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May 16, 2007

*Via Facsimile to 969-2063 and Email*

The Honorable Kevin Foy  
Members of the Chapel Hill Town Council  
c/o Mr. Roger L. Stancil, Town Manager

*Re:* Proposed Building Moratorium

Dear Mayor Foy and Members of the Chapel Hill Town Council:

As you know, I represent CAI VII, LLC, the owner of the property on the northeast corner of Perkins Drive and Weaver Dairy Road in Chapel Hill. In the past, we have discussed with the Council many of the pitfalls of the proposed moratorium. It is surprising that citizens in the community feel the need, other than a general hostility to any development, to halt development for an extensive period to consider amendments to the Zoning Code. Clearly, a great deal of thought has gone into the ordinance on an ongoing basis.

The proposed moratorium imposes a substantial disproportionate impact on the owners of property held for development. The community does not propose to pay the interest carry cost on the investment of property owners. Nor does the community propose to pay the incomes deferred, or not paid at all, to workers and business owners who build and develop these properties. For these members of the community, the cost of a moratorium would be enormous.

These costs are also born in part by the community. The community loses when the developers, construction company personnel, trades, engineers, architects and others cannot put up the buildings that provide for their incomes. In the case of the property on the corner of Perkins Drive and Weaver Dairy Road, the doctors, nurses, secretaries, cleaning staff, and other employees of Triangle Orthopedic may not be able to occupy their new building. Triangle Orthopedic would then be prevented from bringing an increase in the quality and extent of medical care in the community and to those outside the community who come to Chapel Hill for quality medical care.

The costs potentially imposed on by the proposed moratorium translate into increased economic pressure on the Triangle Orthopedic project which cannot be carried by the market. It

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would therefore result in a scaling back of the high level of amenities that the Chapel Hill community expects and prides itself on. There is also a risk that the Triangle Orthopedic facility will have to move just outside Chapel Hill, forcing Chapel Hill residents to travel outside the community for treatment, usually by automobile. (Of course, most patients traveling to an orthopedic clinic come by private vehicle, due to the nature of the injuries. That is part of the appeal of the proposed site, given its location on a major artery only blocks away from Interstate 40.)

In the event the Town Council does pass the proposed moratorium, the Owners and Developers, for themselves and for the benefit of their purchaser, Triangle Orthopedic Real Estate Group, request exemption of properties, such as this one, that would not otherwise need to come before council due to the modest size of the building. The nature of this type of building, given its size and efficiency, does not provide the type of objections that larger projects or residential projects may present. Further, it would also be reasonable to exempt this particular project because of:

1. the substantial expenditure of the property to date in reliance on the language of the current zoning ordinance;
2. prior council action as they effect this property (in approving the current zoning and the ordinance);
3. The lack of Town Council action required for this project;
4. The public need for a high quality medical care; and
5. The opportunity to serve the wider community.

This is an important project. The Town Council should support making high quality medical care available to its citizens. Thank you for your attention to this matter.

Sincerely,

Thomas H. Stark  
Attorney at Law