



VILLAGE OF MARVIN

10004 New Town Road | Marvin, NC | 28173 | Tel: (704) 843-1680 | Fax: (704) 843-1660 | www.marvinnc.org

PLANNING BOARD MEETING MINUTES

February 16, 2021 – 6:30pm
Village Hall, 10004 New Town Road
Regular Meeting - Virtual Meeting

AGENDA ITEMS

1. Call to Order

Chairman Jones called the meeting to order at 6:30pm.

2. Determine Quorum

Chairman Jones determined a quorum was present.

Present: Chairman Jones

Present Virtually: Vice-Chair Cates, Paul Cappiello, Malinda Daniel, Michael Lavelle, Kent Renner (*joined 6:32pm*), Councilman Marcolese (Council Liaison)

Absent: Mark Petersen

Staff Present: Rohit Ammanamanchi, Austin W. Yow

3. Adoption of the Agenda

- Add #9 “Discussion of 2021 Planning Board Goals & Priorities”

MOTION: Chairman Jones moved to adopt the agenda as amended. Vice-Chair Cates seconded the motion.

VOTE: The motion passed unanimously.

4. Adoption of the Minutes for: 1/19/21 and 2/3/21

MOTION: Vice-Chair Cates moved to adopt the minutes for 1/19/21 and 2/3/21 as presented. Kent Renner seconded the motion.

VOTE: The motion passed unanimously.

5. Public Comment Period

No comments were given.

ITEMS OF DISCUSSION

TIME STAMP 4:45

1. Discussion of Conditional Use Permit (CUP) Application #21- 12576: 1000 Spyglass Lane, Pool in a Side Yard

MOTION: Vice-Chair Cates to waive the 15-day requirement for CUP materials. Malinda Daniel seconded the motion.

VOTE: The motion passed unanimously.

Rohit Ammanamanchi, Planning & Zoning Administrator, explained that the orientation of the house made it difficult to determine if the proposed pool would be in a rear or side yard. Ultimately, he determined that the pool would be in the applicant’s side yard. The applicant agreed to move the pool equipment from being on the Spyglass Lane side to the Firethorne Club Drive side. The equipment would be 46 feet from the property line. He stated that the pool’s proposed location is compliant with all other regulations.

By unanimous consent, the Planning Board allowed the applicants, Anson and Jennifer Sager, to speak and answer questions from the Board regarding screening, the orientation of the proposed pool, etc.

MOTION: Michael Lavelle moved to approve as submitted. Malinda Daniel seconded the motion.

VOTE: The motion passed unanimously.

TIME STAMP 26:00

2. Discussion of Final Plat Review for Marvin Gardens Residential Subdivision

Mr. Ammanamanchi explained that the developer of Marvin Gardens has submitted the final plat for the age-restricted residential subdivision of 25 homes. He added that no changes have occurred from the preliminary construction plan.

MOTION: Michael Lavelle moved to approve as presented. Kent Renner seconded the motion.

VOTE: The motion passed unanimously.

TIME STAMP 30:25

3. Discussion of Zoning Text Amendment #21-12592: Remove minimum acreage requirement of 25 acres from the definition of Rural Subdivision in §150.015 DEFINITIONS

Mr. Ammanamanchi explained the circumstances surrounding the inception of the 25-acre requirement for rural subdivisions. He explained that the applicant is seeking to build six lots on 19 acres and all homes face existing roads, so no new road will need to be constructed. He added that the proposed subdivision meets all other regulations for rural subdivisions. The Planning Board discussed this item in depth.

The Board agreed that the text amendment application should be revised to change the minimum acreage requirement to 12 acres, and to ensure any new roads created must be platted for public dedication. The Board directed staff to remove language that would allow a rural subdivision to have a gate.

MOTION: Chairman Jones moved to recommend approval text amendment as amended. Paul Cappiello seconded the motion.

VOTE: The motion passed unanimously.

The Board agreed by unanimous consent to allow the applicant, Robb Klauk, to speak. He asked Mr. Ammanamanchi about the next steps in the process.

TIME STAMP 1:19:50

4. Perform the Function of the Design Review Board to Review the Marvin Village Hall Project, located at the corner of New Town Road and Marvin School Road, 10006 Marvin School Road

Mr. Ammanamanchi informed the Board that the plans for the new Village Hall are not finished. He explained the purview of the Design Review Board and asked if anyone had any requests for major revisions. The Board did not request any revisions.

TIME STAMP 1:26:40

5. Discussion of Street Signs/Speed Limit Signs

Board Member Michael Lavelle explained that he did not like the aesthetics of the u-channel posts used for speed limit signs recently installed on Village roads in subdivisions. He asked staff if the Planning Board had jurisdiction over the aesthetics of these posts. He also encouraged the Village to coordinate with HOAs on the installation of these signs.

TIME STAMP 1:40:10

6. Discussion of Planning Staff Addition

Mr. Ammanamanchi informed the Board that the Council hired an experienced contract planner from NFocus, Tom Weitnauer. He stated he is grateful for the extra help and is now able to get many additional tasks completed.

TIME STAMP 1:41:35

7. Recap of the Previous Marvin Heritage District Strategic Plan Committee Meeting

a. Discussion of DFI Presentation

Mr. Ammanamanchi briefly reviewed the recent presentation from the Development Finance Initiative (DFI) on the economic feasibility of the Marvin Heritage District. *(See attached presentation, which is hereby incorporated as a reference into these minutes).* The Board discussed this presentation in depth.

b. Discussion of Commercial Uses Public Feedback

Mr. Ammanamanchi briefly described the feedback he received from the public regarding the list of proposed commercial uses for the Marvin Heritage District.

TIME STAMP 2:41:25

8. Discussion of Agenda Time Limit Guides

Chairman Jones explained that the Board may wish to include time guides on agenda items to promote the orderly procession of Board meetings. The Board agreed to add these time guides to their future agendas.

TIME STAMP 2:48:20

9. Discussion of 2021 Planning Board Goals & Priorities

The Board briefly discussed their goals and priorities for 2021. The Board discussed having the Village prioritize addressing flooding issues on Marvin Road, the construction of the roundabout at New Town and Marvin Road, the installation of streetlights, reducing speeding on New Town Road, the installation of traffic calming devices, and having conversations with Council about the Marvin Heritage District.

The Board and Staff thanked Paul Cappiello for his 14 years of service on the Planning Board, as his term expires March 1.

AGENDA ITEMS

TIME STAMP 3:07:45

1. Review of Action Items

- Mr. Ammanamanchi will remove language from Village ordinances that allow rural subdivisions to have gates.
- Mr. Ammanamanchi will talk to NCDOT about flooding on Marvin Road.
- Mr. Ammanamanchi will convey the Board’s feedback on the installation of speed limit signs, and the DFI presentation to Council.
- Board members will answer the Doodle Poll to schedule the Joint Meeting with Council.

TIME STAMP 3:10:15

2. Board Member Comments

Chairman Jones: He stated he would miss Mr. Cappiello’s input and wordsmithing in future meetings.

Vice-Chair Cates: She thanked Mr. Cappiello for his contributions to the Planning Board.

Paul Cappiello: He stated he has enjoyed his time on the Board and emphasized that the Board’s often lengthy discussions as examples of good governance.

Malinda Daniel: She thanked Mr. Cappiello for helping to conserve the identity of Marvin.

Michael Lavelle: He thanked Mr. Cappiello for his service and stated he would be missed.

Kent Renner: He stated it has been a pleasure working with Mr. Cappiello.

Councilman Marcolese: He thanked Mr. Cappiello for his contributions to the Planning Board.

ADJOURNMENT

MOTION: Paul Cappiello moved to adjourn the meeting at 9:46pm. Michael Lavelle seconded the motion.

VOTE: The motion passed unanimously.

Adopted: 3-17-21

[Signature]
John Jones, Chairman

[Signature]
Austin W. Yow
Village Clerk & Assistant to the Manager
Village Manager



Item 7.a.

Village of Marvin

Village Center Feasibility Analysis



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SCHOOL OF GOVERNMENT

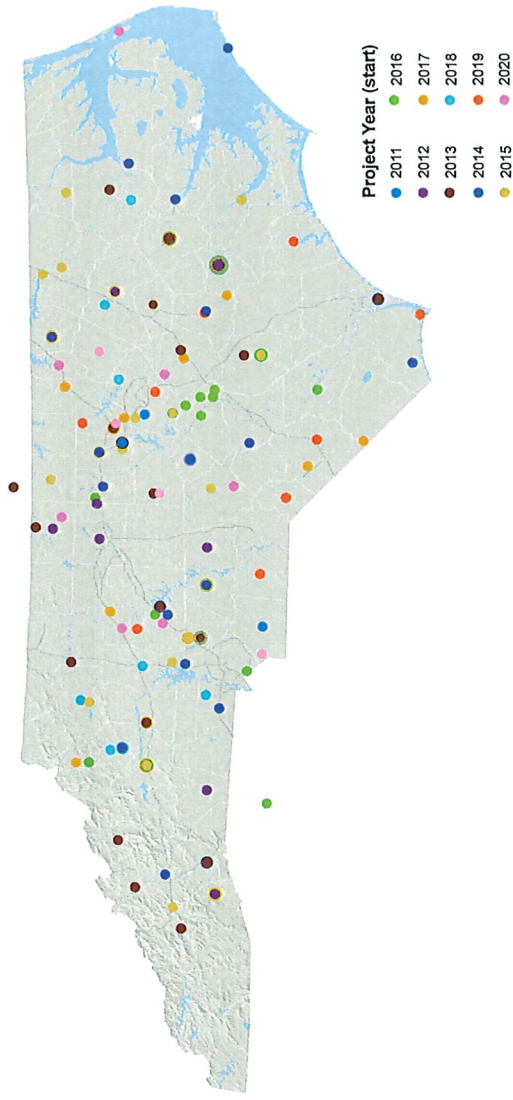
2/9/2021

Agenda

- DFI Overview
- Project Overview
- Village Center Development Program
- Development Feasibility Assessment
- Recommendations
- Discussion

Development Finance Initiative

The Development Finance Initiative (DFI) is a program of UNC Chapel Hill's School of Government and collaborates with communities in NC to attract private investment for transformative projects by providing specialized finance and real estate development expertise.



DFI Project Scope

- DFI was hired in November 2020 to evaluate the financial feasibility of the Marvin Village Center concept
- DFI developed the financial model, incorporating:
 - Regional, comparable projects to determine market rate rents and sales prices
 - Local, recent land sales to determine potential acquisition prices for the land
 - Development cost assumptions input from DFI development advising team and outreach to General Contractors
 - Town of Marvin input for infrastructure needs to support the project

Village Center Feasibility

DFI Assessment Approach

When assessing the Village Center concept DFI evaluated:

- 3 density scenarios of development provided by Village Staff
- Village provided development standards for open space, parking and buffer requirements
- Segmenting the development into an East and West phase as well as commercial and residential breakdown
- Parking infrastructure and open space costs to all be allocated to private development

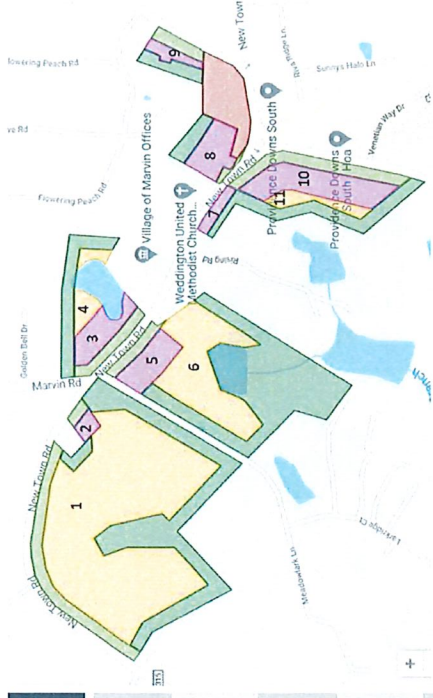
Village Center Development Summary

- Development feasibility under the current vision is constrained across all 3 density scenarios primarily due to:
 - Allowable maximum densities
 - Open space development standards
- Private investment real estate taxes in the highest density scenario do offset the public infrastructure investments to support the Village Center under a 20-year timeframe

Program Overview

Program Overview: Density Scenarios

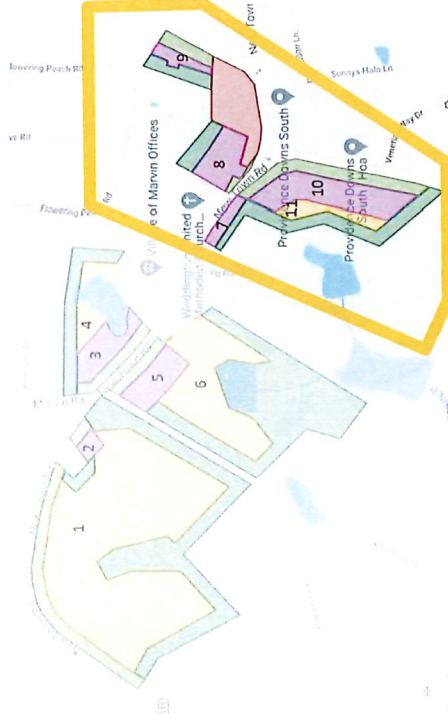
Density Scenario	Low	Medium	High
Residential Units/Acre	0.8	1.0	1.2
Commercial FAR	0.15	0.20	0.25
% Two Story	50%	50%	50%
Open Spaces (%)	35%	30%	25%
1 Parking Space Per 250 SF Commercial			



Program Overview: Density Scenarios

East Phase

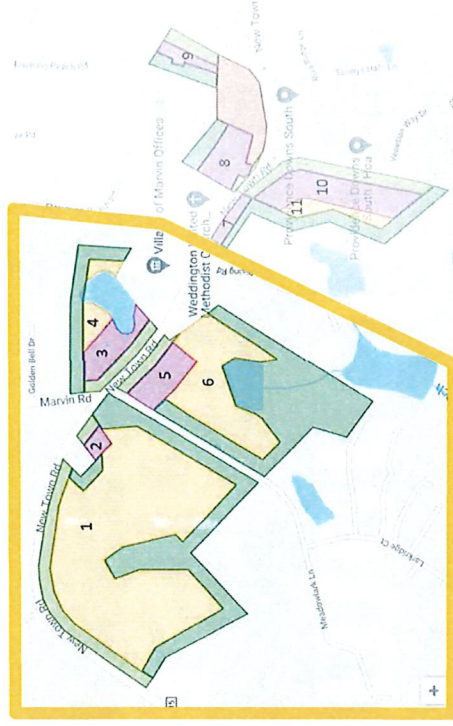
Density Scenario	Low	Medium	High
Residential Units	10	16	20
Commercial SF	84,000	115,000	147,000
Open Spaces (Acres)	3.6	3.6	3.5
Parking Spaces	313	436	565



Program Overview: Density Scenarios

West Phase

Density Scenario	Low	Medium	High
Residential Units	64	83	99
Commercial SF	51,000	69,000	87,000
Open Spaces (Acres)	15.9	15.5	14.2
Parking Spaces	168	237	309



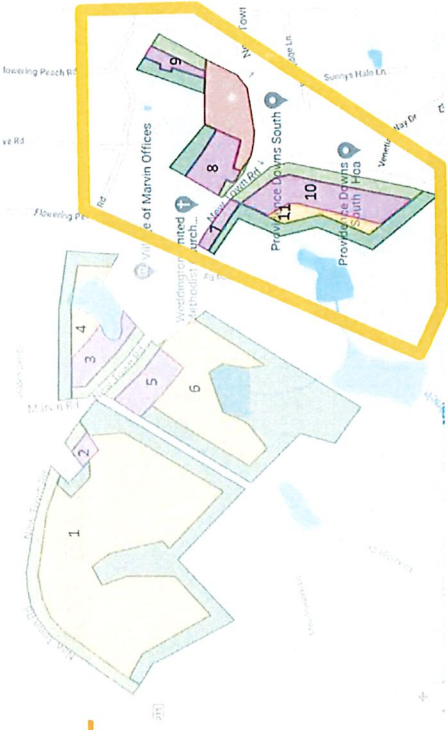
Commercial Feasibility

Returns by Density Scenarios

East Phase – Master Developer

Low Density- \$18.8M

High Density- \$30.7M



Density Scenario	Low	Medium	High	Target
Internal Rate of Return*	6.1%	7.7%	8.5%	15 – 18%
Equity Multiple*	1.7x	1.9x	2.1x	2.5x
Yield-on-Cost (Average)*	6%	6%	7%	7%

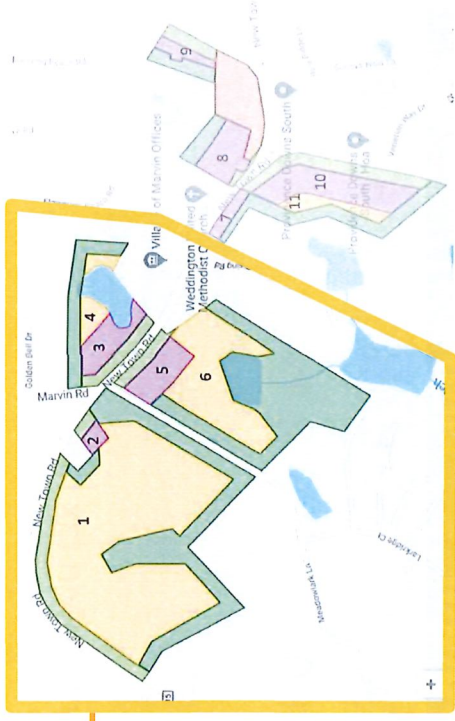
*Projected returns include a \$.25 MSD tax on top of the current Marvin tax rate

Returns by Density Scenarios

West Phase – Master Developer

Low Density- \$11.5M

High Density Private- \$18.3M



Density Scenario	Low	Medium	High	Target
Internal Rate of Return*	5.2%	6.6%	7.6%	15 – 18%
Equity Multiple*	1.6x	1.8x	1.9x	2.5x
Yield-on-Cost (Average)*	6%	6%	6%	7%

*Projected returns include a \$.25 MSD tax on top of the current Marvln tax rate

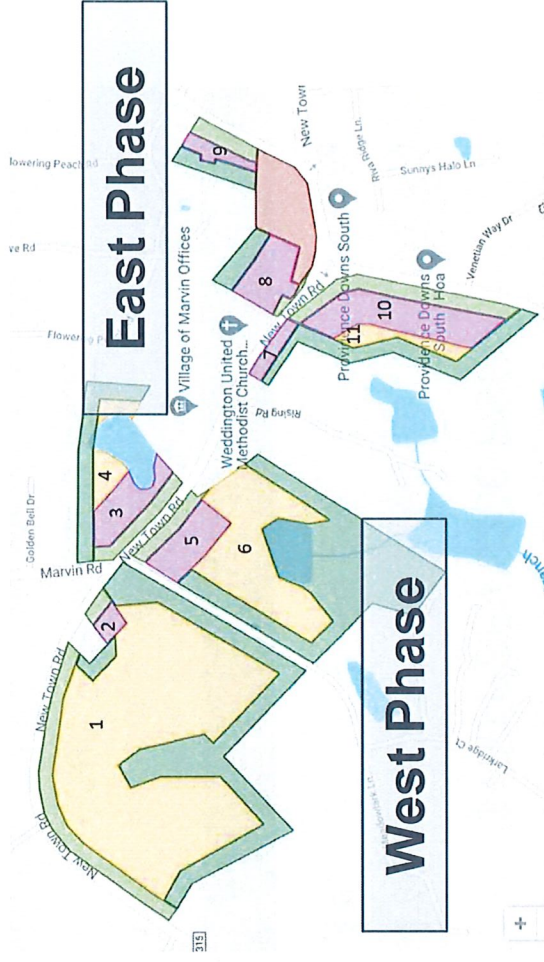
Key Opportunities for Commercial Financial Feasibility

- Increase allowable densities and/or decrease open space requirements
 - Land and site preparation costs remain relatively constant across density scenarios
- Consider public/private partnerships for infrastructure
 - Parking and open space costs could be shared with public sector

Residential Feasibility

Residential For Sale Program Summary

Unit Count by Scenario	Low	Medium	High
East	10	16	20
West	64	83	99
Combined	74	99	119



Residential Development Profit Potential

East	Low	Medium	High
Development Cost PSF	\$169	\$168	\$165
Sales Price PSF	\$190 PSF / \$200 PSF		
Profit Margin @ \$190 PSF	13.3%	13.2%	14.9%
Profit Margin @ \$200 PSF	19.3%	19.2%	21.0%
West	Low	Medium	High
Development Cost PSF	\$206	\$194	\$187
Sales Price PSF	\$190 PSF / \$200 PSF		
Profit Margin @ \$190 PSF	-7.9%	-2.2%	1.6%
Profit Margin @ \$200 PSF	-3.0%	3%	6.9%

Target Profit Margin = 12 – 15%

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Key Opportunities for Financial Feasibility- Residential

- Increase allowable densities and/or decrease open space requirements
 - Investor returns are challenged on west node due to the large amounts of land acquisition
 - Village could acquire portion of land to meet levels of desired open space and lessen amount developer would have to provide

Public Investment

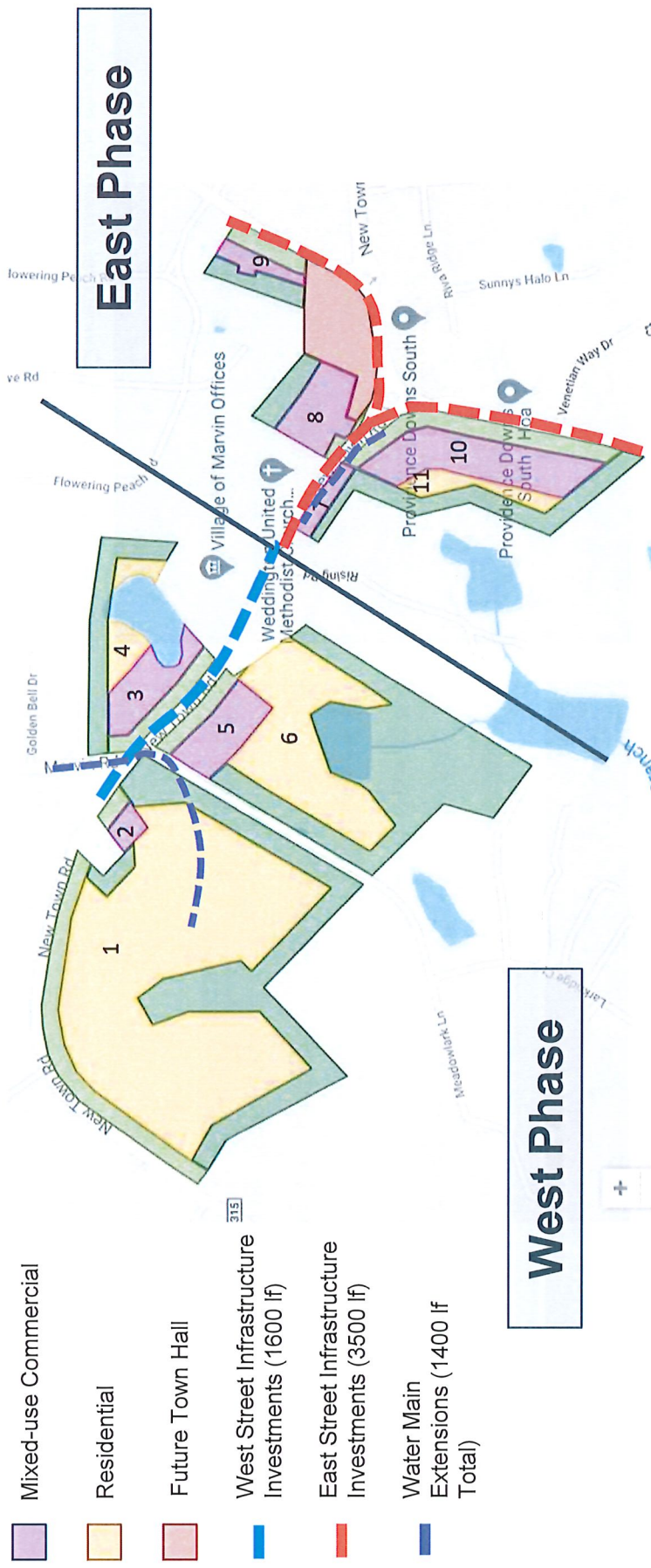
Key Assumptions – Public Investment

Public Investment	Cost
<p>Streets: Curbs and gutters, road paving and sub (certain portions), water, sewer, stormwater</p> <p>+</p> <p>Streetscaping: sidewalks, street furniture, tree plantings, lighting</p>	<p>\$1,000 / Linear Ft</p>
<p>Water Main Extension (x2)</p>	<p>\$100,000 for 700 LF</p>
<p>Commercial Parking</p>	<p>TBD</p>
<p>Future development of Village Hall</p>	<p>\$1.8M</p>



Source: Village of Marvin, Conceptual streetscape rendering

Program Overview: Scope Options



Estimated East Phase Public Investment Financial Picture

20-Year Impact

Density Scenario	Low	Medium	High
Investment		(\$3,659,000)	
Incremental Real Estate Tax Revenue (Village of Marvin Only)	\$241,000	\$336,000	\$426,000
Total Impact	(\$3,418,000)	(\$3,323,000)	(\$3,233,000)
\$0.25 MSD- Commercial	\$766,000	\$1,025,000	\$1,300,000
\$0.25 MSD- Residential	\$237,000	\$379,000	\$474,000
Total Impact with MSD	(\$2,415,000)	(\$1,919,000)	(\$1,459,000)

*Village tax and MSD tax include annual 2% increase



Estimated West Phase Public Investment Financial Picture

20-Year Impact

Density Scenario	Low	Medium	High
Investment		(\$1,840,000)	
Incremental Real Estate Tax Revenue (Village of Marvin Only)	\$476,000	\$621,000	\$748,000
Total Impact	(\$1,364,000)	(\$1,219,000)	(\$1,092,000)
\$0.25 MSD- Commercial	\$896,000	\$618,000	\$771,000
\$0.25 MSD- Residential	\$1,516,000	\$1,970,000	\$2,345,000
Total Impact with MSD	\$620,000	\$1,369,000	\$2,024,000

*Village tax and MSD tax include annual 2% increase



Village Center Development Summary

	Low Density	Medium Density	High Density
East Commercial (IRR)	6.1%	7.7%	8.5%
East Residential (Profit Margin)	19.3%	19.2%	21.0%
East Public Net Financial Impact (20 years)	(\$2,415,000)	(\$1,919,000)	(\$1,459,000)
West Commercial (IRR)	5.2%	6.6%	7.6%
West Residential (Profit Margin)	-3.0%	3%	6.9%
West Public Net Financial Impact (20 years)	\$620,000	\$1,369,000	\$2,024,000

Recommendations

Village Center Recommendations

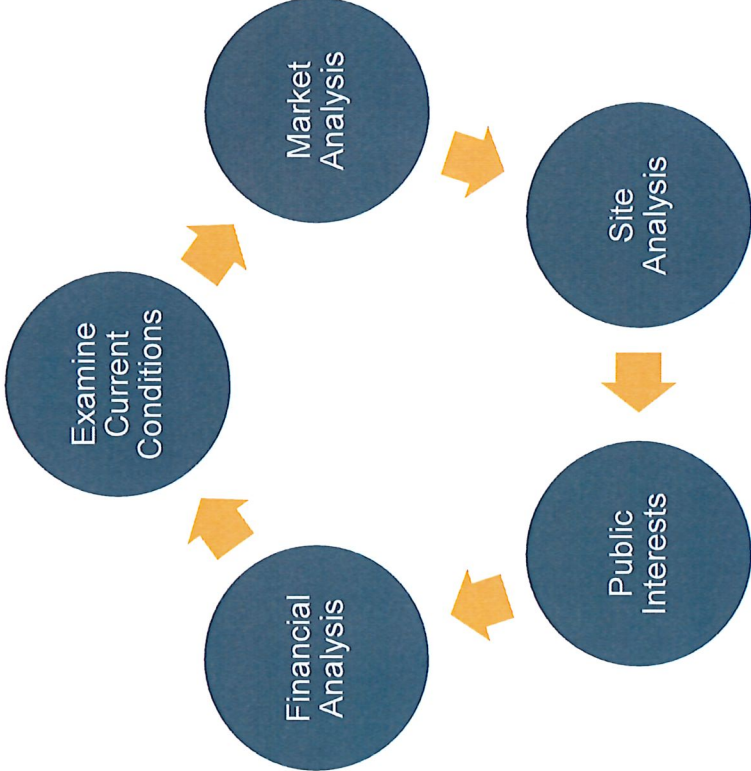
- Reconsider density allowances and/or open space requirements- greater density helps offset land costs
- Consider phased approach to Village Center
 - Reduces upfront infrastructure costs
 - Reduces full costs of site risks (environmental, stormwater, grading, etc.)
- Consider public participation strategies
 - Infrastructure investments (parking, open space)

Questions/Discussion

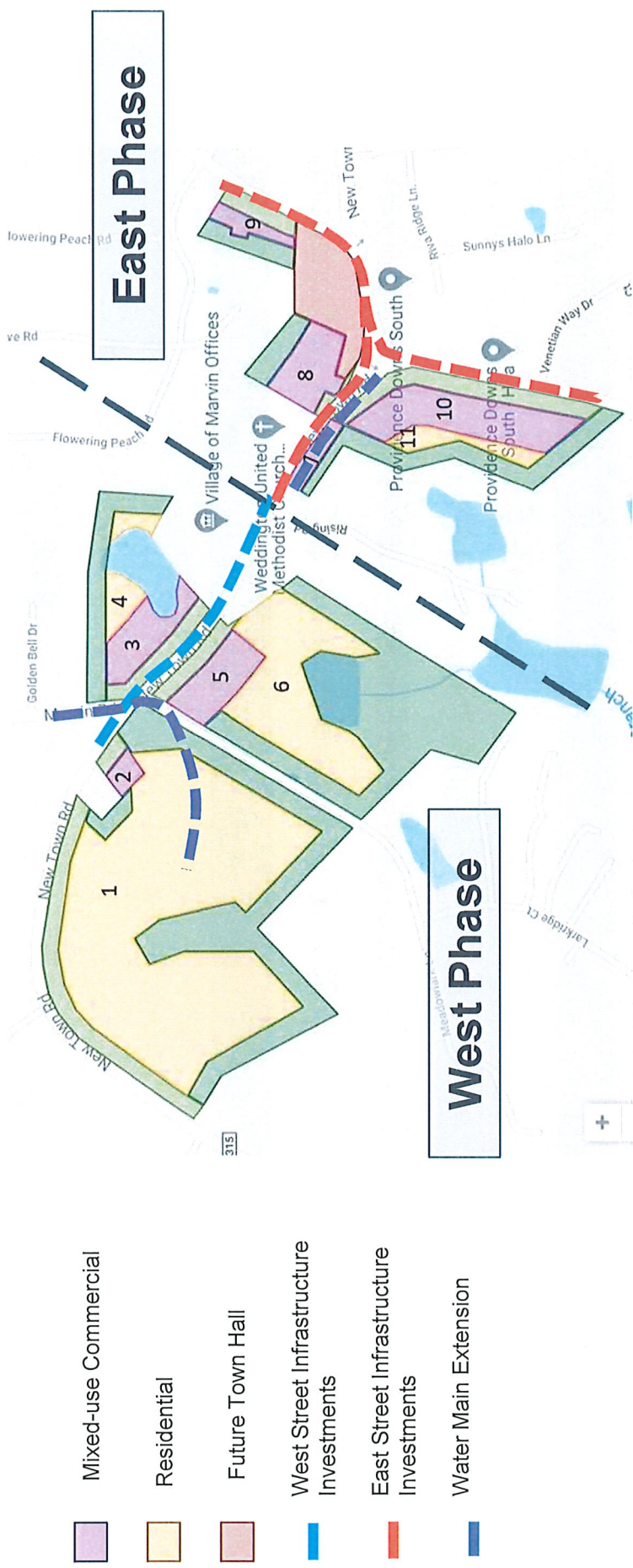
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Appendix

DFI Process



Program Overview: Scope Options



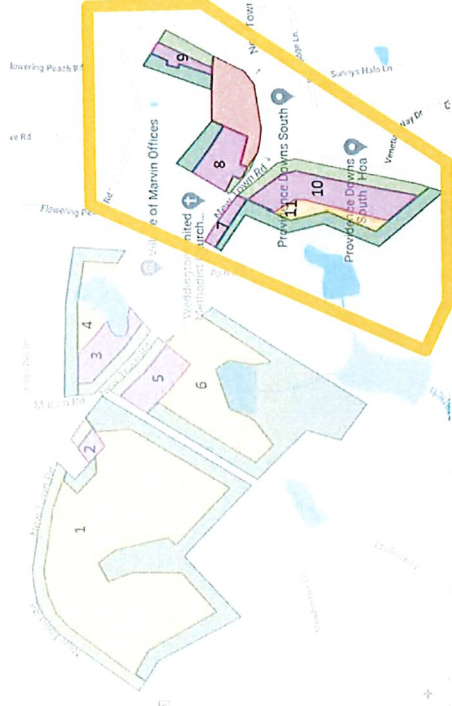
Key Assumptions – Private Development- Commercial

Retail	Assumption
Rent	\$20 PSF
Vacancy	50% (Year 1) / 10% Ongoing
Efficiency	80% (Adaptive Reuse) – 95% (New Construction)
Development Cost PSF	\$100 / SF (Adaptive Reuse) - \$75 / SF (New Construction)
Office	Assumption
Rent	\$22 PSF
Vacancy	50% (Year 1) / 10% Ongoing
Efficiency	90%
Development Cost PSF	\$100 / SF
Open Space Development	\$5 / SF

Sources/Uses by Density Scenarios- Commercial

East Phase – Master Developer

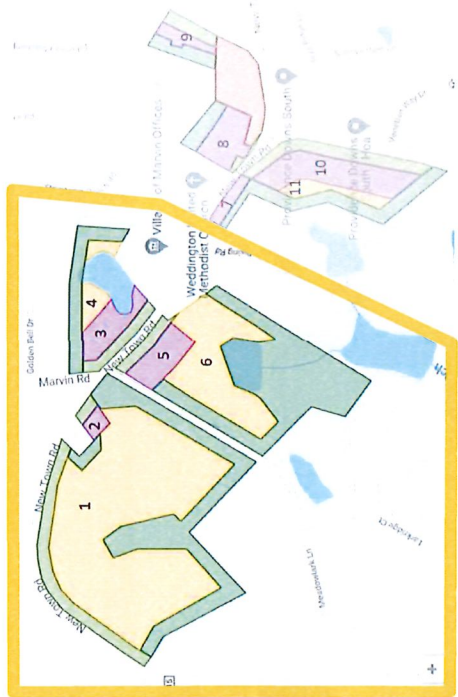
Sources	Low	Medium	High
Equity	\$7,240,000	\$8,685,000	\$10,374,000
Debt	\$11,565,000	\$15,845,000	\$20,326,000
Uses	Low	Medium	High
Acquisition	\$1,427,000	\$1,368,000	\$1,368,000
Hard Costs	\$14,871,000	\$19,900,000	\$25,271,000
Soft Costs	\$2,507,000	\$3,262,000	\$4,061,000
Total	\$18,805,000	\$24,530,000	\$30,700,000



Sources/Uses by Density Scenarios- Commercial

West Phase – Master Developer

Sources	Low	Medium	High
Equity	\$4,647,000	\$5,588,000	\$6,507,000
Debt	\$6,905,000	\$9,296,000	\$11,810,000
Uses	Low	Medium	High
Acquisition	\$917,000	\$917,000	\$917,000
Hard Costs	\$9,088,000	\$11,991,000	\$14,978,000
Soft Costs	\$1,547,000	\$1,976,000	\$2,422,000
Total	\$11,552,000	\$14,884,000	\$18,317,000

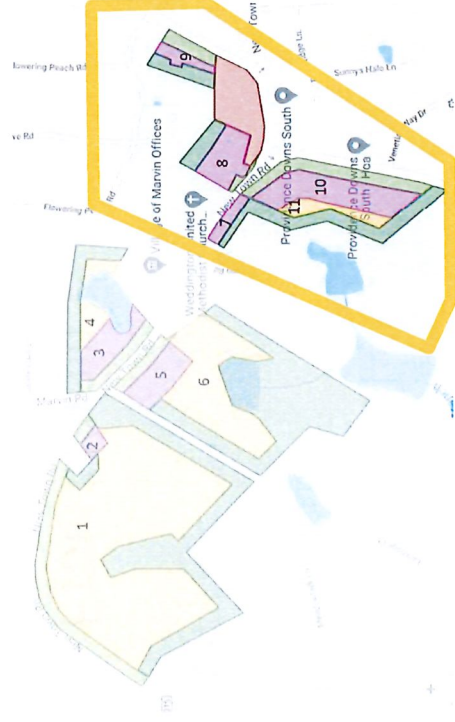


Key Assumptions – Private Development- Residential

Townhomes	Assumption
Construction Costs	\$150 / SF
Sales Price	\$200 / SF
Land Costs	\$70,000 / Acre
Site Prep Costs	\$15,000
Open Space Development	\$5 / SF
Return Expectations	12 – 15% Profit Margin

Sources/Uses by Density Scenarios- Residential

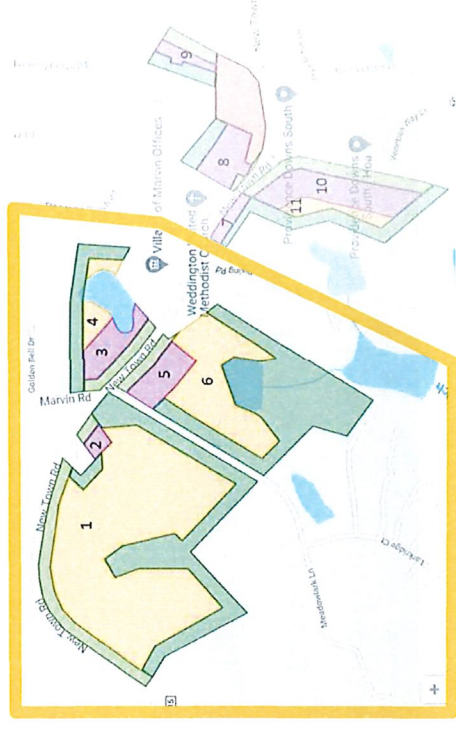
Residential Development - East



Sources	Low	Medium	High
Equity	\$1,033,000	\$1,654,000	\$2,030,000
Debt	\$2,410,000	\$3,859,000	\$4,737,000
Uses	Low	Medium	High
Acquisition	\$197,000	\$256,000	\$256,000
Development Costs	\$3,245,000	\$5,257,000	\$6,511,000
Total	\$3,443,000	\$5,513,000	\$6,767,000

Sources/Uses by Density Scenarios- Residential

Residential Development - West



Sources	Low	Medium	High
Equity	\$8,459,000	\$10,236,000	\$11,663,000
Debt	\$19,739,000	\$23,883,000	\$27,214,000
Uses	Low	Medium	High
Acquisition	\$4,993,000	\$4,993,000	\$4,993,000
Development Costs	\$23,205,000	\$29,126,000	\$33,884,000
Total	\$28,198,000	\$34,119,000	\$38,877,000

Estimated Program of Public Inputs

East Phase	Linear Feet
Road Infrastructure	3,500
Water Main Extension	700

West Phase	Linear Feet
Road Infrastructure	1,600
Water Main Extension	700

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development
finance
initiative



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of NORTH CAROLINA
at CHAPEL HILL