

ReBuild New Hanover County

Update on US 421 Corridor Water & Sewer Project

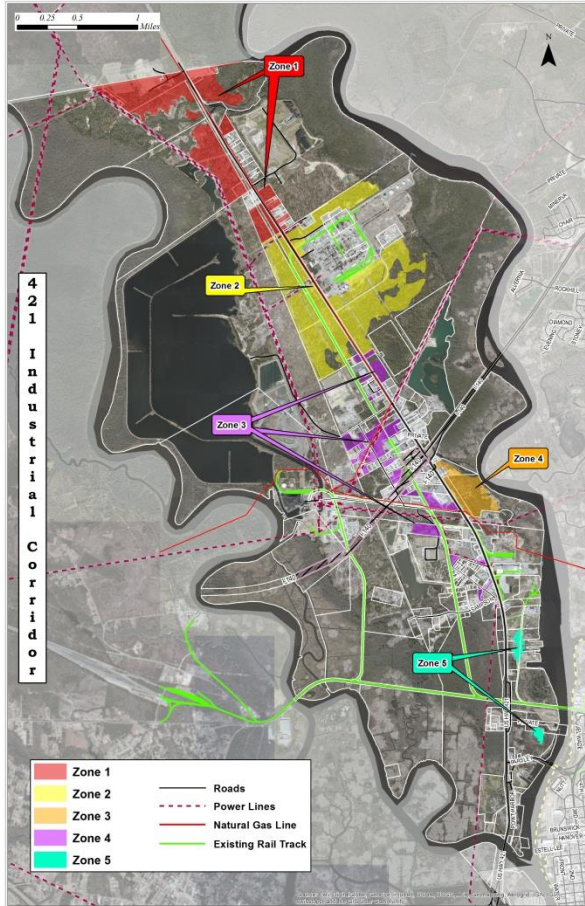
Beth Schrader
Chief Strategy & Budget Officer



March 30, 2017



US 421 Corridor – Project Scope



- Project divided into Phases
 - Phase 1 assumes 330,000 GPD
 - Includes 1,500 GPM fire flow and hydrants
- Primary focus
 - 90% of water and wastewater demand to come from Zones 1 and 2
 - Zones 3,4,5 to be designed and constructed in the future
- Alignment primarily in US421 ROW

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Slide 2



Project Funding

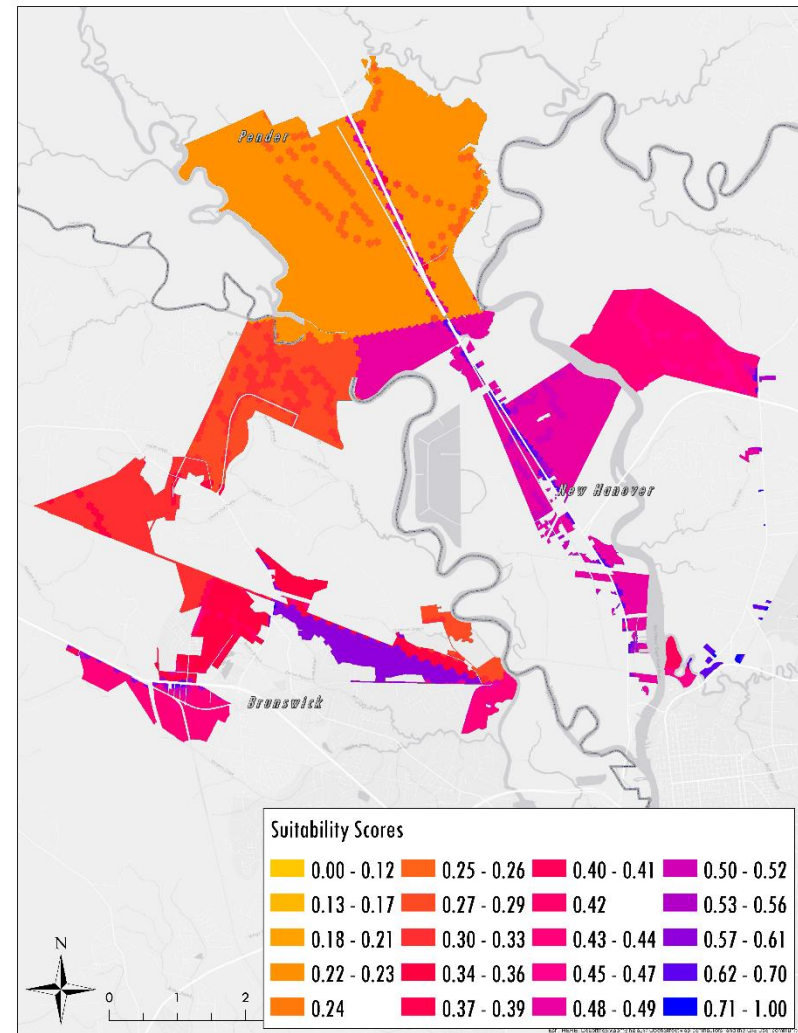
| | |
|---------------------|--|
| Design | \$ 1.6 million (NHC) |
| Easement Acq. | \$ 0.5 million (CFPUA) |
| <u>Construction</u> | <u>\$16.3 million</u> (CFPUA / Connect NC) |
| Total | \$18.4 million |

****Project costs in excess of total will be responsibility of NHC**



Model Assumptions

- Uses regional industrial forecasts from FOCUS project
- Weights suitability of 421 sites relative to other NHC, Pender and Brunswick sites
- Investment value estimated based on appraised value / acre and floor-to-area ratios



Administration – County Manager’s Office

New Hanover County

Projected Development Through 2040

| | Do-Nothing Scenario | | Investment Scenarios | | | | | |
|-------------------------|---------------------|------|----------------------|-----|--------------|-----|--------------|-----|
| | | | Conservative | | Most Likely | | Optimistic | |
| Square Feet | 478,750 | | 957,505 | | 1,816,263 | | 2,675,022 | |
| Jobs by Type | | | | | | | | |
| Lower skill Industrial | 239 | 100% | 110 | 10% | 209 | 10% | 308 | 10% |
| Higher skill Industrial | 0 | 0% | 771 | 70% | 1,462 | 70% | 2,153 | 70% |
| Commercial | 0 | 0% | 220 | 20% | 418 | 20% | 615 | 20% |
| Total Jobs | 239 | | 1,101 | | 2,089 | | 3,076 | |



Return on Investment

- 10% land value increase associated with W&S install
- County investment of \$1.6 MM expected to be paid back w/in 9 years
 - High-value industries accelerate this timeline

“Most Likely” Scenario

| | Cumulative Assessed Tax Base (in millions) |
|---------|--|
| Year 0 | \$5.1 |
| Year 5 | \$48.0 |
| Year 10 | \$90.8 |
| Year 15 | \$133.6 |
| Year 20 | \$176.4 |



Next Steps

2017

| | |
|-------------|--|
| 6/29 | Bid Documents Complete |
| 7/24 - 8/11 | Advertise |
| 8/14 | Bid Date / Bid Opening |
| Dec | Notice to Proceed / Begin Construction |

2019

| | |
|-----|-----------------------|
| Dec | Construction Complete |
|-----|-----------------------|

