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MINUTES

MARCH 11, 2010

PUBLIC HEARING

SPECIAL USE PERMIT SPRINGFIELD HOMES LLC STEPHENS GLEN SUBDIVISION

Mayor Samuel Hardwick called the Public Hearing to order at 7:01 p.m. In attendance were Commissioners Catherine Redd, Graham Stallings, Joseph Johnson, and Leelan Woodlief. Also in attendance were Deputy Town Clerk Emily Hurd, Administrative Assistant Kathryn Tucker, Chief Daren Kirts and Town Attorney Pete Tomlinson. Representatives from County 102, the Wake Weekly, and the Franklin Times were also present. The purpose was to hear comment from the public about the Special Use Application from Springfield Homes LLC.

Mr. David Culley stated that he was applying for a Special Use Permit for approval to put a different type of product in Stephens Glen Subdivision. He stated that he wished to put smaller, less expensive homes out there. He also stated that he recently found out that there were questions concerning how this would affect the values of existing homes. He stated that he felt this expansion would enhance the value of the homes in Stephens Glen. Mr. Culley stated that he wanted to make sure that he understood all of the concerns and hopefully demonstrate the benefits. Stephanie Davis asked what the new product was going to be. Mr. Culley stated that first he wished to apologize for not getting information to the residents. He stated that he got caught up in the planning stages of this idea over the last year. He stated that he was proud of Stephens Glen but the economy demands new products. Mr. Culley stated that he had three criteria to be met before he develops anything. First is does it make economic sense. Second, he needs to be sure that he can sell them. Finally, he needs to make sure they are compatible with the integrity of the community he's wishing to place them in. He stated that his developments are not just a business venture, but a good community. He stated that the villas he wishes to put in will continue the high quality of the neighborhood. Mr. Culley stated that he still wished to go forward with the villa community in Stephens Glen. He stated that he understood that value was the biggest question that everyone had. Even though they will be smaller homes, he stated that the value per square foot would be higher. He stated that he brought in an appraiser that was not associated with Stephens Glen to help explain what affects values. Bren Byende stated that she was a residential appraiser and explained how property was appraised for value. She stated that they can only look at the most compatible properties out there. They will use anywhere from 3 – 6 properties as close to the subject property as possible. They cannot look at homes that are smaller or are of a different type home such as is she were to appraise a single family home, she could not use a duplex as a compatible property for value. She explained that

the new property wouldn't affect the value but would stimulate growth which will add value. She explained that the villa style homes were popular for example Wakefield. She stated that even if a two million dollar home built in the neighborhood would not raise their values because it could not be used as a comparable. Mr. Culley also stated that he had brought a banker to help with questions concerning value as well. Mr. Ed Moore stated that with the economy the way it has been the past couple years, most homes are now appraising less than what was paid for it. He stated that communities need items that will enhance them. He stated that he was involved with over 70 builders and developers in the triangle area including Heritage in Wake Forest. The variety of products will attract the greatest numbers of homebuyers to developments. He stated that villas attracted empty nesters and young singles and couples. A quality development like Stephen's Glen will have only quality additions that will help attract more buyers. He stated that at the end of the day, variety will enhance the value. Steven Nipper asked if they will use the existing footprint for the lots. Mr. Culley stated that the eight lots that are there now will be subdivided into 22 lots/units. He stated that they will have less property, be around 1600 – 2000 square feet. He stated that this would have no affect on the property set aside for amenities. Mr. Culley stated to keep in mind what Mr. Moore said about quality, he stated that no matter what product went into that area, it would be a quality product. Mr. Culley stated that he wanted to address one concern that he had previously heard, that selling smaller units at a lesser price would bring in low quality buyers. He stated that price does not equal the quality of the buyer. He stated that the villas would be maintained by the Home Owners Association (HOA). Mr. Culley stated that they HOA would maintain the exterior of the homes so that they would always be presentable. The owners of the villas would be paying higher HOA dues to help cover the maintenance. Dan Woodard, a mortgage finance officer, agreed with Mr. Culley that smaller homes do not equal low quality buyers. He stated that there were many people out there wishing to down size now that they children are out of the house or those wishing a smaller mortgage. He stated that quality borrowers are few and far between with the new lending rules. Mr. Woodard explained that with the current economic status, the debt ratio of borrowers has become tighter and money is not just loaned to everyone. Michelle Nipper asked if the homes would be subject to be rented out. Mr. Culley stated that the covenants for the new homes would be tighter and would stated that it be owner occupied though there is no legal authority that stops someone from renting their homes whether it was one of the villas or the single family homes in Stephens Glen. He stated that in the case of the villas, that even if they were rented, the exterior of the homes would still be maintained where you would not be able to guarantee that if one of the homes was rented out. Mrs. Nipper stated that the renting aspect still concerned her. She stated that they did not want to be in that situation and is why they chose to buy in Stephens Glen. She also stated that she did not care for the location. It would be the first thing one sees when coming into the development. Mr. Culley stated that the landscaping would cover the back side of the villas. Bren stated that empty homes are worse than different products. She stated that the first people in the development saw a slower start than they wanted. She explained that renters in any neighborhood are not desirable but they do not affect the appraised value. Elizabeth Naegele stated that she was concerned with the resale value and not the appraised value. She stated that people may not want to buy with the villas in the community. Chad Watkins stated that when he first started

looking at purchasing a home in Stephens Glen he asked if there would be anything like the villas and was told no. He stated that was one of the reasons he purchased out there. He stated that even with the best intentions, he would have declined to buy out there. He stated that he had no idea that anything such as this was in the works. Gloria Barber stated that she closed just a week ago, but knew that any neighbor could rent their home with no control on what was done inside or out. She stated that even if she had known about this, it would not have changed her mind. She chose to come here even though she did not initially want in a development with covenants. She stated that the ones for Stephens Glen were not that restrictive and were fine. Ms. Barber stated that she enjoyed the personal touch that the Stephens Glen personnel gave when selling her the home and the wow factor of the development. She stated that she liked the pride taken in the community as well and that it was not a cookie cutter subdivision like they had in New York. Ms. Barber stated that there were no guarantees and she was satisfied. She stated that it could be possible that one of the owners of the single family homes would stop taking care of their property, at least with the villas they would be maintained regardless. Scott Bickford asked how the vote would go. Mayor Hardwick explained that the Public Hearing was for the Board to get an idea of how everyone felt about the project. He did mention that the Planning Board gave a favorable recommendation for the villas. Mr. Bickford stated that he understood the proceedings but was still upset about not having any previous knowledge. Mr. Culley stated that the year of development he mentioned earlier, most of that was him thinking of the concept and working out the pros and cons in his head. He stated that it had only been on paper for the last 4 months or so. He stated that the plans and drawings had been posted in the sales office at Stephens Glen. He stated that it was his mistake in not thinking to ask the people of the community about it, but he thought that since it was such a great idea to him that others would think so as well. He stated that it was not intentional to leave out the community. Mark Thomas stated that he bought his home before Thanksgiving. He stated that he was furious at first. He stated that he calmed down and started thinking about the factors involved. He stated that when he lived in the Midwest, villas did bring in value and he understands the need. He stated that he did some research and found that he would not be losing money and he stated that he felt Mr. Culley would do anything to harm his own development. Steve Nipper asked if Mr. Culley would build more if these sold well and Mr. Culley stated that it was a possibility if the same three criteria previously stated were met. He stated that he will have seen the finished product and how well it works. He stated that the other option was selling homes at a discount and that would affect values. Mr. Culley stated that it was a reality of the world that return maximizes value and that was what was needed at Stephens Glen. Mr. Nipper stated that the subdivision seemed to be selling homes at a good rate recently. Mr. Culley stated that they were not selling as well as he had hoped and needed. He stated that they were doing better than most communities which is encouraging. He does hope to increase and expand Stephens Glen. He stated that the next product were \$450,000 on an acre of land. Kimberly Watkins asked what rights did the community have if renters came in, would they be able to voice their opinions on that subject. Mr. Culley stated that there was no legal way to keep renters out of any home. When asked if the owners of the villas would have use of the amenities, Mr. Culley stated yes. He explained that they would have higher HOA fees that would also help pay for the amenities. When asked, Mr. Culley stated that the amenities center

would handle all of the people from the community including the villas. He explained that Stephens Glen would have an additional amenities center when it was fully finished. He stated that he wanted to make sure that there was enough to satisfy all of the owners. Mr. Culley did state that the new villas would have a different HOA since their covenants would be more restrictive and to fund the upkeep of the exteriors. Mr. Nipper asked if there was another place that Mr. Culley could place them. Mr. Culley stated that the design was based on the area he's wishing to put them but that they would be very well landscaped to help them blend. Mrs. Watkins asked if he planned to go forward was told that it was far from being completed as a whole. Mr. Culley stated that if this is done right, it will enhance the community. He stated that Heritage had done the same thing and it still had a desirable community. He stated that how it was done was the key. Mr. Culley explained that Stephens Glen was 172 lots with only 52 in Phase 1. The villa is going into the section that was originally Phase 4. He stated that he did not commit to that area lightly. He stated that he would place the villas elsewhere if he thought that it would work as well as this location. He stated that they were still building spec homes but they were not selling as quick. Commissioner Stallings stated that when doing the covenants to make sure that they included strong wordage for cats and dogs. Mr. Culley stated that they already had that in the original covenants but he would relook at them. Commissioner Redd asked what the price per square foot would be and was told \$105-\$110 for the single family homes and \$114 for the villas. David Caverly stated that even with the value not affected that he felt it would affect the attractiveness of the homes for sale. He felt that it might reduce the numbers of people wanting to buy in that neighborhood even if it did not affect the value. Mr. Culley stated that he did not think it would affect them. Mr. Culley assured the residents that there would be strong curb appeal and the looks of the villas would still be in keeping with Stephens Glen. Mr. Johnson stated that he had been out there and that it was a very nice neighborhood but he wanted to know how many people had seen the plans for the new product. Most of the residents said they had not and plans were passed around the room. Commissioner Redd stated that they could drive through Heritage to get an idea of what it may look like. Mrs. Nipper stated that you could not see the villas from the homes there and Commissioner Redd stated that you could. She stated that they face each other across the road and that it seems to work but she did state that she understood what works for Wake Forest does not always work for people elsewhere. Teresa Henderson stated that when they were house hunting she had checked out neighborhoods with different types of homes including villas but that she did not like them. That was why she chose Stephens Glen. David Caverly stated that he had small children and he was concerned about the traffic that it would generate. He was worried about the safety of his children near the roads. Mr. Culley stated that the villas would not affect traffic further into the community since they would be located first. He did state that the subdivision would house 173 homes and that would add more traffic when those homes were completed and he would check into ways to keep the traffic slower. Mayor Hardwick stated that the Board had been listening and would take all of the issues under advisement. He stated that he felt all of the issues had been brought forth and thanked everyone for their time.

The Public Hearing was closed at 8:04 pm.