



Town of Siler City, NC

CPN Institute
RE:NC Report

Facilities Assessment and Revitalization Overview

December 1, 2014

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The CPN Institute

The Construction Professionals Network Institute, Inc. ("CPN Institute") is a non-profit initiative focusing on construction industry related projects and community service throughout the State of North Carolina. The CPN Institute was founded in 2006 by CPN of North Carolina, Inc. ("CPN"), a non-profit construction industry membership organization, to expand its mission of service to the construction industry and provide assistance to communities throughout North Carolina. The CPN Institute was incorporated as a non-profit 501 (c) (3) corporation in 2011 to focus on education and community services.

Mission and Focus of the CPN Institute

The CPN Institute mission statement is to "utilize our diverse expertise for the common good of the membership, industry and community."

The CPN Institute volunteers its members' design and construction industry expertise as a catalyst to empower communities across North Carolina to improve their physical and economic environment. The CPN Institute responds to these issues with original research, educational programs, and community service involving all aspects of the Construction Industry. The CPN Institute is passionate in sharing its diverse resources to empower the communities to help themselves.

Thousands of volunteer hours by CPN Institute members are focused on and conducted on activities within North Carolina each year. The CPN Institute strives to identify emerging issues related to industry performance, economic development and the betterment of CPN members and the communities they serve.

The CPN Institute places great value on the diversity of its membership. All of the operational and administrative activities of the CPN Institute are currently provided by volunteers from the CPN membership and through contract relationships with professional/support organizations and student interns and researchers through North Carolina universities and institutions of higher education. Operational funding has been provided through annual CPN member contributions and pledges as well as corporate and foundation grants.

The CPN Institute concentrates on research, education and community service initiatives. Through its Revitalization Initiative or Re:NC Project, the CPN Institute provides support to Tier 1 and Tier 2 communities in North Carolina in revitalizing legacy built environment and infrastructure in rural North Carolina communities. The CPN Institute is also developing and delivering a cadre of educational training programs and workshops to assist smaller towns and communities in undertaking and understanding development, construction, and sustainability projects.

Initiatives of the CPN Institute

RE:NC Project

The CPN Institute concentrates on revitalization initiatives by focusing on revitalizing, and reinvigorating, the legacy built environment and infrastructure of Tier 1 and Tier 2 communities across the State of North Carolina. As North Carolina's economy shifts away from legacy industries such as tobacco, textiles, and furniture, a large amount of the State's industrial and commercial built environments and utility infrastructure, in both the urban and rural setting, lie either dormant or abandoned.

These dormant assets represent a tremendous investment of sunken capital in terms of economic, environmental and social resources. Many of these once busy properties are now potential EPA Brownfield Program sites, suspected of contamination, or in an unknown condition. They remain unused and underutilized assets on the community balance sheet. Because they are difficult to reposition and revitalize, they continue to lie underutilized or dormant resulting in a negative impact on the surrounding community fabric.

Through the Re:NC Project, the CPN Institute offers the comprehensive professional and technical expertise of its membership and collaborating partners, tailored to the specific project at hand, to assist these struggling Tier 1 and Tier 2 rural communities. The CPN Institute values our relationships with each community and respects each community's values and unique attributes. The CPN Institute's role is to work with local governments and community leaders to facilitate discussions and efforts toward redevelopment strategy, community engagement, visioning and financial considerations.

Primary activities and areas of expertise provided by the CPN Institute include:

- Developing a community inventory and database of legacy buildings, properties and utilities
- Securing funding and managing the evaluation of the community inventory, including site analysis, building condition analysis, environmental analysis, and prioritization of projects/efforts
- Developing a revitalization strategy and plan including master planning, community visioning, revitalization workshops and financing strategies
- Assisting with specific market place repositioning strategy for priority projects
- Providing a network of resources including the UNC system, revitalization experts and partnering non-profit organizations

The CPN Institute has completed or has underway engagements in Shelby, Windsor, Ramseur, Thomasville, Elkin and Siler City – four of which have been named N.C. Small Towns Economic Prosperity (NC STEP) communities. The North Carolina Rural Center has awarded the CPN Institute an operating grant of \$185,000 to work in collaboration with the UNC School of Government to deliver a built assessment and finance program for numerous NC STEP towns, including Siler City. That grant was later transferred to the North Carolina Department of Commerce and created a new partnership between the Department of Commerce and the CPN Institute.

The CPN Institute has previously worked with the University of North Carolina system and other North Carolina institutions of higher learning to support its research activities and to connect it with the construction related academic and research programs throughout the system. The CPN Institute has worked with Cherokee Investments and its affiliated non-profit foundation Cherokee Gives Back to offer increased knowledge and implementation capacity.

Educational Programs

As part of its mission, the CPN Institute created a series of workshops and educational programs for Tier 1 and Tier 2 community leaders to provide them with tools to improve the redevelopment process. A one-day program on feasibility studies was designed and presented in conjunction with the North Carolina Rural Economic Development Center. The topics presented included market context analysis, asset inventories, land use restrictions and permitting, environmental assessments, condition assessments, cost assessments, and financial feasibility. The program was well-attended and well-received. Future programs are being developed on project planning and delivery and on sustainable development.

The CPN Institute has a stated objective of producing at least three educational programs a year for its target audience. Each program will be presented by members of CPN on a volunteer basis. In addition to the presentations, each attendee will receive checklists and samples for future reference.

The current strategic goal for the CPN Institute is to reach as large a target audience as possible and still provide quality educational programming. The CPN Institute is studying various distance learning techniques to reach a larger audience. For now, however, the plan is to emphasize in-person training, which is perceived as the best way to learn the actual needs of the target audience and tailor the educational programs to those needs.

Since 2002, CPN has funded an undergraduate scholarship program to foster and encourage young adults to pursue careers in the construction industry. The membership of CPN established an annual student scholarship award to assist in the education of the future leaders of the construction industry and to create an alliance between CPN and the North Carolina institutions that provide construction industry education. Scholarship recipients received an in state tuition scholarship and a complimentary one-year membership in CPN.

Historically, CPN has provided 2-4 undergraduate scholarships per year to rising junior or seniors in construction related degree programs at North Carolina colleges or universities. The Community Foundation of Greater Greensboro administers the CPN scholarship funds and the student application process. Scholarship recipients are selected each spring, with the scholarship awarded for the fall semester.

At its annual conference in 2012, CPN approved the transition of the scholarship program to an internship program operated by the CPN Institute through a donor directed plan administered by the Community Foundation of Greater Greensboro. The new internship program is supportive of CPN Institute's mission to provide community services in rural North Carolina towns as well as the CPN goal of educating future leaders for the construction and related industries.

The internship program allows the CPN Institute to place a university intern in a rural community to support the CPN Institute's mission to empower North Carolina communities to improve their physical and economic environment. Interns work in conjunction with the CPN Institute volunteers and community leaders to assist with the coordination and organization of the CPN Institute's community services for rural towns. Interns are also placed in rural communities to supplement local staff and resources in order to help implement the program recommendations coming out of the CPN Institute's Community Report.



The Town of Siler City

The Town of Siler City is a rural town in Chatham County located along the banks of the Rocky River, surrounded by rolling hills and lush countryside. First settled around 1750, Siler City was officially incorporated into the State of North Carolina on March 7, 1887. The corporate limits of the town were defined as being one-half mile from the depot of the Cape Fear and Yadkin Valley Railroad and as running with the four cardinal points of the compass. Since then, Siler City has grown to be the largest town in Chatham County.

Background

In 1884, the Cape Fear and Yadkin Valley Railway completed its track between Sanford and Greensboro. The depot was named Siler Station in recognition of Samuel Siler, who donated the land on which it is located; a post office, general merchandise and building supply store and a school soon followed.

Siler City has preserved its rural character and small town identity, even as nearby urban areas swallowed up smaller neighbors. Community members believe that it is because they respect the land; their rural personality is evident along the banks of the Rocky River, the rolling hills and countryside, the agricultural economy, and even in their people. Siler City promotes and fosters local economic growth by assisting present and potential new business owners with ways to expand and strengthen their businesses. The end result is to enhance the quality of life in Siler City.

Geographic Location

Siler City sits at 603 feet, or 183.8 meters above sea level at 35°43'34"N latitude and 79°27'47"W longitude. Siler City is situated southeast of Greensboro, in-between Asheboro and Pittsboro. Nestled at the intersection of Highways 64 and 421, Siler City is only a short drive away from Greensboro, Durham, Chapel Hill and Raleigh. Siler City is also only a two hour drive away from Charlotte. Its proximity to the rapidly growing "Piedmont Crescent" which runs from Charlotte to Raleigh along Interstates 85 and 40 makes Siler City ideally situated to share in future growth of the region.

Demographics

According to the 2010 Census, 7,880 individuals live within Siler City's corporate limits, with 2,890 housing units within its corporate limits. The ethnic makeup of Siler City is 49.8 % Hispanic or Latino, 29.2% non-Hispanic or Latino White, 2.1% African American, 1.7% Native American, 0.4% Asian, 0.2% Pacific Islander, and 8.1% who self identify as "Other." The age distribution of Siler City in the 2012 Census showed a large percentage of younger people, with 29.8% persons under the age of 18) while a small percentage, 12.1%, were 65 and older. The median age is 31.1 years. The median income in Siler City is, per household, \$34,104, and the per capita income of the town was \$13,928. About 20.4% of the population lives below the poverty line.

Area Amenities and Events

Siler City is a small town that boasts big city amenities. It has excellent schools which each have a unique curriculum. Chatham Hospital and the new medical park offer its citizens access to quality healthcare. The Siler City campus of Central Carolina Community College provides higher education in a beautiful LEED certified building. The Siler City Municipal Airport serves a variety of businesses and corporations.

Siler City is an artistic community. Beginning in the late 1990s, Leon Tongret, the former small business director at Central Carolina Community College, saw an opportunity to harness the energy of local artisans toward the revitalization of downtown Siler City. After securing financing, a portion of which came from the local government, Tongret renovated three buildings in downtown Siler City and gave birth to the North Carolina Arts Incubator. The mission of the NC Arts Incubator is: “to create a self-sustaining arts community dedicated to providing new and emerging artists with rental spaces to create art, to have access to shared resources and to be exposed to ongoing support and training opportunities; and to partner with Central Carolina Community College, and others, for the purpose of incubating artists in the pursuit and development of viable businesses, and promote economic development in historic downtown Siler City, NC “

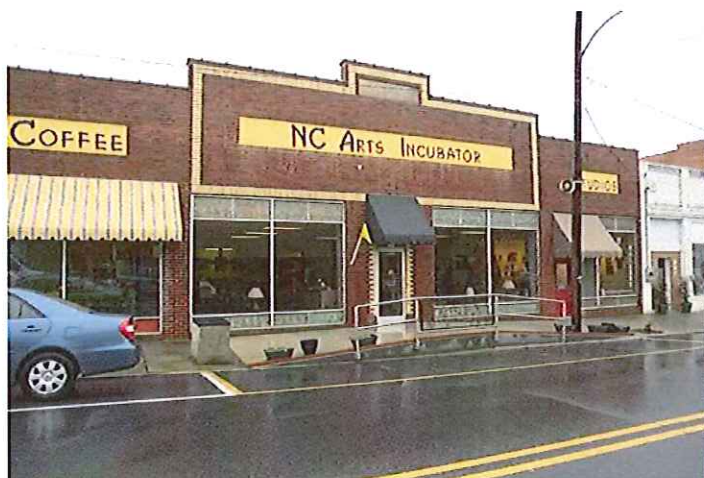
Since 2003, the NC Arts Incubator has triggered a minor renaissance. The NC Arts Incubator has acted as a catalyst to bring a creative economy to the town. Siler City’s artists and craftsmen’s work reflect the community’s dedication to the land, history, and hard work. This is evident in the murals that display the Town’s history, as well as the handcrafted masterpieces of local artisans, masters of paint, fiber, clay, metal and wood. The NC Arts Incubator has transformed a loose collection of artisans into an economic sparkplug that is helping to revitalize downtown Siler City.

Siler City offers its citizens a wealth of unique experiences. Residents meet at the 3rd Friday ArtWalk and other Downtown activities. They gather to support their local team at sporting events at Jordan-Matthews High School, or take a swim with friends at Bray Park. Siler City residents can even find joy in waiting in line to enjoy a burger from a local famous eatery. Siler City also hosts many events over the course of the year, such as: the National Night Out, Milo Holt’s Western Film Festival, the Halloween Hoopla, the Christmas Parade, Relay for Life, and the 5K for Peace, to name several.

NC STEP PROGRAM

In June of 2010, Siler City was accepted into the NC STEP (“Small Town Economic Prosperity”) Program, a program through the NC Rural Center. Towns are admitted into the competitive program based on economic need, capacity to grow, and commitment. The NC STEP Program is an economic development program with three primary goals – (1) support economic development in small towns adversely affected by structural changes in the economy or recent natural disasters; (2) implement a comprehensive model of technical assistance and grant making to aid and revitalization efforts, and (3) provide information vital to the development of public policies that support long term investment in the economic vitality of North Carolina’s small towns.

The NC STEP Program utilizes four strategies for assisting towns to move forward economically – Coaching, Training, Planning and Grants. Over 67 North Carolina municipalities have participated in the program since its origin in 2006.



Strategic Planning Process

Siler City organized a leadership team consisting of a diverse group of community leaders and consultants to participate in the NC STEP Program. The STEP Leadership Team, comprised of a cross section of Siler City's area citizens, developed a plan focusing on four broad strategies with multiple projects under each strategy.

THE DOWNTOWN MASTER PLAN

Through the STEP Program, and led by the Downtown Master Plan Committee, a subcommittee of the overall STEP Leadership Team, a Downtown Master Plan was developed by consultants Coaly Design and the Clarion Group. The Downtown Master Plan Kickoff Meeting was held on July 24, 2012, where a committee developed a vision statement for the Project. After field studies and site analysis were conducted in the downtown study area by the consultants, a community meeting was held in the evening of August 23, 2012. Based on the results, Coaly Design and Clarion prepared and conducted a survey of the community. The survey was provided to all Siler City residents as a paper and an on-line survey in both English and Spanish. Based on the survey information indicating the community's preferences, along with existing land use patterns and existing conditions of downtown, a draft Master Plan for downtown Siler City was developed and presented by the consultant to the Downtown Master Plan Committee on October 2, 2012. Feedback and recommendations from the Downtown Master Plan Committee were incorporated into a final Downtown Master Plan which was submitted on January 15, 2013. Siler City adopted the Downtown Master Plan on March 8, 2013.

CPN INSTITUTE INITIAL VISIT

CPN Institute volunteers initially met with town leaders on March 11, 2013 to discuss utilizing the recently adopted Downtown Master Plan to serve as a springboard for further assessment and assistance from CPN Institute.

Those discussions lead to a Memorandum of Understanding between Siler City and the CPN Institute. The Memorandum of Understanding called for the CPN Institute to:

- Provide a built environment assessment and evaluation of the Town's buildings and infrastructure provided by a team of construction industry and development professionals, taking into account social, economic and environmental contacts.
- Organize a community meeting employing community visioning and engagement techniques to fine tune redevelopment strategies and plans.
- Identify and prioritize promising revitalization projects.
- Provide further technical assistance to explain how to attract private investment in under invested buildings, facilities, downtowns or neighborhoods.

The CPN Institute Team (the “CPNI Team”) for Siler City consisted of the following CPN Institute Members:

CPNI members

- Mike Burriss, VP, Metcon, Inc.
- Andrew Scott, Assistant City Manager for Economic Development, City of Greensboro
- Sun Breza, Construction Services Manager, ECS Carolinas
- Gunnar Fromen, Executive VP, Carolina Bank¹
- Arty Bolick, Partner, Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.
- Michael Schiftan, Owner DevCon Resources
- Tom Foster, President, Commission WorCX
- Linda Higgins, President, One Design Center, Inc.
- John MacKay, VP, MBP Carolinas, Inc.
- Michael Lemansky, Director, Development Finance Initiative

The CPNI Team worked with Siler City town leaders and volunteers (the “Town Volunteers”), including:

- Jack Meadows, Director of Planning and Community Development
- Bryan Thompson, Town Manager
- Sam Adams, District 5 Commissioner
- Ann Bass, Community Volunteer, Arts Incubator
- Charlie McLaurin, Building Codes Administrator
- Diane Reed, President, Chatham County Economic Development Corporation
- Karen Alman, Town Clerk
- Jennifer Everage, Retention and Expansion Specialist, Chatham County EDC

¹ Gunnar Fromen subsequently retired from Carolina Bank in 2014.

LEGACY PROPERTIES

The CPNI Team and Town Volunteers identified four “Legacy Properties” for further assessment. The four Legacy properties are:

1. Henry Siler School - 502 West Third Street
2. Chatham Avenue Cotton Mill - 701 North Chatham Avenue
3. Phillips Office Supplies - 229 North Chatham Avenue
4. Hotel Hadley - 130 North Chatham Avenue and 132 North Chatham Avenue

Building Assessments

Along with the Town Volunteers, members of the CPNI Team visited and inspected the selected Legacy Properties on April 26 and 27, May 21 and 29, and December 10, 2013. In the fall of 2013, the Town of Siler City also partnered with the Development Finance Initiative of the UNC School of Government (“DFI”) through the CPN Institute specifically to conduct additional analysis of the Henry Siler School. DFI reviewed the property, prepared a pro forma analysis, generated a report and gave a presentation to the Town and CPNI Team members on December 16, 2013.²

A summary of the building inspections, assessments and recommendations based on the various site visits and the work of DFI is set forth on the following pages.

² Copies of the DFI Report, Presentation and pro forma analysis are attached hereto as Appendices A, B and C, respectively.

Henry Siler School

This 1931 wood-framed, brick-veneered building sits on an elevated site on the western edge of town. It has had various additions added to the structure over the years, including a kitchen and cafeteria.

The building structure has suffered from termite damage and roof leaks that have caused minor damage inside. The damage to the roof is moderate to severe, as is damage to the electrical / mechanical systems. The building appears structurally sound, but will require asbestos and lead paint abatement and renovation.

The School building's proximity to Chatham Hospital and other health care facilities, as well as its single story floor plan may make it attractive as a residential assisted living facility. The DFI report confirmed assisting living as one of two potential highest and best uses. The DFI report also concluded that market-rate rental property was another viable option, which could also increase commercial flow into the Downtown corridor. DFI noted, however, site density would need to be increased in order to make the site feasible for either option.

DFI has offered to assist the Town with further efforts to assist the Town in securing redevelopment of the Henry Siler School. The CPNI Team encourages the Town to continue to partner with DFI to explore redevelopment of the Henry Siler School as a priority project in the overall redevelopment of Siler City.



Chatham Avenue Cotton Mill

Chatham Cotton Mill is a 170,000 square-foot, mostly two-story mill with historic outbuildings, power house and warehouses that sits just northwest of the Downtown area. It has both rail and truck access. Parking areas can be repurposed into new building sites.

The building is well maintained, but aging. Repairs are needed in the floor system, and the CPNI Team identified moderate damage to the foundation and electrical / mechanical systems.

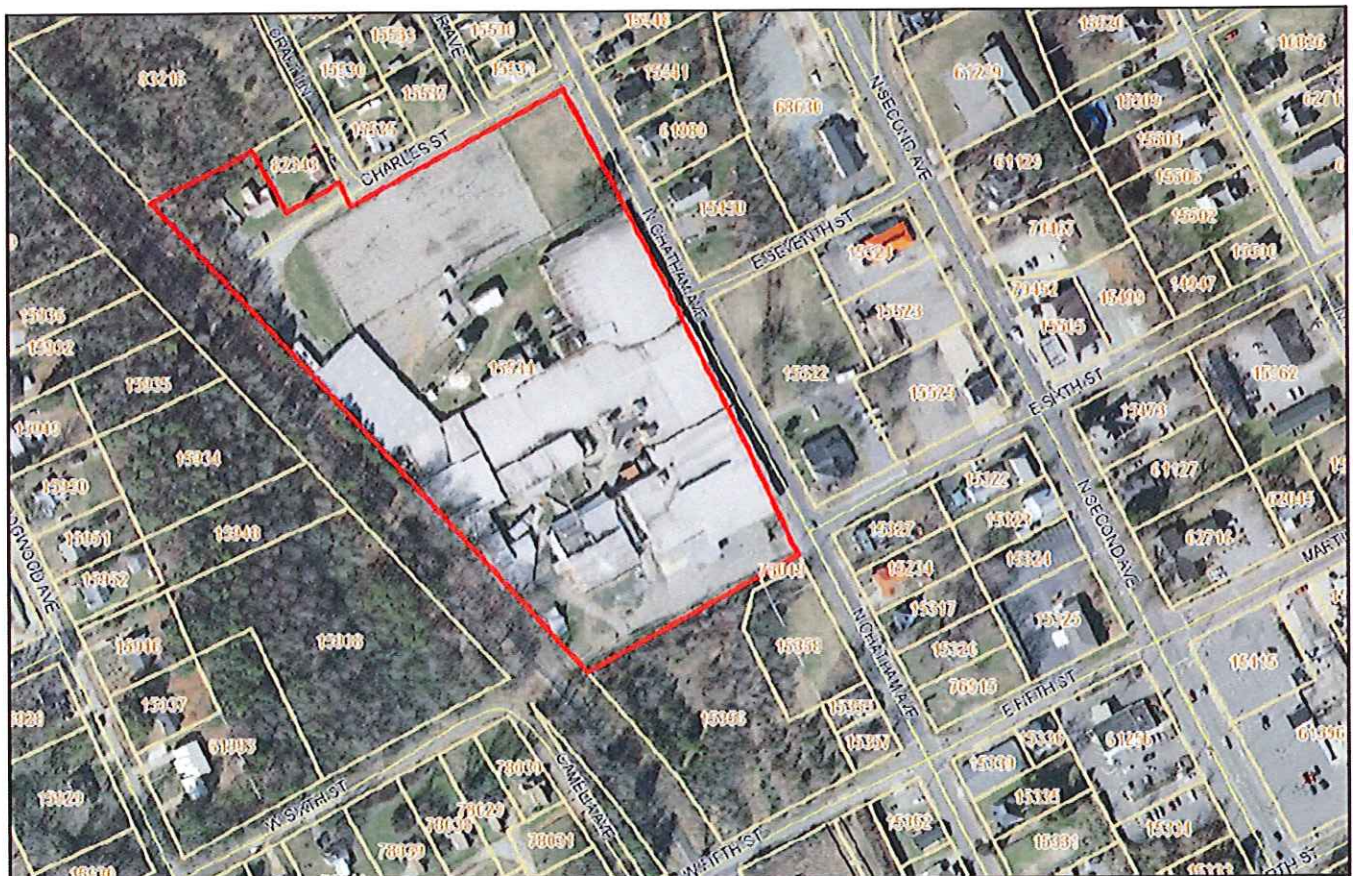
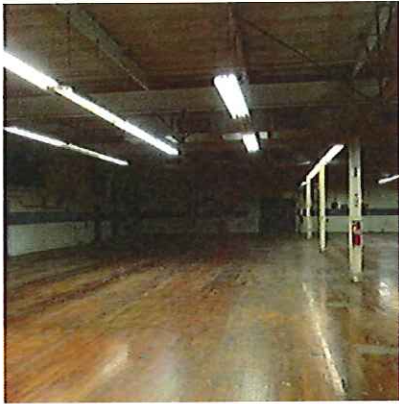
Because Siler City is still a centrally located resource to Southern Pines, Greensboro, Chapel Hill, Durham, and Raleigh, there are opportunities to utilize this property as a regional distribution center for “farm-to-table” produce and meats. The agricultural focus of the surround areas, along with existing meats processing plants could combine into a regional center of cleaning, packing and distributing fresh produce and meats to the larger cities surrounding it.

Previous study committees have focused on Siler City’s regional produce opportunities. By bringing those groups back together, a combination of building redevelopment and business development could bring new life to the old mill, providing jobs and more traffic into the town. Having a central source for local meat and produce could also influence restaurant development downtown.

The CPNI volunteers have contacted various groups that participate in farm-to-table businesses and the Rural Center for members and contact information from prior study committees. A meeting for planning and discussions with these groups should be initiated.

The relative good condition of the Mill and the promise of potential use make the Mill a priority project. The CPNI Team recommends initiating additional study and investigation into the development potential of the Mill. As a first step, a pro forma should be generated to gauge the feasibility of redevelopment and a highest and best use analysis commissioned similar to the work performed at the Henry Siler School by DFI.





CHATHAM COUNTY, NC



Chatham Mills

Disclaimer:
The data provided on this map are prepared for the inventory of real property found within Chatham County, NC and are compiled from recorded plats, deeds, and other public records and data. This data is for informational purposes only and should not be substituted for a true title search, property appraisal, survey, or for zoning verification.

Parcel Number: 15534
Map Number: 8782-10-0403.000
Owner Name: CHATHAM WAREHOUSE LEASING LLC
Owner Address: PO BOX 64076
Owner City: FAYETTEVILLE
Owner State: NC
Owner Zip: 28305
Tax Year: 2014
Description: SC-105-2-1

Deed Book: 1170
Deed Page: 0794
Plat Book: 2005
Plat Page: 0119
Deed Acres: 10.014
Physical Address: 701 N CHATHAM AVE
Improvement Value: 342235
Land Value: 225210
Fire District: 202
Township Code: 10



One Inch = 200 Feet

Phillips Office Supplies

The Phillips Office Supplies building was built in 1948. It sits on a 10,800 square foot combined lot that includes an area for parking. It is located on the Northwest side of North Chatham Avenue. As with most properties on this side of the street, and underground spring and storm water runoff have led to a damp basement, masonry deterioration, and some structural issues to address. Given the water and dampness issues, it should be evaluated for possible mold. Also, given the building's age, it may contain asbestos and lead.

The building envelope, however, remains in good condition. Only mostly cosmetic work would need to be performed on the exterior.

The Phillips Building has very good potential for future development as a residence / retail combination. The ample adjacent parking makes it attractive for commercial use. Given its proximity to the NC Arts Incubator, a live- in studio combined with a showroom / salesroom would be a natural fit.

Additional study and investigation should be considered. Before significant development effort is undertaken, a pro forma should be generated to gauge the feasibility of such efforts.



Hotel Hadley

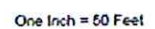
The Hotel Hadley is a Historic Registry Building that has unique architectural details from the late Victorian period. Located in the heart of Downtown, the Hotel Hadley is a 4,560 square foot two story building with a beautifully ornate white façade.

The building has suffered from fire that damaged the back part of the structure, resulting in its partial demolition and structural repair work. While the shell of the building appears stable, as a result of the poor condition of the interior, the CPNI Team could not access the second floor. Significant investment will be needed to rebuild the interior. Any future use should preserve the façade and incorporate it as the signature feature.

The building and adjacent lot offers potential development as a restaurant/bar with an outdoor seating area. Because the property has common ownership with several of the adjoining properties, one possibility is to incorporate the restoration of the Hotel Hadley as part of a larger block renovation and development.

However, significant further study and investigation is required before any plan can be implemented. It also is recommended that the Town adopt a “wait and see” approach to determine whether additional development in the Downtown area may come to fruition which would make investment in the Hotel Hadley more realistic.





Additional Observations and Recommendations

Siler City is a typical rural North Carolina town whose reality changed over the past decade with the demise of its manufacturing and employment base. The development and implementation of a revitalization strategy for the assessed properties will benefit from continued community engagement combined with outside assistance for planning and financing initiatives.

Successful community based revitalization plans have the following ingredients:

- A clear branding strategy and marketing plan.
- An overall revitalization plan, including implementation strategies.
- Marketing studies that support the plan.
- Architectural standards and guidelines.
- Financing and funding strategy.

Siler City should continue to implement its Downtown Master Plan, as well as explore opportunities for the four selected properties by taking small, manageable steps in the context of a big dream plan. The community needs to feel the success gained by each step toward the overall goal. With that in mind, revitalization efforts should focus on implementation of the following priorities:

- (1) Continue to partner with DFI to investigate redevelopment opportunities for the Henry Siler School and the Chatham Avenue Cotton Mill;
- (2) Develop strategies to encourage revitalization consistent with the Downtown Master Plan;
- (3) Explore sources of funding and financing vehicles for Downtown redevelopment;
- (4) Continue efforts to support and market the NC Arts Incubator;
- (5) Investigate further opportunities for redevelopment of the Phillips Office Supplies Building;
- (6) Investigate opportunities for redevelopment / preservation of the Hotel Hadley.

Siler City has many opportunities and obstacles to complete revitalization of its community. The CPNI Team attempted to address some of the opportunities presented to the Town in respect to the Downtown Master Plan and the Legacy Property assessments. The community's success in revitalizing the community will be reflective of the leadership's ability to develop a community endorsed strategic plan, which incorporates the Downtown Master Plan, and prioritizes work efforts and allocation of limited resources.

CPNI TEAM BIOGRAPHIES

Mike Burriss, VP, Metcon, Inc., 2014 CPN President

Mr. Burriss, a Mechanical Engineering graduate of NC State University, most recently lead the Metcon's growth of construction management services into Charlotte, NC and Columbia, SC. Primarily focused on education and manufacturing projects, he directs the pre-construction, planning, and bid strategies for Metcon.

Andrew Scott, Assistant City Manager for Economic Development, City of Greensboro

Career Highlights include: Assistant City Manager for Economic Development, 2008 to present; Director, Housing and Community Development Department, 1993 to present; Special Assistant to the City Manager for Housing, 1989-1993. Significant Accomplishments include: Eastside Park Development, Southside Development, Willow Oaks Development, Greensboro Affordable Home Loan Program.

Sun Breza, Construction Services Manager, ECS Carolinas

Lead a group of professionals with to develop business in five primary market sectors for the Departments of Transportation in the Carolinas, Tennessee and Kentucky. The five primary sectors are Geotechnical Consulting, Design-Build Projects, Construction Engineering and Inspections (CEI), Environmental Services and Specialty Services. Additional responsibilities include providing principal engineer oversight for the development of proposals and execution of our services for special inspections and materials testing projects.

Gunnar Fromen, Executive VP, Carolinas Bank – Recently Retired

Arty Bolick, Partner, Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P

Arty's practice is devoted to representing owners, contractors and design professionals in all aspects of the construction process - from contract drafting and negotiation to claims resolution and litigation. Arty frequently speaks on construction related topics, particularly those associated with public contracting and procurement, and has been consistently recognized as one of North Carolina's Legal Elite, a North Carolina Super Lawyer, and among The Best Lawyers in America for Construction Law.

Michael Schiftan, Owner, DevCon Resources

DevCon Resources a mutli-functional real estate consulting firm provides real estate consulting, development coordination and project management, as well as asset management. We specialize in providing development consultation to institutions, corporations, and individuals with limited real estate development experience or limited time to devote to real estate development.

Tom Foster, President, Commission WorCX

Tom serves as our commissioning team leader and project manager for all projects, and handles all on site communications with owners and contractors. He is supported by a core group of experienced professional staff and is responsible for leading the development and implementation of all commissioning projects. Tom's experience is wide-ranging and includes design, installation, and commissioning oversight and review responsibility of over 100 projects.

Linda Higgins, President, One Design Center, Inc.

From its inception in 1973, One Design Center, Inc. has created unique and functional interiors for a broad spectrum of clients. Our experience encompasses hotels, restaurants, clubs, offices, retail and other public facilities. Having worked on a myriad of projects varying in size, function and complexity, our knowledge of design requirements for different businesses is vast. An innovative design solution, an extensive knowledge of manufacturing sources and efficient project management provides cost-effective design for our clients.

John MacKay, VP, MBP Carolinas, Inc.

McDonough Bolyard Peck is a multi-discipline consulting engineering firm organized to assist clients in managing the construction process from initial budget, through design and construction, to successful project close-out. Engineering News Record ranked MBP one of the top 100 construction management firms in the country. We serve private and governmental owners, designers, contractors, developers and attorneys on a wide range of project sectors, including transportation, building, plant, environmental and utilities projects.

Michael Lemansky, Director, Development Finance Initiative

Lemanski has more than 15 years of experience using innovative finance mechanisms to complete complicated real estate development projects. He is the founder and former managing partner of Greenfire Development in Durham, where he continues to serve as a board member. Prior to starting Greenfire, Lemanski was an environmental engineer for Kimberly Clark Corporation. Lemanski graduated from North Carolina State University with degrees in chemical engineering and environmental science, and he holds an MBA from UNC-Chapel Hill.

Appendix A

Henry B. Siler School Redevelopment – Fall 2013

Development Finance Initiative, UNC – Chapel Hill

CONTEXT

The Town of Siler City, NC and Chatham County are interested in identifying potential downtown redevelopment projects for buildings that are currently underutilized. One of these buildings is the old Henry B. Siler School on West 3rd Street. The school, originally built in 1930, is currently vacant but remains a prominent structure just a quarter of a mile from downtown. The Town has asked for help in determining the highest and best use of the building. DFI was contracted to deliver options and recommendations relating to the highest and best use for the site including finance tools and potential development partners. In order to make these recommendations, DFI completed the following research:

- Conducted a highest and best use analysis including evaluation of redevelopment potential, market feasibility and demand analysis for low-income, elderly and market-rate rental housing
- Evaluated options for financing and structuring a public-private partnership for redevelopment, including through the use of Historic, Low-Income Housing, New Market and other tax credit equity sources
- Analyzed redevelopment potential, finance and structuring options, potential development partners and strategies to attract private investment (with minimal public investment)
- Created pro forma financial model in order to test redevelopment feasibility

ANALYSIS

DFI conducted a highest and best use analysis for the school, evaluating the market for redevelopment potential pertaining to low-income housing, assisted living, and market-rate rental apartments. Because of the current floor plan, the classroom layout lends itself for residential reuse. Each scenario consisted of a detailed analysis of redevelopment feasibility based on private investment, tax credits as a source of equity and evaluated the market for redevelopment potential.

Low-Income Housing

DFI research suggests a current need and demand for additional affordable housing options in Siler City. 49% of the current renting population pay more than 30% of their income in rent and most affordable housing complexes have no vacancy. There have not been any new affordable housing developments in the Town in recent years and the percentage of mobile homes in relation to total affordable options continues to grow (currently over 80%). Unfortunately, the current size of the building restricts a potential redevelopment project from qualifying for Low-Income Housing Tax Credits (LIHTC). Current zoning regulations also impede the site's ability to compete with larger, more attractive projects.

Assisted Living Facility

Research also suggests a growing demand for assisted living housing in (and around) Siler City. By mid-2014, there will be over 300 participants from the Program for All-Inclusive Care (PACE) for the Elderly within 50 miles of Siler City. Current conversations with NC operators/developers of PACE facilities indicate strong interest in providing housing for PACE participants. The school provides a prime central location and the ability to combine LIHTCs, New Market Tax Credits and potentially Historic Tax Credits with an assisted living redevelopment project. In addition, the type of mixed-resident model being discussed could offer affordable housing options in addition to assisted living housing. However, the ability to increase density on the site would be required to proceed.

Henry B. Siler School Redevelopment – Fall 2013

Development Finance Initiative, UNC – Chapel Hill

Market-Rate Rental Housing

Current supply of market-rate rental housing in Siler City is limited. Given the current waitlist at the Town's only market-rate apartment complex, Stonecrest Apartments, there is reason to believe that demand for market-rate housing exists. A potential floor plan could include a mix of 17 one and two bedroom units. Because of the buildings location, unique history, and potential for creating a new downtown, residential rental market, DFI recommends targeting above market rents. Comparable historic redevelopments researched throughout the state of NC have achieved above market rents for similar reasons. Due to the current level of expected returns, this scenario will most likely require some level of public participation in order to attract private investment for redevelopment. Alternatively, rezoning the property to allow for increased density would make the project more attractive to potential developers. **Table One** in the **Appendix** displays potential developer/investor returns based on different unit allowances and different acquisition cost estimates. Increasing density and decreasing the acquisition cost (potentially with public investment) provides a higher return. Typical returns desired by investors/developers for these types of projects are 20% and higher.

RECOMMENDATION & NEXT STEPS

DFI recommends that the Town of Siler City and Chatham County consider both a senior assisted living facility and market-rate rental redevelopment scenario. The assisted living scenario has a unique ability to provide much needed elderly housing and affordable options to Siler City residents. The market-rate rental housing project, on the other hand, would create a new market for residential rentals near downtown, helping to increase activity along the commercial corridor. The ability to increase density on the site will most likely be vital to attract private investment for either option. In addition, obtaining a historic designation for the property will be necessary in order for private developers to obtain Historic Tax Credits. Therefore, DFI recommends taking the necessary steps to create a new zoning district and pursue a historic designation for the school as quickly as possible. Both will succeed in making any type of redevelopment more attractive to private developers.

Given the background research and financial analysis already completed for the various redevelopment uses, DFI is well equipped to advise on the recommendations above. DFI is prepared to undertake the following scope of services through an extended partnership with the Town of Siler City:

- Facilitate the historic designation process
- Develop preliminary program for the redevelopment scenarios discussed
- Initiate site plan review for creation of new zoning district
- Assist Town with due diligence on potential developers
- Continue dialogue with developers/operators interested in assisted living facility

Henry B. Siler School Redevelopment – Fall 2013

Development Finance Initiative, UNC – Chapel Hill

APPENDIX

Table 1 – Increased Density Analysis

No Acquisition Cost

| Built Area | Leasable Sq Ft | # of Units | Acquisition Price | Projected IRR |
|------------|----------------|------------|-------------------|---------------|
| 14000* | 11,900 | 17 | \$0 | 17% |
| 20,000 | 17,000 | 24 | \$0 | 23% |
| 25,000 | 21,250 | 30 | \$0 | 28% |
| 30,000 | 25,500 | 36 | \$0 | 32% |

With Acquisition Cost (Estimated)

| Built Area | Leasable Sq Ft | # of Units | Acquisition Price | Projected IRR |
|------------|----------------|------------|-------------------|---------------|
| 14000* | 11,900 | 17 | \$200,000 | 4% |
| 20,000 | 17,000 | 24 | \$200,000 | 11% |
| 25,000 | 21,250 | 30 | \$200,000 | 15% |
| 30,000 | 25,500 | 36 | \$200,000 | 19% |

* Current size of building

Appendix B

HENRY B. SILER SCHOOL HIGHEST & BEST USE ANALYSIS



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

DEVELOPMENT FINANCE INITIATIVE, DECEMBER 16TH, 2013

AGENDA

- Development Finance Initiative
- Project Background
- Building Specifications
- Highest & Best Uses
 - Affordable Housing
 - Assisted Living Facility
 - Market-Rate Rental Housing
- Recommendations

DEVELOPMENT FINANCE INITIATIVE

DFI partners with local governments to attract private investment for transformative projects by providing specialized finance and development expertise.

- **DFI team** includes subject matter experts in:
 - Community and Economic Development (CED)
 - Real Estate Development & Finance
 - Public Finance
 - Land Use and Planning
 - Market Analysis
 - Public Private Partnerships

PROJECT BACKGROUND

- Central Carolina Community College vacated the Henry B. Siler School in 2010
- Building is currently owned by Chatham County
- County and Town requested DFI's assistance to provide direction about potential highest and best uses



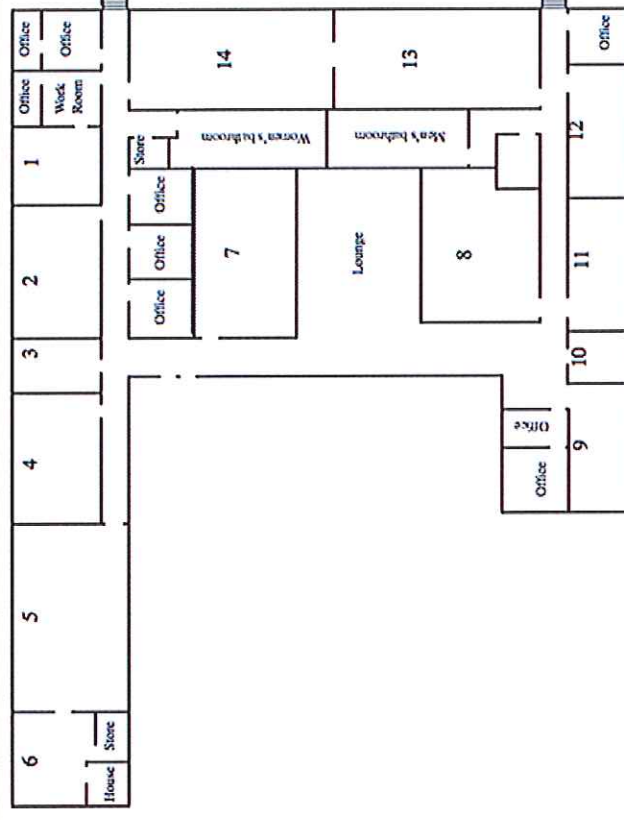
BUILDING SPECIFICATIONS

Age of Building – 1930

Square Footage – 14,023

Lot Size – 2.36 Acres

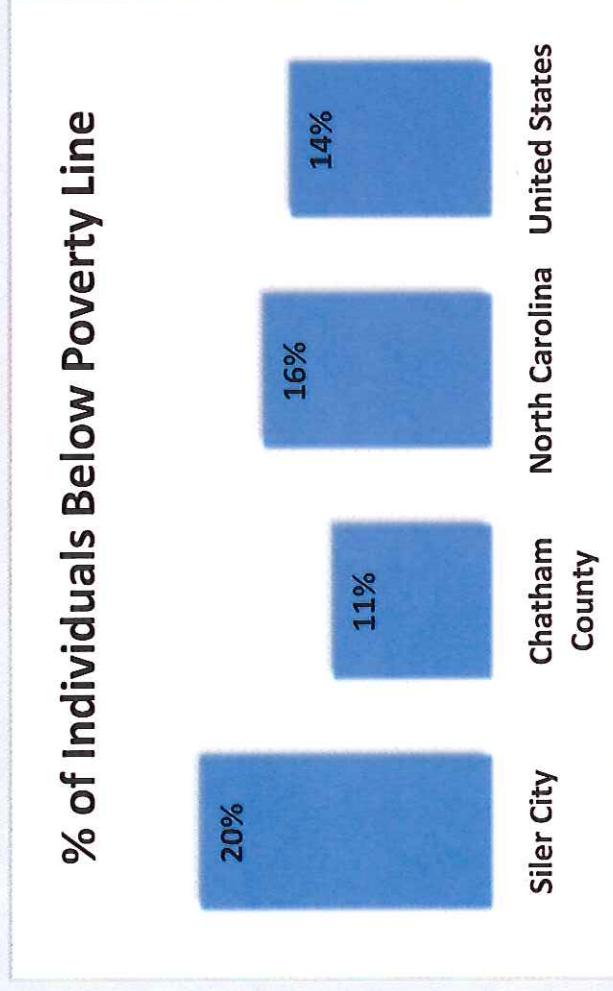
- Floor plan lends itself for residential reuse
- Building is **not** located in Siler City Commercial Historic District
- Eligible for New Market Tax Credits



Henry Siler School Floor Plan Rendering

Affordable Housing Analysis

AFFORDABLE HOUSING – DEMAND



Source: American Fact Finder (2010 Census), census.gov

- 49% of renter-occupied households pay more than 30% of their income in rent
- 25% pay more than 50% of their income in rent

AFFORDABLE HOUSING – SUPPLY

| Rental Housing Type | # Units | Average Rate |
|----------------------|-------------|---------------|
| Affordable | 144 | \$ 585 |
| Affordable - Senior | 132 | \$ 476 |
| Mobile Home | 1282 | \$ 483 |
| Total/Average | 1558 | \$ 515 |

- Seven affordable housing complexes
- Total affordable units (excluding mobile homes): 276
- Five of Seven reported “no vacancy”

AFFORDABLE HOUSING – PROJECTED SITE SCORE

LIHTC Scoring Based on 2014 NCHFA Qualified Application Plan

| Criteria for Site Score Evaluation | Henry Siler School Evaluation | Projected Points | Max Points |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------|------------|
| Neighborhood characteristics - surrounding structures are well maintained or site qualifies as redevelopment project | Surrounding structures well-maintained and site qualifies as a redevelopment project | 18 | 18 |
| Proximity to Grocery | Compare Foods 1 block away | 18 | 18 |
| Proximity to Shopping or Pharmacy | < 1 mile from pharmacy and downtown | 9 | 9 |
| Site does not have any "Incompatible uses" nearby | None aware of within a half mile | 6 | 6 |
| Site does not have negative features, design challenges, physical barriers or other unusual problematic circumstances | None aware of | 3 | 3 |
| Site is visible to potential tenants (visible from main road and located within 500 feet of a building in use) | Yes | 3 | 3 |
| Site has traffic controls that allow for safe access | Single lane, low traffic | 3 | 3 |
| | Total | 60 | 60 |

"Incompatible Uses" – airports, chemical or hazardous materials storage/disposal, commercial junk or salvage yards, landfills currently in operation, sources of excessive noise, wastewater treatment facilities

AFFORDABLE HOUSING – CURRENT CAPACITY

| Bldg Specs | |
|----------------------|--------|
| Bldg Square Footage | 14,023 |
| Estimated Efficiency | 85% |
| Total Leasable Sq Ft | 11,920 |

| Potential Program | | | |
|-------------------|-----------|-------|---------------|
| Unit Type | # Units | Sq Ft | Total Sq Ft |
| 1-Bedroom | 13 | 650 | 8,450 |
| 2-Bedroom | 4 | 850 | 3,400 |
| Total | 17 | | 11,850 |

- Property currently zoned for a max of 23 units
- Minimum # of affordable units needed to qualify for LIHTC = 24
- Average 2013 LIHTC project in NC had **60 units** (smallest had 36)

AFFORDABLE HOUSING – CONCLUSION

- Research suggests a current need and demand for additional affordable housing options
- Mobile homes remain the predominant affordable option
- The location of the school scores well based on the 2014 NCHFA QAP ... **BUT**
- Current size of school requires significant expansion in order to meet QAP requirements and compete with other projects
 - Zoning regulations currently impede site's ability to compete with larger, more attractive projects

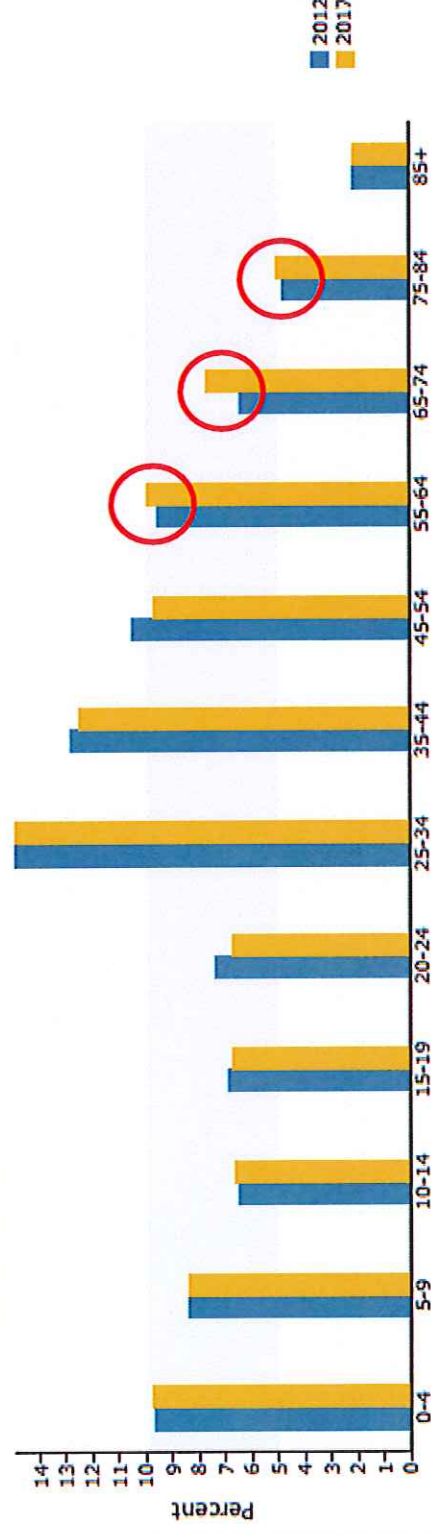
Assisted Living Facility Analysis

ASSISTED LIVING FACILITY – OVERVIEW

- Opportunity to convert school into senior assisted living facility, acting on Siler City's increasing elderly population
- Current interest from senior care facility operators/developers to increase housing options for Program for All-Inclusive Care (PACE) participants
- Increasing density or expanding site could allow for the use of LIHTCs, NMTCs and HTC's with an assisted living facility redevelopment project

ASSISTED LIVING FACILITY - DEMAND

Population by Age



Source: ESRI Forecasts, U.S. Census Bureau 2010

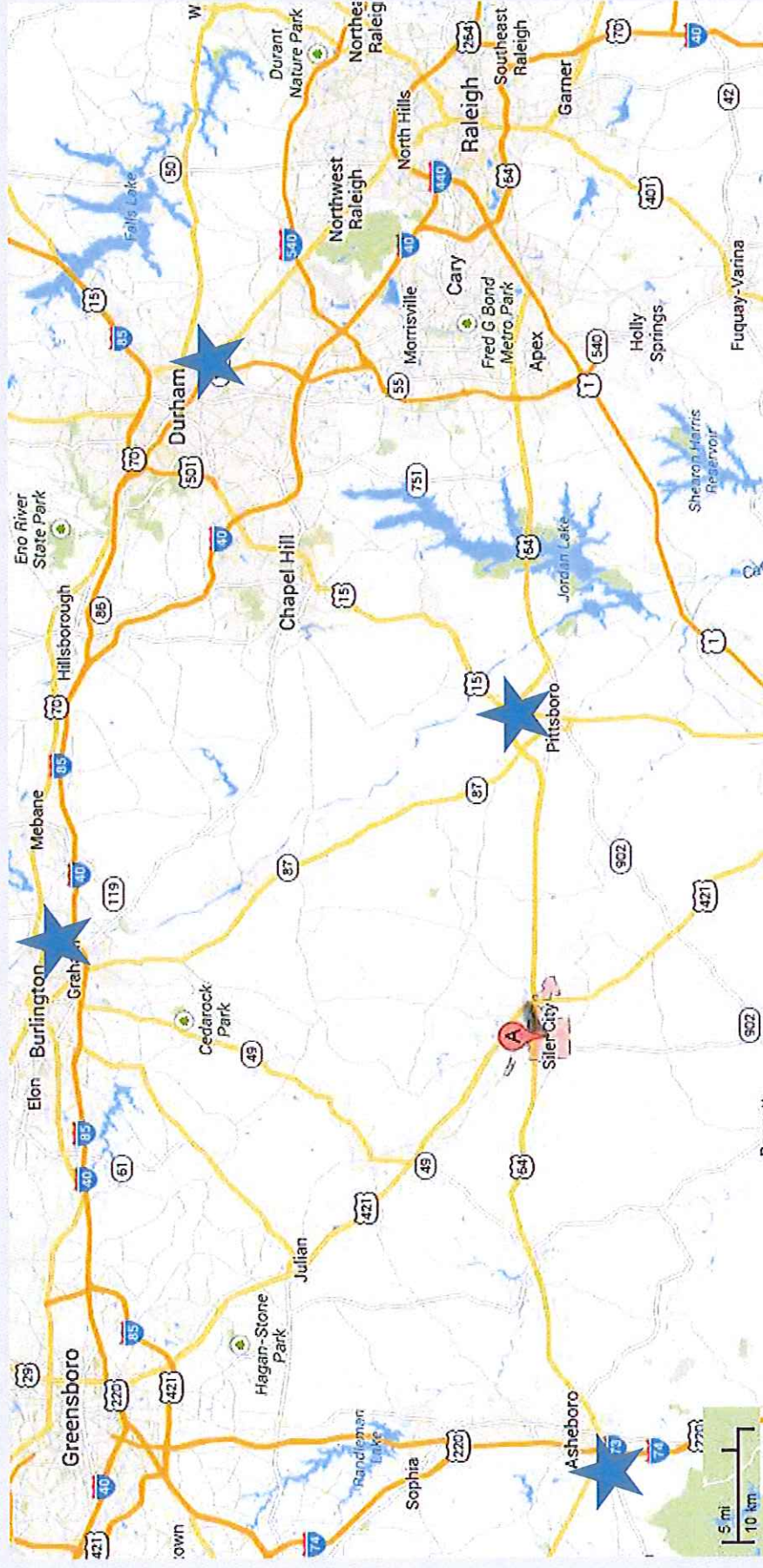
- Count of households 65+: 606
- Count of population 65+: 1,100 or 13.4%
- Count of population 75+: 551 or 6.7%

ASSISTED LIVING FACILITY – PACE DEMAND

- PACE is a self-sustained managed care program that focuses on caring for older individuals with chronic care needs and their families/caregivers in the community, rather than in long-term facilities.
- PACE serves individuals who are age 55 or older, certified by their state to need nursing home care, and able to live safely in the community
- Developers/Operators of PACE programs in NC are actively looking to roll out a housing development program for its daytime participants
- Siler City is an “ideal” location

ASSISTED LIVING FACILITY - PACE DEMAND

Market Analysis Area – Current PACE Centers



- Asheville location scheduled to open early 2015

ASSISTED LIVING FACILITY – DEVELOPMENT CRITERIA

- The model succeeds in its ability to take advantage of economies of scale and tax credits; therefore, it must meet certain density and regulatory requirements:
 - Desired size is 40-50 units
 - Certificate of Need required prior to development (NC Division of Health Services Regulation)
 - 50% of residents are low-income individuals (55+) not requiring assisted living treatment (LIHTC)

ASSISTED LIVING FACILITY – CONCLUSION

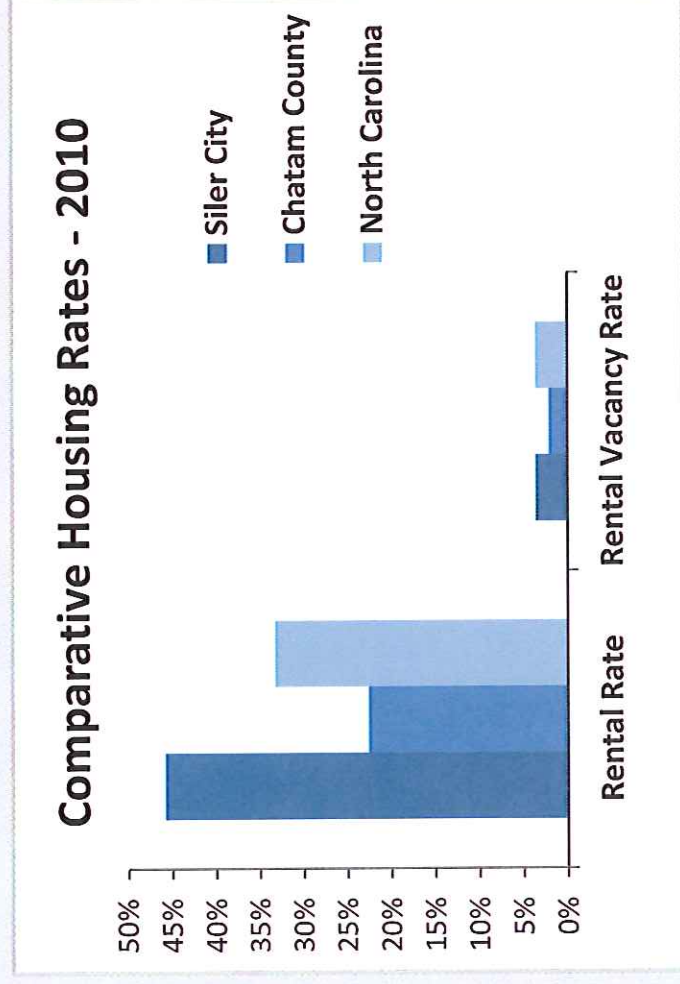
- Market research suggests there is growing demand for assisted living housing
 - 300+ potential PACE participants within 30 mile radius
- Current conversations with interested assisted living facility operators/developers suggests strong interest in the site
 - Ability to increase density would be required to proceed
 - Process likely to be timely due to regulatory nature of the industry

Market-Rate Rental Housing Analysis

MARKET-RATE RENTAL HOUSING – OVERVIEW

- Convert school into market-rate one and two bedroom apartments with amenities such as gym and laundry facility
- Great Downtown location
 - ¼ of a mile from Commercial Historic District
- Creating a new market with historic apartments

MARKET-RATE RENTAL HOUSING – DEMAND



Source: American Fact Finder (2010 Census), census.gov

- 17% of population lives in a multi-family complex with 3 or more units
- Compared to 5.2% in Chatham County and 14% throughout North Carolina

MARKET-RATE RENTAL HOUSING - SUPPLY

- No new multi-family rental housing development since 2007
- Stonecrest Apartments
 - Sole market-rate only housing complex in Siler City
 - ~ 1 mile from Henry Siler School
 - 72 Units
 - One Bedroom - \$540
 - Two Bedroom - \$640
- **No Vacancy in last 3 years**



Source: www.stonecrestapartments.com

MARKET-RATE RENTAL HOUSING – PROPOSED PROGRAM

| Potential Program | | | | | | |
|-------------------|----------------|--------------|-------------|--------------|--------------------|----------------------------------------|
| <u>Unit Type</u> | <u># Units</u> | <u>Sq Ft</u> | <u>Rent</u> | <u>\$/SF</u> | <u>Total Sq Ft</u> | <u>Monthly Rent</u> <u>Annual Rent</u> |
| 1-Bedroom | 13 | 650 | \$ 600 | \$ 0.92 | 8,450 | \$ 7,800 \$ 93,600 |
| 2-Bedroom | 4 | 850 | \$ 700 | \$ 0.82 | 3,400 | \$ 2,800 \$ 33,600 |
| Total | 17 | | | | 11,850 | \$ 10,600 \$ 127,200 |

- Estimated Development Costs – \$2,000,000
- Estimated Historic Tax Credits – \$500,000

MARKET-RATE RENTAL HOUSING – CONCLUSION

- Market research suggests potential demand for market-rate housing
 - Large renting population coupled with low vacancy rates
 - Waiting list at competing complex
- Economic viability of market-rate housing worth exploring in greater detail
 - Public involvement most likely needed to attract private investment
 - Historic designation key to project's feasibility
 - Increased density increases project's attractiveness

INCREASED DENSITY ANALYSIS

| Built Area | Leasable Sq Ft | # of Units | IRR (No Acq. Price) | IRR (w/Acq. Price) |
|------------|----------------|------------|---------------------|--------------------|
| 14,000* | 11,850 | 17 | 17% | 4% |
| 20,000 | 17,000 | 24 | 23% | 11% |
| 25,000 | 21,250 | 30 | 28% | 15% |
| 30,000 | 25,500 | 36 | 32% | 19% |

* Current Size of Bldg

- Land may only be granted for purposes of affordable housing
- Estimated acquisition cost = \$200,000

RECOMMENDATIONS

- Market and financial analysis suggests two highest and best uses
 - Assisted living facility
 - Market-rate rental housing
- Important factors to consider:
 - Project timeline and scope of Town involvement (assisted living facility)
 - Scale of public involvement needed to attract private investment (market-rate rental housing)
 - Increased density to make project more attractive (both)

Appendix C

Henry Siler School - Assumptions

yellow = main cells to change analysis; blue = hard coded numbers; black = formulas; green = linked from another tab)

| Property | |
|--------------------------|--------|
| Number of Units | 17 |
| Gross Building Area (SF) | 14,023 |
| Net Rentable Area | 11,920 |
| Efficiency | 85% |

| Development Period Sources | |
|----------------------------------------------------|-------------|
| Cash | 10% |
| HTC Equity | 5% |
| Developer Fee | 12% |
| Bridge Loan | 18% |
| Construction Loan | 54% |
| Total Dev. Period Sources (less Deferred Dev. Fee) | \$1,911,397 |

| Permanent Sources | |
|--------------------------------------|-------------|
| Developer Equity | 10% |
| Deferred Dev. Fee | 12% |
| HTC Equity (excl. final installment) | 23% |
| Mortgage | 54% |
| Total Permanent Sources | \$1,911,397 |
| Capital Call to cover Yr 1 Cash Flow | \$18,542 |
| Total Equity In | \$208,114 |

| Uses | |
|------------------------|-------------|
| Acquisition | 0% |
| Hard Costs | 71% |
| Soft Costs | 12% |
| Other Costs | 17% |
| Total Dev. Uses | \$1,911,397 |
| less Deferred Dev. Fee | (\$237,435) |
| less Last Period Costs | \$0 |
| Total Dev. Period Uses | \$1,673,962 |

| Income & Expenses | |
|------------------------------------------|-------------|
| Income | |
| 1-Bedroom Rent/Month | \$600 |
| Vacancy (Yr. 1/ongoing) | 50.0% |
| 2-Bedroom Rent/Month | \$700 |
| Vacancy (Yr. 1/ongoing) | 50.0% |
| Additional Income (% of Rents) | 2% |
| Vacancy (Yr. 1/ongoing) | 50.0% |
| Rent escalator | 3.0% |
| Interest earned | 1.0% |
| Expenses | |
| Operating Expense Escalator | 2.5% |
| Property tax per \$100 of Assessed Value | \$1.072 |
| Proposed tax assessed value | \$1,297,802 |
| Management Fee as % of GEI | 3.0% |
| Commission (Retail) | 2.0% |
| Financing Costs | |
| Construction Loan Origination Fee | 1.0% |
| Construction Loan Interest | 6.0% |
| Construction Loan Amortization | 20 |
| Bridge Loan Interest | 10.0% |
| Bridge Loan Amortization | 20 |
| Amount of Def Dev Fee | 75.0% |
| HTC Pref | 1.0% |
| HTC Put (Federal Only) | 5.0% |
| Federal HTC Price | \$0.93 |
| State HTC Price | \$0.58 |

| Disposition | |
|---------------------|------|
| Year of Disposition | 6 |
| Cost of Sale | 3.0% |

| Loan/Financing | |
|----------------------------------|-------------|
| Permanent Loan Interest Rate | 5.0% |
| Amortization (yrs) | 30 |
| Desired DSCR | 1.25 |
| Cap Rate (In CF analysis) | 7.5% |
| Actual LTC | 80.0% |
| Actual LTC | 54.3% |
| Loan Amount | \$1,038,242 |
| Annual Debt Service | \$66,882 |
| Stabilized NOI Method | |
| Annual DS | \$97,335 |
| Monthly DS | \$77,868 |
| Implied Loan Size | \$6,489 |
| LTV Method | |
| Stabilized NOI Valuation (Yr. 2) | \$1,297,802 |
| LTV | 89% |
| Implied Loan Size | \$1,038,242 |

Present Value Formula

| Before-tax Returns | |
|---------------------------|----------|
| Equity Investor Ownership | 100% |
| IRR | 16.7% |
| Equity Multiple | 2.4x |
| NPV @ 15% | \$65,643 |

| Performance Metrics over hold | |
|-------------------------------|-------|
| Avg. Return on Equity | 44.4% |
| Avg. Return on Cost | 4.8% |
| Max Break-even Ratio | 33.1% |
| Min Break-even Ratio | 24.4% |

Henry Siler School - Residential Program

yellow = main cells to change analysis; blue = hard coded numbers; black = formulas; green = linked from another tab)

| Bldg Specs | |
|----------------------|--------|
| Bldg square footage | 14,023 |
| Estimated Efficiency | 85% |
| Total Leasable Sq Ft | 11,920 |
| Total Non-Leasable | 2,103 |

| Potential Program | | | | | | |
|-------------------|---------|-------|--------|---------|-------------|-------------|
| Unit Type | # Units | Sq Ft | Rent | \$/SF | Total Sq Ft | Annual Rent |
| 1-Bedroom | 13 | 650 | \$ 600 | \$ 0.92 | 8,450 | \$ 7,800 |
| 2-Bedroom | 4 | 850 | \$ 700 | \$ 0.82 | 3,400 | \$ 2,800 |
| Total | 17 | | | | 11,850 | \$ 10,600 |

ok

Henry Siler School - Development Budget

yellow = main cells to change analysis; blue = hard coded numbers; black = formulas; green = linked from ano Construction Months 12
Loan Amount \$1,038,242

| | |
|-----------------------|--------|
| Residential | 11,850 |
| Total Leasable SF | 11,920 |
| Total Non-Leasable SF | 2,103 |
| Total Gross SF | 14,023 |

| Acquisition | Assumptions | per GSF | Total | ORE% | ORE | Non-ORE | \$0 |
|----------------------------------------------------------------|-------------|----------|-------------|------|-------------|-----------|-------|
| | | \$0.00 | \$0 | 0% | \$0 | \$0 | |
| HARD COSTS | | | | | | | |
| Permit fees | | \$0.86 | \$12,000 | 100% | \$12,000 | \$0 | |
| Demolition/Abatement | | \$2.00 | \$28,000 | 75% | \$21,000 | \$7,000 | |
| Sitework | | \$0.60 | \$8,000 | 0% | \$0 | \$8,000 | |
| Site utilities | | \$1.15 | \$16,000 | 0% | \$0 | \$16,000 | |
| Hard costs (incls. security, lighting, kitchen, windows, etc.) | | \$75.00 | \$1,051,725 | 90% | \$946,553 | \$105,173 | |
| General Conditions (dumpster, temp utils, etc.) | 4.0% | \$3.18 | \$44,629 | 90% | \$40,166 | \$4,463 | |
| CM fees/Profit | 7.0% | \$5.56 | \$78,000 | 90% | \$70,200 | \$7,800 | |
| Contingency | 10.0% | \$8.84 | \$124,000 | 88% | \$109,120 | \$14,880 | |
| Total Hard Costs | | \$97.15 | \$1,362,354 | | \$1,199,039 | \$163,315 | 88% |
| SOFT COSTS | | | | | | | |
| A & E | | \$4.28 | \$60,000 | 100% | \$60,000 | \$0 | |
| Legal & accounting | | \$0.71 | \$10,000 | 50% | \$5,000 | \$5,000 | |
| Property Taxes | | \$0.29 | \$4,000 | 50% | \$2,000 | \$2,000 | |
| Surveys, title ins., environ, appraisal, etc. | | \$0.53 | \$7,500 | 30% | \$2,250 | \$5,250 | |
| Bank inspection fees | \$100/month | \$0.09 | \$1,200 | 100% | \$1,200 | \$0 | |
| Insurance | | \$0.43 | \$6,000 | 50% | \$3,000 | \$3,000 | |
| Consultants (Historic) | | \$0.71 | \$10,000 | 50% | \$5,000 | \$5,000 | |
| Marketing (website, etc.) | | \$0.18 | \$2,500 | 0% | \$0 | \$2,500 | |
| Construction Loan Origination Fee | 1.0% | \$0.74 | \$10,382 | 0% | \$0 | \$10,382 | |
| Bridge Loan Interest | | \$2.27 | \$31,809 | 40% | \$12,724 | \$19,085 | |
| Construction Loan Interest | | \$4.07 | \$57,103 | 40% | \$22,841 | \$34,262 | |
| Soft Cost Contingency | 10.0% | \$1.43 | \$20,049 | 59% | \$11,829 | \$8,220 | |
| Total Soft Costs | | \$15.73 | \$220,544 | | \$125,844 | \$94,700 | 57% |
| Subtotal Development Costs | | \$112.88 | \$1,582,898 | | \$1,324,883 | \$258,015 | |
| OTHER COSTS | | | | | | | |
| Developer's Fee | 20.0% | \$22.58 | \$316,580 | 100% | \$316,580 | \$0 | |
| Operating Reserve | | \$1.00 | \$11,920 | 0% | \$0 | \$11,920 | |
| Subtotal Other Costs | | \$23.43 | \$328,499 | | \$316,580 | \$11,920 | |
| TOTAL DEVELOPMENT COSTS | | \$136.30 | \$1,911,397 | | \$1,641,462 | \$269,935 | 85.9% |
| | | | | | | | 14.1% |

Construction Months 12

| SOURCES | | Closing | | Completion | | | | | | | | | | | | | | | | | | Total | |
|--------------------------|-------------|-------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-------------|----------|----------|----------|----------|----------|----------|----------|------------|-------------|-------------|--|
| Total | Pre-closing | Month.1 | Month.2 | Month.3 | Month.4 | Month.5 | Month.6 | Month.7 | Month.8 | Month.9 | Month.10 | Month.11 | Month.12 | Month.13 | Month.14 | Month.15 | Month.16 | Month.17 | Month.18 | Thereafter | Total | | |
| Development Equity | \$180,571 | \$51,833 | \$56,440 | \$81,280 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$180,571 | | |
| | \$237,435 | \$237,435 | | | | | | | | | | \$247,861 | | | | | | | | | \$237,435 | | |
| | \$446,149 | | | | | | | | | | | \$1,038,242 | | | | | | \$99,144 | | | \$446,149 | | |
| | \$1,038,242 | | | | | | | | | | | \$1,038,242 | | | | | | | | | \$1,038,242 | | |
| | \$1,511,397 | \$51,833 | \$155,594 | \$81,280 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,286,102 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,511,397 | | |
| | \$247,005 | \$0 | (\$0) | \$45,672 | \$173,907 | \$127,426 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$247,005 | | |
| | \$1,038,242 | \$0 | \$0 | \$16,460 | \$322,797 | \$322,797 | \$322,797 | \$165,907 | \$165,907 | \$22,355 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,038,242 | | |
| | \$1,385,247 | \$0 | (\$0) | \$45,672 | \$173,907 | \$165,907 | \$322,797 | \$322,797 | \$165,907 | \$165,907 | \$22,355 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,385,247 | | |
| | \$1,511,397 | \$51,833 | \$155,594 | \$81,280 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,286,102 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,511,397 | |
| | \$237,435 | \$237,435 | | | | | | | | | | | | | | | | | | | \$237,435 | | |
| Bridge Loan | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| | \$1,038,242 | \$1,038,242 | | | | | | | | | | | | | | | | | | | \$1,038,242 | | |
| | \$1,385,247 | \$1,385,247 | | | | | | | | | | | | | | | | | | | \$1,385,247 | | |
| | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| | \$1,038,242 | \$1,038,242 | | | | | | | | | | | | | | | | | | | \$1,038,242 | | |
| | \$1,385,247 | \$1,385,247 | | | | | | | | | | | | | | | | | | | \$1,385,247 | | |
| | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| Construction Loan | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| | \$1,038,242 | \$1,038,242 | | | | | | | | | | | | | | | | | | | \$1,038,242 | | |
| | \$1,385,247 | \$1,385,247 | | | | | | | | | | | | | | | | | | | \$1,385,247 | | |
| | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| | \$1,038,242 | \$1,038,242 | | | | | | | | | | | | | | | | | | | \$1,038,242 | | |
| | \$1,385,247 | \$1,385,247 | | | | | | | | | | | | | | | | | | | \$1,385,247 | | |
| | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| Bridge Loan Balance | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| | \$1,038,242 | \$1,038,242 | | | | | | | | | | | | | | | | | | | \$1,038,242 | | |
| | \$1,385,247 | \$1,385,247 | | | | | | | | | | | | | | | | | | | \$1,385,247 | | |
| | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| | \$1,038,242 | \$1,038,242 | | | | | | | | | | | | | | | | | | | \$1,038,242 | | |
| | \$1,385,247 | \$1,385,247 | | | | | | | | | | | | | | | | | | | \$1,385,247 | | |
| | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| Construction Loan Payoff | \$1,038,242 | \$1,038,242 | | | | | | | | | | | | | | | | | | | \$1,038,242 | | |
| | \$1,385,247 | \$1,385,247 | | | | | | | | | | | | | | | | | | | \$1,385,247 | | |
| | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| | \$1,038,242 | \$1,038,242 | | | | | | | | | | | | | | | | | | | \$1,038,242 | | |
| | \$1,385,247 | \$1,385,247 | | | | | | | | | | | | | | | | | | | \$1,385,247 | | |
| | \$1,511,397 | \$1,511,397 | | | | | | | | | | | | | | | | | | | \$1,511,397 | | |
| | \$247,005 | \$247,005 | | | | | | | | | | | | | | | | | | | \$247,005 | | |
| | \$1,038,242 | \$1,038,242 | | | | | | | | | | | | | | | | | | | \$1,038,242 | | |
| | \$1,385,247 | \$1,385,247 | | | | | | | | | | | | | | | | | | | | | |

Henry Siler School - HTC Equity

| | Total Project Costs | % of Total |
|----------------------------|---------------------|------------|
| Estimate of Eligible Basis | \$1,911,397 | |
| | \$1,641,462 | 85.9% |

| Federal Historic Tax Credits | |
|-------------------------------------------|------------------|
| Qualified Rehabilitation Expenditures | \$1,641,462 |
| Historic Tax Credit Percentage | 20.0% |
| Historic Tax Credits | \$328,292 |
| Historic Tax Credit Price | \$0.93 |
| Net Fed Historic Tax Credit Equity | \$305,312 |

| State Historic Tax Credits | |
|---------------------------------------------|------------------|
| Qualified Rehabilitation Expenditures | \$1,641,462 |
| State Historic Tax Credit Percentage | 20.0% |
| State Historic Tax Credits | \$328,292 |
| State Historic Tax Credit Price | \$0.58 |
| Net State Historic Tax Credit Equity | \$190,410 |

| | |
|------------------------------|------------------|
| Net Tax Credit Equity | \$495,722 |
|------------------------------|------------------|

| Funding Trigger | |
|--------------------|------------------|
| Closing | 20.0% |
| Completion | 50.0% |
| SHPO Certification | 20.0% |
| After Dev Period | 10.0% |
| Total | \$495,722 |

| | | |
|--------------------------------------------------|------|----------|
| HTC Put (Federal only) | 5.0% | \$15,266 |
| Put reserve | | \$18,000 |
| Amount of last installment avail for other costs | | \$31,572 |

Henry Siler School - Reserves

| | Construction | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|------------------------------------|--------------|-----------|-----------|-----------|------------|------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Operating reserves (cumulative) | \$11,920 | (\$2,805) | (\$2,875) | (\$2,947) | (\$3,020) | (\$3,096) | (\$3,173) | (\$3,252) | (\$3,334) | (\$3,417) | (\$3,503) | (\$3,590) | (\$3,680) | (\$3,772) | (\$3,866) | (\$3,963) | (\$4,062) | (\$4,163) | (\$4,268) | (\$4,374) | (\$4,484) |
| Interest earned | \$0 | \$0 | (\$28) | (\$57) | (\$87) | (\$118) | (\$150) | \$0 | (\$33) | (\$66) | (\$101) | (\$137) | (\$174) | (\$213) | (\$253) | (\$294) | (\$336) | (\$380) | (\$426) | (\$473) | (\$521) |
| Total ownership draw from reserves | (\$11,920) | (\$2,805) | (\$2,903) | (\$3,004) | (\$3,107) | (\$3,214) | (\$3,332) | (\$3,452) | (\$3,566) | (\$3,683) | (\$3,804) | (\$3,927) | (\$4,054) | (\$4,185) | (\$4,319) | (\$4,457) | (\$4,598) | (\$4,744) | (\$4,893) | (\$5,047) | (\$5,205) |
| Total net addition to reserves | \$0 | (\$2,805) | (\$5,707) | (\$8,711) | (\$11,818) | (\$15,032) | \$0 | (\$3,252) | (\$6,619) | (\$10,102) | (\$13,706) | (\$17,433) | (\$21,287) | (\$25,272) | (\$29,391) | (\$33,647) | (\$38,046) | (\$42,590) | (\$47,283) | (\$52,130) | (\$57,135) |
| Cumulative reserve balance | \$0 | (\$2,805) | (\$5,707) | (\$8,711) | (\$11,818) | (\$15,032) | \$0 | (\$3,252) | (\$6,619) | (\$10,102) | (\$13,706) | (\$17,433) | (\$21,287) | (\$25,272) | (\$29,391) | (\$33,647) | (\$38,046) | (\$42,590) | (\$47,283) | (\$52,130) | (\$57,135) |

Henry Siler School - Loan

yellow = main cells to change analysis; blue = hard coded numbers; black = formulas; green = linked from another Bridge loan

| | |
|--------------------|-------------|
| Loan amount | \$1,038,242 |
| Rate | 5.0% |
| Amortization (yrs) | 30 |
| Annual payment | \$66,882 |
| Monthly payment | \$5,574 |

| | |
|------------------------|-----------|
| Loan amount | \$347,005 |
| Rate | 10% |
| Amortization (yrs) | 20 |
| Monthly payment | \$3,349 |
| interest only (monthly | \$2,892 |

Construction loan

| | |
|------------------------|-------------|
| Loan amount | \$1,038,242 |
| Rate | 6% |
| Amortization (yrs) | 20 |
| Monthly payment | \$7,438 |
| interest only (monthly | \$5,191 |

| Year | Month | Starting Balance | Payment | Interest | Principal | Ending Balance |
|------|-------|------------------|---------|----------|-----------|----------------|
| 1 | 1 | \$1,038,242 | \$5,574 | \$4,326 | \$1,247 | \$1,036,994 |
| 2 | 13 | \$1,022,924 | \$5,574 | \$4,262 | \$1,311 | \$1,021,612 |
| 3 | 25 | \$1,006,822 | \$5,574 | \$4,195 | \$1,378 | \$1,005,444 |
| 4 | 37 | \$989,897 | \$5,574 | \$4,125 | \$1,449 | \$988,448 |
| 5 | 49 | \$972,106 | \$5,574 | \$4,050 | \$1,523 | \$970,583 |
| 6 | 61 | \$953,404 | \$5,574 | \$3,973 | \$1,601 | \$951,803 |
| 7 | 73 | \$933,746 | \$5,574 | \$3,891 | \$1,683 | \$932,063 |
| 8 | 85 | \$913,082 | \$5,574 | \$3,805 | \$1,769 | \$911,313 |
| 9 | 97 | \$891,360 | \$5,574 | \$3,714 | \$1,860 | \$889,501 |
| 10 | 109 | \$868,528 | \$5,574 | \$3,619 | \$1,955 | \$866,573 |
| 11 | 121 | \$844,527 | \$5,574 | \$3,519 | \$2,055 | \$842,472 |
| 12 | 133 | \$819,298 | \$5,574 | \$3,414 | \$2,160 | \$817,139 |
| 13 | 145 | \$792,779 | \$5,574 | \$3,303 | \$2,270 | \$790,509 |
| 14 | 157 | \$764,903 | \$5,574 | \$3,187 | \$2,386 | \$762,516 |
| 15 | 169 | \$735,601 | \$5,574 | \$3,065 | \$2,509 | \$733,092 |
| 16 | 181 | \$704,799 | \$5,574 | \$2,937 | \$2,637 | \$702,162 |
| 17 | 193 | \$672,422 | \$5,574 | \$2,802 | \$2,772 | \$669,650 |
| 18 | 205 | \$638,388 | \$5,574 | \$2,660 | \$2,914 | \$635,474 |
| 19 | 217 | \$602,613 | \$5,574 | \$2,511 | \$3,063 | \$599,550 |
| 20 | 229 | \$565,007 | \$5,574 | \$2,354 | \$3,219 | \$561,788 |

\$951,803

Density Analysis

| Built Area | Leasable Sq Ft | # of Units | IRR (No Acq. Price) | IRR (w/Acq. Price) |
|------------|----------------|------------|---------------------|--------------------|
| 14,000* | 11,850 | 17 | 17% | 4% |
| 20,000 | 17,000 | 24 | 23% | 11% |
| 25,000 | 21,250 | 30 | 28% | 15% |
| 30,000 | 25,500 | 36 | 32% | 19% |

| Built Area | Leasable Sq Ft | # of Units | Acquisition Price | Projected IRR |
|------------|----------------|------------|-------------------|---------------|
| 14000* | 11,900 | 17 | \$200,000 | 4% |
| 20,000 | 17,000 | 24 | \$200,000 | 11% |
| 25,000 | 21,250 | 30 | \$200,000 | 15% |
| 30,000 | 25,500 | 36 | \$200,000 | 19% |

Appendix D

Rapid Building and Site Condition Assessment

Inspection

Inspection date time 9.26.13

☐ AM ☒ PM

Page 1 of

Inspector MBurns, MSchiffman, ABalik

Area Inspected

☐ Exterior Only
☒ Exterior and Interior

Attachments

Sketches ☐ Documents ☐
Photographs ☐ Other ☐

Affiliation CIPN Institute

Property Description

Building name CHATHAM AVE. COTTON MILL

Address 701 N. CHATHAM AVE.

Siler City, NC

Historic district name N/A

Number of stories above ground 1-2 below ground 1

Approx footprint area (square feet) 200,000 SF 10 ACRES

Number of residential units N/A

Type of Construction

☒ Wood Frame ☒ Brick ☐ Boat
☒ Steel Frame ☐ Stone ☐ Other
☒ Concrete ☐ Manufactured

Primary Occupancy

☐ Dwelling ☐ Government
☐ Other Residential ☐ Museum
☐ Public Assembly ☐ School
☐ Emergency Services ☐ Religious
☐ Commercial ☐ Cemetery
☐ Offices ☐ Other
☒ Industrial

Occupied?

☒ Yes ☐ No

Repairs begun?

☐ Yes ☒ No

Owner/Contact Info

Characteristics

Building age ☐ 0-25 yr ☐ 25-50 yr ☐ 50-100 yr ☐ 100+ yr ☐ Verified ☐ Reported ☐ Estimated

Foundation ☒ Pier ☐ Slab ☐ Chain Wall ☐ Basement ☐ Other

Roof type ☐ Hipped ☐ Gable ☐ Mansard ☐ Pyramid ☐ Flat ☒ Other VARIOUS ROOF SYSTEMS

Roof covering ☐ Slate ☒ Metal ☐ Tile ☐ Asphalt ☐ Asbestos ☐ Other VARIOUS ROOF MATERIALS

Wall finish ☐ Stucco ☒ Wood ☐ Vinyl ☒ Masonry ☐ Asbestos ☐ Other

Landscape features ☒ Walkway ☒ Driveway ☒ Fences ☐ Sculpture/Fountains ☒ Structures ☐ Other RAILROAD, CREEK

Archaeological site ☐ Yes ☒ No ☐ On SHPO List ☐ Unknown ☐ Other

Visible artifacts ☐ Bone ☐ Pottery ☐ Metal ☐ Stone ☐ Glass ☐ Unknown ☐ Other N/A

Interior condition ☒ Structural Damage ☐ Mold/Mildew ☐ Falling Plaster ☐ Other TERMITE DAMAGE

Interior contents ☐ Antiques ☐ Archives ☐ Art Work ☐ Other N/A

Appears historic? ☒ Yes ☐ No ☐ Don't know Is there a sign or plaque? ☒ Yes ☐ No EARLY PORTLAND CEMENT BLDG'S

Historic designation ☐ Nat'l Hist. Landmark ☐ Nat'l Reg/District ☐ State/Local ☐ Eligible ☐ Other N/A

Flood Data

Nature of water ☐ Standing ☐ Flowing ☒ Seepage ☐ Water Marks ☐ Other

Space where water entered ☒ Basement/Crawl ☐ First Floor ☐ Second Floor

Depth of water measured from main floor (+/-) N/A

Sediment deposited ☐ On Site ☐ In Structure Site erosion ☐ Yes ☒ No ☐ Don't know

Evaluation

Investigate the building for the conditions and check the appropriate column.

Collapsed or off foundation ☒ Minor/None ☐ Moderate ☐ Severe
Leaning, other structural damage ☒ Minor/None ☐ Moderate ☐ Severe
Damage to windows, doors ☒ Minor/None ☐ Moderate ☐ Severe
Chimney, parapet, or other falling hazard ☒ Minor/None ☐ Moderate ☐ Severe
Roof damage ☒ Minor/None ☐ Moderate ☐ Severe
Foundation damage ☒ Minor/None ☐ Moderate ☐ Severe
Siding damage ☒ Minor/None ☐ Moderate ☐ Severe
Damage to electrical, mechanical, AC systems ☐ Minor/None ☒ Moderate ☐ Severe
Landscape damage ☒ Minor/None ☐ Moderate ☐ Severe

Estimated Building Damage

☐ None
☒ 1-10%
☐ 10-30%
☐ 30-60%
☐ 60-90%
☐ 90-100%

Potential Hazards ☒ Electrical ☒ Lead ☒ Asbestos ☐ Mold ☐ Other

Further Actions

Recommendations ☐ Add Temporary Roof Covering ☐ Board ☐ Shore ☐ Other

Detailed evaluation recommended ☒ Structural ☒ Environmental ☐ Archaeological ☐ Historic Significance ☐ Collections

Other recommendations WELL MAINTAINED, BUT AGING, REPAIRS NEEDED IN FLOOR SYSTEM

Barricades needed in the following areas N/A



Posting ☐ Inspected ☐ Restricted Use ☐ Unsafe ☐ Historic Designation ☐ Detailed Evaluation Needed



Developed for FEMA by the NPS National Center for Preservation Technology and Training in collaboration with the Heritage Emergency National Task Force, 9/2005.

Rapid Building and Site Condition Assessment

Inspection

Inspection date time 4.26.13

☒ AM ☐ PM

Inspector MBurns, ABolick

Area Inspected

Affiliation CPN INSTITUTE

☐ Exterior Only
☒ Exterior and Interior

Page 1 of

Attachments

Sketches ☐ Documents ☐
Photographs ☐ Other ☐

Property Description

Building name HENRY SILER SCHOOL

Type of Construction

☒ Wood Frame ☒ Brick ☐ Boat
☐ Steel Frame ☐ Stone ☐ Other
☐ Concrete ☐ Manufactured

Occupied?

☐ Yes ☒ No

Repairs begun?

☐ Yes ☒ No

Address 502 WEST THIRD ST.

Siler City, NC

Primary Occupancy

☐ Dwelling ☒ Government
☐ Other Residential ☐ Museum
☐ Public Assembly ☐ School
☐ Emergency Services ☐ Religious
☐ Commercial ☐ Cemetery
☐ Offices ☐ Other
☐ Industrial

Owner/Contact Info

Chatham Co
Pittsboro NC

Historic district name N/A

Number of stories above ground 1 below ground 1

Approx footprint area (square feet) 14,033 SF, 2.86 AC

Number of residential units N/A

Characteristics

Building age ☐ 0-25 yr ☐ 25-50 yr ☒ 50-100 yr ☐ 100+ yr ☐ Verified ☐ Reported ☐ Estimated -1931

Foundation ☒ Pier ☐ Slab ☐ Chain Wall ☒ Basement ☐ Other Wood Framed

Roof type ☐ Hipped ☒ Gable ☐ Mansard ☐ Pyramid ☐ Flat ☐ Other

Roof covering ☐ Slate ☐ Metal ☐ Tile ☒ Asphalt ☐ Asbestos ☐ Other

Wall finish ☒ Stucco ☒ Wood ☐ Vinyl ☐ Masonry ☐ Asbestos ☐ Other

Landscape features ☒ Walkway ☒ Driveway ☐ Fences ☐ Sculpture/Fountains ☐ Structures ☐ Other

Archaeological site ☐ Yes ☒ No ☐ On SHPO List ☐ Unknown ☐ Other

Visible artifacts ☐ Bone ☐ Pottery ☐ Metal ☐ Stone ☐ Glass ☐ Unknown ☐ Other N/A

Interior condition ☒ Structural Damage ☒ Mold/Mildew ☒ Falling Plaster ☒ Other Termite Damage

Interior contents ☐ Antiques ☐ Archives ☐ Art Work ☐ Other N/A

Appears historic? ☒ Yes ☐ No ☐ Don't know Is there a sign or plaque? ☐ Yes ☒ No

Historic designation ☐ Nat'l Hist. Landmark ☐ Nat'l Reg/District ☐ State/Local ☐ Eligible ☒ Other

Flood Data

Nature of water ☐ Standing ☐ Flowing ☒ Seepage ☐ Water Marks ☐ Other

Space where water entered ☒ Basement/Crawl ☒ First Floor ☐ Second Floor

Depth of water measured from main floor (+/-) N/A

Sediment deposited ☐ On Site ☐ In Structure Site erosion ☐ Yes ☒ No ☐ Don't know

Evaluation

Investigate the building for the conditions and check the appropriate column.

Collapsed or off foundation ☒ Minor/None ☐ Moderate ☐ Severe
Leaning, other structural damage ☐ Minor/None ☒ Moderate ☐ Severe
Damage to windows, doors ☒ Minor/None ☐ Moderate ☐ Severe
Chimney, parapet, or other falling hazard ☒ Minor/None ☐ Moderate ☐ Severe
Roof damage ☐ Minor/None ☒ Moderate ☒ Severe
Foundation damage ☐ Minor/None ☒ Moderate ☐ Severe
Siding damage ☒ Minor/None ☐ Moderate ☐ Severe
Damage to electrical, mechanical, AC systems ☐ Minor/None ☒ Moderate ☒ Severe
Landscape damage ☐ Minor/None ☐ Moderate ☐ Severe

Estimated Building Damage

☐ None
☐ 1-10%
☐ 10-30%
☒ 30-60%
☐ 60-90%
☐ 90-100%

Potential Hazards ☒ Electrical ☒ Lead ☐ Asbestos ☒ Mold ☒ Other STRUCTURE AT WATER DAMAGE

Further Actions

Recommendations ☒ Add Temporary Roof Covering ☒ Board ☐ Shore ☐ Other

Detailed evaluation recommended ☒ Structural ☐ Environmental ☐ Archaeological ☐ Historic Significance ☐ Collections

Other recommendations

Barricades needed in the following areas ENTRY & CRAWL SPACES



Posting ☐ Inspected ☐ Restricted Use ☒ Unsafe ☐ Historic Designation ☐ Detailed Evaluation Needed

Developed for FEMA by the NPS National Center for Preservation Technology and Training in collaboration with the Heritage Emergency National Task Force, 9/2005.



Rapid Building and Site Condition Assessment

Inspection

Inspection date time 4.26.13

☒ AM ☐ PM

Page 1 of

Inspector MBURRIS, A BOWEN

Area Inspected

☐ Exterior Only
☒ Exterior and Interior

Attachments

Sketches ☐ Documents ☐
Photographs ☐ Other ☐

Property Description

Building name Phillips Office Supply

Address 229 N. CHATHAM AVE # 231
Siler City, NC

Type of Construction

☐ Wood Frame ☒ Brick ☐ Boat
☐ Steel Frame ☐ Stone ☐ Other
☐ Concrete ☐ Manufactured

Occupied?

☒ Yes ☐ No

Repairs begun?

☐ Yes ☒ No

Owner/Contact Info

J. McMAHON

VA. 120th, YR

Historic district name National Reg. Commercial Dist.

Number of stories above ground 2 below ground 1

Approx footprint area (square feet) 10,800 sq ft - 49 ac. 2.24 ac.

Number of residential units 0

Primary Occupancy

☐ Dwelling ☐ Government
☐ Other Residential ☐ Museum
☐ Public Assembly ☐ School
☐ Emergency Services ☐ Religious
☒ Commercial ☐ Cemetery
☐ Offices ☐ Other
☐ Industrial

Characteristics

Building age ☐ 0-25 yr ☐ 25-50 yr ☒ 50-100 yr ☐ 100+ yr ☐ Verified ☐ Reported ☐ Estimated - 1948

Foundation ☐ Pier ☐ Slab ☐ Chain Wall ☒ Basement ☐ Other Damaged by WATER, Wood FLE. Dam

Roof type ☐ Hipped ☐ Gable ☐ Mansard ☐ Pyramid ☒ Flat ☐ Other

Roof covering ☐ Slate ☐ Metal ☐ Tile ☒ Asphalt ☐ Asbestos ☐ Other EPPM over Asphalt

Wall finish ☒ Stucco ☒ Wood ☐ Vinyl ☐ Masonry ☐ Asbestos ☐ Other SOME EXPOSED MASONRY

Landscape features ☐ Walkway ☐ Driveway ☐ Fences ☐ Sculpture/Fountains ☐ Structures ☒ Other Parking Lot

Archaeological site ☐ Yes ☒ No ☐ On SHPO List ☐ Unknown ☐ Other

Visible artifacts ☐ Bone ☐ Pottery ☐ Metal ☐ Stone ☐ Glass ☐ Unknown ☐ Other N/A

Interior condition ☒ Structural Damage ☒ Mold/Mildew ☒ Falling Plaster ☐ Other CRACKED Wall - South, Floors

Interior contents ☐ Antiques ☐ Archives ☐ Art Work ☐ Other N/A

Appears historic? ☐ Yes ☐ No ☐ Don't know Is there a sign or plaque? ☐ Yes ☒ No

Historic designation ☐ Nat'l Hist. Landmark ☐ Nat'l Reg/District ☒ State/Local ☐ Eligible ☐ Other Listed Historic Dist.

Flood Data

Nature of water ☒ Standing ☐ Flowing ☒ Seepage ☒ Water Marks ☐ Other

Space where water entered ☒ Basement/Crawl ☐ First Floor ☐ Second Floor

Depth of water measured from main floor (+/-) N/A - Floods w/RAIN + 1-4 INCHES

Sediment deposited ☐ On Site ☐ In Structure Site erosion ☐ Yes ☒ No ☐ Don't know

Evaluation

Investigate the building for the conditions and check the appropriate column.

Collapsed or off foundation ☒ Minor/None ☐ Moderate ☐ Severe
Leaning, other structural damage ☐ Minor/None ☒ Moderate ☐ Severe
Damage to windows, doors ☒ Minor/None ☐ Moderate ☐ Severe
Chimney, parapet, or other falling hazard ☒ Minor/None ☐ Moderate ☐ Severe
Roof damage ☒ Minor/None ☐ Moderate ☐ Severe
Foundation damage ☒ Minor/None ☐ Moderate ☐ Severe
Sliding damage ☐ Minor/None ☒ Moderate ☐ Severe
Damage to electrical, mechanical, AC systems ☐ Minor/None ☒ Moderate ☐ Severe
Landscape damage ☒ Minor/None ☐ Moderate ☐ Severe

Estimated Building Damage

☐ None
☐ 1-10%
☒ 10-30%
☐ 30-60%
☐ 60-90%
☐ 90-100%

Potential Hazards ☒ Electrical ☒ Lead ☒ Asbestos ☒ Mold ☐ Other STRUCTURE - WEAK FLOOR BEAMS

Further Actions

Recommendations ☐ Add Temporary Roof Covering ☐ Board ☒ Shore ☐ Other

Detailed evaluation recommended ☒ Structural ☐ Environmental ☐ Archaeological ☐ Historic Significance ☐ Collections

Other recommendations BUILDING CAN BE RENOVATED; FIX WATER INFILTRATION & STRUCTURAL FLE.

Barricades needed in the following areas Basement Access



Posting

☐ Inspected ☒ Restricted Use ☐ Unsafe ☐ Historic Designation ☐ Detailed Evaluation Needed



Developed for FEMA by the NPS National Center for Preservation Technology and Training in collaboration with the Heritage Emergency National Task Force, 9/2005.

Rapid Building and Site Condition Assessment

Inspection

Inspection date time 4.26.13

☒ AM ☐ PM

Page 1 of

Inspector MBURRIS, A BOLICK

Area Inspected

Attachments

Sketches ☐ Documents ☐
Photographs ☐ Other ☐

Affiliation CPN INSTITUTE

☐ Exterior Only
☒ Exterior and Interior

Property Description

Building name HADLEY HOTEL

Type of Construction

☐ Wood Frame ☐ Brick ☐ Boat
☐ Steel Frame ☐ Stone ☐ Other
☐ Concrete ☐ Manufactured

Occupied?

☐ Yes ☒ No

Repairs begun?

☐ Yes ☒ No

Address 130-132 N. CHATHAM AVE.

SILER CITY, NC

Primary Occupancy

☐ Dwelling ☐ Government
☐ Other Residential ☐ Museum
☐ Public Assembly ☐ School
☐ Emergency Services ☐ Religious
☐ Commercial ☐ Cemetery
☐ Offices ☒ Other
☐ Industrial

Owner/Contact Info

Historic district name N/A - BUILDING LISTED #46

Number of stories above ground 2 below ground 0

Approx footprint area (square feet) 4,560 + ALLEY

Number of residential units 2.3 ACRES

To S. L. L. L.

Siler City

Characteristics

Building age ☐ 0-25 yr ☐ 25-50 yr ☐ 50-100 yr ☒ 100+ yr ☐ Verified ☐ Reported ☐ Estimated -1908

Foundation ☒ Pier ☒ Slab ☐ Chain Wall ☐ Basement ☐ Other

Roof type ☐ Hipped ☐ Gable ☐ Mansard ☐ Pyramid ☒ Flat ☐ Other

Roof covering ☐ Slate ☐ Metal ☐ Tile ☒ Asphalt ☐ Asbestos ☒ Other

Wall finish ☐ Stucco ☐ Wood ☐ Vinyl ☒ Masonry ☐ Asbestos ☐ Other

Landscape features ☒ Walkway ☐ Driveway ☐ Fences ☐ Sculpture/Fountains ☒ Structures ☒ Other PARKING AREA

Archaeological site ☐ Yes ☒ No ☐ On SHPO List ☐ Unknown ☐ Other

Visible artifacts ☐ Bone ☐ Pottery ☐ Metal ☐ Stone ☐ Glass ☐ Unknown ☐ Other N/A

Interior condition ☒ Structural Damage ☐ Mold/Mildew ☒ Falling Plaster ☐ Other PREVIOUS FIRE & REPAIR

Interior contents ☐ Antiques ☐ Archives ☐ Art Work ☐ Other N/A

Appears historic? ☐ Yes ☐ No ☐ Don't know Is there a sign or plaque? ☐ Yes ☐ No

Historic designation ☐ Nat'l Hist. Landmark ☒ Nat'l Reg/District ☐ State/Local ☐ Eligible ☐ Other for historic piped water

Flood Data

Nature of water ☐ Standing ☐ Flowing ☐ Seepage ☐ Water Marks ☐ Other N/A

Space where water entered ☐ Basement/Crawl ☐ First Floor ☐ Second Floor

Depth of water measured from main floor (+/-)

Sediment deposited ☐ On Site ☐ In Structure Site erosion ☐ Yes ☐ No ☐ Don't know

Evaluation

Investigate the building for the conditions and check the appropriate column.

Collapsed or off foundation ☒ Minor/None ☐ Moderate ☐ Severe
Leaning, other structural damage ☒ Minor/None ☐ Moderate ☐ Severe
Damage to windows, doors ☐ Minor/None ☒ Moderate ☐ Severe
Chimney, parapet, or other falling hazard ☐ Minor/None ☒ Moderate ☐ Severe
Roof damage ☐ Minor/None ☒ Moderate ☐ Severe
Foundation damage ☒ Minor/None ☐ Moderate ☐ Severe
Siding damage ☒ Minor/None ☐ Moderate ☐ Severe
Damage to electrical, mechanical, AC systems ☐ Minor/None ☐ Moderate ☒ Severe
Landscape damage ☒ Minor/None ☐ Moderate ☐ Severe

Estimated Building Damage

☐ None
☐ 1-10%
☐ 10-30%
☒ 30-60%
☐ 60-90%
☐ 90-100%

Potential Hazards ☒ Electrical ☒ Lead ☒ Asbestos ☐ Mold ☒ Other FIRE DAMAGE - MASONRY STRENGTH

Further Actions

Recommendations ☐ Add Temporary Roof Covering ☐ Board ☐ Shore ☐ Other

Detailed evaluation recommended ☒ Structural ☐ Environmental ☐ Archaeological ☒ Historic Significance ☐ Collections

Other recommendations KEEP FRONT FACADE - DEVELOP AS ENTRY TO NEW WHOLE BLOCK RENO/DEVELOP

Barricades needed in the following areas ACCESS TO 2ND FLOOR



Posting ☒ Inspected ☐ Restricted Use ☐ Unsafe ☐ Historic Designation ☐ Detailed Evaluation Needed

NOT HABITABLE - UNOCCUPIED

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