

Development Coordination Update

September 25, 2023



TOWN OF
HILLSBOROUGH

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Why a Topic?

- Immense amount of staff time spent trying to get compliance and quality construction from developers and contractors
- Dealing with legacy neighborhoods already built that still have not been properly accepted by town due to administrative or physical infrastructure issues
- Pressures mounting between developers, residents and staff are elevated to board members
- Continued growth will only be a further complication if process is not refined AND the town does not develop and administer clear standards and expectations with the development community



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The Blame Game – Part 1

- Sometimes no extension agreement issued, bonds not vetted for adequate costs or covered items, bond language not adequate for future enforcement
- Communications between departments has not always been well coordinated
 - Acceptance of infrastructure at different times or mismatched release of bonds
 - Lack of knowledge of other department development processes
- Lack of proper oversight due to staff resources or inexperience
 - As example, historically never looked at stormwater infrastructure for proper construction, no time to look at project holistically with existing infrastructure
 - Sometimes miss a requirement and developer points to our acceptance as a way not to fix something we find later
- Current process of WSEC with annexation may result in excessive capacity reservation
 - Conflicts with WSEC conditions
- Acceptance of water and sewer prior to homes being built then building process causes great damage and easement encroachments that were not approved
- Outdated, non-existent or conflicting specifications
 - UDO doesn't cover or reference utilities
 - Utilities requires frontage but UDO allows isolated lots, etc.
- Resistance to call bonds – and high cost in time and money to actually collect



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The Blame Game – Part 2

- Issues with compliance on extension agreements, performance bonds, warranty bond punch lists
- Contractors go out of business; developers sell off to others
- Communications within development company (i.e., construction staff vs. sales/closing team) not great
 - Leads to misunderstanding about final acceptance, building permit approval, account setup, certificates of occupancy
 - Customer ignorance of stormwater, water and sewer easements on property
- Closings scheduled and then emergency for staff to run out to approve CO ASAP – very disruptive
- Minimize costs of surveyor and engineer – lack of proper oversight
- Building process damages inspected and approved infrastructure and things are placed in utility easements without approval
- Developer says town accepted infrastructure – shouldn't have to fix anything



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Overview of Significant Active Projects

- Defined: Projects where active construction is occurring OR where infrastructure turnover has not been completed
 - Forest Ridge
 - Fiori Hill
 - Harmony @ Waterstone
 - Corbinton Commons
 - Hillsborough Chrysler Jeep Dealer
 - Collins Ridge



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Forest Ridge

- Project Description: 118 acre development featuring 195 single family homes and 38 townhomes located off US-70A
- Project Status: Primary construction complete
- Original Developer: Burroughs Land Investors (2009)
- Current Developer: Dan Ryan Builders (four assignments)
- Outstanding Issues:
 - Asphalt repairs/final lift in phases 6&8
 - Sidewalk repairs/curb repairs
 - Truncated dome replacements
 - Sewer sags
- Bond Information
 - Phase 4: \$54,568.00 for asphalt overlay, sidewalks, HC ramps & valve/manhole adjustments
 - Phase 5: \$3,000.00 for a small segment of sidewalk
 - Phase 6 & 8: \$125,826.00 for sidewalks & HC ramps
 - Phase 7: \$96,549.38 for final lift of asphalt pavement, sidewalks, HC ramps, sewer manhole/valve box/ catch basin adjustments, & temporary & permanent seeding

STATUS DASHBOARD

Planning/Zoning	●
Streets/Sidewalks	●
Water System	●
Sewer System	●
Stormwater Conveyance	●
Stormwater Control Measure	●







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Fiori Hill

- **Project Description:** 17.4 acre development featuring 32 single family cottage homes located off US-70A
- **Project Status:** Primary construction complete
- **Original Developer:** Peloquin Construction
- **Current Developer:** Peloquin Construction
- **Outstanding Issues:**
 - Easement encroachments of unapproved items like retaining walls, lights, signs, private steps
- **Bond Information**
 - Bond Amount Held: \$1,047,506.25 + \$250.00(covering stormwater control measure plantings)

STATUS DASHBOARD

Planning/Zoning	
Streets/Sidewalks	Private
Water System	
Sewer System	
Stormwater Conveyance	Private
Stormwater Control Measure	




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Harmony @ Waterstone

- **Project Description:** 42 acre development featuring 200 townhomes located off Waterstone Drive
- **Project Status:** Primary construction complete
- **Original Developer:** Lennar Homes
- **Current Developer:** Lennar Homes
- **Outstanding Issues:**
 - Water and Sewer acceptance on tonight's agenda
- **Bond Information**
 - Bond Amount Held: Project complete, bond released

STATUS DASHBOARD

Planning/Zoning	
Streets/Sidewalks	Private
Water System	
Sewer System	
Stormwater Conveyance	Private
Stormwater Control Measure	



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Corbinton Commons

- **Project Description:** 25.6 acre development featuring 25 single family homes, 16 rowhomes 23 duplexes located off US-70
- **Project Status:** Primary construction complete
- **Original Developer:** Front Street Construction
- **Current Developer:** Front Street Construction
- **Outstanding Issues:**
 - Several asphalt repairs need to be made
 - Sidewalk and curb repairs
 - Stormwater concerns
 - Coating failure on sewers, sags
 - Contractor non-responsive on 2020 punchlist
- **Bond Information**
 - Bond Amount Held: \$327,244.00

STATUS DASHBOARD

Planning/Zoning	●
Streets/Sidewalks	●
Water System	●
Sewer System	●
Stormwater Conveyance	●
Stormwater Control Measure	●



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Hillsborough Chrysler Jeep

- **Project Description:** The development of a new 24,600 SF car dealership facility with associated parking and car display on a 5.23-acre tract of land. Project is adjacent to the Sheetz convenience store behind the future Aldi grocery store.
- **Project Status:** Under Construction
- **Original Developer:** Hillsborough Dealership Property II, LLC c/o Tony Fisher
- **Current Developer:** Same as above
- **Outstanding Issues:**
 - Did not follow WSEC, no record drawings or certification, water not accepted, did not survey during construction, A/E won't seal record drawings, Aldi is connecting to this system – could be a hold up for them
- **Bond Information**
 - Bond Amount Held: No financial security posted

STATUS DASHBOARD

Planning/Zoning	●
Streets/Sidewalks	Private
Water System	●
Sewer System	Private
Stormwater Conveyance	●
Stormwater Control Measure	●



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Collins Ridge

- Project Description: 100.9 acre development featuring approximately 1,040 combined single-family, townhome and apartment units located of South Churton St.
- Project Status: Phase 1 Under Construction, Phase 2 about to begin
- Original Developer: Caruso Homes
- Current Developer: D.R. Horton (after Criteria)
- Outstanding Issues:
 - Asphalt repairs
 - Catch basin repairs
 - Curb/sidewalk repairs
 - Phase 1A sewer has major issues– repairs before service, nobody witnessed water installation first few months as developer did not follow WSEC, extra warranty provided by DR Horton if we can get to acceptance – keep moving to next phases
 - Pressure to issue COs when no acceptance occurred and infrastructure keeps getting damaged during building
- Bond Information
 - Phase 1A Bond Amount Held: Section 1: \$1,524,526.00/ Section 2: \$56,554.43/ Section 3: \$96,932.50/ Section 4: \$6,998.75/ Section 5: \$497,049.65

STATUS DASHBOARD

Planning/Zoning	●
Streets/Sidewalks	●
Water System	●
Sewer System	●
Stormwater Conveyance	●
Stormwater Control Measure	●



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Development Status Matrix

	Forest Ridge	Fiori Hill	Harmony	Corbinton	Jeep	Collins Ridge
Planning	●	●	●	●	●	●
Streets	●	PVT	PVT	●	PVT	●
Water	●	●	●	●	●	●
Sewer	●	●	●	●	PVT	●
Stormwater	●	PVT	PVT	●	●	●
SCMs	●	●	●	●	●	●



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Upcoming Projects and Inquiries

- RTLP
- Moren tract (“Persimmon” - site plan approved)
- Capkov (Waterstone area)
- Gatewood (US 70)
- Shaw parcel (Waterstone area)
- Owl’s Woods (Hwy 86 and Business 70)
- West Hillsborough parcels
- Orange Grove Road and Exchange Club
- Train Station property area
- More Collins Ridge
- Corbinton Commons east parcel

We are a small town with a small staff undergoing a period of intense growth. We must take steps to ensure the long-term viability of our infrastructure in a timely and orderly manner for our customers, residents, and for future staff that comes after us.



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General Challenges

- Construction Inspection
 - Need to catch issues early before they become larger problems
 - Need to be looking at things we have not historically been looking at but will assume ownership of
- Need for greater standardization and consistency – staff efforts to accommodate development needs often has negative impacts down the road
 - “bending the rules”, verbal agreements, etc.
- Public vs. private street standards – things designed and permitted as private then later requested for town ownership
- Better communication on process to development community
- Orange County enforcement of building codes/permitting, fire protection review and erosion control
 - Very challenging to partner when various codes differ for in-town vs out-of-town and outside what they are used to enforcing.
- Clear delineation of who oversees what aspects of project from review to completion
- Internal – need better alignment of process timing, fees and charges, and sequencing
- Lack of sufficient enforcement mechanisms for non-performance



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Process Improvement Suggestions

- Water/Sewer capacity application earlier in the process (administrative change) and align reservation timelines with other planning permits
 - Capacity reservation method?
- Require town-administered, developer-funded 3rd party construction inspection for water, sewer, street/sidewalk and stormwater
- Explore consolidated fee billing and collections, standardize what applicants get for their fees
 - More conversation needed on what this means for capacity reservations
- Provide process and corrective requirements for continued observation of infrastructure during building process, when already inspected and approved infrastructure gets damaged, and easements are encroached with unauthorized items
- Agree on easements – where, what they contain, how they are recorded
- Consolidate standards and enshrine somewhere other than staff policy – town code or UDO
- Enforcement – town needs something... withhold building permit issuance, setting of water meter, certificates of occupancy, agreement or master plan conditions – until infrastructure is installed to standards and administrative requirements are met
 - Warranty bonds – worth it?

Next Steps

- Identify specific near-term text amendments, policy changes, or ordinances that need to be updated
- Provide recommendation to board on specific “no-win” situations
 - Example – nobody will certify Collins Ridge streets were constructed to standards
- Identify process changes that need to be addressed in UDO or code rewrite
- This is a large undertaking
 - Board and staff need to work through refining and sticking to established process and standards to ensure quality of assets and proper paperwork to assume ownership
 - There may be a uncomfortable transition period as we work through existing challenges, but process improvements should help avoid future issues

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