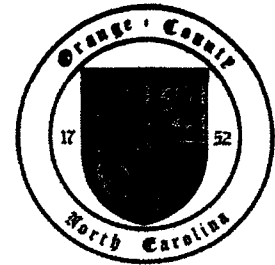


(4)

**ATTACHMENT 1**

*BARRY JACOBS, CHAIR  
STEPHEN H. HALKIOTIS, VICE-CHAIR  
MOSES CAREY, JR  
VALERIE P. FOUSHEE  
ALICE M. GORDON*

**ORANGE COUNTY BOARD OF COMMISSIONERS  
POST OFFICE BOX 8181  
200 SOUTH CAMERON STREET  
HILLSBOROUGH, NORTH CAROLINA 27278**



April 11, 2006

Kevin Foy, Mayor  
Town of Chapel Hill  
306 N. Columbia Street  
Chapel Hill, NC 27516

Randy Copeland, Chairperson  
Orange County Board of Education  
200 E. King Street  
Hillsborough, NC 27278

Mark Chilton, Mayor  
Town of Carrboro  
301 W. Main Street  
Carrboro, NC 27510

Lisa Stuckey, Chairperson  
Chapel Hill-Carrboro School Board  
750 Merritt Mill Road  
Chapel Hill, NC 27516

Tom Stevens, Mayor  
Town of Hillsborough  
P.O. Box 429  
Hillsborough, NC 27278

Subject: Schools Adequate Public Facilities Ordinance Technical Advisory Committee  
(SAPFOTAC) Annual Report

Dear Sir or Madam:

This letter is to update you on the status of the 2006 Annual SAPFOTAC Report. In accordance with the SAPFO Memoranda of Understanding (MOU), the Board of County Commissioners (BOCC) approved the November 15, 2005 actual membership and capacity numbers for Orange County Schools and Chapel Hill – Carrboro City Schools at their meeting on January 24, 2006.

The SAPFOTAC, comprised of representatives of both school systems and the Planning Directors of the County and Towns has produced the 2006 Annual Report. As per the SAPFO MOU, the annual technical report contains information on Level of Service, Building Capacity, Membership Date, Capital Investment Plan, Student Membership Projection Methodology, Student Membership Projections, Student Membership Growth Rate, Student/Housing Generation Rate, and the SAPFO Process. Enclosed for your use are copies of the 2006 Executive Summary and the April 10, 2006 BOCC meeting agenda item abstract when the BOCC received the draft report for review.

[WWW.CO.ORANGE.NC.US](http://WWW.CO.ORANGE.NC.US)

**PROTECTING AND PRESERVING – PEOPLE, RESOURCES, QUALITY OF LIFE  
ORANGE COUNTY, NORTH CAROLINA – YOU COUNT!**

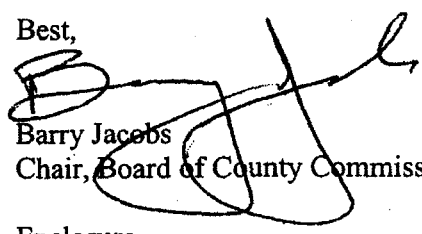
**(919) 245-2130 • FAX (919) 644-0246**

The draft report is available on the Orange County Planning Department website (<http://www.co.orange.nc.us/planning/index.htm>). There is a button labeled "Draft 2006 SAPFOTAC Report" in the Current Interest Items section of the scroll menu on the left side of the page.

The 2006 Annual SAPFOTAC Report is scheduled to be certified by the BOCC at a regular meeting in May 2006. Therefore, if you have any comments pertaining to the report, please forward them to Craig N. Benedict, Planning Director, **prior to May 2, 2006**. Mr. Benedict can be reached by phone at (919) 245-2592, by e-mail at [cbenedict@co.orange.nc.us](mailto:cbenedict@co.orange.nc.us), or by fax at (919) 644-3002.

Please share this information and the 2006 SAPFOTAC report with your respective boards.

Best,

  
Barry Jacobs  
Chair, Board of County Commissioners

Enclosure

- cc: Board of County Commissioners
- John Link, Orange County Manager
- W. Calvin Horton, Manager, Town of Chapel Hill
- Steven Stewart, Manager, Town of Carrboro
- Eric Peterson, Manager, Town of Hillsborough
- Neil Pedersen, Superintendent, Chapel Hill-Carrboro City Schools
- Shirley Carraway, Superintendent, Orange County Schools
  
- bc: Rod Visser, Assistant Orange County Manager
- Craig Benedict, Orange County Planning Director
- Steve Scroggs, Support Services, Chapel Hill – Carrboro City Schools
- J.B. Culpepper, Planning Director, Town of Chapel Hill
- Roy Williford, Planning Director, Town of Carrboro
- Margaret Hauth, Planning Director, Town of Hillsborough

# 2006 SAPFOTAC Executive Summary

**I. Base Memorandum of Understanding**

**A. Level of Service.....(No Change).....Pg. 1**

	<i>Chapel Hill/Carrboro School District</i>	<i>Orange County School District</i>
<i>Elementary</i>	105%	105%
<i>Middle</i>	107%	107%*
<i>High</i>	110%*	110%

\* Temporarily suspended

**B. Building Capacity and Membership.....(Change).....Pg. 2**

	<i>Chapel Hill/Carrboro School District</i>			<i>Orange County School District</i>		
	Capacity	Membership	Increase from Prior Year	Capacity	Membership***	Increase from Prior Year
<i>Elementary</i>	4921	4879	184	3920	3006	(10)
<i>Middle</i>	2840	2572	12	1466	1589	(4)
<i>High</i>	3035	3514	92	2518	2121	64

**C. Membership Date – November 15, 2005.....(No Change).....Pg.21**

**II. Annual Update to SAPFO System**

**A. Capital Investment Plan (CIP).....(Change).....Pg. 22**

**B. Student Membership Projection Methodology.....(No Change).....Pg. 23**

The average of 3, 5, and 10 year history/cohort survival and 2 linear projection models.

NOTE: A change proposed for implementation next year is noted and discussed.

**C. Student Membership Projections.....(Change).....Pg.38**

<b>5 Year out Snapshot Comparison</b>								
(arrow indicates whether there was an increase or decrease in projection total between prior year and subsequent year)								
	<i>Chapel Hill/Carrboro School District</i>				<i>Orange County School District</i>			
	<i>Year Projection Made</i>							
	2002	2003	2004	2005	2002	2003	2004	2005
<small>Projection made for Year 2007-2008</small>								
<i>Elementary</i>	5405	5366 ↓	5040↓	5177↑	3067	3126 ↑	3201↑	3134↓
<i>Middle</i>	2954	2883 ↓	2677↓	2676↓	1587	1656 ↑	1618↓	1595↓
<i>High</i>	3719	3737 ↑	3651↓	3628↓	1952	2070 ↑	2135↑	2148↑

**D. Student Growth Rate.....(Change).....Pg. 48**

Average Annual Growth Rate over 10 Years						
	Chapel Hill/Carrboro School District			Orange County School District		
	2003	2004	2005	2003	2004	2005
<i>Elementary</i>	2.34%	1.79%	1.95%	1.54%	1.68%	1.60%
<i>Middle</i>	2.63%	1.91%	2.41%	0.79%	1.50%	1.18%
<i>High</i>	2.81%	2.04%	1.95%	1.28%	1.21%	0.92%

**E. Student / Housing Generation Rate.....(No Change).....Pg. 52**

**SCHOOL ADEQUATE PUBLIC FACILITIES ORDINANCE STATUS**  
(based on future year Student Membership Projections)

A ‘Joint Action Committee’ met in November 2005 to discuss Elementary level K-3 class size reductions related to legislation from the North Carolina Department of Public Instruction. The Committee has recommended that capacity changes be implemented equally in both school districts when the next elementary school opens which is anticipated to be CHCCS Elementary School #10 in 2008-09. When the reduced class size capacities go into effect, the result is 262 fewer seats available in CHCCS and 283 fewer seats available in OCS.

**CHAPEL HILL/CARRBORO SCHOOL DISTRICT**

**Elementary School District**

- A. Does not currently exceed 105% LOS standards (current LOS is 99.1%).
- B. Decrease in the increase of the growth rate at this level over the next 10 years.
- C. Chapel Hill/Carrboro Elementary School #10 is scheduled for a 2008-09 opening. However, a 2009-10 may be a more realistic opening date due to approvals that need to occur and construction time. If Elementary School #10 does not open until 2009-10, the result could be an overcapacity situation at this level during the 2008-09 school year. In accordance with the MOU and implementing regulations, CAPS (Certificate of Adequate Public Schools) would not be issued during a period of overcapacity. This means that new residential structures could not be approved for occupancy during periods of overcapacity. Additionally, the projections are showing a potential overcapacity situation of 10 students during the 2007-08 school year. If the projection proves accurate, CAPS would be suspended in 2007-08 under current regulations.
- D. Due partially to reduced class size capacities going into effect in 2008-09, the projections are showing a need for Elementary School #11 in 2011-12.

**Middle School District**

- A. Does not currently exceed 107% LOS standards (current LOS is 90.6%).
- B. Decrease in the increase of the growth rate at this level over the next 10 years.
- C. Chapel Hill/Carrboro Middle School #5 would likely be projected for 2012-13 versus the prior year projection of 2013-14.

**High School District**

- A. Currently exceeds the 110% LOS standard (current LOS is 115.8%), but Memorandum of Understanding (MOU) suspended the Certificate Adequate Public Schools (CAPS) adequacy test at this level so CAPS may still be issued.
- B. Increase in the increase of the growth rate at this level over the next 10 years.
- C. Chapel Hill/Carrboro High School #3 is still needed as soon as possible with current construction schedule estimates at 2007-2008. Expansion of High School #3 from the initial capacity of 800 students to the ultimate capacity of 1,200 students is projected to be needed in 2014-15.

**ORANGE COUNTY SCHOOL DISTRICT**

**Elementary School District**

- A. Does not currently exceed 105% LOS standard (current LOS is 76.7%).
- B. Decrease in the increase of the growth rate at this level over the next 10 years.
- C. Does not affect or prompt CIP activity in 10-year timeframe.

**Middle School District**

- A. Presently at 108.5% LOS which exceeds 107% LOS standard but Memorandum of Understanding (MOU) suspended the Certificate Adequate Public Schools (CAPS) adequacy test at this level until Orange County School District (OCSD) Middle School #3 opens so CAPS may still be issued.
- B. Increase in the increase of the growth rate at this level over the next 10 years.
- C. OCSD Middle School #3 is still needed as soon as possible with opening projected in the Fall of 2006.

**High School District**

- A. Does not currently exceed 110% LOS (current LOS is 84.4%).
- B. Slight increase in the increase of the growth rate at this level over the next 10 years.
- C. Does not affect or prompt CIP activity in 10-year time frame.



**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** April 10, 2006

**Action Agenda  
Item No.** \_\_\_\_\_

**SUBJECT:** Schools Adequate Public Facilities Ordinance (SAPFO) – Review of Annual  
Technical Advisory Committee Report

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**DEPARTMENT:** Manager/Budget/Planning

**PUBLIC HEARING: (Y/N)**

No
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**ATTACHMENT(S):**

Draft SAPFOTAC Annual Report  
(under separate cover)

**INFORMATION CONTACT:**

Rod Visser, 919-245-2308  
Donna Dean-Coffey, 245-2151  
Craig Benedict, 245-2592

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**PURPOSE:** To review the Annual Report of the SAPFO Technical Advisory Committee (SAPFOTAC) and refer it to the SAPFO partners for comments before certification in mid-May

**BACKGROUND:** In accordance with Orange County's Schools Adequate Public Facilities Ordinance (SAPFO), each year both school districts certify their November 15 actual student membership and school capacities for Board of Commissioner approval. At the January 24, 2006 BOCC meeting, the Board approved the November 15, 2005 actual student membership and previously adopted capacity numbers for both Orange County Schools (OCS) and Chapel Hill-Carrboro City Schools (CHCCS).

In conjunction with those certifications, the Schools Adequate Public Facilities Ordinance Technical Advisory Committee (SAPFOTAC) is tasked to produce an annual report for the governing boards of each SAPFO partner outlining changes in actual membership, capacity, student projections, and their collective impacts on the future issuance of Certificates of Adequate Public Schools (CAPS). The SAPFOTAC is comprised of representatives of both school systems and the Planning Directors of the County and Towns. Orange County's Planning Staff compiles the information for the report, convenes a meeting of SAPFOTAC representatives to discuss various aspects, and then prepares a draft report that is reviewed by the SAPFOTAC.

A draft of the 2006 SAPFOTAC Report has been completed, has been reviewed by the SAPFOTAC members, and is provided under separate cover to this abstract. The draft SAPFOTAC report has been posted on the Orange County Planning Department's web site (<http://www.co.orange.nc.us/planning/index.htm>) along with larger-sized student projection spreadsheets that are easier to read than the size contained within the report. A letter and the Executive Summary of the report will be sent to all SAPFO partners after this April 10 BOCC meeting advising them of the availability of the draft report and inviting comment.

Staff anticipate that the draft SAPFOTAC report will be brought back to the BOCC for certification at the May 16, 2006 regular meeting,

There are a number of implications arising from the draft SAPFOTAC report and some other considerations of which report readers should be mindful.

- There was a total increase from the previous year of 288 students in CHCCS and 54 students in OCS.
- The School Collaboration Work Group (functioning as a 'Joint Action Committee' for the purposes outlined in SAPFO) met in November 2005 to discuss Elementary level K-3 class size reductions related to legislation from the North Carolina General Assembly. The Committee has recommended that capacity changes be implemented equally in both school districts when the next elementary school opens. These legislative changes reduced the average student/teacher ratio in grades Kindergarten through 3<sup>rd</sup> from 23:1 to 21:1.

New projections show that a new elementary school (Elementary School #10) would need to open in 2007-08 (the Elementary level of service (LOS) would be exceeded by 10 students in that year). However, in light of planning, construction, and funding timelines, current plans provide for Elementary #10 to open in school year 2008-09.

As a point of comparison, last year's student membership projections estimated that Elementary School #10 would be needed in 2009-10, so the projected need for new elementary space in CHCCS has been accelerated by two academic years.

The projected overcapacity of 10 students at the Elementary level in CHCCS during 2007-08 may lead to the suspension of the issuance of CAPS until Elementary #10 opens. However, it is important to note that actual student increases in 2006 and 2007 may vary from projections and may or may not push capacity over the adopted limits that could create a temporary delay in the issuance of CAPS for new residential development..

Implementation of the reduced class size ratio in 2008-09 (commensurate with the opening of the next elementary school) will reduce capacity by 262 seats in CHCCS and 283 seats in OCS.

This reduction in capacity results in the projected necessity of CHCCS Elementary School #11 in 2011-12.

A new Elementary School in OCS is not anticipated to be needed in the next 10 years. However, the SAPFOTAC report notes that development activity within the portion of the City of Mebane that lies within Orange County has been significant in recent years.

Because the City of Mebane is not a party to the SAPFO, CAPS are not required to be issued by the local government prior to development approvals. At this time, there are approximately 1,450 approved but undeveloped residential subdivision lots within the portion of Mebane that lies within Orange County.

Development of these lots is projected to generate approximately 365 additional students (over the three school levels) at current student generation rates.,

It may be desirable to perform a study to determine if the adopted student generation rates are accurate for dwellings within the City of Mebane because there are some reasons to believe that development within Mebane may generate students at a greater rate.



**FINANCIAL IMPACT:** Based on student growth projections included in the SAPFOTAC report, CHCCS will need two new elementary schools (Elementary #10 to open in school year 2008-09 and Elementary #11 in school year 2011-12); Middle School #5 (school year 2012-13); and an expansion to Carrboro High School (school year 2014-15). The report does not identify the need for additional schools or classroom space in the Orange County Schools over the next ten years, following the opening of Gravelly Hill Middle School for the 2006-07 school year.

Based on today's construction market prices, the total financial impact of constructing the new schools could well exceed \$120 million over the ten-year period. Additional ongoing facility operating costs for the new schools would increase that number substantially.

**RECOMMENDATION(S):** The Manager recommends that the Board review the 2006 SAPFOTAC Annual Report, provide any comments to the Manager and staff, and direct staff to solicit comments on the report from other SAPFO partners.