



CHAPEL HILL DOWNTOWN PARTNERSHIP
driving downtown's destiny

ATTACHMENT 4

MEMORANDUM

To: Roger Stancil, Town Manager
From: Liz Parham, Executive Director
Date: June 21, 2007
Subject: Public Facility Use Analysis
Post Office, 173 East Franklin Street

HISTORICAL PERSPECTIVE

The Post Office building, located at 173 East Franklin Street, on the corner of East Franklin Street and Henderson Street, was constructed by the Postal Service in 1937. It was financed by the Works Progress Administration in Chapel Hill and built in the Classical-Revival Style of architecture. It is a 17,700 gross square foot, two-story structure with brick and limestone walls set on a concrete foundation.

It is listed as a contributing property in the 1976 *Franklin-Rosemary Local Historic District*. It is not listed on the National Register of Historic Places but is believed to be eligible for listing. In 1979, the Town of Chapel Hill purchased the building from the Postal Service for \$250,000.

PRESENT USES

Postal Service – The postal service has resided in the facility since the erection of the building in 1937. When the Post Office sold the property to the Town of Chapel Hill in 1979, they acquired a 25 year lease, which was renewed in 2004 for an additional 10 years.

- They occupy approximately 3,000 sq. ft.
- Rent is valued at \$15,140 annually.
- The hours of operation:
 - Monday – Friday 9:00 – 5:00
 - Saturdays 9:30 – 12:30
- Post office boxes are well utilized. Available boxes are leased quickly.
- It serves as a convenient alternative to the Estes Drive post office and is well used by the downtown community, UNC staff and students.
- Space allocation serves the post office well.
- The location of this facility relative to public transportation is an important consideration.
- In assessing the economic impact of this facility it should be considered that post office visits often coincide with errands and outings that might include other restaurant, retail, or office visits, and often generate parking deck and on-street meter revenue.

State District Court – The State District Court has utilized the west side of the main level of the building since 1979. Whereas the court operations have traditionally been traffic/alcohol court, minor crimes, small claims, disputes and civil arbitrations, with the recent renovations to the courthouse in Hillsborough, the court

facilities in the Post Office building are now experiencing an expanded docket. The court facilities do not have a lease.

- They occupy approximately 4,000 sq. ft.
- The Town receives court fees in lieu of rent. In 2005-2006 the court fees totaled \$45,600 and the 2006-2007 revenues are expected to be similar. The fees are in part determined by the docket, therefore are expected to increase over the next two years with the expanded court operations in Chapel Hill.
- The hours of operation in Chapel Hill with the expanded court docket:

○ Monday	9:00	Every Week	Criminal /Traffic Court
○ Tuesday	9:00	Every Week	Traffic/Alcohol Court
○ Wednesday	9:00	1 st & 2 nd Wed.	Traffic Administrative Court
		3 rd Wed.	Disposition Court
		4 th Wed.	Traffic Administrative Court
	3:00	4 th Wed.	Drug Treatment Court
○ Thursday	9:00	1 st Thurs.	Juvenile DSS
	1:30	1 st Thurs.	Family Treatment Court
	9:00	3 rd Thurs.	Juvenile DSS Review
	1:30	3 rd Thurs.	Family Treatment Court
	3:00	4 th Thurs.	Community Resource Court
○ Friday	9:00	Every Week	Involuntary Commitment Hearings
- * See court schedule attached
- The Court system can serve anywhere from 25 individuals up to 800 or 900 a day depending on the court that is in session.
- It is convenient to Chapel Hill & Carrboro residents, Chapel Hill, Carrboro, and University of North Carolina police officers and staff that must attend court, and it is convenient to the legal professionals that are located in Chapel Hill and in Carrboro. (There are sixteen attorneys located in downtown Chapel Hill.)
- Space allocation is needed while renovations in Hillsborough are in progress.
- The location of this facility relative to public transportation is an important consideration.
- In assessing the economic impact of this facility, restaurant visits and parking deck and on-street meter revenue should be considered.

Chapel Hill Parks & Recreation After School Drop-In Center – The after school center serves as a resource for 13-18 year old teens, mostly in the 13-16 year old range. The center shares the space that the *Street Scene Teen Center* utilizes in the basement of the post office building. It is not a structured program, but the center offers computers, television, pool tables and more. Parks & Recreation is talking with partnership agencies about offering classes that the kids could attend. They report that often the teens leave the center at closing and move over to the Hargraves Center, therefore proximity may be an important consideration.

- The center occupies the Teen Center site.
- The Town does not receive rental revenue from Parks & Recreation as it is a town department charged with providing recreational services to the community.
- The Center serves approximately 10-20 kids a day.
- The hours of operation:
 - Summer Hours: Monday – Friday 2:00 – 7:00 p.m.
 - School Year Hours: Monday – Friday 4:00 – 7:00 p.m.
- The Drop-In Center serves an underserved population in this community and market segment for downtown, children 13-18.
- The location of this facility relative to public transportation is an important consideration, as is the proximity to the Hargraves Center.
- In assessing the economic impact of this facility, restaurant visits and convenience items should be considered.

Street Scene Teen Center - The Street Scene Teen Center, a North Carolina nonprofit corporation, opened in 1985 with a vision to serve Chapel Hill teenagers. It is the third teen center to open since the 1950's. It has operated for the past 22 years in the basement of the Post Office building. The Center serves teenagers, 13-

18 year olds. The demographics have changed throughout the years, and in part, the population that frequents the center changes based on the bands and the types of music that are being played. The Center may attract rockers one weekend and hip hoppers the next weekend. The goal is to serve a variety of teenagers. The teen center is the only active tenant in the basement. The remainder of the space is used as storage.

- The Teen Center occupies approximately 4000 sq. ft. of space in the lower level.
- The Town receives \$1 per year in rent.
- The Center can accommodate approximately 150, but typically serves 40-75 kids on an average weekend.
- The hours of operation:
 - Friday & Saturday nights 7:00 – 11:00 p.m.
- Street Scene serves an underserved population in this community and market segment for downtown, children 13-18.
- The location of this facility relative to public transportation is an important consideration.
- In assessing the economic impact of this facility, restaurant visits and limited potential parking deck and on-street meter revenue should be considered.

Storage – There is quite a bit of storage space in the basement of the building, approximately 1/2 of the building footprint on the basement level. Some of it is used by the Town of Chapel Hill and the former Chapel Hill Downtown Commission.

The Peace & Justice Plaza – Named in 2006 by a committee appointed by the Town Council, the plaza space in front of the Post Office building has served as a community gathering site where important community announcements were made and where public protests against war and other public policies have been held from 1967 to present.

CURRENT USAGE ASSESSMENT

Hours of Operation: Based on current usage, the main level of the building is occupied approximately 55 hours out of a possible 168 hours each week, or 33% of the time; and the lower level of the building is occupied approximately 35 hours out of 168 possible weekly hours during the summer months, or 21% of the time, and 25 hours or 15% of the time during the school year. Evaluation of the total hours is 67 out of a possible 168 hours in a week, or 40% occupancy based on the hours of operation.

Occupancy: Approximately 11,000 sq. ft of the gross 17,700 sq. ft. are occupied with human tenants (not used as warehouse space). That translates to a 62% occupancy rate.

PROPOSED USES

Kidzu Children's Museum – Kidzu Children's Museum, a North Carolina nonprofit 501 (c) 3 corporation, opened in March 2006, in a donated, privately-owned 2,700 square foot space located at 105 East Franklin Street. The corporation petitioned the Town Council in January 2007, to obtain space in the Post Office facility currently occupied by the State District Courts and the basement level, under terms similar to those of the post office or the courthouse.

- Kidzu currently occupies 2,700 sq. ft. with a desire to grow to 10,000 – 15,000 sq. ft.
- Kidzu is proposing lease terms similar to those of the post office or the courthouse. The details would need to be negotiated for an accurate number.
- Kidzu has attracted 29,000 visitors over a one-year period, and anticipate visitation to increase significantly with expanded facilities.
- The current hours of operation:
 - Tuesday – Saturday 10:00 – 5:00
 - Sunday 1:00 – 5:00
- Kidzu serves an underserved population in this community and market segment in downtown, children 0-8 years old, and anticipate serving 0-12 year olds with expanded facilities.
- The location of this facility relative to public transportation is an important consideration.

- In assessing the economic impact of this facility, the preliminary results of an economic impact study conducted by UNC showing 43% of visitors also visit local restaurants while downtown, spending an average of \$21 on food; that 10% of the visitors also visit retail establishments; and that increased parking deck and on-street meter revenue, on average 1-2 hours per visit are realized, should be considered.

PROPOSED USAGE ASSESSMENT

Hours of Operation: Based on Kidzu proposal, the main level of the building would be occupied approximately 66 hours out of 168 possible hours each week, or 39% of the time; and the lower level of the building would be occupied approximately 51 hours out of 168 possible weekly hours during the summer months, or 31% of the time.

Occupancy: Kidzu has petitioned to take the bulk of that 17,700 sq. ft. less the 3,000 sq. ft allocated for the Post Office plus any rear plot land to use for outdoor programming or additional structures. It is estimated that approximately 85% would be occupied in this scenario, leaving the remaining 15% for common areas in the building.

PREVIOUS USES & PREVIOUSLY PROPOSED USES

Through the years, the building has also served as the offices for the District Attorney and the offices for the Chapel Hill Downtown Commission. Proposed uses in 2005 also included relocating the Chapel Hill Museum to the main level of the building and a downtown Welcome Center in 2000 that was an extension of the Downtown Commission.

THE ROLE THAT PUBLIC FACILITIES PLAY IN DOWNTOWNS TODAY

Public buildings are civic assets that strengthen the entire community. The historical and primary role of a public facility is to carry out the duties and the mission of the government agency that owns the property. As local, state, and federal government services have evolved over the years, many government agencies have found themselves holding real property and struggling to determine how best to preserve the property and to use the property.

The General Service Administration (GSA) of the federal government has established guiding principles or strategic objectives and goals that federal agencies use to manage their real property assets. They have adopted a federal mandate that federal agencies, including Post Offices and Courthouses, are to give first consideration to locating in a central business district and in historic buildings, which is intended to turn public buildings into a catalyst for downtown revitalization.

Based on a similar philosophy, local governments are beginning to manage their public facilities differently today too and are converting underutilized properties into exciting, lively community gathering spots. This denotes a philosophical shift from “filling space” to “creating place”.

CONCLUSION

The Post Office is a key, architecturally significant property in downtown Chapel Hill that currently serves many important roles for our community.

- There is clearly value in retaining a post office in downtown as a valuable service, a social gathering spot and a retail engine.
- The Court system brings many individuals into downtown. Having a courthouse in downtown is convenient for public service workers that must attend court, and more importantly it keeps court related jobs and businesses in Chapel Hill.
- Street Scene plays a vital role in providing kids with options that will hopefully help them make good decisions. Street Scene serves an underserved segment of the population and has for many years provided an important service for our community.

- The Parks & Recreation after school program likewise provides a safe place for children to use resources and to socialize.
- And Kidzu, although not in this building, serves a traditionally underserved segment of our population while also attracting young children, families and seniors back into downtown.

The Town of Chapel Hill should be commended for offering valuable space for many years to a variety of community groups that may otherwise not have been able to exist without the space in this facility. However, based upon economic development standards that include occupancy rates, occupancy by hours of operation, rental rates, and the economic impact on neighboring businesses, the post office is an underutilized property in downtown Chapel Hill and is a redevelopment opportunity.

The Chapel Hill Downtown Partnership encourages the Town Council to consider planning for this opportunity by conducting a more comprehensive evaluation of the building with the goal and intent of redeveloping the site to build vibrancy based on what the community really wants in that location rather than responding to requests from organizations that need the space.

The Chapel Hill Downtown Partnership has the tools and the knowledge to assist you in facilitating the development of comprehensive public facility use plan. As the organization charged with leading and managing downtown Chapel Hill, we are prepared to assist at the direction of the Town Council.

ORANGE COUNTY DISTRICT COURT SCHEDULE - Effective May 2007

<u>Days of Week</u>		<u>Type of Court</u>	<u>Location</u>	<u>Time</u>
MONDAY	every week:	Criminal/Traffic (HP)	Chapel Hill	9:00
		Criminal	Hillsborough	9:00
		-First Appearances		
		-Bond Hearings		
		-Jail Cases		
		-Probation Violations		
		-Motions for Appropriate Relief		
		-Probable Cause Hearings		
		-Worthless Checks		
TUESDAY	every week:	Traffic/Alcohol Offenses/HP	Chapel Hill	9:00
		Small Claims	Hillsborough	2:00
	1 st	Civil Calendar Call	Hillsborough	9:00
	2 nd	Child Support	Hillsborough	9:00
	3 rd	Child Support	Hillsborough	9:00
	4 th	Child Support	Hillsborough	9:00
WEDNESDAY	1 st	Traffic Administrative Court CHPD	Chapel Hill	9:00
	2 nd	Traffic Administrative Court Highway Patrol DMV	Chapel Hill	9:00
		Juvenile Delinquency	Hillsborough	9:00
	3 rd	Drug Treatment Court	Chapel Hill	3:00
		Disposition Court	Chapel Hill	9:00
		Community Resource Court (CRC)	Hillsborough	3:00
	4 th	Traffic Administrative Court Carrboro PD UNC PD Hillsborough PD Mebane PD Orange Co. Sheriff	Chapel Hill	9:00
		Drug Treatment Court	Chapel Hill	3:00
		Juvenile Delinquency	Hillsborough	9:00
	THURSDAY	every week:	Traffic/Criminal (1 st & 3 rd Peoples' Court)	Hillsborough
1 st		Juvenile DSS	Chapel Hill	9:00
		Family Treatment Court	Chapel Hill	1:30
3 rd		Juvenile DSS-Review	Chapel Hill	9:00
		Family Treatment Court	Chapel Hill	1:30
	Custody Mediation Orientation	Hillsborough	3:00	
4 th	Community Resource Court (CRC)	Chapel Hill	3:00	
FRIDAY	every week:	Involuntary Commitment Hearings	Chapel Hill/ UNC Hospital	9:00
		Domestic Violence	Hillsborough	11:00
	2 nd	Felony Administrative	Hillsborough	2:00
	4 th	Felony Administrative	Hillsborough	2:00

*****Civil District Court may be held every day of the month*****

Cases may be set in either Hillsborough, Carrboro, or Chapel Hill – Location TBA