

BOARD OF ALDERMEN

ITEM NO. E(3)

AGENDA ITEM ABSTRACT MEETING DATE: September 7, 2010

TITLE: Consideration of a Resolution that would exempt the Town of Carrboro from the Automatic Extension of the Permit Extension Act of 2009

DEPARTMENT: PLANNING	PUBLIC HEARING: YES _ NO X _
ATTACHMENTS: A. Resolution B. S.L 2010-177	FOR INFORMATION CONTACT: Patricia McGuire – 918-7327 Michael Brough – 929-3905

PURPOSE

The General Assembly has acted to extend the suspension of otherwise applicable permitting periods and determination of vested rights from December 31, 2010 until December 31, 2011. The law provides that a unit of local government may, by resolution, opt out of the continuation of the permit extension. A resolution that provides an opportunity for the Board to opt out of this extension has been prepared.

INFORMATION

The Permit Extension Act of 2009 (S.L. 2009-406) suspended the running of the period of a development approval and any associated vested right for any development that is current and valid at any point during the period beginning January 1, 2008, and ending December 31, 2010. On July 10, 2010, the General Assembly amended this law by enactment of S.L. 2010-177 (*Attachment B*), which extends the development approval suspension period through December 31, 2011 unless a unit of local government opts out of the extension by adoption of a resolution.

This suspension appears to have benefitted the holders of land use permits, primarily those with larger projects, to a greater degree than the holders of building permits. Land use permit holders have reported that financing for new development/construction activity has been almost nonexistent and several approved projects have been inactive for two years or more. The suspension of the running of the normal expiration period for land use permits has prevented/delayed additional costs associated with engineering re-design that might be needed to comply with new regulations (permit holder) and administration (permit holder and Town staff/plan reviewers) of permit extension requests. A benefit to the holders of building permits has not been as apparent. Most building permits have progressed through the inspections process, though the rate of completion for larger projects has been somewhat slower than usual.

The effects of the action of the General Assembly this year, should the Town *not* opt out by resolution, may be summarized as follows:

- For development approvals (e.g. building permits, preliminary plat approvals, and land use permits) that were issued prior to the beginning of the period January 1, 2008-December 31,

2011, and therefore involve some elapsed time, the 'clock' would resume on January 1, 2012. The development approval would remain valid for the remainder of the period of time normally allowed for calculating the expiration of such approvals.

- For development approvals that occurred between January 1, 2008 and December 31, 2011, the 'clock' begins on January 1, 2012, with the full period of 'active time' available to each permit from that point forward.

If the Board opts out of the amendment, by adoption of the resolution, the 'clock' counting down the remainders on currently active development approvals will resume on January 1, 2011.

FISCAL AND STAFF IMPACT

If the Board of Aldermen chooses to opt out, some impacts on staff time can be expected in association with eventual administration of land use permit extension requests. Due to the continued slow pace of economic recovery, permits for several projects may reach expiration. Minimal staff time is associated with voiding/re-issuance of expired building permits.

Should the Town *not* opt out of the extension and the economic recovery continues at a slow pace, similar impacts associated with land use permits can be expected.

STAFF RECOMMENDATION

The staff recommends that the Board of Aldermen determine whether it wishes to opt out of the permit extension provided for under SL. 2010-177 by adoption of the attached resolution (*Attachment A*).