

MINUTES OF A PUBLIC HEARING OF THE MAYOR AND COUNCIL
OF THE TOWN OF CHAPEL HILL, COURT ROOM, FRANKLIN STREET
AND POST OFFICE/COURT BUILDING, THURSDAY, MARCH 29, 1984, 7:30 P.M.

Mayor Joseph L. Nassif called the meeting to order. Councilmembers present were:

Marilyn Boulton
Winston Broadfoot
Jonathan Howes
Beverly Kawalec
David Pasquini
Nancy Preston
R. D. Smith
Bill Thorpe

Also present were Town Manager, David R. Taylor; Assistant Town Managers, Sonna Loewenthal, and Ron Secrist; and Town Attorney, Grainger Barrett.

Village Center (Franklin Street Plaza, Ltd.)

Mayor Nassif stated that the proposal was to construct 416 parking spaces (280 public), and 136 dwelling units on Rosemary Street between the NCNB Plaza and Henderson Street.

Mr. Brent Milgrom, an owner of the NCNB Plaza and representing Franklin Street Plaza, Ltd., stated that this proposal offered "an alternative to a sterile parking garage" by continuing the aesthetic appeal of the village atmosphere of Chapel Hill, and would bring people, customers, and vitality to the downtown area.

Mr. Joe Hakan, architect, stated that the proposed 139,500 sq.ft. development would provide 280 short-term (public) parking spaces (on the upper level to provide easy access to Franklin Street), 136 long-term parking spaces (on the lower level for tenants) and 136 Georgetown type, 3-level townhouses. The plans included a roof garden/court and an outside archade. All proposed parking would be exposed to natural light in order to lower cost and security problems. The proposed entrance to the parking area would allow 5-car stacking, and each parking level would have access to stairs and elevators.

Mr. Milgrom stated that

1. There would be no increase in ad valorem taxes;
2. The Town would be paid \$750,000 for developer's rights;
3. Revenue bonds would be issued in lieu of General Revenue Bonds; and
4. Approximately \$77,000 of new tax revenue would be brought to Chapel Hill, and an estimated \$3,742,000 would be brought to the Town in tax and parking revenue over a 20-year period

as a result of the proposed development.

Since downtown retailers would lose approximately 100 parking spaces during construction, the developers proposed to open up 100-110 NCNB parking spaces for use by the Town to provide customer parking for existing downtown merchants.

The developers responded to citizens' questions:

- Only minimal visibility of the townhouses would be possible from the south side of Franklin Street.
- The proposed archade would be for shoppers/pedestrians, but there would be no general public access above the parking levels.
- The proposed height was less than 90 feet (slightly less than the NCNB Plaza, with a deeper setback).
- Parking spaces for customers of retailers during the construction period would come from monthly parking spaces relinquished by UNC students and

staff.

--The connection from the Franklin Park Plaza to the NCNB Plaza would be sold for \$250,000. This connection offered a primary approach to the Franklin Street area.

--Plantings and artificial lights were proposed for the pedestrian tunnel to Franklin Street.

Mr. Al Wurth, a citizen, stated that he felt the Town should primarily be interested in the needs of its citizens, rather than in real estate or parking. He felt the proposal (1) brought more development pressures to this area, (2) would tend to provide more parking for university personnel and students, and (3) would subsidize parking for East Franklin merchants to the detriment of West Franklin merchants. He felt that the lunch crowd, short-term parking problem (10:00 A.M.-2:00 P.M.) could be addressed by a rush-hour shuttle bus service through the Town and the university at less cost, and with less irreversible effects on the downtown area.

Mr. Charlie Stancil, speaking on behalf of his wife who owned a business in downtown Chapel Hill, spoke in favor of the proposed development. He proposed (1) that cover for the alley be considered to address run-off and drainage problems, and (2) that a Chapel Hill monorail system be considered to address increasing traffic concerns.

Mr. Pat Davis, Systems Development Manager with Orange Water and Sewer Authority (OWASA), expressed concerns for the impact of development on existing water and sewer service lines. To assure maintenance accessibility to existing lines for OWASA crews, OWASA requested that (prior to preparation of detailed plans) developers and project engineers be required to consult with OWASA on (1) water and sewer line locations, and (2) proposed arrangements to continue the provision of services to existing customers and businesses in the area.

Mr. Milgrom responded to Councilmember Boulton that the connection to NCNB Plaza was intended to be part of the proposal. Further consideration would be needed to determine whether it would be an option to the Town.

Councilmember Thorpe expressed his concern that only persons with substantial income levels would be able to afford to live in the proposed townhouses. Mr. Milgrom stated that the cost of building in the downtown area and building over a parking area prohibited development of moderate cost living units.

Mr. Milgrom responded to Councilmember Smith that the proposed development met the Town's Development and Design Ordinance requirements for height and setback.

Mr. Milgrom responded to Councilmember Smith that to reduce the scale of the proposed development by going underground would increase development cost and security problems. Mr. Milgrom was asked if he would be willing to add retail shops to his proposal and he replied that retail shops had not been successful in the past; shops on Franklin Street were sufficient and competition was not needed.

Councilmember Broadfoot questioned if the proposed development would address parking problems in the downtown area for merchants. He opposed the proposed height of the development (90 ft.). He also felt that the financial figures were not adequate. Mayor Nassif stated that all figures would be available to the public and would be considered by the Council before a decision was reached.

Mr. Milgrom stated to Mayor Nassif that they were open to any suggestions in design changes, but that a substantial change would cause them to reconsider the economic feasibility.

Chapel Hill Center (Real Property Investments, Inc.)

Mayor Nassif stated that the developers proposed to construct 515 parking spaces (270 public), 100 dwelling units, a 24-bed health care unit, and commercial space on Rosemary Street, between the NCNB Plaza and Henderson Street.

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Mr. Jim Dale, President of RPI, Inc., stated that this proposal did not involve bonds.

Mr. John Ramsey, representing RPI, Inc., stated that the proposed development was not a housing project for the elderly, but was a "continuing care residential center" that would combine independent living and a medical facility for mature citizens. A similar development in Tarboro had received favorable support from the residential community. This type of development would provide optimal interaction with townspeople and optimal access to services.

Mr. Fred Tolson, architect, stated that the design and landscape would conceal the proposed 4-level parking deck. Two levels would be below the street level, and two levels would be above ground. The deck would consist of a 2-lane entrance on East Rosemary Street, a 4-car stacking space, and an exit on East Rosemary.

The first level would contain courtyards, retail shops, and common facilities (i.e., meeting rooms, administrative facilities, and a restaurant), integrating the residents with commercial activities.

The second level would include the first of four levels of housing, a health care facility, and a recreational facility.

There were no questions from citizens at this time.

Mr. Ramsey responded to Councilmember Boulton that an additional 20 parking spaces (or a total of 535 parking spaces) would be provided behind the Post Office/Court House. Of this total, 270 spaces would be for the public; 150 of the remaining 265 spaces would be allocated to residents and would be located on the lowest level of the deck; and 115 of the 265 spaces would be for short-term use and, if combined with the 270 public spaces, would total 385 possible short-term parking spaces for the Town's use. These spaces would be located on the below-street level, at-street level, and above-street level decks.

Mr. Dale stated that large emergency elevators and exits, and emergency generators would address emergency exit concerns expressed by Councilmember Smith.

Councilmember Broadfoot stated that he felt that Franklin Street was not an optimal location for a residence for older citizens. He also questioned if there would be enough parking spaces.

Mr. Dale responded to Councilmember Broadfoot that more detailed figures re profits and costs would be forthcoming.

Mr. Ramsey responded to Mr. Watts Hill, Jr., representing the Chamber of Commerce, that the responsible, stable, and predictable retirement age population of the proposed continuing care facility would improve the economic concerns of downtown Chapel Hill because of their ability to patronize the shops.

Mr. Mark Knoerr, architect, explained to Mr. Hill that alley circulation would be through the parking facility.

Rosemary Square (The Fraser Company of the Research Triangle Park)

Mayor Nassif stated that this proposal was to construct 500 parking spaces (300 public), 120 condominium hotel suites, a restaurant/conference room, and office/retail space on Rosemary Street between NCNB Plaza and Henderson Street.

Mr. Walter Daniels, Vice President of The Fraser Company, stated that 390 parking spaces would be available for public use from 9:00 A.M. to 5:00 P.M. as a result of the mixed use character of the Rosemary Square proposal. Because of the design, none of the parking spaces would be visible. In the design, Mr. Daniels stated that the project came first and the cars came second in order to preserve the pedestrian atmosphere of Chapel Hill. By putting the parking underground, the proposed development would be only 60 feet high, again, preserving the character of Chapel Hill.

Mr. Charles Fraser, Chairman of The Fraser Company, presented slides showing projects in other locations which had been designed by the developer. The

presentation showed how developments fit in with surrounding architecture, citizens' interests, town environment, and landscape. Mr. Fraser remarked that he had a "passionate distaste for tall buildings." He stated that the proposed development would echo the architectural features of Chapel Hill in material and height, but would not replicate the historic buildings. The proposed development would consist of limestone and brick, like the courthouse. The design would also reflect the college and academic environment in building scale and texture and in the central public plaza.

Mr. Fraser stated that he felt that underground parking was not a high-risk security problem. A security person would patrol and security cameras would monitor the areas. There would also be ample light and bright paint to enhance the area.

The Henderson Street sidewalk would be widened and an estimated \$200,000 would be spent on the streetscape (trees) for Rosemary and Henderson Streets. A restaurant and an adjacent outdoor deck would be located on Henderson Street. Services to businesses would be from the alley which the developer proposed to brick and landscape. A private system for compact garbage pick-up would be used.

Re financing, Mr. Phil Szostak, architect, stated that the developers would be willing to follow the Town's wishes, but felt that the public would support General Obligation Bonds due to the lower interest rate. Parking revenues were expected to bring a profit of between \$120-\$150,000 to the Town. With General Obligation Bonds, it was anticipated that the Town would receive \$3- to \$4 million in operating profits over the first 10-12 years.

The developers felt that the 120 condominium hotel suites would be owned and used by UNC alumni on weekends. During the week, the suites would accommodate persons attending seminars, creating a mix of transients and permanent residents. Even though the shops would be oriented toward alumni income levels, the food facilities, plaza, and courtyard would draw students, creating a natural mix and strengthening the 100 block of Franklin Street.

In response to Mr. Watts Hill, Jr., representing the Chamber of Commerce, Mr. Szostak stated that immediate construction of the parking structure was proposed, with completion expected in approximately 6 months. After the completion of the parking deck, the second phase of the development could be begun.

Mr. Robert Joesting, a citizen, stated that he felt the Council should consider a proposal that would reduce downtown traffic congestion, feeling that this area might change from mixed use to office and business. He also expressed concerns that landscaping might create a place for muggers. Concern for pedestrian/vehicle conflict was also expressed.

Mr. Fraser responded to Councilmember Broadfoot that the estimated figures were submitted in response to the Town's standard financial forms.

Mr. Whit Morrow, President of The Fraser Company, responded to Councilmember Pasquini that initially the proposed development would be predominantly a hotel environment. Later, however, this might change to less of a hotel and more of a residential environment.

Mr. Morrow stated that he would be willing to convert the hotel condominiums to permanent residences.

Mr. Morrow responded to Councilmember Preston that in order to meet Town parking requirements, the Magnolia tree would need to be moved 15 feet. If, however, the number of required parking spaces were reduced by 15 to 17, the tree would not need to be moved. Their firm had had successful experience with saving trees and were aware of the cost.

Mayor Nassif commended the representatives of The Fraser Company on the presentation, and on the excellence of design and scale of the proposed development. He felt further consideration could be given to a glass cover for the courtyard to provide year-round public use.

COUNCILMEMBER HOWES MOVED, SECONDED BY COUNCILMEMBER BOULTON, TO REFER THE PROPOSALS TO THE MANAGER, ATTORNEY, AND STAFF.

The meeting was adjourned at 10:30 P.M.

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Joseph L. Nassif, Mayor

Robin G. Rankin, Deputy Town Clerk