



**Town Council
Public Work Session
August 10, 2023**

**THIS MEETING WILL BE HELD ELECTRONICALLY AND IN PERSON
Please visit www.laurelpark.org for more information**

- 1. Call to Order**
- 2. Approval of the Agenda**
- 3. Old Business**
- 4. New Business**
 - A. Conditional Use Permit Extension-Sunshine Retirement Home
- 5. Agenda Review**
- 6. Adjournment**



TOWN OF LAUREL PARK AGENDA ITEM SUMMARY

Title of Item: Conditional Use Permit Extension-Sunshine Retirement Home

Presenter: Alex Carmichael

Attachment(s): Yes/No

Summary of Item: In January 2021 the Town issued a Conditional Use Permit to Little Fish Investments for the zoning of the Laurel Heights Retirement Residence/Sunshine Retirement Home. According to the previous Zoning Ordinance the developer had two years to begin construction before the permit expired but they could request **one six-month** extension. However, in March of 2022 the Town issued a two-year extension due to the challenges caused by Covid-19 in the senior housing sector. According to Sharon Alexander, the Town's Attorney, the Council can provide extensions outside of the ordinance, such as in this case, but they set a precedent when they do.

Mr. Clifford Curry of Little Fish Investments has since requested another year long extension. The Zoning Ordinance that the project was permitted under clearly does not allow for a second extension. If the Council grants another extension, it will set another precedent for permitting outside of the ordinance. The risk of this may be mitigated by the fact that the precedent is under the old ordinance, not the new Unified Development Ordinance (U.D.O.)

Council Action Requested: Consider Little Fish's Investment's request for a second year-long extension.

Suggested Motion:

Move to approve/deny a second year-long extension to the Zoning Permit for Laurel Heights Retirement Residence/Sunshine Retirement Home.

To Mayor Carey O’Cain and the City Council:

Re: CUP Extension for 1515 Brevard Road

I bought this Laurel Park property over 15 years ago. I bought it just as the world was coming out of the great recession of 2008. It was the best of times to develop senior housing. I thought that I would be able to get approval for this site. I was so wrong. I worked on it diligently during all of the best times of senior housing. I completed three other similar projects during this timeframe. One of which, in Maudlin, SC, you could go see. I have a whole career completing the development of 350 other senior housing projects in North America.

Just as I finally got approvals for this development, the COVID-19 pandemic hit. That started a cascade of roadblocks to being able to develop a senior housing project. These issues are not specific to Laurel Park, but are national issues that have affected every part of the country.

The pandemic reduced occupancy for stable projects to the lowest levels they have ever been. This has wreaked havoc on senior housing cashflow. And just as that happened and the pandemic was going full force, there were labor shortages. These shortages hit the senior housing business in very significant ways. That and the immigration controls have made it so that labor prices have doubled (or more). As the senior housing business tried to work through those issues that were affecting everyone around the country, anyone who was trying to build something new ran into building supply shortages and astronomical price increases for those materials. Those factors have made the operational costs of a senior living facility increase significantly.

While that all has been happening, many loans from the good times (2015-2020) are now coming due. The banks are concerned about properties qualifying for new loans because the operational costs have gone up and the occupancy have gone down. There is only so much you can raise rents for existing and new tenants. Many of the loans around the country have been financed by mid-sized banks. You have read about several of those (Silicon Valley Bank as an example) and how they have gotten into trouble. They now are spooked and consider this industry riskier than before. Getting a loan now costs more. The percentage that is being lent has gone down. The interest rates have gone up. So, to get into a new project, it takes a lot more capital than it did during the good times. The underwriting has just gotten much more difficult. We are talking to lenders and working on getting this project done. Bottom line, it is going to cost more to live in our building.

We love the area and with all of these headwinds, we still think it is possible. But frankly, there have been a lot of setbacks. So much of these projects bank on timing. The timing was good, now it is not as good.

There are more seniors in this market than when we first started. Nothing in senior housing has been built in the area. There are a lot of people living in homes who would like to move into our building. I feel I can meet the needs of the area and think I can complete this development, but need another year of permit approvals to give me time to make it real.

This has been quite a journey that I never thought would take so much time and effort. I have performed with you through all of the permit approvals for this project. I hope you can hang on with me for another year while we figure out how to bring this project to fruition.

Clifford Curry



**TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY**

Title of Item: Agenda Review for the Council Meeting scheduled for August 15, 2023

Presenter: Town Manager Alex Carmichael

Attachment(s): Yes/No

- Draft August 15, 2023, Town Council Agenda

Summary of Item:

The Town Council will hold a public hearing during their regularly scheduled Town Council meeting on the third Tuesday of the month, August 15, 2023, at 9:30am. The draft agenda is included with this memorandum for review.

Council Action Requested:

Staff requests the Town Council review the draft agenda and amend it at their pleasure.

Suggested Motion:

None



**TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY**



**Town Council
Regular Meeting
August 15, 2023, at 9:30 a.m.**

**THIS MEETING WILL BE HELD ELECTRONICALLY AND IN PERSON
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- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Public Comment**
- 4. Approval of the Agenda**
- 5. Consent Agenda**
 - A. July Monthly Report
 - B. Minutes for the July 13, 2023 Work Session
 - C. Minutes for the July 18, 2023 Regular Meeting
 - D. Constitution Week Proclamation
- 6. Old Business**
- 7. New Business**
 - A. Board of Adjustment Elections
 - 1) Ronald Bajakian
 - 2) Paul D. Bell
 - 3) Travis Bonnema
 - 4) Donald T. McIntyre
 - B. Public Hearing- UDOTA- 1-23
 - C. ADU Presentation/Information
- 8. Town Manager's Report**
- 9. Department Head Reports**
 - A. Public Works
 - B. Fire Department
 - C. Police
 - D. Administration
- 10. Mayor and Commissioner Comments**
- 11. Adjournment**