

To: Chatham County Planning Board
From: M. Travis Blake
Date: September 25, 2006
Subject: Polks Centre

Polks Centre Planning Board Addendum

Blake and Associates, Inc.

This document is intended to provide members of the Chatham County Planning Board and staff with the additional information and clarification requested regarding Polks Centre, using information from the submitted zoning packet and information previously submitted. This document addresses the wastewater capacity requirements, the concept of "need and desirability" that is referenced in Finding #2, and the request that "Recommendation #13" contained in *Attachment #14* be changed to 24 months instead of 12 months.

Attachment #14 made reference to wastewater disposal measures (within the realm of Finding #5) that needed to be reviewed by Chatham County Environmental Health personnel. Upon speaking with Ms. Holly Coleman, Chatham County Dept. of Environmental Health, it was determined that NCDWQ would handle all matters concerning issues with sewer instead of the aforementioned Dept. of Environmental Health. Wastewater treatment for the project will be provided through the use of the Williams Corner project wastewater treatment facility which will abide by all NCDWQ standards and regulations (please reference Section 8.5 of the Polks Centre Application Packet). As requested, an approved wastewater disposal site plan and permit from NCDWQ for Polks Centre shall be supplied to the County. Attached is NCDWQ's document concerning the design loads for intended uses in Polks Centre. The design load is less than 25,000 GPD, and the treatment capacity of the site is in excess of 55,000 GPD (reference Section 8.5.4.2.2 of the Polks Centre Zoning submission). *If there are any further concerns by the County Planning Department Staff or members of the Planning Board we suggest an additional recommendation be added that the project must have a permit from NCDWQ for a minimum of its design load requirement.*

At the Planning Board Meeting held on September 5, 2006, the Planning Department recommended approval of the rezoning request for the Polks Centre project, but recommended against the CUP because the

case for "Need" was not clear considering current and approved commercial developments.

The following is a text excerpt from the letter provided by Mr. M. Travis Blake to the Planning Board on September 5, 2006, addressing concerns over the concept of Finding #2 and "need and desirability":

In response to the Chatham County Planning Department's analysis for finding #2, "Need and Desirability," we are providing the following information:

- Attached is documentation previously submitted, showing that a majority of the space is either committed with "Letters of Interest" or requests from commercial agents to place clients in the development.*
- A review of current usages and approved commercial space reveal that the uses for Polks Centre are unique for the majority of the space. 50,000 square feet of the 125,000 square feet planned are to a single client for "flex space" and 28,000 is reserved for the office supply store. Restaurants and other businesses with high wastewater requirements are possible in this location since Polks Centre has access to adequate sewer. Lack of adequate sewer has prevented other existing and permitted developments from hosting these types of businesses.*
- New restaurants and an office supply business are not specifically planned by current developments. Both have been determined to be needed through demographic and market studies by the attached interested clients.*
- The "convince factor" for destination shopping is considered to be about 5 miles. One of the major client populations for this project lies across the Orange/Chatham County line into Chapel Hill and Carrboro.*
- Finding #2, "Need and Desirability" must be heavily weighted towards market conditions and it is ultimately the responsibility of the developer to provide for current and future markets. The zoning packet submitted uses a number of nonspecific categories of the Chatham County Zoning Ordinance to allow for flexibility in placing businesses that may be needed in the market area, but unknown at the time of zoning.*
- According to current research by Dr. Emil Malizia, Chairman of the UNC Department of City and Regional Planning, Chatham County's per capita retail tax income has been consistently lower than surrounding counties and retail growth modest, showing a need for a retail tax base. This same data reveals the need for business and services that are currently being provided by adjoining counties.*

- *In addition, Dr. Malizia's information contributes to the vitality of the Polks Centre development. Dr. Malizia has been consulted concerning our proposal and to augment the report provided by Miley, Gallo and Associates' economic impact analysis for our zoning submission (Section 8.2.4 of the zoning submission) and support the developer's decision to build the project.*
- *Polks Centre and Williams Corner are both planned to address the indicated tax trend and need for a diversified business base. In addition, the developments are being planned using modern planning designs, environmentally aggressive initiatives and a thoughtful client mix, making the best case for "Desirability".*

In reference to Attachment #14, this project is 10.5-11 miles north of Pittsboro and approximately 1.5 miles south of the Chatham/Orange County line. This shows that the market and demographic draw for this project will be in the extreme northern part of the county, as well as from the towns of Chapel Hill and Carrboro. The attachment makes frequent reference to other projects along US 15-501; however, this project does not encompass the same markets of those referenced would, namely Fearrington Village Commercial Center and Briar Chapel. These two developments are interior service centers; Polks Centre is a large market development. In addition, Polks Centre does not plan to have direct competition businesses due to the unique and eclectic mix of businesses (please reference attachments).

Polks Centre is unique in what businesses it will offer in comparison to the other projects which it has been compared to. No other project has planned to make use of its space to include an office supply business, available flex space, and large market restaurants. In order to truly assess the need for such a project, it is necessary to forecast growth in retail expenditures based on population and income forecasts for the County. *The inference concerning oversupply cannot be confirmed without looking at current and future demand and performing a detailed analysis of the retail market in northern Chatham County. It is the difference between forecasted demand and forecasted supply that determines whether the market is over- or under-supplied. Services and businesses do not make decisions to locate in an area without a firm understanding of the current and future market. In addition, the current request for the CUP is such that if a market is not available for a type or*

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specific business than another will be located in the development to ensure a healthy market.

It is paramount that the staff and Board understand that placing businesses is market driven, and that businesses choosing locations are best at making this determination.

Based on the magnitude of this project, it is a request of the developer that the first building permit be issued within 24 months from the date of the permit's approval. Permits from Chatham County, NCDQW, and NCDOT will undoubtedly take longer to obtain than the recommendation of the County to issue a building permit within one year.

Current Wastewater projections for Polks Centre Base on LOI				
	Space	Sq Ft or Seats	Emp/1000 sq'	GPD
25 GPD per Employee	Flex Space	50,000	1	1,250 Per Shift
25 GPD per Employee	Office Supply	28,000	1	700 Per Shift
40 GPD per Seat	Food Service	475		19,000 This is higher than sq area calculations
25 GPD per Employee	Bank	6,000	1.25	188 Per Shift
25 GPD per Employee	Misc Space	14,200	1	355 Per Shift
				21,493
Notes:				
We will have a volume reduction of over 40% because of recycling of the effluent and low flow fixtures.				
Soils have the capacity to treat almost GPD				
Polks Centre has reserved 40,000 GPD of treatment capacity in the North Chatham green Initiative WWTP				

backflow prevention device or an approved air gap separation shall be installed at the potable water service connection to the use area. The installation of the reduced pressure principal backflow prevention device shall allow proper testing.

- (III) Where potable water is used to supplement a reclaimed water system, there shall be an air gap separation, approved and regularly inspected by the potable water supplier, between the potable water and reclaimed water systems.

(I) Wastewater Flow Rates:

- (1) In determining the volume of sewage from dwelling units, the flow rate shall be 120 gallons per day per bedroom. The minimum volume of sewage from each dwelling unit shall be 240 gallons per day and each additional bedroom above two bedrooms will increase the volume by 120 gallons per day. Each bedroom or any other room or addition that can reasonably be expected to function as a bedroom shall be considered a bedroom for design purposes. When the occupancy of a dwelling unit exceeds two persons per bedroom, the volume of sewage shall be determined by the maximum occupancy at a rate of 60 gallons per person per day.
- (2) The following table shall be used to determine the minimum allowable design daily flow of wastewater facilities. Design flow rates for establishments not identified below shall be determined using available flow data, water-using fixtures, occupancy or operation patterns, and other measured data.

Type of Establishments Flow For Design	Daily
Airports, also RR Stations, bus terminals (not including food service facilities)	5
gal/passenger	
Barber Shops	50
gal/chair	
Bars, Cocktail Lounges (not including food services)	20
gal/seat	
Beauty Shops	125
gal/booth or bowl	
Bowling Alleys	50
gal/lane	
Businesses (other than those listed in this table)	25
gal/employee	
Camps	
Construction or work camps	60
gal/person	
Summer camps	60
gal/person	
Camp grounds Without water and sewer hookups	100
gal/campsite	
Travel trailer/recreational vehicle park with water and sewer hookup	120
gal/campsite	
Churches (not including food service, day care and camps)	3
gal/seat	
Country Clubs:	
Resident Members	60
gal/person	
Nonresident Members	20
gal/person	
Day Care Facilities	15
gal/person	

Factories (exclusive of industrial wastes) - per shift	25
gal/person	
Add for showers - per shift	10 gal/person
Food Service Facilities Restaurants (including fast food)	40
gal/seat or	
	40
gal/15 ft ² of dining area, whichever is greater	
24-hour Restaurants	50
gal/seat	
Single-Service (exclusive of fast food)	25
gal/seat	
Food Stands	
(1) Per 100 square feet of total floor space	50 gal
(2) Add per employee	25 gal
Hospitals	300
gal/bed	
Laundries (self-service)	500
gal/machine	
Marinas	10
gal/boat slip	
with bathhouse	30
gal/boat slip	
Meat Markets	
(1) Per 100 square feet of total floor space	50 gal
(2) Add per employee	25 gal
Motels/Hotel	120
gal/room	
with cooking facilities in room	175
gal/room	
Nursing/Rest Homes --With laundry	120
gal/bed	
Without laundry	60
gal/bed	
Offices -- per shift	25
gal/person	
Residential Care Facilities	60
gal/person	
Resort (e.g. condominiums, apartments, motels, hotels)	200
gal/room	
Restaurants	40
gal/seat or	
	40
gal/15 ft ² of dining area (whichever is greater)	
Schools	
Day Schools	
With cafeteria, gym, and showers	15
gal/student	
With cafeteria only	12
gal/student	
With neither cafeteria nor showers	10
gal/student	
Boarding	60
gal/person	
Service Stations	250
gal/water closet or urinal	

Stadiums, Auditoriums, Theaters, Drive-ins gal/seat or space	5
Stores, shopping centers and malls -- Note: if food service is included, add 40 gal/seat	120
gal/1000 ft ²	
Swimming Pools and Bathhouses gal/person	10

- (3) An adjusted daily sewage flow may be granted upon a showing that a sewage system is adequate to meet actual daily water consumption from a facility included in Subparagraph (1) or (2) of this Paragraph. Documented, representative data from that facility or a comparable facility shall be submitted, consisting of at least 12 consecutive monthly total water consumption readings and daily total water consumption readings for at least 30 consecutive days of water use. The daily readings shall be taken during a projected peak sewage flow month. The adjusted design daily sewage flow shall be determined by taking the numerical average of the daily readings that fall within the upper 10 percent of the daily readings when ranked in descending order.

(m) For Treatment and Disposal of Soil Containing Petroleum Products:

- (1) Landfarming of Soils Containing Petroleum Products at Minimum Rates. Petroleum contaminated soils shall be incorporated into the native soils of the receiver site immediately upon application. Liming, fertilization, and aeration of the soils mixture shall be optional, unless otherwise required by the Division. Subsequent application of petroleum contaminated soils onto the same receiver site shall not occur for at least 18 months from the date of the most recent application of petroleum contaminated soils and shall cause the receiver site to be reclassified as a "dedicated remediation site" unless the permittee or applicant can demonstrate, through soil sampling and contaminant analytical procedures approved by the Department, that the petroleum contaminant level in the upper eight inches of the receiver site soils is below analytical detection levels;
- (2) Landfarming of Soil Containing Petroleum Products at Conventional Rates. Landfarming of soils containing petroleum product at an application thickness greater than one inch shall require fertilization, liming, and aeration of the native soils and petroleum contaminated soils mixture as approved by the Division. Application thickness shall be based upon the nature of the receiver site soils, depth to the seasonal high water table, the intended cover crop, and the source of contamination, in accordance with procedures approved by the Division. Operation of the landfarming program shall not result in contravention of classified groundwater or surface water quality standards. Subsequent application of petroleum contaminated soils onto the same receiver site shall not occur for at least 18 months from the date of the most recent application of petroleum contaminated soils and shall cause the receiver site to be reclassified as a "dedicated disposal site" unless the permittee or applicant can demonstrate, through soil sampling and contaminant analytical procedures approved by the Department, that the petroleum contaminant level in the upper eight inches of the receiver site soils is below analytical detection levels;
- (3) Containment and Treatment of Soil Containing Petroleum Products:
 - (A) A containment structure designed to bioremediate or volatilize soil containing petroleum products shall be constructed of either a synthetic liner of at least 30 mils thickness or of a one foot thick liner of natural material, compacted to at least 95 percent standard proctor dry density and with a permeability of less than 1×10^{-7} cm/sec.
 - (B) The bottom of the containment structure shall be at least three feet above the seasonal high water table or bedrock.
 - (C) A leachate collection system must be installed in order to prevent runoff from the petroleum contaminated soils within the containment structure, or steps taken to avoid accumulation of stormwater within the containment structure.
- (4) Disposal of Petroleum Contaminated Soils at Dedicated Sites. Subsequent applications of petroleum contaminated soils at dedicated sites shall not recur until such time as it can

To: Angela Birchett
Chatham County Planning Department
Re: Polks Centre
Finding #2

31 August 2006

Angie,

In reference to the concerns over duplicate services and to augment support for finding #2; I have attached the letter of interest from Real Properties of Cary concerning their 50,000 square feet, an email from Morris Commercial, letter from Ed McLaurin regarding a breakfast type restaurant and bank. A letter of interest is pending on the 28,000 square feet needed for an office supply location. National entities are reluctant to have their name used during this stage of negotiations; however, this use is planned.

An examination of the currently approved projects and a careful reading of our proposals, indicates that our uses are substantially unique or desired competition (such as banking and food services). Also keep in mind that Polks Centre is able to have more food service type facilities because of its access to adequate sewer services. This fact will also allow us to attract business that may require unusually high wastewater service, which will result in different business than those currently approved.

Current Letters of Interest reflect the following commitments.

- 50,000 square feet of service space
- 28,000 square feet of office supply space
- 26,800 square feet total of expected food services
- 6,000 square feet banking- Two offers, only one will be placed.
- 14,200 square feet currently unknown

Sincerely,

M. Travis Blake
Blake & Associates, Inc.

12 June, 2006

LETTER OF INTEREST**PERSONAL AND CONFIDENTIAL**

North Chatham Investments, Inc.

Attn: Mr. Travis Blake

9668 Highway 15-501

Chapel Hill, NC 27517

Re: Interest in Polks Centre, Chatham County, North Carolina

Dear Mr. Blake:

With this letter, it is the intent of Real Properties of Cary, LLC (the "Buyer") to formally express interest in the development to be known as Polks Centre (the "Development"), being developed by North Chatham Investments, Inc. or its assigns (the "Seller") in Chatham County, North Carolina. It is the Buyer's understanding that the Development consists of approximately ninety-eight (40) acres located on the west side of NC Highway 15-501, North of Pittsboro, North Carolina and approximately four (5) miles south of Chapel Hill, North Carolina.

The Buyer hereby expresses an interest in purchasing a pad site in the development for the purpose of retail and flex space. The Buyer anticipates a need for a pad site of approximately 50,000 square feet in order to accommodate its intended use at a price of \$ per square foot. The Buyer understands and acknowledges that the Seller understands that such real estate is not currently zoned for the proposed Development. Nevertheless, in the event the Seller obtains approval from the necessary authorities in Chatham County, North Carolina for the Development, the Buyer wishes to participate in the Development by purchasing a pad site suitable for its needs. In furtherance of such desire, the Buyer hereby requests that the Seller sign below in order to acknowledge the Buyer's interest in the Development and, further, to agree to offer to the Buyer a pad site suitable for its needs in the Development as determined in the Seller's reasonable discretion. In such event, the Buyer and Seller agree to negotiate a mutually agreeable Purchase and Sale Agreement in good faith. Further, Buyer hereby requests that Seller sign below to acknowledge receipt of earnest money in the amount of \$ as consideration for Seller's agreements herein. Seller shall hold such earnest money in trust until such time as a Purchase and Sale Agreement is signed by all necessary parties, as contemplated herein. At such time, the earnest money shall become nonrefundable but shall be applicable toward the purchase price. The interest on all such monies held shall run to the benefit of Seller.

By the signature of both the Buyer and Seller to this letter, the parties agree that all terms and conditions of this letter of interest shall be kept in strict confidence and, further, that neither party will issue any public announcement concerning this letter of interest without the approval of the other party. Except for the provisions of the immediately preceding sentence, this document is intended to constitute a letter of interest only and the parties agree and acknowledge that there

is no legally binding or enforceable contract between them pertaining to the subject matter of this letter of interest.

It is the Buyer's hope that the Seller is successful in bringing Polks Centre to fruition. The Buyer looks forward to continuing to work with the Seller as the Development progresses.

Sincerely,

Real Properties of Cary, LLC
a North Carolina corporation

Kelly Gould
Manager

ACKNOWLEDGEMENT AND ACCEPTANCE OF LETTER AND EARNEST MONEY

The terms and provisions set forth in this Letter of Interest are hereby approved and accepted and Seller hereby acknowledges receipt of the earnest money in the amount of \$ _____, this _____ day of _____, 2006.

NORTH CHATHAM INVESTMENTS, INC.,
a North Carolina corporation

By: Travis Blake
Its: President

Real Properties of Cary, LLC

P.O. Box 5365 Cary, NC 27512
(919) 387-2929 facsimile (919) 387-7357

September 30, 2006

Chatham County Planning Department
Attn: Angela Birchett and Koith Megginson
P.O. Box 54
Pittsboro, NC 27312

Re: Polks Centre

Dear Ms. Birchett & Mr. Megginson,

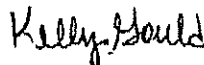
Mr. Blake has asked me to detail our use of the 50,000 square feet we plan to use in the Polks Centre project as it relates to currently approved projects.

Our buildings are expected to be primarily used as "flex space". Although this is a generic term it is used here to explain the intended uses as follows with citations from the submitted zoning documents:

- Service space with storage: "Heating, plumbing and electrical, cabinet and similar shops" and "engineering supply and similar sales and services including blueprinting, Photostatting and similar service"
- Commercial office and climate controlled storage: "Office-business, professional and governmental"
- Specialty furniture shops: "Antique and furniture shops"

Our research into currently approved developments reveals that this type of space is not being provided. There may of course be some instances of similar types of uses, but our intended use will fulfill a tremendous need for "work shop" type space. We have had excellent success in other areas of North Carolina and Florida with this product. By offering smaller sized spaces (400/600 sq.ft. up to 1500/2500 sq.ft.) we can fill a missing link in the market which is very popular and serves as an incubator for the entrepreneur in the beginning stage of his business. These uses also generally generate low traffic volumes and have a low impact on county services.

Sincerely,



Kelly Gould

tblake

From: Mike Lewis [mlewis@morriscommercial.com]
Sent: Thursday, August 31, 2006 11:47 AM
To: 'tblake'
Subject: Polk Centre

Travis,

I just wanted to bring you up to date on interest that we potentially have for Polk Center. Currently I am working with four different type restaurants that are interested in the location ranging from a stand-alone restaurant that would want approximately 10,000 sf, another of possibly 4000 sf, and two smaller ones that would want in the neighborhood of 2400 sf each. We are also working with a couple of banks either of whom would be interested in building approximately 5000 sf buildings. In addition, we are also working with several other retail businesses that would be interested in 1500-2000 sf bays within Polk Centre.

Good luck on your approvals and we look forward to working with you to place some future tenants and/or buyers.

Regards,
Mike

Michael Lewis mlewis@morriscommercial.com	Morris Commercial, Inc. 55 Vitcom Circle Suite 320 Chapel Hill, NC 27514 tel: 919-942-1141 fax: 919-932-1103 mobile: 919-730-5318
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8/31/2006

Edward McLaurin
P.O Box 490
Pittsboro, NC 27312

M. Travis Blake
Blake and Associates, Inc.
10700 US Hwy. 15-501
Chapel Hill, NC 27517

Thursday, August 31, 2006

Dear Travis,

Upon successful rezoning of your project which you have named, "Polks Centre," I have clients who are interested as follows:

- (1.) A national breakfast sit-down restaurant which would require a minimum of 8,000 square feet.
- (2.) A regional bank which would require a minimum of 5,000 square feet.

The clients would very much like to locate in the area where "Polks Centre" is proposed.

Please keep these requests in mind, and get back to me as soon as possible.

Sincerely,



Edward McLaurin, REALTOR®