



# *Invisible Fences:*

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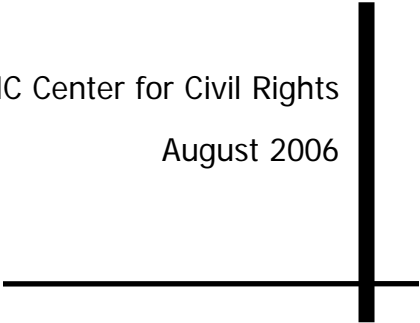
## **Municipal Underbounding In Southern Moore County**



UNC Center for Civil Rights

August 2006

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## ACKNOWLEDGEMENTS

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Many people affiliated with the UNC Center for Civil Rights contributed to this report. Anita Earls, Barry Williams and Elizabeth Connolly researched and drafted substantial parts of the text. Chris Brook, Diane Standaert, Ed Chaney, Heather Hunt, Clay Turner, and Micah Huggins did significant factual and legal research on these issues in Moore County. Trisha McWilliams' documentary work drew out many of the stories found here and much of the photography is hers. Kristal Boyd and Sebastian Kearse helped format the final version. Many of the maps in this report were prepared by the Cedar Grove Institute for Sustainable Communities. Allan Parnell and Ann Moss Joyner also contributed research and analysis from the beginning of the project.

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## EXECUTIVE SUMMARY

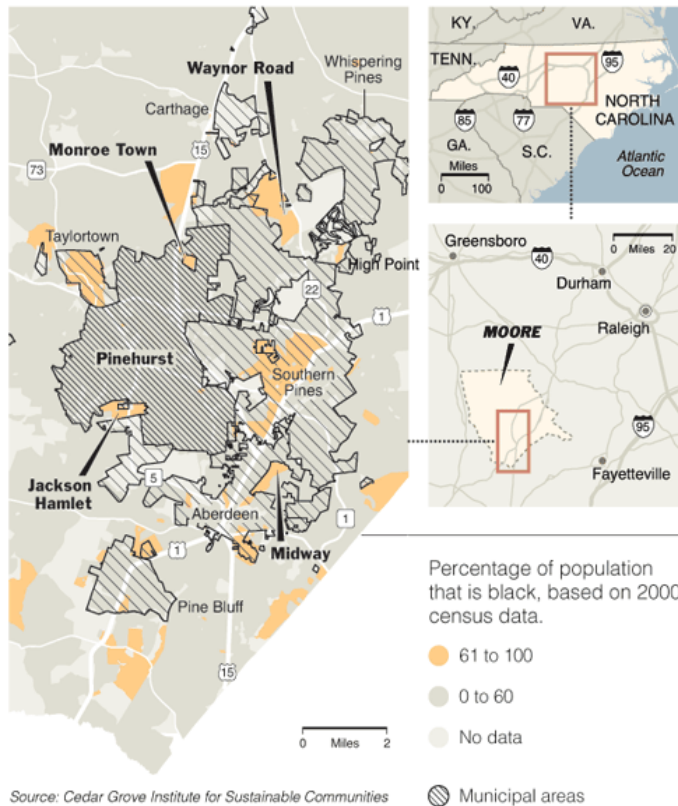
In recent years, social scientists and civil rights advocates have studied a modern-day form of residential segregation known as municipal underbounding,<sup>1</sup> whereby predominantly minority communities are kept separate from their larger, predominantly white municipal counterparts. Underbounding occurs when land-use policies and practices result in the systematic exclusion of minority communities from municipal boundaries as cities and towns expand around them. Such exclusion often translates into a denial of services, or, if provided, a lower level of services; reduced access to infrastructure; and political or economic isolation.<sup>2</sup>

While there is evidence indicating this is a national phenomenon,<sup>3</sup> municipal underbounding appears to be especially prevalent in small Southern towns where historic land ownership and settlement patterns resulted in high concentrations of African Americans just outside municipal boundaries.<sup>4</sup> While the initial exclusion of minority communities can in part be explained by history, their continued exclusion suggests something more sinister. In essence, the jagged and irregular municipal boundaries found in many Southern towns suggest that this exclusion is a new form of institutionalized segregation that has gone largely unnoticed by the general public.

This report is intended to increase public awareness of this growing phenomenon by focusing on the challenges faced by five minority communities in southern Moore County, North Carolina — Jackson Hamlet, Waynor Road, Midway, Monroe Town, and Lost City — that have been excluded from neighboring, more affluent communities.

### Pockets of Poverty

Some minority communities in Moore County, N.C., lack municipal services as surrounding areas have been incorporated into wealthy municipalities.



<sup>1</sup>Geographers note that “[u]rban specialists have applied the terms underbounding and overbounding to disparities between the legal city or urbanized area and the physical city, but these terms have not been precisely developed and tested in specific cities.” Donald W. Buckwalter and Dean S. Rugg, *Delimiting the Physical City: Disparities Between Various Methods of Calculating Population Densities*, 38 PROF. GEOGRAPHER 258-63 (1986). The term was first applied to the pattern of black residential areas on the fringe of small municipalities in the South by Charles S. Aiken. See Charles S. Aiken, *Race as a Factor in Municipal Underbounding*, 77 ANNALS OF THE ASSOC. OF AM. GEOGRAPHERS 564-79 (1987).

<sup>2</sup>Allan M. Parnell, *The Persistence of Political Segregation: Racial Underbounding in North Carolina* (Cedar Grove Institute for Sustainable Communities, 2004).

<sup>3</sup>Latino residents of Modesto, California have been excluded from municipal boundaries and have filed suit against the city in an attempt to gain full municipal services. See *Committee Concerning Community Involvement, et al. v. City of Modesto, et al.*, No. 04-6121, E.D. Cal., First Amended Complaint filed April 6, 2005. Similarly, a black community near Zanesville, Ohio, is within one mile of public water lines, but was denied public water service for nearly fifty years. As a result, they had to haul water from the city, collect rain water, and store water in cisterns, where it often became dangerous for consumption. At the same time, white residents on the same street were provided with water. See *Kennedy, et al. v. City of Zanesville, et al.* C.A. No. 03-1047, S.D. Ohio.

<sup>4</sup>For research on the extent of municipal underbounding in the south see Daniel T. Lichter, et. al, *Municipal Underbounding and Racial Exclusion in Southern Small Towns* (March 22, 2006) (paper presented at the Annual Meeting of the Population Association of America, Los Angeles, Cal., March 30, 2006).

The situation in Moore County is particularly egregious in light of the vast economic and social differences separating the neighboring communities. Moore County, home of the 2005 U.S. Open, has experienced great economic growth in the past decade. Fueled by a booming golf industry, the county's property tax base has doubled, economic expansion has lifted many residents to new levels of prosperity, and the median household income in Moore County is well above the state average. Despite its rural, small-town character, Moore County's economic growth has made it one of the wealthiest counties in the state, joining the ranks of larger, more metropolitan counties like Wake, Durham, and Forsyth.<sup>5</sup>

Yet this prosperity has by-passed many in the county. While residents of neighboring Aberdeen, Southern Pines, and Pinehurst enjoy low poverty rates, above-average incomes, and a full array of municipal services — including trash pick-up, streetlights, water and sewer services and a full-fledged police force — minority communities just yards away enjoy none of these things. However, residents in these communities are denied something even more valuable than basic services: they are denied the right to vote in town elections. Due to North Carolina's complex land-use policies, these residents are denied a voice in the same political process used by neighboring towns to keep them out. In essence, these communities are a no-man's land stuck between municipalities that have been unwilling to help them and a county government that denies responsibility for their welfare.

Visitors to Moore County are awed by the resort's genteel atmosphere, its \$14 million spa facilities, and the county's forty-three public and private golf courses. Yet these visitors typically never see the every-day struggles faced by neighboring minority communities. Their struggles to obtain basic human services remain hidden from view, much as the communities themselves are. This report is aimed at changing that.

To do so, this report explores the historical background of the area and the social and institutional mechanisms that have the effect of excluding minority communities from municipal boundaries. The report also outlines the steps these communities have taken to further their goal of obtaining municipal services and the options that remain available to them in the future.

In compiling this report, the UNC Center for Civil Rights used U.S. census data and extensive GIS mapping and land-use analysis provided by the Cedar Grove Institute for Sustainable Communities.



<sup>5</sup> The N.C. Department of Commerce ranks Moore County as a Tier 5 county in terms of economic wealth. Other Tier 5 counties include: Buncombe, Chatham, Davie, Durham, Forsyth, Johnston, Mecklenburg, New Hanover, Orange, and Wake counties. N.C. Dept. of Commerce at <http://www.nccommerce.com/finance/tiers/2005tiers.asp> (last visited July 26, 2005).

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## INTRODUCTION

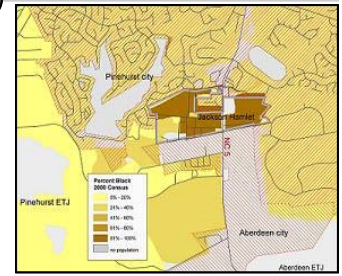
Southern Moore County is a society of extremes, characterized by the problems that arise when vastly different communities exist side-by-side, each facing unique, and often mutually exclusive, challenges. Known for its world-renowned golf courses, spa facilities, and equestrian centers, southern Moore County has developed a reputation for luxury and prestige. As such, it would be easy to assume the community as a whole enjoys the social, economic, and political benefits associated with the resort. Yet, the opulence that awes visitors also masks the fact that Moore County remains a divided community: one portion disproportionately white and wealthy, one portion largely black and poor.

In every way, Moore County is divided by intangible and tangible barriers. Legal barriers, in the form of municipal boundaries, separate the African-American communities of Jackson Hamlet, Waynor Road, Midway, Lost City, and Monroe Town from the confines of the predominantly white towns of Aberdeen, Southern Pines and the village of Pinehurst. Moreover, the county is also divided by the psychological barriers that prevent wealthier residents from recognizing that their well-being is connected to that of their neighbors in great need, and government officials from seeing beyond the bottom-line to provide community members with basic municipal services aimed at protecting the health, safety, and welfare of the *entire* community.

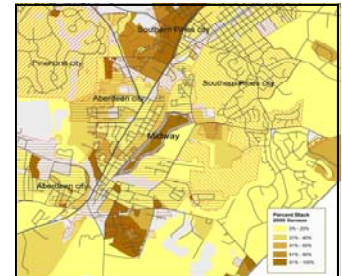
In 1898, the Pinehurst Outlook noted that the land surrounding Pinehurst was originally founded as a “place to which men and women might flee from cold, from weariness, from worry — an abode of peace and rest where there should be things to comfort the body and refresh the soul.” Over one hundred years later, it is a vision that has yet to be fulfilled for a significant portion of the larger Moore County community. As their neighbors in Aberdeen, Pinehurst, and Southern Pines enjoy the luxurious amenities associated with the resort, residents of southern Moore County’s predominantly African-American communities struggle to obtain basic services like water and sewer, trash pickup, streetlights, and police protection. Residents of these communities do not view Pinehurst as a location to flee from weariness and worry; they view Pinehurst and all it represents as the source of their weariness and worry.

## BACKGROUND

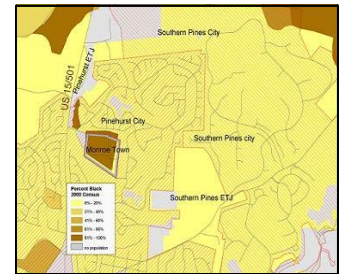
The Moore County area, located in the southern central region of North Carolina, was first settled by Europeans in about 1739. At that time, English, Ulster Scots, and German settlers moved into the area, settling on the fertile lands along the Deep River in northern Moore County.<sup>6</sup> While the northern area of the county prospered, fueled by industrial growth that saw the establishment of a prosperous gun factory in Robbins and a carriage factory in Carthage, the Sandhills area in the southern part of the county lagged behind. All that changed following the establishment of the Raleigh and Augusta rail line in the 1870s.<sup>7</sup> The rail line represented economic salvation for the area, which finally had the ability to ship products from its vast pine forests. Soon, southern Moore County’s economy prospered with the growth of the tar, turpentine, and timber industries.



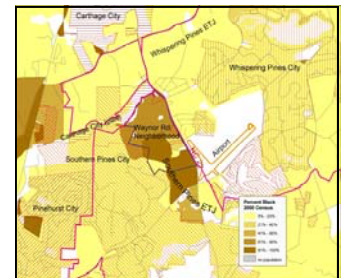
Jackson Hamlet Census - 2000



Midway Census - 2000



Monroe Town Census - 2000



Waynor Road Census - 2000

<sup>6</sup> Historical Outline of Moore County, NC, available at [http://www.morecountync.gov/main/page.asp?rec=/pages/AboutMooreCounty/historical\\_outline.htm](http://www.morecountync.gov/main/page.asp?rec=/pages/AboutMooreCounty/historical_outline.htm) (last visited July 25, 2005).

<sup>7</sup> *Id.*

In the 1880s, entrepreneurs recognized that the unique scenic beauty and mild climate of the Sandhills could be used to spearhead an entirely new industry for the area: tourism. Recognizing that individuals afflicted with various diseases needed a place to recover from their illnesses, resort towns began springing up along the railroads of Moore County. The ventures proved especially successful. According to Moore County's official history, "people wishing to improve their health or seeking 'refuge from the northern blizzard' began to flock to the resort towns."<sup>8</sup> While Shaw's Ridge, later incorporated as Southern Pines, was the most popular of these resorts, it was Pinehurst that would bring southern Moore County onto the world stage.

### *Pinehurst and Jackson Hamlet*

Pinehurst was founded by soda fountain magnate James Walker Tufts in 1895.<sup>9</sup> Tufts had traveled south from his native Massachusetts to find a location with a "healthy atmosphere" to build a resort for northern working people.<sup>10</sup> The resort was intended, in part, as a place where individuals suffering from diseases like tuberculosis could recover in a mild and healthy climate. Despite the fact that the area had been clear-cut by the timber industry, Tufts found what he was looking for in the Sandhills.<sup>11</sup> In June 1895, Tufts bought nearly 6,000 acres of sandy, pine barrens for \$1 an acre.<sup>12</sup> Construction on the resort began immediately. Spearheaded by famed landscape architect Frederic Law Olmsted, who designed New York City's Central Park and the Biltmore Estate in Asheville, North Carolina, Pinehurst Village took the form of a typical New England town, with "curving, twisting roads leading from a central village green."<sup>13</sup> By December 1895, the Holly Inn was welcoming its first guests and Pinehurst resort was born.

From the beginning, however, Pinehurst did not attract working men and women as Tufts had envisioned. Due in part to the discovery that tuberculosis was highly contagious, the resort's primary focus shifted from rehabilitation to golf. In 1897, the resort's first golf course was constructed. Nine additional holes were added in 1899. By 1900, Tufts was actively marketing the resort to healthy sportsmen and well-to-do businessmen. That same year, he hired famed golf professional Donald Ross to design Pinehurst's golf courses, including Pinehurst No. 2, where the 1999 and 2005 U.S. Opens were played.<sup>14</sup> Over the years, the Tufts family oversaw the development of Pinehurst and "firmly established its international reputation as one of the world's premier golf attractions."<sup>15</sup> As the golf industry flourished, so did the village. Cottages, streets, utilities, fire and police departments, and businesses sprang up throughout the village, almost all of which was owned by the Tufts family.

The Tufts family remained the sole proprietor of Pinehurst until 1971, when the resort, and approximately 7,500 acres of land, was sold to the Diamondhead Corporation for \$9.2 million. Diamondhead immediately began replacing worn out infrastructure and reorganizing the community into individual private lots with membership rights to the Pinehurst resort facilities. The company also expanded recreational facilities at the resort by building Pinehurst No. 6 and creating Lake Pinehurst as part of a residential development.<sup>16</sup>

Meanwhile, the growing golf industry was cause of concern to some residents, who were concerned about the effects the growing resort would have on their sleepy village. Noting "there were no building inspectors, no planning or zoning regulations, and no real means for the concerns of the residents to be acted

<sup>8</sup> *Id.*

<sup>9</sup> According to the Tufts Archives, Tufts made his fortune patenting soda fountain machines and as founder of the American Soda Fountain Company. A successful entrepreneur, Tufts was "interested in improving the working and living conditions of his workers and the less fortunate." As such, he established one of the first mutual benefit associations for the provision of health care benefits and started a savings bank to "protect the earnings of immigrant Italians" in Boston's North End. Tufts Archives, available at [http://www.tuftsarchives.org/tufts\\_template.htm](http://www.tuftsarchives.org/tufts_template.htm) (last visited July 25, 2005).

<sup>10</sup> Village of Pinehurst, available at [http://www.villageofpinehurst.org/VOP\\_history.htm](http://www.villageofpinehurst.org/VOP_history.htm) (last visited July 25, 2005).

<sup>11</sup> *Id.*

<sup>12</sup> Tufts Archives, available at [http://www.tuftsarchives.org/village\\_template.htm](http://www.tuftsarchives.org/village_template.htm) (last visited July 25, 2005).

<sup>13</sup> Village of Pinehurst, available at [http://www.villageofpinehurst.org/VOP\\_history.htm](http://www.villageofpinehurst.org/VOP_history.htm) (last visited July 25, 2005).

<sup>14</sup> Tufts Archives, available at [http://www.tuftsarchives.org/golf\\_template.htm](http://www.tuftsarchives.org/golf_template.htm) (last visited July 25, 2005).

<sup>15</sup> Tufts Archives, available at [http://www.tuftsarchives.org/golf\\_template.htm](http://www.tuftsarchives.org/golf_template.htm) (last visited July 25, 2005).

<sup>16</sup> Village of Pinehurst, available at [http://www.villageofpinehurst.org/VOP\\_history.htm](http://www.villageofpinehurst.org/VOP_history.htm) (last visited July 25, 2005).

upon,” a majority of the village’s 1,746 residents decided to incorporate in 1980.<sup>17</sup> Yet, despite the implementation of stringent zoning and planning restrictions, the resort continued to rapidly expand, and in 1984, Dallas-based Club Corporation of America purchased the resort. Over the next 20 years, the company spent more than \$100 million refurbishing the resort, including the addition of two golf courses, No. 7 and No. 8, the redesign of six other courses and the construction of a \$14 million spa.<sup>18</sup>

Through it all, Pinehurst has been an economic driving force for the region, bringing thousands of visitors into the area each year and pumping more than \$794,000 into Moore County each day.<sup>19</sup> Just as the resort became a world-class golf destination, it became a labor-force destination. African-American workers moved from all over central and southeastern North Carolina to work at the resort as cooks, caddies, groundsmen, maids, and laborers. For many years working at the resort was the best job an African-American worker could get in Moore County. “These were good jobs,” said Charles Barrett of the employment opportunities that drew him to the resort.<sup>20</sup> Barrett began working at the Holly Inn in 1945 when almost all of the kitchen help and caddies were African-American men.



As with most southern towns of that age, however, those same workers who were welcomed to the resort with open arms as laborers were denied equal access to its facilities. Prohibited from staying in the resort or purchasing land in Pinehurst, African-American workers initially “stayed in dorms near the hotel or rented homes or rooms nearby.”<sup>21</sup> Faced with restrictive real-estate covenants that prohibited the sale or use of land “by a Jew or a Negro,”<sup>22</sup> African-American workers sought a place where they could create a community of their own. Many of the resorts’ workers settled in what was to become Jackson Hamlet, a community wedged between Pinehurst and Aberdeen.

Jackson Hamlet was named after James Jackson, an African-American self-employed toolmaker who migrated from Taylortown.<sup>23</sup> The community was originally called Vina Vista, because of the many grapevines and the winery that was located nearby. In 1908, the first church plot in Jackson Hamlet was deeded from N.A. Pleasants and his wife, Bettie, to James Jackson and the trustees at the colored Baptist church, which later became Saint Paul Missionary Baptist Church. Although a fire at the Moore County Courthouse in 1889 destroyed many records, it appears from title searching that much of the land in Jackson Hamlet was acquired from the Pleasants family.

<sup>17</sup> *Id.*

<sup>18</sup> Ellen Sung, *Hospitality Doesn’t Come Cheap*, NEWS AND OBSERVER (Raleigh, N.C.), June 18, 2005.

<sup>19</sup> Convention and Visitors Bureau for Pinehurst, Southern Pines, and Aberdeen, available at <http://www.homeofgolf.com/tourism.htm> (last visited July 25, 2005).

<sup>20</sup> Martha Quillin, *Pinehurst in Black and White*, NEWS AND OBSERVER (Raleigh, N.C.), June 5, 2005.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> Interview with Oneal Russ, March 17, 2006.

It also appears that James Jackson probably acquired his land from the Pleasants family. Throughout the beginning of the 20<sup>th</sup> century, Jackson sold much of his land to other African Americans. One of the larger transactions was the sale of 20 acres to Edmund Gaines in 1901. The Gaines family became one of the major landowners in Jackson Hamlet. As a note of interest, Edmund Gaines' son, James, sold about 70 acres of land to the Diamondhead Corporation during the 1970s.

Members of the Cotton family were major landowners in Jackson Hamlet at the turn of the century. In 1908 alone, Charles and Jane Cotton purchased a total of 15 acres from N.A. and Bettie Pleasants. Later land transactions between the Cottons and other African Americans, including several with Ed Gaines, became a catalyst for African-American owned businesses in Jackson Hamlet.

During the World War II era, James Gaines owned a nightclub in Jackson Hamlet called Cabin in the Pines. Samuel Arnette operated a more upscale nightclub called Ambassador Club during the same time. People came from miles around to hear popular artists such as James Brown, Cab Calloway, Louis Jordan, and Sam Cooke.<sup>24</sup> Arnette's business venture was made possible by lots he purchased in 1929 from John Nelson and Nathan Foster. Both of those lots were also previously owned by the Cottons.

Many of the descendants of early landowners in Jackson Hamlet are still residents of the community. Helen Williams, who turned 90 in June, is the granddaughter of Jane Cotton. Her father, Hector Dawkins, worked as a mechanic. Andrew Jackson Jr., the great-grandson of James Jackson, also resides in Jackson Hamlet. Carol Henry, the president of Jackson Hamlet Community Action, is the granddaughter of Herbert and Bessie Frye. Henry lives on the 6.4 acre lot that her grandparents purchased from C.E. Pleasants in 1932. Oneal Russ, former president of Jackson Hamlet Community Action, and his wife, Flora, live on property that Flora's grandfather, Z.D. McRae, purchased from Herbert Frye.<sup>25</sup>

Jackson Hamlet resident Ida Mae Murchison moved to Jackson Hamlet in July 1941. When she arrived in the community, many women were employed as cooks, maids, or in laundry services. Men worked in the dairy, cut down trees, dug out areas for golf course greens, or worked as caddies.<sup>26</sup> Herbert Frye worked in the Tufts' dairy, along with many of his sons. Jim McMillan owned a grocery store in the community. Z.D. McRae opened and operated Grape Arbor, which was the first concession stand on Pinehurst No. 1.<sup>27</sup> The operation was rather simple: he dug a hole in the ground, stuck a barrel in it, and filled it with ice to keep drinks cold.<sup>28</sup> A few years later, A.T. McRae (Flora's uncle) opened a second concession stand that served Pinehurst #1 and Pinehurst #2. Called Spider and Fly Inn, the concession stand added boiled eggs and pickled pig's feet to the menu.<sup>29</sup>

While the standard of living was relatively lower in Jackson Hamlet, the working relationship between African Americans in the community and their white employers helped ensure that needs were met. "There was interdependence," said Russ. "Some [Jackson Hamlet residents] were able to get individualized favors." For example, Nathan Foster, who worked as a janitor in Pinehurst, was the first Jackson Hamlet resident to have water service. His employer allowed him to hook up to the Pinehurst tap, and Foster became a local entrepreneur by selling water to other residents from a water spigot.<sup>30</sup>



**Robert Gaines**



**Ida Mae Murchison**



**Carol Henry**



**Oneal Russ**

<sup>24</sup>*Id.*

<sup>25</sup>Interview with Oneal Russ, March 17, 2006.

<sup>26</sup>Interview with Ida Mae Murchison, March 17, 2006.

<sup>27</sup>*Id.*

<sup>28</sup>*Id.*

<sup>29</sup>*Id.*

<sup>30</sup>*Id.*

Over time, some of the interdependence faded. Jackson Hamlet residents decided to form a community organization to further their interests. Jackson Hamlet Community Action was incorporated in 1969 as a community action agency. Since then, it has remained a grassroots volunteer organization serving Jackson Hamlet by advocating for the interests and needs of residents and operating various programs and cultural events.



One major accomplishment was building a community center and paying off in 1976 a seven-year mortgage. However, by the time the mortgage was paid off the center was already beginning to deteriorate.<sup>31</sup> Members of the Tufts family helped the center to replace windows, paint the entire building, and obtain new tables, folding chairs, and playground equipment.

Another major accomplishment was entering into and satisfying a ten-year contract with Carolina Power and Light Co. Under the contract, the power company installed light poles in the community, and if Jackson Hamlet kept the lights paid for, the poles would become property of the community. Thanks to monthly door-to-door collections by Ida Mae Murchison and the donations of residents, Jackson Hamlet acquired ownership of all the light poles.

### *Midway*

From the late 1800s through the mid-1900s, the cycles of land acquisition, ways of life and community activism were somewhat similar in the Midway community. Known as Blue's Crossing until the 1900, Malcolm Blue Farm contained most of the land in what is now known as Midway.<sup>32</sup> Born in 1802 to Scottish immigrant John Blue, Malcolm acquired large tracks of land.<sup>33</sup> Of his 8000 acres of land, which included the present day Pinehurst Race Track and the western boundary of Fort Bragg, 200 acres were cleared for farming corn, beans, peas, wheat, rye, and sweet potatoes. A prominent member of the church who served as an elder in the Presbyterian Church for 40 years and Clerk of Sessions for 16 years, Malcolm Blue was also the owner of seven slaves.<sup>34</sup>

Some of Blue's slaves were given land and a few other slaves were able to purchase land. One such slave was Ransom Love, grandfather of Midway resident Carl L. Love.<sup>35</sup> That land, 11 acres, has been passed down to Carl L. Love, who is now almost 90 years old. "I want to keep this in my family," he said.<sup>36</sup> Other long-standing families in Midway, including the Kleggs and the Carters, also purchased land from former slave owners.<sup>37</sup>

<sup>31</sup> Interview with Oneal Russ, March 17, 2006

<sup>32</sup> Interview with Maurice Holland, March 23, 2006.

<sup>33</sup> Malcolm Blue Farm History, available at <http://www.malcolmbbluefarm.org> (last visited April 19, 2006).

<sup>34</sup> *Id.*

<sup>35</sup> Interview with Carl L. Love, March 23, 2006.

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

Growing up in Midway in the early 1900s, Love said he helped out on his family's farm, which included tobacco, cotton, corn, peas, beans, chickens, pigs, hogs, mules, and cows. "We could give you food, but we didn't have any money," he said.<sup>38</sup> During his childhood, Love said he also remembers residents digging up things, cutting down trees, and doing various hazardous jobs.<sup>39</sup>

As a teenager, Leslie Jones came to Midway in 1930 from Brunswick County, South Carolina. Because there were not many businesses in Midway, Jones said women worked as cooks and maids in Aberdeen and Southern Pines. Some men worked on the golf course, either digging or caddying. Others worked picking blueberries or in the nearby ice plant, Mountain Ice Company.<sup>40</sup> After spending the winter of 1935-1936 digging up pipes in Fort Bragg, Jones returned to Midway to settle down. He purchased land from Eudice Mills, the former mayor of Pine Bluff, and built a home.

Similar to Jackson Hamlet, the interdependence between African-American residents and their white employers began to fade as the mid-1900s approached. "We wanted something of our own," Love said. "We wanted to join in, be concerned. We can't live without each other." In 1969, the same year that Jackson Hamlet Community Action was incorporated, Midway Community Association was incorporated.

Working with the Sandhills Community Action Program, the initial goal was to improve housing. "We had some horrible housing," said Maurice Holland, Midway resident and current president of the Midway Community Association.<sup>41</sup> Holland got involved with the community association in the early 1980s, serving as tri-chair with Minnie Raye and Steve Utley. Through hard work and perseverance, Midway Community Association received in the mid 1980s a federal grant that enabled the community to refurbish housing.<sup>42</sup> In 2000, the town of Aberdeen received federal Community Development Block Grant funds to provide water to part of the Midway community.

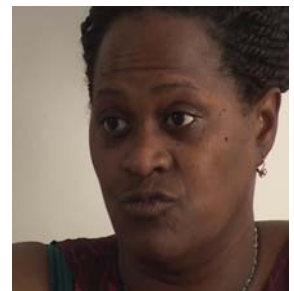
While today some of the younger residents of Midway are leaving their community to pursue greater job opportunities, many of the residents are descendants of individuals who were initially drawn to the area by job opportunities provided by the golf resorts and supporting businesses. Other workers settled north of Pinehurst in an area now known as Taylortown, the only predominantly African-American community in Moore County that has been incorporated.

### *Taylortown*

Incorporated in 1987, Taylortown was developed in the early 1900s by Demus Taylor. He was the "grandson of one of the first African slaves brought to the New World and a descendant of the Western African tribe known as Ebu."<sup>43</sup> Taylor purchased the land from the Tufts family "to build homes for the work force for Pinehurst's hotels and golf courses."<sup>44</sup>



**Steve Utley**



**Joyce Ray**

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> Interview with Leslie Jones, March 23, 2006.

<sup>41</sup> Interview with Maurice Holland, March 23, 2006.

<sup>42</sup> *Id.*

<sup>43</sup> Taylortown, NC, available at <http://www.gotopinehurst.com/mgmarket/town/taylortown> (last visited April 19, 2006).

<sup>44</sup> *Id.*

The work force moved in and the homes were built. By incorporating, Taylortown residents were able to obtain their own municipal services and the right to vote in municipal elections. However, in other ways, the community faces significant challenges. Much of Taylortown's tax revenue comes from a lone shopping center that is located along the town's border with Pinehurst. With an exodus of the town's younger generation and an aging population, Taylortown is slowly crumbling.<sup>45</sup>

Jackson Hamlet resident Ida Mae Murchison began working at the Carolina Inn in 1945 and became the first African-American chambermaid. While African-American labor was relied upon to build and maintain the resort Town of Pinehurst, African Americans were not welcome there. "The North Carolina Medical Association stopped coming to the Carolina Inn because they would not let black doctors have a room."<sup>46</sup> Sixty years later, a lot has changed in Pinehurst. Ida Mae Murchison retired in 1995, and the resort's workforce is more diverse than perhaps it ever was. However, at least two things remain the same: Charles Barrett, who first started working at the Holly Inn in 1945, is still working for the resort, and most of the area's African-American communities and residents are still largely on the outside looking in.

**2006**



**Early 1900's**

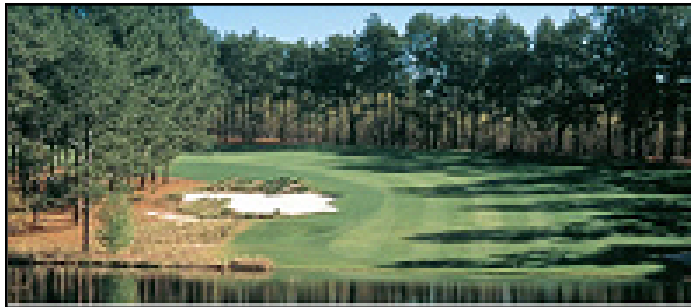
<sup>45</sup> Patrik Jonsson, *African-Americans Enlist to Preserve the All-black Town*, CHRISTIAN SCIENCE MONITOR, August 9, 2005.

<sup>46</sup> Interview with Ida Mae Murchison, March 17, 2006.

## ECONOMICS AND DEMOGRAPHICS OF MOORE COUNTY

In the hundred years since Pinehurst's founding, the surrounding area has experienced rapid growth and prosperity. For example, when Pinehurst was incorporated in 1980, the village had just 1,746 residents. By 2000, the U.S. Census reported a population of 9,706 – an increase of more than 500 percent. Much of that growth has been recent, with census data showing Pinehurst's population doubling between 1990 and 2000.<sup>47</sup> The county as a whole has also experienced significant population growth. U.S. Census data shows that Moore County's population increased from 59,013 in 1990 to 74,769 in 2000, an increase of 26 percent.<sup>48</sup> During the same time period, the State of North Carolina grew by only 15.1 percent.<sup>49</sup> The increased population growth has translated into an increased demand for new housing. Over the past 25 years, 18,247 new homes were constructed in Moore County, a 51.9 percent increase.<sup>50</sup> In Pinehurst alone, 3,794 new homes have been constructed, an increase of 66.3 percent.<sup>51</sup>

This impressive growth has translated into equally impressive revenues. Over the past ten years, Moore County's property tax revenues have more than doubled, showing an increase of \$20 million. This rapid population growth and its accompanying construction boom have allowed Moore County to maintain one of the lowest property tax rates in the region.<sup>52</sup> On average, North Carolina property owners are subject to a property tax rate of 66.4 cents per \$100 of assessed value. In Moore County, however, property owners pay just 47.5 cents, putting the county in the lowest ten percent in the state.<sup>53</sup> Despite its low tax rate, Moore County is prospering.



According to the county's annual financial report, it held \$33 million in net assets at the end of the 2003-2004 fiscal year and held an unreserved fund balance of almost \$9 million – 14 percent of total general fund expenditures.<sup>54</sup> While much of the state has faced burgeoning unemployment rates in the face of factory and textile mill closures, Moore County has prospered. Unemployment rates are low, and Moore County has one of the lowest poverty rates in rural North Carolina.<sup>55</sup> The county's median income is greater than the state average.<sup>56</sup>

Much of this growth has been fueled by Moore County's booming tourism industry. For example, in 2003, Moore County's share of domestic tourism revenues was over \$290 million, meaning that more than \$794,000 was pumped into the local economy each day. Visitors generate \$25.47 million in state and local taxes

<sup>47</sup> Village of Pinehurst, available at [http://www.villageofpinehurst.org/VOP\\_history.htm](http://www.villageofpinehurst.org/VOP_history.htm) (last visited July 25, 2005).

<sup>48</sup> U.S. Census Bureau, available at [www.factfinder.census.gov](http://www.factfinder.census.gov) (last visited July 20, 2005).

<sup>49</sup> Convention and Visitors Bureau for Pinehurst, Southern Pines, and Aberdeen, available at [www.homeofgolf.com](http://www.homeofgolf.com) (last visited July 25, 2005).

<sup>50</sup> U.S. Census Bureau, available at [www.factfinder.census.gov](http://www.factfinder.census.gov) (last visited July 20, 2005).

<sup>51</sup> *Id.*

<sup>52</sup> Here is a breakdown of regional tax rates surrounding Moore County: Chatham, 64.6¢; Lee, 67¢; Harnett 73.5¢; Cumberland, 88%; Hoke, 74¢; Scotland, 1.10¢; Richmond, 78¢; Montgomery, 58¢; Randolph, 50 ¢. Moore County Manager, Budget Message 2005-2006, available at [http://www.co.moore.nc.us/main/page.asp?rec=/pages/budget/05\\_06\\_Budget.pdf](http://www.co.moore.nc.us/main/page.asp?rec=/pages/budget/05_06_Budget.pdf) (last visited July 25, 2005).

<sup>53</sup> *Id.*

<sup>54</sup> Moore County's unreserved fund balance of \$9 million was \$4 million more than the threshold recommended by the Local Government Commission, a nonprofit that advises local governments on economic development planning. Ann Moss Joyner and Carolyn J. Christman, *A Case Study of Southern Moore County*, Cedar Grove Institute for Sustainable Communities, (forthcoming 2005).

<sup>55</sup> Moore County has an overall poverty rate of 11.4%. The state average is 12.3%. U.S. Census Bureau, available at [www.factfinder.census.gov](http://www.factfinder.census.gov) (last visited July 20, 2005).

<sup>56</sup> The average median income for Moore County is \$48,492, while the average median income statewide is \$46,335. U.S. Census Bureau, [www.factfinder.census.gov](http://www.factfinder.census.gov) (last visited July 20, 2005). Of North Carolina's 100 counties, Moore County ranks 18<sup>th</sup> in average median income.

annually, representing more than \$825 in savings for every household in Moore County. While Moore County is 32<sup>nd</sup> out of North Carolina's 100 counties in population, it ranks 10<sup>th</sup> in total travel and tourism expenditures, translating into thousands of service and tourism related jobs each year.

Despite the development of world-class spa facilities and equestrian centers, golf remains the driving force behind Moore County's tourism industry. With 43 "top quality" courses within a 15-mile radius, Moore County has become one of the premiere golf destinations in the world.<sup>57</sup> Moore County's courses have been the home of numerous U.S. Golf Association tournaments, including the 1991 and 1992 PGA Tour Championship, the 1994 Senior Open, the 1996 and 2001 U.S. Women's Open, and the 1999, and 2005 U.S. Men's Open. The list of high profile golfing events is expected to grow in the coming years as Pinehurst will host the 2007 U.S. Women's Open and the 2008 U.S. Men's Amateur Championship. These events have pumped a tremendous amount of direct and indirect revenue into Moore County. For example, the 1999 U.S. Open was the most profitable event in U.S.G.A. history,<sup>58</sup> bringing in an estimated \$75 million to Moore County. The 2001 U.S. Women's Open had a similar impact, bringing in an estimated \$50 million.

The 2005 U.S. Open was expected to bring in even greater revenues, with some officials predicting a \$124 million state-wide impact, making the event one of the single most lucrative sporting events in North Carolina history.<sup>59</sup> State and local government officials recognized the long-term economic implications the tournament could have and responded accordingly. For example, Moore County officials dedicated more than \$367,000 to upgrade a water pump station dedicated solely to Pinehurst. State officials committed \$47 million to widen and re-route a 12.4 mile stretch of highway leading into the area, and provided a \$1 million bonus for the contractor if the project was finished before the tournament began. The state Department of Commerce also spent \$500,000 during the Open to sway companies to move their operations to North Carolina and travel writers to promote the state in their magazines and books. One writer aptly referred to expected tournament revenues as a "tsunami of cash hitting the Pinehurst area."<sup>60</sup>

Such descriptions are especially accurate when one considers the value of Pinehurst's increased exposure to tourists during the tournament. "You can't beat the exposure of this kind of tournament," said Beth Kocher, Pinehurst's executive vice president and chairwoman for the 2005 championship. "People who didn't know about Pinehurst will now be coming here, and we have found that those people are very loyal. They keep coming back."<sup>61</sup> The U.S. Golf Association has clearly become a Pinehurst loyalist. Making note of the state-issued signs on highway 15-501 welcoming visitors to Moore County with a list of U.S.G.A. championships hosted by Pinehurst in the past, U.S.G.A. Executive Director David Fay said: "I suspect that not too many years from now, they may need to have a billboard instead of that little sign... because we're going to keep returning here again and again and again if invited."<sup>62</sup>



<sup>57</sup> *Golf Digest* ranks the area as one of the top three golfing destinations in the world. Convention and Visitors Bureau for Pinehurst, Southern Pines, and Aberdeen, available at <http://www.homeofgolf.com/golf/index.htm> (last visited July 20, 2005).

<sup>58</sup> Robert Bell, *Pinehurst Officials Eager for Many Happy Returns; Last Week's U.S. Open Set Records for Attendance and Merchandise Sales*, NEWS & RECORD (Greensboro, N.C.), June 21, 2005, at C1.

<sup>59</sup> Donald W. Patterson, *U.S. Open Big Green for State; The Economic Effect of the Four-Day Tournament Will Reach the Triad and Ripple Through the State*, NEWS & RECORD (Greensboro, NC), June 14, 2005, at A1. Final figures on the actual impact are not available because the U.S. Golf Association decided not to do a follow up analysis. Interview with Caleb Miles, August 15, 2006.

<sup>60</sup> Bill Hahn, *Towns Cash in on Golf*, RUTLAND HERALD, July 11, 2005.

<sup>61</sup> Robert Bell, *Pinehurst Officials Eager for Many Happy Returns; Last Week's U.S. Open Set Records for Attendance and Merchandise Sales*, NEWS & RECORD (Greensboro, N.C.), June 21, 2005, at C1.

<sup>62</sup> *Id.*

While raw economic data and census figures suggest that Moore County is prospering as a whole, the reality is much different. As the booming golf industry transformed Pinehurst, Aberdeen and Southern Pines into a prosperous and world-renowned resort, communities like Jackson Hamlet, Midway, Waynor Road, and Monroe Town struggled to make ends meet. In every way, southern Moore County remains a community divided by economic, physical, and psychological barriers. U.S. Census data illustrates this point by highlighting the vast differences between the five predominantly minority communities and the adjacent municipalities from which they have been excluded.

For example, Pinehurst, which has experienced the greatest growth in the last ten years, is disproportionately white in population. The county as a whole is nearly 16% African American, while barely more than 3% of Pinehurst's residents are. And while the median family income in Pinehurst is \$67,353, the residents of Jackson Hamlet have a median family income of just \$25,625. While Aberdeen and Southern Pines are more racially diverse, with 21% and 27% African-American populations respectively, the economic disparity is just as striking. For example, in Aberdeen, the median family income is \$42,383, below the Moore County average of \$48,492, with 14% of individuals living below the poverty line. In Midway, however, the median family income is just \$21,985 with 31% of residents living below the poverty line.

Table 1 compares population statistics for four excluded minority communities with statistics for the adjacent towns.<sup>63</sup>

**Table 1: Demographics of Southern Moore Towns and Adjacent Excluded Minority Communities**

Town and Adjacent Excluded Areas	Population	% African American	Median Family Income	% Living in Poverty	Number of Households	% Owner Occupied
Aberdeen	3,185	21%	\$42,383	14%	1,632	57%
Midway	116	91%	\$21,985	31%	51	63%
Pinehurst	9,924	3%	\$67,353	3%	5,738	89%
Monroe Town	67	96%	N/A	12%	29	78%
Jackson Hamlet	192	95%	\$25,625	43%	79	92%
Southern Pines	11,207	27%	\$50,128	15%	5,694	64%
Waynor Road	88	75%	N/A	N/A	38	74%
Moore County	74,769	16%	\$48,492	11%	30,713	79%



**Pinehurst  
Resort**



**Typical home in  
Jackson Hamlet**

<sup>63</sup>Ann Moss Joyner and Carolyn J. Christman, *A Case Study of Southern Moore County*, Cedar Grove Institute for Sustainable Communities (forthcoming 2005).

For generations, the residents of Jackson Hamlet and other minority communities had a symbiotic relationship with the resort communities. In essence, the communities were interdependent, each community depending on the other for its economic survival. “They depended on us for construction, maid service, and lots of other things,” said Jackson Hamlet resident Oneal Russ, of the relationship between the two communities.<sup>64</sup> Many of his neighbors agree with his characterization. “There was a Northern sense of equity blended with a plantation sense of family,” said Midway resident Maurice Holland, who worked at the resort as a young man. While the white and black communities were physically segregated, with each community having a distinct role to play in society, there was a real sense of kinship and connection between community members, some of whom had known each other’s families for generations.<sup>65</sup>

According to some residents, however, the sense of unity and togetherness that connected the white golfing community with neighboring African American communities eroded even further with the arrival of Dallas-based ClubCorp. When the corporation took over Pinehurst in 1984, it instituted a \$90 million rejuvenation program aimed at overhauling the resort’s infrastructure and facilities. The program spurred much of the rapid growth experienced by the area in recent years, but it also had negative consequences for many local residents whose jobs were replaced by machines and a labor force obtained from outside the county. In many ways, the “rejuvenation” program exacerbated the economic and social differences that separated the community, while destroying any sense of unity that remained.



The growing disparity between the neighboring communities did not go unnoticed by African-American residents. In the fifty years that Ida Mae Murchison drove the two miles between her home in Jackson Hamlet and her job at the Carolina Hotel, she watched as the sleepy village of Pinehurst turned into a bustling, rapidly expanding hub for a multi-million dollar industry. At the same time, she noticed that Jackson Hamlet was not benefiting from the development. “Things have not changed here [in Jackson Hamlet] a lot... not for the benefit of us and I don’t know why,” she said.<sup>66</sup> Other residents took a dimmer view of the changes rocking southern Moore County. “Racism came in on the wings of economic change,” Holland said of changes to the area. “All of a sudden the discrepancy between the gated communities and my community broadened.”<sup>67</sup>



**Maurice Holland**

<sup>64</sup> Jennifer Strom, *In the Shadow of the U.S. Open*, THE INDEPENDENT, May 4, 2005.

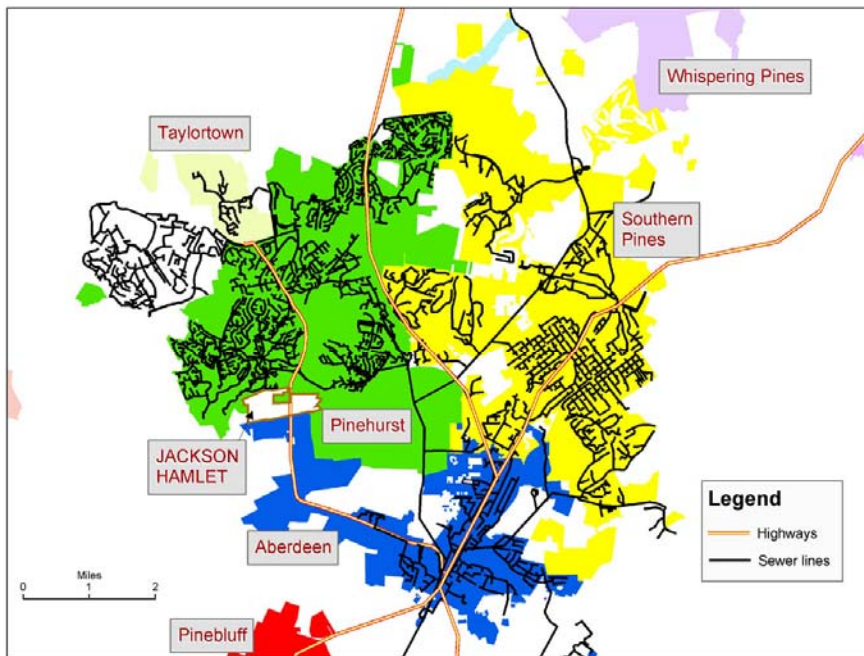
<sup>65</sup> *Id.*

<sup>66</sup> UNC Center for Civil Rights, Press Packet: Racial Exclusion in Moore County, North Carolina (2005).

<sup>67</sup> Jennifer Strom, *In the Shadow of the U.S. Open*, THE INDEPENDENT, May 4, 2005.

While many factors have contributed to the growing disparity between the communities, there is one that particularly stands out: the exclusion of predominantly minority communities from municipal boundaries. In southern Moore County there are five unincorporated African-American communities: Jackson Hamlet, Monroe Town, Midway, Waynor Road, and Lost City. As neighboring Aberdeen, Pinehurst, and Southern Pines rapidly expanded throughout the 1980s and 1990s, these communities remained on the outside looking in, excluded by the municipalities even as they expanded, in some cases, to completely surround them.

Such exclusion tangibly impacts the quality of life for residents of these communities, as it has resulted in their disenfranchisement and in the denial of basic services like water, sewer, and police protection. In this way, land-use policies and practices threaten the public health, safety and economic welfare of these communities.<sup>68</sup> Most homes rely on septic tanks, and have used out-houses for their refuse removal. These methods of waste disposal could pose long-term public health hazards due to associated risks of water-borne diseases.



Meanwhile, the adjacent municipalities of Aberdeen, Pinehurst, and Southern Pines consistently annex new developments that are primarily owned and occupied by white residents.<sup>69</sup> In the case of Jackson Hamlet, a community of approximately 200 residents surrounded on either side by Aberdeen and Pinehurst, these respective towns have laid sewer pipes up to the boundaries of the neighborhood but have failed to extend the service to Jackson Hamlet. Even with the U.S. Open golf tournament teeing off barely a mile away, local governments continue to pass the buck. They contend they do not have the resources necessary to improve the lives of their constituents despite the fact that this event alone will bring \$75 million into Moore County.<sup>70</sup>

<sup>68</sup> Ann Moss Joyner and Carolyn J. Christman, *A Case Study of Southern Moore County*, Cedar Grove Institute for Sustainable Communities, (forthcoming 2005).

<sup>69</sup> Southern Pines has a longstanding policy of not pursuing involuntary annexations but does expand its boundaries through voluntary annexations.

<sup>70</sup> Moore County Manager, Budget Message 2005-2006, available at [http://www.co.moore.nc.us/main/page.asp?rec=/pages/budget/05\\_06\\_Budget.pdf](http://www.co.moore.nc.us/main/page.asp?rec=/pages/budget/05_06_Budget.pdf) (last visited July 25, 2005).

Local municipal authorities often wield a great deal of power over neighboring African American communities. By designating these neighborhoods as part of their extraterritorial jurisdiction (“ETJ”) zones, city governments have the authority to make zoning and land use decisions in these areas. For example, local municipalities are able to construct sewage lines through ETJ neighborhoods to service predominately white neighborhoods that have been annexed on the other side. While the town could connect ETJ homes to municipal sewer lines in close proximity, typically they do not. ETJ residents are unable to elect town council members or other municipal leaders, although decisions by these officials impact their lives. Thus, while towns exert powerful control over the residents of these ETJ zones, those affected are not able to participate in the democratic process that is responsible for the control of their land.

Not only do these practices deny political participation and full city services, they serve as obstacles between these communities and economic prosperity. The lack of essential services constrains property values within these communities, a primary source of wealth accumulation.<sup>71</sup> The discriminatory practice of municipal service provision stymies the development possibilities for small African American businesses and impedes the expansion of neighborhood churches and community organizations. Given this reality, it is no wonder recent surveys have found that these neighborhoods are excluded from the relative wealth enjoyed by other residents of Moore County.



<sup>71</sup> One unpublished study of land values inside and outside of ETJ areas in North Carolina found that properties in ETJ areas are devalued by approximately 20%. Spencer M. Cowan, *Economic Consequences: The Impact of Minority Exclusion on Property Values* (presentation dated November 12, 2004).

## EFFECTS OF LOCAL LAND USE POLICIES AND PRACTICES

Under North Carolina law, municipalities have the legal right to determine their own boundaries.<sup>72</sup> In part, this legal right derives from North Carolina's generous annexation laws, which allow cities and towns to expand their borders to encompass neighboring areas. Yet, North Carolina's annexation laws do not require cities and towns to exercise those annexation powers, even where unincorporated areas are virtually indistinguishable from the municipality itself. Instead, the laws give municipalities extraordinary discretion in determining which properties it will or will not annex. Municipalities can use this discretion to annex only new developments or properties with high tax values, even if those properties are non-contiguous, while ignoring older, less valuable neighborhoods.

North Carolina's annexation laws are designed to foster sound and orderly urban development so as to encourage the continued economic development of the state. A key aspect of this development is the provision of governmental services "for the protection of health, safety and welfare in areas being intensively used for residential, commercial, industrial, institutional and government purposes or in areas undergoing such development."<sup>73</sup> City services typically include infrastructure like paved roads, curb and gutter, street lights, water and sewer, as well as public health and safety services like trash pickup, fire and police protection, and recreational facilities. While state law does not require that a municipality provide all of these services, it does require towns and cities to provide services on an equal basis to all if its members.

In response to this requirement, municipalities often take a bottom-line approach to annexation decisions, whereby officials weigh the costs of annexing an area, that is the cost of extending water and sewer services, police and fire protection, and other services, with the expected tax revenue the property would bring to municipal coffers. Increasingly, government officials have focused on expanding a municipality's tax base at minimum cost. As David Lawrence, who studies annexation law at the UNC School of Government, has observed: "Cities try to use [the state's annexation laws] to their advantage.... What they're interested in, typically, is annexation that doesn't cost them very much... or allows them to break even."<sup>74</sup> This attitude often translates into the rapid annexation of new, wealthier developments where basic infrastructure is already in place. Such communities are seen as revenue-producing opportunities for municipalities bent on expanding their tax base, while tax-neutral or tax-poor communities are routinely by-passed.

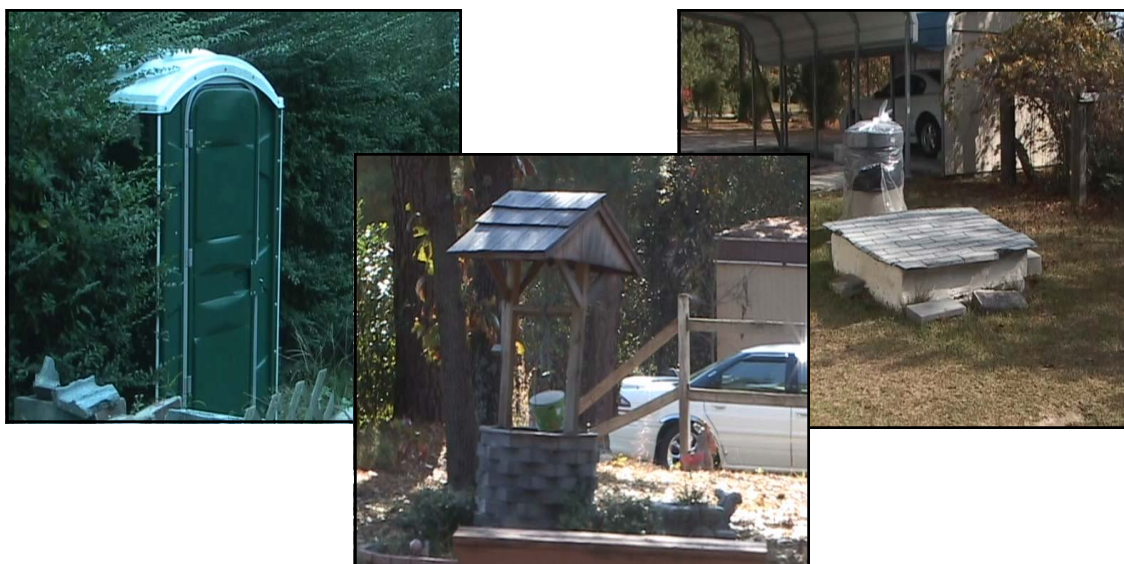
Pinehurst provides a perfect example of this uneven application of municipal annexation powers. For example, in the 1990s, Pinehurst agreed to annex Abingdon Square, a condominium development that juts into the Jackson Hamlet neighborhood along N.C. Route 5. Pinehurst agreed to annex the development only after the developer agreed to install water and sewer lines and donate them to local governments.<sup>75</sup> Residents of Abingdon Square receive the full array of services offered by Pinehurst, even as the residents of Jackson Hamlet, mere yards away, go without.

<sup>72</sup> N.C. Gen. Stat. §§ 160A-21, 160A-33, 160A-45.

<sup>73</sup> N.C. Gen. Stat. § 160A-33.

<sup>74</sup> *U.S. Open Offers Stage to Communities*, Associated Press.

<sup>75</sup> Michael Gordon, *Residents Say Economic Bias Denies Them Better Services, Stronger Voice*, CHARLOTTE OBSERVER, June 5, 2005, at A1.



More recently, Pinehurst has expressed its intention of annexing a gated community known as Pinewild. In many ways, the community is indistinguishable from Pinehurst itself. Residents have access to a full array of services, including water and sewer, paved roads, street lights, and curb and gutter and live in close proximity to one of Moore County's 43 golf courses. As is the case with residents of Jackson Hamlet, residents of Pinewild live within just two miles of the village center. Yet, unlike Jackson Hamlet, the prospect of annexing Pinewild is a top priority of the village council. Opponents have argued that Pinehurst's interest in Pinewild has nothing to do with furthering public welfare and safety and everything to do with the \$600,000 in expected tax revenues that annexation would provide. Unlike Jackson Hamlet, where a significant number of residents want to be annexed, Pinewild residents have vigorously opposed annexation by organizing meetings to map their resistance strategy, surveying residents about annexation, and petitioning the town council.

It is clear that government officials in Aberdeen, Pinehurst and Southern Pines have embraced this bottom-line approach to annexation. Maps of each of these towns reveal jagged arbitrary boundaries that routinely skip over predominantly poor and African-American neighborhoods. In essence, the unincorporated African-American communities have become islands unto themselves. Jackson Hamlet residents are surrounded on three sides by Pinehurst and Aberdeen. In fact, only a tenth of a mile separates Pinehurst and Aberdeen along Route 5, a tenth of a mile occupied by Jackson Hamlet.

The Midway Community is almost completely surrounded by Aberdeen, whose residents and police officers use Midway Road as a short-cut to get from one side of town to the other. Lost City is located along a dead-end road "through the heart of Southern Pines."<sup>76</sup> And Monroe Town, located near Pinehurst No. 6, is completely encircled by the village. The irregularity has not escaped the notice of local officials. "If you look at the borders of Aberdeen, they make absolutely no sense," admits Aberdeen Town Manager Bill Zell.<sup>77</sup>

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<sup>76</sup>*Id.*

<sup>77</sup>*Id.*

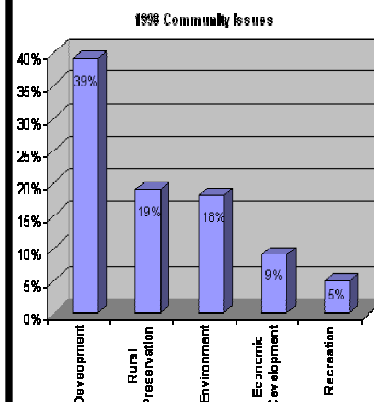
Yet Zell is perhaps one of the most vocal proponents of fiscally driven annexation decisions. In a May 2004 interview about the Midway community's annexation request, Zell said Aberdeen had to weigh the costs of providing services against the community's tax base. "If it's going to cost us twice as much to supply the services as we're going to get back in taxes, is it to our benefit?" he said. "There's a fine line you need to walk... we have to make a business decision."<sup>78</sup>

Such an approach has devastating economic, physical, and psychological effects on residents of lower-value neighborhoods that are routinely excluded from municipal boundaries. Economically, these residents face an uncertain future. While the unincorporated neighborhoods enjoy a high degree of homeownership,<sup>79</sup> "their future equity is jeopardized" by their exclusion from municipal boundaries and the resulting lack of services.<sup>80</sup>

According to the Cedar Grove Institute for Sustainable Communities, "city services provide an essential foundation for protecting property values, economic development and public health." The lack of services, therefore, poses a significant threat to the future value of property in areas outside of municipal boundaries. While town officials are quick to point out that residents must pay for these services in the form of city taxes, they do not take into account the cost to residents of obtaining these services from private contractors. For example, residents in these communities must pay for private trash collection, private street lights, septic system and currently well maintenance, and, in some cases, bottled water. Analysis by the UNC Center for Civil Rights shows these private expenses can exceed what residents would otherwise pay in municipal taxes. (See Appendix I). Residents who cannot afford private user fees must find alternative methods of fulfilling their basic needs. Some of those alternative methods, however, are a threat to public health and safety. Midway resident Irirain Hill cannot afford the \$35 a month it would cost for private trash collection, so she allows her nephew to burn the trash in her backyard, despite the fact that the smoke from the fires hurts her lungs. "Everybody in here burns their trash," Hill said of many of her neighbors.<sup>81</sup>

While the long-term economic effects of exclusion are considerable, the physical effects are of greater concern in the short-term. In essence, the short-term threat of septic system failure or well contamination in the excluded neighborhoods poses a considerable threat to residential health and safety. While officials downplay the threat of septic failure, citing the region's sandy soil, the issue is of great concern to residents who must routinely deal with faulty septic systems. The issue is of particular concern to Midway Resident Randy Thomas, who must bring in a new truckload of dirt every three months to prevent his septic system from leaking raw sewage into his front yard.

Thomas lives in a 1,400 square-foot home with his wife and five young children, and it is their health that he worries about each time it rains. "We've got to keep it healthy for them," he said of his never-ending fight to stem the flow of raw sewage on his property.<sup>82</sup> Mr. Thomas' experience is not an isolated incident. "We have our own cesspools, which is not easy, because the water doesn't sink in like it used to," observes Jackson Hamlet resident Ida Mae Murchison. "We definitely need sewer."<sup>83</sup> Residents of Midway, Jackson Hamlet, and Waynor Road have all experienced problems with their septic systems, most of which are over 30 years old. Since most septic systems have a life span of between 20 and 30 years, the



<sup>78</sup> Julia Oliver, *Water Needs Unite Moore County Groups*, FAYETTEVILLE OBSERVER, May 7, 2004.

<sup>79</sup> According to U.S. Census data, 63% of homes in Midway; 78% of homes in Monroe Town; 92% of homes in Jackson Hamlet; and 74% of homes in Waynor Road are owner occupied, as compared with 57% of homes in Aberdeen, 89% of homes in Pinehurst and 64% of homes in Southern Pines. U.S. Census Bureau, available at [www.factfinder.census.gov](http://www.factfinder.census.gov) (last visited July 20, 2005).

<sup>80</sup> Ann Moss Joyner and Carolyn J. Christman, *A Case Study of Southern Moore County*, Cedar Grove Institute for Sustainable Communities, (forthcoming 2005).

<sup>81</sup> Martha Quillin, *Pinehurst in Black and White*, NEWS AND OBSERVER (Raleigh, N.C.), June 5, 2005.

<sup>82</sup> *U.S. Open Offers Stage to Communities*, Associated Press.

<sup>83</sup> John Chappell, *Sharing the Prosperity: Communities Hope to Benefit from Open Spotlight*, THE PILOT (Moore County, N.C.), May 22, 2005.

chance of a total system failure in these communities is considerable, even under the best of circumstances.

Properly operating septic systems require sufficient space and suitable soil quality. Most of the excluded communities are densely populated areas typically comprised of small lots with limited space for wells and septic systems. In Jackson Hamlet, for example, the average lot size is about 1/4 acre, with some lots as small as 1/8 acre.<sup>84</sup> The health effects of a failing septic system are considerable. Failure can result in the spread of serious diseases like dysentery and hepatitis and failing systems have been linked with *E. Coli*, which can “contaminate surface water and eventually groundwater,” ultimately leading to the contamination of well-water.<sup>85</sup> Failure can also lead to chemical or nutrient poisoning, as a result of residents using synthetic cleaning products. Such products can be poisonous to humans, pets, and wildlife if they travel through the soil and into drinking water sources, or into lakes, streams or ponds.

Exclusion poses a threat to public health and safety in other ways as well. Trash pickup is of particular concern to many residents, both because of the effects of not having publicly-provided pickup services and because of the negative effects associated with the means some residents choose to dispose of their trash. “That’s the main thing that bothers me...filth, trash beside the road – there’s no one to pick it up,” said Midway resident Steve Utley.<sup>86</sup> Residents of Lost City, which is completely surrounded by Southern Pines, are further burdened by contractors who they say use their community as a dump.<sup>87</sup> Residents of Jackson Hamlet have similar complaints.<sup>88</sup> Beyond trash pickup and basic sanitation concerns, however, residents are also concerned about the lack of police protection.

While the excluded communities are patrolled by the Moore County Sheriff’s Department, there is a sense of unease among residents about their physical safety. Jackson Hamlet resident Ida Mae Murchison, an 84-year-old retiree who lives alone, said that she worries about crime in the area because there are no police officers for her to call in case of trouble.<sup>89</sup> Much of that unease is due to the fact that the sheriff’s department must drive through or around the neighboring municipality to get to the communities. For example, while many Midway residents live within blocks of the Aberdeen police station, they too must call the sheriff’s department in Carthage, some ten to fifteen miles away. Residents in Jackson Hamlet are within blocks of two municipal police forces, but they often wait about 10 minutes for Moore County sheriff’s deputies to appear.<sup>90</sup>

Spencer M. Cowan, Ph.D., J.D., of the UNC Center for Urban and Regional Studies and UNC Center for Community Capitalism, studied the economics of municipal exclusion. Looking at the communities that surrounded Mebane, North Carolina, Cowan found that the impact of being underbounded on a property valued at \$40,000 is \$10,000 to \$11,000 per acre, a devaluation of 20%.<sup>91</sup> Mebane similarly has a pattern of failing to annex long-standing black neighborhoods, while white areas are annexed.

In Moore County, many families in the excluded areas currently cannot subdivide their land and build homes for their children because there is insufficient land suitable for a new septic system. In other instances, lots are large enough



<sup>84</sup> Ann Moss Joyner and Carolyn J. Christman, *A Case Study of Southern Moore County*, Cedar Grove Institute for Sustainable Communities, (forthcoming 2005).

<sup>85</sup> *Id.*

<sup>86</sup> Interview with Trisha McWilliams, *Invisible Fences*. Dir. Trisha McWilliams and Matt Helfant, 2004.

<sup>87</sup> Jennifer Strom, *In the Shadow of the U.S. Open*, THE INDEPENDENT, May 4, 2005.

<sup>88</sup> *U.S. Open Offers Stage to Communities*, Associated Press.

<sup>89</sup> Shaila Dewan, *In County Made Rich by Golf, Some Enclaves Are Left Behind*, NEW YORK TIMES, June 7, 2005, at A1.

<sup>90</sup> *Id.*

<sup>91</sup> Interview with Spencer M. Cowan, Ph.D., J.D., July 21, 2005.

to subdivide, but zoning restrictions imposed by nearby municipalities prohibit new construction without public sewer.

Additional affordable housing options could be provided if the community had public sewer services. Moreover, residents' overall economic situation would improve if they could enjoy the same level of services as those enjoyed by town residents. Finally, residents of these communities cannot vote in town elections, and therefore do not elect the officials who make zoning and other land use decisions about their property.

Cowan's research showed that a lack of services does not fully account for depressed property values in underbounded areas. Excluded areas with municipal service still experience significant decreased property values leading Cowan to remark, "It's not just the denial of municipal services. A big part of the impact on value is that your property use is controlled by others who are not responsible to your community."<sup>92</sup>

While the economic and physical effects of exclusion are significant, perhaps the greatest long-term effect is psychological. In many ways, municipal exclusion creates a sense among residents that they are viewed as "less desirable, less important, less worthy than their wealthier neighbors."<sup>93</sup> The effects of exclusion are particularly devastating for children. According to Kim Maples, who works with a program for at-risk kids called Moore Buddies, "the effect on children raised in an environment of exclusion is palpable."



"They feel defeated before they ever get started sometimes," she said. "It gives them a sense of, 'This is your station in life.'" To a large extent, Maples attributes this attitude to the fact that many live in substandard conditions.<sup>94</sup>

Children, however, are not the only ones who suffer psychologically as a result of municipal exclusion. Among adult residents, there is a palpable sense that the community is viewed as undesirable and inferior to the predominantly white neighboring communities. "You see all of these people and all this money coming in here for the U.S. Open, and we don't even have a sewer," said Midway resident Steve Utley. "It's like we live in a foreign country somewhere across the ocean, but we only live a mile or two from the golf course."<sup>95</sup> Jackson Hamlet resident Carol Henry has a similar assessment. "We're sitting right in the middle of everything and nobody wants to claim us," she said. "Sometimes, it feels like we don't even exist."<sup>96</sup> Such feelings of inferiority are reinforced, time and again, by the attitudes of their wealthier neighbors.

<sup>92</sup> Ibid.

<sup>93</sup> Martha Quillin, *Pinehurst in Black and White*, NEWS AND OBSERVER (Raleigh, N.C.), June 5, 2005.

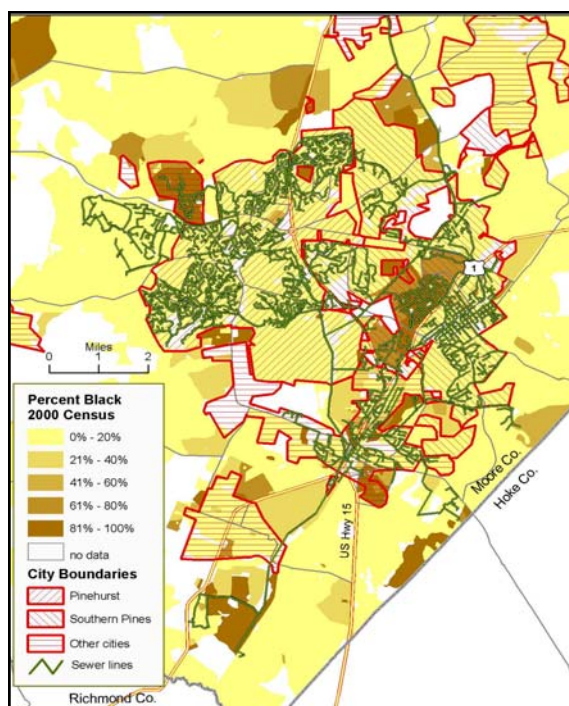
<sup>94</sup> *Id.*

<sup>95</sup> Mike Bianchi, *Pinehurst Won't Talk About What Lies Next Door*, ORLANDO SENTINEL, June 19, 2005, at C1.

When asked by a reporter about the adjacent African-American community of Monroe Town, Dan Galligan, president of the homeowner's association for Pinehurst No. 6, said: "I know what you are talking about. I didn't even know it had a name. I don't ever go in that way. I go in the South gate."<sup>97</sup> Yet, when informed about the substandard conditions that his neighbors were living in, Galligan was indifferent, noting: "I live on 6. We worry about things on 6."<sup>98</sup> Such indifference is not uncommon in southern Moore County. "It's really been a nonentity to us," said Beth Kocher, executive vice president of Pinehurst, Inc., of Monroe Town, "It's there and, gosh, I probably couldn't find it."<sup>99</sup>

Residents of these excluded communities are not the only ones who recognize the negative message sent by city officials who embrace a bottom-line approach to annexation policies. Jonathan Wells, the annexation coordinator for Charlotte, North Carolina, noted that "extending city services [only] to those who can most afford them, I think you understand the kind of message you'd be sending."<sup>100</sup> It's a message that is not lost on residents of southern Moore County's excluded communities. Despite this message, however, many residents are hesitant to criticize the municipalities outright. "I get the feeling that we're just forgotten, put on the shelf or the back burner or something," said Jackson Hamlet resident Ida Mae Murchison. "But like I say, I don't want to offend anyone. I don't want to cause trouble."<sup>101</sup>

Whereas many residents are hesitant to label the actions of neighboring towns as discriminatory, it does not mask the reality of the situation: predominantly poor and African American communities are being systematically excluded from municipal boundaries. While officials deny their actions are motivated by racism, it is clear that historic racial inequities have played a significant role in creating the current situation. Analysis conducted by the Cedar Grove Institute for Sustainable Communities and the UNC Center for Civil Rights failed to identify a "densely populated, small lot size, poor white community on the edge of a town" in the southern Moore County area.<sup>102</sup>



North Carolina's annexation and land-use policies permit structural segregation to remain in small towns around the state by allowing counties to embrace a bottom-line approach to municipal planning that disproportionately affects minority neighborhoods. Town planners seek to annex only those areas that will bring in the most tax revenues and avoid areas with lower property values. This does not appear to be the case for larger cities in the state, where planners appear to apply a different set of criteria in determining what areas should be annexed.

### *Southern Moore County*

<sup>97</sup> Julia Oliver, *Rift Separates Pinehurst and Monroe Town*, FAYETTEVILLE OBSERVER, May 2, 2004.

<sup>98</sup> *Id.*

<sup>99</sup> *Id.*

<sup>100</sup> Michael Gordon, *Residents Say Economic Bias Denies Them Better Services, Stronger Voice*, CHARLOTTE OBSERVER, June 5, 2005, at A1.

<sup>101</sup> Shaila Dewan, *In County Made Rich by Golf, Some Enclaves Are Left Behind*, NEW YORK TIMES, June 7, 2005, at A1.

<sup>102</sup> *Id.*

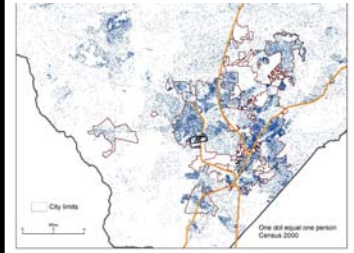
## WHAT MAKES THESE COMMUNITIES UNIQUE?

Some observers, including some local officials, have argued that the challenges faced by residents of these excluded communities are not particularly unique. These individuals point out that a considerable portion of Moore County is also without public water and sewer services. In defending the County's decision not to provide sewer services to Jackson Hamlet, for example, Commission Vice Chairwoman Virginia Saunders noted that while she is "always concerned about any safety and health issues," her neighborhood did not have public water and sewer either. What Saunders failed to say, however, is that she lives in the rural northern end of the county and not 50 feet from a tap.<sup>103</sup>

In many ways, it is the location of these excluded communities that sets them apart from other areas of the county. Each of these communities is bordered by, or is completely surrounded by the neighboring municipalities. Unlike residents in the more rural parts of the county, residents of these unincorporated areas can point to sewer lines that run past, and sometimes through, their communities. According to residents, two sewer lines run through the Midway community, connecting one side of northeastern Aberdeen with another. The roughly thirty homes in the Waynor Road community can point to Southern Pines' water lines from their yards, even though they are not connected to them. And while the lines run along Highway 22, adjacent to the Waynor Road community, town officials say the neighborhood is not "easily accommodated by the town's water policy."<sup>104</sup>

These communities are further distinguished by the fact that they fall within the extraterritorial jurisdiction (ETJ) of the adjacent municipality. Under the North Carolina law, cities can exercise their zoning powers within a defined area extending beyond the municipal boundary line.<sup>105</sup> While the law does not require municipalities to annex areas within their ETJ, it was intended to assist municipalities in developing long-term land use planning, including annexation. In 1985, the General Assembly enacted local legislation authorizing Aberdeen, Pinehurst, and Southern Pines to exercise ETJ authority over all property falling within a two-mile radius of their corporate limits, without regard to population.<sup>106</sup> Under the law, residents living within a municipality's ETJ are subject to all of its zoning and planning regulations, but are not entitled to vote in municipal elections. ETJ residents' sole representation consists of a single representative on the municipality's planning agency and/or board of adjustment.<sup>107</sup> That representative, however, is appointed by government officials and is not elected by the ETJ residents themselves.

In many ways, it is this lack of a political voice that most angers residents. While the municipalities can tell residents what they can or cannot do on their property, Aberdeen, Pinehurst and Southern Pines are under no obligation to provide any services or benefits to any ETJ residents. In essence, North Carolina's ETJ laws have created a situation where areas that have been rejected for annexation are "still under the jurisdiction of the town or towns that have excluded them."<sup>108</sup> As Ida Mae Murchison aptly observed: "They can tell us what to do, what not to do out here. It is like you bossing your child, but not taking care of your child."<sup>109</sup> Residents of these communities simply want a voice in the system, an ability to express their concerns and have those concerns addressed by an



Moore County Population  
Density - 2000 Census

One dot = one person

<sup>103</sup> *Id.*

<sup>104</sup> Julia Oliver, *Water Needs Unite Moore County Groups*, FAYETTEVILLE OBSERVER, May 7, 2004.

<sup>105</sup> N.C. Gen. Stat. § 160A-360 (a) reads, in part: "All of the powers granted by this Article may be exercised by any city within its corporate limits. In addition, any city may exercise these powers within a defined area extending not more than one mile beyond its limits. ... No city may exercise extraterritorially any power conferred by this Article that it is not exercising within its corporate limits."

<sup>106</sup> 1985 N.C. Sess. Laws. 308 (1985 Session, Chapter 308 SB 343).

<sup>107</sup> N.C. Gen. Stat. § 160A-362.

<sup>108</sup> Ann Moss Joyner and Carolyn J. Christman, *A Case Study of Southern Moore County*, Cedar Grove Institute for Sustainable Communities, (forthcoming 2005).

<sup>109</sup> John Chappell, *Sharing the Prosperity: Communities Hope to Benefit from Open Spotlight*, THE PILOT (Moore County), May 22, 2005.



accountable government body. “Give the community a voice,” said Midway resident Maurice Holland. “Until we can say, ‘hear us or we will vote you out of office,’ we have nothing.”<sup>110</sup> Holland is not alone. “That’s why we want to be annexed into the city limits – so we can have a voice,” noted Midway resident Steve Utley. “We can’t do nothing standing on the outside... hollering, nobody hearing our voice. Everybody outside [the neighborhood] has a voice, but inside the little circle, no voice. Just making noise and saying nothing.”<sup>111</sup>

In the short term, the absence of a political voice gives residents limited input into, and influence over, zoning and planning decisions that affect their properties. Residents thereby run the two-fold risks of being unaware when zoning changes that affect their property are being considered and being unable to express their concerns about proposed changes. Holland is also concerned about the long-term future implications of municipalities exercising EIJ authority over adjacent African-American communities. Noting that in the past residents were not always aware when Aberdeen changed their zoning restrictions, Mr. Holland said he is worried that when nobody is watching, the city will move low income housing projects into empty lots in the community.<sup>112</sup> “If we don’t have any control over the growth of our neighborhood, somebody else is going to take control of it,” he said. “And it’s certainly not going to be in our interest.”<sup>113</sup>

However, local elected officials argue that residents have little reason to be concerned about their lack of representation. For example, Pinehurst Village Manager Andy Wilkison said the village tries to work with people who are trying to improve their properties, regardless of zoning regulations. “We realize that some of our land-use rules are stricter than your normal town, and we do try to provide some relief,” he said<sup>114</sup> Some officials are equally unconcerned with the lack of diversity in local government, saying it isn’t an issue because they treat their constituents equally, regardless of race or wealth. “Honey, I work with blacks and I love to work with the blacks,” said Commissioner Virginia Saunders. “I wish you could talk to some of the black people that I have helped.”<sup>115</sup> Yet, Saunders’ African-American constituents have a different view of how county government works. “There’s no one in power to address the issues of the black community,” said Midway resident Maurice Holland, who is the only African-American member of the Aberdeen planning board. “The attitude seems to be, ‘We know what’s good for you.’”<sup>116</sup>

<sup>110</sup> Michael Gordon, *Residents Say Economic Bias Denies Them Better Services, Stronger Voice*, CHARLOTTE OBSERVER, June 5, 2005, at A1.

<sup>111</sup> Interview with Trisha McWilliams, *Invisible Fences*. Dir. Trisha McWilliams and Matt Helfant, 2004.

<sup>112</sup> Julia Oliver, *Water Needs Unite Moore County Groups*, FAYETTEVILLE OBSERVER, May 7, 2004.

<sup>113</sup> *Id.*

<sup>114</sup> Julia Oliver, *Rift Separates Pinehurst and Monroe Town*, FAYETTEVILLE OBSERVER, May 2, 2004.

<sup>115</sup> Shaila Dewan, *In County Made Rich by Golf, Some Enclaves Are Left Behind*, NEW YORK TIMES, June 7, 2005, at A1.

<sup>116</sup> *Id.*

## WHAT STEPS HAVE BEEN TAKEN?

As residents of Moore County, the excluded communities have the right to request that the county provide needed services. In February 2005, residents of Jackson Hamlet made such a request. In a presentation to the Moore County Commission, residents noted that Jackson Hamlet had “long played a vital role in helping Moore County grow and thrive,”<sup>117</sup> and yet lacked basic sewer services. Noting that the lack of services compromised their health, kept their property values low and limited investment capabilities in the community, the residents requested that Moore County provide them with sewer service. “The unfairness of the current situation should be clear to each of you,” a petition from the residents said. “Our community is surrounded on both sides by Aberdeen and Pinehurst yet we are excluded from the sewer services provided in both towns.”

Residents noted that while it was discouraging that Pinehurst and Aberdeen were unwilling to provide them with such services, it was even more discouraging that Moore County was unwilling to do so, especially since it had sufficient resources to immediately provide Jackson Hamlet with full sewer services. In fiscal year 2003-2004, the county’s operating budget was over \$77 million, yet providing sewer to residents in Jackson Hamlet was less of a priority than providing \$367,000 for a new sewer pump station for Pinehurst Number 6. “Is it really more important to provide a golf course community with new and improved infrastructure before an entire neighborhood in existence for 100 years is provided with sewer services?” the residents asked. County commissioners clearly thought it was.

In response to Jackson Hamlet’s request, the county commissioners, all of whom are white Republicans, indicated they would study the issue, but made it equally clear that they had other priorities. “We need to look at the whole county,” said Commissioner Tim Lea. “We need to take time to investigate those issues and evaluate the funding.”<sup>118</sup> Commissioners also indicated there were other county wastewater projects that were of greater priority, including the replacement of the terra-cotta sewer pipes that criss-cross the Village of Pinehurst. Commissioner Lea was quick to point out that Pinehurst ratepayers provide 80 percent of the revenue for the county system. “If you don’t take care of the guys who are paying the bills, you’re never going to have the revenue to expand into new areas like Jackson Hamlet,” Lea said. “Developers pay for the infrastructure for new communities. They are paying for it. There seems to be a misunderstanding here that what we’ve done for Pinehurst, we’ve given away.”<sup>119</sup>



*Community Meeting*

*In Jackson Hamlet*

<sup>117</sup> Letter from Jackson Hamlet residents to Moore County Commissioners, February 6, 2005.

<sup>118</sup> Jennifer Strom, *In the Shadow of the U.S. Open*, THE INDEPENDENT, May 4, 2005.

When asked if the county could pay for the necessary infrastructure outright, Commissioner Michael Holden said: “Then where do you stop?”<sup>120</sup> Other commissioners have been less subtle. Commissioner Colin McKenzie said the county had more pressing needs than providing sewer service to Jackson Hamlet. “They’re just not that high up on the list, as far as I’m concerned,” he said.<sup>121</sup>

Ultimately the county made it clear that Jackson Hamlet residents should look to Pinehurst to annex them and provide services. In his 2005-06 Budget Message, County Manager Steven D. Wyatt wrote:

One area for consideration is Jackson Hamlet, whose residents have made a request for sewer service. This community’s request anticipates County staff working with the residents to find a solution to this specific need. One word of caution, however; public sewer will not solve the problems of Jackson Hamlet and her sister communities. These areas, surrounded by municipalities, have comprehensive needs for municipal level services that County government is neither designed nor legally authorized to provide. The issue of annexation by the surrounding municipalities is between the residents and those adjoining municipalities. It is worth noting, however, that Jackson Hamlet residents do enjoy County water service, which puts them ahead of most Moore County citizens living in other unincorporated areas.<sup>122</sup>

In light of the County’s response, Jackson Hamlet residents then approached the Village of Pinehurst. The Village Council put together a Community Development Block Grant proposal, which would require some financial assistance from the County, and would have provided sewer service to Jackson Hamlet. Unfortunately the funds for such grants are limited and Pinehurst’s proposal was not funded by the North Carolina Department of Community Assistance. Residents are in continuing negotiations with the Village to find an alternative way to fund the provision of wastewater services to Jackson Hamlet.

In 2004, Midway residents approached Aberdeen town officials and requested annexation. Town officials gave the residents the same answer Jackson Hamlet received from the county: we’ll study the issue. Since then, town officials have hired engineers to assess the cost of extending sewer lines. The town has also hired consultants to determine whether Midway qualifies under the state’s involuntary annexation statute, which allows municipalities to annex areas outside of its borders whether or not the residents agree to it.

In 2006 the Town of Aberdeen applied for Community Development Block Grant to provide sewer service to remaining homes in Midway that currently rely on septic systems. Preliminary indications suggest this grant will be funded, clearing the way for Midway to be annexed, possibly on a voluntary basis, in the next few years.

Before a municipality can exercise its involuntary annexation powers, it must show that the area to be annexed fulfills certain criteria. For instance, at least one eighth of the external boundaries of the area proposed for annexation must coincide with the municipal boundary and no area can be annexed that is included

<sup>120</sup> Shaila Dewan, *In County Made Rich by Golf, Some Enclaves Are Left Behind*, NEW YORK TIMES, June 7, 2005, at A1.

<sup>121</sup> Julia Oliver, *Communities Want Services*, FAYETTEVILLE OBSERVER, June 4, 2005.

<sup>122</sup> Wright Thompson, *Activists Fight for Annexation, Municipal Services*, KANSAS CITY STAR, available at <http://www.kansascity.com/mld/kansascity/news/local/11895678.htm> (last visited July 20, 2005).

within the boundary of another. In addition, the proposed area must be developed to the extent that “sixty percent of the total number of lots and tracts in the area... are used for residential, commercial, industrial, institutional or governmental purposes,” *and* that sixty percent of the lots had to be three acres or less in size.<sup>123</sup> Municipalities can also exercise their annexation powers if a community petitions the town to be annexed. This power, however, is strictly limited. In order for a municipality to exercise its voluntary annexation powers one-hundred percent of the property owners in the area proposed for annexation must agree to it. The inequity of these two processes is inescapable. “The inequity here...is that a community can come and they don’t need one person’s approval for the community to come and involuntarily annex them – but if one person in the area wants to be part of that [town], then they need 100%,” pointed out Ron Thoreson, Chairman of Stop N.C. Annexation Now, an organization aimed at reforming North Carolina’s annexation laws.

The one-hundred percent requirement is a high hurdle for many of these communities, a fact that is not lost on local officials. Time and time again, local officials point to the requirement as a justification for excluding these communities. Pinehurst officials defend their relationship with Jackson Hamlet by noting that the community has never formally requested annexation. “I know what the maps look like and stuff,” said village manager Andy Wilkison, “but the annexations have largely been places where people have come to us wanting to be annexed.”<sup>124</sup> Aberdeen officials have adopted a similar defense. “You have a few people over there who are speaking out about they want this, they want that,” said Aberdeen town manager Bill Zell. “They don’t have 100 percent of the folks behind them.”<sup>125</sup> Just as North Carolina’s land use policies have allowed the towns to argue it is the county’s responsibility to provide services, and vice versa, North Carolina’s annexation law allows municipalities to point the finger at residents when they have determined they do not want to annex an area.

It is true that residents are cautious about potential negative consequences from annexation. Some fear that annexation could be a precursor to the buyout and destruction of their communities. On the one hand, residents are concerned that annexation will result in the zealous enforcement of zoning regulations by town officials, ultimately leading to condemnation and sale. In addition, residents fear that annexation would encourage developers to pressure property owners to sell family land that had been held for two or three generations.

Finally, some residents are concerned that annexation will mean higher taxes and fees. However, as previously noted, analysis completed by the UNC Center for Civil Rights shows that residents of Jackson Hamlet would see an increase of only \$5.14 in monthly costs if annexed by Pinehurst and an estimated \$10.20 decrease in monthly costs if annexed by Aberdeen.<sup>126</sup> While some government officials are quick to suggest that residents want the benefits of municipal services without the burden of having to pay city taxes,<sup>127</sup> many residents are simply concerned about the long-term consequences of annexation. In essence, they are concerned that over time, municipal tax increases would out-pace salary increases, thereby forcing families to sell.

<sup>123</sup> N.C. Gen. Stat. § 160A-36.

<sup>124</sup> Shaila Dewan, *In County Made Rich by Golf, Some Enclaves Are Left Behind*, NEW YORK TIMES, June 7, 2005, at A1.

<sup>125</sup> Wright Thompson, *Activists Fight for Annexation, Municipal Services*, Kansas City Star, available at <http://www.kansascity.com/mld/kansascity/news/local/11895678.htm> (last visited July 20, 2005).

<sup>126</sup> Assuming a property value of \$25,000.

<sup>127</sup> Moore County Manager Steve Wyatt presents a good example of this kind of prejudicial attitude. In June 2005, Wyatt told the *Charlotte Observer*: “Listen, I’ve been in this business for twenty-something years, and everybody wants municipal-level services until the bill comes each month.” Michael Gordon, *Residents Say Economic Bias Denies Them Better Services, Stronger Voice*, CHARLOTTE OBSERVER, June 5, 2005, at A1.



*Jackson Hamlet resident, Carol Henry, talking  
with Modesto residents*



*Southern Moore County and Modesto residents  
together in Modesto*

As these communities weigh their options, they have enlisted the assistance of the UNC Center for Civil Rights, the N.C. Rural Communities Assistance Project, and Voices for Justice, a local non-profit civil rights organization. Together, these organizations have worked with the communities to coordinate their efforts and push for a solution to their common problems. As part of a three prong strategy of direct advocacy, public education, and community organizing, the Moore County residents have focused their efforts on drawing media attention to the problems they face. To do so, organizers leveraged the media's focus on the 2005 U.S. Open to highlight the extreme inequities between the opulence of the resort with the lack of basic services that plagued adjacent communities.<sup>128</sup>

Over several weeks, community representatives led media tours through the Jackson Hamlet, Monroe Town, Waynor Road, and Midway communities. Their efforts were largely successful, with newspapers from Moore County's *The Pilot*, to state-wide papers like the *Charlotte Observer* and the *Raleigh News and Observer*, to national papers like the *New York Times* and the *Kansas City Star*, covering the story. The media attention put considerable pressure on local officials to find a solution that would provide the excluded communities with the services they so desperately need. For example, an editorial in the *Raleigh News and Observer* said: "Amid talk about again hosting the [U.S.] Open a few years hence, Pinehurst and Moore County would serve themselves well by more aggressively addressing substandard conditions in these historically black communities.... Moore County, a place that has turned out more than its share of leaders in state government and in about every other field of endeavor, is certainly capable of cleaning up most, if not all, of this line of dirty linen long before the next U.S. Open comes into view."<sup>129</sup>

While residents have been encouraged by the progress that has been made, they are not sitting idly by waiting for local officials to take action. Instead, they are taking action themselves, organizing and setting goals to improve the quality of life for their communities. Neighborhood organizations like Jackson Hamlet Community Action and the Midway Community Association have taken the lead, organizing community meetings to discuss what efforts had been made to obtain services for the communities and to get input from residents about what future steps should be taken. While the focus has been on increasing community involvement, these organizations have not been afraid to consult people from outside Moore County.

<sup>128</sup>Jennifer Strom, *In the Shadow of the U.S. Open*, THE INDEPENDENT, May 4, 2005.

<sup>129</sup>Editorial, *In the Rough: The Problems of Poor Communities Amid the Sandhills Golfing Cluster Deserve Attention, Building on Helpful Local Efforts*, NEWS & OBSERVER (Raleigh, N.C.), June 25, 2005, at A16.

From March 17 to 19 2005, residents from the excluded Moore County communities visited Modesto, California as part of a community exchange. The Modesto residents, who are predominately Latino, visited Moore County from June 2 to 4, 2005. The Modesto residents have also faced exclusion and the resulting decreased level of municipal services to their neighborhoods. After a year of investigating the concerns of the Modesto residents, the Lawyers' Committee for Civil Rights filed a federal lawsuit, *Committee Concerning Community Improvement v. Modesto*,<sup>130</sup> challenging the discriminatory allocation of municipal services by the City of Modesto and the County of Stanislaus. The community exchange meetings promoted mutual understanding and respect, while bridging racial, geographic, and cultural differences. The exchange also opened a dialogue about the ways the Moore County and Modesto communities have tackled the problems of political empowerment, discrimination, and neighborhood improvement.

Community organizations have also taken more pragmatic steps. With the help of lawyers from the Center for Civil Rights, Jackson Hamlet Community Action and the Midway Community Association have both become 501(c)(3) non-profit organizations, allowing the organizations to raise and spend money on behalf of the greater community. Both communities received in December 2005 grants from the Mary Reynolds Babcock Foundation and are currently in the process of refurbishing their community centers. Midway is using its first allocation of the grant to purchase a new roof for its community center. Jackson Hamlet is using its first allocation to refurbish its community center and provide basic amenities such as air conditioning, new doors, and electrical outlets.

More importantly, these organizations have sought to establish an open and direct dialogue with local government officials. Recently, residents invited local government officials from Aberdeen, Pinehurst, Southern Pines and Moore County to participate in a community discussion about the challenges facing the excluded communities. With local officials from Pinehurst, Southern Pines, Moore County, and the local state senator in attendance, community members spoke passionately about the importance of establishing an open dialogue between the two communities. The meeting proved to be a good starting point, with local officials pledging to continue working with the communities to find a way to address their concerns.

### **WHERE DO RESIDENTS GO FROM HERE?**

The excluded communities of southern Moore County are in a precarious position. They cannot force the neighboring municipalities of Aberdeen, Pinehurst, and Southern Pines to annex them, and it may prove difficult to get 100 percent of property owners to petition for annexation in each of the communities. Despite the limited options available to them, residents have remained optimistic about their chances of obtaining the services they so desperately need. "I think we are on the brink of a major breakthrough," said Midway Resident Maurice Holland. "Not only here, but nationwide, in bringing America closer together and having the type of society everyone dreams about."<sup>131</sup> Such optimism does not appear to be wholly misplaced. As a result of the extensive media coverage the communities received during the U.S. Open, local government officials have stepped up their efforts to find a solution. While proclaiming they have done their best in the face of compet-

<sup>130</sup> No 04-6121, E.D. Cal. R.

<sup>131</sup> Wright Thompson, *Activists Fight for Annexation, Municipal Services*, KANSAS CITY STAR, available at <http://www.kansascity.com/mld/kansascity/news/local/11895678.htm> (last visited July 20, 2005).

peting demands for resources, county officials have nonetheless admitted that more needed to be done. “I will admit Moore County waited way too long and should have been doing this stuff 20, 25 years ago,” said Commissioner Michael Holden of the county’s infrastructure needs. “It’s a matter of biting it off little by little, and doing chunks of it and moving forward.”<sup>132</sup> The county has slowly been doing just that.

Local officials have applied for federal community development block grants to extend water and sewer services to various parts of the county in the past. For example, in 2000, a federal development grant paid to extend water and sewer lines to Monroe Town after county officials determined that every well in the community was substandard. On behalf of Jackson Hamlet and Midway, respectively, Pinehurst and Aberdeen applied for grants from North Carolina Division of Community Assistance. Although only the Midway grant is likely to be awarded, both communities are steadfast in their faith and continue to put pressure on the municipalities to do all they can to pursue all available resources.

While the county and the municipalities are disinclined to extend water and sewer services to these communities in the absence of grants, officials have not ruled out taking other steps to help the communities. Moore County Manager Steve Wyatt initiated discussions with town officials about how the four entities could work together to extend some services.<sup>133</sup> Such collaboration has been successful in the past. A few years ago, county officials worked with Pinehurst officials to extend water lines into Jackson Hamlet.<sup>134</sup> More recently, county officials and the town of Aberdeen worked to extend water and sewer lines in sections of the Midway community. Despite these successes, there is room for improvement.



County officials still argue that annexation is the only long-term remedy for the problems facing these communities. Moore County Manager Steve Wyatt has said he hopes his conversations with local officials will help spur the annexation process.<sup>135</sup> At the

same time, town officials have been resistant to pursuing annexation. Contrary to the county’s position, they argue that annexation is not necessarily the answer. “I look at Jackson Hamlet and I think, ‘Is their quality of life what it could be?’” said Pinehurst Village manager Andy Wilkison. “But annexation won’t necessarily make someone fix up their property. Annexation isn’t going to lift someone up out of poverty.”<sup>136</sup> In his view, the communities would be better served by community development grants, which would pay for the extension of services without threatening the identity of the neighborhoods.

<sup>132</sup> Shaila Dewan, *In County Made Rich by Golf, Some Enclaves Are Left Behind*, NEW YORK TIMES, June 7, 2005, at A1.

<sup>133</sup> Michael Gordon, *Residents Say Economic Bias Denies Them Better Services, Stronger Voice*, CHARLOTTE OBSERVER, June 5, 2005, at A1.

<sup>134</sup> WRAL News (Raleigh), available at <http://www.wral.com/news/4801540/detail.html> (last visited Aug. 2, 2005).

<sup>135</sup> Michael Gordon, *Residents Say Economic Bias Denies Them Better Services, Stronger Voice*, CHARLOTTE OBSERVER, June 5, 2005, at A1.

<sup>136</sup> Martha Quillin, *Pinehurst in Black and White*, NEWS AND OBSERVER (Raleigh, N.C.), June 5, 2005.

Nevertheless, Aberdeen and Pinehurst both hired engineering firms to assess whether Midway and Jackson Hamlet qualified for involuntary annexation under North Carolina law. Preliminary reports indicated that both communities failed to meet the density requirements, whereby 60 percent of the land must be fully developed. Local officials have seized on the communities' failure to meet the density requirement as being a determinative factor. However, there are a number of alternatives for ultimately achieving annexation, for example, by using a combination of voluntary and involuntary methods.

Pinehurst Village manager Andy Wilkison has indicated that he believes the village council would agree to annex the communities, regardless of the cost, if it was asked to do so by the residents themselves.<sup>137</sup> Failing that, local officials have passed the buck to state legislators, arguing that local legislation is the only means through which they can annex the communities absent 100 percent approval from residents.

Residents have not allowed local officials' reluctance to slow them down. Last summer, community leaders organized meetings aimed at convincing their neighbors to support annexation. It has become clear to community leaders that residents are most concerned with protecting each community's respective identity. As such, they have been working with UNC Center for Civil Rights attorneys to craft an agreement that would allow annexation to proceed while protecting the individual communities from development. For example, the communities could be preserved with a special historic designation or other zoning controls that limit development.

Community leaders have also sought to highlight the tangible benefits of annexation. To do so, they often point to the experiences of the Berkley community when trying to convince their neighbors that annexation would bring positive change to their communities. Berkley is a predominantly African American neighborhood that was recently annexed by Aberdeen and now receives full municipal services, including water, sewer, trash pickup and police protection. Community leaders say that annexation has changed Berkley for the better, not only bringing the community full services but a political voice as well. "It's a dream now since this thing has come up through here," said Curtis Hill, a Berkley resident.



"We're a living example. Before we voted, nothing was happening out here. Since we've got a chance to make a difference, look at the differences."<sup>138</sup> Hill noted that instead of being ignored, the Berkley community is now visited by campaigning politicians and Aberdeen has provided funds for local improvements to community centers. Midway Resident Maurice Holland hopes that Berkley's experiences will encourage residents to support annexation. "You can't teach the people until you can show them an example," Holland said.<sup>139</sup>



<sup>137</sup> *Id.*

<sup>138</sup> Wright Thompson, *Activists Fight for Annexation, Municipal Services*, KANSAS CITY STAR, available at <http://www.kansascity.com/mld/kansascity/news/local/11895678.htm> (last visited July 20, 2005).

<sup>139</sup> *Id.*

## CONCLUSION

The prospect for change is good for southern Moore County's excluded African-American communities. While officials are moving at a less than ideal pace, they are moving. Concrete steps are being taken to provide these communities with the municipal services they so desperately need and the communities themselves are taking steps to improve their quality of life. While southern Moore County presents an extraordinary snap-shot of how land use policies and practices can result in the discriminatory exclusion of communities from municipal boundaries, the problem is not unique. Providing Jackson Hamlet, Midway, Waynor Road, Lost City, and Monroe Town with municipal services will not prevent other communities throughout the state of North Carolina and throughout the nation from facing similar problems.

On a statewide level, North Carolina annexation and land use policies must be reformed to prevent municipalities from embracing an entirely bottom-line approach to municipal planning that allows them to by-pass older, less wealthy areas in favor of wealthier, new developments. Currently, North Carolina has a strong annexation reform movement. During the 2004-2005 legislative session, no fewer than 10 separate bills were introduced to reform North Carolina's annexation/ETJ laws.

While the bills were primarily geared towards individuals and organizations opposing involuntary annexation, they could be a step in the right direction for residents of excluded communities just outside of municipal boundaries. For example, several bills were aimed at giving ETJ residents a political voice, by (1) giving them a right to vote in municipal elections or (2) giving residents a right to vote on whether municipalities could exercise ETJ authority over their collective property.<sup>140</sup> While these efforts are encouraging, they represent a limited approach of how to protect the interests of excluded communities throughout the state. A better approach would include provisions dealing with the eventual extension of municipal services to ETJ areas or to qualified areas that are otherwise just outside of municipal boundaries.<sup>141</sup>

Addressing this issue on a national level would be more complicated, but not impossible. Preliminary research suggest that municipal underbounding is a national problem that embraces aspects of racial and economic discrimination. Therefore, a national solution is appropriate to avoid a repetition of the problems faced by southern Moore County's excluded communities.

Ida Mae Murchison is a straight-talking realist; she does not believe that she'll live long enough to see her house in Jackson Hamlet become part of the Village of Pinehurst. However, with a combination of community organizing, political activism, access to legal tools and media interest, African-Americans in Moore County currently living on land their ancestors bought at the turn of the last century and earlier may soon come closer than ever to their dream of full integration. They even may do so without having to give up their unique heritage and identity as a family-centered, small town neighborhood.



<sup>140</sup> 2005 Legislative Session, HB 363 and HB 362 (as introduced).

<sup>141</sup> Such proposals would undoubtedly garner a great deal of opposition from the North Carolina League of Municipalities, an organization that is convinced the state's land-use policies adequately protect the rights of individual property owners. In recent legislative bulletins, NCLM has stated: "The existing [annexation] statutes, which have served North Carolina for more than 46 years, have numerous safeguards to protect the rights of individuals.... North Carolina's annexation laws have helped keep tax rates low for city residents." North Carolina League of Municipalities, Legislative Bulletin # 10, April 1, 2005, available at <http://www.nclm.org/Legal/bulletin/2005/04-01-05.htm> (last visited August 26, 2006).

# Appendix I

Comparison of Estimated Monthly Expenses in Jackson Hamlet:  
Current Expenses vs Expenses if Annexed by Pinehurst

Expenses	CURRENT EXPENSES		Est. Expenses if Annexed by Pinehurst	
	Rates (per \$100)	Monthly Expense (assuming \$25,000 property value)	Rates (per \$100)	Monthly Expense (assuming \$25,000 property value)
<b>Property Taxes</b>				
County Tax Rate	\$0.455	\$9.48	\$0.455	\$9.48
Advanced Life Service	\$0.04	\$0.83	\$0.04	\$0.83
Fire District	\$0.11	\$2.29		
City Tax Rate			\$0.31	\$8.48
<b>Total Property</b>		<b>\$12.60</b>		<b>\$16.77</b>
<b>Utility Fees</b>		Monthly Expense (6,000 gallons)	<b>Utility Fees</b>	Monthly Expense (6,000 gallons)
<u>Water</u>				
Base Charge (for 3/4" meter)	\$4.30	\$4.30	\$4.30	\$4.30
Use Charge	\$3.35/1000 gal.	\$20.10	\$3.35/1000 gal.	\$20.10
<u>Septic/Sewer</u>				
Base Charge			\$4.30	\$4.30
Use Charge			\$3.35/1000 gal.	\$20.10
Maintenance		\$18.00*		
<u>Streetlights</u>		\$8.43		\$0
<b>Total Utilities</b>		<b>\$50.83</b>		<b>\$48.80 **</b>
<b>Current Total Monthly Expenses</b>		<b>\$60.43</b>		<b>\$65.57</b>

\* Septic tank expenses are estimates based on monthly upkeep costs, charges for emptying once every 2 years, and replacing water pump once every 4 years.  
Actual costs will vary depending on the number of problems encountered

\*\* Pinehurst water/sewer is provided by Moore County. Sewer use charges are 100 percent of water charges -- meaning if you use 100 gallons of water you will be charged for 100 gallons of water AND 100 gallons of sewer

Comparison of Estimated Monthly Expenses in Jackson Hamlet:  
 Current Expenses vs Expenses if Annexed by Pinehurst

Expenses	CURRENT EXPENSES		Est. Expenses if Annexed by Pinehurst	
	Rates (per \$100)	Monthly Expense (assuming \$50,000 property value)	Rates (per \$100)	Monthly Expense (assuming \$50,000 property value)
<u>Property Taxes</u>				
County Tax Rate	\$0.455	\$18.98	\$0.455	\$18.98
Advanced Life Svcs	\$0.04	\$0.83	\$0.04	\$0.83
Fire District	\$0.11	\$4.58		
City Tax Rate			\$0.31	\$12.92
<b>Total Property</b>		<b>\$24.37</b>		<b>\$32.71</b>
<u>Utility Fees</u>		Monthly Expense (6,000 gallons)	<u>Utility Fees</u>	Monthly Expense (6,000 gallons)
<u>Water</u>				
Base Charge (for 3/4" meter)	\$4.30	\$4.30	\$4.30	\$4.30
Use Charge	\$3.35/1000 gallons	\$20.10	\$3.35/1000 gallons	\$20.10
<u>Septic/Sewer</u>				
Base Charge			\$4.30	\$4.30
Use Charge			\$3.35/1000 gallons	\$20.10
Maintenance		\$18.00*		
<u>Streetlights</u>		\$8.43		
<b>Total Utilities</b>		<b>\$50.93</b>		<b>\$48.80 **</b>
<b>Current Total Monthly Expenses</b>		<b>\$75.30</b>		<b>\$81.51</b>

\* Septic tank expenses are estimates based on monthly upkeep costs, charges for emptying once every 2 years, and replacing water pump once every four years  
 Actual costs will vary depending on the number of problems encountered

\*\* Pinehurst water/sewer is provided by Moore County. Sewer use charges are 100 percent of water charges -- meaning if you use 100 gallons of water, you will be charged for 100 gallons of water and 100 gallons of sewer.

**Estimated Monthly Utility Expenses in Midway Before and After Annexation**

\* See notes on following page

<b><u>Expense</u></b>	<b><u>Before Annexation</u></b>	<b><u>After Annexation</u></b> <sup>1</sup>
	Rates (per \$100 assessed value)	Rates (per \$100 assessed value)
	Monthly Expense (assuming \$25,000 taxable property value)	Monthly Expense (assuming \$25,000 taxable property value)
Property Taxes		
County Tax Rate	\$0.48	\$0.48
Advanced Life Service	\$0.04	\$0.04
Fire District	\$0.11	\$0.04
City Tax Rate <sup>6</sup>	<b>\$0.63</b>	<b>\$0.95</b>
<b>Total Property</b>	<b>\$13.02</b>	<b>\$19.69</b>
<b>Water<sup>2</sup></b>		
Base Charge	\$7.00	\$4.00
1,000 - 20,000 Gallons	\$1.76	\$0.88
<b>Sewer</b>		
Base Charge	\$6.00	\$3.50
1,000 - 20,000 Gallons	\$2.15	\$1.08
Maintenance <sup>7</sup>	\$13.75	\$0.00
<b>Total Water and Sewer<sup>8</sup></b>	<b>\$50.18</b>	<b>\$19.23</b>
<b>Garbage</b>		
	Monthly Expense (assuming twice a week collection)	Monthly Expense (assuming twice a week collection)
	\$5.76	\$8.00
<b>Electric<sup>4</sup></b>		
	Rates (per kilowatt hour)	Rates (per kilowatt hour)
	\$0.09	\$0.09
<b>Gas<sup>5</sup></b>		
	Monthly Expense (assuming 1,000 kwh/month)	Monthly Expense (assuming 1,000 kwh/month)
	\$10.00	\$10.00
<b><u>Total Monthly Expenses</u></b>	<b>\$170.56</b>	<b>\$148.52</b>
<b><u>Total Yearly Expenses</u></b>	<b>\$2,046.77</b>	<b>\$1,782.21</b>

**Notes:**

- 1 - Expenses for property taxes for Midway after annexation are not yet adjusted for any increases in land value that may result from annexation.
- 2 - According to the North Carolina Utilities Commission, the average household in North Carolina consumes 6,000 gallons of water a month, regardless of household size. (Conversation with NCUUC staff member on 5/17/04.)
- 3 - Calculations for expenses of physically transporting garbage to dump are as follows: According to Mapquest, it is 4 miles between Midway Road and the Moore County Landfill. Assuming one takes his or her garbage to the landfill twice a week, that is a total of 16 miles a week or 64 miles a month. To calculate the amount of gas consumed, we assume that the average car gets 20 miles to the gallon in city driving. This equals about 3.2 gallons a month. With gas now costing approximately \$1.80 a gallon, this totals \$5.76 a month. The calculations do not account for the cost of time or wear and tear on the car. Also, some people hire private individuals to carry their garbage to the dump, but the cost of these services varies.
- 4 - Aberdeen's and Midway's electric provider is Progress Energy. This means that the North Carolina Utilities Commission maintains information about average rates in certain communities. According to James MacLawhorn, Rates Engineer for the North Carolina Utilities Commission, the average household energy consumption is 1,000 kilowatt hours a month. For any Progress Energy customer in the state, their monthly charge for 1,000 kwh is \$91.60 in summer months and \$81.60 in other times of the year. (Conversation with NCUUC staff member May 2004).
- 5 - Monthly gas expenses are an estimate based on anecdotal evidence.
- 6 - City taxes can be deducted from state and federal tax returns.
- 7 - Maintenance information was gathered from interviews with local residents. Individual problems with septic tanks may vary, depending on soil type and ability of land to perc. These calculations assume the following maintenance costs: \$7.00 a month for basic upkeep such as chemicals, \$199 every four years for emptying septic tank, and \$125 every four years for replacement of water pump. Other problems that may occur but are not incorporated here include replacement of fill dirt due to erosion or replacement of the system as a whole which may cost up to \$2,000.
- 8 - The after annexation costs do not reflect any fees related to connecting the home to the sewer system and closing off the septic tank. Such costs would include emptying the septic tank, filling the tank with sand, running pipes from the house to the sewer/water lines, and any fees such as tap and acreage fees. According to local plumbers, the exact cost of retrofitting the house will vary based on distance from the house to the sewer line, the density of the soil, and the grade of the land. In other words, the more difficult it is to lay the pipes in the ground, the more expensive the retrofitting will be. The costs of connecting the house to the sewer/water lines (tap fees and acreage fees) are determined by the city and can usually be obtained by the city's public works department. Sometimes, the tap fees differ depending on if you are an in-town or out-of-town resident. Neither of these costs are included in the analysis as a cost to the residents because it is possible to incorporate these costs into grant applications, such as CDBG grants. This analysis assumes that these costs will be covered by the grant, rather than the individual residents.

## Estimated Monthly Utility Expenses in Waynor Road Before and After Annexation

\* See notes on following page

<u>Expense</u>	<u>Before Annexation</u>	<u>After Annexation</u> <sup>1</sup>
	Rates (per \$100 assessed value)	Monthly Expense (assuming \$55,000 taxable property value)
Property Taxes		
County Tax Rate	\$0.48	\$21.77
Advanced Life Service	\$0.04	\$1.83
Fire District	\$0.11	
City Tax Rate <sup>6</sup>		\$17.88
<b>Total Property</b>	<b>\$0.63</b>	<b>\$41.48</b>
<hr/>		
<u>Water</u> <sup>2</sup>		
Base Charge		
1,000 - 20,000 Gallons	\$0.85	\$7.85
Well maintenance	\$0.00	\$14.94
<u>Sewer</u>		
Base Charge	\$0.00	\$2.14
1,000 - 20,000 Gallons	\$0.00	\$14.94
Septic maintenance		
Plumbing service		
<b>Total Water and Sewer</b>	<b>\$0.85</b>	<b>\$39.87</b>
<hr/>		
<u>Garbage</u>		
		Monthly Expense (assuming twice a week)
		paid out of regular tax rate
		paid out of regular tax rate
		Monthly Expense (assuming twice a week)
		paid out of regular tax rate
<u>Electric</u> <sup>4</sup>		
	Rates (per kilowatt hour)	Monthly Expense (assuming 1,000 kwh/month)
	\$0.09	\$91.60
<u>Gas</u> <sup>5</sup>		
		Monthly Expense (assuming 1,000 kwh/month)
		\$40.00
<b>Total Monthly Expenses</b>		<b>\$212.95</b>
		<b>\$224.79</b>

**Notes:**

- 1 - Expenses for property taxes for Waynor Road after annexation are not yet adjusted for any increases in land value that may result from annexation.
- 2 - According to the North Carolina Utilities Commission, the average household in North Carolina consumes 6,000 gallons of water a month, regardless of household size. (Conversation with NCUC staff member on 5/17/04.)
- 3 - Calculations for Expenses physically transporting garbage to dump are as follows: According to Mapquest, it is 7 miles between Waynor Road and the Moore County Landfill. Assuming once takes their garbage to the landfill twice a week, that is a total of 28 miles a week or 112 miles a month. To calculate the amount of gas consumed, we assume that the average car gets 20 miles to the gallon in city driving. This equals about 5.6 gallons a month used. With gas now costing approximately \$1.80 a gallon, this totals \$10.08 a month. The calculations do not account for the cost of time or wear and tear on the car. Also, some people hire private individuals to carry their garbage to the dump, but I was not able to locate the cost of these services.
- 4 - Southern Pines and Waynor Road's electric provider is Progress Energy. This means that the North Carolina Utilities Commission maintains information about average rates in certain communities. According to James MacLawnhorn, Rates Engineer for the North Carolina Utilities Commission, the average household energy consumption is 1,000 kilowatt hours a month. For any Progress Energy customer in the state, their month charge for 1,000 kWh is \$91.60 in summer months and \$81.60 in other times of the year.
- 5 - Monthly gas expenses are an estimate based on anecdotal evidence.
- 6 - City taxes can be deducted from state and federal tax returns.

# Appendix II

Update as of September 2007

## Jackson Hamlet Community Action, Inc.

*Representing excluded community of 200 residents in Moore County, NC*

- Petitioned the Village of Pinehurst to apply for and receive in CDBG funds to provide sewer to 1/3 of community. In December 2006, Pinehurst received a \$750,000 CDBG grant. Construction is expected to be complete by the end of 2008. Pinehurst officials have committed to apply for additional funding to provide sewer to additional homes.
- Obtained federal tax-exempt status to secure private funding to support community organizing, education, and development efforts. Using funding secured through UNC Center for Civil Rights, the community completed substantial renovations to community center such installing a heat and air conditioning system, improving plumbing and bathroom facilities, securing in kind donations for office supplies such as filing cabinets, and purchasing equipment such as tables, chairs, and internet and phone services. These improvements have allowed the community to once again use the center for after school programming, Southern Moore Alliance of Excluded Community (SMAEC) meetings, and celebrations for community members.
- Worked with North Carolina Rural Communities Assistance Project to apply for and receive a \$12,000 grant from the Conservation Fund's Resourceful Communities Program for a feasibility study for an alternative wastewater system. This system would serve a portion of community not served by CDBG funds at a much lower cost than traditional sewer systems, bring jobs to the community, and promote environmental stewardship by using reclaimed wastewater to irrigate neighboring golf courses.



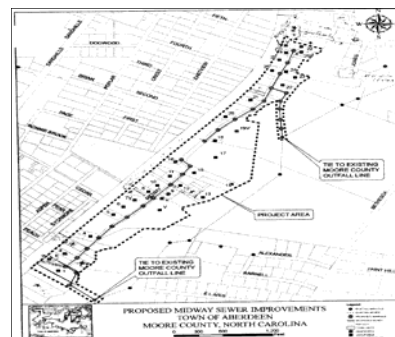
Pinehurst staff meeting with residents at Jackson Hamlet community Center to discuss timing of sewer implementation, September 2007

## Midway Community Association, Inc.

*Representing excluded community of 125 residents in Moore County, NC*

- Petitioned Town of Aberdeen to apply for and receive CDBG funds to provide sewer and taps to the remaining 29 unsewered homes in the community. In August 2006, the Town of Aberdeen received a \$750,000 CDBG grant and committed \$109,000 in local funds and waived connection fees.
- Obtained federal tax-exempt status to secure private funding to support community organizing, education, and development efforts. Using funding secured through the UNC Center for Civil Rights, Midway completed substantial renovations to community center: installed heat and air conditioning, restored plumbing and electricity, improved interior walls, and added new windows. The improvements have allowed the community to once again use the center to host community meetings and events.

Mary Brown of Midway, Joyce Ray of Waynor Road, Ida Mae Murchison of Jackson Hamlet, and Barry Williams of UNC Center for Civil Rights discussing effective strategies for community organizing



Map of proposed sewer improvements in Midway community

## **Waynor Road in Action**

*Representing excluded community of 75 residents in Moore County, NC*

- Formed, incorporated, and began seeking federal tax exempt status for community association.
- Completed community survey to assess needs, questions, views on annexation, and income. Currently securing signatures of landowners for voluntary annexation process.
- Petitioned Town of Southern Pines to allocate funding for water infrastructure in the town's 2007-2008 budget and apply for any and all available grant funds for sewer infrastructure. The Town of Southern Pines committed to provide \$349,200 in waived connection fees and local funding, which will hopefully leverage an additional \$750,000 in public funds.

## **Voices for Justice**

*Grassroots advocacy organization fighting to end racial discrimination*

- Incorporated and obtained federal tax-exempt status, which has enabled accomplishments such as securing private funding to advocate and educate through a weekly radio program, use website <http://www.voicesforjusticenc.org> as a clearinghouse for resources related to municipal underbounding and documenting SMAEC's activism, travel to and organizing social justice trainings, and apply for a full power, minority-owned commercial radio station to provide a voice for poor and minority communities in Southern Moore County.
- Supporting grassroots advocacy for excluded communities by attending community meetings and meetings with government officials, handling facilities and registration logistics for collaborative endeavors such as the Workshop for Excluded Communities.

## **Southern Moore Alliance of Excluded Communities**

*A collaborative of Jackson Hamlet, Midway, Waynor Road, Voices for Justice, and UNC's Center for Civil Rights*

- Organizing Communities



- ◇ Hosted Workshop for Excluded Communities in Carthage, NC, on March 10, 2007, which was attended by more than 65 community members, lawyers, and social justice advocates from around the state to learn how to use community activism to address municipal underbounding
- ◇ Planning Eastern North Carolina Workshop for Citizens of Excluded Communities in conjunction with Legal Aid Clients Council to be held October 6, 2007, in Greenville, NC.

Carol Henry, Workshop for Excluded Communities, March 10, 2007

- Building Alliances
  - ◇ Attended Conservation Fund's Grassroots Convening 10 in Asheboro, NC, on September 6-7, 2006, and Grassroots Convening II in Brown's Summit, NC on May 17-18, 2007.
  - ◇ Presented two workshops and networked with grassroots organizations from across the country at the US Social Forum on June 27 – July 1, 2007 in Atlanta, GA.
- Protecting Heirs Property
  - ◇ Presented at the Land Rich Conference co-convened by Asset Builders, Inc., UNC Center for Civil Rights, and University of Wisconsin Law School on April 12-13, 2007 in Chapel Hill, NC to express concerns of African-American landowners, share effective organizing strategies, and learn about options for protecting and developing their land.
  - ◇ Hosted Land Loss Workshop in conjunction with Land Loss Prevention Project and Legal Aid of Pittsboro to be held September 22, 2007, in Moore County, NC.