

QUESTIONS ...

1. WHY ARE WE CONSIDERING THE COBLE PROPERTY NOW? THAT IS, WHY WAS THIS NOT INCLUDED IN THE RECENT PHASE 2 VOTE?
2. HOW MUCH IS THE COBLE PROPERTY VALUED? HAS THE CBEC CHECKED THE WWW.WAKEGOV.COM WEBSITE FOR THEIR REAL ESTATE DATA?
3. HOW MUCH ARE WE OFFERING FOR THE COBLE PROPERTY? DO WE HAVE ANY COMPARISON PRICING/OFFER?
4. WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF PURCHASING THE COBLE PROPERTY?
5. DO YOU HAVE ANY COSTS INVOLVED WITH MESHING THE COBLE SITE WITH THE RCCC SITE; THAT IS, THE SITE COST FOR DEVELOPING THE TWO PROPERTIES FOR PHASE 2?
6. WOULD MORE MONEY BE NEEDED (OR ASKED OF THE CONGREGATION) TO COVER THE COBLE PURCHASE?
7. WOULD THE DESIGN OF PHASE 2 REMAIN THE SAME IF THE COBLE PROPERTY IS PURCHASED?
8. WHAT IS THE NEW TIMELINE BEFORE CONSTRUCTION CAN BEGIN?
9. HOW WILL THE DELAY AFFECT THE COST OF THE WHOLE PROJECT?

ANSWERS ...

1. WHY ARE WE PURSUING THE COBLE PROPERTY NOW? WHY WASN'T IT CONSIDERED BEFORE THE CONGREGATION VOTE ON NOVEMBER 14, 2010?

To be truthfully honest I (Don Hong) have been interested in the Coble property since day one when we first pursued the Beamer property in 1999 to build our present church. I was the chair of the building committee then as well. During the period of negotiation to purchase the Beamer property I also approached Mr. Coble about selling his property. As you know our site is 10.56 acres and sits a bit odd-shaped with one corner missing (e.g., Coble site). It sure would be nice if that could be acquired to make the whole plat more symmetrical. Well, the cost was prohibitive then. Back in 1999 Mr. Coble was asking \$10/square foot for 2.09 acres (or \$910,404). As a comparison we paid \$650K for the Beamer property. Mr. Coble told me then that Mt. Zion Baptist first sought him out and offered <\$300K and he wouldn't sell. [For your information, Mt. Zion purchased nearly 28 acres of land at the corner of Chapel Hill Road and NW Maynard. A few years ago they sold off about 16 acres to Harvest Homes that build all the homes on that corner. Mt. Zion kept about 12 acres to build their new church about 4-5 years ago whose frontage exits to Evans Road. Mt. Zion is located a stone's throw to the northeast of RCCC on Allen Lewis Drive.

After the November 14th affirmative vote for Phase 2, I just felt led to give a last try about the Coble property before we start to finalize the site master plan to submit to the Town of Cary (TOC). If we are to buy the Coble property it is imperative that we do it first before any site plan is submitted. It is more cost effective this way and the TOC would want and need to know our plan first. It has been difficult for Mr. Coble to sell at the price he has been seeking. Over the years his price demand has gradually dropped from \$10/sf to the present price of \$450K (with room for negotiations as was related to me) when I asked our agent to inquire a few days after the vote. Thus with a change in market conditions the Coble site becomes plausible for possible purchase and be "annexed" to our property. If this is to be done it must be done before any site plan is submitted.

Thus, the Coble property is being considered now because:

1. A last look before proceeding to submit a site master plan to TOC and start the Phase 2 construction documents [CD], and
2. Changing market conditions and presumably Mr. and Mrs. Coble's advanced age (he is 82 years old) and their desire to move to another location, all play a part in their property being reduced to a more "reasonable" price to a buyer.

With a possible purchase, alternatives open up, such as:

1. A new road exiting to Chapel Hill Road on the west side of the Coble lot. Given that the NAC [Neighborhood Activity Center] Common Road would be the anchor intersection, it was thought that this new Coble road would qualify for a full access road [left in, left out] so that our current entrance on Chapel Hill Road can be closed and better align with new parking spaces. The minimum distance between the anchor intersection and another entrance would be 600 feet and the Coble road measured 619 feet. We then approached the Town of Cary [TOC] to get their opinion.

From a preliminary meeting with the TOC (Dec. 29, 2010) to inquire about this feasibility, the Town told us they are looking at the future Chapel Hill Road to be a 6 lane road (3 east, 3 west) and a grassed median (See Drawings #1 and #2). Consequently the minimum distance between two entrances on a major route would be 1,200 feet. The Coble road would thus not qualify for a full access but the Town is not adverse to the Coble road and only as a right-in, right-out entrance. This is still in our favor, as explained in point #2 below.

2. According to the 2004 TOC NAC (Neighborhood Activity Center on NW Maynard Road), the concept drawing shows the Common Road to have an entrance on the east side of RCCC property that requires it to connect to the future Coble property as a second entry point in addition to its own right-in, right-out entrance unto Chapel Hill Road. In effect, this connectivity bisects the RCCC property into two parts (See Drawing #3). Acquiring the Coble property will negate the connectivity as it (the Coble property) is no longer a separate entity.
3. Acquiring the Coble property would allow additional parking to be situated in the front rather than having to grade the back of RCCC land to accommodate the needed parking. This portion of land can be left undisturbed or developed as a park/picnic/play area. Money saved in the development here can be applied to the development of the Coble land. See Drawing #4.
4. Without developing the back land for parking, the redesigned BMP will be less complicated than as designed for Phase 2 and thus would not be as expensive to design and construct.
5. More importantly, it would allow for a redesign of the Phase 2 building footprint to provide a better layout for people movement overall. This design is drastic from before and conceptually shown in Drawings #4 and #5. The redesign provides for a more efficient layout, better people movement, permitting the use of the current MPR for eating and leaving the current building undisturbed with possibly a minimal renovation of the lunch serving line near the end of the Phase 2 project.

NOTE: The redesign “do over” does not allow for a Phase 3 future sanctuary as there is no more available land. The next step after Phase 2 would be church planting.

2. HOW MUCH IS THE COBLE PROPERTY VALUED? HAS THE CBEC CHECKED THE WWW.WAKEGOV.COM WEBSITE FOR THEIR REAL ESTATE DATA?

The 2008 (last evaluation period) assessed value for the land is \$86,400 and house for \$76,540 or a total of \$162,940. The deed date was January 1, 1968. Refer to Attachment 6. For comparison RCCC is valued at \$3,792,202 (land = \$936,720 and building = \$2,855,482).

In considering an offering price for the Coble property a number of people have indicated that our offer should be near the assessed value. Well, that may not be realistic and generally the selling price becomes the “market price” as agreed between seller and buyer. Realistically the selling or market price is way above the assessed price and reflects basic supply and demand economics. It was stated In Question 1 that Mt. Zion Baptist had offered <\$300K before and Mr. Coble refused the offer. Economic conditions have not deteriorated to a level that would cause the property to approach the assessed value. A sale results when the seller and buyer agree on a “market” or selling price.

See Chart #6.

3. HOW MUCH ARE WE OFFERING FOR THE COBLE PROPERTY? DO WE HAVE ANY COMPARISON PRICING/OFFER?

Our initial offer is \$375,000 for the property (2.09 acres and a house) in which the asking price is \$450,000. The offer was made on January 25, 2011 and we are waiting on a reply from them as of this writing (Jan. 25). As of February 8 and after 3 counter-offers Mr. Coble said his final price is \$420,000 and the Church Council has agreed to that price.

With regards to a comparison pricing as people have asked, here is a little history. At the time (1999-2000) when this property was purchased, the adjacent property (next lot east of Aparché House) was owned by Hartwell Neal who also wanted to sell. He wanted \$550,000 for his 5.5 acres of land and a house. The lot is long and narrow in what I call a bowling alley. It was on the market for a number of years and was sold about 5 years ago to an Indian land investment partnership. I heard it sold for over a million bucks!

This property was subsequently divided into two. The back portion north of the driving circle is zone residential where homes are currently being built. The front portion south of the driving circle fronting Chapel Hill Road is 9260 Chapel Hill has 3.34 acres and contains a 2,000 sf house. It is valued at \$1,018,430 (land) and \$4,971 for the house totaling \$1,023,401 (see Chart #7). The news is that the back portion of this plat is designated for a day-care and the front for commercial use. It has been on the market for some time and cannot be sold at that valuation AND especially if the Town of Cary makes them to construct the common road which will require a “donation” of at least

a 60 feet wide stretch of land for the road (lengthwise from Chapel Hill Road to the driving circle connecting to Evans Road.

Given that comparison, the Coble property is worth the price of the land [and added intrinsic value!]. More than that, however, I do believe there is an intrinsic value to the property that cannot be measured in \$\$ because it provides RCCC a wider frontage – the whole width of the combined RCCC and Coble frontage – that greatly enhances the value of the two combined properties.

4. WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF PURCHASING THE COBLE PROPERTY?

Coble Property: To Buy or Not to Buy – A Brief Comparison

Pro	Con
<ul style="list-style-type: none"> • TOC not adverse to alternate Coble road • Provide better layout of site; minimize possible sectioning of RCCC front property • Provide opportunity to redesign the previous Phase 2 building layout. New design allows better and more efficient people movement overall and elimination of Phase 3. While a “do over” will give a new look it will also delay the start of Phase 2 • Move parking from deep back of property to front facing Chapel Hill Road will decrease walking distance to church building and contribute to a lowering of the site cost • Alter BMP construction to decrease cost • Greatly lower construction interference with daily church functions (all construction is on the south side – towards Aparché House) and the existing back parking is preserved • CBEC proposes to eliminate Phase 3 future sanctuary (no more land space remaining) thus hastening future church planting • Preserves the back land: keep natural or create a park/play and or picnic area with shelter, grill, etc. 	<ul style="list-style-type: none"> • Proposed Coble road does not qualify for a full access road (left-in, left out) – Need minimum 1,200 feet distance between adjacent entrances. Future Chapel Hill Road will be 6 lanes with a grassed median • Additional purchase cost of approximately \$420,000 but the net cost is considerably less • A “Do over” will delay Phase 2 – back to the beginning of Stage 1 to finalize the site plan for submittal to TOC and congregation approval (2 months) • Prior Phase 2 work is negated and costs not recoverable. The roughly \$50K spent to date is a loss. Back to beginning Stage 1 Design Development [DD] • No Phase 3 sanctuary (depends on your perspective!) as front land is all consumed in Phase 2 • Phase 2 construction will be delayed about 12 months

5. WHAT ARE THE SITE COSTS INVOLVED WITH MESHING THE COBLE SITE WITH THE RCCC SITE; THAT IS, THE SITE COST FOR DEVELOPING THE TWO PROPERTIES FOR PHASE 2?

The cost estimate for the site work incorporating the Coble property was just recently completed by Choate Construction. It is tabulated below along with the original site work cost also provided by Choate last August 2010.

Description	August 2010 [without Coble site]	January 2011 [Includes Coble site]
Electrical Earthwork	\$277,932	\$192,375
Site Demolition	77,146	53,410
Excavation and Fill	10,125	10,125
Erosion and Sedimentation Controls	62,154	35,438
Courtyard: Wall and Flatwork	41,056	41,056
Landscaping	75,938	75,938
Asphalt Paving	258,161	182,250
Site Concrete	50,755	27,639
Curbs and Gutters	78,287	60,446
Dumpster Enclosure Fences & Gates	9,136	5,349
Retaining Walls	350,669	206,337
Water Utility Distribution Piping	63,229	65,522
Sanitary Utility Sewage Piping	8,282	24,826
Storm Drainage Structures	105,035	150,091
Subtotal	\$1,467,904	\$1,130,802
Widening Chapel Hill Road	[\$200,000]	[\$300,000]
Total	\$1,667,904	1,430,802
Net Savings	\$237,102	

6. WOULD MORE MONEY BE NEEDED (OR ASKED OF THE CONGREGATION) TO COVER THE COBLE PURCHASE? OR WOULD THE (APPROVED) \$6.6M BE ADEQUATE?

No more money would be needed or asked of the Congregation above the already approved \$6.6M figure. Note in the table tabulation in Question 5 (above) that there is a net saving of \$237,102. This saving would be adequate to cover the additional Coble purchase price. If the Coble purchase exceeds the net saving of \$237,102 there is sufficient buffer* in the \$6.6M budget to absorb the slight additional increase from the agreed offering price of \$420,000.

*Recall that there is already a 15% buffer in the \$6.6M budget (or \$990,000). In essence, with the \$237,102 savings, the cost of the Coble property would be \$182,898 if the purchase price is \$420,000 ($\$420,000 - \$237,102 = \$182,898$).

7. WOULD THE DESIGN OF PHASE 2 REMAIN THE SAME IF THE COBLE PROPERTY IS PURCHASED?

No. The differences are:

7.1 All new parking will on the south and east sides of the building.

- 7.2 The essential needs of a chapel, SS rooms, offices and a fellowship hall are still there but in a different configuration. In the previous design the new construction is to the north of the existing building necessitating the removal of four rows parking. In the new design, all the new construction is to the south of the existing building towards Chapel Hill Road. With the new parking also towards Chapel Hill Road the distance from parking to the building is considerably shorter. The current MPR will become the fellowship hall with eating privileges. The new MPR may be bigger (to seat about 450-500 people) and probably enhanced to a "semi-formal" worship room dependent on cost.
- 7.3 The back (north end) of our property is treed, raw land. The area will be cleared for a play/picnic area with possibly a shelter and grills. This would become a nice area for fellowship gatherings and picnics.

8. WHAT IS THE NEW TIMELINE BEFORE CONSTRUCTION CAN BEGIN?

It is estimated that the project will be delayed 12 months. See the new estimated timeline on the next page.

9. HOW WILL THE DELAY AFFECT THE COST OF THE WHOLE PROJECT?

That is a hard question to answer accurately. As the economy gradually improves, it is for certain that more people will return to work, labor costs will increase and the price of materials will undoubtedly go up. Copper and steel prices will definitely go up and material prices are normally increased during the first few months of a new year. The key is to complete the construction documents (CD) by the fall of 2011 so sub-contractor prices can be locked in before 2012 begins which will mean another round of price increases.

Mortgage interest rates will most likely increase as well. At this time a new cost estimate for civil engineering, architect and other fees are not available, but should be around \$300K just as in the prior Phase 2 budget.

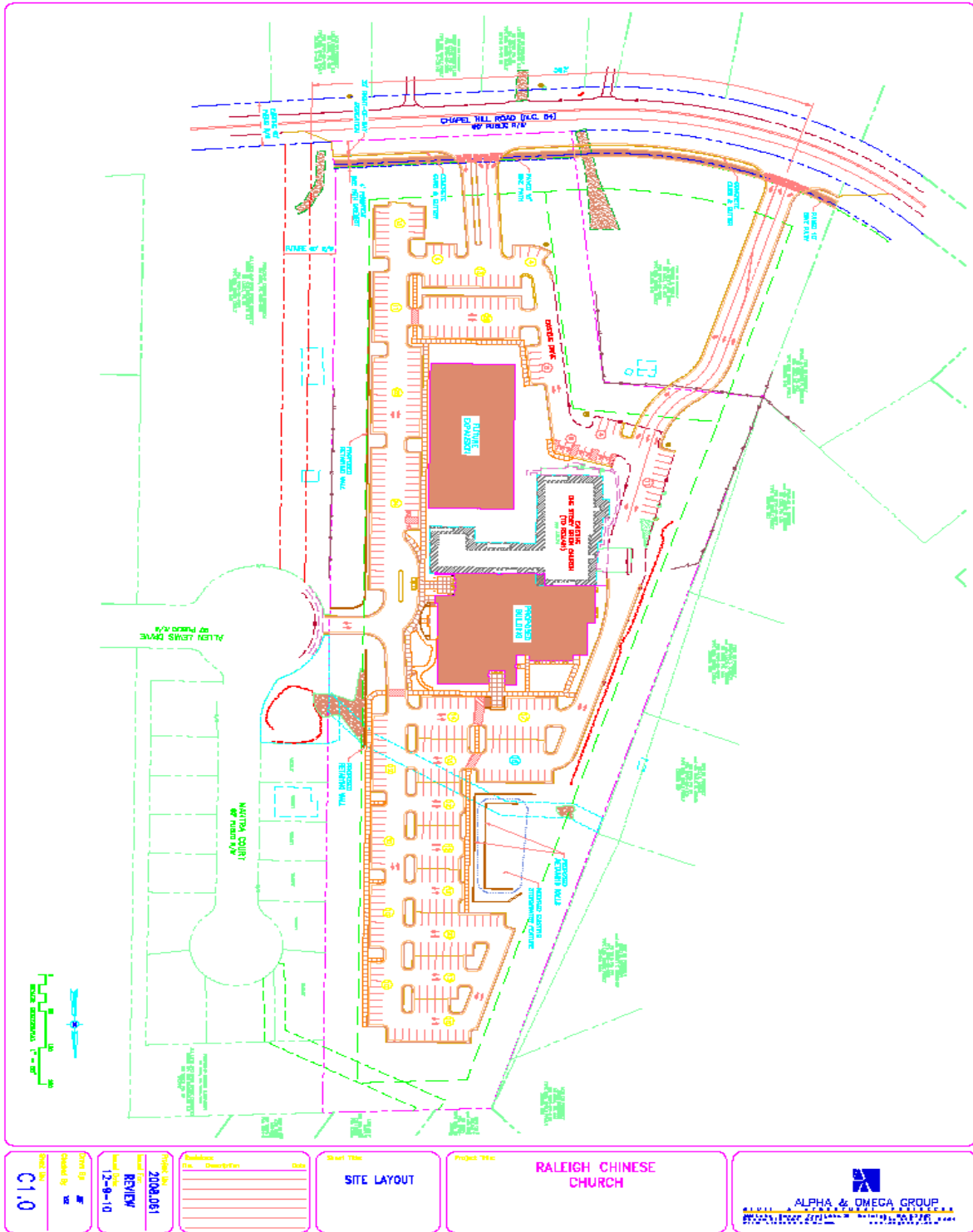
ESTIMATED NEW PHASE 2 TIMELINE

	Task	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
1	Congregation Affirmation	→												
2	Coble offer closing	→	→											
3	Schematic Design [SD]		→	→	→									
4	Cost estimate by GC				→	→								
5	Phase 2 schematic plan to TOC		→	→	→									
6	TOC review and approval Phase 2 schematic				→	→	→							
7	Design Development [DD]						→	→ If needed						
8	Construction Document [CD]								→	→	→			
9	Sub-contractor bids											→	→	
10	Permits												→	→
11	Site work												→	→

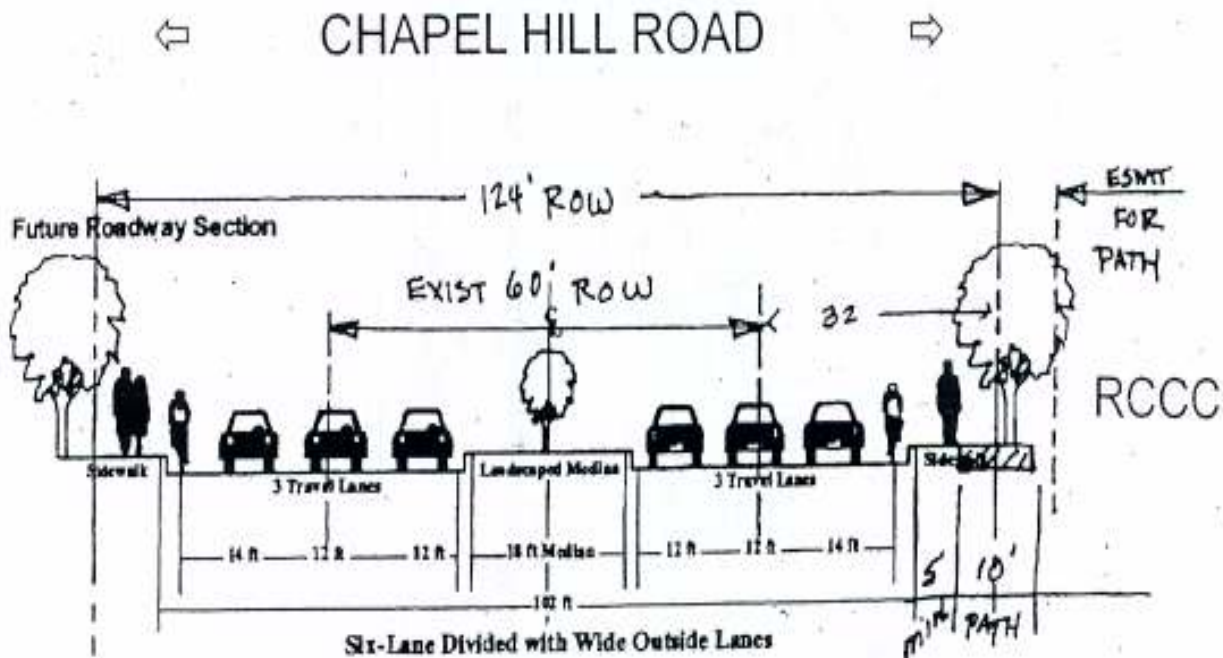
The estimated construction time is 15 months (from initial ground work to move in).

Appendix of Drawings

Drawing #1: Proposed new road on Coble property



Drawing #2: Future Chapel Hill Road [Projected 6 lane + median]



Notes:

- ADT = Average Daily Traffic Volume (vehicles per day) (NA = Not Available)
- Capacity = Maximum ADT
- Number of Lanes = Draft Plan Recommendation for 2005, 2015, and 2025
- Median: "None" - Indicates Double Yellow Line

Drawing #5: Functional Diagram (Conceptual)

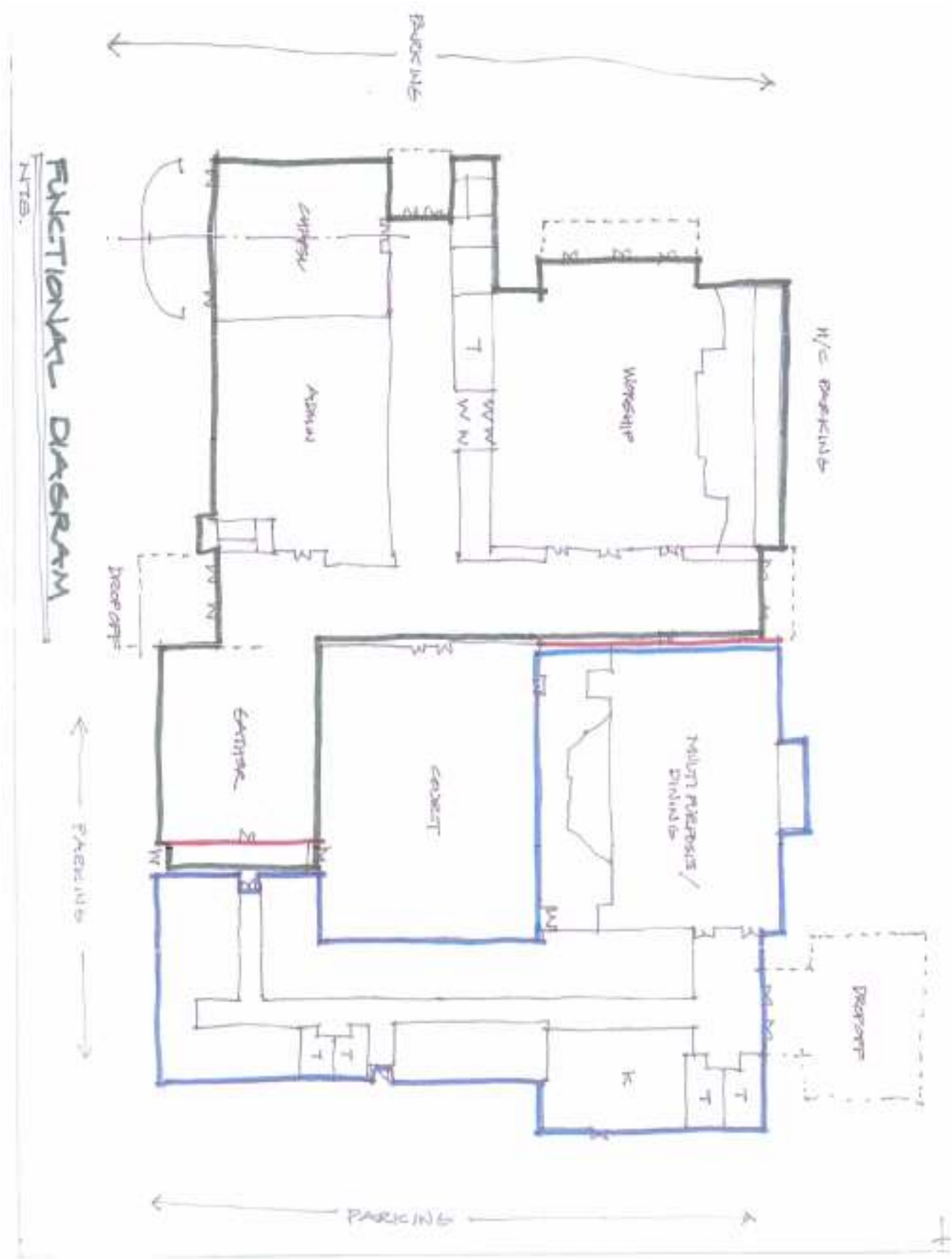


Chart #6: Wake County Real Estate Data on Coble Property [9266 Chapel Hill Rd]

Account Summary - 0013706

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**Wake County Real Estate Data
Account Summary**

[iMaps](#)
[Tax Bills](#)

Real Estate ID **0013706** PIN # **0754960090**

Location Address **9290 CHAPEL HILL RD** Property Description **LOSTURDIVANT RD**

Account Search

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[Account](#) | [Buildings](#) | [Land](#) | [Deeds](#) | [Notes](#) | [Sales](#) | [Photos](#) | [Tax Bill](#) | [Map](#)



Property Owner COBLE, GEORGE H & BETTY A		Owner's Mailing Address 9290 CHAPEL HILL RD CARY NC 27513-3611		Property Location Address 9290 CHAPEL HILL RD CARY NC 27513-3611	
Administrative Data		Transfer Information		Assessed Value	
Old Map #	488--	Deed Date	1/1/1968	Land Value	\$86,400
Map/Scale	0754 12	Book & Page	01823 0423	Assessed	
VCS	04CA147	Revenue Stamps		Bldg. Value	\$76,540
City	CARY	Pkg Sale Date	1/1/1968	Assessed	
Fire District		Pkg Sale Price	\$26,000	Tax Relief	
Township	CARY	Land Sale Date		Land Use Value	
Land Class	R-<10-HS	Land Sale Price		Use Value Deferment	
ETJ	CA	Improvement Summary		Historic Deferment	
Spec Dist(s)		Total Units	1	Total Deferred Value	
Zoning	R40	Recycle Units	1	Use/Hist/Tax Relief	
History ID 1		Apt/SC Sqft		Assessed	
History ID 2		Heated Area	2,245	Total Value	\$162,940
Acreage	2.09			Assessed*	
Permit Date					
Permit #					

*Wake County assessed real estate values reflect the market value as of January 1, 2008, which is the date of the last county-wide revaluation. Any inflation, deflation or other economic changes occurring after this date do not affect the assessed value of the property and cannot be lawfully considered when reviewing the value for adjustment. The January 1, 2008 values remain in effect until the next county-wide revaluation, which is currently performed every eight years. New accounts created after the 2008 tax year and new construction built after January 1, 2008 are assessed according to the 2008 schedule of values.

For questions regarding the information displayed on this site, please contact the Revenue Department at RevHelp@wakegov.com or call 919-856-5400.

<http://services.wakegov.com/realestate/Account.asp?id=0013706&stype=owner&owner=co...> 1/7/2011

Chart #7: Wake County Real Estate Data on GDS Investments LLC [9260 Chapel Hill Rd]

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**Wake County Real Estate Data
Account Summary**

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Real Estate IDPIN # **0754966124**
0009229

Location Address Property Description
9260 CHAPEL HILLFRIENDSHIP CORNER TR1 BM2008-01828
RD

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Property Owner GDS INVESTMENTS LLC	Owner's Mailing Address 20425 STAGHORN CT CORNELIUS NC 28031-7185	Property Location Address 9260 CHAPEL HILL RD CARY NC 27513-3611
Administrative Data	Transfer Information	Assessed Value
Old Map # 488--	Deed Date 10/20/2006	Land Value \$1,018,430
Map/Scale 0754 12	Book & Page 12227 0020	Assessed Bldg. Value \$4,971
VCS CACA001	Revenue Stamps	Assessed Tax Relief
City CARY	Pkg Sale Date	Land Use Value
Fire District CARY	Pkg Sale Price	Use Value
Township R-<10-HS	Land Sale Date	Deferment
Land Class CA	Land Sale Price	Historic
ETJ GCM		Deferment
Spec Dist(s)	Improvement Summary	Total Deferred Value
Zoning 3.34	Total Units 1	Use/Hist/Tax Relief Assessed
History ID 1	Recycle Units 1	Total Value \$1,023,401
History ID 2	Apt/SC Sqft	Assessed*
Acreage	Heated Area 2,014	
Permit Date		
Permit #		

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Chart #8: Wake County Real Estate Data on RCCC [9266 Chapel Hill Rd]

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**Wake County Real Estate Data
Account Summary**

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Real Estate IDPIN # **0754963530**
0005224

Location Address Property Description
9266 CHAPEL HILL RD HILLOLD DURHAM HWY & OTHER (BM1969-278)



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[Account](#) [Buildings](#) [Land](#) [Deeds](#) [Notes](#) [Sales](#) [Photos](#) [Tax Bill](#) [Map](#)

Property Owner RALEIGH CHINESE CHRISTIAN CHURCH	Owner's Mailing Address 9266 CHAPEL HILL RD CARY NC 27513-3611	Property Location Address 9266 CHAPEL HILL RD CARY NC 27513-3611
Administrative Data	Transfer Information	Assessed Value
Old Map # 488--	Deed Date 10/10/2000	Land Value \$936,720
Map/Scale 0754 12	Book & Page 08705 0753	Assessed Bldg. Value \$2,855,482
VCS CACA001	Revenue 1300.00	Assessed Tax Relief
City CARY	Stamps	Land Use Value
Fire District	Pkg Sale Date 10/10/2000	Use Value
Township CARY	Pkg Sale Price \$650,000	Deferment
Land Class EXEMPT	Land Sale Date	Historic
ETJ CA	Land Sale Price	Deferment
Spec Dist(s)	Improvement Summary	Total Deferred Value
Zoning R40	Total Units 1	Use/Hist/Tax Relief Assessed
History ID 1	Recycle Units 1	Total Value \$3,792,202
History ID 2	Apt/SC Sqft	Assessed*
Acreage 10.58	Heated Area 21,737	
Permit Date 2/4/2003		
Permit # 0000003719		

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