metes and bounds description, Exhibit A.

3. The area is identified as PIN: 857216729769; PARID: 00033536
**Deed is attached* 480 Pine St. Southern Pines, N.C. 28387

Property Owner(s):

Name: Veronica Lofton

Signature: Veronica Lofton

Address: 4893 Downing Drive

Columbus, OH. 43232

Name: _____

Signature: _____

Address: _____

Name: _____

Signature: _____

Address: _____

(Duplicate this form to add names, addresses and signatures of property owners, as necessary.)

7-28-21

Metes and bounds description of Parcel ID# 00033536

A certain tract or parcel of land situate in McNeill Township, Moore County, North Carolina, fronting and lying on the northwest side of Pine Street (80' Public right of way) and the northeast side of Indiana Avenue (60' Public right of way), being further described by metes and bounds as follows:

BEGINNING on the concrete monument found at the intersection of the northwest right of way line of Pine Street and the northeast right of way boundary of Indiana Avenue, said monument being the South corner of Lot 15, Westhaven Grove subdivision (see Map Book 3, Page 100, in the Moore County Register of Deeds Office);

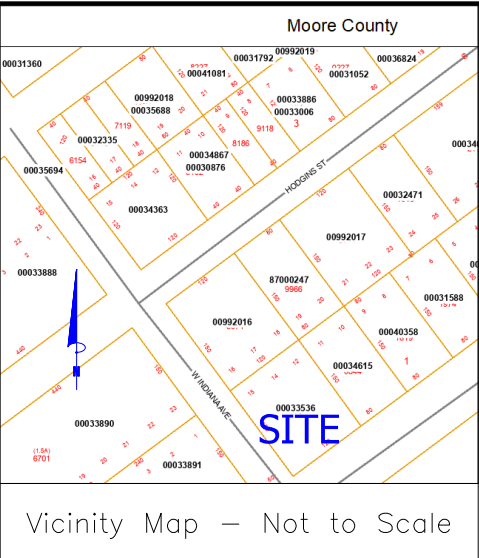
running thence from said beginning corner with said northeast right of way line of Indiana Avenue North 36°29' West a distance of 150.00 feet to a concrete monument found, said monument being the West corner of said Lot 15 and the South corner of Lot 18 and Parcel ID# 00992018 described in Book 1552, Page 338;

thence with the northwest lines of Lots 15, 14 and 12, said lines being common with the southeast line of said Parcel ID# 00992018, North 53°30' East a distance of 119.99 feet to a concrete monument found, said monument being the North corner of Lot 12, the East corner of Lot 18, the South corner of Lot 19 and Parcel ID# 87000247, the West corner of Lot 11 and Parcel ID# 0034615;

thence with the common line of said Lots 12 and 11 South 36° 29' East a distance of 150.00 feet to a concrete monument found in said northwest right of way line of Pine Street, said monument being East corner of said Lot 12, the South corner of said Lot 11 and said Parcel ID# 0034615;

thence with said northwest right of way line of Pine Street South 53°30' West a distance of 120.00 feet to the BEGINNING, containing 18,000 square feet (0.41 acres), and being all of said Lots 12, 14 and 15 of said Westhaven Grove subdivision.

The bearings applied herein are based on the North Carolina coordinate grid system (NAD'83 (2011)) by means of GPS/VRS observations using a Carlson BRx7 receiver and the N. C. Realtime Network.



Notes: This map is not prepared for recording in accordance with GS 47-30.

Area by coordinate method.

Contours interval at one foot, from 2014 LIDAR Data.

The property shown hereon lies within Zone X, minimal flood hazard area, per ncfloodmaps.com.

All distances shown hereon are horizontal ground distances unless otherwise noted.

Subject property is currently zoned RS-1.

Legend: IPF= Iron Pipe Found
IRF= Iron Rod Found
ISF= Iron Stake Found
CMF= Concrete Monument Found
IRS= Iron Rod Set
CMS= Concrete Monument Set
PP= Power/Utility Pole
MH= Sewer Manhole
WM= Water Meter
FH= Fire Hydrant
S/T= Sewer Tap

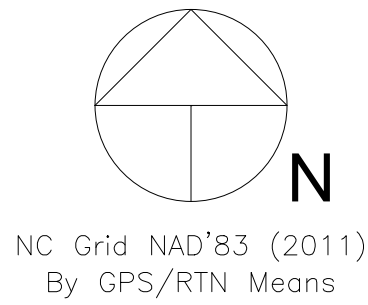
Reference: Map Book 3 Page 100
Book 5881 Page 586
Moore County Registry

I hereby certify that this map was drawn by me from my actual field survey (deed description recorded in Book 5881 Page 586; that the boundaries not surveyed are indicated as drawn from information in M.B. 3 Page 100; that the ratio of precision is better than 1:7500; and that this map meets the requirements of the Standards of Practice for Land Surveying in North Carolina (21 NCAC 56.1600).

This ____ Day of _____, 2022.

Emmett S. Raynor, PLS L-2521

Emmett S. Raynor, PLS
265 East Connecticut Avenue
Southern Pines, NC 28387
Office (910) 295-1703



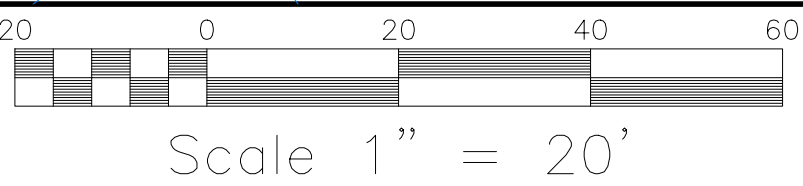
Hodgins Street (60' Public R/W)

Indiana Avenue (60' Public R/W)

Pine Street (80' Public R/W)

Pine Street (80' Public R/W Not Open)

Indiana Avenue (80' Public R/W)



****Preliminary Map****
Not for recording, conveyances or sales.

	DRAWN BY: ESR	APPROVED BY:	REVISIONS	PROJECT Survey of PID# 00033536, Lots 12, 14 & 15, Block 1 Westhaven Grove Subdivision McNeill Township, Moore County, Southern Pines, North Carolina	SHT. NAME The Property of Veronica Donell Lofton	SHT. NO.	
	DATE: 08.01.2022	PROJ. NO.					
	DWG. NO.:	DWG. PID00033536.dwg					

**TOWN OF SOUTHERN PINES RESOLUTION #1034
SETTING DATE OF PUBLIC HEARING FOR ANNEXATION APPLICATION
AX-05-22: Pine Street**

WHEREAS, a petition requesting annexation of an area described herein has been received; and

WHEREAS, the Town Council has by resolution directed the Town Clerk to investigate the sufficiency thereof; and

WHEREAS, certification by the Town Clerk as to the sufficiency of said petition has been made;

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Southern Pines, North Carolina:

Section 1. That a public hearing on the question of annexation of the area described herein will be held at the Douglass Community Center at 6:00 pm on December 13, 2022.

Section 2. The area proposed for annexation is described as follows:

Property Owners/Applicants:

Veronica Donell Lofton
4894 Downing Drive
Columbus, OH 43232

Property Identification Number (PIN) and Parcel Identification:

PIN: 857216729769; PARID: 00033536

Size of Property:

Total Acreage: 0.41 acres

Meets & Bounds Description:

A certain tract or parcel of land situated in McNeill Township, Moore County, North Carolina, fronting and lying on the northeast side of Indiana Avenue (60' Public right-of-way), being further described by metes and bounds as follows:

BEGINNING on the concrete monument found at the intersection of the northwest right-of-way line of Pine Street and the northeast right-of-way boundary of Indiana Avenue, said monument being the South corner of Lot 15, Westhaven Grove subdivision (see Map Book 3, Page 100, in the Moore County Register of Deeds Office);

Running thence from said beginning corner with said northeast right-of-way line of Indiana Avenue North 36°29' West a distance of 150.00 feet to a concrete monument found, said monument being the West corner of said Lot 15 and the South corner of Lot 18 and Parcel ID #00992018 described in Book 1552, Page 338;

Thence with the northwest lines of Lots 15, 14 and 12, said lines being common with the southeast line of said Parcel ID#00992018, North 53°30' East a distance of 119.99 feet to a concrete monument found, said monument being the North corner of Lot 12, the East corner of Lot 18, the South corner of Lot 19 and Parcel ID #87000247, the West corner of Lot 11 and Parcel ID #0034615;

Thence with the common line of said Lots 12 and 11 South 36°29' East a distance of 150.00 feet to a concrete monument found in said northeast right-of-way line of Pine Street, said monument being east corner of said Lot 12, the South corner of said Lot 11 and said Parcel ID # 0034615;

Thence with the common line of said Lots 12 and 11 South 36°29' East a distance of 150.00 feet to a concrete monument found in said northwest right of way line of Pine Street, said monument being East corner of said Lot 12, the south corner of said Lot 11 and said Parcel ID #0034615;

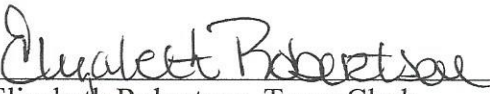
Thence with said northwest right of way line of Pine Street South 53°30' West a distance of 120.00 feet to the BEGINNING, containing 18,000 square feet (0.41 acres), and being all of said Lots 12,14 and 15 of said Westhaven Grove subdivision.

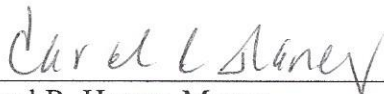
Section 3. Notice of said public hearing shall be published in The Pilot, a newspaper having general circulation in the Town of Southern Pines, at least ten (10) days prior to the date of said public hearing.

Adopted this 15th day of November, 2022.

ATTEST:

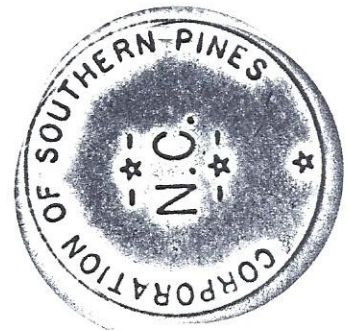
TOWN OF SOUTHERN PINES


Elizabeth Robertson, Town Clerk


Carol R. Haney, Mayor

I certify that this resolution was adopted by the Town Council of the Town of Southern Pines at its meeting of November 15, 2022 as shown in the minutes of the Town Council for that date.


Elizabeth Robertson, Town Clerk



**TOWN OF SOUTHERN PINES ORDINANCE #2043
TO EXTEND THE CORPORATE LIMITS OF THE TOWN OF SOUTHERN PINES,
NORTH CAROLINA AX-05-22; Pine Street**

THAT WHEREAS, the Town Council has been petitioned under G.S. 160A-31 as amended to annex the area described herein; and

WHEREAS, the Town Council has by resolution directed the Town Clerk to investigate the sufficiency of said petition; and

WHEREAS, the Town Clerk has certified the sufficiency of said petition and a public hearing on the question of this annexation, AX-05-22, was scheduled to be held in regular session of the Town Council at the Douglass Community Center at 6:00 P.M. on the 8th day of November, 2022 after due notice by publication on December 3, 2022; and

WHEREAS, after the completion of said public hearing and upon consideration of any comments, objections or presentation at that hearing, and

WHEREAS, based on the certification of the Town Clerk and other information presented at said hearing, Council finds it proper and in the best interest of the Town to annex the following parcel according to the requirements of G.S. 160A-31:

A certain tract or parcel of land situated in McNeill Township, Moore County, North Carolina, fronting and lying on the northeast side of Indiana Avenue (60' Public right-of-way), being further described by metes and bounds as follows:

BEGINNING on the concrete monument found at the intersection of the northwest right-of-way line of Pine Street and the northeast right-of-way boundary of Indiana Avenue, said monument being the South corner of Lot 15, Westhaven Grove subdivision (see Map Book 3, Page 100, in the Moore County Register of Deeds Office);

Running thence from said beginning corner with said northeast right-of-way line of Indiana Avenue North 36°29' West a distance of 150.00 feet to a concrete monument found, said monument being the West corner of said Lot 15 and the South corner of Lot 18 and Parcel ID #00992018 described in Book 1552, Page 338;

Thence with the northwest lines of Lots 15, 14 and 12, said lines being common with the southeast line of said Parcel ID#00992018, North 53°30' East a distance of 119.99 feet to a concrete monument found, said monument being the North corner of Lot 12, the East corner of Lot 18, the South corner of Lot 19 and Parcel ID #87000247, the West corner of Lot 11 and Parcel ID #0034615;

Thence with the common line of said Lots 12 and 11 South 36°29' East a distance of 150.00 feet to a concrete monument found in said northeast right-of-way line of Pine Street, said monument being east corner of said Lot 12, the South corner of said Lot 11 and said Parcel ID # 0034615;

Thence with the common line of said Lots 12 and 11 South 36°29' East a distance of 150.00 feet to a concrete monument found in said northwest right of way line of Pine Street, said monument being East corner of said Lot 12, the south corner of said Lot 11 and said Parcel ID #0034615;

Thence with said northwest right of way line of Pine Street South 53°30' West a distance of 120.00 feet to the BEGINNING, containing 18,000 square feet (0.41 acres), and being all of said Lots 12,14 and 15 of said Westhaven Grove subdivision.

A map of the area herein described is provided with this Ordinance as Attachment A.

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Town Council of the Town of Southern Pines, North Carolina in regular session this 13th day of December, 2022:

Section 1. By virtue of the authority granted by G.S. 160A-31, as amended, the above described territory is hereby annexed and made part of the Town of Southern Pines as of the 13th day of December, 2022.

Section 2. Upon and after the 13th day of December, 2022 the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the Town of Southern Pines and shall be entitled to the same privileges and benefits as other parts of the Town of Southern Pines. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10.

Section 3. The Mayor of the Town of Southern Pines shall cause to be recorded in the office of the Register of Deeds of Moore County, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 hereof. Such a map shall also be delivered to the County Board of Elections as required by G.S. 163-288.1.

Section 4. This Ordinance shall be and remain in full force and effect from and after the date of its adoption.

Adopted this 13th day of December, 2022.

ATTEST:

TOWN OF SOUTHERN PINES

Elizabeth Robertson, Town Clerk

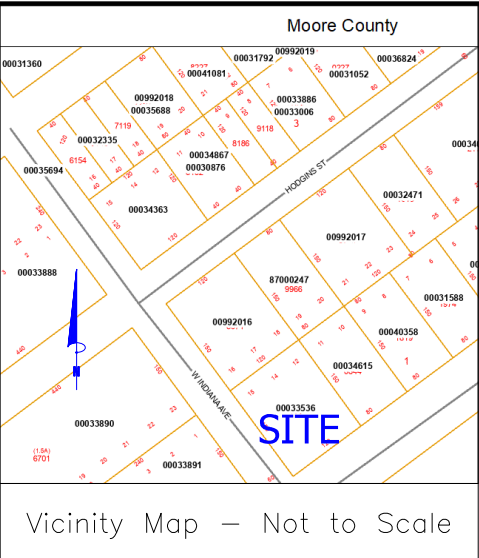
Carol R. Haney, Mayor

APPROVED AS TO FORM:

DeWitt McCarley, Town Attorney

I certify that this Ordinance was adopted by the Town Council of the Town of Southern Pines at its meeting on December 13, 2022 as shown in the Minutes of the Town Council for that date.

Elizabeth Robertson, Town Clerk



Notes: This map is not prepared for recording in accordance with GS 47-30.

Area by coordinate method.

Contours interval at one foot, from 2014 LIDAR Data.

The property shown hereon lies within Zone X, minimal flood hazard area, per ncfloodmaps.com.

All distances shown hereon are horizontal ground distances unless otherwise noted.

Subject property is currently zoned RS-1.

Legend: IPF= Iron Pipe Found
IRF= Iron Rod Found
ISF= Iron Stake Found
CMF= Concrete Monument Found
IRS= Iron Rod Set
CMS= Concrete Monument Set
PP= Power/Utility Pole
MH= Sewer Manhole
WM= Water Meter
FH= Fire Hydrant
S/T= Sewer Tap

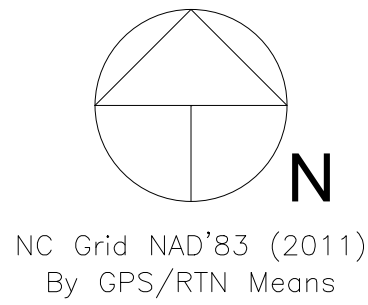
Reference: Map Book 3 Page 100
Book 5881 Page 586
Moore County Registry

I hereby certify that this map was drawn by me from my actual field survey (deed description recorded in Book 5881 Page 586; that the boundaries not surveyed are indicated as drawn from information in M.B. 3 Page 100; that the ratio of precision is better than 1:7500; and that this map meets the requirements of the Standards of Practice for Land Surveying in North Carolina (21 NCAC 56.1600).

This ____ Day of _____, 2022.

Emmett S. Raynor, PLS L-2521

Emmett S. Raynor, PLS
265 East Connecticut Avenue
Southern Pines, NC 28387
Office (910) 295-1703



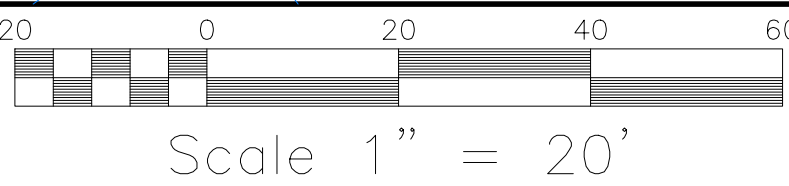
Hodgins Street (60' Public R/W)

Indiana Avenue (60' Public R/W)

Pine Street (80' Public R/W)

Pine Street (80' Public R/W Not Open)

Indiana Avenue (80' Public R/W)



****Preliminary Map****
Not for recording, conveyances or sales.

	DRAWN BY: ESR	APPROVED BY:	REVISIONS	PROJECT Survey of PID# 00033536, Lots 12, 14 & 15, Block 1 Westhaven Grove Subdivision McNeill Township, Moore County, Southern Pines, North Carolina	SHT. NAME The Property of Veronica Donell Lofton	SHT. NO.	
	DATE: 08.01.2022	PROJ. NO.					
	DWG. NO.:	DWG. PID00033536.dwg					

COUNTY OF MOORE
STATE OF NORTH CAROLINA

I swear that this is a true and accurate copy of Ordinance #2043 extending the corporate limits of the Town of Southern Pines adopted on December 13, 2022 (AX-05-22).

Elizabeth Robertson, Town Clerk

Date

DRAFT

Agenda Item

To: Reagan Parsons, Town Manager

From: B.J. Grieve, Planning Director
Cindy Williams, Planning Technician

Subject: AX-06-22: Hold a Public Hearing for Voluntary Annexation of .56 of An Acre Contiguous to the Corporate Limits of the Town of Southern Pines; Applicant: Moore HL Properties, Inc.

Date: December 13, 2022

I. SUMMARY OF APPLICATION REQUEST:

Dewey Holderfield, on behalf of Moore HL Properties, Inc., is requesting voluntary annexation of .56 of an acre that is currently outside of the corporate limits of the Town of Southern Pines. Per the Moore County tax records, the subject properties are identified as PIN 858220804641 (PARID 00032386) and PIN 858220805642 (PARID 20020514) and are owned by Moore HL Properties, Inc. The request also includes annexation of the portion of Duncan Road that abuts the subject property as well as the intersection of Duncan Road and Petty Street.

II. PRIOR TOWN COUNCIL ACTION:

At the October 24, 2022 Town Council Work Session, the Town Council approved a *Resolution Directing the Clerk to Investigate a Petition Received Under G.S. 160A-31*.

During the November 15, 2022 Town Council Regular Meeting, the Town Council approved a *Resolution Fixing Date of Public Hearing on Question of Annexation Pursuant to G.S. 160A-31, As Amended*.

III. PROJECT INFORMATION:

A. Physical Address:

520 Petty Street
Southern Pines, NC 28387

B. Property Owner/Applicant:

Moore HL Properties, Inc.
55 Walnut Creek Road
Pinehurst, NC 28374

C. Property Identification & Parcel Identification Numbers:

PIN 858220804641 (PARID 00032386)
PIN 858220805642 (PARID 20020514)

D. Size of Property:

Total area: .56 of an acre

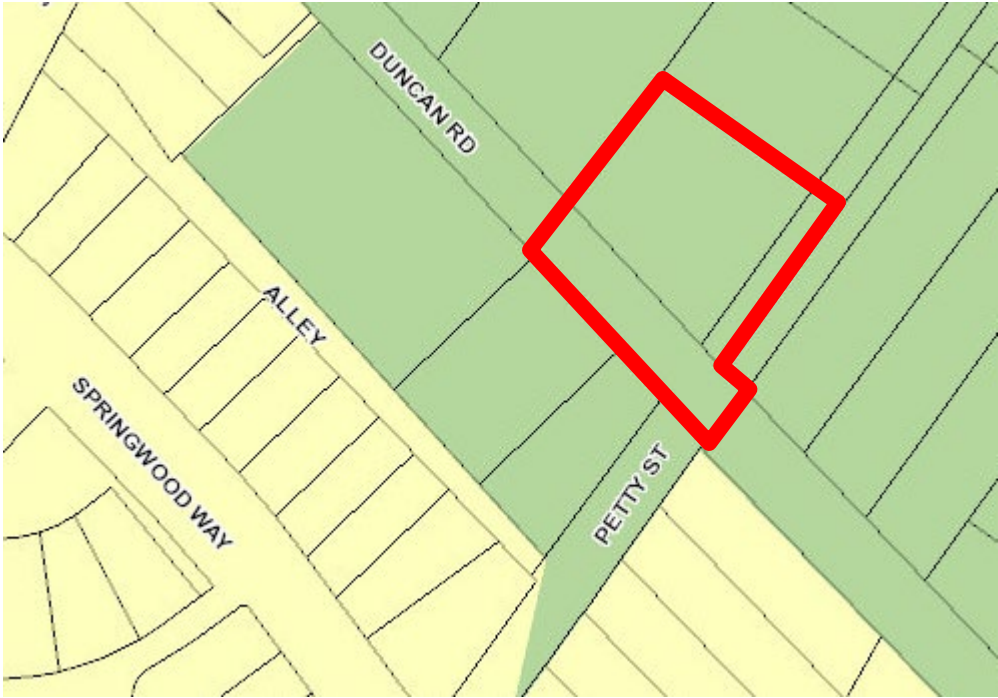
IV. STAFF COMMENTS:

- The applicant has submitted a Petition for Voluntary Annexation accompanied by a survey and written metes and bounds description of the subject properties.
- The written metes and bounds description of the area to be annexed has been approved by the Moore County Tax Mapper.
- The request is a voluntary request for contiguous annexation as the adjacent properties are within the corporate limits of the Town of Southern Pines (see Figure 1).
- The subject properties are presently zoned RS-1 (Residential Single-Family). The adjacent properties are also zoned RS-1.
- During the October 24, 2022 Town Council Work Session, the Town Clerk was directed to investigate the sufficiency of the petition for voluntary annexation of the subject properties.
- During the November 15, 2020 Town Council Regular Meeting, the Town Clerk approved a *Resolution Fixing Date of Public Hearing on Question of Annexation Pursuant to G.S. 160A-31, As Amended*.
- The purpose of this agenda item is for the Town Council to hold a public hearing to consider the annexation request.
- **Comprehensive Long Range Plan Analysis:**

- The subject properties are identified as “Residential” on the Comprehensive Long Range Plan (CLRP) Future Land Use Map (see Figure 3). Per the CLRP 2015-2016 update:

“This designation encompasses the majority of Southern Pines’ residential land, providing for single-family and attached housing at development densities ranging from one unit per acre in areas that are less intensively developed to up to twelve units per acre in places that are clearly more urban. Elementary schools, civic uses, parks and neighborhood scale commercial services may be authorized through the rezoning process without amending the future land use map.”

Figure 1: Adjacent Property (Area to be Annexed Outlined in Red)



 Town of Southern Pines Corporate Limits  Town of Southern Pines ETJ

Figure 2: Zoning Map (Area to be Annexed Outlined in Red)



Figure 3: CLRP Future Land Use Map (Area to be Annexed Outlined in Red)



V. ATTACHMENTS:

1. Petition
2. Written metes and bounds descriptions
3. Survey of subject properties
4. Signed Resolution

VI. TOWN COUNCIL ACTION:

To either approve or deny the voluntary annexation, the Town Council may choose one of the following motions or any alternative they wish:

- 1) I move to adopt an Ordinance approving voluntary annexation request AX-06-22 for the properties as defined in the submitted written metes and bounds descriptions, and to have the Ordinance effective immediately.

-or-

- 2) I move to deny voluntary annexation request AX-06-22 for the properties as defined in the submitted metes and bounds descriptions.

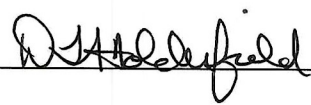
PETITION FOR VOLUNTARY ANNEXATION

To the Town Council of the Town of Southern Pines, North Carolina:

1. I/We the undersigned owner(s) of real property respectfully request that the area described in the attached Exhibit A be annexed to the Town of Southern Pines.
2. The area to be annexed is **contiguous** to the Town of Southern Pines and the boundaries of such territory are described in the attached metes and bounds description, Exhibit A.
3. The area is identified as PIN: 858220804641; PARID: 00032386.

Property Owner(s):

Name: Moore HL Properties, Inc.

Signature: 

Address: 55 Walnut Creek Rd.

Pinehurst, NC 28374

Name: _____

Signature: _____

Address: _____

Name: _____

Signature: _____

Address: _____

(Duplicate this form to add names, addresses and signatures of property owners, as necessary.)

Metes and Bounds Description of Lots 73, 75 & 77 and a portion of (abandoned) right-of-way
Of Petty Street in the Subdivision of Lots 31 through 42 of the Edgemore Heights Division
Prepared for Voluntary Annexation into the Town of Southern Pines, North Carolina.

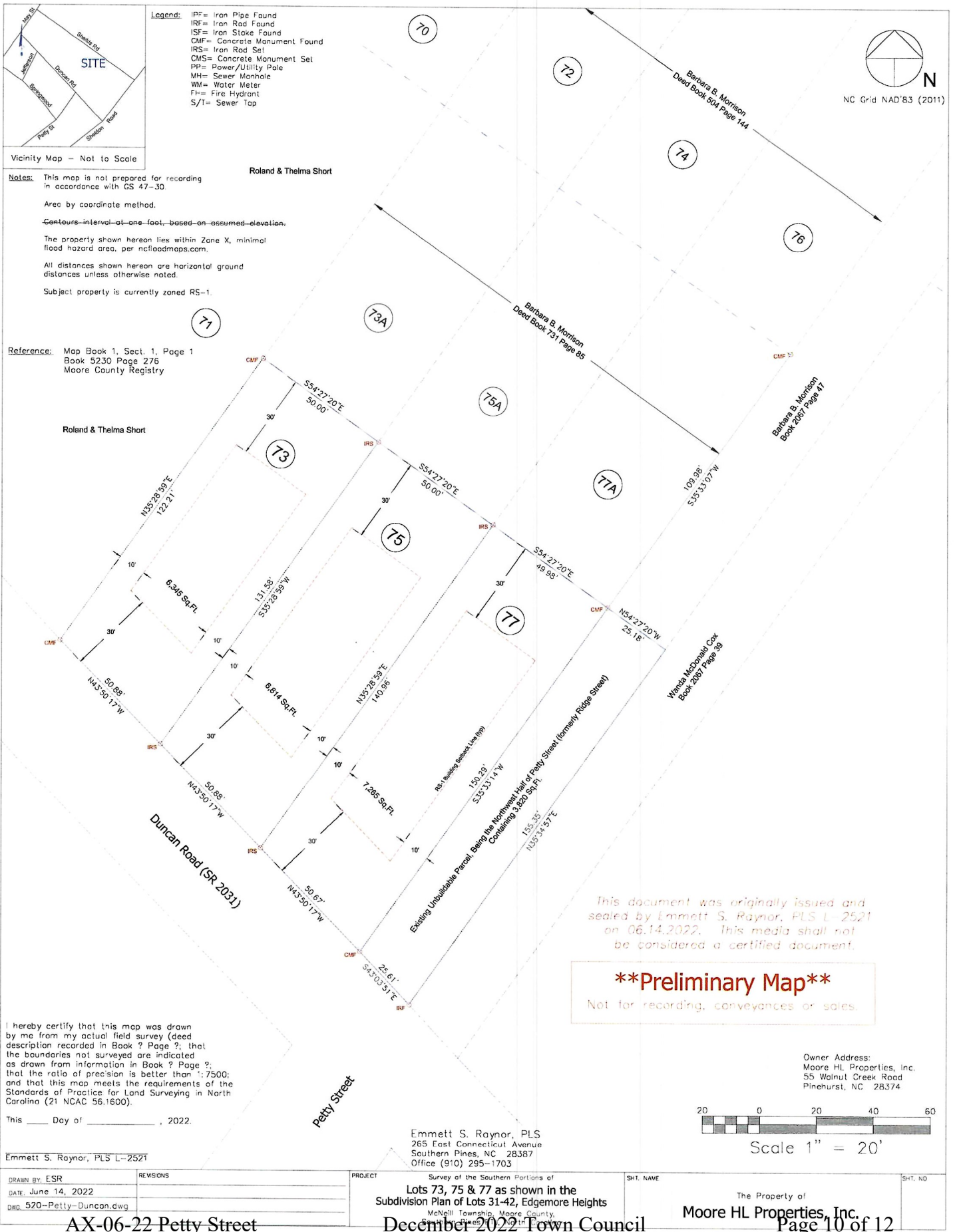
A certain tract, parcel or parcels of land situated in McNeill Township, Moore County, near Southern Pines, North Carolina, fronting and lying on the north side of Duncan Road (S.R. 2031) and the west side of the abandoned right-of-way of Petty Street, and being further described by metes and bounds as follows:

BEGINNING at an iron rod found in the north right-of-way line of Duncan Road where it intersects with the centerline of the (abandoned) Petty Street, said rod being the Westernmost corner of that parcel described in Book 2067, Page 39, in the Moore County Registry, said rod also being the Southernmost corner of that parcel of said (abandoned) Petty Street described in Book 5230, Page 276; running thence from said beginning corner with the north right-of-way line of Duncan Road North 43°03'51" West a distance of 25.61 feet to concrete monument found, said monument being the South corner of Lot 77; thence continuing with the north right-of-way line of Duncan Road, North 43°50'17" West a distance of 50.67 feet to an iron rod found, said rod being the common corner of Lot 77 and Lot 75; thence continuing with the north right-of-way line of Duncan Road North 43°50'17" West a distance of 50.88 feet to an iron rod found, said rod being the common corner of Lot 75 and Lot 73; thence continuing with the north right-of-way line of Duncan Road North 43°50'17" West a distance of 50.88 feet to a concrete monument found, said monument being the common corner of Lot 73 and Lot 71; thence with the common line of said Lot 73 and Lot 71 North 35°28'59" East a distance of 122.21 feet to a concrete monument found, said monument being the common corner of Lot 73 and Lot 73A situate in the southeast line of Lot 71; thence with the common line of Lot 73 and Lot 73A South 54°27'20" East a distance of 50.00 feet to an iron rod found, said being the common corner of Lot 73, Lot 73A, Lot 75A and Lot 75; thence with the common line of Lot 75 and Lot 75A South 54°27'20" East a distance of 50.00 feet to an iron rod found, said iron rod being the common corner of Lot 75, Lot 75A, Lot 77A and Lot 77; thence with the common line of Lot 77 and Lot 77A South 54°27'20" East a distance of 49.98 feet to a concrete monument found, said monument being the common corner of Lot 77, Lot 77A situate in the (original) northwest right-of-way line of Petty Street, said rod also being a corner of the aforementioned parcel of the (abandoned) Petty Street; thence with the northeast line of the aforementioned parcel South 54°27'20" East a distance of 25.18 feet to the common corner of the aforementioned parcel and that parcel described in Book 2067, Page 47, situate in the northwest line of that parcel described in Book 2067, Page 39; thence with the common line of said parcels, South 35°34'57" West a distance of 155.35 feet to the BEGINNING, containing 24,244 square feet, and being all of that land described in Book 5230, Page 276, in the Moore County Registry.

Metes and Bounds description of a portion of
Duncan Road and Petty Street
For Annexation into the Town of Southern Pines
Corporate Limits.

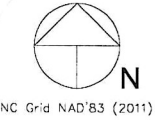
A certain tract or parcel of land situated in McNeill Township, Moore County, North Carolina, being further described by metes and bounds as follows:

BEGINNING on a concrete monument found in the northeast right of way line of Duncan Road (NCSR# 2031), said monument being the common corner of Lots 71 and 73 as shown in Map Book 1, Section 1, Page 1, in the Moore County Register of Deeds Office; running thence from said beginning corner, crossing Duncan Road, South 46°09'43" West a distance of 40 feet to the southwest right of way line of said road; thence with said right of way line South 43°50'17" East a distance of 160.06 feet to the intersection of said right of way line with the northwest right of way line of Petty Street; thence crossing Petty Street, continuing South 43°50'17" East, a distance of 50.89 feet to the intersection of the southeast right of way line of Petty Street and the southwest right of way line of Duncan Road; thence crossing Duncan Road North 46°16'22" East a distance of 40 feet to the northeast right of way line of said Duncan Road; thence with said right of way line North 43°43'38" West a distance of 33.02 feet to an iron rod found, said iron rod being the South corner of PID# 20020514 (described in Book 5230, Page 276); thence continuing with said right of way line North 43°03'51" West a distance of 25.61 feet to a concrete monument found, said monument being the South corner of Lot 77; thence continuing with said right of way line North 43°50'17" West a distance of 50.67 feet to an iron rod found, said rod being the South corner of Lot 75; thence continuing with said right of way line North 43°50'17" West a distance of 50.88 feet to an iron rod found, said rod being the South corner of Lot 73; thence continuing North 43°50'17" West a distance of 50.88 feet the BEGINNING, containing 8,464 square feet, more or less.



Legend:

- IPF= Iron Pipe Found
- IRF= Iron Rod Found
- ISF= Iron Stake Found
- CMF= Concrete Monument Found
- IRS= Iron Rod Set
- CMS= Concrete Monument Set
- PP= Power/Utility Pole
- MH= Sewer Manhole
- WM= Water Meter
- FH= Fire Hydrant
- S/T= Sewer Tap



Vicinity Map - Not to Scale

Notes: This map is not prepared for recording in accordance with GS 47-30.
Area by coordinate method.
Contours interval at one foot, based on assumed elevation.
The property shown hereon lies within Zone X, minimal flood hazard area, per ncloadmaps.com.
All distances shown hereon are horizontal ground distances unless otherwise noted.
Subject property is currently zoned RS-1.

Reference: Map Book 1, Sect. 1, Page 1
Book 5230 Page 276
Moore County Registry

Roland & Thelma Short

Barbara B. Morrison
Deed Book 504 Page 144

Barbara B. Morrison
Book 2087 Page 47

Wanda McDonald Cox
Book 2057 Page 39

This document was originally issued and sealed by Emmett S. Raynor, PLS L-2521 on 06.14.2022. This media shall not be considered a certified document.

****Preliminary Map****
Not for recording, conveyances or sales.

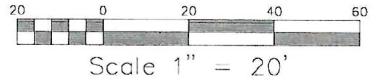
I hereby certify that this map was drawn by me from my actual field survey (deed description recorded in Book ? Page ?; that the boundaries not surveyed are indicated as drawn from information in Book ? Page ?; that the ratio of precision is better than 1:7500; and that this map meets the requirements of the Standards of Practice for Land Surveying in North Carolina (21 NCAC 56.1600).

This ____ Day of _____, 2022.

Emmett S. Raynor, PLS L-2521

Emmett S. Raynor, PLS
265 East Connecticut Avenue
Southern Pines, NC 28387
Office (910) 295-1703

Owner Address:
Moore HL Properties, Inc.
55 Walnut Creek Road
Pinehurst, NC 28374



DRAWN BY: ESR	REVISIONS	PROJECT	SHT. NAME	SHT. NO.
DATE: June 14, 2022		Survey of the Southern Portions of	The Property of	
DWG: 520-Petty-Duncan.dwg		Lots 73, 75 & 77 as shown in the	Moore HL Properties, Inc.	
		Subdivision Plan of Lots 31-42, Edgemore Heights	Page 10 of 12	
		McNeill Township, Moore County,		
		Excluding Unsubdivided Parcel, Being the Northwest Half of Petty Street (formerly Ridge Street)		

AX-06-22 Petty Street

December 2022 Town Council

**TOWN OF SOUTHERN PINES RESOLUTION #1036
SETTING DATE OF PUBLIC HEARING FOR ANNEXATION APPLICATION
AX-06-22: Petty Street**

WHEREAS, a petition requesting annexation of an area described herein has been received; and

WHEREAS, the Town Council has by resolution directed the Town Clerk to investigate the sufficiency thereof; and

WHEREAS, certification by the Town Clerk as to the sufficiency of said petition has been made;

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Southern Pines, North Carolina:

Section 1. That a public hearing on the question of annexation of the area described herein will be held at the Douglass Community Center at 6:00 pm on December 13, 2022.

Section 2. The area proposed for annexation is described as follows:

Property Owners/Applicants:

Moore HL Properties, Inc./ Dewey T. Holderfield
55 Walnut Creek Road
Pinehurst, NC 28374

Property Identification Number (PIN) and Parcel Identification:

PIN: 858220804642; PARID: 00032386

PIN: 858220805642; PARID: 20020514

Size of Property:

Total Acreage: 0.56 acres

Meets & Bounds Description:

A certain tract, parcel or parcels of land situated in McNeill Township, Moore County, near Southern Pines, North Carolina, fronting and lying on the north side of Duncan Road (S.R. 2031) and the west side of the abandoned right-of-way of Petty Street, and being further described by metes and bounds as follows:

BEGINNING at an iron rod found in the north right-of-way line of Duncan Road where it intersects with the centerline of the (abandoned) Petty Street, said rod being the westernmost corner of that parcel described in Book 2067, Page 39, in the Moore County Registry, said rod also being the southernmost corner of that parcel of said (abandoned) Petty Street described in Book 5230, Page 276;

running thence from said beginning corner with the north right-of-way line of Duncan Road North 43°03'51" West a distance of 25.61 feet to concrete monument found, said monument being the South corner of Lot 77;

thence continuing with the north right-of-way line of Duncan Road, North 43°50'17" West a distance of 50.67 feet to an iron rod found, said rod being the common corner of Lot 77 and Lot 75;

then continuing with the north right-of-way line of Duncan Road North 43°50'17" West a distance of 50.88 feet to an iron rod found, said rod being the common corner of Lot 75 and Lot 73;

thence continuing with the north right-of-way line of Duncan Road North 43°50'17" West a distance of 50.88 feet to a concrete monument found, said monument being the common corner of Lot 73 and Lot 71;

thence with the common line of said Lot 73 and Lot 71 North 35°28'59" East a distance of 122.21 feet to a concrete monument found, said monument being the common corner of Lot 73 and Lot 73A situate in the southeast line of Lot 71;

thence with the common line of Lot 73 and Lot 73A South 54°27'20" East a distance of 50.00 feet to an iron rod found, said being the common corner of Lot 73, Lot 73A, Lot 75A and Lot 75;

thence with the common line of Lot 75 and Lot 75A south 54°27'20" East a distance of 50.00 feet to an iron rod found, said iron rod being the common corner of Lot 75, Lot 75A, Lot 77A and Lot 77;

thence with the common line of Lot 77 and Lot 77A South 54°27'20" East a distance of 49.98 feet to a concrete monument found, said monument being the common corner of Lot 77, Lot 77A situate in the (original) northwest right-of-way line of Petty Street, said rod also being a corner of the aforementioned parcel of the (abandoned) Petty Street;

thence with the northeast line of the aforementioned parcel South 54°27'20" East a distance of 25.18 feet to the common corner of the aforementioned parcel and that parcel described in Book 2067, Page 47, situate in the northwest line of that parcel described in Book 2067, Page 39;

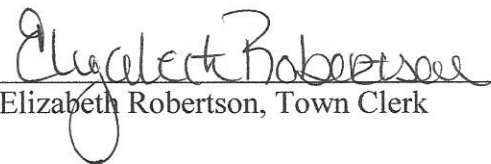
thence with the common line of said parcels, South 35°34'57" West a distance of 155.35 feet to the BEGINNING, containing 24,244 square feet, and being all of that land described in Book 5230, Page 276, in the Moore County Registry.

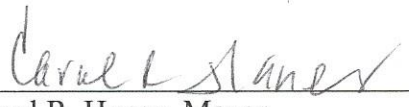
Section 3. Notice of said public hearing shall be published in The Pilot, a newspaper having general circulation in the Town of Southern Pines, at least ten (10) days prior to the date of said public hearing.

Adopted this 15th day of November, 2022.

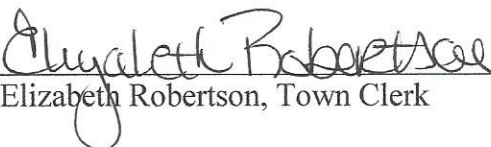
ATTEST:

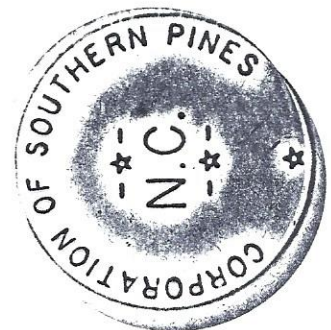
TOWN OF SOUTHERN PINES


Elizabeth Robertson, Town Clerk


Carol R. Haney, Mayor

I certify that this resolution was adopted by the Town Council of the Town of Southern Pines at its meeting of November 15, 2022 as shown in the minutes of the Town Council for that date.


Elizabeth Robertson, Town Clerk



**TOWN OF SOUTHERN PINES ORDINANCE #2044
TO EXTEND THE CORPORATE LIMITS OF THE TOWN OF SOUTHERN PINES,
NORTH CAROLINA AX-06-22; Petty Street**

THAT WHEREAS, the Town Council has been petitioned under G.S. 160A-31 as amended to annex the area described herein; and

WHEREAS, the Town Council has by resolution directed the Town Clerk to investigate the sufficiency of said petition; and

WHEREAS, the Town Clerk has certified the sufficiency of said petition and a public hearing on the question of this annexation, AX-05-22, was scheduled to be held in regular session of the Town Council at the Douglass Community Center at 6:00 P.M. on the 8th day of November, 2022 after due notice by publication on December 3, 2022; and

WHEREAS, after the completion of said public hearing and upon consideration of any comments, objections or presentation at that hearing, and

WHEREAS, based on the certification of the Town Clerk and other information presented at said hearing, Council finds it proper and in the best interest of the Town to annex the following parcel according to the requirements of G.S. 160A-31:

A certain tract, parcel or parcels of land situated in McNeill Township, Moore County, near Southern Pines, North Carolina, fronting and lying on the north side of Duncan Road (S.R. 2031) and the west side of the abandoned right-of-way of Petty Street, and being further described by metes and bounds as follows:

BEGINNING at an iron rod found in the north right-of-way line of Duncan Road where it intersects with the centerline of the (abandoned) Petty Street, said rod being the westernmost corner of that parcel described in Book 2067, Page 39, in the Moore County Registry, said rod also being the southernmost corner of that parcel of said (abandoned) Petty Street described in Book 5230, Page 276;

running thence from said beginning corner with the north right-of-way line of Duncan Road North 43°03'51" West a distance of 25.61 feet to concrete monument found, said monument being the South corner of Lot 77;

thence continuing with the north right-of-way line of Duncan Road, North 43°50'17" West a distance of 50.67 feet to an iron rod found, said rod being the common corner of Lot 77 and Lot 75;

then continuing with the north right-of-way line of Duncan Road North 43°50'17" West a distance of 50.88 feet to an iron rod found, said rod being the common corner of Lot 75 and Lot 73;

thence continuing with the north right-of-way line of Duncan Road North 43°50'17" West a distance of 50.88 feet to a concrete monument found, said monument being the common corner of Lot 73 and Lot 71;

thence with the common line of said Lot 73 and Lot 71 North 35°28'59" East a distance of 122.21 feet to a concrete monument found, said monument being the common corner of Lot 73 and Lot 73A situate in the southeast line of Lot 71;

thence with the common line of Lot 73 and Lot 73A South 54°27'20" East a distance of 50.00 feet to an iron rod found, said being the common corner of Lot 73, Lot 73A, Lot 75A and Lot 75;

thence with the common line of Lot 75 and Lot 75A south 54°27'20" East a distance of 50.00 feet to an iron rod found, said iron rod being the common corner of Lot 75, Lot 75A, Lot 77A and Lot 77;

thence with the common line of Lot 77 and Lot 77A South 54°27'20" East a distance of 49.98 feet to a concrete monument found, said monument being the common corner of Lot 77, Lot

77A situate in the (original) northwest right-of-way line of Petty Street, said rod also being a corner of the aforementioned parcel of the (abandoned) Petty Street;
thence with the northeast line of the aforementioned parcel South 54°27'20" East a distance of 25.18 feet to the common corner of the aforementioned parcel and that parcel described in Book 2067, Page 47, situate in the northwest line of that parcel described in Book 2067, Page 39;
thence with the common line of said parcels, South 35°34'57" West a distance of 155.35 feet to the BEGINNING, containing 24,244 square feet, and being all of that land described in Book 5230, Page 276, in the Moore County Registry.

A map of the area herein described is provided with this Ordinance as Attachment A.

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Town Council of the Town of Southern Pines, North Carolina in regular session this 13th day of December, 2022:

Section 1. By virtue of the authority granted by G.S. 160A-31, as amended, the above described territory is hereby annexed and made part of the Town of Southern Pines as of the 13th day of December, 2022.

Section 2. Upon and after the 13th day of December, 2022 the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the Town of Southern Pines and shall be entitled to the same privileges and benefits as other parts of the Town of Southern Pines. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10.

Section 3. The Mayor of the Town of Southern Pines shall cause to be recorded in the office of the Register of Deeds of Moore County, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 hereof. Such a map shall also be delivered to the County Board of Elections as required by G.S. 163-288.1.

Section 4. This Ordinance shall be and remain in full force and effect from and after the date of its adoption.

Adopted this 13th day of December, 2022.

ATTEST:

TOWN OF SOUTHERN PINES

Elizabeth Robertson, Town Clerk

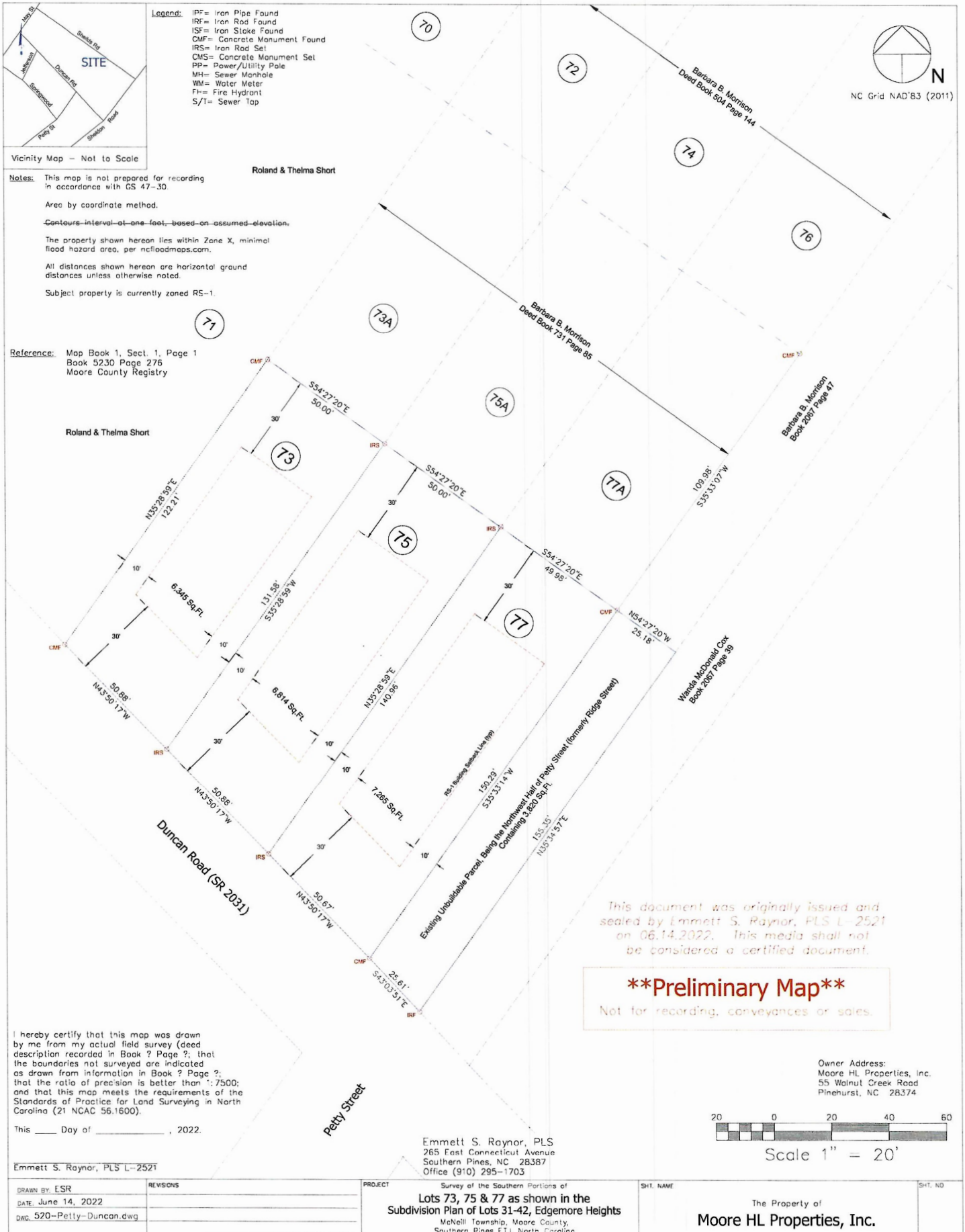
Carol R. Haney, Mayor

APPROVED AS TO FORM:

DeWitt McCarley, Town Attorney

I certify that this Ordinance was adopted by the Town Council of the Town of Southern Pines at its meeting on December 13, 2022 as shown in the Minutes of the Town Council for that date.

Elizabeth Robertson, Town Clerk



COUNTY OF MOORE
STATE OF NORTH CAROLINA

I swear that this is a true and accurate copy of Ordinance #2044 extending the corporate limits of the Town of Southern Pines adopted on December 13, 2022 (AX-06-22).

Elizabeth Robertson, Town Clerk

Date

DRAFT

Agenda Item

To: Planning Board

Via: BJ Grieve, Planning Director

From: Alaina Mallette, Senior Planner

Subject: Z-02-22: Rezoning of 13.81 acres on Equestrian Road presently zoned FRR (Facilities, Resource, and Recreation) to RE (Rural Estate); Applicant: RJ Property Holding, LLC

Date: December 13, 2022

I. SUMMARY OF APPLICATION REQUEST

Mr. Brandon Goodman, on behalf of RJ Property Holding, LLC, has submitted a request to establish a rezoning of a single 13.81-acre parcel from FRR (Facilities, Resource, and Recreation) to RE (Rural Estate) in the extra-territorial jurisdiction (ETJ). The subject parcel was owned by the North Carolina State University Veterinary and Equestrian research center (a public entity) and was sold to RJ Property Holding, LLC (a private entity). The subject parcel is located on the south side of Equestrian Road, which is off of U.S. Route 1. Due to the proximity to U.S. Route 1, a portion of the parcel also falls within the Urban Transition Highway Corridor Overlay District (See Figure 1 and Figure 2). According to County and Town Official Zoning Maps, this rezoning will divide a single lot into two districts, which triggers consistency with UDO § 3.4.3(B). However, the applicant claims that the tax parcel boundaries are incorrect. Both the applicant and planning staff are researching this discrepancy. Adjacent properties are FRR, Rural Equestrian, residential, and a General Business Conditional District.

II. PLANNING BOARD RECOMMENDATION

On November 17, 2022, the Town of Southern Pines Planning Board convened to hold a legislative public hearing regarding application Z-02-22. The public hearing was concluded on the same day, with public comments from Brandon Goodman, the applicant.

Planning staff presented a brief description of the purpose and process of an initial zoning, per UDO §2.17.9. Planning staff provided a summary of the contents of this staff report, describing the existing and proposed zoning and applicable portions of the Comprehensive Long-Range Plan (CLRP), as well as a boundary discrepancy that was discovered between the deed, the metes-and-bounds description and professional survey, and the county tax parcel boundaries used for the county and town's official zoning maps. The Planning Board discussed the 5-acre minimum lot size in the RE zone, the 10-acre minimum lot size for keeping horses, and asked clarifying questions regarding the boundary discrepancy. Planning staff concluded by explaining the criteria for consideration of an initial zoning request as well as suggesting a format for a motion by the Planning Board in order to provide a written recommendation to the Town Council.

Following staff's comments, Mr. Brandon Goodman, the applicant, spoke to the Planning Board. Mr. Goodman stated that corrections would be made to the deed to reflect the 13.81-acre parcel rather than the 16.84 acres stated in the deed provided at the time of the application. He stated that the surveyor researched the reason for the 3.03-acre discrepancy, and that the surveyor believes the parcel might have lost 3.03 acres when U.S Route 1 was expanded. Mr. Goodman addressed the driveway access issue to the building that used to be the North Carolina State University Veterinary and Equestrian research center by claiming that a new access driveway will be paved on the adjacent property, thus eliminating any future easement requirements. Mr. Goodman expressed the property owner's interest to using the existing stables and paddocks for residential horse stables and related purposes.

Planning staff assured the Planning Board that its staff were working closely with Moore County staff and the applicant to address the zoning boundary discrepancy and that the discrepancy should not impact the ability of this rezoning application to move forward through our UDO-designated rezoning process.

After closing the public hearing, a motion was made by Mr. Cooper Carter which was seconded by Ms. Diane Westbrook. The motion stated that after reviewing the proposed amendments to the Town of Southern Pines Zoning Map and after considering the criteria for approval of Zoning Map Amendments found in UDO §2.17.9, the proposed amendments are consistent with the Comprehensive Long-Range Plan. The reasons are set forth in "Attachment 1" to staff report Z-02-22 as revised by the Planning Board and therefore the Planning Board recommends approval of Z-02-22 to the Town Council. The motion carried by a vote of 5-0.

III. PROJECT INFORMATION

A. Physical Address

Beginning at a monument found on the southeasterly highway line of Equestrian Road (S.R. 2124) marking the northwesterly corner of the property now or formerly of RJ Property Holding, LLC and the northeasterly corner of land now or formerly of The Walthour Moss Foundation fronting on Equestrian Road.

Parcel ID: **37131** (PIN **859200896310**)

B. Property Owner/Applicant

RJ Property Holding, LLC
8525 East Pinnacle Peak Road, Suite 135
Scottsdale, AZ 85255

C. Authorized Agent

Brandon Goodman
155 East Indiana Ave.
Southern Pines, NC 28387

D. Existing Zoning

The area proposed to be zoned is located in the ETJ and was previously the North Carolina State University Veterinary and Equestrian research center and is zoned FRR. Note that the subject property is also within the Urban Transition Highway Corridor

Overlay District due to its proximity to U.S. Route 1. The adjacent properties within the Town of Southern Pines zoning jurisdiction are currently zoned RS-2 (Residential Single-Family), RS-3 (Residential Single Family), RR (Rural Residential), RM-1 (Residential Single & Multi-Family), FRR, and NBCD (General Business Conditional District; See Figure 1 and Figure 2 below). The adjacent properties within Moore County zoning jurisdiction are currently zoned Rural Equestrian and also owned by RJ Property Holding, LLC. The County's Rural Equestrian zone is intended to acknowledge what has become known as "Horse Country" in Moore County.

E. Comprehensive Long-Range Plan Designation for Future Land Uses

Within the Town of Southern Pines Comprehensive Long-Range Plan (CLRP), the site is identified to be Parks and Open Space. According to the CLRP, parks and open space *"applies to large parks owned by the Town, tracts of land held as conservation easements, schools with outdoor recreational facilities, publicly owned institutional uses to other parcels prevented from developing into any other use. While neighborhood parks will exist within other land use designations, the parks and open spaces in this category are generally oriented to regional recreation or open space preservation."*

Figure 1: Vicinity Zoning Map and Highway Corridor Overlay with 2019 Aerial Basemap (approximate boundaries of proposed map amendment are outlined in red).



Figure 2: Subject Property as of October 28, 2022, with Approximate Boundaries of Proposed Map Amendment (in Red).



IV. STAFF REVIEW

1. Review Process

When reviewing an application for zoning, the hearing bodies (Planning Board and Town Council) shall consider and be guided by the following criteria, as set forth in UDO §2.17.9 and outlined below.

2. Application Review Dates

Application Submitted: **September 26, 2022**

Application Complete: **September 29, 2022**

Planning Board Public Hearing Notice: **October 27, 2022**

Planning Board Regular Meeting: **November 17, 2022**

- The Planning Board held a public hearing for this request. The meeting provided an opportunity to hear comment from any member of the public on this legislative matter.
- Notices of the Planning Board's public hearing were posted, mailed and published as required by the UDO.

Town Council Agenda Meeting: **December 7, 2022**

Town Council Regular Meeting: **December 13, 2022**

- The Town Council will hold a public hearing for this request. The meeting will provide an opportunity to hear comment from any member of the public on this legislative matter.
- Notices of the Town Council's public hearing were posted, mailed and published as required by the UDO.

3. Staff Consistency Evaluation Based on Criteria for the Rezoning of Subject Parcel for Zoning Map Amendment Review per UDO § 2.17.9

(A) **Consistency.** *Rezoning shall be consistent with the adopted Comprehensive Plan.*

Consistency with the CLRP has been reviewed by looking at the document itself as well as existing allowed uses in the FRR zone, the potential new allowed uses in the proposed RE zone, and what is shown in the Future Land Use Map. A list of land uses that are allowed in RE, but not in FRR (and vice versa) can be found in bullet point "(H) Applicant Representations" below. Staff have provided comments below regarding the rezoning consistency with the CLRP.

- The CLRP identifies one vision that the proposed map amendment *may* complement, depending on future development in the proposed RE zone: *Natural resources will be protected, with sustainable growth and development.*
- The proposed zoning map amendment *may* prove to be consistent with Goal 5 (*Retain the aesthetic and functional characteristics of Horse Country*) and Policy 5 (*Ensure new growth and development in Horse Country is compatible with existing Horse Country use and design characteristics...*) of the CLRP. The applicant claims that the proposed map amendment would be consistent with this goal and policy, as argued in their narrative on UDO

§ 2.17.9 attached. The applicant further claims that the rezoning would maintain the rural appearance of Horse Country as a low-density, open-space, 13.81-acre zone.

- However, UDO Exhibit 4-1 (footnote #4) requires a 10-acre minimum lot size for keeping horses, this proposed map amendment would only be able to have one lot keeping horses due to the size, which is 13.81 acres. Though, the property would be able to allow a horse track, which is not allowed in the current FRR zone.
- The proposed zoning map amendment from FRR to RE *may* address a land use issue identified in the CLRP: *Establishing compatible transitions between uses*. RE and FRR allows for similar intensity of land uses as opposed to a higher intensity mixed use or commercial use, especially as one enters the ETJ from the Moore Country zoning jurisdiction.
- Within the Town of Southern Pines CLRP, the future use of the subject property is identified to be Parks and Open Space, which does show inconsistency with the rezoning request. However, similar to the previous comment, RE is closer to “open space” than other zones which authorize more intensive uses.

(B) Adverse Impacts on Neighboring Lands. *The Hearing Body shall consider the nature and degree of an adverse impact upon neighboring lands. Lots shall not be rezoned in a way that is substantially inconsistent with the uses of the surrounding area, whether more or less restrictive. The Town finds and determines that vast acreages of single-use zoning produces uniformity with adverse consequences, such as traffic congestion, air pollution, and social alienation. Accordingly, rezonings may promote mixed uses subject to a high degree of design control.*

As mentioned, the property is located in the town’s ETJ and is adjacent to the county’s jurisdiction.

- Properties within the town’s ETJ that are adjacent to the subject property are zoned FRR (Facilities, Resource, and Recreation), RM-1 (Residential Multi-Family Medium Density), RS-2 (Residential Single-Family), RS-3 (Residential Single-Family), RR (Rural Residential), and NBCD (Neighborhood Business Conditional District).
- Neighboring properties in the county’s jurisdiction are owned by the same property owner as the subject property and are zoned Rural Equestrian.
- The subject property’s proposed rezone of RE (Rural Estate) is consistent with the existing neighborhood character and the character of neighboring parcels in Moore County’s zoning jurisdiction.

(C) Suitability as Presently Zoned. *The Hearing Body shall consider the suitability or unsuitability of the Tract for its use as presently zoned. This factor, like the others, should be weighed in relation to the other standards, and instances can exist in which the land may be rezoned to meet public need, to reflect substantially changed conditions in the neighborhood, or to effectuate important goals, objectives and policies of the Comprehensive Plan or UDO.*

- The present zone, FRR, is a suitable classification for the tract considering that it is located next to the Walthour-Moss Foundation—which is 2,420 acres dedicated to horse trails, silviculture, and environmental preservation—and the Future Land Use is Parks and Open Space. Note that FRR zones are classified in the UDO as non-residential while RE zones are considered residential, though non-residential uses are authorized in RE zones.
- Note that the subject property is also within the Urban Transition Highway Corridor Overlay District due to its proximity to U.S. Route 1. The highway corridor overlay districts are intended to place special land development controls on land adjacent to major highway corridors to protect environmental features (i.e., physical, aesthetic, recreational, and economic assets). The standards overlay standards established in the underlying zoning district except for single-family lots, which may be developed according to the standards of the underlying zoning district without being considered non-conforming situations.

*(D) **Health, Safety, and Welfare.** The amending ordinance must bear a substantial relationship to the public health, safety or general welfare, or protect and preserve historical and cultural places and areas. The rezoning may be justified, however, if a substantial public need or purpose exists, even if the private owner of the Tract will also benefit.*

- The potential new land uses allowed in RE would be compatible with the protection of Horse Country as a cultural landscape, depending on the intensity of any proposed future uses.
- No other health, safety, or welfare concern has been identified based on the information that was provided in the application.

*(E) **Public Policy.** Certain public policies in favor of the rezoning may be considered. Examples include a need for affordable housing, economic Development, mixed-use Development, or sustainable environmental features, which are consistent with neighborhood, area, or specific plans.*

- See comments under “(A) Consistency.”

*(F) **Size of Tract.** The Hearing Body shall consider the size, shape, and characteristics of the Tract in relation to the affected neighboring lands. Amendatory ordinances shall not rezone a single Lot when there have been no intervening changes or other saving characteristics. Proof that a small Tract is unsuitable for use as zoned, or that there have been substantial changes in the immediate area, may justify ordinance rezoning.*

- The rezoning is for a single lot, the ownership of which has substantially changed recently. The lot was originally public property owned by North

Caroline State University, but has since switched ownership to a private entity, which precipitated the rezoning request.

*(G) **Other Factors.** The Hearing Body may consider any other factors relevant to a rezoning application under state law.*

- Basic commercial services such as medical offices, grocery stores, eateries, coffee, schools and fitness centers exist between four and seven miles away with the closest services in the downtown area.
- According to North Carolina Department of Environmental Quality Division of Water Resources' interactive online map, the water supply is labeled as Little River (Intake no. 2) with a classification of Water Supply III that is used for drinking, culinary, and food processing and is protected for Class C uses. According to UDO Exhibit 3-14, "New Development shall be limited to two (2) Dwelling Units per acre or twenty-four (24) percent built-upon area. If the new Development exceeds either of these thresholds the project may apply for the 5/70 exemption."

*(H) **Applicant Representations.** Except for rezoning requests submitted in accordance with the provisions herein for conditional zoning districts, the Hearing Body shall not consider any representations made by the petitioner that, if the change is granted, the rezoned property will be used for only one of the possible range of uses permitted in the requested classification. Rather, the Hearing Body shall consider whether the entire range of permitted uses in the requested classification is more appropriate than the range of uses in the existing classification.*

- FRR zoning district is meant, primarily, for open space, public facilities, and privately-owned recreation areas while RE is established as a district in which the principal use of land is for low-density residential purposes and for horse farms, horse stables, and related activity purposes. However, there is much overlap between allowed uses in both zones. The boards should consider the full range of possible uses in the proposed new zone. The authorized uses (either permitted by-right, allowed with supplemental standards, or as conditional uses) that differ between the two zones are as follows:
 - i. **RE (Rural Estate) authorizes, but FRR (Facilities, Resource, and Recreation) does not authorize:** single-family detached dwelling; class a single-family manufactured home; accessory dwelling; assisted-living board and care and adult care group homes; bed and breakfast home or inn; animal services and boarding; telephone and other wired tele-communications; natural gas service; water service; horse track; camps, camping, and related establishments such as trailer parks; nursing, supervision and other rehabilitative services; cemetery accessory to religious institution; animal production (e.g., cattle ranch, poultry production, horses);

forestry and logging; fishing, hunting, and trapping; home occupations; or conservation subdivision; while

- ii. **FRR (Facilities, Resource, and Recreation) authorizes, but RE (Rural Estate) does not authorize:** markets for farm produce or crafts; air transportation uses; courier and messenger services; towers and antennas taller than 50 ft; electric substations; drinking water; solid waste collection; waste treatment and disposal; wastewater treatment plants; historical or archeological institution; zoos, botanical gardens, arboreta; private golf course; golf course resort; middle, junior, senior, high schools; college or university; or free-standing cemetery.

4. General Staff Comments

- In the FRR zone, there is no minimum lot size and the minimum lot size in RE is five (5) acres.
- There is a zoning boundary discrepancy between Moore County tax parcel data—used for Town and County Official Zoning Maps—and the applicant’s corrected deed (including metes-and-bounds legal description and sealed survey) that is provided in “Attachment 4.” Planning staff and the applicant are researching the ETJ expansion to identify what boundaries were recorded when the subject parcel was included in the ETJ.
 - (1) If the full 16.84 acres as shown in Moore County’s current tax parcel data and the County and Town’s Official Zoning Maps are within Southern Pines’ ETJ, then this rezoning will divide a single parcel into two districts, which triggers consistency with UDO § 3.4.3(B), in this case, which states *whenever a single Lot greater than two (2) acres in size is located within two (2) or more different zoning districts, then:*
 - *If each portion of the Lot located within a separate district is equal to or greater than the minimum Lot size for that district, then each portion of the Lot shall be subject to all regulations applicable to the district in which it is located.*
 - *If any portion of the Lot located within a separate district is smaller than the minimum Lot size for that district, then such smaller portion shall be regarded as if it were in the same zoning district as the nearest larger portion to which it is attached.*
 - (2) If the full 16.84 acres as shown in Moore County’s current tax parcel data and the County and Town’s Official Zoning Maps are within the Southern Pines’ ETJ, then the portion of the lot that would remain (3.03 acres) would be zoned FRR and include the previous North Carolina State University’s equestrian center. Veterinary and/or pet/animal sales/services are not authorized in the FRR zone, but per UDO § 3.5.13(C), *existing uses within the FRR district that*

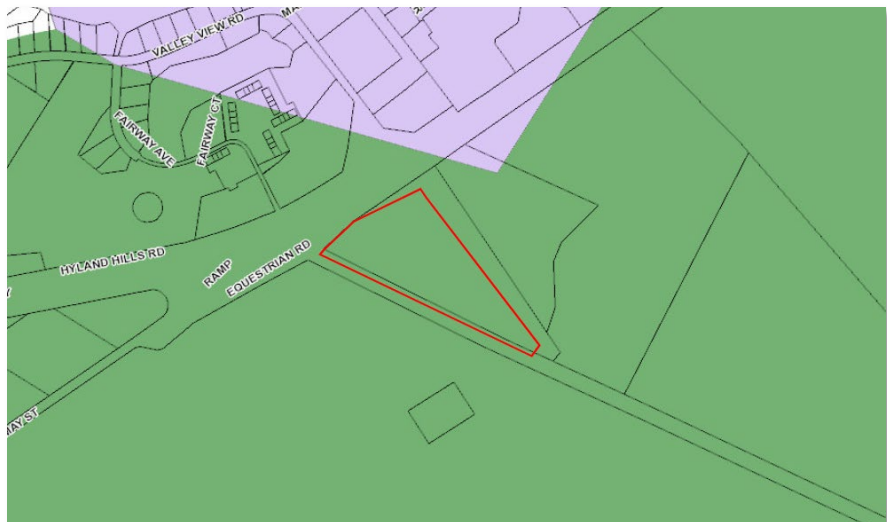
are not authorized by right may be allowed to continue as non-conforming uses or allowed to achieve conforming status subject to issuance of a Special Use Permit.

- (3) If the 3.03-acre portion of the parcel in question is, in fact, part of Moore County jurisdiction, then neither bullet point (1) or (2) above would apply.
- Furthermore, access to the nonconforming use that was previously the North Carolina State University Veterinary and Equestrian research center may require an easement or other acceptable and appropriate solution, such as paving a new driveway.

5. Outside Agency Comments

- A request for comments was emailed to agencies on October 26, 2022. Agencies notified include Town of Southern Pines Streets, Utilities, Fire, Recreation and Parks, and Engineering departments, the Regional Land Use Advisory Commission (RLUAC), United States Fish and Wildlife Services (US FWS), the Moore County Airport, and the North Carolina Department of Transportation (NCDOT).
- On October 26, 2022, the Town of Southern Pines Utilities Department did not have any comments on this zoning map amendment.
- On November 1, 2022, NCDOT did not have any comments on this zoning map amendment.
- On November 6, 2022, RLUAC determined that the parcel is classified as “Critical to Protect in the Fort Bragg Compatible Use Rating System” due to the presence of active red-cockaded woodpecker foraging areas on the site. Fort Bragg’s environmental protection obligations leads them to discourage any cumulative loss of active red-cockaded woodpecker habitat outside their installations as a loss of habitat elsewhere may lead to greater restrictions or limitations within their installations, which would constrain their training capabilities.

Figure 3: Subject Property with Approximate Boundaries of Proposed Map Amendment (in red) and Active and Inactive Red-Cockaded Woodpecker Foraging Areas (in green and purple, respectively).



6. Staff Recommendation

Planning staff recommend that the hearing bodies approve the rezoning request for Parcel ID 37131 from FRR to RE with the acknowledgement of the RLUAC comments urging that the property be professionally surveyed and monitored following U.S. Fish and Wildlife guidelines for the red-cockaded woodpecker prior to any development approvals or determinations. If approved, the CLRP Future Land Use Map should be updated accordingly pursuant to NCGS 160D-605(a).

V. ATTACHMENTS

The following materials are provided as attachments to this staff memorandum:

1. Signed Planning Board Resolution Adopting a Written Recommendation for the Zoning Map Amendment Application
2. Zoning Map Amendment Application
3. List of Adjacent Property Owners
4. Deed, Quit Claim Deed, Legal Description of Metes and Bounds, and Sealed Survey of the Subject Property
5. Narrative for Proposed Amendment
6. Agency Comments (all)

Additional documents related to this application including (but not limited to) property deeds, Authorization of Agent forms, email correspondence, meeting minutes and adjacent property notification records are on file in the Town of Southern Pines Planning Office and available for public inspections during normal business hours.

VI. TOWN COUNCIL ACTION:

A request for a zoning map amendment approval is a request for a rezoning. Per North Carolina General Statute 160D-601(a), before adopting the rezoning, the Town Council shall hold a legislative hearing. Per North Carolina General Statute 160D-605(a) the Town Council shall also approve a statement addressing consistency or inconsistency with the Comprehensive Long-Range Plan. Furthermore, per North Carolina General Statute 160D-605(b), the Town Council must also approve a statement about the reasonableness of the rezoning and shall approve a brief statement describing whether its action is consistent with an adopted comprehensive plan.

To assist the Town Council, town staff have prepared the following draft motions consideration, modification as necessary, and adoption:

I move that after reviewing the proposed rezoning and the criteria for consideration of zoning amendments, and after considering the comments received at the Town Council's public hearing and the Planning Board's written recommendation:

1. The requested rezoning is generally consistent with the Comprehensive Long-Range Plan except for the Future Land Use Map designation of Parks and Open Space. However, since the subject parcel switched from publicly owned

institutional uses to private ownership, the requested rezoning is a reasonable request for the reasons set forth in the written Planning Board recommendation attached to staff report Z-02-22;

2. The requested rezoning is generally consistent with the Comprehensive Long-Range Plan except for the Future Land Use Map designation of Parks and Open Space. However, since the subject parcel switched from publicly owned institutional uses to private ownership, the requested rezoning is a reasonable request for the reasons set forth in the written Planning Board recommendation attached to staff report Z-02-22 as modified by Town Council as follows:
 - a.
3. The requested rezoning is inconsistent with the Comprehensive Long-Range Plan and is not a reasonable request for the following reasons:
 - a.

And, therefore, I move to:

1. Approve Z-02-22 as submitted and as set forth in attachments to staff report Z-02-22;
2. Deny Z-02-22;



**PLANNING BOARD
RESOLUTION TO ADOPT A WRITTEN RECOMMENDATION
FOR ZONING MAP AMENDMENT APPLICATION
Z-02-22**

WHEREAS, Section 160D-701 of the North Carolina General Statutes specifies that zoning regulations shall be made in accordance with a comprehensive plan and shall be designed to protect the public health, safety and general welfare; and

WHEREAS, Section 160D-604 of the North Carolina General Statutes specifies that the Planning Board shall, with any ordinance amendment or zoning map amendment, advise and comment on whether the proposed action is consistent with the adopted comprehensive plan and on other matters as deemed appropriate by the Planning Board, and that the Planning Board shall provide this in the form of a written recommendation to the Town Council; and

WHEREAS, the Planning Board has reviewed the proposed rezoning which includes the written report, documentation and maps showing the proposed district boundaries and has conducted a public hearing on November 17, 2022, to listen to public comments, ask questions of the Town's planning staff and consider zoning map amendment application Z-02-22.

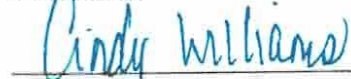
NOW, THEREFORE BE IT RESOLVED that the Planning Board finds and recommends to the Town Council that the proposed amendment to the Town of Southern Pines Zoning Map is reasonable, in the public interest and consistent with the current character of Horse Country. The Planning Board recommends adopting the rezoning request for RE (Rural Estate) on Equestrian Road in the Extra-Territorial Jurisdiction (ETJ) of the Town of Southern Pines. The proposed rezoning is consistent with the text of the Town of Southern Pines Comprehensive Long-Range Plan (CLRP) considering that the parcel has switched from public to private ownership and the RE zone is consistent with Goal 5 (G-5) of the CLRP, "*[To r]etain the aesthetic and functional characteristics of Horse Country.*" However, the rezoning is inconsistent with the Future Land Use Map. Therefore, pursuant to NCGS 160D-605(a), a plan amendment to the CLRP Future Land Use Map and a zoning amendment should be considered concurrently with no additional request or application for a plan amendment required by the applicant. The Planning Board recommends the governing board adopt the rezoning (i.e., zoning amendment) and a plan amendment for Z-02-22.

ADOPTED this the 17th day of November, 2022.



Gary Carroll, Chairman

ATTEST:



Cindy Williams
Secretary to the Planning Board

Zoning Map Amendment (Rezoning)

REQUIRED APPLICATION MATERIALS:

- _____ **Application fee** in the amount of **\$1,500.00**.
- _____ **Completed Application** for a Zoning Map Amendment (Rezoning) signed by the applicant. Please do not leave anything blank and make sure that all of the information provided is correct.
- _____ **Appointment of Agent**, if applicable, signed by the property owner(s) and the agent.
- _____ **List of Adjacent Property Owners**: Please list all properties that are that are within two hundred (200) feet of the outermost boundaries of the subject property (**not counting streets, railroads or other transportation corridors**). Attach additional pages if needed. No fewer than ten (10) property owners shall be notified by mail.
- _____ **Deed** copy to provide proof of ownership and property boundaries.
- _____ **Reasons for proposed amendment**: Explain the need for the proposed changes to the zoning map. Please provide additional text and/or maps to demonstrate consistency with the approval criteria listed in **UDO §2.17.9 Criteria for Zoning Map Amendments**. The list of criteria is attached.
- _____ **Survey** of the subject property.
- _____ **Written metes and bounds description** of the subject property.
- _____ **Site** plan, if applicable
- _____ **Electronic copy (PDF) of all application materials** submitted to plan@southernpines.net.

PLEASE SUBMIT ONLY ONE (1) COMPLETE SET OF ALL MATERIALS.

REVIEW AND APPROVAL:

1. **Staff review**: Planning staff will review the application and notify the applicant if additional materials are needed.
2. **Public hearings**: The applicant is expected to attend a public hearing on the application before the Planning Board followed by a public hearing before the Town Council the following month. (Please refer to the **Application Processing Timeline** to determine the hearing dates.) The Planning Board will recommend approval, conditional approval or denial to the Town Council. The Town Council will consider that recommendation, as well as evidence and testimony presented, and approve, conditionally approve or deny the rezoning request.
3. **Approval**: The approval of an amendment to the UDO text or Zoning Map does not authorize the use, occupancy, or development of property until the applicant receives necessary development approvals, such as subdivision, site plan and building permits. (UDO §2.17.12)



Zoning Map Amendment Application

Fee: \$1,500.00

Date Received: _____

Case No.: Z-____-____

Project Information:

Street Address: RJ Property Holding, LLC

PIN: 859200896310 Parcel ID: 00037131

Site Size: 13.81 ac Zoning: Current: FRR Proposed: RE

Applicant:

Name(s): RJ Property Holding, LLC

Email: jerry@spensagroup.com Phone: 952.456.1234

Mailing Address: 8525 East Pinnacle Peak Road, Suite 135

Authorized Agent, if different from Applicant:

Name(s): Brandon Goodman

Email: brandon.redbrand@gmail.com Phone: 910.334.1330

Mailing Address: 155 East Indiana Ave. Southern Pines, NC 28387

Legal Property Owner(s), if different from Applicant:

Name(s): _____

Email: _____ Phone: _____

Mailing Address: _____

1/12/22

TO THE TOWN OF SOUTHERN PINES PLANNING BOARD AND TOWN COUNCIL:

I, the undersigned, do hereby make application to and petition the Planning Board and Town Council to grant a zoning map amendment as required by the Town of Southern Pines Zoning Ordinance. The following information is submitted in support of this application:

The property which is the subject of this application is located on the South side of Equestrian Rd (S.R. 2124) (St./Ave.), between Mile Away Ln (St./Ave.) and Youngs Rd (St./Ave.). The property has a frontage of +/- 781 feet and a depth of +/- 1537 feet.

The zoning map amendment sought is based upon Section(s) 3.5.1 of the **Town of Southern Pines Unified Development Ordinance**. The proposed use of the property is as follows:

Rural Estates (RE) The principal use of land is for low density residential and for horse farms, horse stables, and related activity purposes.

Date: 9/20/22


Applicant
Neil Schulth

**PLANNING DEPARTMENT
TOWN OF SOUTHERN PINES
801 SE Service Road, Southern Pines, NC 28387
plan@southernpines.net (910) 692-4003 www.southernpines.net**

1/12/22

APPOINTMENT OF AGENT

The undersigned owner(s), Jerry Schwalbach, hereby appoint(s) Brandon Goodman as the exclusive agent for the purpose of making an application to the Town of Southern Pines for a Zoning Map Amendment for a rezoning of the property described in the attached application. The owner(s) hereby agree(s) that this agent has the authority to act for and on behalf of the owner(s) as follows:

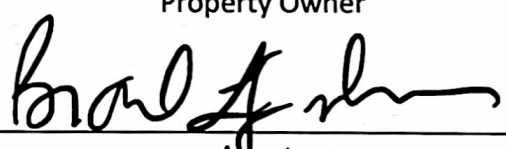
1. to submit an application and required supplemental materials;
2. to appear at public meetings and give representation and comments on behalf of the owner(s);
3. to accept conditions or recommendations made by the Town of Southern Pines Planning Board and Town Council for a Zoning Map Amendment for a rezoning of the subject property; and
4. to act on behalf of the owner(s) without limitations with regard to any and all things directly or indirectly connected with or arising out of any application for a Zoning Map Amendment under the Southern Pines Unified Development Ordinance.

This Appointment of Agent shall remain in effect until final resolution of the attached application.

Signed this 20th day of September, 2022.



Property Owner

Property Owner


Agent

1/12/22

UDO §2.17.9. Criteria for Zoning Map Amendments

In its review of an application for a zoning map amendment, the Hearing Bodies shall consider the following criteria. No single factor is controlling; instead each must be weighed in relation to the other standards.

- (A) **Consistency.** Rezoning shall be consistent with the adopted Comprehensive Plan.
- (B) **Adverse Impacts on Neighboring Lands.** The Hearing Body shall consider the nature and degree of an adverse impact upon neighboring lands. Lots shall not be rezoned in a way that is substantially inconsistent with the uses of the surrounding area, whether more or less restrictive. The Town finds and determines that vast acreages of single-use zoning produces uniformity with adverse consequences, such as traffic congestion, air pollution, and social alienation. Accordingly, rezonings may promote mixed uses subject to a high degree of design control.
- (C) **Suitability as Presently Zoned.** The Hearing Body shall consider the suitability or unsuitability of the Tract for its use as presently zoned. This factor, like the others, should be weighed in relation to the other standards, and instances can exist in which the land may be rezoned to meet public need, to reflect substantially changed conditions in the neighborhood, or to effectuate important goals, objectives and policies of the Comprehensive Plan or UDO.
- (D) **Health, Safety, and Welfare.** The amending ordinance must bear a substantial relationship to the public health, safety or general welfare, or protect and preserve historical and cultural places and areas. The rezoning may be justified, however, if a substantial public need or purpose exists, even if the private owner of the Tract will also benefit.
- (E) **Public Policy.** Certain public policies in favor of the rezoning may be considered. Examples include a need for affordable housing, economic Development, mixed-use Development, or sustainable environmental features, which are consistent with neighborhood, area, or specific plans.
- (F) **Size of Tract.** The Hearing Body shall consider the size, shape, and characteristics of the Tract in relation to the affected neighboring lands. Amendatory ordinances shall not rezone a single Lot when there have been no intervening changes or other saving characteristics. Proof that a small Tract is unsuitable for use as zoned, or that there have been substantial changes in the immediate area, may justify ordinance rezoning.
- (G) **Other Factors.** The Hearing Body may consider any other factors relevant to the rezoning application under state law.

Applicant Representations. Except for rezoning requests submitted in accordance with the provisions herein for conditional use district rezonings, the Hearing Body shall not consider any representations made by the petitioner that, if the change is granted, the rezoned property will be used for only one of the possible range of uses permitted in the requested classification. Rather, the Hearing Body shall consider whether the entire range of permitted uses in the requested classification is more appropriate than the range of uses in the existing classification.

Adjacent Properties

Owner	Parcel ID	PIN
The Walthour-Moss Foundation	40069	950200047999
AKR Properties LLC	38519	859200798828
Windridge Gardens, LLC	20140484	859300804296
Nicholas Williams	40864	859300808771
RJ Property Holding, LLC	97000423	859200992507
RJ Property Holding, LLC	97000424	859200999630

Mailing Address	Town/State
PO Box 1794	Southern Pines, NC 28380
183 Pinetop Drive	Carthage, NC 28327
650 Valley View Road	Southern Pines, NC 28387
329 Brooks Lane	Southern Pines, NC 28387
8525 East Pinnacle Peak Road, Suite 135	Scottsdale, AZ 85255
8526 East Pinnacle Peak Road, Suite 135	Scottsdale, AZ 85256

For Registration Register of Deeds

Judy D. Martin

Moore County, NC

Electronically Recorded

August 12, 2022 9:31:48 AM

Book: 5896 Page: 163 - 167 #Pages: 5

Fee: \$26.00 NC Rev Stamp: \$4,540.00

Instrument# 2022013912

NORTH CAROLINA SPECIAL WARRANTY DEED

Excise Tax: \$4,540.00

Parcel Identifier No. 00037131, 97000423, and 97000424 Verified by _____ County on the _____ day of _____, 20____
By: _____

Mail/Box to: Grantee

This instrument was prepared by: Adams, Howell, Sizemore & Adams, P.A., 1600 Glenwood Ave., Suite 101, Raleigh, NC 27608, without the benefit of title or tax review

Brief description for the Index: Three Tracts; US Highway 1, Southern Pines, North Carolina

THIS DEED made this _____ day of _____, 2022, by and between

GRANTOR

**THE BOARD OF TRUSTEES OF THE
ENDOWMENT FUND OF NORTH CAROLINA
STATE UNIVERSITY**

c/o University Real Estate and Development
Campus Box 7408
Raleigh, NC 27695

GRANTEE

**RJ PROPERTY HOLDING, LLC, a Delaware
limited liability company**

8525 East Pinnacle Peak Road, Suite 135
Scottsdale, AZ 85255

Enter in appropriate block for each Grantor and Grantee: name, mailing address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in Moore County, North Carolina and more particularly described as follows:

See Exhibit A attached hereto and incorporated herein by reference.

All proceeds from the sale and conveyance of this property to the Grantee shall be used for the support of veterinary medicine at North Carolina State University in Raleigh.

The property hereinabove described was acquired by Grantor by instruments recorded in Book 441, Page 757, Book 441, Page 753, and Book 3946, Page 347.

NC Bar Association Form No. 6 © 1977, 2002
Printed by Agreement with the NC Bar Association - 1981

Submitted electronically by "Lorenz & Creed Law Firm PLLC"
in compliance with North Carolina statutes governing recordable documents

All or a portion of the property herein conveyed ☐ includes or ☒ does not include the primary residence of a Grantor.

A map showing the above described property is recorded in Plat Book _____, Page _____.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

AND furthermore the Grantor hereby covenants with the Grantee, that Grantor has done nothing to impair such title as Grantor received, and Grantor will warrant and defend the title against the lawful claims of all persons claiming by, under or through Grantor, other than the following exceptions:

1. Ad valorem taxes for the year 2022 and subsequent years.
2. Any matters that would be disclosed by an updated survey.
3. All other easements, covenants, declarations, restrictions, maps and rights-of-way of record and affecting the property described herein.

THE REMAINDER OF THIS PAGE INTENTIONALLY BLANK

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

GRANTOR:

**THE BOARD OF TRUSTEES OF THE ENDOWMENT
FUND OF NORTH CAROLINA STATE UNIVERSITY**

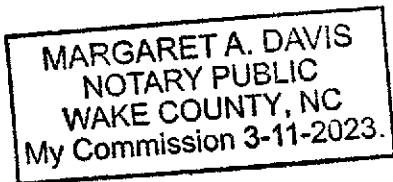
By: Charles Maimone
Charles A. Maimone, Treasurer

State of North Carolina - County of Wake

I, the undersigned Notary Public of the County and State aforesaid, certify that Charles A. Maimone personally came before me this day and acknowledged that he is Treasurer of THE BOARD OF TRUSTEES OF THE ENDOWMENT FUND OF NORTH CAROLINA STATE UNIVERSITY, and that by authority duly given and as the act of such entity he signed the foregoing instrument in its name on its behalf as its act and deed.

Witness my hand and Notarial stamp or seal, this 10 day of August, 2022.

(Affix Seal)



Margaret A. Davis, Notary Public
Notary's Printed or Typed Name
My Commission Expires: 3-11-2023

EXHIBIT A

Legal Description

Tract 1:

BEGINNING at a concrete monument in the southeast right of way line of Highway No. 1, 50 feet from the center of the pavement, said beginning monument being in the northeast line of Lot 156, Edgemore Heights, running thence from the beginning monument with the northeast line of Lot 156, S 32-50 E 1465.15 feet to a concrete monument in the west line of Carroll's Road; thence with the line of Carroll's Road S 44-32 W 71 feet to a concrete monument in the north edge of a fire lane; thence along the north edge of the fire lane N 62-45 W 1707.8 feet to a concrete monument in the southeast line of Highway No. 1; thence with the line of Highway No. 1, N 57-10 E 920.87 feet to the beginning, containing 16.84 acres, more or less, and being a part of Lot 156 and a small part of Lot 155, as shown on a map of "Edgemore Heights", made by Francis Deaton, dated march 28, 1921, and recorded in the Office of the Register of Deeds for Moore County.

The above tract being the same conveyed to The Board of Trustees of the Endowment Fund of North Carolina State University by deed recorded in Book 441, Page 753, Moore County Public Registry.

Tract 2:

BEGINNING at a concrete monument in the northwest line of Carroll's Road, said monument being a common corner of Lots 156 and 157, as shown on a map of Edgemore Heights, made by Francis Deaton, C. E., and recorded in the Office of the Register of Deeds for Moore County, N. C., said monument being the east corner of The N. C. Veterinary Research Foundation 16.84 acre tract, running thence from the beginning with the common line of Lots 156 and 157, N 32-50 W 1272.41 feet to a stake in the south right of way line of Highway Number One; thence N 57-09 E 18.61 feet to a concrete monument, a corner of the right of way; thence continuing with the right of way, a chord of N 00-47 W 94.33 feet to a concrete monument in the right of way; thence with the highway right of way N 57-13 E 151.36 feet to an iron stake, thence S 64-24 E 966.0 feet to a concrete monument in the west line of Carroll's Road; thence with Carroll's Road S 47-50 W 150.0 feet to a point of curve; thence with the curve to the left in a southwesterly direction, having a radius of 358.1 feet and an arc distance of 331.2 feet to its point of tangency; thence S 5-10 E 95.8 feet to a point of curve; thence with the curve to the right in a southwesterly direction a distance along the arc of 366.38 feet with a chord of S 16-45 W 359.33 feet to the beginning, containing 12.46 acres, more or less, being a part of Lot 157, Edgemore Heights, Southern Pines, North Carolina.

The above tract being the same conveyed to The Board of Trustees of the Endowment Fund of North Carolina State University by deed recorded in Book 441, Page 757, Moore County Public Registry.

Tract 3:

BEGINNING at a concrete monument in the northwest edge of Carroll's Road (30 feet wide),

about 300 yards South of U.S. Highway No. 1, said monument being the East corner of a 12.46 acre tract deeded to the Veterinary Research Foundation, running thence from the beginning as the northeast line of the 12.46 acre tract, North 64 degrees 24 minutes West 1098.45 feet to a corner in the right-of-way of U.S. Highway No. 1; thence North 57 degrees 10 minutes East 1551.7 feet to a corner in the right-of-way of U.S. Highway No. 1; thence leaving the said highway, a new line South 42 degrees 52 minutes East 1111.85 feet to a concrete monument; thence South 27 degrees 46 minutes West 1895.89 feet to a concrete monument in the northeast edge of a firelane; thence as the edge of the firelane, North 62 degrees 43 minutes West 629.0 feet to a concrete monument in the northwest line of Carroll's Road; thence as the West line of Carroll's Road, the following calls: North 44 degrees 32 minutes East 71.0 feet to a concrete monument; thence as the West edge of the road as it curves to the left in a northerly direction, a chord of North 16 degrees 45 minutes East 359.33 feet, an arc distance of 366.38 feet to an iron pin in the West line of Carroll's Road; thence continuing as the West edge of the road North 5 degrees 10 minutes West 95.80 feet to an iron pin, a point of curve in the road; thence as the West edge of the road as it curves to the right in a northerly direction, having a radius of 358.10 feet, an arc distance of 331.2 feet to an iron pin; thence continuing as the northwest edge of the road North 47 degrees 50 minutes East 150.00 feet to the beginning, containing 54.01 acres, more or less.

The above tract being the same conveyed to The Board of Trustees of the Endowment Fund of North Carolina State University by deed recorded in Book 3946, Page 347, Moore County Public Registry.

For Registration Register of Deeds

Judy D. Martin

Moore County, NC

Electronically Recorded

November 21, 2022 10:41:51 AM

Book: 5941 Page: 310 - 312 #Pages: 3

Fee: \$26.00

NC Rev Stamp: \$0.00

Instrument# 2022019086

QUIT CLAIM DEED**THIS INSTRUMENT PREPARED BY:**

Margaret A. Lorenz, Esq.
 Lorenz Law Firm, PLLC
 230 N. Bennett Street
 Southern Pines, NC 28387

TO BE RECORDED IN THE
 DEED RECORDS OF
 MOORE COUNTY, NC

Excise Tax: \$ NTCTHIS DEED made this 18 day of Nov, 2022, by and between:

<u>GRANTOR</u>	<u>GRANTEE</u>
RJ Property Holding, LLC, a Delaware Limited Liability Company	RJ Property Holding, LLC, a Delaware Limited Liability Company Tax Address: 8525 East Pinnacle Road, Suite 135, Scottsdale, AZ 85255

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, the Grantor, for valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does remise, release, and forever quitclaim unto Grantee all right, title and interest of Grantor, if any, in and to all that certain lot or parcel of land (referred to in the singular, whether one or more) situated in Moore County, North Carolina, and more particularly described as follows:

See Exhibit "A" attached hereto and incorporated herein by reference for a description of the real property hereby conveyed. The real property described on Exhibit "A" attached hereto is hereby incorporated herein by reference to the same extent as if set forth herein in its entirety.

submitted electronically by "Lorenz & Creed Law Firm PLLC"
 in compliance with North Carolina statutes governing recordable documents
 and the terms of the submitter agreement with the Moore County Register of Deeds.

And being the same property conveyed to Grantor as Tract 1 in instrument recorded in Book 5896, Page 163, in the Moore County, North Carolina, Register of Deeds. THIS DEED IS BEING EXECUTED AND RECORDED TO CONFIRM THE ACREAGE OF THE AFORESAID TRACT IN LIGHT OF UPDATED SURVEYING OF THE PROPERTY. The attorney preparing this instrument has not searched the title to the real property hereby conveyed and makes no opinion relative to the status of the title to the real property hereby conveyed.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee free and discharged from all right, claim or interest of Grantor, if any.

The Grantor makes no warranty, express or implied, as to title to the property hereinabove described.

IN WITNESS WHEREOF, the said Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers by authority of its Board of Directors as of the day and year first above written.

**RJ PROPERTY HOLDING, LLC, a Delaware
Limited Liability Company**

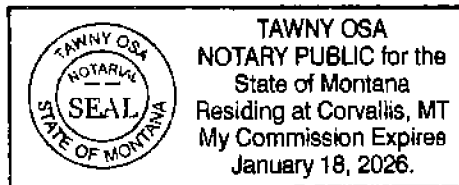
By: *Gerald A. Schwalbach* (SEAL)
GERALD A. SCHWALBACH, MANAGER

STATE OF Montana
COUNTY OF Ravalli

I, Tawny Osa, a Notary Public of the County and State aforesaid, certify that Gerald A. Schwalbach, either being personally known to me or proven by satisfactory evidence (said evidence being Florida Driver License), who is the Manager of RJ Property Holding, LLC, a Delaware limited liability company, personally appeared before me this day and acknowledged that he is Manager of RJ Property Holding, LLC and that as Manager being duly authorized to do so, voluntarily executed the foregoing instrument on behalf of said company for the purposes stated therein.

Date: 11-18-2022

[SEAL]



Tawny Osa
Notary Public

Tawny Osa
Printed or typed name of Notary Public

My commission expires: 01-18-2026

NOTARY PUBLIC: Please place an (X) in the space that describes the method of identifying the principal and (--) in the spaces that do not apply.

Property of RJ Property Holding, LLC

All that certain piece or parcel of land situated in the Town of Southern Pines ETJ, County of Moore, and State of North Carolina depicted as “N/F RJ Property Holding, LLC, Book 5896 Page 163, Tract 1, Parcel ID 00037131, PIN 859200896310, U.S. Highway 1, Southern Pines FRR Zone, Area 601,633 sq.ft. or 13.81 Acres” on a map entitled “Boundary Survey Land of RJ Property Holding, LLC, U.S. Highway 1, Southern Pines, McNeill Township, Moore County, North Carolina, dated 09-20-2022, Sheet 1 of 1 by Craig Foster P.L.S., PLLC”, and more particularly described as follows:

Beginning at a monument found on the southeasterly highway line of Equestrian Road (S.R. 2124) marking the northwesterly corner of property now or formerly of RJ Property Holding, LLC and the northeasterly corner of land now or formerly of The Walthour Moss Foundation fronting on Equestrian Road.

Thence, N 49°46'48" E a distance of 351.78 feet to a NCDOT ROW Monument.

Thence, N 66°13'07 E a distance of 410.53 feet to a NCDOT ROW Monument.

Thence, N 55°21'42" E a distance of 81.39 feet to a point. The last 3 courses being along the southeasterly right of way of Equestrian Road (S.R.2124).

Thence, S 34°44'51" E a distance of 1272.23 feet to a point.

Thence, S42°39'49" W a distance of 71.00 feet to a point marked by a broken monument. The last two courses being along other land of RJ Property Holding, LLC.

Thence, N64°37'11" W along the northeasterly boundary of land now or formerly of The Walthour Moss Foundation a distance of 1536.55 feet to the point and place of beginning

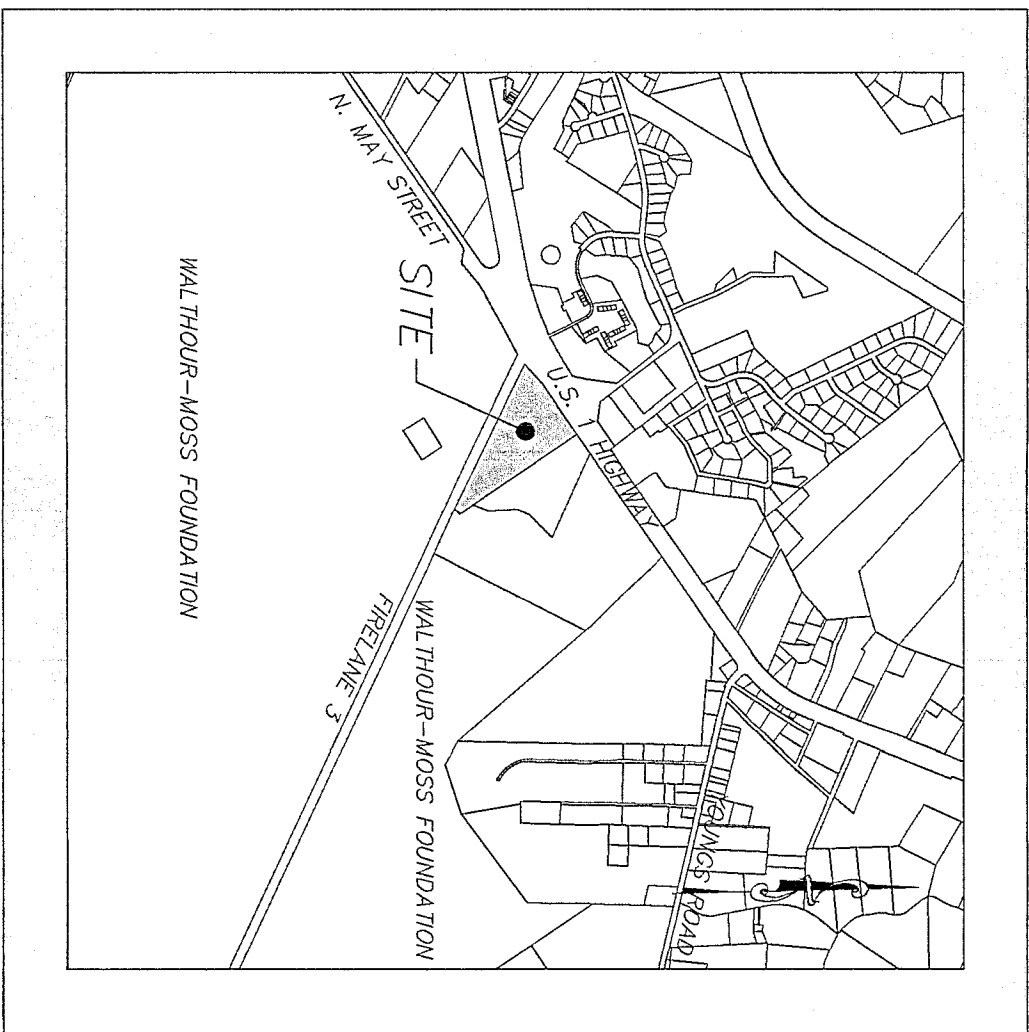
Said parcel area contains 601,663 square feet or 13.81 acres more or less.

CRAIG FOSTER P.L.S., PLLC
395 FURR ROAD
VASS, NC 28394
PHONE 910.691.1348
L-4710
FIRM NO. P-2304

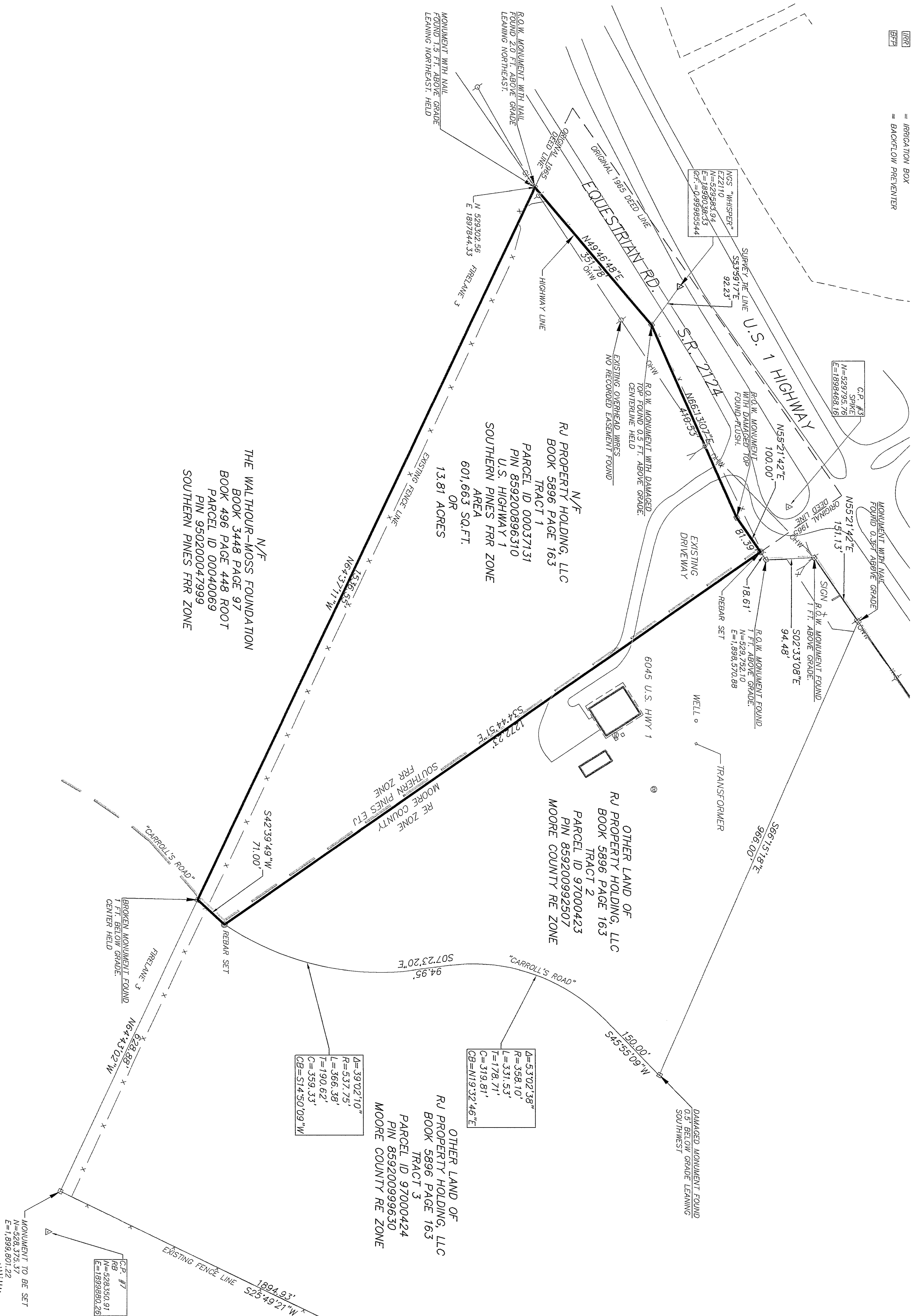
Boundary Survey
Land of
RJ Property Holding, LLC
Tract 1
U.S. Hwy 1
McNeill Township
Moore County
Southern Pines
North Carolina

SCALE: 1"=120'
PROJECT NO.: 22718
DESIGNED BY: CAF
REVIEWED BY: CAF
DATE: SEPTEMBER 20, 2022

BS-1



**Know what's below.
Call before you dig.**



LINE LEGEND	
(SYMBOLS NOT TO SCALE)	
CATCH BASIN	□
SANITARY MANHOLE	□
DRAINAGE MANHOLE	□
WATER MANHOLE	□
TELEPHONE MANHOLE	□
ELECTRIC MANHOLE	□
UNKNOWN MANHOLE	□
YARD DRAIN	○
CABLE MANHOLE	○
FLAGGED END SECTION	●
FIRE HYDRANT	△
WATER GATE VALVE	△
MISC. GATE VALVE	△
VENT PIPE	△
WELL CAP	△
MAIL BOX	△
HAND HOLE	△
STREET CLOSER CABINET	△
ELECTRIC TRANSFORMER	△
UTILITY POLE	△
CROSSWALK POLE	△
LIGHT POLE	△
TRAFFIC LIGHT SUPPORT POLE	△
STREET SIGN	△
TREE (TP2)	△
MONITOR WELL	△
BORING	△
ELECTRIC METER	
GAS METER	
WATER METER	
TELEPHONE	
NO. LINE	
STONE WALL	
GLUE RAIL	
FLOW	
PROPERTY CORNER	
NOVEMENT	
DRILL HOLE	
SURVEY CONTROL POINT	
POINT OF BEGINNING	
FOOTING	
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HOW OR CONFORMERLY	
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CHANG BEARING	
FRONT YARD	
SIDE YARD	
CONTROL POINT	
DENOTES SAME OWNERSHIP	
IRREGULAR BOX	
BACKLON CENTER	
PROPERTY LINES	
ABUTTING PROPERTY LINES	
EASEMENT LINES	
SETBACK	
FENCE	
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WATER	
GAS	
E	
ELECTRIC	
CABLE TELEVISION	
OHW	
SOUTHERN PINES ETU LINES	
ORIGINAL, 1965 DEED LINE	

PLAT CABINET 19 SLIDE 623

FOR REGISTRATION REGISTER OF DEEDS
Judy D. Martin
Moope County, NC
November 21, 2022 02:44:06 PM
Book 19 Page 623-623
FEE: \$21.00
INSTRUMENT # 2022019118

GRAPHIC SCALE



(IN FEET)
1 inch = 120 ft.

1. CAMEL A. FETTER, CERTIFICATE 64561434, WAS ORIGIN UNDER MY SUPERVISION FROM AN ACCIDENT. THESE BOUNDARIES NOT SURVEYED ARE AND HAVE REFERENCES (A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z) THROUGHOUT THE REPORT. THE REPORT IS DATED 11/15/2022. THIS PLAN WAS PREPARED IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF SURVEYORS AND MAPPERS. THE SIGNATURE, WITNESS MY ORIGINAL SIGNATURE, REGISTRATION NO. 11700, AND THE DATE OF NOVEMBER 2022, A.D.

[Signature]

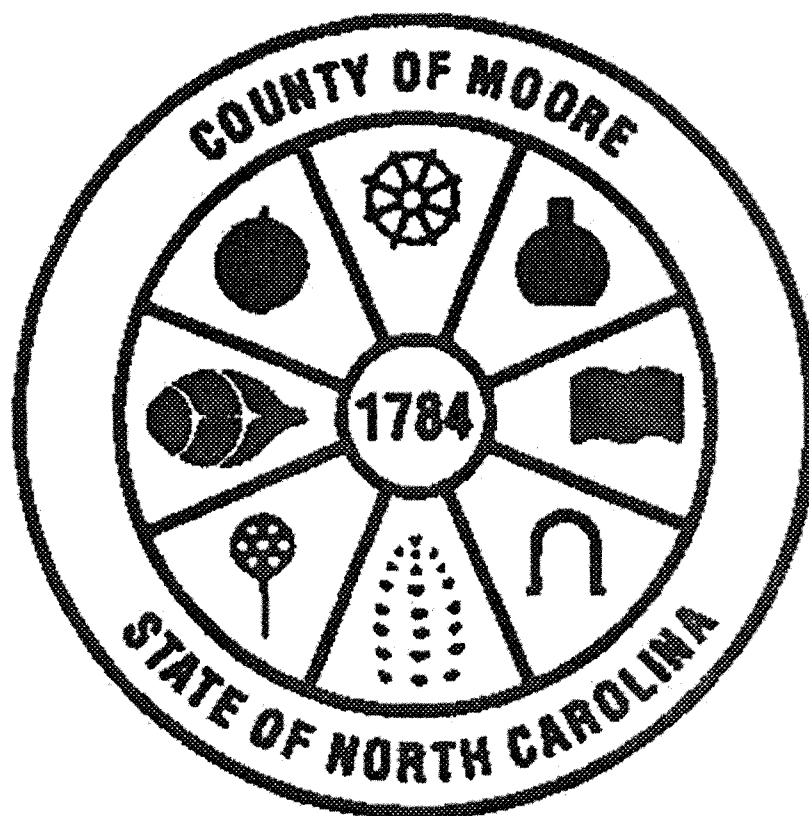
STATE OF TEXAS
COUNTY OF DALLAS

11/14/2022

DATE

CAMEL A. FETTER, P.L.S. NO. 1-3710

DATE 11/21/2022



Judy D. Martin

Register of Deeds

Moore County, North Carolina

MAP



INSTRUMENT # 2022019118

FOR REGISTRATION REGISTER OF DEEDS
Judy D. Martin
Moore County, NC
November 21, 2022 02:44:06 PM
Book 19 Page 623-623
FEE: \$21.00
INSTRUMENT # 2022019118

UDO §2.17.9 Criteria for Zoning Map Amendments

Request to rezone property from FRR (Facilities, Resource, Recreation) to RE (Rural Estates) for the purpose of a residential equestrian lot.

(A) **Consistency.** Rezoning shall be consistent with the adopted Comprehensive Plan.

The following are excerpts from the Comprehensive Long-Range Plan adopted March 8, 2016.

Goal 5 (Page 2-7). Horse Country. Retain the aesthetic and functional characteristics of Horse Country.

Policy 5 (page 2-8). Horse Country. Ensure new growth and development in Horse Country is compatible with existing Horse Country use and design characteristics...

Rural Appearance (Page 3-1) One of the hallmarks of Southern Pines is its proximity with very low-density, rural open-space areas, especially those known as Horse Country. Horse Country serves important economic, cultural and recreational functions. Though typically not used by residents except perhaps as the focus of a country drive or bicycle ride, Horse Country serves Southern Pines as a type of “branding” element, associating the Town with highly pastoral, beautiful landscapes.

Maintaining the Rural Character of Horse Country (Page 3-5). A big part of Southern Pine’s charm is the proximity of rural areas. Horse Country farms help retain this rural character while contributing to the local culture and economy. Because these farms are located both within and outside the Town’s ETJ, the Town should coordinate with Moore County to support the continued viability of local agricultural by minimizing pressures for the conversion of rural land to sprawling residential development.

Future Land Use Map – This property is shown as Parks/Open Space due to the NC State Veterinary’s office (for horse care specifically) that has closed. The area immediately to the south is shown as Rural Equestrian.

The above excerpts and the location of this property deem this request to be consistent with the adopted Comprehensive Long-Range Plan.

(B) **Adverse Impacts on Neighboring Lands.** The Hearing Body shall consider the nature and degree of an adverse impact upon neighboring lands. Lots shall not be rezoned in a way that is substantially inconsistent with the uses of the surrounding area, whether more or less restrictive. The Town finds and determines that vast acreages of single-use zoning produces uniformity with adverse consequences, such as traffic congestion, air pollution, and social alienation. Accordingly, rezonings may promote mixed uses subject to a high degree of design control.

There are no adverse impacts on neighboring lands as this application proposes to rezone the property similar to surrounding properties.

- (C) **Suitability as Presently Zoned.** The Hearing Body shall consider the suitability or unsuitability of the Tract for its use as presently zoned. This factor, like the others, should be weighed in relation to the other standards, and instances can exist in which the land may be rezoned to meet public need, to reflect substantially changed conditions in the neighborhood, or to effectuate important goals, objectives and policies of the Comprehensive Plan or UDO.

Neighboring land is zoned equivalent to this zoning district request is for and also abuts Walthour Moss Foundation (conservation land for riding horses).

- (D) **Health, Safety, and Welfare.** The amending ordinance must bear a substantial relationship to the public health, safety or general welfare, or protect and preserve historical and cultural places and areas. The rezoning may be justified, however, if a substantial public need or purpose exists, even if the private owner of the Tract will also benefit.

This application presents no detriment to the health, safety, and welfare of the public.

- (E) **Public Policy.** Certain public policies in favor of the rezoning may be considered. Examples include a need for affordable housing, economic Development, mixed-use Development, or sustainable environmental features, which are consistent with neighborhood, area, or specific plans.

As currently zoned FRR, it is more consistent with public land uses.

- (F) **Size of Tract.** The Hearing Body shall consider the size, shape, and characteristics of the Tract in relation to the affected neighboring lands. Amendatory ordinances shall not rezone a single Lot when there have been no intervening changes or other saving characteristics. Proof that a small Tract is unsuitable for use as zoned, or that there have been substantial changes in the immediate area, may justify ordinance rezoning.

The UDO describes that horse tracts are generally 5 acres or greater. This property is ~13.81 acres.

- (G) **Other Factors.** The Hearing Body may consider any other factors relevant to the rezoning application under state law.

From: [Ron Istre](#)
To: [Cindy Williams](#)
Subject: RE: Z-02-22 Zoning Map Amendment
Date: Wednesday, October 26, 2022 5:22:27 PM

No comments.

Ron Istre
Town of Southern Pines
Utilities Superintendent

910-692-1983 ext. 6228

ristre@southernpines.net

*"Corruption is controlled by making ambition
subordinate to principle." - Anonymous*

From: Cindy Williams <CWilliams@southernpines.net>
Sent: Wednesday, October 26, 2022 4:33 PM
To: Archie Daniel <adaniel@southernpines.net>; Cindi King <CKing@southernpines.net>; Cory Albers <calbers@southernpines.net>; David Byrd <DByrd@southernpines.net>; Director <director@rluac.com>; James Michel <JMichel@southernpines.net>; Ken Skipper <KSkipper@southernpines.net>; Maurice Holland <mbholland63@gmail.com>; NCDOT <djuarezpozos@ncdot.gov>; ncsandhillsrcw@fws.gov; Ron Istre <RIstre@southernpines.net>; Ron Maness <rmaness@moorecountyaairport.com>
Cc: BJ Grieve <BJGrieve@southernpines.net>; Cindy Williams <CWilliams@southernpines.net>
Subject: Z-02-22 Zoning Map Amendment

Good afternoon,

Please review the attached proposed zoning map amendment and respond with any concerns as soon as possible.

Thank you.

Cindy Williams
Planning Department
Town of Southern Pines
801 SE Service Road
Southern Pines, NC 28387
(910) 692-4003

From: [JuarezPozos, Dagoberto](#)
To: [Cindy Williams](#)
Subject: RE: [External] Z-02-22 Zoning Map Amendment
Date: Tuesday, November 1, 2022 10:06:17 AM
Attachments: [image001.png](#)
[Z-02-22 PB PHN.pdf](#)

Cindy,

No comments om this one.

Dago

Dagoberto Pozos, P.E.

Assistant District Engineer
Division 8 District 2

910-944-7621 Office
djuarezpozos@ncdot.gov

902 North Sandhills Blvd.
Aberdeen, NC 28315



*Email correspondence to and from this address is subject to the
North Carolina Public Records Law and may be disclosed to third parties.*

From: Cindy Williams <CWilliams@southernpines.net>
Sent: Wednesday, October 26, 2022 4:33 PM
To: Archie Daniel <adaniel@southernpines.net>; Cindi King <CKing@southernpines.net>; Cory Albers <calbers@southernpines.net>; David Byrd <DByrd@southernpines.net>; Director <director@rluac.com>; Michel, James <JMichel@southernpines.net>; Ken Skipper <KSkipper@southernpines.net>; Maurice Holland <mbholland63@gmail.com>; JuarezPozos, Dagoberto <djuarezpozos@ncdot.gov>; ncsandhillsrcw@fws.gov; ISTRE, RONALD <ristre@southernpines.net>; Ron Maness <rmaness@moorecountyaairport.com>
Cc: BJ Grieve <BJGrieve@southernpines.net>; Cindy Williams <CWilliams@southernpines.net>
Subject: [External] Z-02-22 Zoning Map Amendment

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Good afternoon,

Please review the attached proposed zoning map amendment and respond with any concerns as soon as possible.

Thank you.

Cindy Williams

Planning Department
Town of Southern Pines
801 SE Service Road
Southern Pines, NC 28387
(910) 692-4003

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SOUTHERN PINES COURTESY REVIEW

Case: Z-02-22 (FRR to Rural Estate)

Location: Equestrian Rd. between Mile Away Lane and Youngs Rd.

PIN#: 859200896310

November 6, 2022

Following a review of the above referenced application by the RLUAC staff and Board of Directors, it has been determined that:

- The parcel is classified as Critical to Protect in the Fort Bragg Compatible Use Rating System due to the presence of active red cockaded woodpecker foraging areas on the site.

Active red-cockaded woodpecker foraging areas are critical to protect because the loss of their habitat in the region, regardless of specific location, has the potential to impact Fort Bragg's military mission. If the cumulative loss of habitat outside of the installation causes a significant impact to the viability of the species in the region, the use of critical training land on Fort Bragg may be restricted to ensure that the installation fulfills its environmental protection obligations. This would occur as the result of an increased requirement to preserve habitat for this federally designated endangered species, which, in the past, has severely limited certain types of training activity on Fort Bragg. Constrained training capabilities, in turn, can have a significant impact on military readiness and the sustainment of Fort Bragg's mission.

With the presence of known red-cockaded woodpecker clusters, RLUAC encourages the applicant to have this property surveyed by personnel experienced in management and monitoring of the species prior to the removal of any mature pine trees. The protocol can be obtained at: https://www.fws.gov/ncsandhills/pine_tree_removal.html The results of this survey can be sent to the US Fish and Wildlife Service office located in Raleigh, NC, ATTN: John Hammond, for review. The applicant is also encouraged to preserve as many mature pines and as much contiguous undisturbed forested land on the site as possible within the defined foraging area.

RLUAC encourages the Town of Southern Pines and the applicant / owner to ensure that the site maintains as much forested open space as possible to preserve RCW habitat. Maintaining the integrity of important environmental assets contributes to the overall compatibility of our region with Fort Bragg's environmental protection mission, which goes hand-in-hand with its military training and operational missions.

Beyond the potential environmental impact of the proposed development, the nature of the zoning proposed for the site does not present any additional compatibility concerns with regard to military training or operations.

Thank you for allowing RLUAC to review this case.

Jeff Sanborn, Chairman

Vagn K. Hansen II, AICP, Executive Director

TOWN OF SOUTHERN PINES ORDINANCE #2045
AMENDING THE ZONING MAP OF THE TOWN OF SOUTHERN PINES
Z-02-22

THAT WHEREAS, after notice duly given according to law, a public hearing was held before the Town of Southern Pines Town Council at its regular business meeting on December 13, 2022 at 6:00 PM for the purpose of considering and passing of an ordinance amending the Zoning Map of the Town of Southern Pines, North Carolina; and

WHEREAS, after the completion of said public hearing, and upon consideration of the reasonableness of the request, compliance with the criteria for a zoning map amendment found in UDO §2.17.9, as well as consistency with the adopted Comprehensive Long Range Plan, the Southern Pines Town Council approved petition Z-02-22 to amend the Zoning Map of the Town of Southern Pines;

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Town of Southern Pines Town Council, in regular session assembled on the 13th day of December, 2022:

Section 1. That the Zoning Map of the Town of Southern Pines on file in the office of the Town Clerk be amended to reflect that the parcel located off the north end of Equestrian Road be rezoned Residential Estate (RE). The subject parcel is described as follows:

All that certain piece or parcel of land situated in the Town of Southern Pines ETJ, County of Moore, and State of North Carolina depicted as “N/F RJ Property Holding, LLC, Book 5896 Page 163, Tract 1, Parcel ID 00037131, PIN 859200896310, U.S. Highway 1, Southern Pines FRR Zone, Area 601,633 sq. ft. or 13.81 Acres” on a map entitled “Boundary Survey Land of RJ Property Holding, LLC, U.S. Highway 1, Southern Pines, McNeill Township, Moore County, North Carolina, dated 09-20-2022, Sheet 1 of 1 by Craig Foster P.L.S., PLLC”, and more particularly described as follows:

Beginning at a monument found on the southeasterly highway line of Equestrian Road (S.R. 2124) marking the northwesterly corner of property now or formerly of RJ Property Holding, LLC and the northeasterly corner of land now or formerly of The Walthour Moss Foundation fronting on Equestrian Road.

Thence, N 49°46’48” E a distance of 351.78 feet to point marked by an NCDOT ROW Monument.

Thence, N 66°13’07 E a distance of 410.53 feet to a point marked by an NCDOT ROW Monument.

Thence, N 55°21’42” E a distance of 81.39 feet to a point. The last 3 courses being along the southeasterly right of way of Equestrian Road (S.R.2124).

Thence, S 34°44’51” E a distance of 1272.23 feet to a point.

Thence, S42°39’49” W a distance of 71.00 feet to a point marked by a broken monument. The last two courses being along other land of RJ Property Holding, LLC.

Thence, N64°37’11” W along the northeasterly boundary of land now or formerly of The Walthour Moss Foundation a distance of 1536.55 feet to the point and place of beginning Said parcel area contains 601,663 square feet or 13.81 acres more or less.

Section 2. That, pursuant to NC General Statute Chapter 160D-605(s), this zoning map amendment shall concurrently amend the Future Land Use Map within the Comprehensive Long-Range Plan (2016) for the subject parcel as described above from Parks/Open Space/Public Facilities to Rural/Equestrian.

Section 3. That this Ordinance shall be and shall remain in full force and effect from the date of its adoption until otherwise amended.

Adopted this 13th day of December 2022.

ATTEST:

TOWN OF SOUTHERN PINES

Elizabeth Robertson, Town Clerk

Carol R. Haney, Mayor

APPROVED AS TO FORM:

Mac McCarley, Town Attorney

I certify that this Ordinance was adopted by the Town Council of the Town of Southern Pines at its meeting on December 13, 2022 as shown in the Minutes of the Town Council meeting for that date.

Elizabeth Robertson, Town Clerk

DRAFT

Agenda Item

To: Reagan Parsons, Town Manager

From: Pamela Graham, Principal Planner

Subject: SU-07-22 Special Use Permit for the Development of Ten Guest Cottages on a +/-9.48 Acre Property Located on the West Side of Country Club Circle Between Spring Road and Ridge Street: Owner/Applicant: Mid-Pines Development Group, LLC; Authorized Agent: Bob Koontz, Koontz Jones Design

Date: December 13, 2022

I. SUMMARY OF APPLICATION REQUEST:

On behalf of Mid-Pines Development Group, LLC, Mr. Bob Koontz with Koontz Jones Design has submitted an application for a special use permit for the development of ten guest cottages on a portion of property that formerly served as the Southern Pines Elks Club Facilities, also known as the Southern Pines Country Club. The addition of guest accommodations to an existing private golf course requires a special use permit in the Facilities, Resource, and Recreation (FRR) Zoning District per the Town's Unified Development Ordinance (UDO).

The development proposal is for ten detached golf cottage temporary dwellings housing a total of fifty-six guest rooms with associated parking and amenities such as a putting green and practice tee. No subdivision of property is proposed for the site, which constitutes a portion of the +/-292.11 total acreage of the property. The subject property is identified as PIN: 858100121842 (PARID: 00048946).

II. PLANNING BOARD REVIEW:

On November 17, 2022, the Planning Board held a Preliminary Forum regarding SU-07-22 to accept public comments and compose a list of issues to forward to the Town Council for their consideration. With five members present, Mr. Andy Bleggi being absent, the Planning Board heard from staff as well as those in attendance who wished to speak to the special use permit request. Following a presentation by town staff regarding the project, the attorney for the applicant, Mr. Nil Gosch, addressed the Planning Board and introduced Mr. Bob Koontz of KoontzJones Design, authorized agent for the applicant. Mr. Koontz made a presentation to the Planning Board, providing additional details and justification for the proposed project. At least nine attendees took the podium to express their concerns regarding the proposal and the impacts they believed would result if the project was approved. Additional comments were provided by Mr. Travis Fluitt of Kimley-Horn & Associates, the traffic engineer for the project, including that updated information indicates that a traffic design analysis will be required for the proposal. After all those present were provided an opportunity to speak, the Planning Board closed the Preliminary Forum and

adopted by unanimous vote the following list of issues to forward to Town Council for consideration during their review of the proposal:

1. Neighbors raised concerns about the consistency of the proposed SUP with the CLRP. In particular, the proposed development provides short term rentals in a location that would not be permissible under the UDO. The proposed land use does not appear to be consistent with components of the CLRP. Residents highlighted the tension in the CLRP between encouraging golf tourism and preserving the character of residential neighborhoods.
2. Neighbors raised their significant concerns, particularly the understanding of the definition of “limited guest accommodation” in the CLRP, and debated whether a hotel, cluster of short-term rentals, or golf guest cottages are consistent with the FRR authorized land uses and the character of the community and surrounding neighborhood.
3. Residents expressed concern about the future development of Southern Pines Golf Club vacant parcels and the “little nine”. They questioned the public welfare benefit of the proposed use. They also expressed concern about maintaining the new structures over time.
4. A resident raised concerns about traffic, noise, safety, and trash in the neighborhood, particularly at the intersection of Morganton Road and Country Club Circle. There was a question about on-site management. The Town Council should focus on the impact to traffic safety on neighborhood streets.

It should be noted that a Traffic Design Analysis has been submitted for the project since the Planning Board met. The document is included as an attachment and summarized in Section D.i.E. of this report.

III. PROJECT INFORMATION:

A. Property Owner & Applicant Information:

- i. Property Owner(s):**
Mid Pines Development Group
c/o Kelly Miller
PO Box 88
Southern Pines, NC 28388
- ii. Applicant:**
Mid Pines Development Group
c/o Kelly Miller
PO Box 88
Southern Pines, NC 28388
- iii. Authorized Agent:**
Koontz Jones Design
Bob Koontz
150 S. Page Street

B. Project History and Site Information:

i. Location:

The subject property is located southwest of downtown Southern Pines and borders developed residential areas in Southern Pines along the South and East, residential areas in Aberdeen to the southwest, and the CSX Rail corridor to the west. (See Figures 1 and 2).

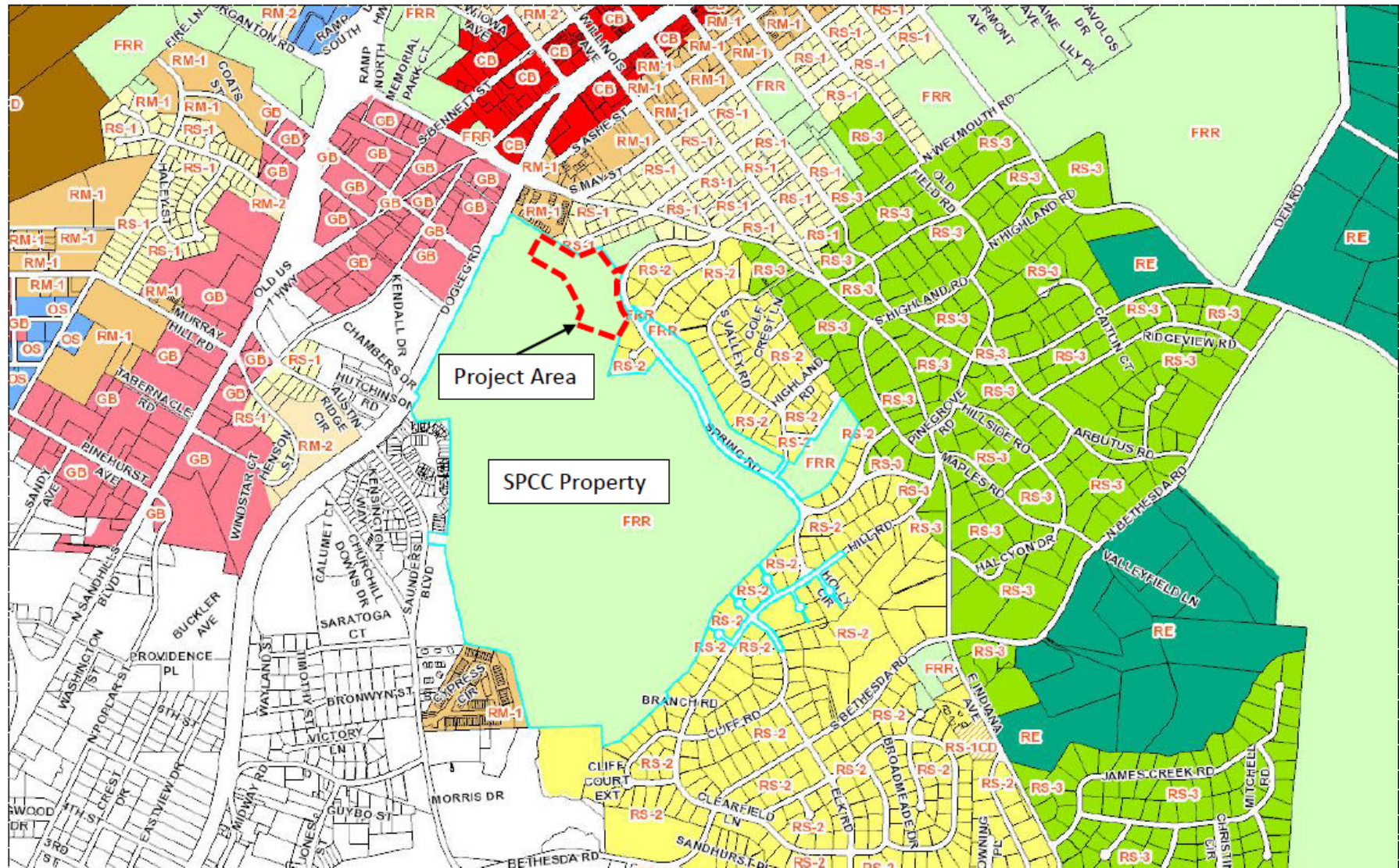
ii. Zoning:

The zoning of the subject parcel is Facilities, Resource and Recreation (FRR), consistent with remainder of the former Elks Club property.

iii. Future Land Use Map Designation:

The subject parcel is designated as Residential/Golf on the Future Land Use Map. *Per the CLRP, the Residential/Golf designation applies to areas that include public or private golf courses and residences. This category may accommodate a single family or attached dwellings at a variety of densities, recreational facilities in addition to the golf course, limited guest accommodations, and limited commercial services intended to serve residents of and visitors to the development.*

Figure 1: Zoning and Location Map:



This aerial map shows the proposed 18-hole golf course layout in the Country Club area of Dallas, Texas. The map includes surrounding residential streets and a red dashed line indicating the proposed clubhouse and parking area. The golf course layout is outlined in red, showing the fairways, greens, and rough areas. The clubhouse and parking area are marked with a red dashed line. The map also shows the surrounding residential area with streets such as Shaw Ave, Bennett St, Bell Ave, Mill Rd, Dodge Rd, Country Club Dr, and others. The map is oriented with North at the top.

IV. STAFF REVIEW:

A. Application Review Dates:

- TRC Pre-Application Review: September 28, 2021
- Special Use Permit SU-07-22 Application Submitted: October 10, 2022
- Application Deemed Complete: October 14, 2022
- Notice of Planning Board Public Hearing:
 - Posted On-site: October 27, 2022
 - Mailed: October 27, 2022
 - Internet: October 26, 2022
 - Published: N/A for SUP
- Planning Board Agenda Meeting: November 10, 2022 (Meeting Not Held)
- Planning Board Preliminary Forum: November 17, 2022
- Notice of Town Council Public Hearing:
 - Posted On-site: October 27, 2022
 - Mailed: November 18, 2022
 - Internet: November 18, 2022
 - Published: November 30 and December 7, 2022

B. Process of Review:

The procedures for review and approval of a Special Use Permit, per UDO §2.21, establish a process and standards to approve certain uses that, because of unique characteristics or potential impacts on adjacent land uses, are not permitted in zoning districts as a matter of right.

C. Standards for Review:

The following UDO standards apply to the review of this special use permit:

- i. Special Use Permit Criteria, UDO §2.21.6 (A-F)
- ii. FRR Zoning District Standards, UDO §3.5.13
- iii. Various Standards, UDO Chapter 4

D. Criteria for Review:

Compliance with the UDO:

i. Compliance with Special Use Permit Criteria – UDO §2.21.6 (A-F):

A Special Use is permitted only if the applicant demonstrates that:

- A. *The proposed special use shall comply with all regulations of the applicable zoning district and any applicable supplemental use regulations;*

The applicant's Justification document (attached) states the following: "The existing zoning for the property is Facilities, Resource and Recreation (FRR). This district permits a wide variety of uses including 'golf resorts and related facilities...and recreational facilities that typically include substantial open space.' The proposed lodging use replaces the previous Elks Lodge structure and adds very little built-upon area to the site while

preserving much of the approximately 292.11-acre property. With the demolition of the former lodge and the installation of the large practice putting green, impervious surface increases by only +/- 5,200 sf or .04% the overall property. The area of the property impacted by this Special Use Permit application will include approximately 9.48 acres of the +/-292.11-acre property. The proposed cottages will meet or exceed all regulations within the UDO related to the FRR district and other sections of the UDO, including setbacks, buffers and landscaping.”

The FRR Zoning District is described in the UDO §3.5.13 as being “intended for open space, public facilities and privately owned and recreation areas. Publicly owned land uses include governmental, recreational, education, natural resource and utility facilities. Privately owned land uses include golf resorts and related facilities, land trusts established to preserve natural resources, schools and recreational facilities that typically include substantial open space”.

The objectives of the FRR District are to:

- (1) Provide land for publicly-owned governmental facilities and privately-owned natural and man-made resource and recreation areas; and
- (2) Preclude major residential, retail office, institutional, and industrial uses that typically provide limited open space.

B. The proposed special use shall conform to the character of the neighborhood in which it is located and not injure the use and enjoyment of property in the immediate vicinity for the purposes already permitted;

Please refer to the applicant’s Justification document for the full response to this criterion. In summary:

- (1) The size, building heights, and general character of the proposed cottages will be designed to appear as single-family residences and to reflect the character of other homes in Southern Pines and the surrounding neighborhood.
- (2) Setbacks will exceed those required by the UDO, and will be driven by the commitment that no building will be located within 65’ of adjoining properties. Setbacks required by the UDO are as follows:
 - Front setback = 30’
 - Internal side setback = 10’
 - External side setback = 15’
 - Rear setback = 30’
- (3) An undisturbed buffer will be provided along the property boundary for a minimum of 25’.

- (4) Parking areas will be no closer to the property boundary than those which currently exist today, and will be screened in accordance with UDO standards.

C. Adequate public facilities shall be provided as set forth herein;

The applicant has provided the following information regarding this item: “Public water and sewer utilities are readily available for the project. The cost of extending these utilities to the project will be borne by the developer. Water and sewer lines currently cross areas of the site.

The main entrance and secondary entrance to the site will be provided from Country Club Circle. There are currently 4 access points along Country Club Circle. The number of access points will be reduced to a total of 3 locations, with one serving only a service entrance. An emergency access connection will be provided to the existing right-of-way on Ridge Street. This access point will be gated and utilized only for emergency vehicles. The connection will not be “paved” with asphalt. The emergency access point will utilize grass pavers with an adequate base to accommodate emergency vehicles. These pavers will be designed to adequately meet the requirements of the Town of Southern Pines and will be approved by the Town’s Fire Marshall.”

D. The proposed use shall not impede the orderly Development and improvement of surrounding property for uses permitted within the zoning district or substantially diminish or impair the property values within the neighborhood;

The application narrative states: “This is a redevelopment project located on the site of the former Elks Lodge. Adjacent properties have been located adjacent to the golf course, clubhouse, lodge and other facilities since it was constructed in the early 20th century. Proposed improvements to the property will maintain the overall character of the area, while providing updated facilities and high-quality cottage units, resembling single-family residences and creating an appearance which is consistent with the surrounding neighborhood. This project will not impair the ability of surrounding properties to achieve their full development potential or to meet the standards of the RS-1 zoning district. Accordingly, the project will not substantially diminish or impair the property values within the surrounding neighborhood.”

E. The establishment, maintenance, or operation of the proposed use shall not be detrimental to or endanger the public health, safety, comfort or general welfare;

The narrative responds to this criterion as follows: “This project meets all of the standards set forth in the Town’s CLRP and UDO pertaining to land use. Based on the standards set forth in these publicly reviewed and approved documents, this project will not be detrimental to or endanger the public health, safety, comfort, or general welfare of the surrounding neighborhood or the Town of Southern Pines. The proposed development incorporates goals of the CLRP related to golf, golf course development and tourism.

Traffic volumes will not endanger the residents of the Town of Southern Pines and all vehicular access will remain in locations similar to the existing access points for the property. Traffic generated by the project will not have any adverse impact on existing neighborhoods or streets and will be similar to that which exists today. A Trip Distribution Analysis has been provided for the site as required by the UDO.”

Staff comments: An updated trip generation analysis was provided to staff by Mr. Travis Fluitt of Kimley-Horn and Associates; the document is attached to this report. Data used to create these types of analyses come from the Institute of Transportation Engineers Trip Generation Manual. The manual contains an exhaustive list of land use types to estimate trip generation; however, this specific use is relatively unique and is not included in the list. Mr. Fluitt provided calculations based on two similar land uses, Timeshare (10 units) and Resort Hotel (56 rooms). Based on the most impactful of these two use categories, the project is estimated to generate approximately 230 daily trips (115 in and 115 out). UDO §4.12.2(B) requires a traffic design analysis (TDA) for developments that are estimated to create between 200 and 1,000 daily trips more than existing conditions. It is noted in Mr. Fluitt’s report that no adjustments were made to the traffic count based on the pool being removed.

A TDA was provided by Mr. Fluitt on December 1, 2022 and is also attached to this report. The most significant items noted in the TDA are summarized as follows:

- Based on NCDOT traffic count data on Morganton Road just east of S. May Street, the existing traffic volumes as well as the low volume projected for site traffic, no capacity issues are expected from the proposed development.
- The proposal includes a slight realignment to the northern driveway to reduce the skew with Country Club Circle. This realignment is expected to improve upon the existing conditions at that location.
- Crash data reports at the intersection of E. Morganton Road and Country Club Circle/Country Club Drive/Dogwood

Lane for the five-year period that ended in October of this year indicate two crashes at that intersection. Both incidents involved vehicles entering from the southern leg of Country Club Circle, and not the southwestern leg that serves the golf club.

- Field reviews of available stopping sight distance at the intersection indicate that the 250 feet of sight distance required by the American Association of State Highway and Transportation Officials (AASHTO) *Policy on Geometric Design of Highways and Streets* is exceeded at all approaches. Occasional vegetation clearing within the rights-of-way near the site is recommended.
- Due to the low speeds on all roadways leading to the site, Mr. Fluitt states that “there is not an existing safety problem at this intersection, and site traffic is not expected to result in increased crash rates or create a safety issue”.
- Mr. Fluitt’s conclusions state that no transportation infrastructure improvements are recommended.

F. The public interest and welfare supporting the proposed use shall be sufficient to outweigh individual interests that are adversely affected by the establishment of the proposed use

Please refer to the applicant’s Justification document for the full response to this criterion. In summary:

- (1) The proposed use is permitted and encouraged by the CLRP and UDO within the FRR District, including several specific goals and policies found in the document;
- (2) The proposed cottages will resemble single-family residential homes, consistent with the surrounding neighborhood;
- (3) The infrastructure extensions will be made by the developer and be dedicated to the Town, benefitting the public interest and welfare without adversely affecting individual interests;
- (4) The proposal is fully consistent with ordinances, plans, and standards found in the Town’s guiding documents. The public interests supporting the proposed uses outweigh any individual interests that may be adversely affected by the proposed use.

ii. Development Design and Other Standards from UDO Chapter 4

The proposal will require Site Plan Review and approval by the TRC as well as Architectural Review by the Town Council.

E. General Staff Comments and Recommendations

Approval of the request will result in the development of ten detached golf cottage temporary dwellings housing a total of fifty-six guest bedrooms with associated parking and amenities such as a putting green and practice tee. The existing swimming pool at the site is expected to be removed.

Pursuant to UDO §2.27.7, in approving any special use permit, the Town Council may impose such reasonable standards, conditions, or requirements as it may deem necessary to protect the public health, safety and welfare.

Staff has drafted a set of approval conditions for the Town Council's consideration, included in Section VI, below. Staff's recommendation is approval of the special use permit with conditions as drafted or as modified by Town Council.

F. Outside Agency and Neighborhood Meeting Comments:

Staff has provided information on the project to outside agencies and has received the following responses:

- A response from the Department of Transportation was received on November 2, 2022, stating that the agency had no comments.
- A response from the Regional Land Use Advisory Commission was also received on November 1, 2022, stating that the agency did not have any comments on this project.
- A response from the Town's Utilities Superintendent Ron Istre was received on October 26, 2022 stating that he had no initial comments.
- The Technical Review Committee reviewed a Pre-Application submittal for the project at their September 28, 2021 meeting, with no major issues identified. The Land Based Classification Standard (LBCS) was clarified as being #5353 (golf course resort). Site plan review and approval will be required prior to issuance of any building permits for the project. It was unknown at that time if the project would be required to submit for architectural review.

Additionally, the applicant conducted a neighborhood meeting on September 27, 2022 to present the proposal to the neighboring community and receive feedback. A copy of the resulting report is included in the attachments to this document.

V. ATTACHMENTS:

The following materials are provided as attachments to this staff memorandum:

1. Special Use Permit Application
2. Applicant's Special Use Permit Narrative
3. Applicant's Special Use Permit Justification
4. Existing Conditions Plan

5. Site Plan
6. Immediate Vicinity Map
7. Property Deed
8. Appointment of Agent
9. Trip Generation Analysis dated November 17, 2022
10. Traffic Design Analysis dated December 1, 2022
11. Neighborhood Meeting Report

VI. TOWN COUNCIL ACTION:

To either approve or deny a Special Use Permit application, the Town Council shall make findings of fact and conclusions to the applicable standards. The Town Council shall first vote on whether the application is complete and whether the facts presented are relevant to the case. The Town Council shall then vote on whether the application complies with the criteria as set forth in Section 2.21.6(A-F) Criteria for a Special Use Permit. The Town Council may choose among the following motions or any alternative at their discretion.

Staff has provided draft findings, included as Attachments A and B. Attachment A is drafted with the assumption that the Council will vote to approve SU-07-22, and Attachment B is drafted with the assumption that Council will vote to deny SU-07-22. However, there are many unknown influences to the Council's decision when these findings are drafted, and it is likely that the final draft will require revision regardless of the outcome of the request.

I move to:

1. Adopt **Attachment A** of the staff report as Findings of Fact regarding the proposed Special Use Permit SU-07-22.

-OR-

2. Adopt **Attachment A** of the staff report as Findings of Fact regarding the proposed Special Use Permit SU-07-22, with the following changes:

-OR-

3. Adopt **Attachment B** of the staff report as Findings of Fact regarding the proposed Special Use Permit SU-07-22.

-OR-

4. Adopt **Attachment B** of the staff report as Findings of Fact regarding the proposed Special Use Permit SU-07-22, with the following changes:

Next, the Town Council may vote on whether to approve, deny, or approve with conditions the proposed Special Use Permit. The Town Council may choose one of the following motions, or any alternative at their discretion.

I move to:

1. Approve Special Use Permit SU-07-22.
2. Deny Special Use Permit SU-07-22.
3. Approve Special Use Permit SU-07-22 with the following conditions. Pursuant to UDO §2.27.7, in approving any special use permit, the Town Council may impose such reasonable standards, conditions, or requirements as it may deem necessary to protect the public health, safety and welfare.
 1. A planted buffer of no less than 25' along the project boundary with adjacent properties and/or rights-of-way shall be required prior to occupancy of the proposed lodging units.
 2. Any needed improvements or extensions of infrastructure shall be made at the cost of the developer.
 3. That the emergency access point will be designed using grass pavers with an adequate base to meet the requirements of the Fire Department and the Technical Review Committee prior to site plan approval. The access point will be gated and used only for emergency vehicles.
 4. That construction traffic will be prohibited from using Ridge Street and instead will use Country Club Circle.
 5. Signage shall be compliant with UDO 4.6 and will be subject to the sign permit process.

ATTACHMENT “A”
Draft Town Council Findings of Fact
Special Use Permit Application SU-07-22

Finding of Fact #1:

The Town Council finds that the application is complete and that the facts submitted are relevant to the case because the request for Special Use Permit approval has fully met the specified submittal requirements as required in the Town of Southern Pines UDO Appendices, the applicants have submitted adequate evidence addressing criteria for a Special Use Permit, and the evidence submitted was sworn testimony by qualified experts or provided through substantiated documentation.

Finding of Fact #2:

The Town Council finds that the application complies with UDO §2.21.6 Criteria for a Special Use Permit, Criteria A-F, in that:

A. The proposed special use shall comply with all regulations of the applicable zoning district and any applicable supplemental use regulations;

The Town Council finds that the Special Use Permit application SU-07-22 complies with the regulations of the Facilities, Resource and Recreation (FRR) Zoning District. The proposed use of “lodging” falls into the UDO’s Land Based Classification Standard (LBCS) #5353 “Golf Course Resort”, “which may include club house, guest accommodations and/or residences that may be individually owned, but fall within the management of the resort”. This use requires approval of a special use permit in the FRR District. Section 2.21.1 of the UDO states that special use permits may be issued after ensuring that the use complies with the special use permit approval criteria, and Town Council finds that no qualified evidence has been entered into the record for SU-07-22 that the proposal is in conflict with the regulations of the FRR District.

B. The proposed special use shall conform to the character of the neighborhood in which it is located and not injure the use and enjoyment of property in the immediate vicinity for the purposes already permitted;

The Town Council finds that the ten new guest cottages proposed by the special use permit request are generally consistent with the character of the neighborhood in which they will be located and will not alter the character of the neighborhood. This is due, in part, because the applicant has provided evidence on the record that the structures “will reflect a neighborhood character similar to that of the surrounding area” and “will appear as single-family detached residences similar in size and character to that of the surrounding neighborhood”. Additionally, the applicant has committed to and will be required to meet or exceed the setbacks required by the UDO and to provide a buffer of no less than 25’ along the project boundary with adjacent properties and/or rights-of-way. Furthermore, there has been no qualified evidence entered into the record for SU-07-22 that the proposal

will not conform to the character of the neighborhood or injure the use and enjoyment of property in the immediate vicinity.

C. Adequate public facilities shall be provided as set forth herein;

Town Council finds that the proposed special use does not require inefficient expansion of public facilities due to the fact that site accesses from the public road are existing and will be reduced from four access points to three, and the project will provide an emergency access. Public water and sewer are readily available and the cost of any improvements to those utilities will be borne by the developer.

D. The proposed use shall not impede the orderly development and improvement of surrounding property for uses permitted within the zoning district or substantially diminish or impair the property values within the neighborhood;

Town Council finds that, there being no qualified evidence of negative impacts to property values within the neighborhood as a result of the special use, the proposed special use is expected to have no detrimental impact to surrounding properties or property values in the vicinity. Furthermore, the special use is not expected to impede the orderly development and improvement of surrounding property for uses permitted in the zoning district because all proposed improvements will be on-site, will be appropriately screened from neighboring properties, and the traffic design analysis entered into the record for SU-07-22 found no evidence that capacity issues are expected due to the development nor will the proposed development create a roadway safety issue.

E. The establishment, maintenance, or operation of the proposed use shall not be detrimental to or endanger the public health, safety, comfort or general welfare;

Town Council finds that, there being no qualified evidence entered into the record of negative impacts resulting from the proposed lodging use, there is no expected detrimental impact to the public health, safety, comfort or general welfare. Furthermore, the traffic design analysis entered into the record for SU-07-22 found no evidence that the proposed development will create a roadway safety issue.

F. The public interest and welfare supporting the proposed use shall be sufficient to outweigh individual interests that are adversely affected by the establishment of the proposed use;

The proposed use of lodging at an existing golf course resort is consistent with the zoning of FRR. Adjoining property owners may reasonably expect that an existing golf course could be further developed with golf course resort lodging, subject to a Special Use Permit. Town Council finds that no qualified evidence has been entered into the record for SU-07-22 showing that allowing for the proposed ten golf cottages creates an adverse effect to individual interests that is not outweighed by the public interest and welfare. The public interest and welfare supports development of low-impact recreation tourism, utilization of existing public infrastructure for that tourism, and for allowing property owners to develop property in a manner not only consistent with zoning but also consistent with, and in support of, an existing historic land use.

Finding of Fact #3:

The Town Council finds that with all the evidence regarding this proposal in the record, including the December 13, 2022 Town Council Business Meeting, the application meets Criteria A through F as set out in 2.21.7 of the Unified Development Ordinance (UDO).

ATTACHMENT “B”
Draft Town Council Findings of Fact
Special Use Permit Application SU-07-22

Finding of Fact #1:

The Town Council finds that the application is complete and that the facts submitted are relevant to the case because the request for Special Use Permit approval has fully met the specified submittal requirements as required in the Town of Southern Pines UDO Appendices, the applicants have submitted adequate evidence addressing criteria for a Special Use Permit, and the evidence submitted was sworn testimony by qualified experts or provided through substantiated documentation.

Finding of Fact #2:

The Town Council finds that the application complies with UDO §2.21.6 Criteria for a Special Use Permit, Criteria A-F, in that:

A. The proposed special use shall comply with all regulations of the applicable zoning district and any applicable supplemental use regulations;

The Town Council finds that, although the Special Use Permit application SU-07-22 complies with the regulations of the Facilities, Resource and Recreation (FRR) Zoning District, there has been sufficient qualified evidence entered into the record that the proposal is in conflict with one or more of Criteria A-F as stated in UDO §2.21.6 regarding special use permits. The proposed use of “lodging” falls into the UDO’s Land Based Classification Standard (LBCS) #5353 “Golf Course Resort”, “which may include club house, guest accommodations and/or residences that may be individually owned, but fall within the management of the resort”. This use requires approval of a special use permit in the FRR District. Section 2.21.1 of the UDO states that special use permits may be issued only after ensuring that the use complies with the special use permit approval criteria, and Town Council finds that qualified evidence has been entered into the record for SU-07-22 that the proposal is in conflict with applicable criteria.

B. The proposed special use shall conform to the character of the neighborhood in which it is located and not injure the use and enjoyment of property in the immediate vicinity for the purposes already permitted;

The Town Council finds that the ten new guest cottages proposed by the special use permit request are not generally consistent with the character of the neighborhood in which they will be located, will alter the character of the neighborhood, and will injure the use and enjoyment of property in the immediate vicinity. This is due, in part, because although the applicant has provided evidence on the record that the structures “will reflect a neighborhood character similar to that of the surrounding area” and “will appear as single-family detached residences similar in size and character to that of the surrounding neighborhood”, qualified evidence has been entered into the record for SU-07-22 that the

proposed use will function sufficiently different from single-family residential uses to cause injury to the use and enjoyment of property in the immediate vicinity of the project.

C. Adequate public facilities shall be provided as set forth herein;

Town Council finds that the proposed special use does not require inefficient expansion of public facilities as public water and sewer are readily available and the cost of any improvements to those utilities will be borne by the developer. However, sufficient qualified evidence has been entered into the record for SU-07-22 that the existing transportation network is inadequate to appropriately manage the anticipated daily traffic resulting from the proposal and there are no improvements planned that will reduce those impacts to an acceptable level.

D. The proposed use shall not impede the orderly development and improvement of surrounding property for uses permitted within the zoning district or substantially diminish or impair the property values within the neighborhood;

Town Council finds that, there being qualified evidence of negative impacts to property values within the neighborhood as a result of the special use, the proposed special use is expected to have detrimental impact to surrounding properties or property values in the vicinity. Furthermore, qualified evidence has been entered into the record for SU-07-22 that the special use is expected to impede the orderly development and improvement of surrounding property for uses permitted in the zoning district.

E. The establishment, maintenance, or operation of the proposed use shall not be detrimental to or endanger the public health, safety, comfort or general welfare;

Town Council finds that sufficient qualified evidence of negative impacts resulting from the proposed use has been entered into the record for SU-07-22, and that the proposed special use may be expected to have a detrimental impact to the public health, safety, comfort or general welfare.

F. The public interest and welfare supporting the proposed use shall be sufficient to outweigh individual interests that are adversely affected by the establishment of the proposed use;

Town Council finds that sufficient qualified evidence has been entered into the record for SU-07-22 that the establishment of the special use will result in adverse impacts to individual interests and that the special use does not advance the public interest and welfare.

Finding of Fact #3:

The Town Council finds that with all the evidence regarding this proposal in the record, including the December 13, 2022 Town Council Business Meeting, the application does not meet Criteria A through F as set out in 2.21.7 of the Unified Development Ordinance (UDO).



Special Use Permit Application

Fee: \$ _____

Date Paid: _____

Case No.: SU- _____

Project Information:

Street Address: 290 COUNTRY CLUB CIR. SOUTHERN PINES, NC 28387

PIN: 858100121842

Parcel ID: 00048946

Site Size: ±292.63 AC

Zoning: FRR

Applicant:

Name(s): MID-PINES DEVELOPMENT GROUP LLC - C/O KELLY MILLER

Email: kelly.miller@rossresorts.com

Phone: 910-692-5372

Mailing Address: PO BOX 88 SOUTHERN PINES, NC 28388

Authorized Agent, if different from Applicant:

Name(s): KOONTZ JONES DESIGN - C/O BOB KOONTZ

Email: bkoontz@koontzjones.com

Phone: 910-684-8487

Mailing Address: 150 S PAGE ST SOUTHERN PINES, NC 28387

Legal Property Owner(s), if different from Applicant:

Name(s): _____

Email: _____

Phone: _____

Mailing Address: _____

8-27-21

TO THE TOWN OF SOUTHERN PINES PLANNING BOARD AND TOWN COUNCIL:

I, the undersigned, do hereby make application to and petition the Planning Board and Town Council to grant a Special Use Permit as required by the Town of Southern Pines Zoning Ordinance. The following information is submitted in support of this application:

The property which is the subject of this application is located on the EAST side of COUNTRY CLUB CIR. (St./Ave.), between SPRING RD (St./Ave.) and RIDGE ST (St./Ave.). The property has a frontage of ±3500 feet and a depth of ±2400 feet.

The special use sought is based upon Section(s) 2.21; 3.7.2 of the **Town of Southern Pines Unified Development Ordinance**. The proposed use of the property is as follows:

GOLF COURSE RELATED LODGING

Date: 10/10/22


Applicant
Mio Pines Development Group, LLC

PLANNING DEPARTMENT
TOWN OF SOUTHERN PINES
plan@southernpines.net (910) 692-4003 www.southernpines.net

**SOUTHERN PINES COUNTRY CLUB
SPECIAL USE PERMIT NARRATIVE (SUP)**

Southern Pines Country Club (SPCC) was purchased in 2021 by Mid Pines Development Group, LLC. In addition to SPCC, Mid Pines Development Group, LLC also operates the Mid Pines and Pine Needles Golf Course Resort facilities, located in Southern Pines. Pine Needles recently hosted the 2022 USGA Women's US Open Golf Tournament. Since purchasing SPCC, the owners have made substantial investments in the restoration of the golf course to reflect the original Donald Ross design and significantly improve playing conditions. These investments and restructuring of the facilities have insured that the SPCC golf course will remain a vital part of the community, and that the community will retain the large open space that presently exists in this location.

With the golf course improvements, additional opportunities for the property now exist. The proposed development at SPCC described in this application will add additional lodging opportunities for golf travelers coming to Southern Pines at the newly restored golf course facility, in roughly the same location previously occupied by the Elks Lodge building. Lodging on site will improve the existing golf opportunities in the area, add a third unique property to the existing offerings, and provide another golf tourism destination for Southern Pines.

In the Town's Comprehensive Long-Range Plan (CLRP) one of the stated goals is "Capitalizing on Tourism". Specifically, it states "the Town should support promotional efforts, as well as efforts to retain their integrity." Additional lodging opportunities at this existing golf course will help maintain the integrity and quality of the facility and promote Southern Pines as a golfing destination. Also, goal G-7 of the CLRP states "Golf. Retain golf as an essential part of Southern Pines' economy, physical character and culture." Under policies P-11.i. the CLRP states "Coordinating with public and private golfing interests to facilitate changes needed to support golf's role as a recreational and economic asset to the Town." This project supports these goals.

Additional lodging and the restoration/renovation of the SPCC golf course facilitates changes that are needed to enhance the economic viability of one of the Town's premier golf assets. The addition of lodging, which will be operated by the golf club, also will assist in maintaining the character and quality of the SPCC golf course.

The existing zoning for this property is the Facilities, Resource and Recreation District (FRR). This district permits a wide variety of uses including "golf resorts and related facilities...and recreational facilities that typically include substantial open space." The proposed lodging use replaces the previous Elks Lodge structure and adds very little built-upon area to the site while preserving much of the approximately 292.11-acre property. With the demolition of the former lodge and the installation of a new large practice putting green, impervious surface only increases by +/- 5,200 sf (0.12 acres) or .04% of the overall property. The area of the property impacted by this Special Use Permit application will include approximately 9.48 acres of the +/- 292.11-acre property, or approximately 3.2% of the overall property.

Design elements for the project are described below.

- **Cottages**

- The proposed plan includes a mixture of four (4) and eight (8) bedroom cottages. The total number of bedrooms requested in this SUP will not exceed fifty-six (56) bedrooms. These lodging units will be managed by the Mid Pines Development Group, LLC.
- All buildings will be designed to resemble single-family detached homes. Buildings will not exceed the Town's standard for residential building height of thirty-five (35) feet. It is intended that only one two-story above grade building will be constructed as indicated on the plan. Up to five (5) buildings may have a basement level if grading permits an additional level below grade. Any units with a "basement" level will be designed to appear to be as one-story from the street side of the structure with the basement level facing the internal golf facilities.
- New buildings will be designed to reflect the original clubhouse facility which was constructed in the early 20th century. New buildings will be brick and stucco structures which mimic the character of the original clubhouse. Images of the original clubhouse have been included with this application.
- The new buildings will be constructed in phases and may be built over several years.
- The plans indicate construction of 2 cottages and the main entrance drive on the location of the existing pool facility. The existing pool facility is being evaluated for long term viability. Whether the pool remains permanently, is removed after several years or is removed in the first phase has yet to be determined. The plans indicate the possible full build-out of the cottage area.

- **Parking Areas**

- Adequate parking will be provided on site to meet the needs of both the golf course facilities and the lodging.
- Parking required and provided:
 - Parking required for the lodging = 56 spaces
 - Parking required for clubhouse = 48 spaces
 - Parking required for the golf course = 48 spaces
 - Total spaces required = 152 spaces
 - Total Parking provided = 155 spaces

- **Streets and Access**

- The main entrance and secondary entrance to the site will be provided from Country Club Circle. There currently are 4 access points along Country Club Circle. The number of access points will be reduced to a total of 3 locations, with one serving only as a service entrance.
- An emergency access connection will be provided to the existing right-of-way on Ridge Street. This access point will be gated and utilized only for emergency vehicles. The connection will not be "paved" with asphalt. The emergency access point will utilize grass pavers with an adequate base to accommodate emergency vehicles. These pavers will be designed to adequately meet the requirements of the Town of Southern Pines and will be approved by the Town's Fire Marshal.

- Construction traffic will be prohibited from using the Ridge Street access point. All construction traffic will be directed to Country Club Circle, which has the width and pavement structure necessary to accommodate construction vehicles.
- **Circulation and Pedestrian Connections**
 - All golf cart and pedestrian circulation will be internal to the property. A 12' wide golf cart path will be provided in front of all units and will connect to the clubhouse and golf course cart path network. This cart path also will serve as internal pedestrian circulation for the cottage area.
 - Ordinary vehicular circulation will be limited to the parking lot, entry drive and service access drive.
- **Open Space**
 - The project will maintain more than 280 acres of open space, which includes the golf course, driving range and other areas of the overall property. The Proposed developed area consists of approximately 9.48 sf or 3.2% the property. SPCC will continue to provide significant open space for the community.
- **Buffers/Setbacks/Landscaping**
 - The FRR zoning district requires that setbacks match the adjacent properties. The UDO states "District Development Standards, Building heights and setbacks shall conform to those of the abutting district. Required buffers shall be based on the use established in the FRR district and the abutting use or district, whichever requires the greater buffer."
 - The adjoining properties are zoned RS-1. Building setbacks for the RS-1 district, which would apply to this property are as follows:
 - Front = 30'
 - Internal Side = 10'
 - External Side = 15'
 - Rear = 30'
 - Parking areas along the property boundary will be located no closer to the new buildings than the existing parking areas. The existing areas are located on flat ground. Utilizing the existing parking location will allow existing vegetation in this area to remain. Vegetation in the parking areas adjacent to the adjoining property boundaries, as indicated on the site plan, will be maintained. In addition, a 10' landscape buffer, which does not exist today, will be planted along the boundary of the parking lot in this area to meet the Town of Southern Pines parking lot screening standards and to screen the parking area from adjacent properties.
 - While the RS-1 zoning standards would apply to the adjacent FRR district per the UDO standards, buildings on the SPCC property will be no closer than 65' from the adjoining property boundary and the cart path and emergency access area will remain a minimum of 50' from the adjoining property boundary.
 - A 25' non disturbed buffer will remain along the adjacent property boundaries.
 - Landscaping for parking lots and other areas of the site will be provided as required by the Town of Southern Pines UDO.
- **Stormwater**
 - Stormwater best management practices will be applied as necessary and required by the Town of Southern Pines and State of North Carolina to control stormwater runoff for the

project. Any required stormwater management devices will be permitted as required by the appropriate state and local agencies.

- **Utility Service**

- Adequate water and sewer service can be provided by the Town of Southern Pines to this project and will be extended at the developer's expense. Utilities currently serve the property and additional services are within close proximity, along Country Club Circle. All utilities on the site will be located underground.

- **Signage**

- A sign indicating that the property is the location of the Southern Pines Country Club will be placed at each of the two entrances to the property off Country Club Circle.
- Small wayfinding signs and cottage identification signs will be installed internally on the property in a form that is consistent with the current golf course signage that exists on the site. Any additional directional or on-site signage for parking areas, cottages and golf course operations will follow the Town of Southern Pines sign standards in Section 4.6 of the UDO for size, materials, and height, if the signs are specifically regulated by the ordinance.

The descriptions and conditions described above will apply to the entire project as indicated in the Special Use Permit plan document.

EXHIBIT A

Southern Pines Country Club Special Use Permit Justification

Below are listed the six (6) criteria required to approve a Special Use Permit application as described in Section 2.21.7 of the Town of Southern Pines UDO. Following the individual criteria is an explanation, indicated in blue, describing how the project demonstrates compliance with each of these criteria.

A Special Use is permitted only if the Applicant demonstrates that:

(A) The proposed special use shall comply with all regulations of the applicable zoning district and any applicable supplemental use regulations;

The existing zoning for the property is Facilities, Resource and Recreation District (FRR). This district permits a wide variety of uses including “golf resorts and related facilities...and recreational facilities that typically include substantial open space.” The proposed lodging use replaces the previous Elks Lodge structure and adds very little built-upon area to the site while preserving much of the approximately 292.11-acre property. With the demolition of the former lodge and the installation of the large practice putting green, impervious surface increases by only +/- 5,200 sf or .04% the overall property. The area of the property impacted by this Special Use Permit application will include approximately 9.48 acres of the +/- 292.11-acre property. The proposed cottages will meet or exceed all regulations within the UDO related to the FRR district and other sections of the UDO, including setbacks, buffers and landscaping.

(B) The proposed special use shall conform to the character of the neighborhood in which it is located and not injure the use and enjoyment of property in the immediate vicinity for the purposes already permitted;

When a use is permitted as a special use within a zoning district, the law recognizes that the applicable ordinance creates a rebuttable presumption that the permitted use conforms with and is in harmony with the surrounding area. Since the FRR district permits “golf resorts and related facilities...and recreational facilities that typically include substantial open space,” the presumption is that this use conforms to the character of the neighborhood in which it is located and will not injure the use and enjoyment of property in the immediate vicinity. Per the UDO, Golf Resorts “may include club house, guest accommodations and/or residences that may be individually owned but fall within the management of the resort”.

The proposed cottages will be constructed to appear as single-family detached residences similar in size and character to that of the surrounding neighborhood and other homes located in Southern Pines. Cottages will range between 1,800 sf and 3,600 sf, similar to homes throughout Southern Pines. These buildings will be single-story or two-story units, and all will be constructed below the UDO’s 35’ maximum height regulation for single-family residential development.

The proposed cottages will reflect a neighborhood character similar to that of the surrounding area. Per the FRR standards in the UDO in Section 3.5.13.(D), “building heights and setbacks shall conform to those of the abutting zoning district. Required buffers shall be based on the use established in the FRR district and the abutting use or district, whichever requires the greater buffer.” In this case, the required setbacks from the adjacent RS-1 zoned properties are as follows:

- Front = 30’
- Internal Side = 10’
- External Side = 15’
- Rear = 30’

EXHIBIT A

The proposed project will exceed these standards. No building will be located within 65' of the adjoining properties. This is more than double the required setbacks.

Buildings will be designed to reflect the architectural character of the original clubhouse facility which was constructed in the early 20th century. Buildings will be brick and stucco structures to mimic the original clubhouse. Buildings will be screened from adjoining properties and oriented toward the golf course to take advantage of the wonderful views. A non-disturbed buffer will be provided along the adjoining property boundary for a minimum 25'. Parking areas will be no closer to the property boundary than those which currently exist today, and landscape screening of the parking areas will be provided as required by the UDO.

The proposed project also is consistent with the Town's Comprehensive Long-Range Plan ("CLRP") for this property, which further indicates that it conforms to the character of the surrounding community.

(C) Adequate public facilities shall be provided as set forth herein;

Public water and sewer utilities are readily available for the project. The cost of extending these utilities to the project will be borne by the developer. Water and sewer lines currently cross areas of the site. All amenities and improvements will be provided by the developer.

The main entrance and secondary entrance to the site will be provided from Country Club Circle. There currently are 4 access points along Country Club Circle. The number of access points will be reduced to a total of 3 locations, with one serving only a service entrance. An emergency access connection will be provided to the existing right-of-way on Ridge Street. This access point will be gated and utilized only for emergency vehicles. The connection will not be "paved" with asphalt. The emergency access point will utilize grass pavers with an adequate base to accommodate emergency vehicles. These pavers will be designed to adequately meet the requirements of the Town of Southern Pines and will be approved by the Town's Fire Marshal.

(D) The proposed use shall not impede the orderly Development and improvement of surrounding property for uses permitted within the zoning district or substantially diminish or impair the property values within the neighborhood;

This is a redevelopment project located on the site of the former Elks Lodge. Adjacent properties have been located adjacent to the golf course, clubhouse, lodge and other facilities since it was constructed in the early 20th century. Proposed improvements for the property will maintain the overall character of the area, while providing updated facilities and high-quality cottage units, resembling single-family residences and creating an appearance which is consistent with the surrounding neighborhood. This project will not impair the ability of surrounding properties to achieve their full development potential or to meet the standards of the RS-1 zoning district. Accordingly, the project will not substantially diminish or impair the property values within the surrounding neighborhood.

(E) The establishment, maintenance, or operation of the proposed use shall not be detrimental to or endanger the public health, safety, comfort or general welfare; and

This project meets all of the standards set forth in the Town's CLRP and UDO pertaining to land use. Based on the standards set forth in these publicly reviewed and approved documents, this project will not be detrimental to or endanger the public health, safety, comfort, or general welfare of the surrounding neighborhood or the Town of Southern Pines. The proposed development incorporates goals of the CLRP related to golf, golf course development and tourism.

EXHIBIT A

Traffic volumes will not endanger the residents of the Town of Southern Pines and all vehicular access will remain in locations similar to the existing access points for the property. Traffic generated by the project will not have any adverse impact on existing neighborhoods or streets and will be similar to that which exists today. A Trip Distribution Analysis has been provided for the site as required by the UDO.

The setbacks provided around the property, will exceed the minimum UDO standards and will be planted to meet Town standards and requirements. These setbacks will further protect adjoining property owners from any detrimental impacts of the project.

(F) The public interest and welfare supporting the proposed use shall be sufficient to outweigh individual interests that are adversely affected by the establishment of the proposed use.

The proposed use is permitted and encouraged by both the Town of Southern Pines CLRP adopted on March 8, 2016, and in the Town of Southern Pines UDO under the FRR zoning district classification. The Cottages proposed for the project, will replace the previous Elks Lodge, and will resemble single-family residential homes, consistent with the surrounding neighborhood and also will provide an additional golf lodging opportunity for the Town of Southern Pines.

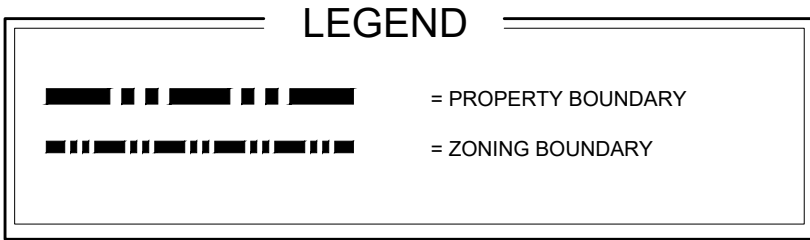
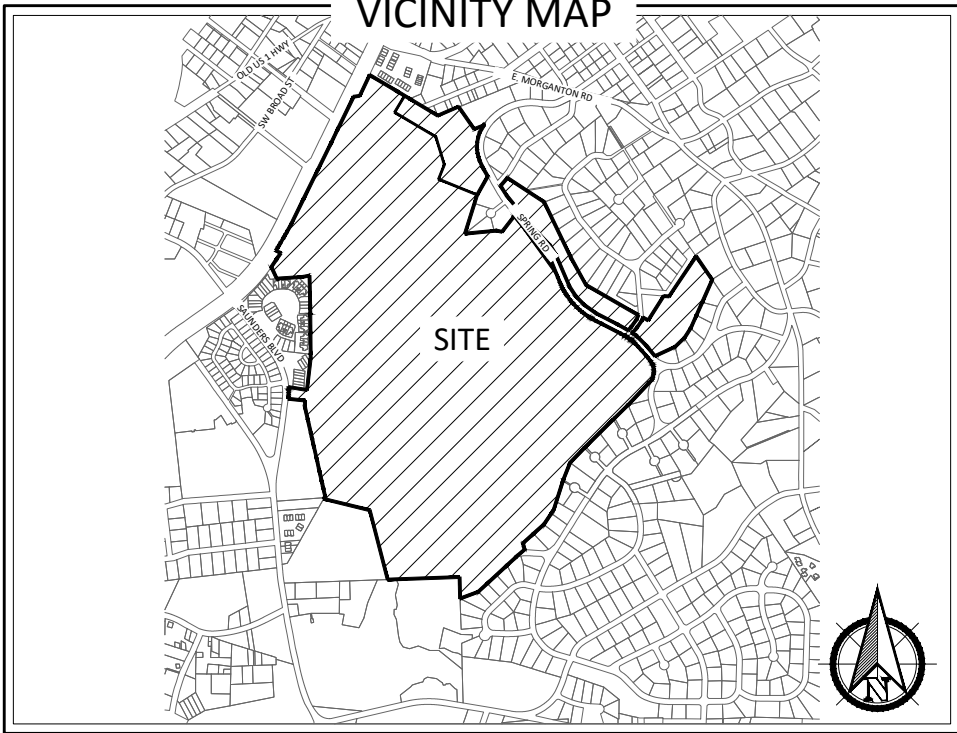
Any utility and roadway infrastructure will be extended and connected as necessary by the developer and dedicated to the Town of Southern Pines. This will benefit the public interest and welfare without adversely affecting any individual interests.

The CLRP expressly discusses “Capitalizing on Tourism” and states “the Town should support promotional efforts, as well as efforts to retain their integrity.” Additional lodging opportunities at the existing golf course, will help maintain the integrity and quality of the facility and promote Southern Pines as a golfing destination. Also, goal G-7, on page 2-7 of the CLRP states “Golf. Retain golf as an essential part of Southern Pines’ economy, physical character and culture.” Under policies P-11.i. on page 2-10, the CLRP states “Coordinating with public and private golfing interests to facilitate changes needed to support golf’s role as a recreational and economic asset to the Town.” The addition of lodging to, and the restoration/renovation of, the SPCC golf course will enhance the economic viability of the Town’s golf industry. The addition of lodging, which will be operated by the golf club, will assist in maintaining the open space, character and quality of the SPCC golf course, which also is a community asset.

This proposal is fully consistent with the ordinances, plans, and standards prescribed by the Town’s guiding documents. These documents were developed as a result of many hours of public input, staff review and Town Council deliberation in order to protect the public interest and promote the welfare of the community.

This project incorporates many goals and objectives of the CLRP and UDO and establishes a development pattern that is consistent with those documents. The development pattern also meets the land use goals defined by the CLRP because it is tourism related, utilizes existing facilities, protects open space, is a redevelopment project and makes efficient use of the town’s existing infrastructure.

Accordingly, the public interests supporting the proposed uses outweigh any individual interests that may be adversely affected by the proposed use.



PROPERTY INFORMATION

PROPERTY OWNER(S):
MID-PINES DEVELOPMENT GROUP LLC
P.O. BOX 88
SOUTHERN PINES, NC 28388

PARCEL ID: 00048946 **PIN:** 858100121842
DB: 5772 **PG:** 286

APPLICANT:
MID-PINES DEVELOPMENT GROUP LLC
P.O. BOX 88
SOUTHERN PINES, NC 28388

TOTAL ACREAGE: ±292.11 AC
SUP AREA: ±9.48 AC

ZONING INFORMATION

ZONING CLASSIFICATION:
FRR - FACILITIES, RESOURCE, & RECREATION

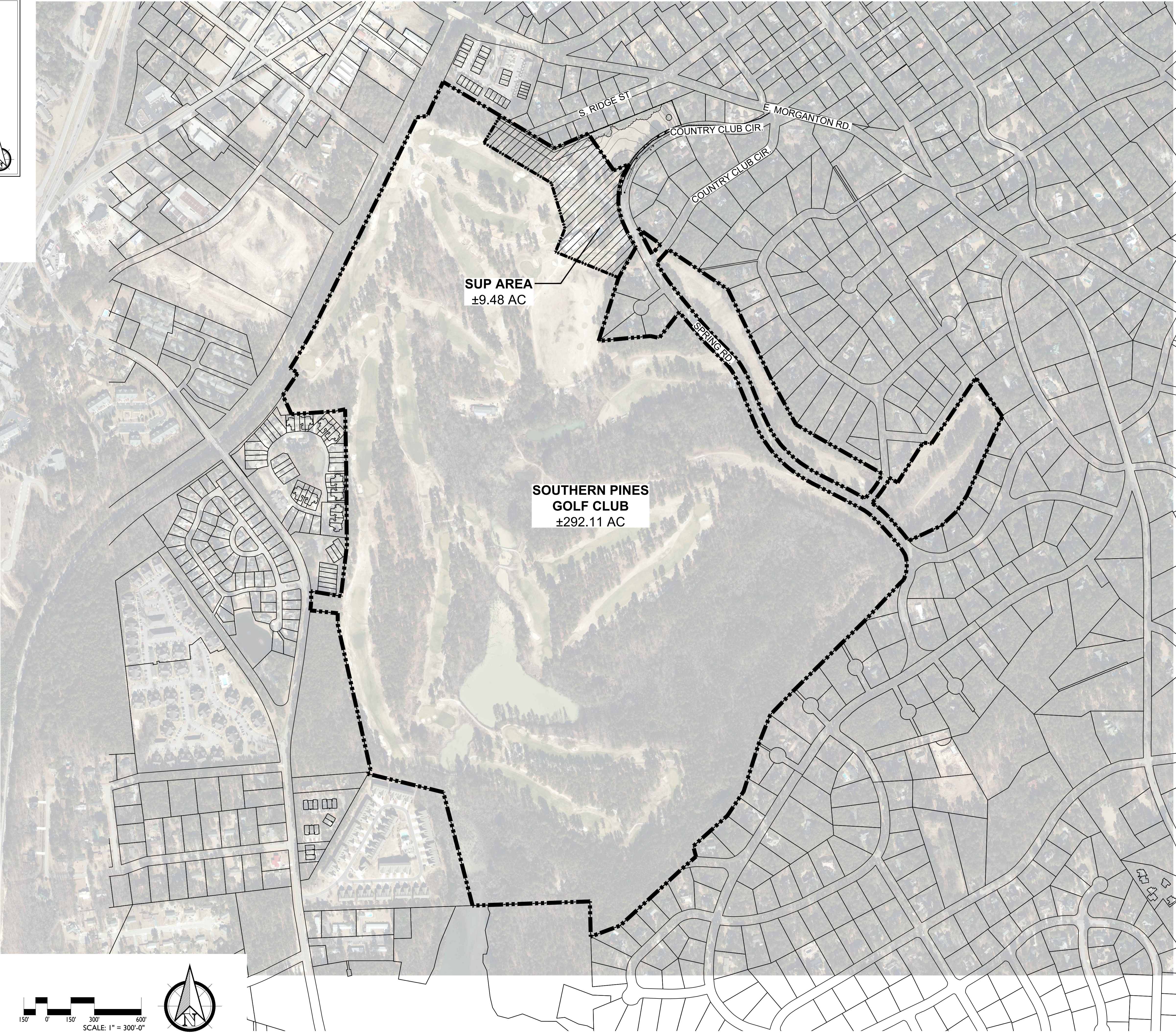
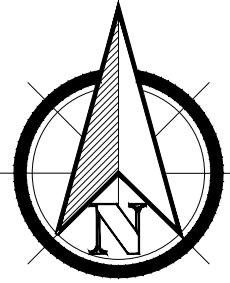
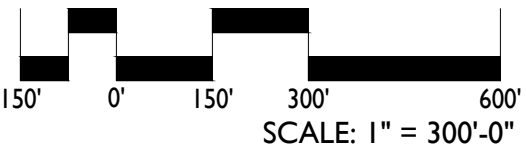
FLOODPLAIN DATA

THIS PROPERTY IS LOCATED IN FLOOD ZONE 'X'
(AREAS OF MINIMAL FLOODING)

THE LOCATION OF THE 100-YEAR FLOODPLAIN PER
NFIP FIRM COMMUNITY
PANEL(S) NO: 8571, 8580
MAP(S): 3710857100J, 3710858000J
DATE: OCTOBER 17, 2006

CAUTION

THE UTILITIES SHOWN HEREON ARE FOR THE CONTRACTOR'S
CONVENIENCE ONLY. THERE MAY BE OTHER UTILITIES NOT
DEPICTED ON THESE PLANS. THE LANDSCAPE ARCHITECT AND
ENGINEER ASSUMES NO RESPONSIBILITY FOR THE LOCATIONS
SHOWN AND IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY
TO VERIFY THE LOCATIONS OF ALL UTILITIES WITHIN THE
PROJECT LIMITS. ALL DAMAGE MADE TO THE EXISTING
UTILITIES BY THE CONTRACTOR SHALL BE THE SOLE
RESPONSIBILITY BY THE CONTRACTOR.



PRELIMINARY PLANS - NOT RELEASED FOR CONSTRUCTION (FOR REVIEW ONLY)

KOONTZJONESDesign
LAND PLANNING | LANDSCAPE ARCHITECTURE

150 S PAGE STREET
SOUTHERN PINES, NC 28387
P: (910) 639-4058
W: www.koontzjonesdesign.com

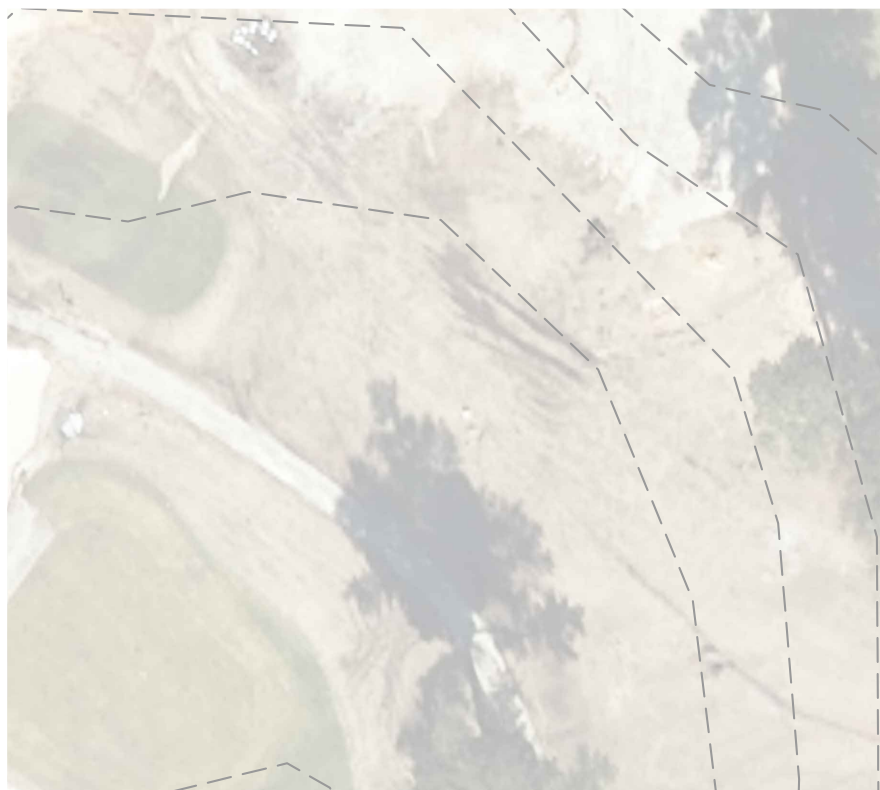
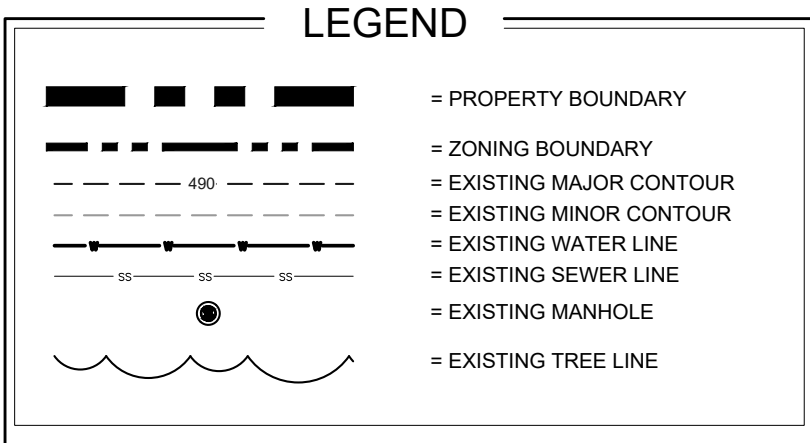
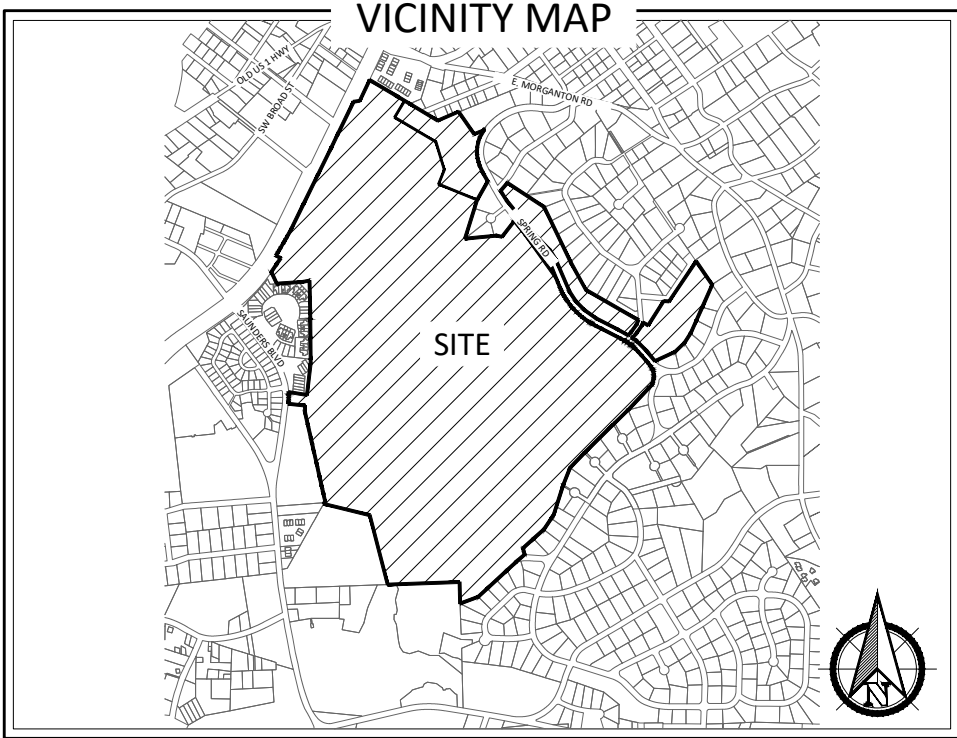
REVISIONS:

REVISIONS:

SOUTHERN PINES GOLF CLUB
SOUTHERN PINES, NORTH CAROLINA

EXISTING CONDITIONS - OVERALL

DATE: 10-10-2022
DESIGNED BY: REK
DRAWN BY: PJS
CHECKED BY: REK
SCALE: 1" = 300'-0"
PROJECT #: KID21054
SHEET NUMBER#:
L-1.0



PROPERTY INFORMATION

PROPERTY OWNER(S):
MID-PINES DEVELOPMENT GROUP LLC
P.O. BOX 88
SOUTHERN PINES, NC 28388

PARCEL ID: 00048946 PIN: 858100121842
DB: 5772 PG: 286

APPLICANT:
MID-PINES DEVELOPMENT GROUP LLC
P.O. BOX 88
SOUTHERN PINES, NC 28388

TOTAL ACREAGE: ±292.11 AC
SUP AREA: ±9.48 AC

ZONING INFORMATION

ZONING CLASSIFICATION:
FRR - FACILITIES, RESOURCE, & RECREATION

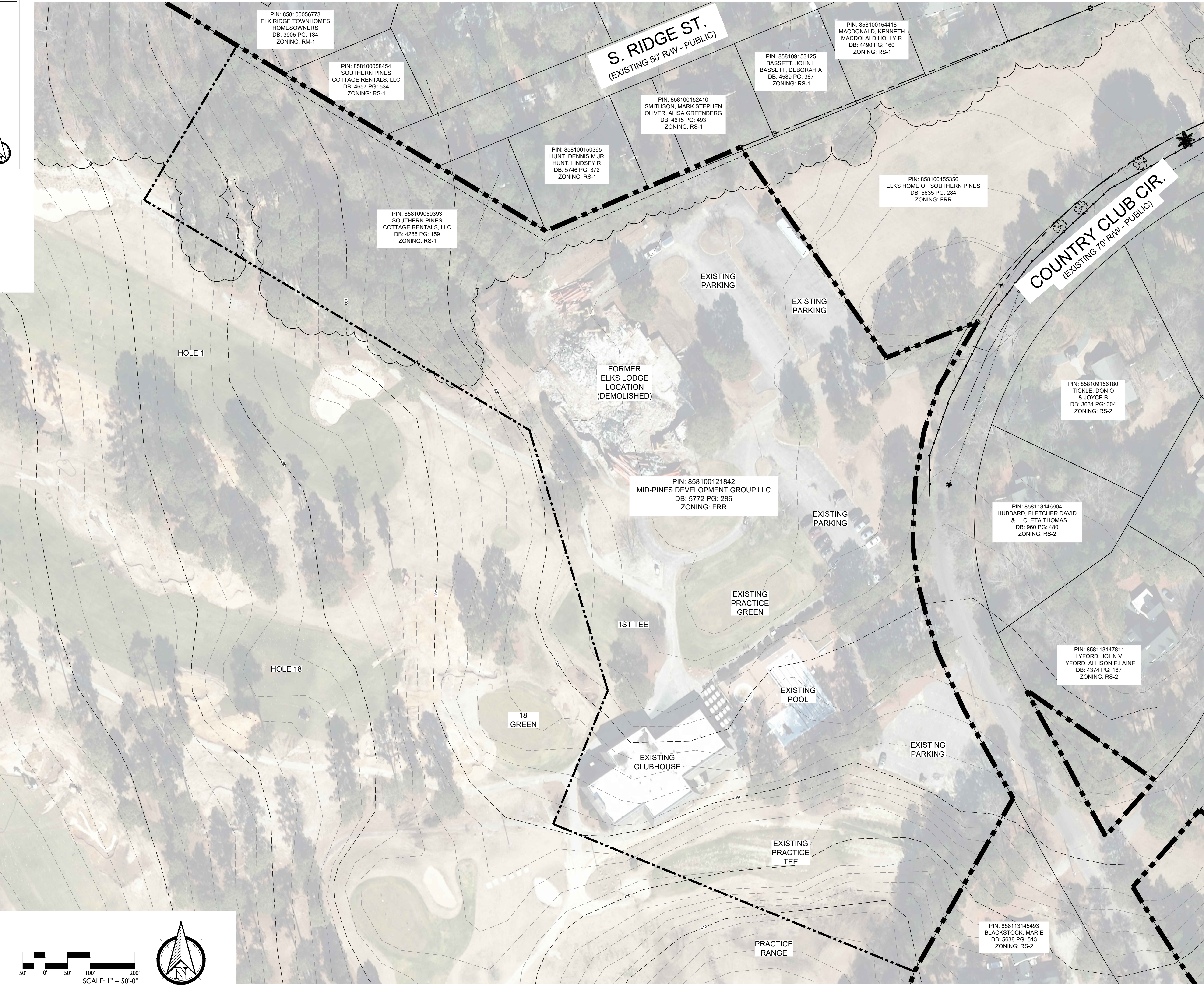
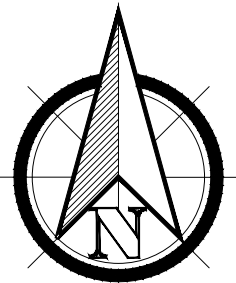
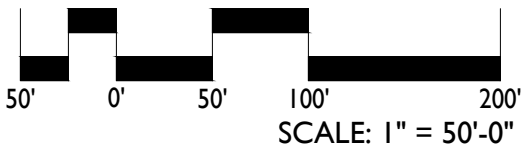
FLOODPLAIN DATA

THIS PROPERTY IS LOCATED IN FLOOD ZONE 'X'
(AREAS OF MINIMAL FLOODING)

THE LOCATION OF THE 100-YEAR FLOODPLAIN PER
NFIP FIRM COMMUNITY
PANEL(S) NO: 8571, 8580
MAP(S): 3710857100J, 3710858000J
DATE: OCTOBER 17, 2006

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TO VERIFY THE LOCATIONS OF ALL UTILITIES WITHIN THE
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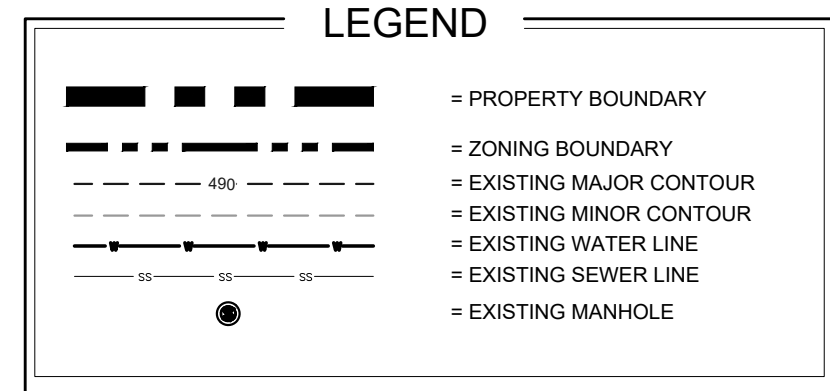
REVISIONS:

REVISIONS:

SOUTHERN PINES GOLF CLUB
SOUTHERN PINES, NORTH CAROLINA

EXISTING CONDITIONS

DATE: 10-10-2022
DESIGNED BY: REK
DRAWN BY: PJS
CHECKED BY: REK
SCALE: 1" = 50'-0"
PROJECT #: KID21054
SHEET NUMBER#:
L-1.1



PROPERTY OWNER(S):
MID-PINES DEVELOPMENT GROUP LLC
P.O. BOX 88
SOUTHERN PINES, NC 28388

PARCEL ID: 00048946 PLOT: 858100121842
DB: 5772 PG: 286

APPLICANT:
MID-PINES DEVELOPMENT GROUP LLC
P.O. BOX 88
SOUTHERN PINES, NC 28388

TOTAL ACREAGE: ±292.11 AC
SUP AREA: ±9.48 AC

IMPERVIOUS SURFACE:
EXISTING: ±3.19 AC
PROPOSED: ±3.31 AC

REQUIRED PARKING:
LODGING (1 SPACE PER EACH ROOM)
56 GUEST ROOM = 56 SPACES
CLUBHOUSE (1 SPACE PER 200 SF)
9,500 SF CLUBHOUSE = 48 SPACES
COURSE COURSE (1 / 3 USERS @ MAX CAPACITY)
144 USERS = 48 SPACES
TOTAL: 152 REQUIRED SPACES

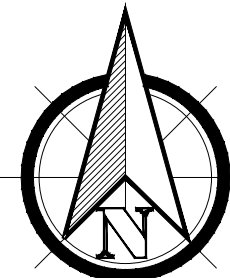
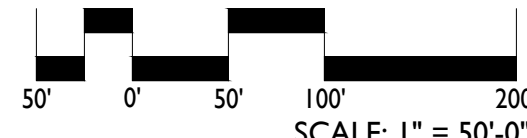
TOTAL PARKING PROVIDED: 155 SPACES

ZONING CLASSIFICATION:
FRR - FACILITIES, RESOURCE, & RECREATION

THIS PROPERTY IS LOCATED IN FLOOD ZONE 'X'
(AREAS OF MINIMAL FLOODING)

THE LOCATION OF THE 100-YEAR FLOODPLAIN PER
NFIP FIRM COMMUNITY
PANEL(S) NO: 8571, 8580
MAP(S): 3710857100J, 3710858000J
DATE: OCTOBER 17, 2006

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PRELIMINARY PLANS - NOT RELEASED FOR CONSTRUCTION (FOR REVIEW ONLY)

SOUTHERN PINES GOLF CLUB
SOUTHERN PINES, NORTH CAROLINA

SITE PLAN

DATE: 10-10-2022
DESIGNED BY: REK
DRAWN BY: PJS
CHECKED BY: REK
Q.C. BY: REK
SCALE: 1" = 50'-0"
PROJECT #: KID21054
SHEET NUMBER #: 113

For Registration Register of Deeds

Judy D. Martin

Moore County, NC

Electronically Recorded

December 30, 2021 3:48:36 PM

Book: 5772 Page: 286 - 291 #Pages: 6

Fee: \$26.00 NC Rev Stamp: \$0.00

Instrument# 2021028071

Prepared by and Return To:
 John M. May, Esq.
 Robbins May & Rich LLP
 120 Applecross Road
 Pinchurst, North Carolina 28374
 No title examination by drafting attorney

NORTH CAROLINA SPECIAL WARRANTY DEED

Excise Tax: \$-0-

Parcel Identifier No. _____ Verified by _____ County on the ____ day of _____, 20____
 By: _____

Brief description for the Index: Elks Club Golf Course and Related Properties

THIS DEED effective this the 28th day of May, 2021, by and between

Grantor	Grantee
Kaveri Investment Management Company, LLC, a Delaware limited liability company 3315 Collins Avenue, #4B Miami Beach, FL 33140	Mid-Pines Development Group, L.L.C. PO Box 88 Southern Pines, NC 28388

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, as a contribution to the capital of the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in Moore County, North Carolina and more particularly described as follows:

See Exhibit "A" attached hereto and incorporated herein by reference.

Submitted electronically by "Robbins May & Rich LLP"
 in compliance with North Carolina statutes governing recordable documents
 and the terms of the submitter agreement with the Moore County Register of Deeds.

Subject and together with the following exceptions:

1. Easement and restrictions of record enforceable against the Property,
2. Town of Southern Pines zoning of the Property,
3. The lien of ad valorem taxes not yet delinquent as of the Closing Date,
4. Assessments, if any, not yet delinquent as of the Closing Date,
5. Use, development, zoning and subdivision ordinances, building codes and other legal requirements applicable to the Property,
6. Public and railroad rights-of-way, specific to the Property,
7. Matters that would be disclosed by a current survey and inspection of the Property,
8. All other matters of record on or prior to the Closing Date enforceable against the property herein described.
9. Title to that portion of the property herein described previously conveyed by the Grantor to Elks Home of Southern Pines, Inc. in Book 5635, Page 284, Moore County Registry.

The property hereinabove described was acquired by Grantor by instrument recorded in Deed Book 5623, Page 118, Moore County Registry, North Carolina.

All or any portion of the property herein conveyed does not include the primary residence of a Grantor.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor has done nothing to impair such title as Grantor received, and Grantor will warrant and defend the title against the lawful claims of all persons claiming by, under or through Grantor, except for the exceptions noted above.

[Signature Page to Follow]

IN WITNESS WHEREOF, this instrument is executed (a), if by individuals, by hereunto setting their hands under seal by adoption of the word "SEAL" appearing next to the individuals' names or signatures, (b), if by a corporation, by the duly authorized officers, directors or shareholders of the corporation on its behalf under seal by adoption of the facsimile seal printed hereon for such purpose or, if an impression seal appears hereon, by affixing such impression seal or by adoption of the word "SEAL" appearing next to the name of the corporation or the signatures of the officers, directors or shareholders, (c), if by a partnership, by the duly authorized partners of the partnership on its behalf under seal by adoption of the word "SEAL" appearing next to the name of the partnership or the signatures of the partners or (d), if by a limited liability company, by the duly authorized members or managers on its behalf under seal by adoption of the word "SEAL" appearing next to the name of the limited liability company or the signatures of the members or managers, on the day and year first above written.

KAVERI INVESTMENT MANAGEMENT COMPANY, LLC

By: _____ (SEAL)
 Printed Name: Haresh Tharani
 Its: Manager

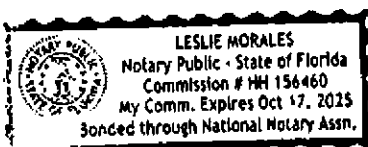
STATE OF Florida
 COUNTY OF Miami Dade

I certify that the following person personally appeared before me this day and acknowledged to me that the following person voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Name	Capacity
Haresh Tharani	Manager

- ☒ I have personal knowledge of the identity of the principal;
☐ I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a _____; or
☐ A credible witness has sworn to the identity of the principal

Witness my hand and official stamp or seal on this the 30 day of December, 2021.



Notary Public Leslie Morales

Print notary name: Leslie Morales
 (notary name must be exactly as on notary seal)

My commission expires: 10/17/25

[affix notary seal above, which must be fully legible]

EXHIBIT "A"

(continued)

1355.55 feet crossing a branch to an iron stake with pine pointers, Morris' corner; thence with Morris' line, South 87°39' West 1859.0 feet crossing a branch to a point in the center of the pavement of Pee Dee Road; thence South 10°33' East 893.4 feet to a point in McDonald's line in the center of the pavement of Pee Dee Road; thence with

McDonald's and Johnson's lines, North 71°17' West 478.01 feet to a concrete monument; thence North

7°45' West 847.0 feet crossing State Road #2059 to a concrete monument; thence North 83°05' East

473.0 feet crossing Pee Dee Road to an iron stake; thence with a line of the Virgil Johnston Pinecrest

Manor Subdivision, North 28°38' East 807.7 feet to a concrete monument; thence continuing with the

Pinecrest Manor Subdivision, North 13°03' West 952.71 feet to a concrete monument, Eugene

McKenzie's corner; thence with McKenzie's line, North 6°56' East 523.3 feet to a concrete monument and North 1°32' West 873.38 feet to a concrete monument and North 1°32' West 873.38 feet to a concrete monument in an old road bed; thence with E. L. Rich's line, South 84°45' West 415.4 feet to a concrete monument; thence North 24°30' West 184.39 feet to a point in the center of the Seaboard Coastline Railroad; thence with the center of the railroad, North 29°24' East 585.79 feet and North 25°47' East 1705.12 feet to a corner of the Country Club Lands and Hughes' land; thence with the Hughes' line and the Sunnyside Addition line, South 57°45' East 930.95 feet to a concrete monument, the south corner of the Sunnyside Addition; thence with the south line of the Sunnyside Addition North 68°09' East 1000.37 feet to the BEGINNING, containing 481.1 acres, more or less.

The above description taken from actual survey made by C. H. Blue, Registered Surveyor, and as shown on map entitled "Southern Pines Country Club Lands, Property of Elks Home of Southern Pines, Inc., Sandhills Township, Moore County, N.C. Southern Pines, North Carolina", dated September 30, 1969.

SUBJECT, however, to the easement of the right of way of the Seaboard Coastline Railroad included within the bounds of the afore described tract and the easements of rights of way of Country Club Road, Fairway Road, Spring Road, Valley Road, Barber Road, Little Road, Hill Road, Cliff Road, Elk Road,

Branch Road, Bethesda Road, Pee Dee Road State Road #2059, Elm Circle, Holly Circle, Cedar Circle, Pine Circle, Cypress Circle, Bay Circle and Oak Circle included within the bounds of the afore described tract, and all utility easements of record.

Reference is made to various subdivision maps of the Southern Pines Country Club Lands, said maps being designated and entitled as follows: "Subdivision of part of Southern Pines Country Club Lands No. 1", dated August 1, 1928, made by W. I. Johnson, Jr., G.E., recorded in the Moore County Registry, Map Book I, Section 1, Page 35; "Subdivision of Part of Southern Pines Country Club Lands No. 2", dated November 27, 1928, made by W.I. Johnson, Jr., C.E. recorded in the Moore County Registry, Map Book I, Section 1, page 52; "Southern Pines Country Club", dated July 1939, made by J. B. Swett, C.E., recorded in the Moore County Registry, Map Book 2-A, Page 85; "Subdivision of Part of Southern Pines Country Club Lands No. 3", dated December 8, 1955, made by C. H. Blue, Registered Surveyor, recorded in the Moore County Registry, Map Book 5, Page 9; "Southern Pines

EXHIBIT "A"

All that certain tract or parcel of land lying and being near the Town of Southern Pines in Sandhills

Township, Moore County, North Carolina, and adjoining the lands of Sunnyside Addition, Golfcrest

Subdivision, Weymouth Heights Subdivision, Robinson, Down, Brooks, Greene, Jack Norris, McDonald, Johnson, the Pinecrest Manor Subdivision, Eugene McKenzie, E L. Rich, the Seaboard Coastline Railroad and others, described as follows:

BEGINNING at a concrete monument in the south line of Morganton Road at the east corner of the Sunnyside Addition (see Map book I, Section 2, Page 1 17, Moore County Registry), said Beginning monument located 1 81.0 feet east from the intersection of the south line of Morganton Road with the southeast line of Ridge Street, said Beginning monument being the north corner of Lot No. 3 as shown on a map of "Subdivision of part of Southern Pines Country Club Lands No. 1 recorded in the Office of the Register of Deeds for Moore County, North Carolina, running thence from the Beginning monument, with the south line of Morganton Road, South 70° 59' East 319.97 feet to a concrete monument; thence continuing with the south line of Morganton Road and crossing its intersection with County Club Road and Fairway Road, South 78° 37' East 369.96 feet to a corner of Weymouth Heights Lot No. 15; thence with the Weymouth Heights' line, South 33° 46' East 195.52 feet to a concrete monument, the east corner of Lot No. 1, Block 3 of the Country Club Lands, also a corner of the Golfcrest Subdivision; thence with the Golfcrest lines, South 49° 05' West 602.6 feet to a monument, South 37° 49' West 531.67 feet to a monument, South 56° 36' East 235.42 feet to a monument, South 26° 39' East 632.90 feet to a monument, South 28° 54' East 328.2 feet to a monument, South 60° 37' East 436.6 feet to a monument, South 60° 40' East 296.40 feet crossing Valley Road to a monument and North 37° 22' East 830.0 feet to a monument in the Weymouth Heights' line; thence with the Weymouth Heights' line South 33° 45' East 1664.90 feet crossing Barber Road, Little Road and Hill Road to a concrete monument, the east corner of Lot No. 301 of Section Two of the Country Club Lands; thence South 40° 38' West 680.90 feet to an iron stake, a corner of the Phillippi property; thence with Phillippi's line, South 35° 40' East 108.9 feet to an iron stake, a corner of Phillippi and Derby; thence with the lines of Derby and Robinson, South 45° 35' West 770.6 feet to a monument, a corner of Robinson and Dowd; thence with Dowd's line, South 83° 34' West 385.70 feet to a concrete monument; thence with another of Dowd's lines, South 1° 10' West 155.0 feet to a concrete monument; thence with Brooks' & Morrison's line, South 18° 46' East 697.1 feet to a corner in Bethesda Road; thence South 59° 09' West 230.0 feet to a point in Bethesda Road at its intersection with Elk Road; thence South 88° 30' East 26.85 feet to a point in the center of the pavement of Bethesda Road; thence along the center of Bethesda Road, South 58° 12' West 533.0 feet, South 58° 18' West 396.3 feet, South 47° 50' West 116.1 feet, South 31° 31' West 139.0 feet to a point at its intersection with Hill Road; thence continuing with Bethesda Road, South 23° 09' West 442.1 feet, South 45° 34' West 118.8 feet to a point in the center of the pavement of Bethesda Road; thence South 50° 09' West 227.23 feet to a stake in the south ditch of Bethesda Road, the west corner of Robinson's Margaret McNeill 36.64 acre tract; thence with a line of the Greene property, South 85° 59' West 273.0 feet to an iron stake, a corner of the Greene and McCall properties; thence with McCall's line, North 87° 21' West 393.58 feet to an iron stake, a corner of the McCall and Futrell tracts; thence with Futrell's line, North 19° 10' East 125.74 feet to the center of the pavement of Bethesda Road; thence along the center of the road, North 80° 23' West 53.94 feet to Norris' line; thence with Sack Norris property, North 2° 18' West

EXHIBIT "A"
(continued)

Country Club Lands, Section Four, Property of Elks Home of Southern Pines, Inc.", dated November 2, 1965, made by C. H. Blue, Registered Surveyor, recorded in the Moore County Registry, Map Book 7, Page 95; "Southern Pines Country Club Lands, Section Five, Property of Elks Home of Southern Pines, Inc., prepared by C. H. Blue & Associates, and recorded in plat Cabinet 2, Slide 126; and there is EXCEPTED from this indenture and not intended to be conveyed hereby the following residential lots and several tracts or parcels of land as shown on one or more of the aforesaid maps:

- (a) Those certain two tracts or parcels of land conveyed by Elks Home of Southern Pines, Inc., to George C. Graves and wife by deed dated February 14, 1952, and recorded in the Moore County Registry, Deed Book 176, Page 257.
- (b) That certain tract or parcel of land conveyed by Elks Home of Southern Pines, Inc., to Nelson S. Robinson, Trustee, by Deed dated October 11, 1956, recorded in the Moore County Registry, Deed Book 211, Page 457.
- (c) Lots Nos. 1, 2, and a portion of Lot No. 3, Block 1, as conveyed by Elks Home of Southern Pines, Inc., to Carolina Daco Corporation by Deed dated October 31, 1951, recorded in the Moore County Registry, Deed Book 175, Page 243.
- (d) That certain tract or parcel of land conveyed by Elks Home of Southern Pine, Inc., to Shirley Manning recorded in Deed Book 351, page 136, of the Moore County Registry, as amended and corrected in Deed Book 423, Page 840.
- (e) That certain tract or parcel of land conveyed by Elks Home of Southern Pines, Inc., to John O. Valentine, containing 7.2 acres, more or less, and being more particularly described in Deed Book 452, page 657, of the Moore County Registry.
- (f) Lots Nos. 1, 2, 3, 4, 5, 6, 7, 8, and 9, Block 2.
- (g) Lots Nos. 1, 2, 3, 4, 5, and 6, Block 3.
- (h) Lots Nos. 100 through 103, inclusive, 201 through 207, inclusive, 211 through 235, inclusive, 300 through 319, inclusive, 333 through 344, inclusive, 401 through 443, inclusive, and 501 through 525, inclusive.
- (i) That certain tract or parcel of land conveyed by Elks Home of Southern Pines, Inc. to Tanya C. Brown by Deed dated February 12, 1990 and being more particularly described in Deed Book 714, Page 160, of the Moore County Public Registry.
- (j) That certain tract or parcel of land conveyed by Elks Home of Southern Pines, Inc. to Hillco, Ltd. by Deed dated April 20, 1995, containing 8.62 acres, more or less, and being more particularly described in Deed Book 1097, Page 521, of the Moore County Public Registry.
- (k) Lot 512, Section 5 as described in deed recorded in Book 1947, Page 26, MCR (l) Lot 513, Section 5, as described in deed recorded in Book 1947, Page 31, MCR.
- (m) Lots 516-518 Section 5, as described in deed recorded in Book 2483, Page 422, MCR (n) Lots 405R and 406R as described in Deed recorded in Book 2934, Page 142, MCR.
- (o) That certain tract or parcel of land containing 14.77 acres, more or less, as described in deed recorded in Book 3479, Page 288, Moore County Registry, and as shown on plat recorded in Plat Cabinet 14, Slide 314, Moore County Registry.
- (p) That certain tract or parcel of land containing 11.09 acres, more or less, as described in deed recorded in Book 3511, Page 444, Moore County Registry and as shown on plat recorded in Plat Cabinet 14, Slide 561, Moore County Registry.

APPOINTMENT OF AGENT

The undersigned owner(s), MID-PINES DEVELOPMENT GROUP LLC, hereby appoint(s) KOONTZ JONES DESIGN as the exclusive agent for the purpose of making an application to the Town of Southern Pines for a Special Use Permit on the property described in the attached application. The owner(s) hereby agree that this agent has the authority to act for and on behalf of the owner(s) as follows:

1. to submit an application and required supplemental materials;
2. to appear at public meetings and give representation and comments on behalf of the owner(s);
3. to accept conditions or recommendations made by the Town of Southern Pines Planning Board and Town Council for the issuance of a Special Use Permit on the subject property; and
4. to act on behalf of the owner(s) without limitations with regard to any and all things directly or indirectly connected with or arising out of any application for a Special Use Permit under the Southern Pines Unified Development Ordinance.

This Appointment of Agent shall remain in effect until final resolution of the attached application.

Signed this 10th day of October, 2022.



Property Owner (MID-PINES DEVELOPMENT GROUP, LLC)



Property Owner



Agent (KOONTZ JONES DESIGN)

May 2, 2022

Mr. Bob Koontz
Koontz Jones Design
150 South Page Street
Southern Pines, NC 28387



RE: *Southern Pines Golf Club - Trip Generation Analysis, Southern Pines, NC*

Kimley-Horn has prepared an analysis of the trip generation potential of the proposed redevelopment of the Southern Pines Golf Club on Country Club Circle in Southern Pines, NC. Per the attached concept plan, this project is proposed to add 8 rental cottages and a lodge with 12 rooms and will have access onto Country Club Circle.

Traffic for this project was generated using data from the 10th Edition of the ITE *Trip Generation Manual* based on land use codes (LUC) 265 (Timeshare) for the rental cottages and LUC 310 (Hotel) for the lodge. The trip generation is summarized in Table 1 below, and detailed trip generation calculations are attached.

Table 1 ITE Trip Generation (Vehicles)							
Land Use	Size	Daily		AM Peak Hour		PM Peak Hour	
		In	Out	In	Out	In	Out
Timeshare (LUC 265)	8 units	42	42	2	1	3	4
Hotel (LUC 310)	12 rooms	50	50	4	2	4	3
Total Net New External Trips		92	92	6	3	7	7

Table 1 shows that the proposed development is projected to generate approximately 184 new daily trips on a typical weekday, with 9 new trips during the AM peak hour and 14 new trips during the PM peak hour. Based on the low projected trip volume, no roadway improvements are recommended based on this analysis, and no other analysis should be required for this development.

Please let me know if you have any questions or require any further information. We appreciate the opportunity to provide these services to you.

Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.

Travis Fluitt, P.E.
Project Manager

PRELIMINARY
CONCEPTUAL PLAN

FOR

SOUTHERN PINES
GOLF CLUB
OPTION 'A'

JUNE 1, 2021



DEVELOPMENT SUMMARY:

STANDARD COTTAGE (SC): 4 BLDGS
ENHANCED COTTAGE (EC): 4 BLDGS
LODGE: 1 BLDG

EXISTING PARKING: ±115 SPACES
NEW PARKING: ±126 SPACES

PREPARED BY:



SU-07-22 SP Country Club

December 2022 Town Council



SCALE: 1" = 60'

39 of 66

Southern Pines Golf Club

Table 1 - Trip Generation

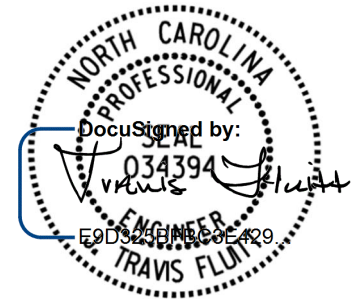
Land Use	Intensity	Daily			AM Peak Hour			PM Peak Hour		
		Total	In	Out	Total	In	Out	Total	In	Out
265 Timeshare	8 units	84	42	42	3	2	1	7	3	4
310 Hotel	12 rooms	100	50	50	6	4	2	7	4	3
Total Net New External Trips		184	92	92	9	6	3	14	7	7

K:\RAL_TPTO_Traffic\017069007 Southern Pines Golf Club\SPGC - Trip Generation Worksheet (10th Edition).xls]Trip Gen

5/2/22

December 1, 2022

Mr. James Michel
Town of Southern Pines
801 SE Service Road
Southern Pines, NC 28387



RE: Southern Pines Golf Club, Southern Pines, NC - Traffic Design Analysis

12/1/2022

Kimley-Horn has performed a traffic design analysis for the proposed redevelopment of the Southern Pines Golf Club on Country Club Circle in Southern Pines, NC. Per the attached concept plan, this project is proposed to add 10 rental cottages with up to 56 rooms, but it is our understanding that rentals will be by-cottage rather than by-room. The development will be accessed by the existing driveways on Country Club Circle.

Trip Generation and Assignment

Traffic for this project was generated using data from the 11th Edition of the ITE *Trip Generation Manual*. As no data is provided for rental cottages, the analysis was performed using two alternate land use codes (LUC) - LUC 265 (Timeshare) and LUC 330 (Resort Hotel) - to present a conservative analysis. Descriptions of both land uses from the *Trip Generation Manual* are attached. The trip generation is summarized in Table 1 below, and detailed trip generation calculations are attached.

Table 1 ITE Trip Generation (Vehicles)							
Land Use	Size	Daily		AM Peak Hour		PM Peak Hour	
		In	Out	In	Out	In	Out
Timeshare (LUC 265)	10 units	52	52	9	6	4	5
Resort Hotel (LUC 330)	56 rooms	115	115	13	5	10	13

Table 1 shows that the proposed rental cottages are projected to generate approximately 104 daily trips, 15 AM peak hour trips, and 9 PM peak hour trips. However, if the proposed cottages operate more like resort hotel rooms, the development could generate up to approximately 230 daily trips on a typical weekday, 18 new trips during the AM peak hour, and 23 new trips during the PM peak hour. It should be noted that no reductions were applied for the removal of the existing pool. In addition, it is anticipated that at least some of the people renting the cottages would be playing golf at the club if they were not staying there.

It is anticipated that the majority of traffic will be coming to/from the proposed cottages from the north on Country Club Circle and then to/from the west on Morganton Road (to US 1, US 15/501, Morganton Park, etc.) or to E Indiana Avenue via Country Club Drive (to downtown Southern Pines).

While turning movement volumes are not available at any adjacent intersections, the NCDOT reported daily traffic volume on Morganton Road just east of S May Street was approximately 5,000 vehicles in 2021 with 2-way peak hour traffic volumes of 391 vehicles in the AM peak hour and 466 vehicles in the

PM peak hour. The traffic count data is attached. Based on these volumes and the very low volume of projected site traffic, no capacity issues are expected due to the proposed development.

Site Access and Circulation

The golf club is currently served by 3 driveways on Country Club Circle: the northern driveway serves the main parking lot, the middle driveway serves a small parking lot adjacent to the pool, and the southern driveway serves another small parking lot. With the proposed plan, the northern driveway will be the main access to the parking lot and will be realigned slightly south to reduce the skew with Country Club Circle. The middle driveway will also connect to the parking lot and to a pickup/drop off loop at the clubhouse building. The southern driveway will only be used for trash pickup.

While a detailed sight distance study was not performed for any of the existing driveways, a field review of sight distance did not reveal issues at any of the driveways. The realignment of the northern driveway will also improve upon the existing conditions at that location and internal circulation patterns are not expected to interfere with traffic flow on Country Club Circle.

There are no existing bicycle, pedestrian, or transit facilities in the vicinity of the site, and none are proposed with this project.

Safety

Crash data reports were obtained for the intersection of E Morganton Road at Country Club Circle/Country Club Drive/Dogwood Lane for the 5-year period from October 2017 to October 2022. There were only 2 reported crashes at this intersection during that time. Both crashes involved a vehicle entering from the southern leg of Country Club Circle (not the southwestern leg that serves the golf club) and impacting a vehicle travelling on E Morganton Rd. One accident had class C (i.e., non-visible) injuries and the other was property damage only. The crash data is attached.

While a detailed sight distance study was not performed for any of the existing driveways, the American Association of State Highway and Transportation Officials (AASHTO) *Policy on Geometric Design of Highways and Streets* (a.k.a. "the green book") indicates that 250 feet of stopping sight distance would be required based on a 35 mile per hour (posted 30 mph) design speed. A field review of sight distance did not reveal issues on any of the approaches to this intersection and that the 250 feet of required sight distance is exceeded in all directions, though occasional clearing of vegetation within the right-of-way should be performed to improve the condition on some approaches.

Although the layout of the intersection is awkward at best, due to the low speeds on all roadways (25-35mph), the low volume of existing and projected site traffic, and field observations, there is not an existing safety problem at this intersection, and site traffic is not expected to result in increased crash rates or create a safety issue at this or any other intersection.

Conclusions

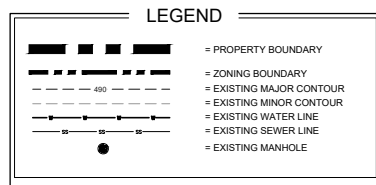
Cased on this review and the low projected trip volume, site traffic is not expected to have a significant impact on the existing transportation network and no transportation infrastructure improvements are

recommended due to the proposed development. Please let me know if you have any questions or require any further information.

Sincerely,
KIMLEY-HORN AND ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "Travis Fluitt".

Travis Fluitt, P.E.
Project Manager



PROPERTY OWNER(S):
MID-PINES DEVELOPMENT GROUP LLC
P.O. BOX 88
SOUTHERN PINES, NC 28388

PARCEL ID: 00048946 PIN: 858100121842
DB: 5772 PG: 286

APPLICANT:
MID-PINES DEVELOPMENT GROUP LLC
P.O. BOX 88
SOUTHERN PINES, NC 28388

TOTAL ACREAGE: ±292.11 AC
SUP AREA: ±9.48 AC

IMPERVIOUS SURFACE:
EXISTING: ±3.19 AC
PROPOSED: ±3.31 AC

REQUIRED PARKING:
LODGING (1 SPACE PER EACH ROOM)
56 GUEST ROOM = 56 SPACES
CLUBHOUSE (1 SPACE PER 200 SF)
9,500 SF CLUBHOUSE = 48 SPACES
COURSE COURSE (1 / 3 USERS @ MAX CAPACITY)
144 USERS = 48 SPACES
TOTAL: 152 REQUIRED SPACES

TOTAL PARKING PROVIDED: 155 SPACES

ZONING CLASSIFICATION:
FRR - FACILITIES, RESOURCE, & RECREATION

THIS PROPERTY IS LOCATED IN FLOOD ZONE 'X'
(AREAS OF MINIMAL FLOODING)

THE LOCATION OF THE 100-YEAR FLOODPLAIN PER
NFIP FIRM COMMUNITY
PANEL(S) NO: 8571, 8580
MAP(S): 3710857100J, 3710858000J
DATE: OCTOBER 17, 2006

THE UTILITIES SHOWN HEREON ARE FOR THE CONTRACTOR'S CONVENIENCE ONLY. THERE MAY BE OTHER UTILITIES NOT DEPICTED ON THESE PLANS. THE LANDSCAPE ARCHITECT AND ENGINEER ASSUMES NO RESPONSIBILITY FOR THE LOCATIONS SHOWN AND IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO VERIFY THE LOCATIONS OF ALL UTILITIES WITHIN THE PROJECT LIMITS. ALL DAMAGE MADE TO THE EXISTING UTILITIES BY THE CONTRACTOR SHALL BE THE SOLE RESPONSIBILITY BY THE CONTRACTOR.



PRELIMINARY PLANS - NOT RELEASED FOR CONSTRUCTION (FOR REVIEW ONLY)

SOUTHERN PINES GOLF CLUB
SOUTHERN PINES, NORTH CAROLINA

SITE PLAN

DESIGNED BY: REK
DRAWN BY: PJS
CHECKED BY: REK
D.C. BY: REK
SCALE: 1" = 50'-0"
PROJECT #: KJD21054

Page 207 of 437

Southern Pines Golf Club

Table 1 - Trip Generation

Land Use	Intensity	Daily			AM Peak Hour			PM Peak Hour		
		Total	In	Out	Total	In	Out	Total	In	Out
265 Timeshare	10 units	103	52	51	15	9	6	9	4	5
Total Net New External Trips		103	52	51	15	9	6	9	4	5

K:\RAL_TPTO_Traffic\017069007 Southern Pines Golf Club\SPGC - Trip Generation Worksheet (11th Edition).xls]Trip Gen - Timeshare

11/10/22

Southern Pines Golf Club

Table 2 - Trip Generation

Land Use	Intensity	Daily			AM Peak Hour			PM Peak Hour		
		Total	In	Out	Total	In	Out	Total	In	Out
330 Resort Hotel	56 units	230	115	115	18	13	5	23	10	13
Total Net New External Trips		230	115	115	18	13	5	23	10	13

K:\RAL_TPTO_Traffic\017069007 Southern Pines Golf Club\T4 - Analysis\SPGC - Trip Generation Worksheet (11th Edition).xls]Trip Gen - Resort Hotel

12/1/22

Land Use: 265 Timeshare

Description

A timeshare is a development where multiple purchasers buy interests in the same property and each purchaser receives the right to use the facility for a period of time each year. The shared property is commonly a vacation or recreational condominium. Recreational homes (Land Use 260) is a related land use.

Additional Data

The sites were surveyed in the 1980s and the 2000s in California and South Carolina.

Source Numbers

277, 627

Land Use: 330

Resort Hotel

Description

A resort hotel is similar to a hotel (Land Use 310) in that it provides sleeping accommodations, full-service restaurants, cocktail lounges, retail shops, and guest services. The primary difference is that a resort hotel caters to the tourist and vacation industry, often providing a wide variety of recreational facilities/programs (e.g., golf courses, tennis courts, beach access, or other amenities) rather than convention and meeting business. Hotel (Land Use 310), all suites hotel (Land Use 311), business hotel (Land Use 312), and motel (Land Use 320) are related uses.

Additional Data

It is recognized that some resort hotels cater to convention business as well as the tourist and vacation industry. The sites in the database do not have convention facilities. A resort hotel with convention facilities is likely to have a different level and pattern of trip generation than is presented in the data plots.

Nine studies provided information on room occupancy at the time of data collection. The average occupancy rate for these sites was approximately 88 percent.

Some properties in this land use provide guest transportation services (e.g., airport shuttle, limousine service, golf course shuttle service) which may have an impact on the overall trip generation rates.

The sites were surveyed in the 1980s and the 1990s in California, Florida, and South Carolina.

For all lodging uses, it is important to collect data on occupied rooms as well as total rooms in order to accurately predict trip generation characteristics for the site.

Source Numbers

270, 381, 436

Location Info	
Location ID	630000646
Type	I-SECTION
Functional Class	4
Located On	SR 2105 E Morganton Rd
SOUTH OF	SR 2080 S May St
Direction	2-WAY
Community	-
MPO_ID	
HPMS ID	
Agency	NCDOT

Count Data Info	
Start Date	7/13/2021
End Date	7/14/2021
Start Time	1:45 PM
End Time	1:45 PM
Direction	
Notes	
Count Source	
File Name	0630000646_33485_20210712_01.DMP
Weather	
Study	
Owner	jlbrunson
QC Status	Accepted

Interval: 15 mins					
Time	15 Min				Hourly Count
	1st	2nd	3rd	4th	
00:00 - 01:00	7	3	3	4	17
01:00 - 02:00	4	2	2	0	8
02:00 - 03:00	3	3	1	0	7
03:00 - 04:00	2	1	1	2	6
04:00 - 05:00	2	3	6	6	17
05:00 - 06:00	7	6	23	29	65
06:00 - 07:00	24	60	46	65	195
07:00 - 08:00	66	76	90	122	354
08:00 - 09:00	118	92	87	94	391
09:00 - 10:00	74	65	83	90	312
10:00 - 11:00	62	82	79	90	313
11:00 - 12:00	82	84	88	76	330
12:00 - 13:00	70	104	87	84	345
13:00 - 14:00	53	104	90	88	335
14:00 - 15:00	86	82	79	70	317
15:00 - 16:00	86	84	85	75	330
16:00 - 17:00	80	116	108	96	400
17:00 - 18:00	110	120	120	116	466
18:00 - 19:00	100	98	68	61	327
19:00 - 20:00	57	54	56	59	226
20:00 - 21:00	40	40	26	24	130
21:00 - 22:00	14	23	12	7	56
22:00 - 23:00	18	17	11	14	60
23:00 - 24:00	8	7	8	4	27
TOTAL					5034

**North Carolina Department of Transportation
Traffic Engineering Accident Analysis System
Intersection Analysis Report**

Study Criteria Summary

County: MOORE **City:** All and Rural
Date: 10/1/2017 to 9/30/2022 **Study:** SOUTHERNPINESGOLFCLUB
Location: SR 2105 (E Morganton Rd) at Country Club Cir / Country Club Dr / Dogwood Ln

Report Details

Acc No	Crash ID	Date	Accident Type	Total Damage	Injuries				Condition			Road		Trfc Ctl	
					F	A	B	C	R	L	W	Ch	Ci	Dv	Op
1	105671753	10/19/2018 15:27	ANGLE	\$ 5000	0	0	0	1	1	1	1	1	0	1	1
Unit	1 : 4	Alchl/Drugs: 0	Speed: 10 MPH Dir: E	Veh Mnvr / Ped Actn: 7		Obj Strk:									
Unit	2 : 2	Alchl/Drugs: 0	Speed: 30 MPH Dir: E	Veh Mnvr / Ped Actn: 4		Obj Strk:									
2	106976592	06/02/2022 08:11	LEFT TURN, DIFFERENT ROADWAYS	\$ 5000	0	0	0	0	1	1	1	1	0	1	1
Unit	1 : 1	Alchl/Drugs: 0	Speed: 5 MPH Dir: W	Veh Mnvr / Ped Actn: 8		Obj Strk:									
Unit	2 : 2	Alchl/Drugs: 0	Speed: 35 MPH Dir: N	Veh Mnvr / Ped Actn: 4		Obj Strk:									

Legend for Report Details:
 Acc No - Accident Number
 Injuries: F - Fatal, A - Class A, B - Class B, C - Class C
 Condition: R - Road Surface, L - Ambient Light, W - Weather
 Rd Ch - Road Character
 Rd Ci - Roadway Contributing Circumstances
 Trfc Ctl - Traffic Control: Dv - Device, Op - Operating
 Alchl/Drugs - Alcohol Drugs Suspected
 Veh Mnvr/Ped Actn - Vehicle Maneuver/Pedestrian Action
 Obj Strk - Object Struck

North Carolina Department of Transportation
Traffic Engineering Accident Analysis System
Intersection Analysis Report

Summary Statistics

High Level Crash Summary

Crash Type	Number of Crashes	Percent of Total
Total Crashes	2	100.00
Fatal Crashes	0	0.00
Non-Fatal Injury Crashes	1	50.00
Total Injury Crashes	1	50.00
Property Damage Only Crashes	1	50.00
Night Crashes	0	0.00
Wet Crashes	0	0.00
Alcohol/Drugs Involvement Crashes	0	0.00

Crash Severity Summary

Crash Type	Number of Crashes	Percent of Total
Total Crashes	2	100.00
Fatal Crashes	0	0.00
Class A Crashes	0	0.00
Class B Crashes	0	0.00
Class C Crashes	1	50.00
Property Damage Only Crashes	1	50.00

Vehicle Exposure Statistics

Annual ADT = 4000

Total Vehicle Exposure = 7.3 (MEV)

Crash Rate	Crashes Per 100 Million Vehicles Entered
Total Crash Rate	27.38
Fatal Crash Rate	0.00
Non Fatal Crash Rate	13.69
Night Crash Rate	0.00
Wet Crash Rate	0.00
EPDO Rate	128.70

**North Carolina Department of Transportation
Traffic Engineering Accident Analysis System
Intersection Analysis Report**

Miscellaneous Statistics

Severity Index =	4.70
EPDO Crash Index =	9.40
Estimated Property Damage Total = \$	10000.00

Accident Type Summary

Accident Type	Number of Crashes	Percent of Total
ANGLE	1	50.00
LEFT TURN, DIFFERENT ROADWAYS	1	50.00

Injury Summary

Injury Type	Number of Injuries	Percent of Total
Fatal Injuries	0	0.00
Class A Injuries	0	0.00
Class B Injuries	0	0.00
Class C Injuries	1	100.00
Total Non-Fatal Injuries	1	100.00
Total Injuries	1	100.00

**North Carolina Department of Transportation
Traffic Engineering Accident Analysis System
Intersection Analysis Report**

Monthly Summary

Month	Number of Crashes	Percent of Total
Jan	0	0.00
Feb	0	0.00
Mar	0	0.00
Apr	0	0.00
May	0	0.00
Jun	1	50.00
Jul	0	0.00
Aug	0	0.00
Sep	0	0.00
Oct	1	50.00
Nov	0	0.00
Dec	0	0.00

Daily Summary

Day	Number of Crashes	Percent of Total
Mon	0	0.00
Tue	0	0.00
Wed	0	0.00
Thu	1	50.00
Fri	1	50.00
Sat	0	0.00
Sun	0	0.00

**North Carolina Department of Transportation
Traffic Engineering Accident Analysis System
Intersection Analysis Report**

Hourly Summary

Hour	Number of Crashes	Percent of Total
0000-0059	0	0.00
0100-0159	0	0.00
0200-0259	0	0.00
0300-0359	0	0.00
0400-0459	0	0.00
0500-0559	0	0.00
0600-0659	0	0.00
0700-0759	0	0.00
0800-0859	1	50.00
0900-0959	0	0.00
1000-1059	0	0.00
1100-1159	0	0.00
1200-1259	0	0.00
1300-1359	0	0.00
1400-1459	0	0.00
1500-1559	1	50.00
1600-1659	0	0.00
1700-1759	0	0.00
1800-1859	0	0.00
1900-1959	0	0.00
2000-2059	0	0.00
2100-2159	0	0.00
2200-2259	0	0.00
2300-2359	0	0.00

North Carolina Department of Transportation
Traffic Engineering Accident Analysis System
Intersection Analysis Report

Light and Road Conditions Summary

Condition	Dry	Wet	Other	Total
Day	2	0	0	2
Dark	0	0	0	0
Other	0	0	0	0
Total	2	0	0	2

Vehicle Type Summary

Vehicle Type	Number Involved	Percent of Total
PASSENGER CAR	1	25.00
PICKUP	2	50.00
SPORT UTILITY	1	25.00

North Carolina Department of Transportation
Traffic Engineering Accident Analysis System
Intersection Analysis Report

Yearly Totals Summary

Accident Totals

Year	Total Accidents	Fatal Accidents	Injury Accidents	Property Damage Only Accidents
2017	0	0	0	0
2018	1	0	1	0
2019	0	0	0	0
2020	0	0	0	0
2021	0	0	0	0
2022	1	0	0	1
Total	2	0	1	1

Injury Totals

Year	Fatal Injuries	Class A, B, or C Injuries
2017	0	0
2018	0	1
2019	0	0
2020	0	0
2021	0	0
2022	0	0
Total	0	1

Miscellaneous Totals

Year	Property Damage	EPDO Index
2017	\$ 0	0.00
2018	\$ 5000	8.40
2019	\$ 0	0.00
2020	\$ 0	0.00
2021	\$ 0	0.00
2022	\$ 5000	1.00
Total	\$ 10000	9.40

Type of Accident Totals

Year	Left Turn	Right Turn	Rear End	Run Off Road &				Other
				Fixed Object	Angle	Side Swipe		
2017	0	0	0	0	0	0		0
2018	0	0	0	0	1	0		0

11/28/2022

All data presented in this report comes explicitly from the Traffic Engineering Accident Analysis System based upon various input criteria provided by the report's creator. The onus is strictly upon the user of this report to exercise due diligence in interpreting and further representing this data.

-7-

**North Carolina Department of Transportation
Traffic Engineering Accident Analysis System
Intersection Analysis Report**

Year	Run Off Road &						
	Left Turn	Right Turn	Rear End	Fixed Object	Angle	Side Swipe	Other
2019	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0
2022	1	0	0	0	0	0	0
Total	1	0	0	0	1	0	0

**North Carolina Department of Transportation
Traffic Engineering Accident Analysis System
Intersection Analysis Report**

Study Criteria

Study Name	Log No.	PH No.	TIP No.	K/A Cf.	B/C Cf.	ADT	ADT Route
SOUTHERNPINESGOLFCLUB				76.8	8.4	4000	

Request Date	Courier Service	Phone No.	Ext.	Fax No.
--------------	-----------------	-----------	------	---------

County			Municipality					
Name	Code	Div.	Name	Code	Y-Line Ft.	Begin Date	End Date	Years
MOORE	63	8	All and Rural		150	10/1/2017	9/30/2022	5.00

Location Text	Requestor
SR 2105 (E Morganton Rd) at Country Club Cir / Country Club Dr / Dogwood Ln	

Excluded Accidents
105504040

Fiche Roads

Name	Code
SR 2105	40002105
MORGANTON	50020561
COUNTRY CLUB	50007073
DOGWOOD	50008601
SR 1309	40001309
SR 2080	40002080

Intersection Road Combinations

Name	Code	Code	Name
SR 2105	40002105	50020561	MORGANTON
SR 2105	40002105	50007073	COUNTRY CLUB
SR 2105	40002105	50008601	DOGWOOD
MORGANTON	50020561	50007073	COUNTRY CLUB
MORGANTON	50020561	50008601	DOGWOOD
COUNTRY CLUB	50007073	50008601	DOGWOOD

11/28/2022

All data presented in this report comes explicitly from the Traffic Engineering Accident Analysis
System based upon various input criteria provided by the report's creator. The onus is strictly upon the user of this
report to exercise due diligence in interpreting and further representing this data.

-9-

NEIGHBORHOOD MEETING REPORT

DATE: September 27, 2022

PROJECT: Southern Pines Country Club (SPCC)

LOCATION: Southern Pines Country Club Clubhouse
290 Country Club Circle
Southern Pines, NC 28387

SUBMITTED BY: Bob Koontz

ATTENDEES: Bob Koontz, Koontz Jones Design, PLLC
Kelly Miller, Southern Pines Country Club

An informal Neighborhood Meeting was held on Tuesday September 27, 2022, from 4:00 pm to 6:00 pm in the Southern Pines Country Club clubhouse in Southern Pines. This meeting is not required by the Town of Southern Pines Unified Development Ordinance (UDO) for Special Use Permit applications; however, the applicant chose to hold the meeting voluntarily to meet with adjoining property owners surrounding the proposed development area. This meeting was held so adjoining property owners could review proposed plans for the project and discuss them with the development team, providing the applicant with an important dialogue to understand issues and concerns of the residents living near the proposed project. A site plan, existing site conditions aerial photograph and overall aerial property map were available for review. All adjoining parcel owners within the direct vicinity of the proposed property were notified by letter (see attached copy of the letter) at least ten (10) days prior to the meeting date. In addition, The Pilot newspaper published the meeting time and date in an article.

Several residents from the adjoining properties and other residents from the neighborhood took the opportunity to review the plans and discuss the project with the development team. (See attached sign in sheet)

Questions relating to many aspects of the development were raised and responded to by the development team based on the current direction of the plan. Overall there was very good participation and dialogue. The following is a list of many of the questions posed to the development team and dialogue related to those questions:

- Number of proposed units and bedrooms : The development team provided plans and information describing that there would be up to 10 cottages with up to 48 bedrooms located on the property.
- Ingress/egress from Ridge Street : Several attendees expressed a concern that vehicular traffic would utilize the connection to Ridge Street. It was explained that this access location was not proposed for a full roadway or driveway connection. The path leading to Ridge would only be 12' wide and accommodate golf carts with an additional 8' in a grass pavers to accommodate emergency vehicles and golf carts only. It was explained that the connection to Ridge Street would be a gated access and that only emergency vehicles would be permitted to use this entrance.
- Construction Access : Resident expressed concern that Ridge Street would be used for construction access to the property as the cottages are being constructed. The applicant agreed to consider prohibiting construction traffic from using the Ridge Street entrance. Upon hearing this concern from the property owner's regarding construction traffic, the applicant will agree in the Special Use Permit to prohibit construction traffic from using Ridge Street and utilize the much wider Country Club Circle for construction traffic.
- Ridge Street width and improvements : There were concerns that the Town would require improvements to Ridge Street as part of this application, including sidewalks and road widening. The residents expressed that they would like to keep Ridge Street as it is today. The design team stated that it was not their intent to widen Ridge Street and that preliminary meetings with the Town had not considered improvements to Ridge Street beyond making an adequate connection to the emergency service access location.
- Operation of the Cottages : Residents wanted to understand who would be operating the cottages and if they would be for sale and placed for rent by the individual owners. It was explained that all cottages would be operated and rented by the SPCC, and part of the overall Mid Pines and Pine Needles lodging program, which is also operated by the owner of SPCC.
- What will the buildings look like? : The development team explained that at this point the architectural character is still being discussed. Architectural character will be complimentary of the existing clubhouse and blend in with the surroundings. Also being discussed is utilizing an architectural style that would reflect the historic original clubhouse at SPCC which was lost in a fire many years ago.
- How tall will the buildings be? : It was explained that the intent is to keep all buildings under the standard residential building height of 35 feet. Most buildings at this point are intended to be one-story structures with a potential basement level where grade conditions permit the walk-out conditions.
- How far will the buildings and parking areas be setback from the property boundaries? : The development team explained that currently the cottages are designed to be in excess of 60' from the property boundary. In addition, the large parking nearest the adjoining properties would maintain the current limit of the existing parking lot. Existing trees will be saved close to property line where possible and by utilizing the existing parking limits will

assist in maintaining vegetation. In addition, it was explained that Southern Pines will require parking lot screening plantings of 10' along the boundary of the parking areas.

- Will the pool remain? : It was explained that the viability of the swimming pool was being evaluated. The current plan illustrates the main entry drive and drop off area at the location of the pool facility. Depending on the ultimate decision the pool may or may not stay. One participant stated specifically that they would be in favor of the project if the pool were to stay but would likely be against the project without the pool.
- Is there enough room to fit everything proposed on the property? : Some participants asked if there was enough room to fit the buildings in with the construction of the new putting green. They were assured by the design team that adequate space was available for the proposed cottages and lodge. The existing conditions aerial photograph shows the previous clubhouse during demolition and residents could see the scale of that facility versus the scale of the proposed cottages, which are much smaller.
- Parking : Two questions were posed by the participants. Are there enough parking spaces and it looks like a lot of parking, can't you have less parking? The design team explained that the parking counts shown were based on Town of Southern Pines code requirements and also using the existing parking and adding enough parking spaces for the cottages and lodge.
- Future Plans? : It was explained that beyond what is shown on the plans, there are no future plans for the development of the property. The Special Use Permit would only apply to the designated boundary that is set in plans that will be submitted and is site plan specific. Any future plans would be required to go through the same Special Use Permit process as the proposed plans.
- What is the timing of the project? : It was explained that there is no definitive timeline for the project and that it will depend on market conditions and construction costs, which are currently, very volatile. It is intended that the project be built in phases of two to three buildings at a time, assuming the first phase is well received.
- Why was the Pinecrest High School Cross Country team prohibited from using the facility? : It was explained that Cross Country Team was not prohibited from using the property for their training and events. The Club and their attorneys worked with the Moore County Schools attorneys on an agreement that would permit the team to utilize the property as they had previously, while waiving liability for SPCC. From the owner's perspective, all attorneys and both parties had agreed to the language of the agreement, but for whatever reason, Moore County Schools never signed the agreement. SPCC is very open to the Cross Country Team using the property should Moore County Schools wish to finalize the agreement.



Robert Koontz, RLA

These notes reflect the author's interpretation of the events during the referenced meeting. Any additions or modifications required should be submitted to the author in writing.





SOUTHERN AREAS CC - HEALTH BOARD MEETING - 9/27/2022

Name	Address	Email Address
Scott Paulsen	185 Country Club Circle	scott@paulsen@gmail.com
Phil & Hattie Cook	13 Elk Ridge Dr	KATHYCOOK@GMAIL.COM
Amy Drake	12 Elk Ridge Dr.	amymdrake@comcast.net
Michie Gentry	209 S. Ridge St.	michie.gentry@gmail.com
Jim & Bea Fishback	16 Elk Ridge	jimlovesbea@gmail.com
David & Mary Harris	180 Spring Rd	DMH242@gmail.com
MELTON BURGEMAN	125 Country Club Circle	MELTONBURGEMAN@GMAIL.COM
Don Tinker	215 " " "	DOTASSOC@AOL.COM
Scott Weaver	776, 780, 783 S Ridge St	Scott.Weaver@lehighcas.com
Donna Bassett	716 Ridge St	BASSID@TWC.COM
Barron Moffitt	14 Elk Ridge Ln / 244 Pine Ridge, W.C.	barron.j.moffitt@gmail.com
Robert Bower	600 S. Valley Rd.	rbower662@gmail.com
John Casavant	610 S. VINEY RD.	casavantjohn@yahoo.com
Joel Macdonald	749 S. Ridge St Seaside	hmacdonald@gmail.com
STEPHEN CARTER	570 S. VALLEY RD.	scbuiders@yahoo.com
Robert J. Gallagher	845 Highway Rd.	robert.john.gallagher@gmail.com
Ray Kirkland	515 S Valley Rd	RAYKIRKLAND@RC.COM

Address

Email Address

Ken Mac Donald 749 S Ridge St SP	Kenm875@gmail.com
Rita Mata 743 S Ridge St SP	ritacano@me.com
The Hunts 715 S. Ridge St SP	huntslindsay@yahoo.com

September 12, 2022

Dear adjoining property owner,

A Neighborhood Meeting will be held to discuss a proposed Special Use Permit (SUP) application for the property located off Spring Rd. in Southern Pines. The property is currently zoned FRR - Facilities, Resource and Recreation per the Town of Southern Pines Unified Development Ordinance (UDO). FRR zoning is intended for open space, public facilities and privately owned and recreation areas. Privately owned land uses include golf resorts and related facilities. The SUP application requests golf related lodging to be located on site.

This meeting is not a public hearing. The purpose of this meeting is to inform neighboring property owners of the proposal and to seek comments. The drop-in meeting will be held on September 27, 2022, between the hours of 4:00 pm and 6:00 pm at the Southern Pines Golf Club clubhouse located at 290 Country Club Cir. in Southern Pines. This meeting will be informal, with no scheduled presentation, so feel free to come by at your convenience during the designated hours. Conceptual plans will be made available for review and discussion with members of the project team. Anyone seeking additional information regarding the CDP application may call (910) 684-8487.

Best Regards,

A handwritten signature in black ink, appearing to read 'Rt Koontz', with a long horizontal flourish extending to the right.

Robert Koontz, PLA



TOWN COUNCIL MEETING SCHEDULE 2023

	Agenda Meeting Wednesdays @ 6pm	Regular Business Meeting Tuesdays @ 6pm	Work Session Mondays @ 3pm
January	1/4/2023	1/10/2023	1/23/2023
February	2/1/2023	2/7/2023	2/27/2023
March	3/1/2023	3/7/2023	3/27/2023
April	4/5/2023	4/11/2023	4/24/2023
May	5/3/2023	5/9/2023	5/22/2023
June	6/7/2023	6/13/2023	6/26/2026
July	7/5/2023	7/11/2023	7/24/2023
August	8/2/2023	8/8/2023	8/21/2023
September	9/6/2023	9/12/2023	9/25/2023
October	10/4/2023	10/10/2023	10/23/2023
November	11/8/2023	11/14/2023	11/27/2023
December	12/6/2023	12/12/2023	No Work Session

Agenda Meetings

Location: C. Michael Haney Community Room
Southern Pines Police Department
450 W. Pennsylvania Avenue

Date: Wednesday before the 2nd Tuesday of the Month

Time: 6:00 pm

Business Meetings

Location: E.S. Douglass Community Room
1185 W. Pennsylvania Avenue

Date: 2nd Tuesday of the Month Tuesday

Time: 6:00 pm

Work Sessions

Location: C. Michael Haney Community Room
Southern Pines Police Department
450 W. Pennsylvania Avenue

Date: 4th Monday of the Month

Time: 3:00 pm

2023

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RED = Town Holidays

GREEN = Agenda

BLUE = Business

ORANGE = Work Session



TOWN COUNCIL MEETING SCHEDULE 2023

	Agenda Meeting 1 st Tuesday @ 6pm	Regular Business Meeting 2 nd Tuesday @ 6pm	Work Session 4 th Tuesday @ 6pm
January	1/3/2023	1/10/2023	1/24/2023
February	2/7/2023	2/14/2023	2/28/2023
March	3/7/2023	3/14/2023	3/28/2023
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November	11/8/2023	11/14/2023	11/28/2023
December	12/5/2023	12/12/2023	No Work Session

Agenda Meetings

Location: C. Michael Haney Community Room
Southern Pines Police Department
450 W. Pennsylvania Avenue

Date: 1st Tuesday of the Month

Time: 6:00 pm

Business Meetings

Location: E.S. Douglass Community Room
1185 W. Pennsylvania Avenue

Date: 2nd Tuesday of the Month

Time: 6:00 pm

Work Sessions

Location: C. Michael Haney Community Room
Southern Pines Police Department
450 W. Pennsylvania Avenue

Date: 4th Tuesday of the Month

Time: 3:00 pm

All meeting agendas and packets are available to view or download at www.southernpines.net/235/Council-Agendas
RED dates note a change in the regular meeting schedule

2023

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RED = Town Holidays GREEN = Agenda BLUE = Business ORANGE = Work Session
 YELLOW notes a change in the regular meeting schedule.

M E M O R A N D U M

TO: Town Council
Reagan Parsons, Town Manager

FROM: Tess Brubaker - Speis, Finance Director

DATE: December 2, 2022

SUBJECT: Audit FYE 2022

Attached please find the audit for the fiscal year ending 2022 from FORVIS, as presented by John Frank at the November 28, 2022 meeting. There are a few typos, not financial related, that I have requested to be corrected. I will resubmit with a summary of changes as soon as it is received.

Please approve the annual audit for the fiscal year ending 2022.

Thank you

Report to the
Town Council

Town of Southern Pines, North Carolina

June 30, 2022

Table of Contents

Contacts.....1

Communication with Those Charged with Governance.....2

Appendix A - Management Representation Letter

Contacts

John Frank, CPA

Partner
FORVIS, LLP
1829 Eastchester Drive
High Point, NC 27265
336.822.4308
John.Frank@forvis.com

Chad Cook, CPA

Director
FORVIS, LLP
1829 Eastchester Drive
High Point, NC 27265
336.822.4494
Chad.Cook@forvis.com

Communication with Those Charged with Governance

December 1, 2022

Town Council
Town of Southern Pines, North Carolina
Southern Pines, North Carolina

We have audited the financial statements of the governmental activities the business type activities, the fiduciary fund, each major fund, and the aggregate remaining fund information of the Town of Southern Pines, North Carolina (The "Town") as of and for the year ended June 30, 2022, and have issued our report thereon dated December 1, 2022. Professional standards require that we provide you with information about our responsibilities in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 11, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and *Government Auditing Standards*

As stated in our engagement letter dated June 11, 2022, our responsibility as described by professional standards, is to express opinions on each opinion unit about whether the financial statements prepared by us with management's oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

We have issued a written report on our consideration of internal controls and compliance in accordance with *Government Auditing Standards*, in which we identified a deficiency in internal controls over financial reporting that we consider to be a material weakness, as described in item 2022-001 in the Schedule of Findings and Responses.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town are described in Note 1 to the financial statements.

On July 1, 2021, the Town adopted the Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*. GASB 87 creates one model for recognizing leases for both lessees and lessors. Substantially all leases are recognized on the lessees' statement of net position. In the activity statement, lessees no longer report rent expense for the previously classified operating leases but instead report interest expense on the liability and amortization expense related to the asset. Lessors recognize a lease receivable and corresponding deferred inflow of resources. Interest income associated with the receivable are recognized using the effective interest method. Adoption of GASB 87 required significant time to identify a complete list of lease contracts for consideration of adoption and measure the lease assets and liabilities for recognition. The application of existing policies was not changed during the year ended June 30, 2022. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management, and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the allowance for doubtful accounts is based on historical collection experience and collateral.

Management's estimate of depreciable lives of capital assets, which is based on the expected useful lives of individual capital assets.

Management's estimate of the value of donated or developer dedicated capital assets, which is based on projected acquisition value.

Management's estimates of the liabilities related to the pension plans, as well as the related deferred inflows and outflows of resources, which are based on actuarial assumptions and projections that are provided by third parties based on information provided by management.

Management's estimate of the discount rates using for discounting the lease receivables and lease liabilities, which are based on assumptions surrounding the Town's incremental borrowing rates.

We evaluated the key factors and assumptions used to develop the estimates above in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain written representations from management that are included in the management representation letter included at Appendix A.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Matters, Findings, or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Town Council and management of Town of Southern Pines, North Carolina, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

FORVIS, LLP

High Point, NC

Appendix A

Management Representation Letter

Town of Southern Pines, North Carolina
PO Box 870
Southern Pines, North Carolina 28388

December 1, 2022

FORVIS, LLP
1829 Eastchester Drive
High Point, NC 27265

This representation letter is provided in connection with your audits of the financial statements of Town of Southern Pines, North Carolina (the "Town"), which comprise the respective financial position of the governmental activities, the business-type activities, the fiduciary fund, each major fund and the aggregate remaining fund information as of and for the year ended June 30, 2022, and the related notes to the financial statements for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 11, 2022, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. The following have been properly accounted for and disclosed in the financial statements:

- a. We have disclosed to you the identity of all the Town's related parties and all the related-party relationships of which we are aware. In addition, we have disclosed to you all related-party transactions of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

We understand that the term related party refers to an affiliate; principal owners, management, and members of their immediate families; subsidiaries accounted for by the equity method; and any other party with which the entity may deal if the entity can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

- b. Guarantees, whether written or oral, under which the Town is contingently liable
 - c. Other liabilities or gain or loss contingencies
5. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Town vulnerable to the risk of severe impact that have not been properly disclosed

in the financial statements.

6. Significant assumptions we used in making accounting estimates, including estimates of fair value, are reasonable.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. There are no uncorrected misstatements or omitted disclosures.
9. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Town's accounts.
10. Subsequent to issuance of the June 30, 2021 financial statements, management discovered an error in the reported balance of capital assets reported in the Water and Sewer Fund. The effect of the error is reported as an error correction to the 2021 financial statements as disclosed in Note 2 of the financial statements.
11. We represent to you the following for the Town's fair value measurements and disclosures:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

12. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of Town Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud affecting the Town involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others when the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements

received in communications from employees, former employees, analysts, regulators, short sellers, or others.

17. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
18. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.
19. There are no regulatory examinations currently in progress for which we have not received examination reports.
20. The Town has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
21. We are not aware of any side agreements or other arrangements (either written or oral) that are in place
22. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
23. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have determined no adjustments are necessary.
24. We have adopted GASB Statement No. 87, *Leases* effective July 1, 2021. As part of our implementation, we conducted a thorough review of our existing contracts to identify a complete population of leases, and this complete population of leases was factored into our adjustments to the adoption. We have provided you with complete documentation of our lease population, including embedded leases, and there are no unrecorded leases that are material to the Town's financial statements.

In connection with the adoption of GASB Statement No. 87, *Leases*, ("GASB 87"), we represent the following:

- We have identified a complete population of potential leases as of the implementation date.
 - We have reviewed all significant contracts to identify lease and nonlease components as of the earliest date of adoption. Allocation of contract prices between lease and nonlease components are based upon standalone prices or other reasonable factors.
 - Measurements of the lease assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.
 - The estimates related to any options to extend or terminate the lease terms within the measurement of lease assets and liabilities agree to management's plans for the leases.
 - The discount rates for each lease are based upon what would be obtained by the entity for similar loans as an incremental rate ("incremental borrowing rate").
 - The footnotes to the financial statements appropriately describe the adoption of GASB 87 and include all additional disclosures required under the statement.
25. We agree with the findings of specialists in evaluating the pension related liabilities and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
 26. You have provided the following services:

- Preparation of the Town's financial statements, including fund to accrual adjustments, and related notes
- Advising management on appropriate accounting principles and their application
- Completion and uploading of the audited financial statements to the North Carolina State Treasurer's website
- Completion of the applicable sections of the Data Input Worksheet and uploading of the worksheet to the North Carolina State Treasurer's website

In regard to these services provided by you, we have:

- a. Assumed all management responsibilities.
 - b. Overseen the service by designating an individual within senior management, who possesses suitable skill, knowledge, or experience.
 - c. Evaluated the adequacy and results of the services performed.
 - d. Accepted responsibility for the results of the services.
 - e. Evaluated and maintained internal controls, including monitoring ongoing activities.
27. With respect to the non-attest services performed by you during this engagement, we have received the deliverables from you and have stored these deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Government-Specific

28. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
29. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
30. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
31. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
32. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
33. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
34. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

35. The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the notes to the financial statements.
36. The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
37. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
38. All funds that meet the quantitative criteria in GASB Statements No. 34 and 37 for presentation as major are identified and presented as such, and all other funds that are presented as major are particularly important to financial statement users.
39. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
40. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
41. Provisions for uncollectible receivables have been properly identified and recorded.
42. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
43. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
44. Interfund, internal, and intraentity activity and balances have been appropriately classified and reported.
45. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
46. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
47. We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
48. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
49. We believe that the actuarial assumptions and methods used to measure pension activity for financial accounting purposes are appropriate in the circumstances. In addition, we believe the methods used to allocate pension activity between governmental activities and business-type activities are reasonable.
50. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement of the RSI.
51. We acknowledge our responsibility for presenting the combining and individual fund financial statements, budgetary schedules and other schedules in accordance with accounting principles generally accepted in the

United States of America, and we believe the combining and individual fund financial statements, budgetary schedules and other schedules, including their form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual fund financial statements, budgetary schedules and other schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

52. Expenditures of Federal and State awards were below the single audit threshold in the year ended June 30, 2022 and were not required to have an audit in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the North Carolina State Single Audit Implementation Act.

53. With respect to the reporting requirements of GASB Statement No. 68 and GASB Statement No. 73:

We have reported all eligible employees to the Local Government Employees' Retirement System ("LGERS") and the Law Enforcement Officers' Special Separation Allowance ("LEOSSA") via the Online

a. Retirement Benefits Integrated Technology ("ORBIT") System.

The census data for all eligible employees reported to via ORBIT is complete and accurate as of

b. December 31, 2020 (the valuation date for the net pension liability reported at June 30, 2022).

We are responsible for the Town's compliance with requirements as established in the Retirement

c. System's Handbook.

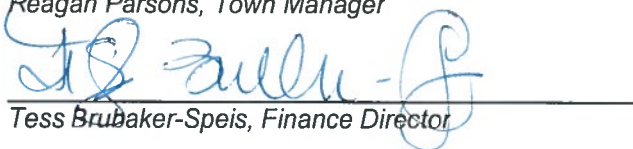
We are in agreement with the Town's proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense as determined by the "GASB 68 Journal Entry Template" related to the LGERS plan, as posted on the North Carolina Department of State

d. Treasurer's website.

We have evaluated subsequent events through the date of this letter, which is the date the financial statements were available to be issued. No events have occurred subsequent to the financial position and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Town of Southern Pines, North Carolina


Reagan Parsons, Town Manager


Tess Brubaker-Speis, Finance Director

Town of Southern Pines, North Carolina

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

Prepared by the Department of Finance

Tess Brubaker-Speis, Director of Finance





Table of Contents

Introductory Section

Director of Finance's Letter of Transmittal.....	i
Certificate of Achievement	v
Organizational Chart	vi
List of Principal Officials	vii

Financial Section

Independent Auditor's Report	1
Management's Discussion and Analysis	4

Basic Financial Statements

Exhibit	Government-Wide Financial Statements	
1	Statement of Net Position	17
2	Statement of Activities	19
	Fund Financial Statements	
3	Balance Sheet - Governmental Funds	21
4	Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds	23
5	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	25
6	Statement of Fund Net Position - Proprietary Fund	26
7	Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	28
8	Statement of Cash Flows - Proprietary Fund	29
9	Statement of Fiduciary Net Position - Fiduciary Fund	31
10	Statement of Changes in Fiduciary Net Position - Fiduciary Fund	32
	Notes to the Financial Statements	33

Required Supplementary Financial Data

Schedule	
1	Local Government Employees' Retirement System Required Supplementary Information - Schedule of Employer Contributions..... 64
2	Local Government Employees' Retirement System Required Supplementary Information - Schedule of Proportionate Share of Net Pension Liability (Asset) 65
3	Law Enforcement Officers' Special Separation Allowance Required Supplementary Information - Schedule of Changes in Total Pension Liability..... 66
4	Law Enforcement Officers' Special Separation Allowance Required Supplementary Information - Schedule of Total Pension Liability as a Percentage of Covered Employee Payroll..... 67

Combining, Individual Fund, and Account Groups/Financial Statements and Schedules

The General Fund

5	Comparative Balance Sheets	71
6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	72

Schedule

	Special Revenue Fund	
7	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (American Rescue Plan Act Grant Fund)	78
	Nonmajor Governmental Funds	
8	Combining Balance Sheet	80
9	Combining Statement of Revenues, Expenditures and Changes in Fund Balance	84
	Nonmajor Capital Project Funds	
10	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Nicks Creek Parkway)	88
11	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Open Space and Greenways)	89
12	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Storm Water Improvements)	90
13	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Streambank Stabilization)	91
14	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Enterprise Information and Document Management System)	92
15	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Bike Transport)	93
16	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Unpaved Street)	94
17	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Sidewalks II)	95
18	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Recreational Improvement)	96
19	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Building Renovation)	97
20	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Parking Lot Project)	98
21	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Facility Modernization)	99
22	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Reservoir Dam Improvements)	100
23	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (General Capital Reserve)	101
	Permanent Fund	
24	Schedule of Revenues, Expenses and Changes in Fund Balance (Cemetery Perpetual Care Fund)	103
	Enterprise Fund	
	Water and Sewer Fund:	
25	Schedule of Revenue and Expenditures - Budget and Actual (Non-GAAP)	105
	Water and Sewer Capital Projects Fund:	
26	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	109
	Water System Development Fees Capital Reserve Fund:	
27	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP)	110
	Wastewater System Development Fees Capital Reserve Fund:	
28	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP)	111
	Capital Assets of Governmental Funds	
29	Schedule by Function and Activity	113
30	Schedule of Changes by Function and Activity	115

Schedule

Supplemental Financial Data

31	Schedule of Ad Valorem Taxes Receivable.....	117
32	Analysis of Current Tax Levy - Town-Wide Levy	118
33	Schedule of Interfund Transfers.....	119

Statistical Section

<u>Table</u>	Financial Trends Information	
1	Net Position by Component.....	122
2	Changes in Net Position	124
3	Fund Balances, Governmental Funds.....	126
4	Changes in Fund Balances, Governmental Funds.....	128
	Revenue Capacity Information	
5	Assessed Value of Taxable Property	131
6	Property Tax Rates - Direct and Overlapping Government	132
7	Principal Property Taxpayers	133
8	Property Tax Levies and Collections	134
	Debt Capacity Information	
9	Ratios of Outstanding Debt by Type	136
10	Computation of Legal Debt Margin.....	137
11	Direct and Overlapping Governmental Activities Debt	138
	Demographic and Economic Information	
12	Demographic Statistics	140
13	Principal Employers.....	141
14	Commercial Activity	142
	Operating Information	
15	Employee Position Authorization by Function	145
16	Operating Indicators by Function/Program.....	146
17	Capital Assets by Function/Program	148
18	Insurance in Force	150
19	Utility Rate Information	152

Compliance Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	155
Schedule of Findings and Responses	157
Corrective Action Plan.....	158

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Introductory Section



Post Office Box 870, Southern Pines, NC 28388
Phone: (910) 692-2971 Fax: (910) 692-1649

December 1, 2022

The Honorable Mayor, Members of Town Council, and Citizens of the Town of Southern Pines:

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the Annual Comprehensive Financial Report (ACFR) of the Town of Southern Pines, North Carolina (Town) for the fiscal year ended June 30, 2022 is hereby submitted.

This report was prepared by the Town's Finance Department and consists of management's representations concerning the finances of the Town of Southern Pines. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

FORVIS, a firm of licensed certified public accountants, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Town of Southern Pines is required by State law to have an annual independent financial audit. A compliance audit in accordance with Government Auditing Standards is also required. The auditor's report required by Government Auditing Standards is found in the Compliance Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE TOWN

The Town of Southern Pines, North Carolina, which has been recognized as an "All-American City" by the National Civic League, was incorporated in 1887, and is located on the fringe of the Piedmont section of the State in an area known as the Sandhills. The Town, which is located in Moore County (County), has a 2022 population of approximately 15,607 and encompasses 17.679 square miles. The Town provides a full range of services including police and fire protection, streets, planning and zoning, parks and recreation, library, fleet maintenance, and general administrative services. The Town also operates water and sewer utility services.

The Town operates under the Council-Manager form of government. The legislative body of the government of the Town is comprised of a Mayor and a four-member Town Council. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Town Manager. The Mayor and Council are elected at-large by the Citizens, with the Mayor being elected separately. The Mayor serves a four-year term, and is the presiding officer of the Council. Members of the Town Council serve four-year terms as well. Town Council elections are held every two years in order that the terms of office are staggered. The Town Manager is responsible for the administration of the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the Town, and for appointing the heads of the various departments.

The annual budget serves as the foundation for the Town's financial planning and control. The Town has a formal operating budget process, which begins in January of each year. The Town Council receives the recommended budget in April. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the Town's fiscal year. Legal budgetary control for operating budgets is exercised at the fund and department level. Transfers of appropriations between departments and funds require the approval of the Town Council. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year. Budget to actual comparisons are provided in this report for each individual governmental fund and the proprietary fund for which an appropriated annual budget has been adopted.

LOCAL ECONOMY

The economic profile of the Town is a mixture of tourism, retirement, professional services and retail. Direct spending by visitors continues to be high, with hotel rooms regularly booked up even in an environment where short term rentals have increased significantly throughout the region.

The Morganton Park North mixed-use development continues to experience in-fill, with medical offices for both Pinehurst Medical and Pinehurst Surgical now operating, and a third medical office building under construction along with a new facility for Sandhills Pediatrics. Plans for a fourth medical office facility are expected within the next few months. In addition, The Luxe, an expansion of Legends at Morganton Park apartments, is

under construction while a separate market rate multi-family community proposed by DH Horton has been approved along Morganton Rd.

Downtown, Ascot Developers constructed a new office building to house their operation in addition to beginning work on a townhome/brownstone project. In the area south of Broad Street, a new cross-fit gym, a large indoor climate-controlled storage facility, and an upfit of the former Bo's/IGA building into an adult themed bar and gaming business are all underway.

A 100-acre development in the Morganton Park South area has broken ground, with the first Phase of 40+/- acres scheduled to contain a Target shopping center, Dick's Sporting Goods, Golf Galaxy, and other retailers in addition to a 260+/- unit Apartment Complex.

In 2022, construction continued on several residential developments. These developments include the Ravensbrook subdivision, the Longleaf Golf and Family Club, Talamore Cottages at Midland, the Traywick subdivision, and a number of smaller townhome style developments. Ravensbrook subdivision consist of 97 single-family homes, the Longleaf Golf and Family Club, Area F, consist of 24 single-family homes and 10 townhomes, the Talamore Cottages at Midland consist of 36 units, and the Traywick subdivision consist of 35 single-family homes. Construction also continued on Phase 2(a) and 9 of the Caropines planned development with additional phases currently under Site Plan review.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The Town of Southern Pines maintains an unassigned fund balance sufficient to maintain consistent cash flow, generate interest income, and eliminate the need for short-term borrowings for all but sizable expenses, while providing flexibility for unanticipated opportunities and needs during emergencies or disasters. In addition, fiscally responsible budgeting has contributed to the Town's ability to maintain and improve the Town's bond rating from two agencies.

The Town has several ongoing capital projects to meet the needs of the citizens. During fiscal year 2022, the Town achieved a number of improvements in municipal operations and services provided to the citizens of the Town. Some of the more significant accomplishments for the year and major program initiatives for the future are discussed below.

Construction was completed on an upfit of the former Public Works Annex that now houses the Community Development office consisting of personnel across the Public Works, Planning, and Inspections divisions. The plans will now begin for the backfill of space vacated by Planning and Inspections in the Old Library building downtown.

The Town began work on a streambank stabilization project to protect the Police and Fire Stations in addition to work on an above ground sewer effected by the long-term erosion along the streambank.

Sewer and water line replacements and improvements continued during 2022 as well as storm water replacements and capital work at the Water Treatment Plant. A water line providing additional future capacity to areas near the downtown was completed along East Morganton Rd., the Weymouth Pressure Zone project was completed, and a contract was

entered into for a new line that will eventually serve a new Northern Pressure Zone in the area along NC22.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Southern Pines, North Carolina for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the thirty-first consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department, as well as the cooperation of the other departments of the Town of Southern Pines. We would like to thank FORVIS the Town's independent auditors, for their assistance and dedication in preparing this report. In addition, we wish to express our appreciation to the Mayor, and the Town Council for their continued support, leadership, and professionalism in conducting the financial affairs of the Town.

Respectfully submitted,



Reagan D. Parsons
Town Manager



Tess Brubaker- Speis
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Southern Pines
North Carolina**

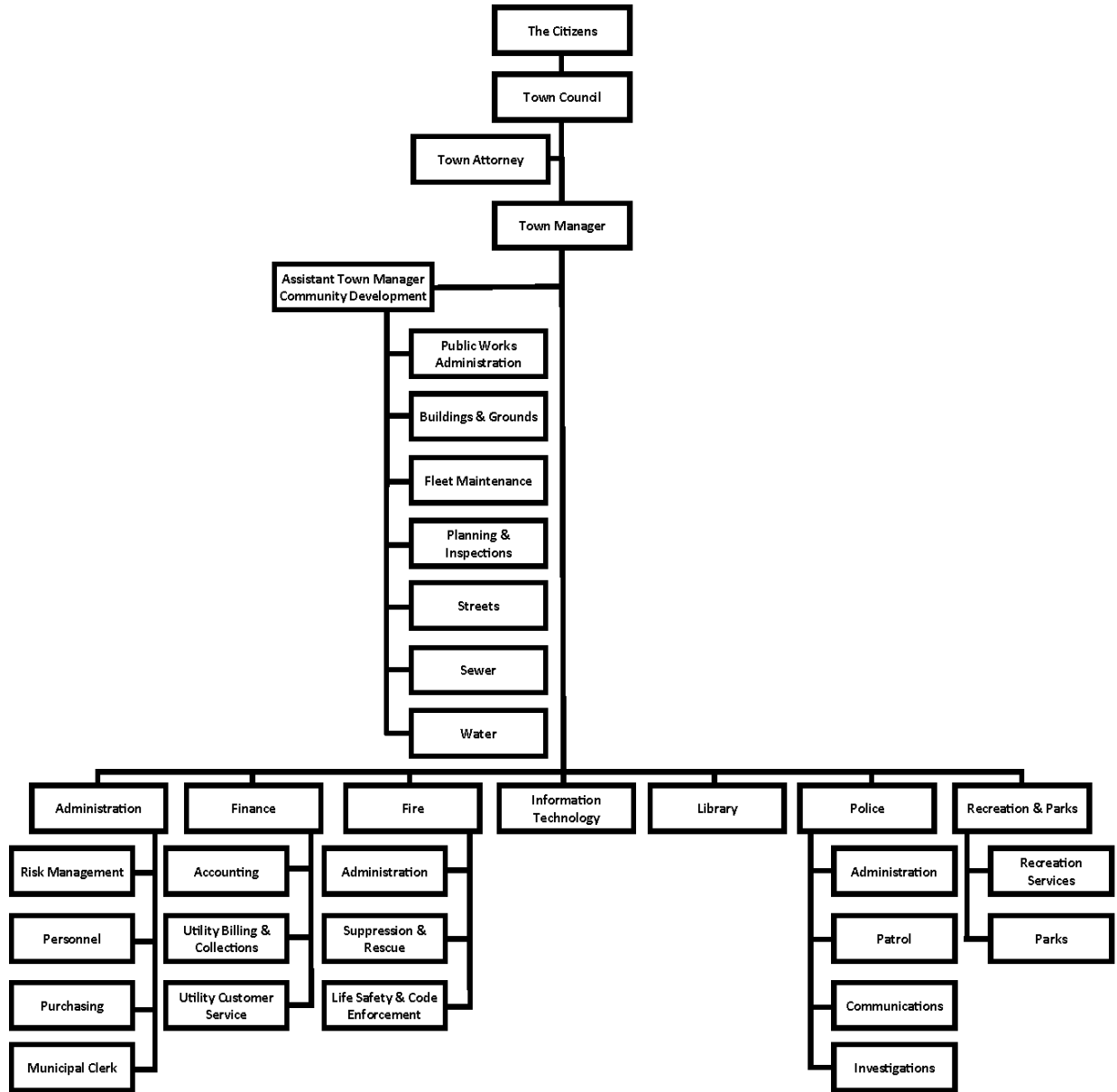
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

TOWN OF SOUTHERN PINES
ORGANIZATIONAL CHART



TOWN OF SOUTHERN PINES

LIST OF PRINCIPAL OFFICIALS

June 30, 2022

TOWN COUNCIL

Carol R. Haney	Mayor
Paul Murphy	Mayor Pro-tem
Bill Pate	Treasurer
Taylor Clement	Council Member
Ann Peterson	Council Member

TOWN OFFICIALS

Reagan D. Parsons	Town Manager
Douglas R. Gill	Town Attorney
Jessica Roth	Assistant Town Manager
Tess Brubaker-Speis	Director of Finance
Mike Cameron	Fire Chief
Cindi King	Director of Recreation & Parks
Bruce Rosenberger	Director of Administrative Services
Nicholas Polidori	Chief of Police
Amanda Brown	Director of Library Services
Nedra Norton	Director of Information Technology
BJ Grieve	Director of Planning

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Financial Section

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Independent Auditor's Report

The Honorable Mayor and Members of the Town Council
Town of Southern Pines
Southern Pines, NC

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the fiduciary fund, each major fund, and the aggregate remaining fund information of the Town of Southern Pines, North Carolina ("Town") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the fiduciary fund, each major fund, the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1 to the financial statements, in 2022, the Town adopted new accounting guidance for accounting for leases. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the financial statements, subsequent to the issuance of the June 30, 2021 financial statements, management discovered an error in previously reported capital assets and net position reported in the Water and Sewer Fund. The fiscal year 2022 financial statements have been restated for the effects of this error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue

as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System Schedules of the Proportionate Share of the Total Pension Liability and Schedules of Employer Contributions, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we

obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town. The combining and individual fund statements, budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section and the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required under Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2022, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the Town's internal control over financial reporting and compliance.

FORVIS, LLP

High Point, NC
December 1, 2022

**Town of Southern Pines
Management's Discussion and Analysis
June 30, 2022**

As management of the Town of Southern Pines, we offer readers of the Town of Southern Pines' financial statements this narrative overview and analysis of the financial activities of the Town of Southern Pines (Town) for the fiscal year ended June 30, 2022. We encourage readers to review the information presented here in conjunction with the Town's financial statements, which follow this narrative and the transmittal letter found in the Introductory Section.

Financial Highlights

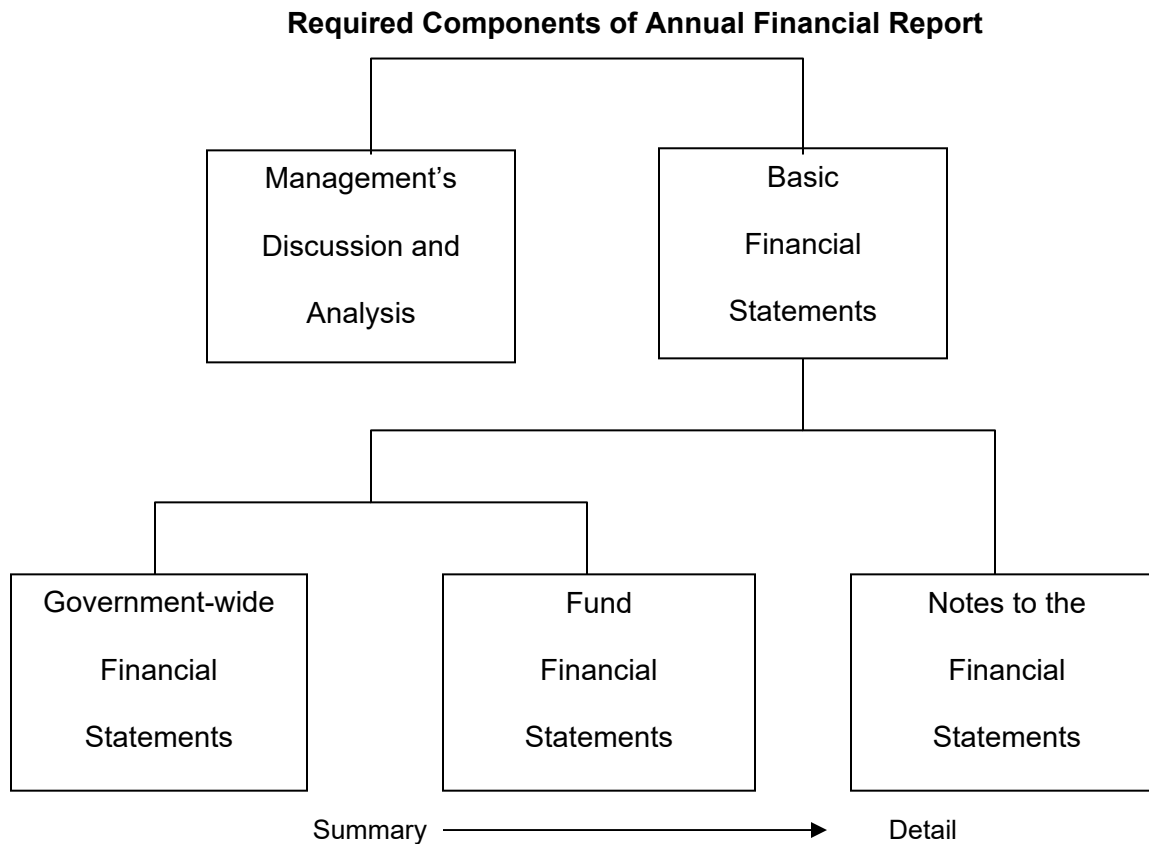
- The assets and deferred outflows of resources of the Town of Southern Pines exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$110,715,107 (net position).
- The government's total net position increased by \$6,939,091, due to an increase in both the governmental activities and the business type activities net position, due to lower than expected expenditures/expenses and higher than expected revenues.
- As of the close of the current fiscal year, the Town of Southern Pines governmental funds reported combined ending fund balances of \$16,870,724, an increase of \$1,015,132 in comparison with the prior year. Approximately 15.94 percent of the total ending fund balance amount, or \$2,688,515, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,411,276 or 40.69 percent of total General Fund expenditures for the fiscal year.
- The Town of Southern Pines' total debt decreased by \$1,463,128 or 17.66 percent during the current fiscal year. The decrease was due to scheduled principal payments on existing debt obligations.
- The Town maintained its A2 bond rating from Moody's Investors Services for the 24th consecutive year as well as its AA- from Standard and Poor's for the 14th consecutive year. During fiscal year 2013, the Town received an increase in its North Carolina Municipal Council rating from 85 to 86, which is comparable to a rating of A1/A+ by the national rating agencies.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. These basic financial statements consist of three components; (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Southern Pines.

The 2021 financial information contained herein has not been restated for the adoption of GASB 87, *Leases*, disclosed in Note 1 to the financial statements, because of the single-year presentation of the basic financial statements.

Figure 1:



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: (1) the governmental funds statements; (2) the budgetary comparison statements; (3) the proprietary fund statements; and (4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained therein. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: (1) governmental activities and (2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, public works, parks and recreation, library, planning and inspections, transportation, and general administration. Property taxes and intergovernmental revenues finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town.

The government-wide financial statements are contained in Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the General Statutes and the Town's budget ordinance. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Town Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: (1) the original budget as adopted by the Council; (2) the final budget as amended by the Council; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds - The Town has one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water and sewer activity. This fund is the same as the function shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Trust Funds - Trust funds are used to account for resources held for the benefit of parties outside the government. These funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 33 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 63 of this report.

Interdependence with Other Entities: The Town depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis of the Town of Southern Pines

The following (Figure 2) reflects condensed information on the Town's net position.

Figure 2:

The Town of Southern Pines Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 24,145,894	\$ 17,072,893	\$ 19,885,379	\$ 17,074,968	\$ 44,031,273	\$ 34,147,861
Capital assets	44,739,487	45,016,654	41,757,785	41,473,756	86,497,272	86,490,410
Total assets	68,885,381	62,089,547	61,643,164	58,548,724	130,528,545	120,638,271
Deferred outflows of resources						
Pension	3,398,782	3,216,767	281,030	257,178	3,679,812	3,473,945
Total deferred outflows of resources	3,398,782	3,216,767	281,030	257,178	3,679,812	3,473,945
Liabilities						
Long term liabilities outstanding	10,836,562	15,476,253	795,617	860,593	11,632,179	16,336,846
Other liabilities	4,247,123	1,111,943	1,239,990	483,434	5,487,113	1,595,377
Total liabilities	15,083,685	16,588,196	2,035,607	1,344,027	17,119,292	17,932,223
Deferred inflows of resources						
Pensions	3,183,717	113,462	279,897	5,524	3,463,614	118,986
Deferred lease revenue	2,910,344	-	-	-	2,910,344	-
Total deferred inflows of resources	6,094,061	113,462	279,897	5,524	6,373,958	118,986
Net position:						
Net investment in capital assets	38,421,771	37,075,906	41,199,204	41,129,762	79,620,975	78,205,668
Restricted	2,520,513	2,145,753	-	-	2,520,513	2,145,753
Unrestricted	10,164,133	9,382,997	18,409,486	16,326,589	28,573,619	25,709,586
Total net position	\$ 51,106,417	\$ 48,604,656	\$ 59,608,690	\$ 57,456,351	\$ 110,715,107	\$ 106,061,007

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town exceeded liabilities and deferred inflows by \$110,715,107 as of June 30, 2022. The Town's net position increased by \$6,939,091 for the fiscal year ended June 30, 2022, in total for governmental and business-type activities.

By far, the largest portion of the Town's net position, \$79,620,975 or 71.92%, reflects the Town's net investment in capital assets (e.g., land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$2,520,513 or 2.28%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$28,573,619 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.84%, which is greater than the last reported statewide average of 99.08%.
- Increased ad valorem tax revenues of approximately \$361,967 due to economic growth in the Town.
- Continued low cost of debt due to the Town's good bond ratings.

Changes in Net Position

The Town's total revenues and expenses for governmental and business-type activities are reflected in Figure 3.

Figure 3:

Town of Southern Pines Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,608,860	\$ 2,953,943	\$ 10,337,646	\$ 9,174,008	\$ 12,946,506	\$ 12,127,951
Operating grants and contributions	727,120	775,770	-	-	727,120	775,770
Capital grants and contributions	39,960	888,156	1,950,879	3,665,740	1,990,839	4,553,896
General revenues:						
Property taxes	11,568,250	11,218,204	-	-	11,568,250	11,218,204
Other taxes	7,309,725	6,263,750	-	-	7,309,725	6,263,750
Other	379,121	309,198	1,214,110	1,189,500	1,593,231	1,498,698
Total revenues	<u>22,633,036</u>	<u>22,409,021</u>	<u>13,502,635</u>	<u>14,029,248</u>	<u>36,135,671</u>	<u>36,438,269</u>
Expenses:						
General government	5,619,882	5,696,319	-	-	5,619,882	5,696,319
Public safety	8,701,575	8,672,459	-	-	8,701,575	8,672,459
Cultural and recreation	2,447,994	2,985,385	-	-	2,447,994	2,985,385
Transportation	2,332,580	1,390,519	-	-	2,332,580	1,390,519
Economic & physical development	923,165	953,077	-	-	923,165	953,077
Interest on long-term debt	159,016	209,377	-	-	159,016	209,377
Water and sewer	-	-	9,012,368	8,654,092	9,012,368	8,654,092
Total expenses	<u>20,184,212</u>	<u>19,907,136</u>	<u>9,012,368</u>	<u>8,654,092</u>	<u>29,196,580</u>	<u>28,561,228</u>
Transfers	<u>52,937</u>	<u>-</u>	<u>(52,937)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>2,501,761</u>	<u>2,501,885</u>	<u>4,437,330</u>	<u>5,375,156</u>	<u>6,939,091</u>	<u>7,877,041</u>
Net position, beginning, as previously reported	<u>48,604,656</u>	<u>46,102,771</u>	<u>57,456,351</u>	<u>52,081,195</u>	<u>106,061,007</u>	<u>98,183,966</u>
Prior period adjustment (Note 2)	<u>-</u>	<u>-</u>	<u>(2,284,991)</u>	<u>-</u>	<u>(2,284,991)</u>	<u>-</u>
Net position, beginning, as restated	<u>48,604,656</u>	<u>46,102,771</u>	<u>55,171,360</u>	<u>52,081,195</u>	<u>103,776,016</u>	<u>98,183,966</u>
Net position, June 30	<u>\$ 51,106,417</u>	<u>\$ 48,604,656</u>	<u>\$ 59,608,690</u>	<u>\$ 57,456,351</u>	<u>\$ 110,715,107</u>	<u>\$ 106,061,007</u>

Governmental activities - Governmental activities increased the Town's net position by \$2,501,761, thereby accounting for 36.05% of the total increase in the net position of the Town.

Key elements of this change are as follows:

- Current tax collections increased over the prior year due to growth.
- Unrestricted intergovernmental revenue increased due to an increase in the local option sales tax revenue category.

Figure 4:

**Town of Southern Pines
Expenses and Program Revenues-Governmental Activities**

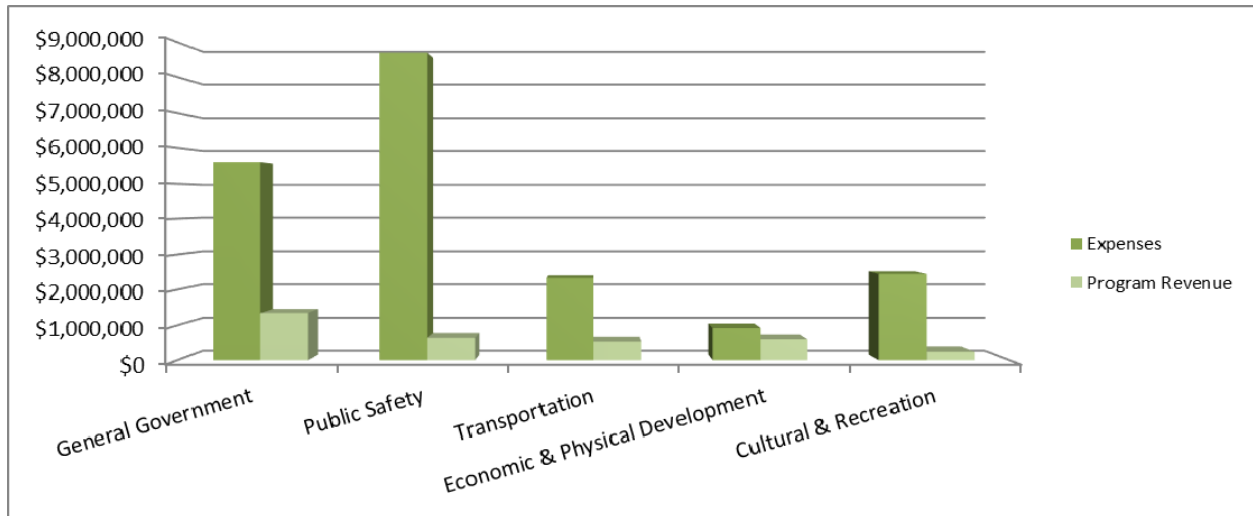
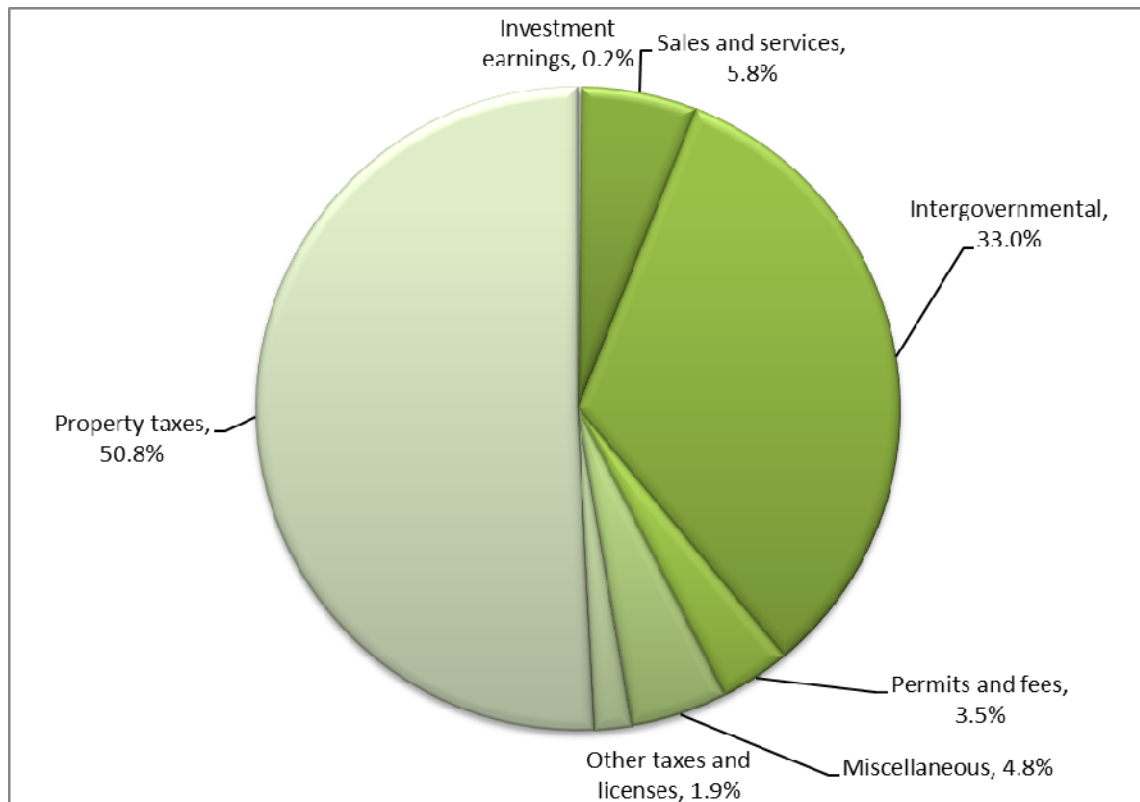


Figure 5:

**Town of Southern Pines
Revenues by Source - Governmental Activities**



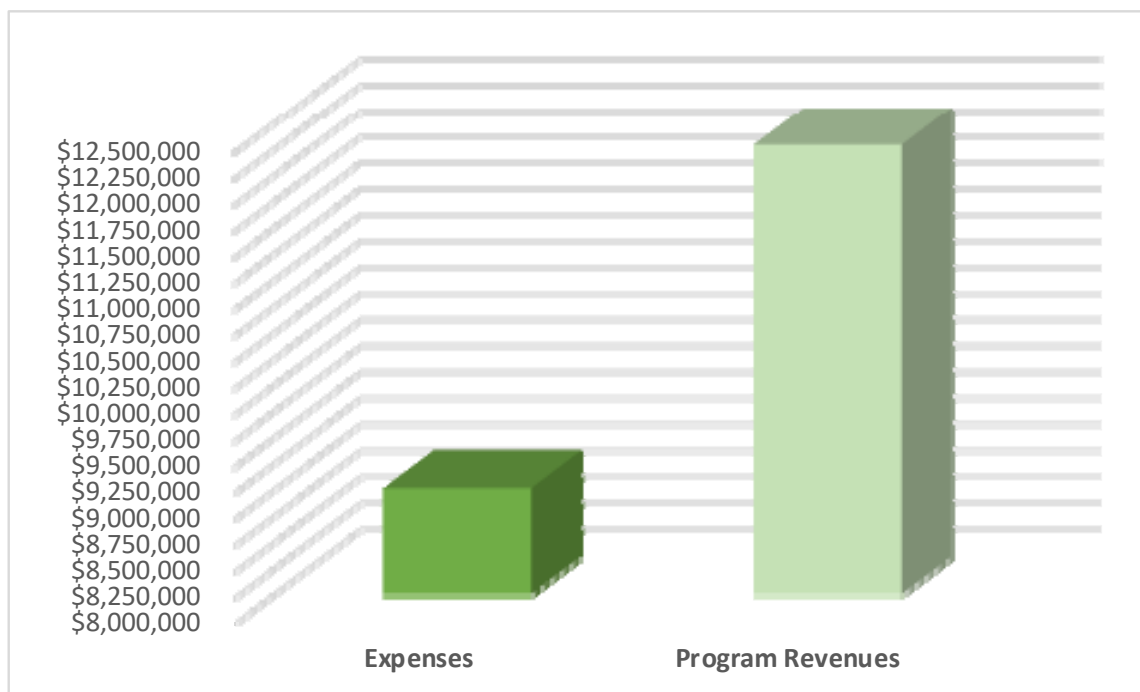
Business-type activities - Business-type activities increased the Town's net position by \$4,437,330, accounting for 63.95% of the total increase in the net position of the Town.

The Key elements of the increase are as follows:

- Capital grants and contributions in the amount of \$1,950,879.
- Charges for services increased due to an increase in water sales and sewer revenue.

Figure 6:

**Town of Southern Pines
Expenses and Program Revenues-Business-Type Activities**



Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town of Southern Pines' unassigned fund balance in the General Fund, which is available for spending at the government's discretion, was \$8,411,276, while total fund balance reached \$14,856,958. The Governing Body of the Town of Southern Pines has determined that the Town should maintain a minimum unassigned fund balance of 25 percent of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has unassigned fund balance of 40.69 percent of General Fund expenditures, while total fund balance represents 71.87 percent of that same amount.

At June 30, 2022, the governmental funds of the Town reported a combined fund balance of \$16,870,724 with a net increase in fund balance of \$1,015,132. Included in this change in fund balance is a decrease to capital project fund balances and an increase to the General Fund and ARPA Special Revenue Fund fund balance.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

During the year, there was a \$749,777 net increase in appropriations between the original and final amended budget. Key components of the amendments are as follows:

- an appropriation in the Planning Department in the amount of \$38,000 for a contract with Neighboring Concepts for conceptual planning and design services,
- an appropriation in the Inspections Department in the amount of \$7,200 for an increase to demolition expenditures,
- an appropriation in the Legislation Department in the amount of \$19,528 for Moore County Board of Election invoice for primary election,
- an appropriation in the Street Department in the amount of \$24,000 to purchase a Kubota RTV,
- an appropriation in the Street Department in the amount of \$206,765 for Knoll Road repaving,
- an appropriation in the Fire Department in the amount of \$50,000 to increase salaries due to holiday payments and Worker's Comp audit
- an appropriation in the Fire Department in the amount of \$78,000 to purchase two vehicles,
- an appropriation in the Police Department in the amount of \$22,000 to purchase a vehicle,
- an appropriation in the Police Department in the amount of \$30,000 to increase auto operating expense due to rising fuel costs,
- transfer to a capital project fund in the amount of \$274,484 to fully fund of Streambank Stabilization project.

The actual operating revenues for the General Fund were greater than the final budgeted amount by \$3,097,289. Unrestricted intergovernmental revenues were \$2,081,132 greater than budgeted due primarily to the conservative amount budgeted for local option sales tax and utility franchise taxes. The permits and fees revenue category was \$187,821 greater than budgeted due to conservative budgeting in the building inspections area. Ad valorem taxes also were \$413,126 greater than the amount budgeted due to a conservative collection rate and valuation.

The actual operating expenses for the General Fund were less than the final budgeted amount by \$1,867,900. General government, public safety, transportation, economic and physical development and cultural and recreational realized a savings of \$835,562, \$724,753, \$108,253, \$125,054 and \$71,700, respectively due primarily to personnel vacancies and the inability to procure items during the budget year due to ongoing supply chain shortages.

Proprietary Funds. The Town's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position at the end of the fiscal year amounted to \$18,409,486. The total change in net position was an increase of \$4,437,330. The change in net position is due to the increase in operating revenues and an increase in capital assets due to the donation of easements and water and sewer lines by developers and individuals. A four percent rate increase contributed to the increase in water and sewer revenue.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totals \$79,620,975 (net of accumulated depreciation). These assets include buildings, streets, storm drainage, sidewalks, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following items:

Governmental Funds:

Additions:

- Improvements other than buildings at sixty-seven percent of the cost for a fence in the amount of \$14,666 was installed at the Public Works back parking lot.
- Building and building improvements at sixty-seven percent of the cost in the amount \$915,819 for the Public Works Annex Renovations.
- Infrastructure in the amount of \$374,252 for sidewalk addition on S. Bennett Street and sidewalk extension on E. Morganton Road.
- Office machinery and equipment in the amount of \$32,919 for Production San server and AVTech Power Edge server.
- Various purchases of other equipment equaling \$452,364.
- Donated equipment equaling \$39,960.
- Various purchases of vehicles and motorized equipment totaling \$262,473.
- Intangible assets in the amount of \$35,175 for the Springbrook Software Upgrade was transferred from Intangible assets in progress.
- Construction in progress of \$587,663 in governmental-type activities for the design and installation of storm water infrastructure, continued improvements to the reservoir park dam, parking lots, unpaved streets, and facility modernization.
- Intangible assets in progress in the amount of \$283,071 for the Enterprise Information and Document Management System.
- Lease assets additions include Blanchie Carter Playground, Dark Fiber, and Turk Tank Robot in the amount of \$251,920.

Retirements:

- Disposals and surplused assets in the amount of \$498,407.
- The transfer of construction in progress to capital assets in the amount of \$1,339,913.

Proprietary Funds:

Additions:

- Construction in progress of \$1,913,316 for water and sewer improvements.
- The addition of intangible assets consisting of water and sewer easements in the amount of \$255,869.
- Equipment purchases in the amount of \$119,568 which consist of vehicles, generators, and an air compressor.
- Improvements other than buildings at thirty three percent of cost for fence in the amount of \$7,224 installed at the Public Works back parking lot.
- Building and building improvements at thirty-three percent of the cost in the amount \$451,075 for the Public Works Annex Renovations.
- Plant and distribution system increase in the amount of \$2,323,134, which consist of water and sewer lines donated by developers, lift station and force main upgrade from a capital project fund.

Retirements:

- Disposals and surplus equipment in the amount of \$102,887.
- The transfer of construction in progress to capital assets in the amount of \$2,363,293.

Figure 7:

Town of Southern Pines						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021, As Restated	2022	2021, As Restated
Land	\$ 13,431,777	\$ 13,431,777	\$ 540,533	\$ 540,533	\$ 13,972,310	\$ 13,972,310
Buildings and improvements	16,219,636	15,762,873	1,387,848	966,360	17,607,484	16,729,233
Other improvements	3,916,197	4,127,392	7,224	-	3,923,421	4,127,392
Machinery and equipment	240,778	281,809	1,857,103	1,795,610	2,097,881	2,077,419
Infrastructure	5,668,791	5,797,933	-	-	5,668,791	5,797,933
Plant and distribution systems	-	-	31,664,982	29,943,124	31,664,982	29,943,124
Vehicles and motorized equipment	2,825,100	3,061,363	-	-	2,825,100	3,061,363
Furniture, fixtures, and other equipment	1,157,862	830,419	-	-	1,157,862	830,419
Intangibles	180,746	186,218	3,428,095	3,172,226	3,608,841	3,358,444
Intangibles in progress	283,071	285,103	-	-	283,071	285,103
Construction in progress	587,663	1,251,767	2,872,000	2,770,912	3,459,663	4,022,679
Total Capital Assets (net of accumulated depreciation)	\$ 44,511,621	\$ 45,016,654	\$ 41,757,785	\$ 39,188,765	\$ 86,269,406	\$ 84,205,419

Additional information on the Town's capital assets can be found in Note 7 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2022, the Town did not have any outstanding bonded debt. Previous bonded debt was related to the Proprietary Fund operations and was retired in fiscal year 2010.

During the current fiscal year, the Town of Southern Pines' installment purchase debt decreased by a net amount of \$1,463,128 or 17.66 percent.

Included in the long-term debt category is the installment financing of the Police Facility that was obtained during fiscal year 2009, the Raw Water Reservoir installment financing issued in fiscal year 2011, the Meter Reading Project in 2013, and the Fire Sub-station installment financing that was issued in 2018, the Fire Tanker Truck installment financing that was issued in 2020, the Annex Remodel installment financing that was issued in 2021, and the Whitehall Land Tract installment financing that was issued in 2021. The total outstanding balance of debt as of June 30, 2022 is \$6,821,614.

Figure 8:

**Town of Southern Pines
Outstanding Debt
General Obligation Bonds and Installment Purchases**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Debt	6,263,033	7,940,748	558,581	343,994	6,821,614	8,284,742
Total	\$ 6,263,033	\$ 7,940,748	\$ 558,581	\$ 343,994	\$ 6,821,614	\$ 8,284,742

As mentioned in the financial highlights section of this document, the Town maintained its A2 bond rating from Moody's Investors Services for the 23rd consecutive year, as well as its AA- from Standard and Poor's for the 13th consecutive year. These bond ratings are clear indications of the sound financial condition and management of the Town. These achievements are primary factors in keeping interest costs low on the Town's outstanding debt.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The current legal debt margin for the Town is \$224,071,487, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information regarding the Town's long-term debt can be found in Note 14 of this report.

Economic Factors and Next Year's Budget and Rates

The following key economic indicators reflect the growth and prosperity of the Town.

The unemployment rate for the county in which the Town is located was 3.3% as of June 30, 2022. The unemployment rate is slightly lower than the State average.

Commercial activity is steady throughout the Town. The value of commercial building permits decreased 63.8% over the previous fiscal year as well as a decrease of 7% in residential permit values.

The fiscal year ending June 30, 2023 budget is balanced and represents an increase of 10.3% in the governmental activities operational budget while revenue growth remains consistent. Included in governmental activities budget is a transfer of \$591,975 to capital project funds.

The fiscal year ending June 30, 2023 business type operational budget reflects an increase of 14.5%. Included in the budget are transfers to capital project funds for funding of long-term capital planning in the amount of \$1,089,860.

Governmental Activities: The 2023 budget does not include a tax rate increase. Unrestricted intergovernmental revenue is budgeted to increase in the local option sales tax revenue category as well as franchise tax revenue. Additionally, the Town will continue to offer its citizens a high level of service and will not reduce services in the upcoming year.

Business-type Activities: Business-type revenues represent a conservative fiscal approach in the 2022-2023 fiscal year. The Town has budgeted an increase of 5.0% in water and sewer rates, to offset the increase in treatment costs.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Town of Southern Pines, PO Box 870, Southern Pines, NC 28388. You may also call (910) 692-2971 or visit our website www.southernpines.net for more information.

Town of Southern Pines, North Carolina
Statement of Net Position
June 30, 2022

Exhibit 1
(2 pages)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 15,279,031	\$ 16,365,072	\$ 31,644,103
Receivables - net:			
Property taxes	19,577	-	19,577
Accrued interest receivable on taxes	2,953	-	2,953
Due from other governments	1,909,859	-	1,909,859
Accounts receivable	457,461	-	457,461
Accrued interest	4,024	3,942	7,966
Sales tax	174,042	67,371	241,413
Assessments	2,305	49,983	52,288
Customers	-	1,639,238	1,639,238
Lease receivable	351,792	-	351,792
Other	-	6,401	6,401
Inventories	49,839	-	49,839
Prepays	98,942	-	98,942
Restricted cash and investments	3,218,296	1,753,372	4,971,668
Total current assets	21,568,121	19,885,379	41,453,500
Noncurrent assets:			
Lease receivable, noncurrent	2,577,773	-	2,577,773
Lease assets, net of amortization	227,866	-	227,866
Capital assets			
Land, non-depreciable improvements, and construction in progress	14,302,511	3,412,533	17,715,044
Intangibles - easements	-	3,428,095	3,428,095
Other capital assets, net of depreciation	30,209,110	34,917,157	65,126,267
Total capital assets	44,511,621	41,757,785	86,269,406
Total noncurrent assets	47,317,260	41,757,785	89,075,045
Total assets	68,885,381	61,643,164	130,528,545
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	3,398,782	281,030	3,679,812
Total deferred outflows of resources	3,398,782	281,030	3,679,812

Town of Southern Pines, North Carolina
Statement of Net Position
June 30, 2022

Exhibit 1
(2 pages)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 991,502	\$ 1,158,450	\$ 2,149,952
Payable from restricted assets - customer deposits	879,051	81,540	960,591
Unearned revenue	2,376,570	-	2,376,570
Current portion of pension liability - LEO	45,743	-	45,743
Current maturities of long-term debt	1,618,204	242,180	1,860,384
Total current liabilities	5,911,070	1,482,170	7,393,240
Noncurrent liabilities:			
Pension liability - LGERS	1,821,703	184,700	2,006,403
Pension liability - LEO, net of current	2,061,280	-	2,061,280
Due in more than one year	5,289,632	368,737	5,658,369
Total noncurrent liabilities	9,172,615	553,437	9,726,052
Total liabilities	15,083,685	2,035,607	17,119,292
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	3,183,717	279,897	3,463,614
Deferred lease revenue	2,910,344	-	2,910,344
Total deferred inflows	6,094,061	279,897	6,373,958
NET POSITION			
Net investment in capital assets	38,421,771	41,199,204	79,620,975
Restricted for:			
Stabilization by State Statute	2,424,261	-	2,424,261
Cemetery perpetual care:			
Expendable	96,252	-	96,252
Unrestricted	10,164,133	18,409,486	28,573,619
Total net position	\$ 51,106,417	\$ 59,608,690	\$ 110,715,107

Town of Southern Pines, North Carolina
Statement of Activities
Year Ended June 30, 2022

Exhibit 2

Function/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government:							
Government activities:							
General government	\$ 5,619,882	\$ 1,181,849	\$ 133,545	\$ 39,960	\$ (4,264,528)	\$ -	\$ (4,264,528)
Public safety	8,701,575	561,887	80,831	-	(8,058,857)	-	(8,058,857)
Transportation	2,332,580	50,321	481,723	-	(1,800,536)	-	(1,800,536)
Economic and physical development	923,165	599,189	-	-	(323,976)	-	(323,976)
Cultural and recreation	2,447,994	212,464	31,021	-	(2,204,509)	-	(2,204,509)
Cemetery	-	3,150	-	-	3,150	-	3,150
Interest on long-term debt	159,016	-	-	-	(159,016)	-	(159,016)
Total governmental activities	20,184,212	2,608,860	727,120	39,960	(16,808,272)	-	(16,808,272)
Business-type activities:							
Water and sewer	9,012,368	10,337,646	-	1,950,879	-	3,276,157	3,276,157
Total business-type activities	9,012,368	10,337,646	-	1,950,879	-	3,276,157	3,276,157
Total primary government	<u>\$ 29,196,580</u>	<u>\$ 12,946,506</u>	<u>\$ 727,120</u>	<u>\$ 1,990,839</u>	<u>(16,808,272)</u>	<u>3,276,157</u>	<u>(13,532,115)</u>
General revenues:							
Ad valorem taxes					11,568,250	-	11,568,250
Unrestricted intergovernmental					5,903,947	-	5,903,947
Alcoholic Beverage Tax					284,148	-	284,148
Franchise taxes					1,121,630	-	1,121,630
Investment earnings					35,569	31,641	67,210
Miscellaneous					519,560	1,176,819	1,696,379
Loss on disposal					(176,008)	5,650	(170,358)
Total general revenues excluding transfers					19,257,096	1,214,110	20,471,206
Transfers					52,937	(52,937)	-
Total general revenues and transfers					19,310,033	1,161,173	20,471,206
Change in net position					2,501,761	4,437,330	6,939,091
Net position, beginning, as previously reported					48,604,656	57,456,351	106,061,007
Prior period adjustment (Note 2)					-	(2,284,991)	(2,284,991)
Net position, beginning, as restated					48,604,656	55,171,360	103,776,016
Net position, end of year					<u>\$ 51,106,417</u>	<u>\$ 59,608,690</u>	<u>\$ 110,715,107</u>

The notes to the financial statements are an integral part of this statement.

Fund Financial Statements

Town of Southern Pines, North Carolina
Balance Sheet - Governmental Funds
June 30, 2022

Exhibit 3
(2 pages)

	Major Funds			
	General	ARPA Special Revenue Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 13,245,019	\$ -	\$ 2,034,012	\$ 15,279,031
Receivables - net:				
Property taxes	19,577	-	-	19,577
Due from other governments	1,909,859	-	-	1,909,859
Accounts receivable	457,461	-	-	457,461
Accrued interest receivable	3,070	509	445	4,024
Sales tax receivable	172,056	-	1,986	174,042
Parking lot assessments	2,305	-	-	2,305
Lease receivable	2,929,565	-	-	2,929,565
Inventories	49,839	-	-	49,839
Prepays	98,942	-	-	98,942
Restricted assets:				
Cash and investments	879,051	2,339,245	-	3,218,296
Total assets	<u>\$ 19,766,744</u>	<u>\$ 2,339,754</u>	<u>\$ 2,036,443</u>	<u>\$ 24,142,941</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 472,749	\$ -	\$ 26,857	\$ 499,606
Accrued liabilities:				
Other	504,635	-	-	504,635
Security deposits	879,051	-	-	879,051
Unearned revenue	-	2,335,574	-	2,335,574
Total liabilities	<u>1,856,435</u>	<u>2,335,574</u>	<u>26,857</u>	<u>4,218,866</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes receivable	19,577	-	-	19,577
Parking lot assessments	2,305	-	-	2,305
Deferred lease revenue	2,910,344	-	-	2,910,344
Other	121,125	-	-	121,125
Total deferred inflows of resources	<u>3,053,351</u>	<u>-</u>	<u>-</u>	<u>3,053,351</u>
FUND BALANCES				
Nonspendable:				
Inventories	49,839	-	-	49,839
Prepays	98,942	-	-	98,942
Leases	19,221	-	-	19,221
Perpetual maintenance	-	-	96,252	96,252
Restricted:				
Stabilization by State Statute	2,421,321	509	2,431	2,424,261
Committed:				
General Government	-	-	1,257,769	1,257,769
Transportation	-	-	182,658	182,658
Cultural and Recreational	-	-	470,476	470,476
Assigned:				
Subsequent year's expenditures	3,856,359	-	-	3,856,359
Unassigned	8,411,276	3,671	-	8,414,947
Total fund balances	<u>14,856,958</u>	<u>4,180</u>	<u>2,009,586</u>	<u>16,870,724</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,766,744</u>	<u>\$ 2,339,754</u>	<u>\$ 2,036,443</u>	<u>\$ 24,142,941</u>

The notes to the financial statements are an integral part of this statement.

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balance, governmental funds	\$ 16,870,724
Lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	227,866
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	44,511,621
Deferred outflows of resources related to pensions are not reported in the funds	3,398,782
Other long-term assets (accrued interest receivable from property taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds	2,953
Earned revenues considered deferred inflows of resources in fund statements	143,007
Deferred inflows of resources related to pensions are not reported in the funds	(3,183,717)
Some liabilities are not due and payable in the current period and are therefore not reported in the funds:	
Long-term debt included as net position below	(6,936,093)
Pension liability - LGERS	(1,821,703)
Pension liability - LEO	<u>(2,107,023)</u>
Net position of governmental activities	<u>\$ 51,106,417</u>

Town of Southern Pines, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2022

Exhibit 4
(2 pages)

	Major Funds			
	General	ARPA Special Revenue Grant Fund	Nonmajor Governmental Funds	Totals Governmental Funds
Revenues				
Ad valorem taxes	\$ 11,571,474	\$ -	\$ -	\$ 11,571,474
Other taxes and licenses	427,808	-	-	427,808
Unrestricted intergovernmental	6,946,573	-	-	6,946,573
Restricted intergovernmental	557,080	-	-	557,080
Permits and fees	805,821	-	-	805,821
Sales and services	1,324,446	-	3,150	1,327,596
Investment earnings	27,348	4,180	4,041	35,569
Other	1,087,258	-	-	1,087,258
	<u>22,747,808</u>	<u>4,180</u>	<u>7,191</u>	<u>22,759,179</u>
Expenditures				
Current:				
General government	5,442,502	-	1,064,020	6,506,522
Public safety	8,473,768	-	-	8,473,768
Transportation	1,950,644	-	229,261	2,179,905
Economic and physical development	926,707	-	-	926,707
Cultural and recreational	2,379,247	-	-	2,379,247
Debt service:				
Principal	1,300,953	-	-	1,300,953
Interest	161,338	-	-	161,338
	<u>20,635,159</u>	<u>-</u>	<u>1,293,281</u>	<u>21,928,440</u>
Revenues over (under) expenditures	<u>2,112,649</u>	<u>4,180</u>	<u>(1,286,090)</u>	<u>830,739</u>
Other financing sources (uses)				
Lease liabilities issued	52,629	-	-	52,629
Transfers to other funds	(801,484)	-	-	(801,484)
Transfers from other funds	-	-	900,220	900,220
Sale of capital assets	33,028	-	-	33,028
Total other financing sources (uses)	<u>(715,827)</u>	<u>-</u>	<u>900,220</u>	<u>184,393</u>
Net change in fund balance	1,396,822	4,180	(385,870)	1,015,132
Fund balance, beginning of year, July 1	<u>13,460,136</u>	<u>-</u>	<u>2,395,456</u>	<u>15,855,592</u>
Fund balance, end of year, June 30	<u>\$ 14,856,958</u>	<u>\$ 4,180</u>	<u>\$ 2,009,586</u>	<u>\$ 16,870,724</u>

The notes to the financial statements are an integral part of this statement.

Town of Southern Pines, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2022

Exhibit 4
(2 pages)

Net changes in fund balances - total governmental funds	\$ 1,015,132
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were exceeded by depreciation and amortization expense in the current period

Capital outlay expenditures which were capitalized	2,041,036	
Transfers of capital assets to water and sewer fund	(458,299)	
Depreciation expense for governmental assets	(1,918,694)	
Lease asset capital outlay expenditures which were capitalizec	214,129	
Amortization expense for lease assets	(24,055)	
		(145,883)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,006,648
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Benefit payments paid and administrative expense for the LEOSA are not included on the Statement of Activities	57,187
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Amount of donated assets	39,960
Change in unavailable revenue for tax revenues	9,905
Proceeds from disposal/transfer of capital assets	(33,028)
Net loss on disposal/transfer of capital assets	(176,008)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of lease liabilities	(52,629)
Principal payments on long-term debt	1,300,953
Transfer of debt to utility fund	412,500
Decrease in accrued interest payable	2,448

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	12,229
Pension expense	(947,653)

Total changes in net position of governmental activities	<u>\$ 2,501,761</u>
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Town of Southern Pines, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2022

Exhibit 5

	Budget			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Ad valorem taxes	\$ 11,158,348	\$ 11,158,348	\$ 11,571,474	\$ 413,126
Other taxes and licenses	298,550	298,550	427,808	129,258
Unrestricted intergovernmental revenues	4,865,441	4,865,441	6,946,573	2,081,132
Restricted intergovernmental revenues	472,320	472,320	557,080	84,760
Permits and fees	574,000	618,000	805,821	187,821
Sales and services	1,546,600	1,555,660	1,324,446	(231,214)
Investment earnings	38,000	38,000	27,348	(10,652)
Other	595,496	644,200	1,087,258	443,058
	<u>19,548,755</u>	<u>19,650,519</u>	<u>22,747,808</u>	<u>3,097,289</u>
Expenditures				
Current:				
General government	6,296,328	6,315,856	5,442,502	873,354
Public safety	8,924,817	9,198,521	8,473,768	724,753
Transportation	1,828,132	2,058,897	1,950,644	108,253
Economic and physical development	1,006,561	1,051,761	926,707	125,054
Cultural and recreational	2,492,887	2,450,947	2,379,247	71,700
Debt service	1,427,077	1,427,077	1,462,291	(35,214)
	<u>21,975,802</u>	<u>22,503,059</u>	<u>20,635,159</u>	<u>1,867,900</u>
Revenues over (under) expenditures	<u>(2,427,047)</u>	<u>(2,852,540)</u>	<u>2,112,649</u>	<u>4,965,189</u>
Other financing sources (uses)				
Lease liabilities issued	-	-	52,629	52,629
Transfer out to Capital Project Funds	(477,000)	(801,484)	(801,484)	-
Sale of capital assets	70,000	70,000	33,028	(36,972)
Total other financing sources (uses)	<u>(407,000)</u>	<u>(731,484)</u>	<u>(715,827)</u>	<u>15,657</u>
Revenues over (under) expenditures and other financing uses	<u>(2,834,047)</u>	<u>(3,584,024)</u>	<u>1,396,822</u>	<u>4,980,846</u>
Appropriated fund balance	<u>2,834,047</u>	<u>3,584,024</u>	<u>-</u>	<u>(3,584,024)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,396,822</u>	<u>\$ 1,396,822</u>
Fund balance, beginning of year, July 1			<u>13,460,136</u>	
Fund balance, end of year, June 30			<u>\$ 14,856,958</u>	

The notes to the financial statements are an integral part of this statement.

	<u>Business-Type Activities - Enterprise Major Fund Water and Sewer</u>
ASSETS	
Current assets:	
Cash and cash equivalents/investments	\$ 16,365,072
Receivables - net:	
Sewer assessments	49,983
Customers	1,639,238
Accrued interest	3,942
Sales taxes	67,371
Other	6,401
Total current assets	<u>18,132,007</u>
Temporarily restricted assets:	
Cash and cash equivalents/investments	<u>1,753,372</u>
Capital assets	
Land, improvements, and construction in progress	3,412,533
Intangibles - easements	3,428,095
Other capital assets, net of depreciation	<u>34,917,157</u>
Total capital assets, net	<u>41,757,785</u>
Total unrestricted noncurrent assets	<u>41,757,785</u>
Total noncurrent assets	<u>43,511,157</u>
Total assets	<u>61,643,164</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	<u>281,030</u>
Total deferred outflows of resources	<u>281,030</u>

	Business-Type Activities - Enterprise Major Fund Water and Sewer
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,114,659
Compensated absences - current	41,099
Installment purchases - current	201,081
Accrued liabilities	43,791
Security deposits	81,540
Total current liabilities	1,482,170
Noncurrent liabilities	
Compensated absences	11,237
Installment purchases	357,500
Net pension liability	184,700
	553,437
Total liabilities	2,035,607
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	279,897
NET POSITION	
Net investment in capital assets	41,199,204
Unrestricted	18,409,486
Total net position	\$ 59,608,690

Town of Southern Pines, North Carolina
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2022

Exhibit 7

	Major Fund Water and Sewer
Operating revenues	
Charges for sales and services	\$ 10,337,646
Operating expenses	
Billings and collection	474,749
Water treatment	1,424,213
Sewage treatment	1,968,085
Water extensions and maintenance	1,044,893
Sewer extensions and maintenance	937,573
Chargeout for administrative expenses	1,184,485
Depreciation and amortization	1,965,810
Total operating expenses	8,999,808
Operating income	1,337,838
Nonoperating revenues (expenses)	
System development fees	1,176,819
Interest on investments	31,641
Gain on disposal of capital assets	5,650
Interest expense	(12,560)
Total nonoperating revenues (expenses)	1,201,550
Income before capital contributions and transfers	2,539,388
Capital contributions	1,950,879
Transfers to other funds	(52,937)
Change in net position	4,437,330
Total net position, beginning of year, as previously reported	57,456,351
Prior period adjustment (Note 2)	(2,284,991)
Total net position, beginning of year, as restated	55,171,360
Net position, end of year	\$ 59,608,690

Town of Southern Pines, North Carolina
Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2022

Exhibit 8
(2 pages)

	Major Fund Water and Sewer
Cash flows from operating activities	
Cash received from customers and users	\$ 10,243,287
Cash paid for goods and services	(5,023,677)
Cash paid to or on behalf of employees for services	(1,277,946)
Customer deposit refunded	(40,610)
Customer deposits received	36,515
	<u>3,937,569</u>
Net cash provided by operating activities	<u>3,937,569</u>
Cash flows from noncapital financing activities	
Transfers out to other funds	<u>(98,736)</u>
Net cash used by noncapital financing activities	<u>(98,736)</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(2,125,651)
Proceeds from sale of capital assets	5,650
System development fees	1,176,819
Principal paid on installment purchase obligation	(197,913)
Interest paid on installment purchase obligation	(13,327)
	<u>(1,154,422)</u>
Net cash used by capital and related financing activities	<u>(1,154,422)</u>
Cash flows from investing activities	
Interest on investments	<u>34,115</u>
Net cash provided by investing activities	<u>34,115</u>
Net increase in cash and cash equivalents	2,718,526
Cash and cash equivalents at beginning of year	<u>15,399,918</u>
Cash and cash equivalents at end of year	<u><u>\$ 18,118,444</u></u>

	Major Fund Water and Sewer
Cash and investments per Exhibit 6	
Unrestricted	\$ 16,365,072
Restricted	1,753,372
Total	\$ 18,118,444
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,337,838
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,965,810
Change in assets, deferred outflows of resources, deferred inflows of resources and liabilities:	
(Increase) decrease in:	
Accounts receivable	(94,359)
Deferred outflows of resources for pensions	(23,852)
Increase (decrease) in:	
Accounts payable and accrued liabilities	761,417
Customer deposits	(4,095)
Accrued vacation pay	5,087
Net pension liability	(284,650)
Deferred inflows of resources for pensions	274,373
Total adjustments	2,599,731
Net cash provided by operating activities	\$ 3,937,569

Noncash investing, capital and financing activities:
During fiscal year ended June 30, 2022, the Town received \$1,719,616 in water and sewer line improvements and \$231,263 of easements from various land developers and individuals. These improvements are recorded as capital contributions.

During fiscal year ended June 30, 2022, the Town transferred buildings and improvements with a net book value of \$458,299, and related debt of \$412,500 from Governmental Activities to the Water and Sewer Fund.

Town of Southern Pines, North Carolina
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2022

Exhibit 9

	Private-Purpose Trust Fund Virginia Kelly Trust
ASSETS	
Cash and investments	\$ 26,572
Accrued interest	6
	<u>26,578</u>
NET POSITION	
Restricted for:	
Payment of death benefits - police	<u>26,578</u>
Total fiduciary net position	<u><u>\$ 26,578</u></u>

Town of Southern Pines, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2022

Exhibit 10

	Private-Purpose Trust Fund Virginia Kelly Trust
Revenues	
Investment earnings	\$ 49
Net increase	49
Net position, beginning of year, July 1	26,529
Net position, end of year, June 30	\$ 26,578

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Southern Pines conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting entity

The Town of Southern Pines is a municipal corporation that is governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, these financial statements present the Town as well as any separate entity for which the Town is financially accountable. For the year ended June 30, 2022, no other entity is included in the Town's financial statements.

B. Basis of presentation

Government-wide statements: The statement of net position and the statement of activities display information on all of the nonfiduciary activities of the Town. These statements include the financial activities of the overall government and distinguish between the governmental and business-type activities of the Town. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements: The fund financial statements provide information about the Town's funds, including the fiduciary fund. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those that are required to be accounted for in another fund. The primary

revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, streets and highways, sanitation, parks and recreation, libraries and general government services.

ARPA Special Revenue Fund - The American Rescue Plan Act ("ARPA") special revenue fund is used to account for amounts received from the Coronavirus State and Local Fiscal Recover Funds related to the American Rescue Plan Act of 2021. The use of income from the fund is restricted to supporting economic recovery from the COVID-19 pandemic.

The Town reports the following non-major governmental funds:

Nicks Creek Parkway - This fund is used to account for the future construction of a road extending along Nicks Creek from NC 22 to US 15-501.

Open Space and Greenways - This fund is used to account for the purchase of open space and greenways.

Storm Water Improvements - This fund is used to account for the design and installation of storm water infrastructure.

Enterprise Information and Document Management (EIDMS) - This fund is used to account for the purchase and implementation of Enterprise Resource Planning software, an integrated information system that will serve all departments within the Town.

Bike Transport - This fund is used to account for the construction and improvements of bike lanes throughout the town.

Recreational Improvements - This fund is used for the purpose of various recreational park improvements and renovations

Building Renovation - This fund is used to account for the renovation of the Public Works Annex and the Garage Facility.

Unpaved Street Fund - This fund is used for the purpose of paving existing Town streets that are currently unpaved.

Sidewalk Construction II - This fund is used for the construction and improvement of various sidewalks in the Town.

Parking Lot Project - This fund accounts for funds used for the purpose of construction and renovation of parking lots owned by the Town.

Facility Modernization - This fund accounts for funds used for addressing immediate needs of Town owned buildings as designated by the 2019 Facility Condition Assessment.

Reservoir Dam Improvements - This fund accounts for funds used for improvements to the dam at Reservoir Park.

General Capital Reserve Fund - This fund is used to accumulate financial resources for ongoing or future capital projects.

Cemetery Perpetual Care Permanent Fund - This fund is used to account for the perpetual care of the municipal cemetery.

Town of Southern Pines, North Carolina
Notes to Financial Statements

Streambank Stabilization Project – This fund is used for the purpose of stabilizing the erosion of the streambank behind the Fire and Police stations.

The Town reports the following major enterprise fund:

Water and Sewer Fund - This fund is used to account for the Town's water and sewer operations.

Additionally, the Town reports the following fund type:

Virginia Kelly Trust Private-Purpose Trust Fund - This fund is used to account for proceeds available as death benefits for police officers killed in the line of duty. The Trust Fund was established during the year ended June 30, 1987, through the contribution of \$15,000 by a Southern Pines citizen. The trust principle is restricted for the purpose stated above.

C. Measurement focus and basis of accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-wide, proprietary and fiduciary fund financial statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, property tax revenue is recognized in the fiscal year for which the taxes are levied. Revenue from grants, donations and similar items is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental fund financial statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered

to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in law, the state of North Carolina is responsible for billing and collecting the property taxes on registered vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Southern Pines because the tax is levied by Moore County and then remitted to and distributed by the State. Intergovernmental revenues, and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary data

The Town's budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the General, Permanent, and Enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Special Revenue Fund, Governmental Capital Project Funds and the Enterprise Capital Projects Funds, which are consolidated with the operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. During the year, several amendments to the original budget became necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, liabilities, deferred outflows/inflows of resources, and fund equity

(1) Deposits and investments

All deposits of the Town are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States; or obligations fully guaranteed, both as to principal and interest, by the United States; obligations of the state of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The Town's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolios has a maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. In accordance with State law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

Town of Southern Pines, North Carolina
Notes to Financial Statements

(2) Cash and cash equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

(3) Restricted assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Impact fees are held by the Town for the purpose of expanding water and sewer infrastructure. Water and wastewater system development fees are held by the Town for specific future water and wastewater capital projects to be funded with system development fees levied by the Town. Unexpended debt proceeds are held by the Town for the purpose of constructing a new fire department substation.

Town of Southern Pines Restricted Cash

Governmental activities:

General Fund:

ARPA Grant funds	\$ 2,339,245
Customer deposits	<u>879,051</u>

Total governmental activities	<u>3,218,296</u>
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Business-type activities:

Water and Sewer Fund:

Customer deposits	81,540
Water system development fees capital reserve	1,266,340
Wastewater system development fees capital reserve	<u>405,492</u>

Total business-type activities	<u>1,753,372</u>
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Total restricted cash	<u>\$ 4,971,668</u>
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(4) Ad valorem taxes receivable

In accordance with State law (G.S. 105-347 and 159-13(a)), the Town levies *ad valorem* taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, no interest or penalties are assessed until the following January 6. The taxes are based on the assessed values as of January 1, 2021.

(5) Allowances for doubtful accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

(6) Inventory and prepaid items

Inventory is valued at cost which approximates market, using the first in, first out method. The inventory of the General Fund consists of expendable supplies and is recorded as an expenditure as it is consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

(7) Capital assets

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are amortized or depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	10 to 50 years
Other improvements	10 to 50 years
Infrastructure	15 to 30 years
Machinery and equipment	5 to 15 years
Vehicles	3 to 25 years
Furniture and office equipment	5 years
Computer software	5 years
Plant and distribution systems	10 to 40 years
Intangible assets - software	5 to 15 years

(8) Lease assets

The Town has recorded lease assets as a result of implementing GASB 87. The lease assets are initially measured at an amount equal to the initial measurement of the related lease liabilities plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the leases into service. The lease assets are amortized on a straight-line basis over the lives of the related leases.

(9) Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, contributions made to the pension plans in the 2022 fiscal year and other pension related deferrals. In addition to liabilities, the Statement of Net Position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Town has five items that meet the criterion for this category - property taxes receivable, parking lot assessments, other receivables, pension deferrals, and deferred lease revenue.

(10) Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance

costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(11) Compensated absences

Vacation leave may accumulate to a maximum of 30 working days. Each December 31st, accumulated vacation leave in excess of 30 working days will be rolled into sick leave. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

(12) Net position/fund balances

Net position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepays - portion of fund balance that is not an available resource because it represents the year-end balance of ending prepaid expenses, which are not spendable resources.

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Perpetual maintenance - Cemetery resources that are required to be retained in perpetuity for maintenance of the Town of Southern Pines Cemetery.

Restricted fund balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for stabilization by state statute - portion of fund balance that is restricted by State Statute (G.S. 159-8(a)). This statute prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute ("RSS"), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the statement of net position and the balance sheet.

Committed fund balance - This classification includes the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town's governing body (highest level of decision-making authority) by ordinance. The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Any changes or removal of specific purpose requires majority action by the governing body.

Committed for general government - portion of fund balance that can only be used for fiber connections between Town buildings and the purchase and implementation of Enterprise Resource Planning software.

Committed for transportation - portion of fund balance that can only be used for construction and improvement of Town roads, sidewalks, and the design and installation of storm water infrastructure.

Committed for cultural and recreation - portion of fund balance that can only be used for the renovations of existing parks, construction of bike lanes and the purchase of open space and greenways.

Assigned fund balance - This classification includes the portion of fund balance that Town of Southern Pines' governing body has budgeted and intends to use for specific purposes. Any changes or removal of specific purpose requires majority action by the governing body.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation and all amendments made to the original ordinance.

Unassigned fund balance - This classification includes the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The general fund is the only fund that reports a positive unassigned fund balance.

For projects that include multiple revenue sources, the Town's standard practice is that resources will be used in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed, assigned and lastly unassigned fund balance. The Finance Director has the authority to deviate from this practice in order to comply with grant agreements, bond orders or if it is in the best interest of the Town.

Town of Southern Pines, North Carolina
Notes to Financial Statements

The Town of Southern Pines has an informal fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures. Any portion of the general fund balance in excess of 25% of budgeted expenditures may be appropriated.

(13) Defined benefit cost-sharing plan

For purposes of measuring the total pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

(14) Reconciliation of government-wide and fund financial statements

a. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. The net adjustment consists of several elements as follows:

Description

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 71,894,503
Less accumulated depreciation	<u>(27,382,882)</u>
Net capital assets	<u>44,511,621</u>
Lease assets, net of accumulated amortization, used in governmental activities are not financial resources and are therefore not reported in the funds	<u>227,866</u>
Contributions to the pension plans in the current fiscal year, following the measurement date of the related pension liabilities, are deferred outflows of resources on the Statement of Net Position	<u>1,029,520</u>
Net pension-related deferrals (deferred outflows and deferred inflows), excluding contributions to pension plans	<u>(814,455)</u>
Accrued interest receivable for property taxes is not available to pay for current-period expenditures and therefore are inflows of resources in the funds	<u>2,953</u>
Liabilities for earned revenues considered deferred inflows of resources in fund statements:	
Taxes receivable	19,577
Parking lot assessments	2,305
Other receivables	<u>121,125</u>
Net deferred revenues	<u>143,007</u>

Town of Southern Pines, North Carolina
Notes to Financial Statements

Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund financial statements:

Notes payable	\$ (6,263,033)
Lease liabilities	(54,683)
Compensated absences	(590,120)
Pension obligations	(3,928,726)
Accrued interest	<u>(28,257)</u>
Liabilities	<u>(10,864,819)</u>
Total adjustment	<u>\$ 35,235,693</u>

b. Explanation of certain differences between the government fund statement of revenues, expenditures, and changes in fund balance and the government-wide financial statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position - governmental activities as reported in the government-wide statement of net position. The net adjustment consists of several elements as follows:

Description

Capital outlay expenditures recorded in the fund financial statements but capitalized as assets in the statement of activities	\$ 2,041,036
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(1,918,694)
Transfers of capital assets recorded on the statement of activities but not in the fund statements	(458,299)
Lease asset related capital outlay expenditures recorded in the fund financial statements but capitalized as assets in the statement of activities	214,129
Amortization expense, the allocation of those lease assets over their lease lives, that is recorded on the statement of activities but not in the fund statements	(24,055)
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	1,006,648
Benefit payments paid and administrative expense for the LEOSSA are not included in the statement of activities	57,187
Revenues and other financing sources in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Amount of donated assets	39,960
Other	9,905
Proceeds from the disposal/transfer of capital assets	(33,028)
Loss on disposal/transfer of capital assets	(176,008)
Issuance of lease liabilities	(52,629)

Town of Southern Pines, North Carolina
Notes to Financial Statements

Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:

Principal payments	1,300,953
Transfer of debt to the Water and Sewer Fund	412,500
Decrease in accrued interest	2,448
Compensated absences	12,229
Pension expense	<u>(947,653)</u>
Total adjustment	<u>\$ 1,486,629</u>

F. Change in accounting principle

Effective July 1, 2021, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, except for certain regulated leases. A lessee is required to recognize a lease liability and a lease asset. This adjustment had no effect on the beginning net position at July 1, 2021.

2. Prior Period Adjustment

During the current year, management discovered an error related to capital assets reported in the Water and Sewer Fund in the prior year financial statements. For the year ended June 30, 2021, the Town reported capital assets of \$2,284,991 in the Water and Sewer Fund that were subsequently determined to not be eligible for capitalization, and therefore, should have been expensed in prior years. To correct these errors, the beginning net position of the Water and Sewer Fund of \$57,456,351, as originally reported, has been decreased to \$55,171,360. In addition, the beginning net position of Business-Type Activities of \$57,456,351, as originally reported, has been decreased to \$55,171,360. The net effect of the above restatement would have decreased the change in net position, for the year ended June 30, 2021, by \$423,402 for Business-Type activities and for the Water and Sewer Fund.

3. Deposits

All of the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no policy regarding custodial credit risk for deposits.

Town of Southern Pines, North Carolina
Notes to Financial Statements

At June 30, 2022, the Town's deposits had a carrying amount of \$11,376,610 and a bank balance of \$11,791,096. Of the bank balance \$750,000 was covered by federal depository insurance and \$11,041,096 was covered by collateral held under the Pooling Method. At June 30, 2022, the Town's petty cash fund totaled \$1,100.

4. Investments

At June 30, 2022, the Town's investment balances were as follows:

<u>Investments by Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/2022</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	\$ 25,238,061	N/A	AAAm
Total		<u>\$ 25,238,061</u>		

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets of a group of assets.

Level of fair value hierarchy:

Level 1 - Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

The Town does not have a formal investment policy.

Credit Risk. The Town has no formal policy regarding credit risk, but has internal management procedures that limits the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Town's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2022.

5. Receivables - Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>June 30, 2022</u>
General Fund:	
Taxes receivable	\$ 30,590
Enterprise Fund	<u>12,000</u>
	<u>\$ 42,590</u>

6. Lease Receivables

The Town has entered into five lease agreements whereby the Town leases space on several of its water towers to unrelated parties for cellular antennas. The initial non-cancelable terms of the leases are 5 years, and additional 5-year extension(s) are offered on each of the leases. Additional 5-year extension terms remain on four of the leases and two additional 5-year extension terms remain on one of the leases. Management believes that it is reasonably certain that the lessees will exercise all extension options. The leases call for monthly payments ranging from \$4,235 per month to \$5,070 per month during the year ended June 30, 2022, and generally increase by 3% per year thereafter, including during the extension periods. There are no variable components in the leases. The lease receivables are measured at the present value of the future minimum rent payments expected to be received during the lease term, at discount rates ranging from 0.514% to 0.727%, which are based on the Town's incremental borrowing rate.

The Town leases space in two of its fire stations to the County of Moore. These leases were entered into on July 1, 2019 and 2020, respectively. The lessees occupy bay space for one EMS transport unit, and office and day room space in each of the respective fire stations. The first lease, for space at the 500 W. Pennsylvania Ave. station, has a noncancellable term through June 30, 2022, and automatically renews for additional one-year terms each July 1, unless either party gives the other a 30-day written notice that the lease shall not be renewed. In any event, the lease shall not exceed eight years, through June 30, 2028, without both parties entering into a new lease agreement. The lease calls for monthly payments in the amount of \$750, including during any extension periods. The second lease, for space at the NC Highway 22 station, has a noncancellable lease term that extends through June 30, 2044. The lease calls for monthly payments in the amount of \$2,692 for a period of 20 years through June 30, 2039, and \$1,200 per month for a period of five years beginning July 1, 2039 and ending June 30, 2044. There are no variable components in the leases. The lease receivables are measured as the present value of the future minimum rent payments expected to be received during the lease terms, at discount rates of 0.316% and 2.440%, which is based on the Town's incremental borrowing rate.

The Town has entered into a lease agreement that conveys the right to use a 0.92-acre parcel of land to Charter Communications. The original lease was executed on January 24, 2011. Effective January 24, 2021, the lessee exercised its option to extend the term of the lease for ten years through January 23, 2031. The lease calls for monthly payments in the amount of \$1,803 through January 23, 2026, and \$1,983 for the period from January 24, 2026 through January 23, 2031. There are no variable components in the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term, at a discount rate of 1.604%, which is based on the Town's incremental borrowing rate.

The Town has entered into various other agreements to lease office space, soccer and baseball fields, and water pumps to unrelated parties. The leases call for monthly payments ranging from \$500 to \$1,000, and have noncancellable lease terms that expire from August 2023 through June 2026. There are no variable components in the leases. The lease receivables are measured as the present value of the future minimum rent payments expected to be received during the lease terms, at discount rates of 0.387% and 1.390%, which is based on the Town's incremental borrowing rate.

Town of Southern Pines, North Carolina
Notes to Financial Statements

Future minimum lessee payments due to the Town under non-cancelable lease agreements, as of June 30, 2022, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 351,792	\$ 29,162	\$ 380,954
2024	314,450	26,358	340,808
2025	299,615	23,807	323,422
2026	310,879	21,224	332,103
2027	315,491	18,532	334,023
Thereafter	<u>1,337,338</u>	<u>92,209</u>	<u>1,429,547</u>
	<u>\$ 2,929,565</u>	<u>\$ 211,292</u>	<u>\$ 3,137,857</u>

The Town reported lease revenue of \$365,285 and interest revenue of \$10,506 during the year ended June 30, 2022. Deferred inflows of resources related to the leases receivable amounted to \$2,910,344 as of June 30, 2022.

7. Capital Assets and Lease Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

<u>Governmental Activities by Type</u>	<u>July 1, 2021</u>	<u>Transfers In/ Additions</u>	<u>Transfers Out/ Disposals</u>	<u>June 30, 2022</u>
Capital assets not being amortized or depreciated:				
Land	\$ 13,431,777	\$ -	\$ -	\$ 13,431,777
Intangible assets in progress	285,103	33,143	(35,175)	283,071
Construction in progress	<u>1,251,767</u>	<u>1,260,006</u>	<u>(1,924,110)</u>	<u>587,663</u>
	<u>14,968,647</u>	<u>1,293,149</u>	<u>(1,959,285)</u>	<u>14,302,511</u>
Capital assets being amortized or depreciated:				
Buildings and improvements	21,847,641	908,595	-	22,756,236
Other improvements	6,443,562	618	-	6,444,180
Infrastructure	16,853,315	374,252	-	17,227,567
Machinery and equipment	805,247	32,918	-	838,165
Intangible assets - software	311,825	35,175	-	347,000
Vehicles and motorized equipment	7,105,910	262,473	(381,558)	6,986,825
Furniture, fixtures and other equipment	<u>2,595,273</u>	<u>492,323</u>	<u>(95,577)</u>	<u>2,992,019</u>
	<u>55,962,773</u>	<u>2,106,354</u>	<u>(477,135)</u>	<u>57,591,992</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	\$ 6,084,768	\$ 451,832	\$ -	\$ 6,536,600
Other improvements	2,316,170	222,508	(10,695)	2,527,983
Infrastructure	11,055,382	503,394	-	11,558,776
Machinery and equipment	523,438	73,949	-	597,387
Intangible assets - software	125,607	40,647	-	166,254
Vehicles and motorized equipment	4,044,547	464,742	(347,564)	4,161,725
Furniture, fixtures and other equipment	<u>1,764,854</u>	<u>161,622</u>	<u>(92,319)</u>	<u>1,834,157</u>
	<u>25,914,766</u>	<u>1,918,694</u>	<u>(450,578)</u>	<u>27,382,882</u>
Depreciable assets - net	<u>30,048,007</u>			<u>30,209,110</u>
Governmental activities capital assets - net	<u>\$ 45,016,654</u>			<u>\$ 44,511,621</u>

Town of Southern Pines, North Carolina
Notes to Financial Statements

<u>Governmental Activities by Type</u>	<u>July 1, 2021</u>	<u>Transfers In/ Additions</u>	<u>Transfers Out/ Disposals</u>	<u>June 30, 2022</u>
General government	\$ 18,555,718	\$ 2,027,129	\$ (1,606,437)	\$ 18,976,410
Public safety	22,345,278	488,563	(414,178)	22,419,663
Transportation	18,497,122	848,521	(449,252)	18,896,391
Economic and physical development	266,156	-	-	266,156
Cultural and recreational	11,267,146	89,313	(20,576)	11,335,883
	<u>70,931,420</u>	<u>3,453,526</u>	<u>(2,490,443)</u>	<u>71,894,503</u>
Less accumulated depreciation and amortization for:				
General government	3,483,980	232,580	(17,318)	3,699,242
Public safety	6,200,805	693,096	(347,565)	6,546,336
Transportation	11,875,550	640,038	(75,000)	12,440,588
Economic and physical development	203,722	10,528	-	214,250
Cultural and recreational	4,150,709	342,452	(10,695)	4,482,466
	<u>25,914,766</u>	<u>1,918,694</u>	<u>(450,578)</u>	<u>27,382,882</u>
Total governmental activities capital assets - net	<u>\$ 45,016,654</u>			<u>\$ 44,511,621</u>
<u>Business Activities by Type</u>	<u>July 1, 2021, as Restated</u>	<u>Transfers In/ Additions</u>	<u>Transfers Out/ Disposals</u>	<u>June 30, 2022</u>
Nondepreciable assets:				
Land	\$ 540,533	\$ -	\$ -	\$ 540,533
Intangibles - easements	3,172,226	255,869	-	3,428,095
Construction in progress	2,770,912	2,068,230	(1,967,142)	2,872,000
	<u>6,483,671</u>	<u>2,324,099</u>	<u>(1,967,142)</u>	<u>6,840,628</u>
Depreciable assets:				
Plant and distribution system	59,232,291	3,303,246	-	62,535,537
Buildings	1,424,609	451,075	-	1,875,684
Improvements other than buildings	-	7,224	-	7,224
Equipment	4,518,639	491,328	(102,887)	4,907,080
	<u>65,175,539</u>	<u>4,252,873</u>	<u>(102,887)</u>	<u>69,325,525</u>
Less accumulated depreciation and amortization for:				
Plant and distribution system	29,289,167	1,581,388	-	30,870,555
Building	458,249	29,587	-	487,836
Equipment	2,723,029	429,835	(102,887)	3,049,977
	<u>32,470,445</u>	<u>2,040,810</u>	<u>(102,887)</u>	<u>34,408,368</u>
Depreciable assets - net	<u>32,705,094</u>			<u>34,917,157</u>
Total business activities capital assets - net	<u>\$ 39,188,765</u>			<u>\$ 41,757,785</u>

Intangible assets

Intangible assets consist of enterprise resource planning software that is being developed for the town and recorded in the Enterprise Information and Document Management (EIDMS) capital project fund, as well as other software packages. As of June 30, 2022, \$180,747 of this software has been completed and is being used by the Town, net of accumulated amortization of \$166,253. This cost is being amortized over 5 to 15 years using the straight-line method.

Town of Southern Pines, North Carolina
Notes to Financial Statements

Future amortization is as follows:

Year Ending June 30

2023	\$	47,095
2024		47,095
2025		28,463
2026		18,187
2027		17,602
2028 - 2029		22,305
	\$	<u>180,747</u>

Construction commitments

The government has active construction projects as of June 30, 2022. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Water Treatment Modernization	\$ 1,609,182	\$ 612,368
Streambank Stabilization Design	90,349	80,855
Streambank Stabilization Construction	-	543,344
Warrior Woods Lift Station Relocation	24,000	6,000
Long Leaf Golf Club Dam Sewer Relocation	15,473	262,772
Recreation Improvements	-	63,350
Reservoir Dam Improvements Design	53,820	5,980
West Pennsylvania Avenue Waterline Design	242,027	152,073
West Pennsylvania Avenue Waterline Construction	-	3,251,749
Total	<u>\$ 2,034,851</u>	<u>\$ 4,978,491</u>

Lease assets

The Town has recorded three lease assets. The assets are for the right to use a playground, a fiber optic communication system, and a turf tank robotic field painter. The related leases are discussed in the Lease Liabilities note. The lease assets are amortized on a straight-line basis over the terms of the leases. Lease asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balances, As Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Lease assets:					
Playground	\$ -	\$ 160,000	\$ -	\$ -	\$ 160,000
Fiber optic	37,792	-	-	-	37,792
Turf Tank robot	-	54,129	-	-	54,129
	<u>37,792</u>	<u>214,129</u>	<u>-</u>	<u>-</u>	<u>251,921</u>
Less accumulated amortization for:					
Playground	\$ -	\$ 902	\$ -	\$ -	\$ 902
Fiber optic	-	20,472	-	-	20,472
Turf Tank robot	-	2,681	-	-	2,681
	<u>-</u>	<u>24,055</u>	<u>-</u>	<u>-</u>	<u>24,055</u>
Governmental activity Lease assets, net	<u>\$ 37,792</u>				<u>\$ 227,866</u>

8. Payables

Payables at the government-wide level at June 30, 2022, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental activities:				
General	\$ 473,055	\$ 463,333	\$ 28,257	\$ 964,645
Other governmental	<u>26,857</u>	<u>-</u>	<u>-</u>	<u>26,857</u>
Total governmental activities	<u>\$ 499,912</u>	<u>\$ 463,333</u>	<u>\$ 28,257</u>	<u>\$ 991,502</u>
Business-type activities:				
Water and sewer	<u>\$ 1,114,659</u>	<u>\$ 40,745</u>	<u>\$ 3,046</u>	<u>\$ 1,158,450</u>

9. Pension Plan and Postemployment Obligations

A. Local Governmental Employees' Retirement System

Plan description - The Town of Southern Pines is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits provided - LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service of within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible

Town of Southern Pines, North Carolina
Notes to Financial Statements

to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions - Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town employees are required to contribute 6 percent of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2022, was 12.04% of compensation for law enforcement officers and 11.40% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$1,108,711 for the year ended June 30, 2022.

Refunds of contributions - City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2022, the Town reported a liability of \$2,006,403 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021, utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021 (measurement date), the Town's proportion was 0.1308%, which was a decrease of 0.007% from its proportion measured at June 30, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$813,880. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 638,309	\$ -
Changes of assumption	1,260,534	-
Net difference between projected and actual earnings on pension plan investments	-	2,866,548
Changes in proportion and differences between Town contributions and proportionate share of contributions	45,286	173,973
Town contributions subsequent to the measurement date	<u>1,108,711</u>	<u>-</u>
Total	<u>\$ 3,052,840</u>	<u>\$ 3,040,521</u>

Town of Southern Pines, North Carolina
Notes to Financial Statements

\$1,108,711 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30

2023	\$ 145,230
2024	(97,487)
2025	(266,953)
2026	(877,182)
2027	-
Thereafter	-

Actuarial assumptions - The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e., general, law enforcement officer) and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rate also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 (measurement date) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate - The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Proportionate share of the net pension liability (asset)	\$ 7,788,692	\$ 2,006,403	\$ (2,752,084)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

B. Law Enforcement Officers Special Separation Allowance

(1) Plan description

The Town of Southern Pines administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Town of Southern Pines, North Carolina
Notes to Financial Statements

All full-time Town law enforcement officers are covered by the Separation Allowance. At the December 31, 2020 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>38</u>
Total	<u><u>41</u></u>

(2) Summary of significant accounting policies

Basis of accounting - The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

(3) Actuarial assumptions

The entry age actuarial cost method was used in the December 31, 2020 valuation. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.25 percent

The discount rate is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2020.

Mortality rates are based on Pub-2010 amount-weighted tables with adjustments for mortality improvements based on Scale MP-2019.

(4) Change in actuarial assumptions

On the prior measurement date (December 31, 2020), the S&P Municipal Bond 20-Year High Grade Rate Index, on which the discount rate is based, was 1.93%. Since the Prior Measurement Date, the S&P Municipal Bond 20-Year High Grade Rate Index has increased to 2.25% as of the Measurement Date (December 31, 2021). This resulted in a \$57,480 decrease in the Total Pension Liability.

(5) Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$56,721 as benefits came due for the reporting period.

Town of Southern Pines, North Carolina
Notes to Financial Statements

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2022, the Town reported a total pension liability of \$2,107,023. The total pension liability was measured as of December 31, 2021, based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the Town recognized pension expense of \$201,706.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 80,739	\$ 345,158
Changes of assumption	523,361	77,935
Town benefit payments and plan administrative expense made subsequent to the measurement date	<u>22,872</u>	<u>-</u>
Total	<u>\$ 626,972</u>	<u>\$ 423,093</u>

\$22,638 paid as benefits came due and \$234 of administrative expenses subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30

2023	\$ 56,306
2024	50,658
2025	47,523
2026	44,872
2027	(2,241)
Thereafter	<u>(16,111)</u>
	<u>\$ (181,007)</u>

Sensitivity of the Town's total pension liability to changes in the discount rate - The following presents the Town's total pension liability calculated using the discount rate of 2.25 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.25 percent) or 1 percentage point higher (3.25 percent) than the current rate:

	<u>1% Decrease (1.25%)</u>	<u>Discount Rate (2.25%)</u>	<u>1% Increase (3.25%)</u>
Total pension liability	\$ 2,291,960	\$ 2,107,023	\$ 1,937,359

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

Beginning balance	\$ 2,467,605
Service cost	104,505
Interest on the total pension liability	47,077
Changes in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(397,963)
Changes of assumptions or other inputs	(57,480)
Benefit payments	(56,721)
Other changes	-
Ending balance of the total pension liability	<u>\$ 2,107,023</u>

The plan currently uses mortality tables that vary by age, and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2019.

Total expense, liabilities, and deferred outflows and inflows of resources of related to pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension expense	\$ 813,880	\$ 201,706	\$ 1,015,586
Pension liability	2,006,403	2,107,023	4,113,426
Proportionate share of the net pension liability	0.13083%	n/a	
Deferred of outflows of resources			
Differences between expected and actual experience	638,309	80,739	719,048
Changes of assumptions	1,260,534	523,361	1,783,895
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	45,286	-	45,286
Benefit payments and administrative costs paid subsequent to the measurement date	1,108,711	22,872	1,131,583
Deferred of inflows of resources			
Differences between expected and actual experience	-	345,158	345,158
Changes of assumptions	-	77,935	77,935
Net difference between projected and actual earnings on plan investments	2,866,548	-	2,866,548
Changes in proportion and differences between contributions and proportionate share of contributions	173,973	-	173,973

C. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The Town made contributions of \$171,752 for the reporting year, which consisted of \$124,691 from the Town and \$47,061 from the law enforcement officers. No amounts were forfeited.

D. Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, minimum of \$25,000 and not to exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. The Town considers these contributions to be immaterial.

10. Deferred Compensation Plan

The Town offers its employees a deferred compensation plan (Plan) created in accordance with Internal Revenue Code Section 401K. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan and all income attributable to those amounts are immediately 100% vested to the participant. The Town contributes 5% of eligible compensation to the Plan. For the year ended June 30, 2022, contributions to the Plan consisted of \$317,699 from the Town and \$159,880 in voluntary contributions from employees.

11. Deferred Outflows and Inflows of Resources

Deferred inflows of resources at year end reported on the governmental funds balance sheet is comprised of the following:

	<u>General Fund Balance Sheet</u>
Taxes receivable, less penalties	\$ 19,577
Other receivables	121,125
Deferred lease revenue	2,910,344
Special assessments receivable	<u>2,305</u>
Total	<u>\$ 3,053,351</u>

12. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in two self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$5 million per occurrence, property coverage up to the total insurance value of the property policy, and workers' compensation coverage up to statutory limits. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of \$500,000 and \$300,000 up to statutory limits for workers' compensation. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values. Due to a study by the Town of Southern Pines' management, flood insurance was obtained on appropriate property as so designated in those areas by our insurance carrier.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

The Town carries commercial coverage for all other risks of loss as well as employee health coverage. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

13. Claims and Judgments

At June 30, 2022, the Town was a defendant to various lawsuits; however, no provision was made in the financial statements for any contingent liabilities. In the opinion of management and the Town attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the Town's financial position.

14. Long-Term Debt

The Town entered into direct placement installment purchase agreements October 2008, May 2013, April 2018, June 2020, February 2021, and June 2021 for the construction of a police station, implementation of an automatic meter reading system, construction of a fire station, the purchase of a fire tanker truck, the Annex remodel and the purchase of the Whitehall land tract. These assets are pledged as collateral for the debt. Liquidations of compensated absences and total pension liabilities for governmental activities occur within the General Fund.

Long-term debt obligations of the Town at June 30, 2022, consisted of the following:

Type	Serviced by	
	Governmental	Business-
	Activities	Activities
Police station; \$6,500,000; issued 2008; due semiannually to 2024; interest at 3.73%; collateralized by police station	\$ 650,000	\$ -
Fire substation; issued 2018; due semiannually to 2033; interest at 2.06%; collateralized by fire substation	3,833,977	-
Automatic meter readers; \$1,600,000; issued 2013; due semiannually to 2023; interest at 1.85%; collateralized by equipment	\$ -	\$ 173,581
Fire tanker; issued 2020; due semiannually to 2025; interest at 1.91%; collateralized by fire tanker truck	397,389	-
Annex remodel; \$1,250,000; issued 2021; due semiannually to 2036; interest at 1.91%; collateralized by the Annex	781,667	385,000
Whitehall land track; \$900,000; issued 2021; due semiannually to 2024; interest at 1.91%; collateralized by land track	600,000	-
Lease liabilities (Note 15)	54,683	-
Net pension liability (LGERS)	1,821,703	184,700
Total pension liability (LEO)	2,107,023	-
Compensated absences	590,120	52,336
Total long-term debt	10,836,562	795,617
Less current portion	(1,663,947)	(242,180)
	<u>\$ 9,172,615</u>	<u>\$ 553,437</u>

At June 30, 2022, the Town of Southern Pines had a legal debt margin of \$224,071,487.

Town of Southern Pines, North Carolina
Notes to Financial Statements

The following is a summary of changes in the Town's long-term obligations for the fiscal year ended June 30, 2022:

	<u>Balance July 1, 2021, as Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>	<u>Current Portion of Balance</u>
Governmental activities:					
Direct placement					
installment purchases:					
Police station	\$ 1,083,333	\$ -	\$ 433,333	\$ 650,000	\$ 433,333
Fire substation	4,182,520	-	348,543	3,833,977	348,543
Fire engine	524,895	-	127,506	397,389	129,953
Annex Remodel	1,250,000	-	468,333	781,667	55,833
Whitehall Land Tract	900,000	-	300,000	600,000	300,000
Lease liabilities	37,792	52,629	35,738	54,683	11,810
Compensated absences	602,349	333,523	345,752	590,120	338,732
Net pension liability (LGERS)	4,465,551	-	2,643,848	1,821,703	-
Total pension liability (LEO)	<u>2,467,605</u>	<u>-</u>	<u>360,582</u>	<u>2,107,023</u>	<u>45,743</u>
	<u>\$ 15,514,045</u>	<u>\$ 386,152</u>	<u>\$ 5,063,635</u>	<u>\$ 10,836,562</u>	<u>\$ 1,663,947</u>
	<u>Balance July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>	<u>Current Portion of Balance</u>
Business-type activities:					
Direct placement					
installment purchases:					
Raw water reservoir	\$ -	\$ -	\$ -	\$ -	\$ -
Automatic meter readers	343,994	-	170,413	173,581	173,581
Annex Remodel	-	412,500	27,500	385,000	27,500
Compensated absences	47,249	42,192	37,105	52,336	41,099
Net pension liability (LGERS)	<u>469,350</u>	<u>-</u>	<u>284,650</u>	<u>184,700</u>	<u>-</u>
	<u>\$ 860,593</u>	<u>\$ 454,692</u>	<u>\$ 519,668</u>	<u>\$ 795,617</u>	<u>\$ 242,180</u>

Compensated absences typically have been liquidated in the general fund. The net pension liability for governmental activities is expected to be liquidated in the general fund.

The following table summarizes the annual requirements to amortize all long-term debt outstanding excluding lease liabilities, accrued vacation pay, the net pension liability (LGERS) the total pension liability (LEO).

	<u>Installment Purchases</u>	
	<u>Principal</u>	<u>Interest</u>
Governmental activities:		
2023	\$ 1,267,662	\$ 129,196
2024	1,053,490	96,482
2025	539,366	77,292
2026	404,377	67,109
2027	404,377	58,863
2028 to 2036	<u>2,593,761</u>	<u>185,612</u>
	<u>\$ 6,263,033</u>	<u>\$ 614,554</u>

Town of Southern Pines, North Carolina
Notes to Financial Statements

Business-type activities:

2023	\$	201,081	\$	9,634
2024		27,500		6,697
2025		27,500		6,172
2026		27,500		5,646
2027		27,500		5,121
2028 to 2036		<u>247,500</u>		<u>22,441</u>
	\$	<u>558,581</u>	\$	<u>55,711</u>

Interfund balances and activity

Transfers to/from other funds at June 30, 2022, consist of the following:

Governmental:

From the General Fund to the Streambank Stabilization Fund for capital project expenditures	\$	384,484
From the General Fund to the Sidewalk Construction II Capital Project Fund for capital project expenditures		200,000
From the General Fund to the Recreational Improvements Capital Project Fund for capital project expenditures		142,000
From the General Fund to the Reservoir Dam Improvements Capital Project Fund for capital project expenditures		75,000
From the General Capital Reserve Fund to the Streambank Stabilization Capital Project Fund for capital project expenditures		180,000
From the Building Renovation Capital Project Fund to the General Capital Reserve Fund to close out the remaining fund balance		105
From the Nicks Creek Parkway Capital Project Fund to the Streambank Stabilization Capital Project Fund for capital project expenditures		72,000
From the Water and Sewer Fund to the Building Renovation Capital Project Fund for capital project expenditures		<u>98,736</u>
Total governmental		<u>1,152,325</u>

Business-type:

From the Water System Development Fees Capital Reserve Fund to the Water and Sewer Capital Projects Fund for capital project expenditures	\$	452,240
From the Wastewater System Development Fees Capital Reserve Fund to the Water and Sewer Capital Projects Fund for capital project expenditures		221,639
From the Water and Sewer Fund to the Sanitary Sewer Modernization Capital Projects Fund for capital project expenditures		462,000
From the Water and Sewer Fund to the Water and Sewer Capital Projects Fund for capital project expenditures		1,574,200
From the Water and Sewer Fund to the Building Renovation Capital Project Fund for capital project expenditures		<u>98,736</u>
Total business-type		<u>2,808,815</u>
Total transfers	\$	<u>3,961,140</u>

15. Lease Liabilities

The Town has entered into lease agreements to lease certain property and equipment. The lease agreements qualify as other than short-term lease under GASB 87 and, therefore, a liability has been recorded at the present value of the future minimum lease payments at the date of inception, resulting in an initial liability of \$37,792.

The first lease was executed on December 15, 2021, to lease the Blanchie Carter Playground. The lease required a payment of \$160,000 at execution of the lease. The lease term is for a period of 99 years, through December 2120. The lease requires no additional monthly or annual payments. As such, no lease liability exists related to this lease as of June 30, 2022. As of June 30, 2022, the remaining net book value of the related lease asset was \$159,098, net of accumulated amortization of \$902.

The second lease agreement was executed on January 6, 2022, to lease a Turf Tank Robot that paints fields for sporting events, and requires four quarterly payments of \$1,500, followed by 20 quarterly payments of \$2,500. There are no variable payments components of the lease. At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The Town has used its incremental borrowing rate at the date of adoption, 2.058%. As of June 30, 2022, the remaining net book value of the related lease asset was \$51,448, net of accumulated amortization of \$2,681.

The third lease agreement was executed in June 2020, to lease dark fiber infrastructure, and requires monthly payments of \$2,756 through June 2022, followed by monthly payments of \$400 through June 2023. There are no variable payments components of the lease. At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The Town has used its incremental borrowing rate at the date of adoption, 0.316%. As of June 30, 2022, the remaining net book value of the related lease asset was \$17,322, net of accumulated amortization of \$20,472.

Future minimum lease obligations and the net present value of these minimum lease payments, as of June 30, 2022, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 11,810	\$ 991	\$ 12,801
2024	9,188	812	10,000
2025	9,379	621	10,000
2026	9,573	427	10,000
2027	9,772	228	10,000
Thereafter	<u>4,961</u>	<u>38</u>	<u>4,999</u>
	<u>\$ 54,683</u>	<u>\$ 3,117</u>	<u>\$ 57,800</u>

16. Coronavirus Local Fiscal Recovery Funds

In accordance with funding provided by the American Rescue Plan Act of 2021, effective August 4, 2021, the Town agreed to its terms for receiving an allocation of funds from the U.S. Department of Treasury, through the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund. The Town's total estimated grant award is \$4,671,148, which is to be provided in two equal disbursements of \$2,335,574. The first disbursement was received in July 2021, while the second disbursement was received in August 2022. The Town

will have until December 31, 2024, to use or encumber the funds, and if encumbered, has until December 31, 2026, to finish any associated work. As of June 30, 2022, \$2,335,574 is included as an unearned revenue liability.

17. Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 14,856,958
Less:	
Inventories	49,839
Prepaid items	98,942
Leases	19,221
Stabilization by State Statute	2,421,321
Appropriated fund balance in 2023 budget	3,856,359
Fund balance policy	<u>6,191,205</u>
Remaining fund balance	\$ <u>2,220,071</u>

The Town has an informal fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures. Any portion of the general fund balance in excess of 25% of budgeted expenditures may be appropriated.

18. Related Organization

The five-member board of the Town of Southern Pines Housing Authority is appointed by the mayor of the Town of Southern Pines. The Town is accountable for the Housing Authority because it appoints the governing board; however, the Town is not financially accountable for the Housing Authority. The Town of Southern Pines is also disclosed as a related organization in the notes to the financial statements for the Town of Southern Pines Housing Authority.

19. Summary Disclosure of Significant Contingencies and Uncertainties

Federal and state-assisted programs

The Town has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

Required Supplemental Financial Data

This section contains additional information required by generally accepted accounting principles:

- Schedule of Employer Contributions for the Local Government Employees' Retirement System
- Schedule of Proportionate Share of Net Pension Liability (Asset) for the Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance

Town of Southern Pines, North Carolina
Local Government Employees' Retirement System
Required Supplementary Information
Schedule of Employer Contributions
Last Nine Fiscal Years

Schedule 1

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,108,711	\$ 951,231	\$ 849,091	\$ 671,376	\$ 616,826	\$ 603,339	\$ 520,306	\$ 525,694	\$ 499,274
Contributions in relation to the contractually required contribution	<u>1,108,711</u>	<u>951,231</u>	<u>849,091</u>	<u>671,376</u>	<u>616,826</u>	<u>603,339</u>	<u>520,306</u>	<u>525,694</u>	<u>499,274</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Town's covered payroll	\$ 9,579,387	\$ 9,178,016	\$ 9,129,740	\$ 8,377,732	\$ 7,959,271	\$ 8,052,947	\$ 7,568,729	\$ 7,347,598	\$ 7,012,498
Contributions as a percentage of covered payroll	11.57%	10.36%	9.30%	8.01%	7.75%	7.49%	6.87%	7.15%	7.12%

Town of Southern Pines, North Carolina
Local Government Employees' Retirement System
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability (Asset)
Last Nine Fiscal Years

Schedule 2

	2022	2021	2020	2019	2018	2017	2016	2015	2014
The Town's proportion of the net pension liability (asset) (%)	0.1308%	0.1381%	0.1311%	0.1333%	0.1311%	0.1408%	0.1438%	-0.1420%	0.1323%
The Town's proportion of the net pension liability (asset) (\$)	\$ 2,006,403	\$ 4,934,901	\$ 3,580,785	\$ 3,161,858	\$ 2,003,303	\$ 2,988,884	\$ 645,500	\$ (837,439)	\$ 1,594,723
The Town's covered-employee payroll	\$ 9,178,016	\$ 9,129,740	\$ 8,377,732	\$ 7,959,271	\$ 8,052,947	\$ 7,568,729	\$ 7,347,598	\$ 7,012,498	\$ 6,605,219
The Town's proportionate share of the net pension (asset) as a percentage of its covered-payroll	21.86%	54.05%	42.74%	39.73%	24.88%	39.49%	8.79%	-11.94%	24.14%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

**The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.*

Town of Southern Pines, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Changes in Total Pension Liability
Last Six Fiscal Years

Schedule 3

	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 2,467,605	\$ 1,605,268	\$ 1,496,954	\$ 1,462,694	\$ 1,300,931	\$ 1,270,092
Service cost	104,505	78,766	70,343	71,978	60,240	64,204
Interest on the total pension liability	47,077	51,724	53,581	45,267	49,285	44,634
Differences between expected and actual experience in the measurement of the total pension liability	(397,963)	90,479	(21,274)	46,723	2,915	-
Changes of assumptions or other inputs	(57,480)	678,662	55,558	(69,333)	97,533	(38,313)
Benefit payments	(56,721)	(37,294)	(49,894)	(60,375)	(48,210)	(39,686)
Ending balance of the total pension liability	<u>\$ 2,107,023</u>	<u>\$ 2,467,605</u>	<u>\$ 1,605,268</u>	<u>\$ 1,496,954</u>	<u>\$ 1,462,694</u>	<u>\$ 1,300,931</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ended December 31.

Town of Southern Pines, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Total Pension Liability as a Percentage of Covered Employee Pay
Last Six Fiscal Years

Schedule 4

	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 2,107,023	\$ 2,467,605	\$ 1,605,268	\$ 1,496,954	\$ 1,462,694	\$ 1,300,931
Covered employee payroll	2,201,985	2,475,156	2,351,666	2,197,919	2,120,993	2,119,195
Total pension liability as a percentage of covered employee payroll	95.69%	99.69%	68.26%	68.11%	68.96%	61.39%

Notes to the Schedules:

The Town of Southern Pines has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

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***Combining, Individual Fund and Account Groups
Financial Statements and Schedules***

The General Fund

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

Town of Southern Pines, North Carolina
General Fund
Comparative Balance Sheets
June 30, 2022 and June 30, 2021

Schedule 5

	2022	2021
ASSETS		
Cash and investments	\$ 13,245,019	\$12,093,408
Receivables, net		
Property taxes	19,577	22,744
Due from other governments	1,909,859	1,662,165
Accounts receivable	457,461	367,227
Accrued interest receivable	3,070	5,113
Sales tax receivable	172,056	119,425
Parking lot assessments receivable	2,305	2,305
Lease receivable	2,929,565	-
Inventory	49,839	37,820
Prepays	98,942	121,930
Restricted assets:		
Cash and investments	879,051	193,799
Total assets	<u>\$ 19,766,744</u>	<u>\$14,625,936</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 472,749	\$409,541
Accrued liabilities:		
Other	504,635	429,415
Security deposits	879,051	193,799
Total liabilities	<u>1,856,435</u>	<u>1,032,755</u>
DEFERRED INFLOWS OF RESOURCES		
Taxes receivable	19,577	22,744
Parking lot assessments	2,305	2,305
Leases	2,910,344	-
Other	121,125	107,996
Total deferred inflows of resources	<u>3,053,351</u>	<u>133,045</u>
FUND BALANCE		
Nonspendable:		
Inventory	49,839	37,820
Prepays	98,942	121,930
Leases	19,221	-
Restricted:		
Stabilization by State Statute	2,421,321	2,045,909
Assigned:		
Subsequent year's expenditures	3,856,359	2,834,047
Unassigned	8,411,276	8,420,430
Total fund balances	<u>14,856,958</u>	<u>13,460,136</u>
	<u>\$ 19,766,744</u>	<u>\$14,625,936</u>

Town of Southern Pines, North Carolina
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

Schedule 6
(5 pages)

	2022		Variance	2021
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues				
Ad valorem taxes:				
Current year		\$ 11,531,201		\$11,201,195
Prior years		23,234		(6,883)
Penalties and interest		17,039		15,195
	<u>\$ 11,158,348</u>	<u>11,571,474</u>	<u>\$ 413,126</u>	<u>11,209,507</u>
Other taxes and licenses:				
ABC mixed beverage		284,148		253,772
Solid waste disposal tax		11,716		10,677
Privilege licenses		2,715		3,180
Municipal vehicle tax		62,785		61,895
Lease vehicles		66,444		52,074
	<u>298,550</u>	<u>427,808</u>	<u>129,258</u>	<u>381,598</u>
Unrestricted intergovernmental revenues:				
Local option sales tax		5,645,948		4,665,458
Video programming tax		117,054		146,245
Franchise tax		1,121,630		1,073,629
Beer and wine		61,941		60,142
	<u>4,865,441</u>	<u>6,946,573</u>	<u>2,081,132</u>	<u>5,945,474</u>
Restricted intergovernmental revenues:				
State Aid - Library grant		7,241		6,159
LSTA - Library grant		-		1,500
Powell Bill allocation		481,723		386,118
Recreation grants		-		500
FEMA grants		-		203,037
Fire safer		44,655		146,410
Police grants		10,060		2,954
Fire on-behalf payments		13,401		13,913
	<u>472,320</u>	<u>557,080</u>	<u>84,760</u>	<u>760,591</u>
Permits and fees:				
Building permits		108,408		123,225
Inspection fees		468,957		729,205
Fire and Police Dept. fees		106,718		43,336
Public works fees		71,417		74,401
Street department fees		50,321		48,486
	<u>618,000</u>	<u>805,821</u>	<u>187,821</u>	<u>1,018,653</u>

Town of Southern Pines, North Carolina
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

Schedule 6
(5 pages)

	2022		2021
	Budget	Actual	Variance Favorable (Unfavorable)
			Actual
Revenues			
Sales and services:			
Rents		\$ 34,058	\$352,308
Homeowners recovery fund		2,800	3,240
County disposal fee		1,075,124	911,635
Recreation department fees		170,234	138,651
Library fees		42,230	26,000
Reservoir park usage fees		-	6,000
	<u>\$ 1,555,660</u>	<u>1,324,446</u>	<u>\$ (231,214)</u>
Investment earnings	<u>38,000</u>	<u>27,348</u>	<u>(10,652)</u>
Other:			
Cemetery		1,250	3,375
Fire department donations		2,500	2,500
Fire district revenue		449,158	475,122
Court costs		6,011	3,095
Library donations		10,180	4,283
Lease revenue		365,285	-
Miscellaneous		252,874	165,893
	<u>644,200</u>	<u>1,087,258</u>	<u>443,058</u>
Total revenues	<u>19,650,519</u>	<u>22,747,808</u>	<u>3,097,289</u>
Expenditures			
General government:			
Governing body:			
Salaries and employee benefits		26,885	28,265
Operating expenditures		106,987	90,719
Professional services		49,585	66,000
Membership dues		9,155	23,611
	<u>246,729</u>	<u>192,612</u>	<u>54,117</u>
Administration:			
Salaries and employee benefits		700,336	611,250
Operating expenditures		123,151	93,502
	<u>894,803</u>	<u>823,487</u>	<u>71,316</u>
Finance:			
Salaries and employee benefits		495,425	469,688
Operating expenditures		262,597	250,530
	<u>803,550</u>	<u>758,022</u>	<u>45,528</u>

Town of Southern Pines, North Carolina
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

Schedule 6
(5 pages)

	2022		Variance	2021
	Budget	Actual	Favorable (Unfavorable)	Actual
Information technology:				
Salaries and employee benefits		\$ 390,519		\$373,612
Contract Services		337,436		359,870
Operating expenditures		181,760		236,970
Capital outlay		18,957		45,111
	<u>\$ 1,233,183</u>	<u>928,672</u>	<u>\$ 304,511</u>	<u>1,015,563</u>
Administrative chargeback	<u>(1,184,485)</u>	<u>(1,184,485)</u>	<u>-</u>	<u>(1,141,360)</u>
Public works:				
Salaries and employee benefits		317,490		329,458
Operating expenditures		33,152		31,726
Contract services		2,167,900		2,047,670
	<u>2,608,904</u>	<u>2,518,542</u>	<u>90,362</u>	<u>2,408,854</u>
Building and grounds:				
Salaries and employee benefits		570,147		561,375
Vehicle maintenance		4,110		6,969
Contract Services		79,232		51,772
Operating expenditures		451,452		514,612
Capital outlay		-		31,485
	<u>1,371,823</u>	<u>1,104,941</u>	<u>266,882</u>	<u>1,166,213</u>
Garage:				
Salaries and employee benefits		249,274		259,409
Operating expenditures		51,437		50,122
Capital outlay		-		-
	<u>341,349</u>	<u>300,711</u>	<u>40,638</u>	<u>309,531</u>
Total general government	<u>6,315,856</u>	<u>5,442,502</u>	<u>873,354</u>	<u>5,392,366</u>
Public safety:				
Police				
Salaries and employee benefits		4,258,448		3,933,498
Operating expenditures		765,136		671,120
Capital outlay		333,559		323,758
	<u>5,795,156</u>	<u>5,357,143</u>	<u>438,013</u>	<u>4,928,376</u>
Fire:				
Salaries and employee benefits		2,504,171		2,393,392
Operating expenditures		497,407		457,603
Capital outlay		115,047		-
	<u>3,403,365</u>	<u>3,116,625</u>	<u>286,740</u>	<u>2,850,995</u>
Total public safety	<u>9,198,521</u>	<u>8,473,768</u>	<u>724,753</u>	<u>7,779,371</u>

Town of Southern Pines, North Carolina
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

Schedule 6
(5 pages)

	2021		2020
	Budget	Actual	Variance Favorable (Unfavorable)
			Actual
Transportation:			
Street maintenance:			
Salaries and employee benefits		\$ 763,576	\$749,087
Operating expenditures		419,138	365,052
Paving		480,833	217,884
Contract services		42,089	31,023
Capital outlay		245,008	107,656
	<u>\$ 2,058,897</u>	<u>1,950,644</u>	<u>\$ 108,253</u>
			1,470,702
Total transportation	<u>2,058,897</u>	<u>1,950,644</u>	<u>108,253</u>
			1,470,702
Economic and physical development:			
Planning and development:			
Salaries and employee benefits		754,776	757,527
Contract services		32,137	30,626
Operating expenditures		139,794	111,404
	<u>1,051,761</u>	<u>926,707</u>	<u>125,054</u>
			899,557
Total economic and physical development	<u>1,051,761</u>	<u>926,707</u>	<u>125,054</u>
			899,557
Cultural and recreational:			
Recreation:			
Salaries and employee benefits		827,633	837,852
Contract services		98,629	30,573
Operating expenditures		272,851	280,476
Capital outlay		249,313	62,094
	<u>1,471,342</u>	<u>1,448,426</u>	<u>22,916</u>
			1,210,995
Libraries:			
Salaries and employee benefits		686,343	619,043
Contract services		41,754	41,103
Operating expenditures		89,299	74,145
Books and periodicals		113,425	122,308
Capital outlay		-	-
	<u>979,605</u>	<u>930,821</u>	<u>48,784</u>
			856,599
Total cultural and recreational	<u>2,450,947</u>	<u>2,379,247</u>	<u>71,700</u>
			2,067,594

Town of Southern Pines, North Carolina
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

Schedule 6
(5 pages)

	2022		Variance	2021
	Budget	Actual	Favorable (Unfavorable)	Actual
Debt service:				
Principal retirement		\$ 1,300,953		\$906,983
Interest		161,338		215,239
	<u>\$ 1,427,077</u>	<u>1,462,291</u>	<u>\$ (35,214)</u>	<u>1,122,222</u>
Total debt service	<u>1,427,077</u>	<u>1,462,291</u>	<u>(35,214)</u>	<u>1,122,222</u>
Total expenditures	<u>22,503,059</u>	<u>20,635,159</u>	<u>1,867,900</u>	<u>18,731,812</u>
Revenues over (under) expenditures	<u>(2,852,540)</u>	<u>2,112,649</u>	<u>4,965,189</u>	<u>2,705,677</u>
Other financing sources (uses)				
Lease liabilities issued	-	52,629	52,629	-
Transfers to other funds:				
Capital Projects Funds	(801,484)	(801,484)	-	(885,136)
Sale of capital assets	<u>70,000</u>	<u>33,028</u>	<u>(36,972)</u>	<u>52,505</u>
Total other financing sources (uses)	<u>(731,484)</u>	<u>(715,827)</u>	<u>15,657</u>	<u>(832,631)</u>
Revenues over (under) expenditures and other financing uses	<u>(3,584,024)</u>	<u>1,396,822</u>	<u>4,980,846</u>	<u>1,873,046</u>
Fund balance appropriated	<u>3,584,024</u>	<u>-</u>	<u>(3,584,024)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>1,396,822</u>	<u>\$ 1,396,822</u>	<u>1,873,046</u>
Fund balance, beginning of year, July 1		<u>13,460,136</u>		<u>11,587,090</u>
Fund balance, end of year, June 30		<u>\$ 14,856,958</u>		<u>\$ 13,460,136</u>

Special Revenue Funds

Special Revenue Funds are used to account for resources that must be used for specific projects.

Individual fund description:

- *ARPA* - Accounts for amounts received from the Coronavirus State and Local Fiscal Recover Funds related to the American Rescue Plan Act of 2021. The use of income from the fund is restricted to supporting economic recovery from the COVID-19 pandemic.

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual
Special Revenue Fund (American Rescue Plan Act Grant)
From Inception and for for Year Ended June 30, 2022

Schedule 7

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
ARP Funds	\$ 4,671,000	\$ -	\$ -	\$ -	\$ (4,671,000)
Investment earnings	-	-	4,180	4,180	4,180
	<u>4,671,000</u>	<u>-</u>	<u>4,180</u>	<u>4,180</u>	<u>(4,666,820)</u>
Expenditures					
General government:					
Unassigned ARP expenditures	<u>4,671,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,671,000</u>
	<u>4,671,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,671,000</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	4,180	<u>\$ 4,180</u>	<u>\$ 4,180</u>
Fund balance, beginning of year, July 1			<u>-</u>		
Fund balance, end of year, June 30			<u>\$ 4,180</u>		

Nonmajor Governmental Funds

Capital Projects Funds are used to account for the acquisition of construction of major capital facilities other than those financed by Enterprise Funds and Fiduciary Funds.

Individual fund descriptions:

- *Nicks Creek Parkway* - accounts for funds restricted for the future construction of a road extending along Nicks Creek from NC 22 to US 15-501.
- *Open Space and Greenways* - accounts for funds used for the purchase of open space and greenways.
- *Storm Water Improvements* - accounts for funds used for the design and installation of storm water infrastructure.
- *Streambank Stabilization* - accounts for funds used for the purpose of stabilizing the erosion of the streambank behind the Fire and Police stations.
- *Enterprise Information and Document Management System (EIDMS)* - accounts for funds used for the purchase and implementation of Enterprise Resource Planning software.
- *Bike Transport* - accounts for funds used for the construction of bike lanes.
- *Unpaved Street* - accounts for funds used for paving existing Town streets that are currently unpaved.
- *Sidewalk Construction II* - accounts for funds used for the construction and improvement of various sidewalks in the Town.
- *Recreational Improvements* – accounts for funds used for the purpose of various recreational park improvements and renovations
- *Building Renovation* – accounts for funds to be used for renovation of the Public Works Annex and the Garage Facility
- *Parking Lot Project* – accounts for funds to be used for construction and renovation of parking lots owned by the Town.
- *Facility Modernization* – accounts for funds to be used for addressing immediate needs of Town owned buildings as designated by the 2019 Facility Condition Assessment
- *Reservoir Dam Improvements* - accounts for funds to be used for improvements to the dam at Reservoir Park
- *General Capital Reserve* - used to account for resources accumulated for ongoing or future capital projects

	Capital Projects Funds			
	Nicks Creek Parkway	Open Space and Greenways	Storm Water Improvements	Streambank Stabilization
ASSETS				
Cash and investments	\$ 3,392	\$ 48,973	\$ 63,830	\$ 659,638
Sales tax receivable	-	-	-	39
Accrued Interest	1	11	14	144
	<u>\$ 3,393</u>	<u>\$ 48,984</u>	<u>\$ 63,844</u>	<u>\$ 659,821</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Payables	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Nonspendable:				
Perpetual maintenance	-	-	-	-
Restricted:				
Stabilization by State Statute	1	11	14	183
Committed:				
Capital Projects	<u>3,392</u>	<u>48,973</u>	<u>63,830</u>	<u>659,638</u>
Total fund balance	<u>3,393</u>	<u>48,984</u>	<u>63,844</u>	<u>659,821</u>
	<u>\$ 3,393</u>	<u>\$ 48,984</u>	<u>\$ 63,844</u>	<u>\$ 659,821</u>

Town of Southern Pines, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

Schedule 8
(4 pages)

	Capital Projects Funds			
	EIDMS	Bike Transport	Unpaved Street	Sidewalk Construction II
ASSETS				
Cash and investments	\$ 196,854	\$ 245,980	\$ 22,895	\$ 34,208
Sales tax receivable	-	-	-	1,872
Accrued Interest	43	54	5	7
	<u>\$ 196,897</u>	<u>\$ 246,034</u>	<u>\$ 22,900</u>	<u>\$ 36,087</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Payables	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Nonspendable:				
Perpetual maintenance	-	-	-	-
Restricted:				
Stabilization by State Statute	43	54	5	1,879
Committed:				
Capital Projects	<u>196,854</u>	<u>245,980</u>	<u>22,895</u>	<u>34,208</u>
Total fund balance	<u>196,897</u>	<u>246,034</u>	<u>22,900</u>	<u>36,087</u>
	<u>\$ 196,897</u>	<u>\$ 246,034</u>	<u>\$ 22,900</u>	<u>\$ 36,087</u>

Town of Southern Pines, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

Schedule 8
(4 pages)

	Capital Projects Funds			
	Recreational Improvements	Building Renovation	Parking Lot Project	Facility Modernization
ASSETS				
Cash and investments	\$ 154,286	\$ -	\$ 85,190	\$ 384,683
Sales tax receivable	-	-	-	75
Accrued Interest	34	-	19	84
	<u>\$ 154,320</u>	<u>\$ -</u>	<u>\$ 85,209</u>	<u>\$ 384,842</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Payables	\$ -	\$ -	\$ 26,857	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>26,857</u>	<u>-</u>
Fund balance				
Nonspendable:				
Perpetual maintenance	-	-	-	-
Restricted:				
Stabilization by State Statute	34	-	19	159
Committed:				
Capital Projects	<u>154,286</u>	<u>-</u>	<u>58,333</u>	<u>384,683</u>
Total fund balance	<u>154,320</u>	<u>-</u>	<u>58,352</u>	<u>384,842</u>
	<u>\$ 154,320</u>	<u>\$ -</u>	<u>\$ 85,209</u>	<u>\$ 384,842</u>

Town of Southern Pines, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

Schedule 8
(4 pages)

	Capital Projects Funds		Permanent Fund	Non-Major Governmental Funds
	Reservoir Dam Improvements	General Capital Reserve	Cemetery Perpetual Care	
ASSETS				
Cash and investments	\$ 21,237	\$ 16,594	\$ 96,252	\$ 2,034,012
Sales tax receivable	-	-	-	1,986
Accrued Interest	5	4	20	445
	<u>\$ 21,242</u>	<u>\$ 16,598</u>	<u>\$ 96,272</u>	<u>\$ 2,036,443</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Payables	\$ -	\$ -	\$ -	\$ 26,857
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,857</u>
Fund balance				
Nonspendable:				
Perpetual maintenance	-	-	96,252	96,252
Restricted:				
Stabilization by State Statute	5	4	20	2,431
Committed:				
Capital Projects	<u>21,237</u>	<u>16,594</u>	<u>-</u>	<u>1,910,903</u>
Total fund balance	<u>21,242</u>	<u>16,598</u>	<u>96,272</u>	<u>2,009,586</u>
	<u>\$ 21,242</u>	<u>\$ 16,598</u>	<u>\$ 96,272</u>	<u>\$ 2,036,443</u>

Town of Southern Pines, North Carolina
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended June 30, 2022

Schedule 9
(4 pages)

	Capital Projects Funds			
	Nicks Creek Parkway	Open Space and Greenways	Storm Water Improvements	Streambank Stabilization
Revenues				
Investment earnings	\$ 41	\$ 90	\$ 116	\$ 958
Sale of plots	-	-	-	-
	41	90	116	958
Expenditures				
General government	-	-	-	15,230
Transportation	-	-	-	-
	-	-	-	15,230
Revenues over (under) expenditures	41	90	116	(14,272)
Other financing sources (uses)				
Transfers (to) from:				
General Fund	-	-	-	384,484
General Capital Reserve fund	-	-	-	180,000
Building renovation fund	-	-	-	-
Nicks Creek Parkway	-	-	-	72,000
Streambank stabilization fund	(72,000)	-	-	-
Water and sewer fund	-	-	-	-
	(72,000)	-	-	636,484
Net change in fund balance	(71,959)	90	116	622,212
Fund balance, beginning of year, July 1	75,352	48,894	63,728	37,609
Fund balance, end of year, June 30	\$ 3,393	\$ 48,984	\$ 63,844	\$ 659,821

Town of Southern Pines, North Carolina
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended June 30, 2022

Schedule 9
(4 pages)

	Capital Projects Funds			
	EIDMS	Bike Transport	Unpaved Street	Sidewalk Construction II
Revenues				
Investment earnings	\$ 371	\$ 448	\$ 41	\$ 330
Sale of plots	-	-	-	-
	<u>371</u>	<u>448</u>	<u>41</u>	<u>330</u>
Expenditures				
General government	33,143	-	-	-
Transportation	-	-	-	202,404
	<u>33,143</u>	<u>-</u>	<u>-</u>	<u>202,404</u>
Revenues over (under) expenditures	<u>(32,772)</u>	<u>448</u>	<u>41</u>	<u>(202,074)</u>
Other financing sources (uses)				
Transfers (to) from:				
General Fund	-	-	-	200,000
General Capital Reserve fund	-	-	-	-
Building renovation fund	-	-	-	-
Nicks Creek Parkway	-	-	-	-
Streambank stabilization fund	-	-	-	-
Water and sewer fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Net change in fund balance	<u>(32,772)</u>	<u>448</u>	<u>41</u>	<u>(2,074)</u>
Fund balance, beginning of year, July 1	<u>229,669</u>	<u>245,586</u>	<u>22,859</u>	<u>38,161</u>
Fund balance, end of year, June 30	<u>\$ 196,897</u>	<u>\$ 246,034</u>	<u>\$ 22,900</u>	<u>\$ 36,087</u>

Town of Southern Pines, North Carolina
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended June 30, 2022

Schedule 9
(4 pages)

	Capital Projects Funds			
	Recreational Improvements	Building Renovation	Parking Lot Project	Facility Modernization
Revenues				
Investment earnings	\$ 255	\$ 179	\$ 155	\$ 703
Sale of plots	-	-	-	-
	<u>255</u>	<u>179</u>	<u>155</u>	<u>703</u>
Expenditures				
General government	-	947,788	-	14,039
Transportation	-	-	26,857	-
	<u>-</u>	<u>947,788</u>	<u>26,857</u>	<u>14,039</u>
Revenues over (under) expenditures	<u>255</u>	<u>(947,609)</u>	<u>(26,702)</u>	<u>(13,336)</u>
Other financing sources (uses)				
Transfers (to)/from:				
General fund	142,000	-	-	-
General Capital Reserve fund	-	(105)	-	-
Building renovation fund	-	-	-	-
Nicks Creek Parkway	-	-	-	-
Streambank stabilization fund	-	-	-	-
Water Sewer fund	-	98,736	-	-
	<u>142,000</u>	<u>98,631</u>	<u>-</u>	<u>-</u>
Net change in fund balance	142,255	(848,978)	(26,702)	(13,336)
Fund balance, beginning of year, July 1	<u>12,065</u>	<u>848,978</u>	<u>85,054</u>	<u>398,178</u>
Fund balance, end of year, June 30	<u>\$ 154,320</u>	<u>\$ -</u>	<u>\$ 58,352</u>	<u>\$ 384,842</u>

Town of Southern Pines, North Carolina
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended June 30, 2022

Schedule 9
(4 pages)

	Capital Projects Funds		Permanent Fund	Total Nonmajor Governmental Funds
	Reservoir Dam Improvements	General Capital Reserve	Cemetery Perpetual Care	
Revenues				
Investment earnings	\$ 62	\$ 118	\$ 174	\$ 4,041
Sale of plots	-	-	3,150	3,150
	<u>62</u>	<u>118</u>	<u>3,324</u>	<u>7,191</u>
Expenditures				
General government	53,820	-	-	1,064,020
Transportation	-	-	-	229,261
	<u>53,820</u>	<u>-</u>	<u>-</u>	<u>1,293,281</u>
Revenues over (under) expenditures	<u>(53,758)</u>	<u>118</u>	<u>3,324</u>	<u>(1,286,090)</u>
Other financing sources (uses)				
Transfers (to)/from:				
General fund	75,000	-	-	801,484
General Capital Reserve fund	-	-	-	179,895
Building renovation fund	-	105	-	105
Nicks Creek Parkway	-	-	-	72,000
Streambank stabilization fund	-	(180,000)	-	(252,000)
Water Sewer fund	-	-	-	98,736
	<u>75,000</u>	<u>(179,895)</u>	<u>-</u>	<u>900,220</u>
Net change in fund balance	21,242	(179,777)	3,324	(385,870)
Fund balance, beginning of year, July 1	<u>-</u>	<u>196,375</u>	<u>92,948</u>	<u>2,395,456</u>
Fund balance, end of year, June 30	<u>\$ 21,242</u>	<u>\$ 16,598</u>	<u>\$ 96,272</u>	<u>\$ 2,009,586</u>

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Nicks Creek Parkway)
From Inception and for the Year Ended June 30, 2022

Schedule 10

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ 15,000	\$ 18,352	\$ 41	\$ 18,393	\$ 3,393
	<u>15,000</u>	<u>18,352</u>	<u>41</u>	<u>18,393</u>	<u>3,393</u>
Other financing sources (uses)					
Land exchange proceeds	57,000	57,000	-	57,000	-
Transfers to:					
Streambank Stabilization	<u>(72,000)</u>	<u>-</u>	<u>(72,000)</u>	<u>(72,000)</u>	<u>-</u>
	<u>(15,000)</u>	<u>57,000</u>	<u>(72,000)</u>	<u>(15,000)</u>	<u>-</u>
Revenues and other financing sources over (under) other financing uses	<u>\$ -</u>	<u>\$ 75,352</u>	<u>(71,959)</u>	<u>\$ 3,393</u>	<u>\$ 3,393</u>
Fund balance, beginning of year, July 1			<u>75,352</u>		
Fund balance end of year, June 30			<u>\$ 3,393</u>		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Open Space and Greenways)
From Inception and for the Year Ended June 30, 2022

Schedule 11

	Project Authorization	Actual Prior Years	Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Investment earnings	\$ 9,700	\$ 12,128	\$ 90	\$ 12,218	\$ 2,518
	9,700	12,128	90	12,218	2,518
Expenditures					
Cultural and recreational Construction	1,799,962	1,753,496	-	1,753,496	46,466
	1,799,962	1,753,496	-	1,753,496	46,466
Revenues (under) expenditures	(1,790,262)	(1,741,368)	90	(1,741,278)	48,984
Other financing sources					
Installment purchase obligations issued	900,000	900,000	-	900,000	-
Transfers from:					
General Fund	519,262	519,262	-	519,262	-
General Capital Reserve Fund	245,000	245,000	-	245,000	-
Capital Projects Fund - road construction	126,000	126,000	-	126,000	-
	1,790,262	1,790,262	-	1,790,262	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 48,894	90	\$ 48,984	\$ 48,984
Fund balance, beginning of year, July 1			48,894		
Fund balance, end of year, June 30			\$ 48,984		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Storm Water Improvements)
From Inception and for the Year Ended June 30, 2022

Schedule 12

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ 22,500	\$ 35,552	\$ 116	\$ 35,668	\$ 13,168
	22,500	35,552	116	35,668	13,168
Expenditures					
Transportation:					
Construction	571,500	520,824	-	520,824	50,676
	571,500	520,824	-	520,824	50,676
Revenues over (under) expenditures	(549,000)	(485,272)	116	(485,156)	63,844
Other financing sources					
Transfers from:					
Capital Projects Fund -					
Patrick Road	50,000	50,000	-	50,000	-
General Fund	499,000	499,000	-	499,000	-
	549,000	549,000	-	549,000	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 63,728	116	\$ 63,844	\$ 63,844
Fund balance, beginning of year, July 1			63,728		
Fund balance, end of year, June 30			\$ 63,844		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Streambank Stabilization)
From Inception and for the Year Ended June 30, 2022

Schedule 13

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ -	\$ 143	\$ 958	\$ 1,101	\$ 1,101
	-	143	958	1,101	1,101
Expenditures					
General government:					
Construction	711,484	37,534	15,230	52,764	658,720
	711,484	37,534	15,230	52,764	658,720
Revenues under expenditures	(711,484)	(37,391)	(14,272)	(51,663)	659,821
Other financing sources					
Transfers from:					
General Fund	459,484	75,000	384,484	459,484	-
Nicks Creek Parkway	72,000	-	72,000	72,000	-
General Capital Reserve	180,000	-	180,000	180,000	-
	711,484	75,000	636,484	711,484	-
Revenues and other financing sources over expenditures	\$ -	\$ 37,609	622,212	\$ 659,821	\$ 659,821
Fund balance, beginning of year, July 1			37,609		
Fund balance, end of year, June 30			\$ 659,821		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Enterprise Information and Document Management System)
From Inception and for the Year Ended June 30, 2022

Schedule 14

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ 14,200	\$ 30,121	\$ 371	\$ 30,492	\$ 16,292
	14,200	30,121	371	30,492	16,292
Expenditures					
General government					
Enterprise Resource					
Planning	907,059	693,311	33,143	726,454	180,605
	907,059	693,311	33,143	726,454	180,605
Revenues under expenditures	(892,859)	(663,190)	(32,772)	(695,962)	196,897
Other financing sources (uses)					
Transfers from:					
General Fund	570,874	570,874	-	570,874	-
Capital Projects Fund- Police Station	240,500	240,500	-	240,500	-
Capital Projects Fund- Water and Sewer Fund	256,500	256,500	-	256,500	-
Capital Projects Fund- Patrick Road	49,985	49,985	-	49,985	-
Transfers to:					
Capital Projects Fund- Library HVAC Fund	(225,000)	(225,000)	-	(225,000)	-
	892,859	892,859	-	892,859	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 229,669	(32,772)	\$ 196,897	\$ 196,897
Fund balance, beginning of year, July 1			229,669		
Fund balance, end of year, June 30			\$ 196,897		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Bike Transport)
From Inception and for the Year Ended June 30, 2022

Schedule 15

	Project Authorization	Actual Prior Years	Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Investment earnings	\$ -	\$ 9,260	\$ 448	\$ 9,708	\$ 9,708
	-	9,260	448	9,708	9,708
Expenditures					
Cultural and recreational:					
Construction	278,000	41,674	-	41,674	236,326
	278,000	41,674	-	41,674	236,326
Revenues over (under) expenditures	(278,000)	(32,414)	448	(31,966)	246,034
Other financing sources					
Transfers from:					
General fund	140,000	140,000	-	140,000	-
Capital Projects Fund- Patrick Road	138,000	138,000	-	138,000	-
	278,000	278,000	-	278,000	-
Revenues and other financing sources over expenditures	\$ -	\$ 245,586	448	\$ 246,034	\$ 246,034
Fund balance, beginning of year, July 1			245,586		
Fund balance, end of year, June 30			\$ 246,034		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Unpaved Street)
From Inception and for the Year Ended June 30, 2022

Schedule 16

	Project Authorization	Actual Prior Years	Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Investment earnings	\$ -	\$ 11,150	\$ 41	\$ 11,191	\$ 11,191
	-	11,150	41	11,191	11,191
Expenditures					
Transportation:					
Construction	657,500	645,791	-	645,791	11,709
	657,500	645,791	-	645,791	11,709
Revenues over (under) expenditures	(657,500)	(634,641)	41	(634,600)	22,900
Other financing sources					
Transfers from:					
General Fund	657,500	657,500	-	657,500	-
	657,500	657,500	-	657,500	-
Revenues and other financing sources over expenditures	\$ -	\$ 22,859	41	\$ 22,900	\$ 22,900
Fund balance, beginning of year, July 1			22,859		
Fund balance, end of year, June 30			\$ 22,900		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Sidewalks II)
From Inception and for the Year Ended June 30, 2022

Schedule 17

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ -	\$ 10,811	\$ 330	\$ 11,141	\$ 11,141
	-	10,811	330	11,141	11,141
Expenditures					
Transportation:					
Construction	1,057,877	830,527	202,404	1,032,931	24,946
	1,057,877	830,527	202,404	1,032,931	24,946
Revenues under expenditures	(1,057,877)	(819,716)	(202,074)	(1,021,790)	36,087
Other financing sources					
Transfers from:					
General Fund	1,011,150	811,150	200,000	1,011,150	-
Capital Projects Fund - sidewalks	46,727	46,727	-	46,727	-
	1,057,877	857,877	200,000	1,057,877	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 38,161	(2,074)	\$ 36,087	\$ 36,087
Fund balance, beginning of year, July 1			38,161		
Fund balance, end of year, June 30			\$ 36,087		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Recreational Improvement)
From Inception and for the Year Ended June 30, 2022

Schedule 18

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ -	\$ 3,995	\$ 255	\$ 4,250	\$ 4,250
	-	3,995	255	4,250	4,250
Expenditures					
Cultural and recreational:					
Construction	499,500	349,430	-	349,430	150,070
	499,500	349,430	-	349,430	150,070
Revenues under (over) expenditures	(499,500)	(345,435)	255	(345,180)	154,320
Other financing sources					
Transfers from:					
General Fund	499,500	357,500	142,000	499,500	-
	499,500	357,500	142,000	499,500	-
Revenues and other financing sources over expenditures	\$ -	\$ 12,065	142,255	\$ 154,320	\$ 154,320
Fund balance, beginning of year, July 1			12,065		
Fund balance, end of year, June 30			\$ 154,320		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Building Renovation)
From Inception and for the Year Ended June 30, 2022

Schedule 19

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ 860	\$ 681	\$ 179	\$ 860	\$ -
	860	681	179	860	-
Expenditures					
General government:					
Construction	1,549,991	602,203	947,788	1,549,991	-
	1,549,991	602,203	947,788	1,549,991	-
Revenues under expenditures	(1,549,131)	(601,522)	(947,609)	(1,549,131)	-
Other financing sources (uses)					
Installment purchase obligations issued	1,250,000	1,250,000	-	1,250,000	-
Transfers from:					
General Fund	113,000	113,000	-	113,000	-
Capital Reserve Fund	87,500	87,500	-	87,500	-
Water and Sewer Fund	98,736	-	98,736	98,736	-
Transfers to:					
Capital Reserve Fund	(105)	-	(105)	(105)	-
	1,549,131	1,450,500	98,631	1,549,131	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 848,978	(848,978)	\$ -	\$ -
Fund balance, beginning of year, July 1			848,978		
Fund balance, end of year, June 30			\$ -		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Parking Lot Project)
From Inception and for the Year Ended June 30, 2022

Schedule 20

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ -	\$ 7,141	\$ 155	\$ 7,296	\$ 7,296
	-	7,141	155	7,296	7,296
Expenditures					
Transportation:					
Construction	288,000	210,087	26,857	236,944	51,056
	288,000	210,087	26,857	236,944	51,056
Revenues under expenditures	(288,000)	(202,946)	(26,702)	(229,648)	58,352
Other financing sources					
Transfers from:					
General Fund	288,000	288,000	-	288,000	-
	288,000	288,000	-	288,000	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 85,054	(26,702)	\$ 58,352	\$ 58,352
Fund balance, beginning of year, July 1			85,054		
Fund balance, end of year, June 30			\$ 58,352		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Facility Modernization)
From Inception and for the Year Ended June 30, 2022

Schedule 21

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ -	\$ 10,781	\$ 703	\$ 11,484	\$ 11,484
	-	10,781	703	11,484	11,484
Expenditures					
General government:					
Construction	718,901	331,504	14,039	345,543	373,358
	718,901	331,504	14,039	345,543	373,358
Revenues under expenditures	(718,901)	(320,723)	(13,336)	(334,059)	384,842
Other financing sources					
Transfers from:					
General Fund	416,567	416,567	-	416,567	-
Water Sewer Fund	302,334	302,334	-	302,334	-
	718,901	718,901	-	718,901	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 398,178	(13,336)	\$ 384,842	\$ 384,842
Fund balance, beginning of year, July 1			398,178		
Fund balance, end of year, June 30			\$ 384,842		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (Reservoir Dam Improvements)
From Inception and for the Year Ended June 30, 2022

Schedule 22

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ -	\$ -	\$ 62	\$ 62	\$ 62
	-	-	62	62	62
Expenditures					
General government:					
Construction	75,000	-	53,820	53,820	21,180
	75,000	-	53,820	53,820	21,180
Revenues under expenditures	(75,000)	-	(53,758)	(53,758)	21,242
Other financing sources					
Transfers from:					
General Fund	75,000	-	75,000	75,000	-
	75,000	-	75,000	75,000	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	21,242	\$ 21,242	\$ 21,242
Fund balance, beginning of year, July 1			-		
Fund balance, end of year, June 30			\$ 21,242		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund (General Capital Reserve)
From Inception and for the Year Ended June 30, 2022

Schedule 23

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ -	\$ 8,285	\$ 118	\$ 8,403	\$ 8,403
	-	8,285	118	8,403	8,403
Revenues over expenditures	-	8,285	118	8,403	8,403
Other financing sources (uses)					
Transfers from:					
General Fund	112,500	112,500	-	112,500	-
Capital Projects Fund - Public Safety	3,697	3,696	-	3,696	(1)
Library HVAC	161	161	-	161	-
CDBG TYR Tactical	620	620	-	620	-
Fiber Optics	2,120	2,120	-	2,120	-
Patrick Road	80,773	80,773	-	80,773	-
Capital Projects Fund - Road Construction	27,590	27,589	-	27,589	(1)
Capital Projects Fund - Fire Department Substation	273,642	273,642	-	273,642	-
Capital Projects Fund - Pool Park	12,740	12,740	-	12,740	-
Capital Projects Fund - Downtown Park	6,748	6,749	-	6,749	1
Capital Projects Fund - Building Renovation	105	-	105	105	-
Transfers to:					
Capital Project Funds	(520,696)	(332,500)	(180,000)	(512,500)	8,196
	-	188,090	(179,895)	8,195	8,195
Revenues and other financing sources over (under) expenditures	\$ -	\$ 196,375	(179,777)	\$ 16,598	\$ 16,598
Fund balance, beginning of year, July 1			196,375		
Fund balance, end of year, June 30			\$ 16,598		

Permanent Fund

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Individual fund description:

- *Cemetery Perpetual Care Fund* - accounts for the perpetual care of the municipal cemetery. The income from the fund is restricted for the purpose of beautifying and maintaining the cemetery.

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenses and Changes in Fund Balance
Permanent Fund (Cemetery Perpetual Care Fund)
Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021

Schedule 24

	2022			2021
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Investment earnings	\$ 14,500	\$ 174	\$ (14,326)	\$ 193
Sale of plots	<u>80,000</u>	<u>3,150</u>	<u>(76,850)</u>	<u>8,425</u>
Total revenues	94,500	3,324	(91,176)	8,618
Expenditures				
Reserved for future expense	<u>94,500</u>	<u>-</u>	<u>94,500</u>	<u>-</u>
Revenues over expenditures	<u>\$ -</u>	3,324	<u>\$ 3,324</u>	8,618
Fund balance, beginning of year, July 1		<u>92,948</u>		<u>84,330</u>
Fund balance, end of year, June 30		<u>\$ 96,272</u>		<u>\$ 92,948</u>

Enterprise Fund

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Individual fund descriptions:

- *Water and Sewer Fund* - accounts for the Town's water and sewer operations.

Town of Southern Pines, North Carolina
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
Water and Sewer Fund
Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021

Schedule 25
(3 pages)

	2022			2021
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Operating revenues:				
Charges for services:				
Water sales	\$ 5,432,499	\$ 6,377,210	\$ 944,711	\$5,604,266
Sewer sales	2,965,311	3,464,366	499,055	3,048,271
Service charges	120,000	154,104	34,104	148,897
Miscellaneous operating revenue	205,000	341,966	136,966	372,574
Total operating revenues	\$ 8,722,810	10,337,646	1,614,836	9,174,008
Nonoperating revenues :				
Investment earnings	9,500	11,764	\$ 2,264	10,496
BAB interest rebate	-	-	\$ -	3,424
	9,500	11,764	2,264	13,920
Total revenues	8,732,310	10,349,410	1,617,100	9,187,928
Expenditures				
Billings and collections:				
Salaries and employee benefits	328,971	317,405	11,566	305,363
Contracted services	30,000	20,786	9,214	21,324
Other departmental expenditures	178,375	144,921	33,454	132,630
	537,346	483,112	54,234	459,317
Water treatment:				
Contractual services	950,086	932,485	17,601	918,770
Utilities	415,000	419,671	(4,671)	348,712
Other departmental expenditures	193,625	70,562	123,063	59,847
	1,558,711	1,422,718	135,993	1,327,329
Sewage treatment:				
Contractual services	2,200,000	1,964,500	235,500	1,964,500
Water extensions and maintenance:				
Salaries and employee benefits	558,469	543,575	14,894	509,544
Contractual services	45,100	60,584	(15,484)	62,507
Supplies	314,450	258,271	56,179	281,994
Other departmental expenditures	162,310	134,854	27,456	109,328
Capital outlay	160,000	119,568	40,432	205,950
	1,240,329	1,116,852	123,477	1,169,323

Town of Southern Pines, North Carolina
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
Water and Sewer Fund
Year Ended June 30, 2022
With Comparative Actual Amounts for Year Ended June 30, 2021

Schedule 25
(2 pages)

	2022			2021
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Sewer extensions and maintenance:				
Salaries and employee benefits	\$ 526,823	\$ 420,768	106,055	\$457,605
Contractual services	133,325	102,965	30,360	93,967
Supplies	154,210	112,022	42,188	90,756
Other departmental expenditures	295,100	313,039	(17,939)	240,670
Capital outlay	552,000	-	552,000	232,022
	<u>\$ 1,661,458</u>	<u>948,794</u>	<u>\$ 712,664</u>	<u>1,115,020</u>
Chargeout for administrative expenses	<u>1,184,485</u>	<u>1,184,485</u>	<u>-</u>	<u>1,141,360</u>
Total	<u>8,382,329</u>	<u>7,120,461</u>	<u>1,261,868</u>	<u>7,356,140</u>
Budgetary appropriations:				
Interest	13,435	13,327	108	12,161
Debt principal	197,913	197,913	-	371,731
	<u>211,348</u>	<u>211,240</u>	<u>108</u>	<u>383,892</u>
Total expenditures	<u>8,593,677</u>	<u>7,331,701</u>	<u>1,261,976</u>	<u>7,740,032</u>
Revenues over (under) expenditures	138,633	3,017,709	2,879,076	1,447,896
Other financing sources (uses)				
Transfers to:				
Water and sewer improvements	(2,036,200)	(2,036,200)	-	(2,344,628)
Building renovation fund	(98,736)	(98,736)	-	-
Sale of capital assets	20,000	5,650	(14,350)	78,190
	<u>(2,114,936)</u>	<u>(2,129,286)</u>	<u>(14,350)</u>	<u>(2,266,438)</u>
Revenues over (under) expenditures and other financing sources (uses)	(1,976,303)	888,423	2,864,726	(818,542)
Appropriated retained earnings	<u>1,976,303</u>	<u>-</u>	<u>(1,976,303)</u>	<u>-</u>
Revenues and appropriated retained earnings under expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ 888,423</u>	<u>\$ 888,423</u>	<u>\$ (818,542)</u>

Town of Southern Pines, North Carolina
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)

Schedule 25
(2 pages)

Water and Sewer Fund

Year Ended June 30, 2022

With Comparative Actual Amounts for Year Ended June 30, 2021

	2022	2021
Revenues and other sources over expenditures and other uses	\$ 888,423	\$ (818,542)
Reconciling items:		
Principal retirement	197,913	371,731
Capital outlay	119,568	437,972
Gain on disposal of capital assets	5,650	78,190
Proceeds from the sale of capital assets	(5,650)	(78,190)
Depreciation and amortization	(1,965,810)	(1,643,597)
Non-capital expenses recorded in Water and Sewer		
Capital Projects Fund	(62,148)	-
(Increase) decrease in accrued interest payable	767	(2,018)
Increase in accrued compensated absences	(5,087)	(3,503)
Transfers of capital assets from other funds	458,299	-
Transfers of debt from other funds	(412,500)	-
Contributions to the pension plan	102,063	90,470
Pension expense	(67,933)	(165,115)
Interest earnings on water and sewer:		
Capital Projects Fund	17,237	21,445
Capital Reserve Funds	2,640	712
Water and wastewater system development fees	1,176,819	1,075,233
Developer's contributions	1,719,616	3,194,972
Intangible contributions	231,263	470,768
Transfers to water and sewer:		
Water and sewer improvements	2,036,200	2,344,628
	3,548,907	6,193,698
Change in net position	\$ 4,437,330	\$ 5,375,156

Water and Sewer Capital Projects Fund

Town of Southern Pines, North Carolina
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
Water and Sewer Capital Projects Fund
From Inception and for the Year Ended June 30, 2022

Schedule 26

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Grant proceeds	\$ 150,000	\$150,000	\$ -	\$ 150,000	\$ -
Investment earnings	154,721	224,494	17,237	241,731	87,010
Total revenues	304,721	374,494	17,237	391,731	87,010
Expenditures					
Warrior Woods Lift Station	1,513,200	656,907	6,000	662,907	850,293
East Morganton Road Water Line Replacement	556,767	510,753	46,014	556,767	-
North Pressure Water Zone	760,000	-	-	-	760,000
Sanitary Sewer Modernization	1,258,590	236,168	534,035	770,203	488,387
Water/sewer Improvements II	3,727,482	3,685,258	42,224	3,727,482	-
Water Treatment Process Modernization	3,288,466	372,400	1,236,782	1,609,182	1,679,284
Pennsylvania/Peedee Road Waterline Replacement	3,492,726	37,341	96,224	133,565	3,359,161
Lift Station Upgrades	1,007,000	294,236	30,176	324,412	682,588
Water & Sewer Upgrades	970,416	-	76,775	76,775	893,641
Midland Road Water Line Replacement	160,438	-	-	-	160,438
Total expenditures	16,735,085	5,793,063	2,068,230	7,861,293	8,873,792
Revenues under expenditures	(16,430,364)	(5,418,569)	(2,050,993)	(7,469,562)	8,960,802
Other financing sources (uses)					
Transfer to:					
Morganton Road Bridge	(57,568)	(57,568)	-	(57,568)	-
East Morganton Road	(140,000)	(140,000)	-	(140,000)	-
Water/sewer Improvements II	(36,000)	(36,000)	-	(36,000)	-
Water Treatment Process Modernization	(1,212,000)	(1,212,000)	-	(1,212,000)	-
Lift Station Upgrades	(477,000)	-	(477,000)	(477,000)	-
Water & Sewer Upgrades	(970,416)	-	(970,415)	(970,415)	1
Penn / Peedee Road Line	(109,452)	-	(109,452)	(109,452)	-
Transfers from:					
Raw Water Reservoir	788,580	788,580	-	788,580	-
Auto Meter Reading	257,812	257,812	-	257,812	-
Water/sewer Improvements II	2,799,416	1,352,000	1,447,415	2,799,415	(1)
Water/sewer Improvements I	900,576	900,576	-	900,576	-
Morganton Road	146,647	37,195	109,452	146,647	-
Economic Development	15,455	15,454	-	15,454	(1)
Water System Fees Fund	570,723	118,483	452,240	570,723	-
Wastewater System Development Fees Fund	625,418	403,779	221,639	625,418	-
Water & Sewer Fund	13,328,173	11,291,973	2,036,200	13,328,173	-
Total other financing sources	16,430,364	13,720,284	2,710,079	16,430,363	(1)
Revenues and financing sources over expenditures	\$ -	\$ 8,301,715	\$ 659,086	\$ 8,960,801	\$ 8,960,801

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP)
Water and Sewer Capital Projects Fund (Water System Development Fees
Capital Reserve Fund)
From Inception and for the Year Ended June 30, 2022

Schedule 27

	Project Authorization	Actual		Total to Date	Variance Favorable (Unfavorable)
		Prior Years	Current Year		
Revenues					
Investment earnings	\$ -	\$4,378	\$ 1,950	\$ 6,328	\$ 6,328
Water system development fees	1,126,026	1,107,972	898,966	2,006,938	880,912
	<u>1,126,026</u>	<u>1,112,350</u>	<u>900,916</u>	<u>2,013,266</u>	<u>887,240</u>
Revenues over expenditures	<u>1,126,026</u>	<u>1,112,350</u>	<u>900,916</u>	<u>2,013,266</u>	<u>887,240</u>
Other financing uses					
Transfers to:					
Capital Project Funds	<u>(1,126,026)</u>	<u>(294,411)</u>	<u>(452,240)</u>	<u>(746,651)</u>	<u>379,375</u>
	<u>(1,126,026)</u>	<u>(294,411)</u>	<u>(452,240)</u>	<u>(746,651)</u>	<u>379,375</u>
Revenues and other financing uses over expenditures	<u>\$ -</u>	<u>\$ 817,939</u>	<u>448,676</u>	<u>\$ 1,266,615</u>	<u>\$ 1,266,615</u>
Fund balance, beginning of year, July 1			<u>817,939</u>		
Fund balance, end of year, June 30			<u>\$ 1,266,615</u>		

Town of Southern Pines, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP)
Water and Sewer Capital Projects Fund (Wastewater System Development Fees
Capital Reserve Fund)
From Inception and for the Year Ended June 30, 2022

Schedule 28

	Project Authorization	Actual Prior Years	Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues					
Investment earnings	\$ -	\$3,303	\$ 690	\$ 3,993	\$ 3,993
Water system development fees	652,622	573,224	277,853	851,077	198,455
	652,622	576,527	278,543	855,070	202,448
Revenues over expenditures	652,622	576,527	278,543	855,070	202,448
Other financing uses					
Transfers to:					
Capital Project Funds	(652,622)	(227,851)	(221,639)	(449,490)	203,132
	(652,622)	(227,851)	(221,639)	(449,490)	203,132
Revenues and other financing uses over expenditures	\$ -	\$ 348,676	56,904	\$ 405,580	\$ 405,580
Fund balance, beginning of year, July 1			348,676		
Fund balance, end of year, June 30			\$ 405,580		

Capital Assets of Governmental Funds

Capital assets of governmental funds all properties of the Town which are not accounted for in the Enterprise Fund.

Town of Southern Pines, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2022

Schedule 29
(2 pages)

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Other Improvements</u>	<u>Machinery and Equipment</u>	<u>Vehicles and Motorized Equipment</u>
General government	\$ 10,679,548	\$ 3,312,046	\$ 2,163,327	\$ 671,525	\$ 353,434
Public safety	1,461,767	12,983,925	985,420	166,640	5,635,362
Transportation	-	32,385	181,257	-	522,018
Economic and physical development	43,850	71,895	-	-	150,411
Cultural and recreational	<u>1,246,612</u>	<u>6,355,985</u>	<u>3,114,176</u>	<u>-</u>	<u>325,600</u>
Total governmental funds capital assets	<u>\$ 13,431,777</u>	<u>\$ 22,756,236</u>	<u>\$ 6,444,180</u>	<u>\$ 838,165</u>	<u>\$ 6,986,825</u>

Note: Amounts presented above exclude accumulated depreciation.

Town of Southern Pines, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2022

Schedule 29
(2 pages)

	Furniture, Fixtures, and Other Equipment	Infrastructure	Intangible Assets	Construction and Intangibles in Progress	Total
General government	\$ 304,467	\$ 322,814	\$ 347,000	\$ 662,246	\$ 18,816,407
Public safety	1,186,552	-	-	-	22,419,666
Transportation	1,133,956	16,855,389	-	171,386	18,896,391
Economic and physical development	-	-	-	-	266,156
Cultural and recreational	<u>367,044</u>	<u>49,364</u>	<u>-</u>	<u>37,102</u>	<u>11,495,883</u>
Total governmental funds capital assets	<u>\$ 2,992,019</u>	<u>\$ 17,227,567</u>	<u>\$ 347,000</u>	<u>\$870,734</u>	<u>\$ 71,894,503</u>

Note: Amounts presented above exclude accumulated depreciation.

Town of Southern Pines, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year Ended June 30, 2022

Schedule 30

	Balance July 1, 2021	Additions and Transfers In	Disposals and Transfers Out	Balance June 30, 2022
General government	\$ 18,555,718	\$ 1,867,126	\$ (1,606,437)	\$ 18,816,407
Public safety	22,345,278	488,566	(414,178)	22,419,666
Transportation	18,497,122	848,521	(449,252)	18,896,391
Economic and physical development	266,156	-	-	266,156
Cultural and recreational	11,267,146	249,313	(20,576)	11,495,883
Total governmental funds capital assets	<u>\$ 70,931,420</u>	<u>\$ 3,453,526</u>	<u>\$ (2,490,443)</u>	<u>\$ 71,894,503</u>

Supplemental Financial Data

This section contains additional information on property taxes and U.S.D.A.-requested data.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy - Town-Wide Levy
- Schedule of Interfund Transfers

Town of Southern Pines, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2022

Schedule 31

Fiscal Year	Uncollected Balance July 1, 2021	Additions	Collections and Credits	Uncollected Balance June 30, 2022
2021 - 2022	\$ -	\$ 11,551,152	\$ 11,532,880	\$ 18,272
2020 - 2021	27,810	-	18,196	9,614
2019 - 2020	9,589	-	4,128	5,461
2018 - 2019	5,573	-	788	4,785
2017 - 2018	3,200	-	565	2,635
2016 - 2017	2,782	-	523	2,259
2015 - 2016	2,312	-	393	1,919
2014 - 2015	2,347	-	25	2,322
2013 - 2014	1,632	-	19	1,613
2012 - 2013	1,300	-	12	1,288
2011 - 2012	2,204	-	2,204	(0)
2010 - 2011	-	-	-	-
	<u>\$ 58,749</u>	<u>\$ 11,551,152</u>	<u>\$ 11,559,733</u>	50,167
Less: allowance for uncollected taxes receivable General Fund				<u>(30,590)</u>
Ad valorem taxes receivable - net				<u>\$ 19,577</u>
Reconciliation to revenues				
Reconciling items:				
Taxes			\$ 11,571,474	
Penalties and interest			(17,039)	
Refunds			5,060	
Taxes written off			2,166	
Other adjustments			<u>(1,928)</u>	
Total collections and credits			<u>\$ 11,559,733</u>	

Town of Southern Pines, North Carolina
Analysis of Current Tax Levy
Town-Wide Levy
June 30, 2022

Schedule 32

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate:	\$ 2,887,880,139	\$ 0.40	\$ 11,556,606	\$ 10,758,670	\$ 797,936
Penalties	-		-	-	-
Total	2,887,880,139		11,556,606	10,758,670	797,936
Discoveries:					
Adjustments at current year's rate	931,476	0.40	3,773	3,773	-
Adjustments at prior year's rate	341,278	0.40	1,365	1,365	-
Total	2,889,152,893		11,561,744	10,763,808	797,936
Releases:					
Current year's rate	(2,989,130)	0.40	(10,592)	(10,592)	-
Total property valuation	<u>\$ 2,886,163,763</u>				
Net levy			11,551,152	10,753,216	797,936
Uncollected taxes at June 30, 2022			(18,272)	(18,272)	-
Current year's taxes collected			<u>\$ 11,532,880</u>	<u>\$ 10,734,944</u>	<u>\$ 797,936</u>
Current levy collection percentage			<u>99.84%</u>	<u>99.83%</u>	<u>100.00%</u>

Town of Southern Pines, North Carolina
Schedule of Interfund Transfers
Year Ended June 30, 2022

Schedule 33

Transfers to Fund	Transfer from Fund		Total
	Major Governmental	Major Enterprise	
	General Fund	Water and Sewer Fund	
Governmental:			
General fund	\$ -	\$ 412,500	\$ 412,500
Non-major funds	801,484	98,736	900,220
Business-type:			
Major funds	458,299	-	458,299
	<u>\$ 1,259,783</u>	<u>\$ 511,236</u>	<u>\$ 1,771,019</u>

Statistical Section

This part of the Town of Southern Pines' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial information, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends - These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity - These tables contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity - These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic - These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information - These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

Financial Trends Information

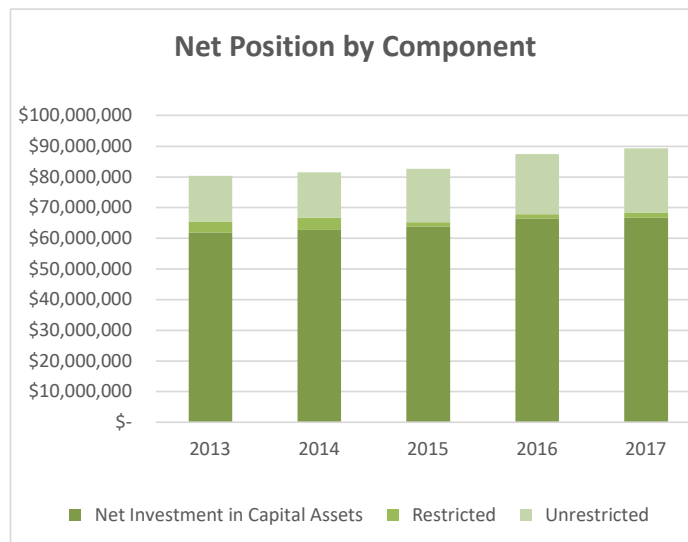
Town of Southern Pines, North Carolina
Net Position by Component
Last Ten Fiscal Years

Table 1
(2 pages)

	2013	2014	2015	2016	2017
Governmental Activities					
Net Investment in Capital Assets	\$ 29,633,485	\$ 29,782,035	\$ 30,965,507	\$ 32,437,390	\$ 32,711,835
Restricted	3,404,237	3,907,594	1,347,656	1,411,213	1,519,740
Unrestricted	6,517,398	6,354,282	8,398,997	9,158,392	9,024,025
Total Governmental Activities Net Position	39,555,120	40,043,911	40,712,160	43,006,995	43,255,600
Business-type Activities					
Net Investment in Capital Assets	32,299,561	32,970,341	32,916,198	34,033,968	33,991,050
Restricted	-	-	-	-	-
Unrestricted	8,477,760	8,489,135	9,068,275	10,389,970	12,130,776
Total Business-type Activities Net Position	40,777,321	41,459,476	41,984,473	44,423,938	46,121,826
Primary Government					
Net Investment in Capital Assets	61,933,046	62,752,376	63,881,705	66,471,358	66,702,885
Restricted	3,404,237	3,907,594	1,347,656	1,411,213	1,519,740
Unrestricted	14,995,158	14,843,417	17,467,272	19,548,362	21,154,801
Total primary Government Net Position	\$ 80,332,441	\$ 81,503,387	\$ 82,696,633	\$ 87,430,933	\$ 89,377,426

Notes:

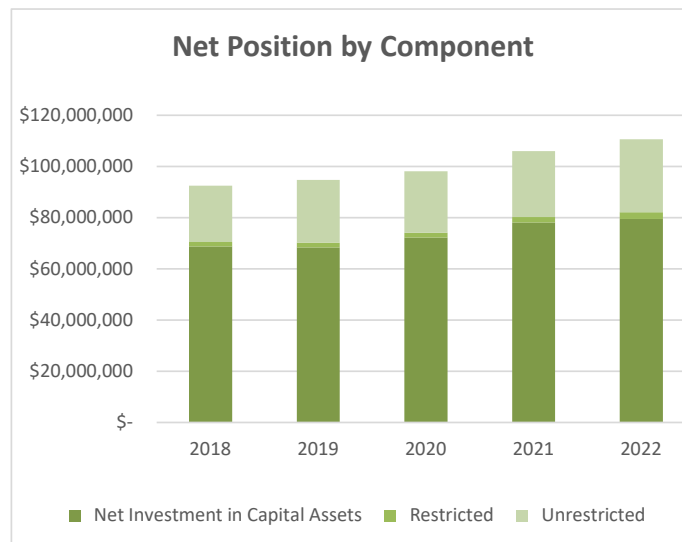
This table was prepared using the accrual basis of accounting.



Town of Southern Pines, North Carolina
Net Position by Component
Last Ten Fiscal Years

Table 1
(2 pages)

	2018	2019	2020	2021	2022
Governmental Activities					
Net Investment in Capital Assets	\$ 34,673,136	\$ 34,528,937	\$ 35,851,831	\$ 37,075,906	\$ 38,421,771
Restricted	1,698,798	1,900,876	1,946,432	2,145,753	2,520,513
Unrestricted	8,041,802	8,872,638	8,304,508	9,382,997	10,164,133
Total Governmental Activities Net Position	44,413,736	45,302,451	46,102,771	48,604,656	51,106,417
Business-type Activities					
Net Investment in Capital Assets	34,193,906	33,892,745	36,398,750	41,129,762	41,199,204
Restricted	-	-	-	-	-
Unrestricted	13,910,881	15,587,824	15,682,445	16,326,589	18,409,486
Total Business-type Activities Net Position	48,104,787	49,480,569	52,081,195	57,456,351	59,608,690
Primary Government					
Net Investment in Capital Assets	68,867,042	68,421,682	72,250,581	78,205,668	79,620,975
Restricted	1,698,798	1,900,876	1,946,432	2,145,753	2,520,513
Unrestricted	21,952,683	24,460,462	23,986,953	25,709,586	28,573,619
Total primary Government Net Position	\$ 92,518,523	\$ 94,783,020	\$ 98,183,966	\$ 106,061,007	\$ 110,715,107



Town of Southern Pines, North Carolina
Changes in Net Position
Last Ten Fiscal Years

Table 2
(2 pages)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General Government	\$ 4,561,092	\$ 4,436,854	\$ 4,365,033	\$ 4,766,172	\$ 4,980,274	\$ 5,221,318	\$ 5,753,113	\$ 5,900,817	\$ 5,696,200	\$ 5,619,882
Public Safety	5,468,061	5,670,709	5,782,880	6,235,300	6,824,645	6,995,686	7,637,434	8,659,291	8,672,459	8,701,575
Transportation	1,574,115	1,338,289	1,463,609	1,575,645	1,266,454	1,694,884	1,761,568	1,903,528	1,390,519	2,332,580
Economic and Physical Development	690,132	649,207	653,371	701,189	563,367	604,385	657,709	834,642	953,077	923,165
Cultural and Recreation	1,583,940	1,543,440	1,533,579	1,583,781	1,754,646	1,824,003	1,887,163	2,521,679	2,985,385	2,447,994
Interest on Long Term Debt	183,766	165,401	153,216	135,625	116,880	129,304	261,591	233,606	209,377	159,016
Total Governmental Activities Expense	14,061,106	13,803,900	13,951,688	14,997,712	15,506,266	16,469,580	17,958,578	20,053,563	19,907,017	20,184,212
Total Business-Type Activity - Water and Sewer	6,461,289	6,747,867	6,969,806	7,083,980	7,340,631	7,483,404	8,246,671	8,128,721	8,654,093	9,012,368
Total primary government expenses	\$ 20,522,395	\$ 20,551,767	\$ 20,921,494	\$ 22,081,692	\$ 22,846,897	\$ 23,952,984	\$ 26,205,249	\$ 28,182,284	\$ 28,561,110	\$ 29,196,580
Program revenues										
Governmental activities:										
Charges for Services										
General Governmental	\$ 865,514	\$ 797,893	\$ 853,155	\$ 947,169	\$ 918,206	\$ 947,971	\$ 1,055,204	\$ 1,220,196	\$ 1,341,719	\$ 1,181,849
Public Safety	522,653	502,252	501,768	581,747	596,230	576,534	618,001	516,051	521,553	561,887
Transportation	27,628	31,815	36,146	53,711	35,677	45,234	43,690	36,920	48,486	50,321
Economic and Physical Development	351,236	324,378	403,127	372,607	412,257	409,385	384,840	438,650	863,109	599,189
Cultural and Recreation	230,503	245,508	259,213	266,735	242,589	258,979	261,607	192,808	170,651	212,464
Cemetery	1,750	2,675	3,149	5,375	3,025	2,750	3,950	5,250	8,425	3,150
Operating Grants and Contributions										
General Governmental	42,953	50,933	50,577	48,093	89,744	1,927	176,379	26,234	206,458	133,545
Public Safety	20,382	10,759	20,331	8,147	11,518	18,801	157,580	273,973	170,752	80,831
Transportation	384,761	390,633	490,905	404,887	402,027	405,234	403,744	404,177	386,118	481,723
Cultural and Recreation	10,780	11,625	11,770	34,722	8,499	17,848	8,013	114,352	12,442	31,021
Capital Grants and Contributions										
General Governmental	-	-	-	-	870	-	-	675,854	888,156	39,960
Public Safety	-	-	-	-	-	-	-	-	-	-
Economic and Physical Development	-	-	-	-	-	-	-	-	-	-
Transportation	-	82,049	33,749	220,763	107,158	50,757	-	-	-	-
Cultural and Recreation	-	-	-	925,061	-	-	-	-	-	-
Total Governmental Activities Program Revenues	2,458,160	2,450,520	2,663,890	3,869,017	2,827,800	2,735,420	3,113,008	3,904,465	4,617,869	3,375,940
Business-type Activity - Water and Sewer										
Charges for Services	6,334,083	7,032,234	7,091,574	7,504,763	7,769,844	8,091,669	8,221,653	8,564,595	9,174,008	10,337,646
Capital Grants and Contributions	114,981	325,909	261,567	1,524,481	282,380	534,515	332,569	1,895,667	3,665,740	1,950,879
Total Business Activity Program Revenues	6,449,064	7,358,143	7,353,141	9,029,244	8,052,224	8,626,184	8,554,222	10,460,262	12,839,748	12,288,525
Total primary government program revenues	\$ 8,907,224	\$ 9,808,663	\$ 10,017,031	\$ 12,898,261	\$ 10,880,024	\$ 11,361,604	\$ 11,667,230	\$ 14,364,727	\$ 17,457,617	\$ 15,664,465
Net Revenue (Expense)										
Governmental activities	\$ (11,602,946)	\$ (11,353,380)	\$ (11,287,798)	\$ (11,128,695)	\$ (12,678,466)	\$ (13,734,160)	\$ (14,845,570)	\$ (16,149,098)	\$ (15,289,148)	\$ (16,808,272)
Business-type activity	(12,225)	610,276	383,335	1,945,264	711,593	1,142,780	307,551	2,331,541	4,185,655	3,276,157
Total primary government net expense	\$ (11,615,171)	\$ (10,743,104)	\$ (10,904,463)	\$ (9,183,431)	\$ (11,966,873)	\$ (12,591,380)	\$ (14,538,019)	\$ (13,817,557)	\$ (11,103,493)	\$ (13,532,115)

Town of Southern Pines, North Carolina
Changes in Net Position
Last Ten Fiscal Years

Table 2
(2 pages)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad Valorem Taxes	\$ 7,686,625	\$ 7,867,525	\$ 8,415,626	\$ 8,572,570	\$ 8,852,999	\$ 9,656,725	\$ 9,982,178	\$ 10,782,975	\$ 11,218,204	\$ 11,568,250
Alcoholic Beverage Tax	126,165	130,144	120,790	143,195	156,789	178,188	196,226	198,273	253,772	284,148
Franchise Taxes	705,527	748,619	988,840	1,112,213	1,086,585	1,055,286	1,110,853	1,061,456	1,073,629	1,121,630
Unrestricted Intergovernmental	2,944,945	2,956,816	3,257,298	3,386,423	3,640,353	3,729,381	3,987,169	4,201,137	4,936,349	5,903,947
Investment Earnings	27,625	22,239	20,661	38,091	65,948	159,478	312,484	227,148	35,024	35,569
Miscellaneous Revenue	90,090	99,493	94,977	106,949	133,359	155,103	138,493	149,534	221,669	519,560
Gain (Loss) on Disposal/Transfer of Capital Assets	(35,204)	17,335	47,607	64,089	16,814	(41,865)	5,133	26,561	52,505	(176,008)
Transfers	-	-	-	-	-	-	1,749	302,334	-	52,937
Total Governmental Activities	11,545,773	11,842,171	12,945,799	13,423,530	13,952,847	14,892,296	15,734,285	16,949,418	17,791,152	19,310,033
Business Type Activity										
Investment Earnings	50,237	43,666	26,254	62,699	68,242	138,711	245,011	208,816	36,077	31,641
Miscellaneous Revenue	8,216	-	172,376	414,304	904,086	701,470	419,695	340,683	1,075,223	1,176,819
Gain (Loss) on Disposal/Transfer of Capital Assets	-	-	-	17,198	13,967	-	405,274	21,920	78,190	5,650
Transfers	-	-	-	-	-	-	(1,749)	(302,334)	-	(52,937)
Total Business Type Activity	58,453	43,666	198,630	494,201	986,295	840,181	1,068,231	269,085	1,189,490	1,161,173
Total primary government general revenues and other changes in net position	\$ 11,604,226	\$ 11,885,837	\$ 13,144,429	\$ 13,917,731	\$ 14,939,142	\$ 15,732,477	\$ 16,802,516	\$ 17,218,503	\$ 18,980,642	\$ 20,471,206
Change in Net Position										
Governmental Activities	\$ 192,393	\$ 554,373	\$ 1,817,104	\$ 745,064	\$ 218,687	\$ 46,726	\$ (414,813)	\$ 800,320	\$ 2,501,885	\$ 2,501,761
Business-type Activity	668,729	427,001	2,143,894	1,205,794	2,129,075	1,147,732	3,399,772	2,600,626	5,375,156	4,437,330
Total primary government change in net position	\$ 861,122	\$ 981,374	\$ 3,960,998	\$ 1,950,858	\$ 2,347,762	\$ 1,194,458	\$ 2,984,959	\$ 3,400,946	\$ 7,877,041	\$ 6,939,091

Note:

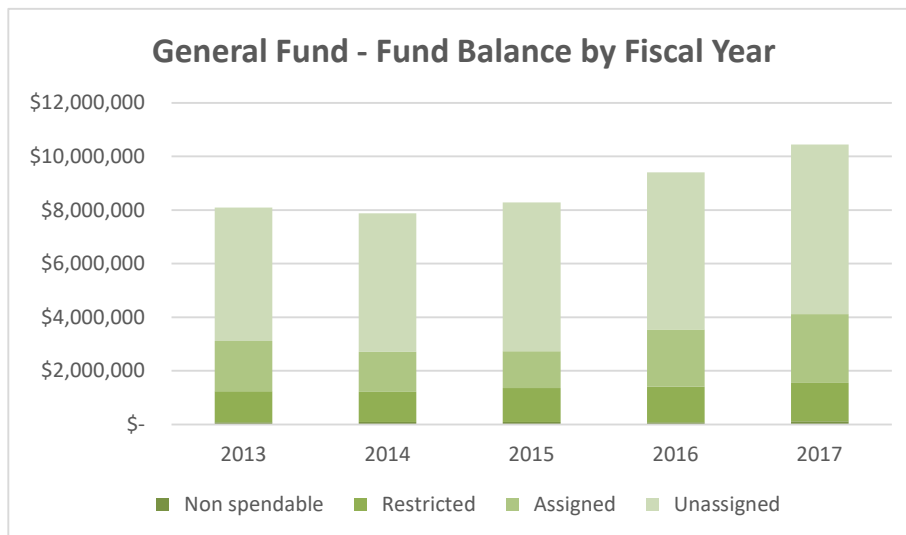
This table was prepared using the accrual basis of accounting.

Town of Southern Pines, North Carolina
Fund Balances, Governmental Funds (1)
Last Ten Fiscal Years

Table 3
(2 pages)

	2013	2014	2015	2016	2017
General Fund					
Non spendable	\$ 83,967	\$ 88,196	\$ 87,292	\$ 79,715	\$ 112,223
Restricted	1,152,374	1,125,069	1,267,145	1,325,436	1,435,608
Assigned	1,879,328	1,496,849	1,374,933	2,136,517	2,567,470
Unassigned	4,974,592	5,168,432	5,552,329	5,863,955	6,330,949
Total General Fund	<u>\$ 8,090,261</u>	<u>\$ 7,878,546</u>	<u>\$ 8,281,699</u>	<u>\$ 9,405,623</u>	<u>\$ 10,446,250</u>
All Other Governmental Funds					
Non spendable	\$ 54,189	\$ 56,971	\$ 60,237	\$ 65,779	\$ 69,115
Restricted	7,393	6,008	20,274	19,998	15,017
Committed	2,190,281	2,719,546	2,500,431	2,135,417	2,366,822
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 2,251,863</u>	<u>\$ 2,782,525</u>	<u>\$ 2,580,942</u>	<u>\$ 2,221,194</u>	<u>\$ 2,450,954</u>

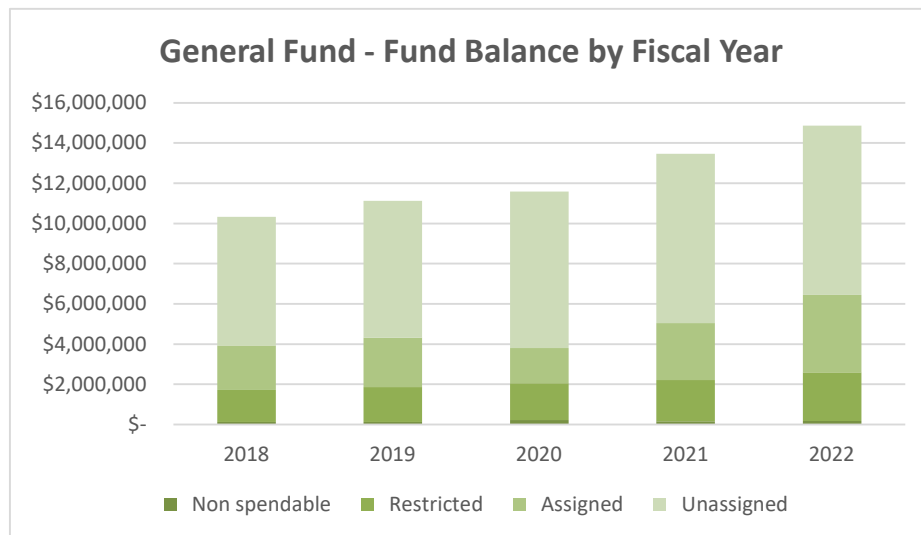
⁽¹⁾ This table was prepared using the modified accrual basis of accounting.



Town of Southern Pines, North Carolina
Fund Balances, Governmental Funds
Last Ten Fiscal Years

Table 3
(2 pages)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund					
Non spendable	\$ 123,013	\$ 127,652	\$ 213,683	\$ 159,750	\$ 168,002
Restricted	1,591,977	1,738,805	1,842,799	2,045,909	2,421,321
Assigned	2,214,994	2,448,943	1,739,405	2,834,047	3,856,359
Unassigned	6,398,820	6,806,882	7,791,203	8,420,430	8,411,276
Total General Fund	<u>\$ 10,328,804</u>	<u>\$ 11,122,282</u>	<u>\$ 11,587,090</u>	<u>\$ 13,460,136</u>	<u>\$ 14,856,958</u>
All Other Governmental Funds					
Non spendable	\$ 72,534	\$ 77,603	\$ 84,062	\$ 92,910	\$ 96,252
Restricted	34,287	84,468	19,571	6,934	2,940
Committed	6,621,772	2,522,442	2,082,919	2,295,612	1,910,903
Unassigned	-	-	-	-	3,671
Total All Other Governmental Funds	<u>\$ 6,728,593</u>	<u>\$ 2,684,513</u>	<u>\$ 2,186,552</u>	<u>\$ 2,395,456</u>	<u>\$ 2,013,766</u>



Town of Southern Pines, North Carolina
Changes in Fund Balances,
Governmental Funds
Last Ten Fiscal Years

Table 4
(2 pages)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues					
Ad Valorem Taxes	\$ 7,691,550	\$ 7,887,032	\$ 8,428,787	\$ 8,563,591	\$ 8,887,612
Other Taxes and Licenses	248,555	218,351	230,577	191,005	215,047
Unrestricted Intergovernmental	3,593,381	3,654,511	4,228,255	4,728,619	4,731,922
Restricted Intergovernmental	413,121	412,577	417,431	415,756	411,130
Permits and Fees	411,271	371,559	469,075	549,713	548,475
Sales and Services	1,091,706	1,042,411	1,094,102	1,164,811	1,138,137
Investment Earnings	27,625	22,239	20,661	38,091	65,948
Grant Proceeds	-	-	-	-	-
Developers Contributions	-	-	90,000	-	107,158
Other	633,914	595,846	632,340	655,970	683,542
Total revenues	<u>14,111,123</u>	<u>14,204,526</u>	<u>15,611,228</u>	<u>16,307,556</u>	<u>16,788,971</u>
Expenditures					
Current:					
General Government	4,545,938	4,405,761	4,606,968	4,783,099	4,812,892
Public Safety	5,189,227	5,431,602	6,761,146	5,973,433	6,233,795
Transportation	1,410,762	1,094,682	1,576,703	1,660,533	1,378,677
Economic and Physical Development	692,954	695,612	663,143	697,899	596,360
Cultural and Recreational	1,588,302	1,505,032	1,725,896	1,793,900	1,726,338
Debt Service:					
Principal	582,228	584,425	625,361	666,541	669,113
Interest	186,825	168,465	153,941	139,174	120,439
Total expenditures	<u>14,196,236</u>	<u>13,885,579</u>	<u>16,113,158</u>	<u>15,714,579</u>	<u>15,537,614</u>
Revenues over (under) expenditures	(85,113)	318,947	(501,930)	592,977	1,251,357
Other financing sources (uses)					
Issuance of Debt	-	-	703,500	-	-
Sale of Capital Assets	-	-	-	171,199	19,030
Transfers From Other Funds	382,500	770,000	908,300	310,000	575,000
Transfers to Other funds	(382,500)	(770,000)	(908,300)	(310,000)	(575,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>703,500</u>	<u>171,199</u>	<u>19,030</u>
Net change in fund balance	(85,113)	318,947	201,570	764,176	1,270,387
Fund balance - beginning of year	<u>10,427,237</u>	<u>10,342,124</u>	<u>10,661,071</u>	<u>10,862,641</u>	<u>11,626,817</u>
Fund balance - end of year	<u>\$ 10,342,124</u>	<u>\$ 10,661,071</u>	<u>\$ 10,862,641</u>	<u>\$ 11,626,817</u>	<u>\$ 12,897,204</u>
Debt Service as a percentage of non-capital expenditures	5.7%	5.7%	5.7%	5.6%	5.5%

This schedule was prepared using the modified accrual basis of accounting.

Town of Southern Pines, North Carolina
Changes in Fund Balances,
Governmental Funds
Last Ten Fiscal Years

Table 4
(2 pages)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues					
Ad Valorem Taxes	\$ 9,670,483	\$ 9,989,891	\$ 10,780,683	\$ 11,209,507	\$ 11,571,474
Other Taxes and Licenses	245,365	258,833	309,616	381,598	427,808
Unrestricted Intergovernmental	4,779,476	5,098,682	5,214,808	5,945,474	6,946,573
Restricted Intergovernmental	424,748	706,216	780,125	760,591	557,080
Permits and Fees	535,647	583,260	575,118	1,018,653	805,821
Sales and Services	1,194,230	1,286,029	1,351,968	1,446,259	1,327,596
Investment Earnings	159,478	312,484	227,148	35,024	35,569
Grant Proceeds	50,757	-	-	-	-
Developers Contributions	-	-	-	-	-
Other	618,641	609,819	604,546	654,268	1,087,258
Total revenues	<u>17,678,825</u>	<u>18,845,214</u>	<u>19,844,012</u>	<u>21,451,374</u>	<u>22,759,179</u>
Expenditures					
Current:					
General Government	5,357,663	5,401,328	6,110,073	6,202,321	6,506,522
Public Safety	8,075,128	11,417,437	8,406,861	7,779,371	8,473,768
Transportation	1,883,429	1,741,098	2,282,937	1,831,623	2,179,905
Economic and Physical Development	614,067	621,021	776,948	899,557	926,707
Cultural and Recreational	2,167,615	1,931,550	2,309,937	3,736,835	2,379,247
Debt Service:					
Principal	552,196	781,876	781,876	906,981	1,300,953
Interest	101,675	266,335	237,868	215,241	161,338
Total expenditures	<u>18,751,773</u>	<u>22,160,645</u>	<u>20,906,500</u>	<u>21,571,929</u>	<u>21,928,440</u>
Revenues over (under) expenditures	(1,072,948)	(3,315,431)	(1,062,488)	(120,555)	830,739
Other financing sources (uses)					
Issuance of Debt	5,228,150	-	650,000	2,150,000	52,629
Sale of Capital Assets	4,991	64,829	77,001	52,505	33,028
Transfers From Other Funds	816,954	1,114,750	1,334,021	885,136	(801,484)
Transfers to Other funds	(816,954)	(1,114,750)	(1,031,687)	(885,136)	900,220
Total other financing sources (uses)	<u>5,233,141</u>	<u>64,829</u>	<u>1,029,335</u>	<u>2,202,505</u>	<u>184,393</u>
Net change in fund balance	4,160,193	(3,250,602)	(33,153)	2,081,950	1,015,132
Fund balance - beginning of year	<u>12,897,204</u>	<u>17,057,397</u>	<u>13,806,795</u>	<u>13,773,642</u>	<u>15,855,592</u>
Fund balance - end of year	<u>\$ 17,057,397</u>	<u>\$ 13,806,795</u>	<u>\$ 13,773,642</u>	<u>\$ 15,855,592</u>	<u>\$ 16,870,724</u>
Debt Service as a percentage of non-capital expenditures	4.3%	6.3%	5.7%	6.2%	7.4%

This schedule was prepared using the modified accrual basis of accounting.

Revenue Capacity Information

Town of Southern Pines, North Carolina
Assessed Value of Taxable Property
Last Ten Fiscal Years

Table 5

Fiscal Year	Assessed Value ⁽¹⁾				Property Tax Rate ⁽³⁾	Percent Increase in Value ⁽⁴⁾
	Real Property	Personal Property ⁽²⁾	Public Service Companies	Total		
2013	\$ 1,986,569,105	\$ 175,936,820	\$ 25,197,699	\$ 2,187,703,624	0.35	2.6%
2014	2,003,125,666	218,312,023	23,571,943	2,245,009,632	0.35	2.6%
2015	2,052,966,995	196,446,739	21,862,247	2,271,275,981	0.37	1.2%
2016	2,025,854,870	203,462,410	23,659,502	2,252,976,782	0.38	-0.8%
2017	2,096,689,403	214,258,835	23,339,069	2,334,287,307	0.38	3.6%
2018	2,162,154,416	225,286,648	24,146,744	2,411,587,808	0.40	3.3%
2019	2,227,576,840	239,984,833	24,255,332	2,491,817,005	0.40	3.3%
2020	2,457,838,541	235,337,662	25,376,343	2,718,552,546	0.40	9.1%
2021	2,506,666,887	272,957,278	24,344,390	2,803,968,555	0.40	3.1%
2022	2,565,029,793	294,128,254	27,005,716	2,886,163,763	0.40	2.9%

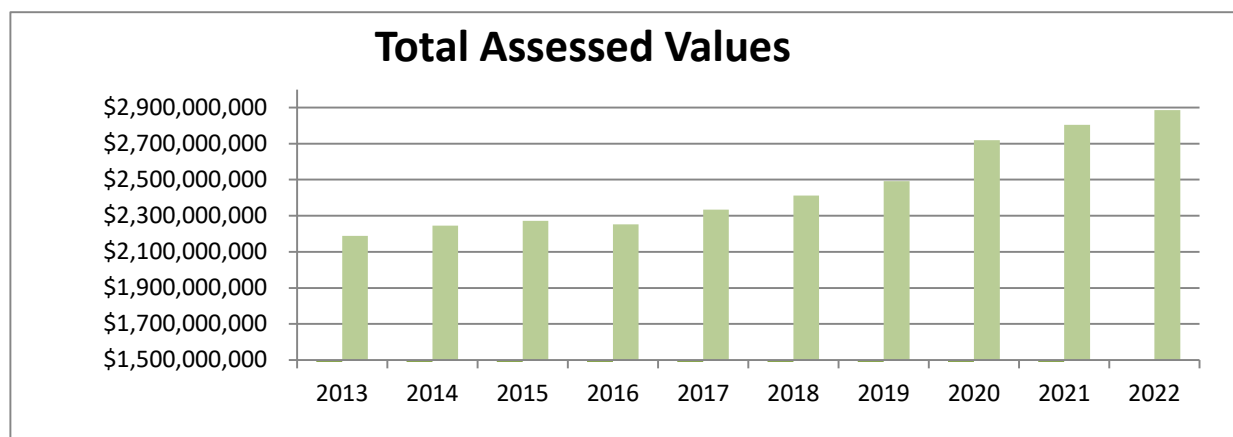
NOTES:

⁽¹⁾ Assessed Value is established by Moore County Assessor's office. Property is assessed at actual value.

⁽²⁾ Includes vehicles.

⁽³⁾ All tax rates are expressed in dollars of tax per \$100 of assessed valuation.

⁽⁴⁾ A revaluation of all property is required at least every eight years by North Carolina General Statutes. The revenue neutral tax rate following revaluation, adjusted for growth, calculates to be \$.3809. The tax rate during fiscal year end June 30, 2020 was held at \$0.40.



Town of Southern Pines, North Carolina
Property Tax Rates - Direct and Overlapping Government
Last Ten Fiscal Years

Table 6

Fiscal Year	Tax Year	Town of Southern Pines			Overlapping Rate
		Operating Millage	Debt Service Millage	Total Town Millage	County of Moore ⁽¹⁾
2013	2012	0.35	-	0.35	0.485
2014	2013	0.35	-	0.35	0.485
2015	2014	0.37	-	0.37	0.485
2016	2015	0.38	-	0.38	0.485
2017	2016	0.38	-	0.38	0.495
2018	2017	0.40	-	0.40	0.495
2019	2018	0.40	-	0.40	0.505
2020	2019	0.40	-	0.40	0.550
2021	2020	0.40	-	0.40	0.550
2022	2021	0.40	-	0.40	0.550

NOTES:

All tax rates are expressed in dollars of tax per \$100 of assessed valuation.

A revaluation of all property is required every eight years by state statute. A revaluation occurred in tax year 2019.

⁽¹⁾ *Overlapping rates are those of local and county governments that apply to property owners within the Town of Southern Pines.*

Source: Moore County Tax Office.

**Town of Southern Pines, North Carolina
Principal Property Taxpayers
Current Year and Nine Years Ago**

Table 7

Taxpayer	Type of Enterprise	2022			2013		
		Total Assessed Value ⁽¹⁾	Rank	Percent of Town's Assessed Valuation	Total Assessed Value	Rank	Percent of Town's Assessed Valuation
Morganton Park LLC	Residential	\$ 36,665,150	1	1.27%	(2)	-	-
SBV Southern Pines LLC	Retail	26,505,280	2	0.92%	(2)	-	-
Tyler's Ridge Apartment LLC	Residential	25,454,180	3	0.88%	(2)	-	-
Hawthorne Pinecrest LLC	Retail	25,209,160	4	0.87%	(2)	-	-
Ingersoll-Rand Company & In	Manufacturing	22,057,533	5	0.76%	8,368,943	7	0.38%
Colony 9 LLC	Golf Course	16,644,477	6	0.58%	(2)	-	-
Duke Energy Progress, Inc.	Utility	15,802,284	7	0.55%	10,732,937	6	0.49%
Berne Square LLC	Retail	13,176,460	8	0.46%	(2)	-	-
Southern Pines Retirement	Retirement Community	12,754,200	9	0.44%	11,884,780	5	0.54%
PS Southern Pines Real Esta	Automotive	11,914,400	10	0.41%	(2)	-	-
Forest Creek	Golf Course	(2)	-	-	49,552,650	1	2.27%
Mid Pines	Golf Course/Hotel	(2)	-	-	20,456,120	3	0.94%
Pinecrest Plaza	Retail	(2)	-	-	24,344,970	2	1.11%
Claude Smith Enterprises	Retail	(2)	-	-	12,939,650	4	0.59%
National Golf Club Inc	Golf Course	(2)	-	-	7,680,170	10	0.35%
SAM Southern Pines LLC	Retail	(2)	-	-	8,101,000	8	0.37%
Hendricks Southern Pines	Retail	(2)	-	-	7,732,190	9	0.35%
		<u>\$ 206,183,124</u>		<u>7.14%</u>	<u>\$ 161,793,410</u>		<u>7.39%</u>

SOURCE: Moore County Tax Department

NOTES:

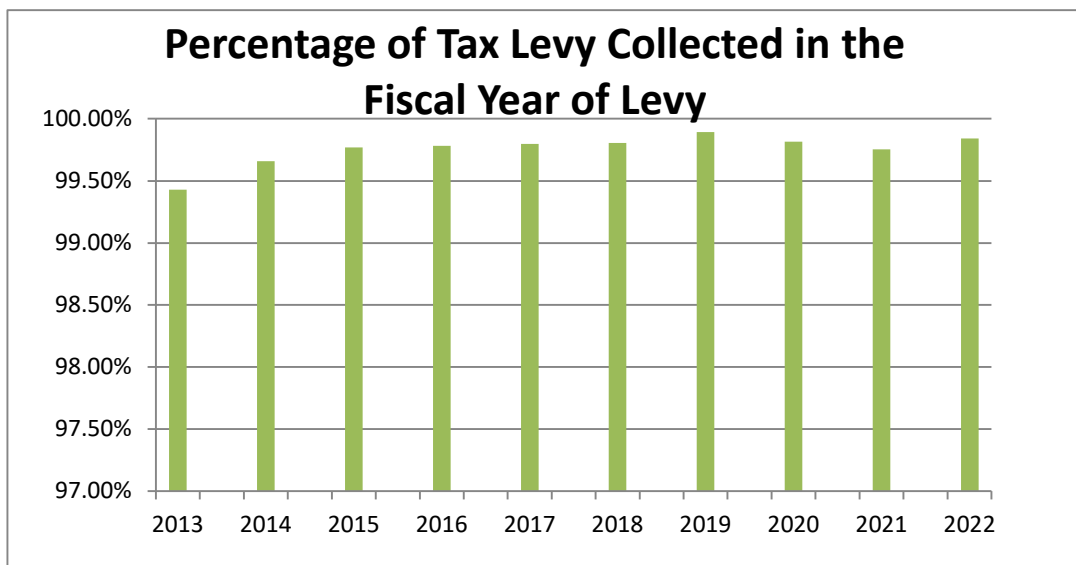
⁽¹⁾ 2021 Assessed value represents taxes assessed and due in the fiscal year ended June 30, 2022, and 2012 represents taxes assessed and due in the fiscal year ended June 30, 2013.

⁽²⁾ Not within top ten ranking.

**Town of Southern Pines, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years**

Table 8

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date		
			Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2013	2012	\$ 7,663,758	\$ 7,620,110	99.43%	\$ 42,360	\$ 7,662,470	99.98%
2014	2013	7,859,930	7,833,116	99.66%	25,201	7,858,317	99.98%
2015	2014	8,399,348	8,380,020	99.77%	17,006	8,397,026	99.97%
2016	2015	8,545,250	8,526,671	99.78%	16,660	8,543,331	99.98%
2017	2016	8,872,587	8,854,601	99.80%	15,727	8,870,328	99.97%
2018	2017	9,642,138	9,623,389	99.81%	16,114	9,639,503	99.97%
2019	2018	9,965,189	9,954,525	99.89%	5,879	9,960,404	99.95%
2020	2019	10,856,347	10,836,428	99.82%	14,458	10,850,886	99.95%
2021	2020	11,214,970	11,187,429	99.75%	17,927	11,205,356	99.91%
2022	2021	11,551,152	11,532,880	99.84%	-	11,532,880	99.84%



Debt Capacity Information

Town of Southern Pines, North Carolina
Ratios of Outstanding Debt by Type (1)
Last Ten Fiscal Years

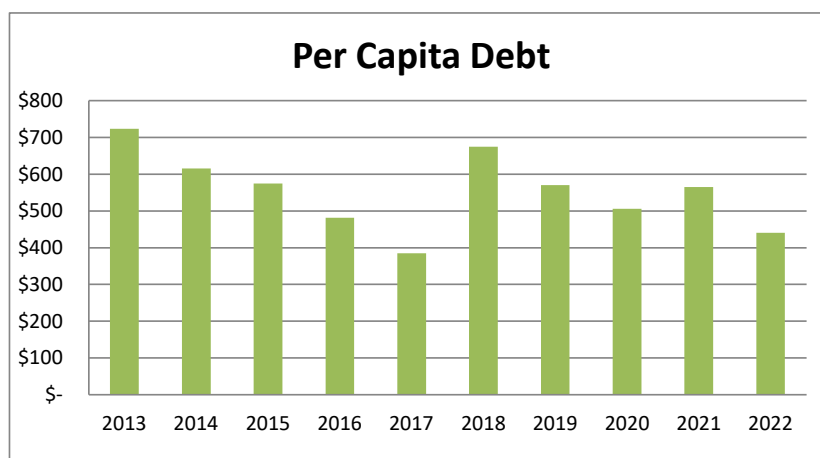
Table 9

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita ⁽²⁾
	General Obligation Bonds	Installment Financing	Leases	General Obligation Bonds	Installment Financing	Leases			
2013	\$ -	\$ 4,777,471	\$ -	\$ -	\$ 4,332,330	\$ -	\$ 9,109,801	1.77%	\$ 724
2014	-	4,193,047	-	-	3,859,611	-	8,052,658	1.43%	615
2015	-	4,271,186	-	-	3,372,993	-	7,644,179	1.28%	574
2016	-	3,604,645	-	-	2,872,042	-	6,476,687	1.06%	481
2017	-	2,935,530	-	-	2,356,310	-	5,291,840	0.78%	385
2018	-	7,611,483	-	-	1,825,332	-	9,436,815	1.32%	675
2019	-	6,829,607	-	-	1,278,636	-	8,108,243	1.11%	570
2020	-	6,697,731	-	-	715,725	-	7,413,456	⁽³⁾	506
2021	-	7,940,748	-	-	343,994	-	8,284,742	⁽³⁾	565
2022	-	6,263,033	54,683	-	558,581	-	6,876,297	⁽³⁾	441

⁽¹⁾ The Town does not have any long-term debt that is backed by pledged revenues.

⁽²⁾ See Table 12 for personal income and population data.

⁽³⁾ Information not yet available.



Town of Southern Pines, North Carolina
Computation of Legal Debt Margin
Last Ten Fiscal Years

Table 10

Fiscal Year	Assessed Value	Debt Limit 8% of Total Assessed Value	Less: Amount of Debt Applicable to Debt Limit - Net Bonded Debt ⁽¹⁾	Less: General Obligation Bonds Authorized, Not Issued	Legal Debt Margin
2013	\$ 2,187,703,624	\$ 175,016,290	\$ 9,109,801	\$ -	\$ 165,906,489
2014	2,245,009,632	179,600,771	8,052,658	-	171,548,113
2015	2,271,275,981	181,702,078	7,644,179	-	174,057,899
2016	2,252,976,782	180,238,143	6,476,687	-	173,761,456
2017	2,334,287,307	186,742,985	5,291,840	-	181,451,145
2018	2,411,587,808	192,927,025	9,436,815	-	183,490,210
2019	2,718,552,546	217,484,204	8,108,243	-	209,375,961
2020	2,718,552,546	217,484,204	7,413,456	-	210,070,748
2021	2,803,968,555	224,317,484	8,284,742	-	216,032,742
2022	2,886,163,763	230,893,101	6,821,614	-	224,071,487

⁽¹⁾ Net Bonded Debt Calculation for FY 2019

Utility General Obligation Bonds	\$ -
Installment financing	6,821,614
	<u>6,821,614</u>
Statutory Deductions:	
Bonded debt included in gross debt incurred for water	-
	<u>\$ 6,821,614</u>

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental Unit:			
Debt repaid with property taxes: Moore County ⁽²⁾	\$ 229,637,017	19.53%	<u>\$ 44,848,109</u>
Subtotal, overlapping debt			44,848,109
Town of Southern Pines direct debt			<u>6,263,033</u>
Total direct and overlapping debt			<u><u>\$ 51,111,142</u></u>

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Southern Pines. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

⁽¹⁾ *The percentage of overlapping debt applicable is calculated using taxable assessed property values. Applicable percentages were calculated by determining the portion of Moore County's taxable assessed value that is within the Town's boundaries and dividing it by the County's total taxable assessed value.*

⁽²⁾ *Information provided by Moore County Finance Department.*

Demographic and Economic Information

Town of Southern Pines, North Carolina
Demographic Statistics
Last Ten Fiscal Years

Table 12

Fiscal Year	Population ⁽¹⁾	Moore County Personal Income (in millions) ⁽²⁾	Moore County Per Capita Personal Income ⁽³⁾	Median Age ⁽⁴⁾	Moore County Unemployment Rate ⁽⁵⁾
2013	12,587	\$ 3,757	\$ 40,997	47.0	8.8%
2014	13,089	4,020	43,172	45.3	6.0%
2015	13,310	4,221	44,701	45.1	6.1%
2016	13,461	4,327	45,181	46.0	5.1%
2017	13,756	4,793	49,286	46.2	4.1%
2018	13,978	5,063	51,307	46.5	4.1%
2019	14,224	5,237	51,193	44.0	4.4%
2020	14,657	5,634	54,514	44.0	6.0%
2021	15,545	(6)	(6)	(6)	5.6%
2022	15,607	(6)	(6)	(6)	3.3%

⁽¹⁾ N.C. Office of State Budget and Management.

⁽²⁾ Information is not available for the Town of Southern Pines. County data is from the U.S. Department of Commerce, Bureau of Economic Analysis.

⁽³⁾ Information is not available for the Town of Southern Pines. County data is from the U.S. Department of Commerce, Bureau of Economic Analysis.

⁽⁴⁾ Information is not available for the Town of Southern Pines. County data is from the U.S. Department of Commerce, Bureau of Economic Analysis.

⁽⁵⁾ Information is not available for the Town of Southern Pines. County data is from the U.S. Department of Commerce, Bureau of Economic Analysis.

⁽⁶⁾ Information not yet available.

Town of Southern Pines, North Carolina
Principal Employers
Current Year and Nine Years Ago

Table 13

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u> ⁽¹⁾	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u> ⁽¹⁾	<u>Rank</u>	<u>Percentage of Total County Employment</u>
First Health Moore Regional	1,000 & over	1	N/A	1,000 & over	1	N/A
Moore County Schools	1,000 & over	2	N/A	1,000 & over	2	N/A
Pinehurst LLC	1,000 & over	3	N/A	1,000 & over	3	N/A
County of Moore	500 - 999	4	N/A	500 - 999	4	N/A
Sandhills Community College	500 - 999	5	N/A	500 - 999	5	N/A
Pinehurst Medical Clinic, Inc.	250 - 499	6	N/A	250 - 499	8	N/A
Pinehurst Surgical Clinic PA	500 - 499	7	N/A	250 - 499	10	N/A
Harris Teeter	250 - 499	8	N/A	⁽²⁾	-	N/A
United Parcel Service Inc	250 - 499	9	N/A	⁽²⁾	-	N/A
Bufords Tree LLC	250 - 499	10	N/A	⁽²⁾	-	N/A
St. Joseph of the Pines	⁽²⁾	-	N/A	500 - 999	6	N/A
Wal-Mart Associates Inc	⁽²⁾	-	N/A	250 - 499	7	N/A
Food Lion LLC	⁽²⁾	-	N/A	250 - 499	9	N/A
Total	<u>N/A</u>		<u>N/A</u>	<u>N/A</u>		<u>N/A</u>

Source: Department of Commerce, Labor and Economic Analysis Division, QCEW Unit

Note: Data cannot be segregated for Southern Pines, data above is for Moore County.

⁽¹⁾ Per the NC Employment Security Commission, Labor Market Division Employee figures were compiled for statistical purposes on a range basis only.

⁽²⁾ Not within top ten ranking.

N/A - Not Available

Town of Southern Pines, North Carolina
Commercial Activity
Last Ten Fiscal Years

Table 14

Fiscal Year	Building Permits ⁽¹⁾						Bank Deposits ⁽²⁾
	Residential		Commercial		Total		
	Number	Value	Number	Value	Number	Value	
2013	122	\$ 25,551,818	19	\$ 6,106,980	141	\$ 31,658,798	\$ 1,669,601,000
2014	115	26,339,766	12	27,396,373	127	53,736,139	1,849,016,000
2015	148	36,511,428	15	9,690,000	163	46,201,428	1,863,054,000
2016	156	33,509,123	13	10,155,861	169	43,664,984	2,022,965,000
2017	165	39,646,481	10	14,506,245	175	54,152,726	2,106,486,000
2018	100	26,668,459	7	30,700,000	107	57,368,459	2,255,126,000
2019	133	34,666,663	11	7,343,756	144	42,010,419	2,183,257,000
2020	146	34,849,892	13	15,221,576	159	50,071,468	2,384,558,000
2021	406	91,369,397	76	42,817,250	482	134,186,647	3,165,400,000
2022	366	84,994,265	73	15,491,521	439	100,485,786	3,160,067,000

⁽¹⁾ Compiled by Town of Southern Pines Planning and Inspections Department.

⁽²⁾ Federal Deposit Insurance Corporation Summary of Deposits data.

Operating Information

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Town of Southern Pines, North Carolina
Employee Position Authorization by Function
Last Ten Fiscal Years

Table 15

Function/Program	Full-Time Equivalent Employees as of June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government:										
Administration	10.5	11.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Information Technology	2.0	2.0	2.0	2.0	3.0	3.0	3.0	4.0	4.0	4.0
Financial Services ⁽¹⁾	-	-	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Public works administration	3.5	3.5	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0
Garage	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Building and Grounds	19.0	21.0	22.0	22.0	22.0	22.0	22.0	10.0	10.0	10.0
Public safety:										
Police ⁽³⁾	41.5	42.5	46.5	46.5	46.5	50.5	50.5	50.5	50.5	52.0
Fire ^{(2) (3)}	27.5	27.5	27.5	27.5	27.5	27.5	33.0	33.0	33.0	33.0
Transportation	10.0	10.0	10.0	10.0	10.0	10.0	10.0	15.0	15.0	15.0
Economic and physical development	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	11.0
Cultural and recreation:										
Recreation ⁽⁴⁾	5.5	5.5	5.0	5.0	5.0	5.0	5.0	12.0	12.0	13.0
Library ⁽⁴⁾	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Water/Sewer (Business activity)	21.5	22.0	21.0	21.0	21.0	23.0	23.0	24.0	24.0	23.0
Total	162.0	166.0	170.0	170.0	171.0	178.0	183.5	185.5	185.5	191.0

Source: Town of Southern Pines Finance Department

⁽¹⁾ Department was created in FY 2015, was previously included in Administration

⁽²⁾ Does not include volunteer personnel

⁽³⁾ Does not include seasonal temporary part-time employees

Town of Southern Pines, North Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 16
(2 pages)

Function/Program	2013	2014	2015	2016	2017
Public Safety:					
Police:					
Number of Part 1 Crimes	630	668	500	494	466
Number of Part A Crimes	(2)	(2)	(2)	(2)	(2)
Number of Part B Crimes	(2)	(2)	(2)	(2)	(2)
Number of Arrests	522	531	684	664	655
Number of Citations	1,693	1,223	1,466	1,235	1,236
Fire:					
Number of Fire Calls Answered	89	107	125	133	123
Number of EMS Calls Answered	849	640	653	656	671
Number of Hazard Condition Calls Answered	86	76	66	83	77
Number of Service Calls Answered	96	307	209	236	346
Number of Good Intent Calls Answered	141	252	224	249	254
Number of False Alarm Calls Answered	297	332	280	350	392
Number of Weather Related Calls Answered	47	9	18	17	126
Number of Fire Inspections	1,956	2,470	2,273	2,458	2,611
Planning and Inspections:					
Planning:					
Conditional use Permits Issued	2	6	3	3	5
Final Plats	5	15	2	44	77
Rezoning Applications/Ordinance Amendments	5	5	4	4	-
Annexations	-	-	2	3	-
Inspections:					
Building Permits Issued	144	127	163	167	175
Alteration or Addition Permits	198	189	178	185	214
Electrical Permits	105	107	90	95	162
Mechanical Permits	396	477	420	501	48
Plumbing Permits	74	76	148	165	176
Cultural and Recreational:					
Recreation and Parks:					
Recreational Program Hours	8,540	7,736	8,834	8,265	6,865
Enrolled Participants	24,090	22,613	23,863	21,234	19,463
Reservoir Park Visitors ⁽¹⁾	190,444	215,007	242,110	215,517	238,779
Library:					
Total Circulation	119,559	122,813	120,196	127,015	128,171
Library Attendance	88,137	84,993	85,830	86,180	86,804
Library Users Registered	6,233	6,275	6,217	6,283	7,530
Total Programs Held	465	466	590	585	688
Total Attendance at Programs	11,556	12,029	14,675	16,401	15,835
Water:					
Water Plant Capacity (millions of gallons per day)	11	11	11	11	11
Number of Utility Customers	8,342	8,690	8,839	9,063	9,443

Source: Town of Southern Pines Department Directors

⁽¹⁾ Amounts are estimated.

⁽²⁾ Information is not available.

Town of Southern Pines, North Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 16
(2 pages)

Function/Program	2018	2019	2020	2021	2022
Public Safety:					
Police:					
Number of Part 1 Crimes	513	371	98	(2)	(2)
Number of Part A Crimes	(2)	(2)	587	1,205	1,404
Number of Part B Crimes	(2)	(2)	195	580	583
Number of Arrests	581	537	463	513	651
Number of Citations	1,149	1,282	958	1,447	1,049
Fire:					
Number of Fire Calls Answered	91	155	159	203	225
Number of EMS Calls Answered	699	753	646	927	1,506
Number of Hazard Condition Calls Answered	95	81	79	85	120
Number of Service Calls Answered	405	323	396	322	119
Number of Good Intent Calls Answered	267	262	222	270	279
Number of False Alarm Calls Answered	371	357	387	364	380
Number of Weather Related Calls Answered	45	139	36	24	98
Number of Fire Inspections	2,141	2,070	2,060	1,955	1,996
Planning and Inspections:					
Planning:					
Conditional use Permits Issued	9	12	5	1	4
Final Plats	76	38	50	57	60
Rezoning Applications/Ordinance Amendments	7	6	5	2	4
Annexations	6	9	4	1	9
Inspections:					
Building Permits Issued	163	144	156	329	204
Alteration or Addition Permits	402	166	326	162	232
Electrical Permits	128	169	149	162	570
Mechanical Permits	485	516	383	605	550
Plumbing Permits	96	81	79	111	234
Cultural and Recreational:					
Recreation and Parks:					
Recreational Program Hours	6,389	5,993	4,289	4,306	6,161
Enrolled Participants	17,592	21,113	16,908	12,831	13,528
Reservoir Park Visitors ⁽¹⁾	237,382	226,967	252,522	247,236	257,748
Library:					
Total Circulation	126,308	130,953	109,932	118,390	159,478
Library Attendance	89,814	85,125	61,704	38,071	70,183
Library Users Registered	7,632	7,571	7,650	7,255	7,120
Total Programs Held	716	742	563	201	400
Total Attendance at Programs	16,839	18,173	13,746	1,977	7,661
Water:					
Water Plant Capacity (millions of gallons per day)	11	11	11	11	11
Number of Utility Customers	9,716	9,948	9,977	10,251	10,573

Source: Town of Southern Pines Department Directors

⁽¹⁾ Amounts are estimated.

⁽²⁾ Information is not available.

Town of Southern Pines, North Carolina
Capital Assets by Function/Program
Last Ten Fiscal Years

Table 17
(2 pages)

Function/Program	2013	2014	2015	2016	2017
Public Safety:					
Police:					
Police Stations	1	1	1	1	1
Patrol Units	23	27	30	29	34
Fire:					
Stations	1	1	1	1	1
Fire Suppression Vehicles	6	6	6	6	6
Rescue Vehicles	2	2	2	2	2
Cultural and Recreational:					
Recreation and Parks:					
Number of Parks	14	14	14	14	14
Number of Tennis Courts	8	8	8	8	8
Number of Athletic Fields Maintained	10	10	10	10	10
Number of Swimming Pools	1	1	1	1	1
Number of Lakes	1	1	1	1	1
Number of Picnic Shelters	7	7	7	7	7
Number of Performance Stages	-	-	-	1	1
Public Works and Utilities:					
Streets:					
Miles of Paved Streets	78.92	78.96	80.30	80.43	80.56
Miles of Unpaved Streets	1.34	1.30	1.24	1.11	0.98
Water:					
Number of Hydrants ⁽¹⁾	1,420	1,311	1,433	1,473	1,485
Water Mains (miles)	223.0	223.0	228.0	233.6	235.3
Number of Utility Customers (accounts)	8,342	8,690	8,839	9,063	9,443

Source: Town of Southern Pines Department Directors

⁽¹⁾ *Amounts are estimated.*

Town of Southern Pines, North Carolina
Capital Assets by Function/Program
Last Ten Fiscal Years

Table 17
(2 pages)

Function/Program	2018	2019	2020	2021	2022
Public Safety:					
Police:					
Police Stations	1	1	1	1	1
Patrol Units	35	33	33	33	33
Fire:					
Stations	1	1	2	2	2
Fire Suppression Vehicles	6	7	7	7	7
Rescue Vehicles	2	2	2	2	3
Cultural and Recreational:					
Recreation and Parks:					
Number of Parks	14	14	14	15	15
Number of Tennis Courts	8	8	8	8	8
Number of Athletic Fields Maintained	10	10	10	10	10
Number of Swimming Pools	1	1	1	1	1
Number of Lakes	1	1	1	1	3
Number of Picnic Shelters	7	7	7	7	7
Number of Performance Stages	1	1	1	1	1
Public Works and Utilities:					
Streets:					
Miles of Paved Streets	80.73	80.44	81.22	91.90	81.90
Miles of Unpaved Streets	0.74	0.60	0.42	0.42	-
Water:					
Number of Hydrants ⁽¹⁾	1,519	1,535	1,515	1,603	1,617
Water Mains (miles)	235.6	238.7	240.0	245.78	247
Number of Utility Customers (accounts)	9,716	9,948	9,977	10,251	10,573

Source: Town of Southern Pines Department Directors

⁽¹⁾ *Amounts are estimated.*

Type of Coverage		Details of Coverage
Workman's Compensation	\$ 1,000,000 1,000,000 1,000,000	Bodily Injury by Accident-Each Accident Bodily Injury by Disease-Each Employee Bodily Injury by Disease-Coverage Limit
General Liability	5,000,000 2,500	Each Occurrence Deductible
Police Professional Liability	5,000,000 5,000,000 2,500	Each Occurrence and Annual Annual Aggregate Deductible
Public Officials Liability	5,000,000 5,000,000 10,000	Each Claim and Annual Annual Aggregate Deductible
Government Crime Coverage	50,000 250	Indemnification Deductible
Public Officials Bond Finance Officer	250,000 -	Liability Deductible
Automobile Liability	5,000,000 2,500	Per Occurrence Deductible
Auto Comprehensive	10,644,696 2,500	Actual Cash Value Valuation Deductible
Auto Collision	10,644,696 2,500	Actual Cash Value Valuation Deductible
Real & Personal Property	81,437,087 2,500	Cause of Loss Deductible per Occurrence Includes Boiler & Machinery
Municipal Equipment	1,955,387 2,500	Limits of Coverage Deductible per Occurrence
Fine Arts	1,062,400 1,000	Limits of Coverage Deductible per Occurrence

Source: Town of Southern Pines Risk Management Department

⁽¹⁾ Represents insurance in force on July 1, 2021. Insurance was renewed on July 1, 2022 for the fiscal year ended June 30, 2023.

Type of Coverage	Details of Coverage		
Computer Equipment/Media	\$	1,330,557 500	Limits of Coverage Deductible
Impounded Auto/Comp		100,000 1,000	Limits of Coverage Deductible
Impounded Auto/Collision		100,000 1,000	Limits of Coverage Deductible

Source: Town of Southern Pines Risk Management Department

⁽¹⁾ Represents insurance in force on July 1, 2021. Insurance was renewed on July 1, 2022 for the fiscal year ended June 30, 2023.

WATER RATES

Minimum Charge

<u>Meter Size</u>	<u>Inside Town</u>	<u>Outside Town</u>
3/4"	\$ 13.00	\$ 26.00
1"	21.33	42.66
1 1/2"	45.09	90.18
2"	78.37	156.74
3"	173.54	347.08
4"	306.68	613.36
6"	687.27	1,374.54
8"	1,220.07	2,440.14

Volume Charge per 1,000 Gallons

<u>Inside Town</u>	<u>Outside Town</u>
\$ 3.52	\$ 7.04

SEWER RATES

Minimum Charge

<u>Meter Size</u>	<u>Inside Town</u>	<u>Outside Town</u>
3/4"	\$ 6.76	\$ 13.52
1"	8.80	17.60
1 1/2"	14.51	29.02
2"	22.59	45.18
3"	45.56	91.12
4"	77.71	155.42
6"	169.68	339.36
8"	298.42	596.94

Volume Charge per 1,000 Gallons

<u>Inside Town</u>	<u>Outside Town</u>
\$ 6.36	\$ 12.72

Compliance Section

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor and Members of the Town Council
Town of Southern Pines
Southern Pines, NC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, the fiduciary fund, each major fund and the aggregate remaining fund information of the Town of Southern Pines, North Carolina ("Town"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises the Town's basic financial statements, and have issued our report thereon dated December 1, 2022, which contained an emphasis of matters paragraph regarding a correction of an error, as well as a change in accounting principles.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

High Point, NC
December 1, 2022

Financial Statement Findings

Finding 2022-001: Internal Controls over Financial Reporting

MATERIAL WEAKNESS

Criteria:	The objective of effective internal controls over financial reporting is to detect and correct material misstatements (caused by error or fraud) in a timely manner and permit the timely preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").
Condition:	During the audit for the year ended June 30, 2022, errors were identified from prior years requiring restatement.
Effect:	Correction of the errors resulted in restatement of beginning net position as follows: Business-Type Activities - (\$2,284,991), Water and Sewer Fund - (\$2,284,991).
Cause:	In prior years, certain expenses incurred and paid for through the Water and Sewer Capital Projects Fund were recorded as construction in process, that did not meet the Town's capitalization policy. As a result, total assets and net position for the Water and Sewer Fund were overstated by \$2,284,991 as of June 30, 2021.
Recommendation:	It is our recommendation that all expenditures recorded through the capital projects funds be reviewed closely for alignment with the Town's capitalization policy, and that all activities that are operational in nature be reflected in the Water and Sewer Fund, for ease in reconciliation between the capital related items and the Water and Sewer Capital Projects Fund.
View of responsible officials and planned corrective actions:	Management agrees with this finding. See Corrective Action Plan.



CORRECTIVE ACTION PLAN: 2022-001

Management agrees with the finding as stated.

The following corrective action steps have been taken or are in process by the Town's department head staff regarding internal controls for capital project fund spending.

Quarterly reports of all capital project fund expenditures will be distributed to the Town Manager from the Finance Director for review. During these quarterly reviews the Town Manager and the Finance Director will meet to discuss the results of independent monitoring and take further steps, if needed, to ensure alignment with the Town's capitalization policy and ease of reconciliation.



MEMORANDUM

To: Reagan Parsons, Town Manager
From: Jessica Roth, Assistant Town Manager
Re: Solid Waste Service Delivery Review
Date: December 2, 2022

BACKGROUND

At the November 28, 2022 Council work session, Council expressed an interest in reviewing a proposal for consulting services to formally evaluate the Town's solid waste services. The purpose of this study is to assist with making decisions on the future delivery method(s) for solid waste services. Staff has obtained a proposal from DavenportLawrence, which is attached. Staff recommends the following actions, if Council wishes to accept this proposal and move forward with this evaluation.

1. Direct Staff to Execute a Contract with DavenportLawrence

The proposal from DavenportLawrence outlines three key phases:

- i. Assessment: reviewing existing data, policies, and agreements, i.e. agreements, ordinances, invoices, routes, benchmark data, and similar.
- ii. Stakeholder Validation: reviewing findings with staff and other stakeholders to validate assumptions; prepare draft evaluation discoveries.
- iii. Presentation: present findings and recommendations to Town leadership, including a draft plan for insourcing collection as well as a comparison of insourcing vs. contracted delivery.

The proposal anticipates an estimated timeline of three months for this evaluation. Assuming the initial work can begin within the next month, this allows for Council and staff to consider the findings in conjunction with development of the FY 23-24 budget.

Staff recommends approving this proposal on the December 13th consent agenda, which will direct Staff to execute a contract with DavenportLawrence.

2. Authorize Funding of \$31,000

Staff recommends allocating \$31,000 to complete this study, to cover the proposal fee of \$29,500 and reimbursable expenses.

Staff recommends approving an amendment to the FY 22-23 budget to increase legislative expenditures by \$31,000, to be included on the December 13th consent agenda.

3. Approve Contract Extension with GFL

The study will help to inform whether the Town should continue to outsource collection and execute a new contract or insource some or all of the collection services. The Town will be in a position to better consider these options when the study is complete in spring 2023.

The current contract with GFL expires on June 30, 2023. In response to the Town's RFP, GFL has submitted a proposal to continue providing services, based on a new five-year contract to begin on July 1, 2023. The proposal includes some revisions to the current method of collection, most notably 1) the standardization of curbside trash collection and 2) the curbside collection of recycling in 95-gallon carts. These changes necessitate ordering new fleet vehicles and ordering and delivering recycling carts.

Staff inquired with GFL about the possibility of extending current services past June 30, 2023. Via e-mail, GFL has confirmed a willingness to provide collection services until December 31, 2023, under the following conditions:

- i. Collection shall extend no later than December 31, 2023. GFL can offer services on a month-by-month basis if the Town would like to opt out earlier than December 31.
- ii. Residential and commercial trash collection will continue as-is, with backdoor services at the current monthly rate of \$9.77, plus a CPI increase effective July 1 (per the terms of the current contract).
- iii. Residential and commercial recycling collection will continue as-is, with weekly collection in bins at the current rate, at the current monthly rate of \$3.33, plus a CPI increase effective July 1 (per the terms of the current contract).
- iv. Residential yard waste will continue to be collected every two weeks in curbside piles of 3 cubic yards. The current sub-contractor does not wish to extend services, requiring GFL to rent trucks and supplement staff. Therefore, monthly collection costs billed to the Town will increase from \$7.68 to \$11.00 per house (house count established per contract terms).
- v. Unknowns are 1) the exact CPI percentage increase (FY 22-23 was 7%) and 2) the exact house count (FY 22-23 is 6,175). Using some estimates, staff projects an approximated cost of \$165,000 per month or \$995,000 for the full six months.

Staff recommends obtaining a formal document from GFL to extend the existing contract by up to six months and forwarding to Council for official approval (for the December 13th consent agenda, if ready).

Solid Waste Services Operational & Financial Assessment

DavenportLawrence
www.DavenportLawrence.com



Town of
SOUTHERN PINES
North Carolina



DavenportLawrence operational services support solutions that allow the Town of Southern Pines to execute its mission...serving its citizens by providing quality waste services.

Table of Contents

Town of Southern Pines Solid Waste Operations Assessment Services	4
Introduction	4
Proposed Project.....	4
Project Approach	4
Project Summary.....	7
Qualification Examples.....	7
Project Fee Schedule.....	8
Summary	9
Appendix A: Assumptions	10
Appendix B: Personnel and Qualifications	10

December 02, 2022

Town of Southern Pines
Attention: Reagan Parsons
125 SE Broad Street
Southern Pines, NC 28387

Re: Professional Services Agreement: Municipal Solid Waste Services Assessment

Dear Mr. Parsons,

DavenportLawrence is pleased to submit the following proposal to performing evaluation services for the Town's solid waste operations. Specifically, we propose to provide consulting services to the Town for all key process functions within the Town's solid waste services in an effort to fully evaluate the case for continuing to outsource solid waste collections versus providing these services as an internal function.

DavenportLawrence is dedicated to delivering measurable and sustainable change to our clients' operations to support our client's ability to make complex decisions in providing quality services to their citizens. In relation to this project, our firm will provide team members with extensive private & public sector waste services experience, private and public sector operations experts, and senior level management experience within local government utilities and operations with municipal government. The firm's diversity of experiences ensures that our clients receive customized solutions that consider cultural, political, historical, financial, and organizational capacities of the organization. We work diligently each day to be a trusted partner and advisor to local government by helping our clients leverage their investments to achieve efficient operational processes and high levels of citizen service.

DavenportLawrence appreciates the opportunity to propose a scope of work to the Town of Southern Pines that balances "People/Process & Technology" to define a clear path forward for the Town in providing solid waste services. We are uniquely positioned to deliver analysis and implementation services that exceed the Town's expectations and we look forward to the opportunity to work with the Town through this initiative.

Sincerely,

Jeffrey Davenport
Managing Director, DavenportLawrence

Town of Southern Pines Solid Waste Operations Assessment Services

Introduction

Forward-looking local governments seek opportunities for continuous evaluation in order to promote a culture of continuous improvement. For the Town of Southern Pines, the opportunities for improved customer/citizen service and better visibility are significant opportunities for the Town. With open communication, clear/established goals, Town waste operations have a supportive environment for resource alignment to elevate the best service options to be considered for the future to meet town service quality needs, Citizen expectations, cost and delivery expectations.

Our team is experienced in best practices from local government and private sector business processes and understands how to evaluate the current environment and support the Town in evaluation of a waste operations. By engaging appropriate stakeholders in the waste operations process for the Town, expectations and opportunities can be fully identified supporting the documentation of recommendations for a best approach to providing these services moving forward.

Proposed Project

As the Town faces challenges with existing solid waste services, it seeks to evaluate these services to gain visibility into opportunities for improvement with regard to service manageability (both service quality and cost control) or consideration of transition from an outsourced environment to inhouse services. The Town had wisely chosen to be proactive in timing to develop a comprehensive evaluation model for potentially bringing these services inhouse.

DavenportLawrence will provide Professional Project Management and Subject Matter Experts to evaluate all relevant operational, functional, and financial factors that are involved in providing solid waste collection and disposal services to the citizens of the Town of Southern Pines. Our team will research and identify services, service levels, frequencies, and methodologies utilized within the existing outsourced service agreement. This will result in an initial Modeling for internalizing solid waste services and gap analysis of the current service levels and relative assets required to fulfill this interest.

Our work will result in actionable recommendations for strategic planning around these services moving forward. These recommendations will be driven by data collected from multiple sources, including the Town, vendors, Town Peers and in-person field work to build a clear, understanding of solid waste operations in the Town of Southern Pines.

Project Approach

An appropriately effective project lifecycle that meets the Town goals in a best-cost, low-risk fashion would require (3) project phases to perform a comprehensive comparative analysis. Our approach will take into account the results of each phase in respect to our team's completion of the subsequent

phase(s). The goal being to ensure the Town's investment is providing a clear information to support making recommendations in services approach through a focused phased effort.

Phase I: Will consist of a high-level assessment of the current state in respect to financials (cost), services rendered (scope of services provided in relation to needs), any existing solid waste related assets owned by the Town and quality of services currently being provided:

1. Meet with Staff and other stakeholders to identify the strengths and weaknesses of the current solid waste collection and disposal systems:
 - a. Service quality
 - b. Reporting capabilities
 - c. Typical challenges/issues, etc.
2. Review existing Collections agreements:
 - a. Residential and Town accounts (commercial) weekly trash collection
 - b. Residential Recycling
 - c. Residential Yard Waste
3. Review Ordinances, Budgets, Personnel Policies and public facilities as relates to solid waste collection and disposal program(s):
 - a. Town Ordinances impacting solid waste collections & expectations
 - b. Influence on delivery quality/expectations
4. Review existing Disposal agreements as relates to Town:
 - a. Solid Waste Disposal
 - b. Recycling Processing and Disposal
 - c. Yard Waste processing and Disposal
 - d. SLA's influencing services
 - e. Etc.
5. Route Audit & services recondition against route:
 - a. Evaluate existing residential and applicable commercial (small businesses) collection points
 - b. Confirm accuracy of collection points against services
 - c. Identify any changes/updates to current collection points
 - d. Identify any issues with existing routes/collection points
 - e. Confirm inventory of collection points to be utilized for future services provided
6. Review Commercial Collection Programs (Dumpsters and Roll-off / Compactors)
7. Benchmark service levels with the Town's peers
 - a. How does the Town's service levels compare to the Town's peers service levels
 - b. Are their considerations resulting from this comparison
8. Evaluate Town Assets

- a. Determine if any assets convey with a transition in service provider
 - b. Evaluate general condition of these assets and usability
9. Benchmark required Solid Waste resources to meet Town Service levels
 - a. Vehicle assets
 - b. Town personnel capacity
 - c. Fleet management needs
 - d. Operations support needs
 - e. Gaps in required assets/resources needed vs assets/resources to be conveyed in a transition
10. Monthly Invoices Review (12 months):
 - a. Collection and Disposal evaluation
 - b. CPI and Fuel
 - c. Other cost transactions provided by vendor(s)

Phase II: Evaluation discoveries and projected results discussions/confirmation with Town Stakeholders validating assessment data:

1. Discuss and confirm findings identified during “Discovery” with Staff and other stakeholders:
 - a. Address any outstanding questions/data based on discovery findings
 - b. Review findings and confirm details with Stakeholders
 - c. Make adjustments to findings based on Stakeholder feedback
2. Draft evaluation discoveries resulting from confirmation (Staff Approval):
 - a. Create draft findings deliverable supporting Assessment & Discovery details
 - b. Review with appropriate leadership for additional feedback

Phase III: Insourcing Solid Waste Collection Services Deliverable and Presentation

This phase is conducted to complete the detailed assessment of an in-house services approach vs the existing outsource services supporting the ability for Town Stakeholders to make recommendation of a future services approach.

1. Draft Insourcing of Solid Waste Collection Services including details gathered from “Discovery”:
 - a. Complete Insourcing of Solid Waste Services deliverable
 - b. Develop pros/cons of Inhouse vs Outsourced services
 - c. Review with Town Leadership
2. Support final evaluation of “Insourcing Solid Waste Collection Services” with Town Stakeholders:
 - a. Provide support to leadership team addressing “Insourcing” evaluation questions
 - b. Support final evaluation of various elements of “Insourcing Solid Waste Collection Programs” – Collection Trucks, Maintenance Functions, Fueling Sites, Disposal and Processing facilities.
 - c. Update deliverables based on Leadership feedback
 - d. Finalize Insourcing Solid Waste Collection evaluation

3. Present findings to Town Leadership:
 - a. Generate presentation materials
 - b. Present findings to Town leadership
 - c. Address follow up questions with Town Leadership

Project Summary

DavenportLawrence Subject Matter Experts and Analysts will meet with Town staff to comprehensively review, identify and document all services provided by the current service provider. Our team will work with Town staff to comprehensively review all existing service levels and existing assets utilized by the service provider to provide solid waste services. We will identify the specific assets and associated costs required to provide solid waste collection services for the Town; this would include reasonable spare inventory assets and determining what assets would be transferred from the current provider to the Town. We will identify and define the specific level of personnel required to perform the collection services, as well as the supportive personnel required across other Town departments, and the associated costs. Our Subject Matter Expert will evaluate the existing waste agreements with existing vendors and the County and local ordinances as needed to ensure appropriate operational cost factors are considered.

Our team will analyze gathered data and perform field investigation of routes, assets and facilities as needed to build a documented assessment of Current State of Town solid waste services. Our SME will then engage Town Finance and Budget staff feedback to build a defined baseline Financial Model for these services were they to be brought inhouse against industry benchmarks and information gathered from like Organizations as well respective vendors (equipment, etc.). Our team will execute appropriate Peer benchmarks.

Our team will develop a final deliverable detailing this information of current state to support the Town's ability to make decisions on the "Future State". Our team will make updates to this deliverable based on feedback from the Town's Stakeholders and present these findings to the Town Board with Town Leadership.

The data required to effectively perform this work will come from multiple sources, including organizations external to the Town. In understanding the sense of urgency in performing this work, DavenportLawrence will engage Town resources as needed to drive the necessary data gathering from these sources including the current service provider and the County. Our team will communicate with and engage key stakeholders proactively on a consistent basis to ensure that the Town's goals are met.

Qualification Examples

Town of Cornelius - Based on existing service provided and customer service challenges, The Town of Cornelius North Carolina considered transitioning from an Outsourced Waste Collections service model to an Insources model. DavenportLawrence was engaged to develop a detailed evaluation of this possibility. During the engagement, the DavenportLawrence team developed a detailed evaluation

model considering needs associated with People (operations, billing, customer service), Process (services provided current and process to deliver these services, Assets (Carts, Fleet, Facilities, etc.), Policy (policies and ordinances in place defining service expectations) and Technology (technology utilized to meet these expectations). Resulting from this detailed evaluation, the Town was able to make the best fit decision for future service delivery.

Town of Mint Hill – The Town of Mint Hill North Carolina was in transition from a local Waste Collection service provider to a larger regional service provider (through acquisition of services) and working through contract terms and service levels within this transition. DavenportLawrence was engaged to evaluate service conditions and support the negotiation of the future service levels and contract terms. The result of this effort was the Town’s ability to position for higher service level receipt while addressing a number of gaps in the services accountability terms.

City of Fayetteville (team member David Harvell) – Based on existing challenges, The City of Fayetteville North Carolina was considering transitioning from an Inhouse Waste Collections service model to an Outsourced model. David Harvell’s’ team was engaged to support this evaluation. David’s team developed a detailed evaluation model considering People (operations, billing, customer service), Process (services provided current and process to deliver these services, Assets (Carts, Fleet, Facilities, etc.), Policy (policies and ordinances in place defining service expectations) and Technology (technology utilized to meet these expectations). Resulting from this detailed evaluation, the Town was able to make the best fit decision for future service delivery.

References provided upon request.

Project Fee Schedule

The following fee schedule was developed with the understanding of the Town’s needs and interest in evaluating the “As-is” environment of Outsourcing services against the cost, and transition impacts of outsourcing this operation.

Town of Southern Pines Solid Waste Insource/Outsource Evaluation Fee Summary		
Task	Task Description	Professional Fees
Project Initiation		
1	Gather benchmark data	\$6,000.00
2	Engage team	
3	Schedule project activities	
Phase I - Assessment		
1	Meet with staff and assess current services	\$7,500.00
2	Review existing agreements	
3	Review code of ordinances, budgets, public facilities and policies for collection & disposal programs	

4	Review disposal agreements	
5	Execute detailed route audit, services reconciliation and technology utilized	
6	Review invoices (12-months)	
7	Review "commercial" solid waste collection practices	
Phase II - Stakeholder Validation		
1	Discuss findings with Staff and other stakeholders to validate assumptions, etc.	\$4,000.00
2	Draft evaluation discoveries (Staff Approval)	
Phase III – Deliverable Completion and Presentation		
1	Draft Insourcing plan for Solid Waste Collection Services	\$12,000.00
2	Deliverable evaluation of “Insourcing vs current state” with Town Stakeholders	
3	Present and discuss findings with Town leadership	
Project Totals		\$29,500.00
Travel Expenses: The TOWN will reimburse the CONTRACTOR for reasonable travel expenses related to the performance of the onsite work and field work necessary to conduct appropriate data gathering and solution discussion for the project.		

Summary

The unique and diverse experience of DavenportLawrence enables the use of a systematic approach to problem solving and provides the opportunity for organizations to engage in a customized and complex process of operational assessment and recommendations that fit the culture, competencies, finances, and expectations for each unit of local government. It is the balance of public and private experiences that allow DavenportLawrence to conduct efficient and effective solutions projects that are scalable and deployable by the client. With the appropriate focus on effective cost and operational models, The Town of Southern Pines will benefit from from assesstment initiatives that provide the ability to increase efficiency, effectiveness, customer service and ultimately the long term financial condition of these services.

Overarching Goals of Solid Waste Services Assessment Project (Phase I)

- *Document and understand the solid waste services provided to the Town currently*
- *Evaluate the needs, costs, and risks involved in undertaking inhouse solid waste services*
- *Understand the operational, physical and technology requirements for supporting solid waste services internally vs outsourcing*
- *Provide deliverable to enable data-driven strategic decisions for these services*
- *Support Town Stakeholders in making recommendations for approach of future services (Inhouse vs Outsource)*

Appendix A: Assumptions

- A. Term. The Term of this Agreement shall be for the number of weeks required for TOWN to remit the final Fee payment to CONTRACTOR.
- B. Schedule. The project start target will be mid-December 2022 to early January of 2023 to begin with data gathering with a projected onsite Kick-Off meeting and interviews. The project resources will work at the Town of Southern Pines and DavenportLawrence facilities to support the engagement as needed in order to support a deliverable target of mid-March 30, 2022.
- C. Responsibility. The TOWN will appoint a Project Lead who will serve as the primary point of contact for CONTRACTOR. They will assist in organizing the participation of departmental staff, gaining access to management, staff and stakeholders as needed and generally help to facilitate the operational planning process and the achievement of outcomes for the project as a whole.
- D. Participation of Team. The quality of the deliverables is directly related to the engagement of stakeholders participating in the effort. The TOWN will take a proactive role in actively participating in the various interviews, meetings, and project checkpoint reviews as necessary. If scheduling interviews with key TOWN employees proves challenging or is delayed, then the project target dates may require adjustment to provide adequate time for analysis.
- E. Decision-Making. The TOWN will provide a timely decision-making, issue resolution and escalation process to prevent delays in the Project's progress and deliverables.
- F. Work Environment. Over the course of the project, the TOWN will provide adequate working facilities, equipment, and tools, such as work areas, telephones, photocopiers, fax machines, and Internet access for the CONTRACTOR team members when onsite.
- G. Scope. In the instance the Scope of Services needs to be modified, DavenportLawrence and Town Leadership will review changes for impacts on Schedule and/or Cost. If either are materially impacted. If modifications are required, DavenportLawrence will develop a Project Change Request "PCR" to be approved by Town Leadership to address these changes.

Appendix B: Personnel and Qualifications

David Harvell: Director Utility Services, DavenportLawrence

David joins DavenportLawrence following a successful career in local government management in North Carolina, Kentucky and Florida. He is a graduate of Mid-Continent University with a Master of Science in Business Management. During his career, David held the position of a mid-western Regional Manager for four (4) States for a large solid waste management company.

He has been active in the solid waste management field as an adviser to government and industry for over 25 years, specializing in local government's strategic guidance and infrastructure and services development.

He has managed the preparation of many comprehensive solid waste management project over this tenure such as:

- Feasibility studies
- Market & economic studies
- Privatization evaluations
- Due-diligence investigations
- Life-cycle cost and independent feasibility studies
- Technology reviews (collection routes)
- Contractor procurements
- Contracts development and negotiations
- Completed deliverables supporting evaluation of project financing activities for a broad range of solid waste services
- Served as key advisor (private and public sectors) for several solid waste management collection, recycling and disposal systems.

These experiences resulting in measurable, sustainable and efficiently integrated solid waste management systems accepted by the local governments and its leadership.

David has also been instrumental in developing multiple Request for Information (RFI) and Request for Proposals (RFP) for multiple local governments in North Carolina (City of Fayetteville, Town of Cornelius, Town of Mint Hill, Pine Knoll Shores, Carteret County – Waste Removal NC, City of Havelock, Town of Atlantic Beach and Town of Swansboro). He has developed the contract negotiating strategies, and prepared and negotiated service contracts for municipalities during these efforts. In addition, David has extensive direct working knowledge, contacts and experience with the private sector solid waste services providers. This private sector experience provides a specific set of skills and perspective to guide this critical private – public partnership operational and financial analysis.

Education

- Master of Science (MS) Business Management

Certifications (non-active)

- SWANA Certification: Managing Integrated Solid Waste Management Systems (2019)
- SWANA Certification: Manager of Landfill Operations (MOLA) (2019)
- International City Managers Association – Credentialed Manager (ICMA-CM) (2020)

Jeff Davenport: Managing Director, DavenportLawrence

Jeff Davenport brings relevant private sector experience in supporting the design and deployment of shared services and consolidation efforts in technology and business process. These experiences include delivery of services to over 100 municipalities, acting as project director for Siemens North America in consolidation of Siemens' North American purchasing organization throughout all North American entities, and acting as a project manager for Conde' Nast's back office consolidation for operations, consolidation of IT functions and software with CDW. These projects required assessment of current needs and requirements for services considered, identification of future consolidated organization based on personnel experience and background, evacuation of capital and technology assets in each organization, and providing project management through consolidation efforts. Mr. Davenport's deep experience from a private sector perspective offers unique insight to project and process management for public organizations.