

MINUTES OF A PUBLIC HEARING HELD BY THE MAYOR AND COUNCIL
OF THE TOWN OF CHAPEL HILL, MUNICIPAL BUILDING,
TUESDAY, APRIL 21, 1987, 7:30 P.M.

Mayor James C. Wallace called the meeting to order. Council Members present were:

- David Godschalk
- David Pasquini
- Nancy Preston
- R. D. Smith
- Bill Thorpe
- Arthur Werner

Also present were Town Manager David R. Taylor and Town Attorney Ralph Karpinos.

Blue Cross/Blue Shield

Citizens wishing to speak were sworn in by the Acting Town Clerk.

Manager Taylor requested that Agenda memoranda #1, dated April 21, 1987, "Blue Cross/Blue Shield - Application for Special Use Permit (27-C-5)," be entered into the record of this hearing; along with the following items:

- Applicant's Project Fact Sheet
- Applicant's Statement of Justification
- Applicant's Traffic Impact Report

Roger Waldon, Planning Director, gave a presentation on the application for Special Use Permit (SUP) to allow construction of a new 236-space parking lot at the Blue Cross/Blue Shield building. He said a SUP was needed because the proposal would result in disturbance of greater than 40,000 square feet of land area. He said the staff found the parking lot design to be acceptable, meeting all the Town standards with respect to shading requirements, screening and buffering, etc. He said the key issues which were raised at the Planning Board and in the Planning Staff Report dealt with other improvements to the site. Mr. Waldon stated that three key issues were raised: road improvements, sidewalk provisions, and bus shelter. He said the staff recommend that Old Durham Road along the property's frontage be improved to one-half of a collector road, and that this was the same recommendation that had been made for Performance Chevrolet and Hardee's requests for Special Use Permits. Mr. Waldon also said the staff recommended improvements to East Lakeview Drive to one-half of a class "B" street along the Blue Cross/Blue Shield frontage, which requires a 27-foot wide roadway, with curb and gutter, and improvements to West Lakeview Drive to a class "B" local street, with curb and gutter. He stated that with regard to the requirement for provision of a sidewalk along Old Durham

Road, the staff believe there will be a significant amount of pedestrian traffic along Old Durham Road between the Blue Cross/Blue Shield facility and the food services. Mr. Waldon said the third issue was the staff recommendation for requirement of a bus shelter along Old Durham Road. He said the Planning Board considered the request and recommended the Council adopt Resolution A, approving the application without road improvements, sidewalk improvements, or bus shelter. Mr. Waldon concluded by saying the staff did acknowledge the need for Blue Cross/Blue Shield to build the parking lot quickly and as such the staff recommended that with regard to road improvements required, the applicant be allowed to phase in the road improvements over a longer period of time to allow use of the parking lot without delay once it was constructed.

Council Member Godschalk asked in light of the transportation problems in the Town and the difficulties in getting road improvements why the Planning Board had recommended approval of the project without the road improvements.

Council Member Pasquini asked if the staff recommendation for this application was the same, except for the road improvements, with regard to sidewalks, etc. as for the Performance Chevrolet application for Special Use Permit. Mr. Waldon said the one-half of the 70' right-of-way, one-half of the 41' cross section and the sidewalk were the same.

Council Member Preston asked if the requirements had been the same for Hardee's. Mr. Waldon said that the staff had made the same recommendations as a condition of approval for Hardee's request for a Special Use Permit for a drive-in window. He said the application was withdrawn before it was acted upon.

Council Member Preston asked if Performance Chevrolet had had to make improvements to the service road as well as Old Durham Road. Mr. Waldon said that this was correct. He said with regard to Blue Cross/Blue Shield the service road essentially stops and turns into the driveway for the facility, whereas for Performance Chevrolet the service road acts as a service road to the site. Council Member Preston said there was bus service to the Blue Cross/Blue Shield site and that the bus made its route along 15-501. She asked if the Transportation Board said service would be provided along Old Durham Road and if that was why they recommended the bus stop along Old Durham instead of 15-501. Mr. Waldon replied yes and that a bus stop along Old Durham would serve more than just the Blue Cross/Blue Shield employees.

Council Member Werner said that Performance Chevrolet had not begun any improvements as yet. He asked what was the time table for the improvements. Mr. Waldon said that Performance Chevrolet had recently submitted its final plans so he expected construction to begin relatively soon.

Council Member Pasquini asked what the staff had required Performance Chevrolet to do to the service road. Mr. Waldon said he would have to check.

Alan Rimer, representing the Planning Board, addressed the question of improvements required of Performance Chevrolet. He said the staff had recommended curb and gutter and a sidewalk along the service road as a requirement for the Special Use Permit. He said the Planning Board had recommended against these requirements because no other service road in the town had these improvements, and that the staff had then taken these requirements out their recommendation to the Council. He said the Council had seen fit to put the requirements back into the stipulations for approval. Mr. Rimer said that with respect to Blue Cross/Blue Shield and the recommendations by the staff for road improvements the Planning Board felt that at this time because of the nature of Old Durham Road and the considerations for traffic that it would be wise to put a 70' right-of-way in place but not to require the widening of the road or to do something like phasing in the road improvements over time. He said this option had not been made available at the Planning Board review. He said some concern was expressed about the current buffer of cedar trees and what would happen if the road had to be improved. He said that by requiring the right-of-way dedication at this time but not having the road improvements, Blue Cross/Blue Shield could plant trees, etc. beyond the 70' right-of-way so that when the road was improved the buffer would already be in place. Mr. Rimer also said that Board felt pedestrian traffic was not significant from Blue Cross/Blue Shield to necessitate a need for a sidewalk along Old Durham Road.

He stated with regard to East and West Lakeview Drive the Board felt the concept that everything needed to be curb and gutter in Chapel Hill was not necessarily the right answer. He said the Board did not see the justification for putting curb and gutter on either East or West Lakeview Drives. He commented that the Board felt the current roads were adequate to handle the traffic which would use these roads and to improve them as recommended by the staff would be an unnecessary burden on the applicant. He said the Board did feel West Lakeview should be paved, but did not feel curb and gutter were needed. Mr. Rimer said the Planning Board felt it did not make a lot of sense to put in a sidewalk along Old Durham Road which would eliminate much of the current buffer. He stated the Planning Board did not have a mechanism to allow for a sidewalk to be included but to meander through the trees. Mr. Rimer pointed out that the Council did have the authority to require this.

He also stated that the Planning Board considered the suggested bus shelter thoroughly. He stated that there was not a plan for a bus route on Old Durham Road at present, but there was an active bus route on 15-501 that terminated at the entrance to the Blue Cross/Blue Shield facility. He said the Board did not feel that putting a bus stop on Old Durham Road made a lot of sense

since there were no immediate plans for a bus route on that road. He also stated that Blue Cross/Blue Shield would probably need to put in a sidewalk on their property around the building to the road in encourage use of the bus stop because there was no entrance to the building fronting on Old Durham Road. He said an alternative could be to construct a weather-proof shelter on the 15-501 frontage of the facility or, as Blue Cross/Blue Shield suggested, have the bus drive up to the front door.

John Dye, representing Blue Cross/Blue Shield, said he appreciated the efforts expended to this point to try to expedite the application. He said the only thing Blue Cross/Blue Shield wanted to do was to build a parking lot to serve their employees and visitors. He spoke against the Manager's recommendation saying it would require the company to pave over .8 mile of highways at a cost of over \$200,000. He said the reason the company needed additional parking was because Blue Cross/Blue Shield was awarded the contract to process claims for the State employees. He said to do this they have had to hire approximately 175 additional employees, 75 of which are to be located across 15-501 in Eastowne. He said therefore, the number of additional employee parking spaces needed was only 100. Mr. Dye said they had asked for 236 parking spaces because there are many activities held at the facility which require a lot of visitors to come. He stated that the addition of 100 employees and their cars was not a major impact to the facility. Mr. Dye pointed out that Blue Cross/Blue Shield was concerned with the appearance of their property and consider themselves to be a good corporate citizen for the Town of Chapel Hill. He said the company paid approximately \$279,000 in taxes last year. He pointed out that the parking lot would have to be financed from the fees the company would collect from the State for processing their claims. Mr. Dye said if the Council put a requirement to pave the roads adjoining the site at a cost of over \$200,000 it could price the company out of Chapel Hill. He said if the company were required to do this it would give serious consideration to other locations for processing the contract and what those costs would be. He said this was not what the company wanted, nor what the Town wanted, but that it was a serious consideration. He said the company also had problems with the Planning Board recommendation of dedication of one-half of the 70' right-of-way. He said his research had shown that neither the Town nor the State had any plans for Old Durham Road in the next ten years and as such he did not see the need for dedication of the right-of-way at the present time. Mr. Dye suggested that when plans were made, Blue Cross/Blue Shield could then discuss the property. He also said the company would prefer to put up a bond in the amount of the construction for the paving of West Lakeview Drive and putting in turning lanes on the ends of West Lakeview and East Lakeview, and to set this aside from the approval of the parking lot because paving of those roads would required further approval from NCDOT and would therefore extend the time period for completion of the parking lot. He said the new employees would be at the company by the middle of May.

Council Member Werner asked how long was Blue Cross/Blue Shield's contract for processing claims for the State. Mr. Dye replied that it was a six year contract with the possibility of two one year extensions. Council Member Werner commented that the contract would add \$4.5 million/year in salaries for a six year contract was approximately \$25 million in salaries. He said he found it a little difficult to see how an additional \$200,000 for road improvements would be that significant, especially since the recommendation suggests making the road improvements over a period of years. Mr. Dye said that when the company had bid the contract they had bid it as low as they could in order to be competitive. He said the company felt the road improvement requirements to be excessive. Council Member Werner asked what was the expected cost of the parking lot. Mr. Dye replied that they estimated the cost to be about \$200,000.

Council Member Smith commented that Blue Cross/Blue Shield had had the State contract for health insurance several years ago. He asked what was different now that required an additional employees and parking spaces. Mr. Dye said that since 1982 when the company lost the State contract the company had a phenomenal growth. He said that the company had just built a parking lot at this facility in November. He said at that time he had not had to meet any of the road improvement requirements now being asked.

Manager Taylor said his preliminary recommendation was for the Council to approve the application for Special Use Permit with stipulations and that those stipulations include those public improvements to the roads and granting an additional two years to the applicant to complete the road improvements.

Council Member Smith asked if under the original SUP for Blue Cross/Blue Shield were there any buffer requirements for Old Durham Road. Mr. Waldon said he did not believe there were any buffer requirements at the time of the original SUP. He said the staff had in its files a site plan for the SUP.

Council Member Smith asked if the paving, curb and guttering of East and West Lakeview Drive create any serious drainage problems.

Council Member Godschalk asked about the turn lanes which were included in the Planning Board's recommendation but did not appear to be in the Manager's recommendation. Mr. Waldon said with respect to East Lakeview Drive and 15-501 he said it was the staff's understanding that the NCDOT was making certain improvements to that intersection. He said the staff did not ask for a turn lane at East Lakeview and Old Durham Road because it did not seem to be needed if the road were improved to one-half of a class "B" street. Council Member Godschalk said it appeared to him that the way the traffic would be entering and exiting the parking lot that a turn lane would probably be a good idea.

Council Member Pasquini asked that the staff bring back information on what was Performance Chevrolet's requirement for improvements to the service road; why the staff had not recommended that a sidewalk be placed along the service road frontage; would it be possible for a payment in lieu of a bus shelter; and what was required in the old SUP which the Council recently voided in terms of parking lot and road improvements, etc.

Council Member Preston said she was interested in the phasing of the road improvements. She asked if the requirement that construction begin before December 1, 1987 meant Blue Cross/Blue Shield could begin construction on the parking lot before that date. Manager Taylor said that December 1, 1987 was the deadline for the applicant to begin construction. He said he expected the applicant to have the parking lot completed within 45 days of the Council's approval of the SUP.

Council Member Preston asked if the parking lot that was just completed by the applicant was smaller than this request and was that the reason why the road improvements were not a condition of approval. Manager Taylor said it was about the same size but that apparently it was one of those things that just slipped by the staff and Council.

Council Member Godschalk said that he was persuaded that improvements needed to be made to Old Durham Road but that he was not totally persuaded that curb and gutter were needed to East and West Lakeview Drives. He asked that the staff further elaborate on why they were recommending these improvements.

Council Member Preston also asked that the staff further elaborate on the placement of the bus shelter, especially since the focus of the building was on the front, towards 15-501 and not Old Durham Road.

Council Member Werner asked for the status of the study the Engineering Department was undertaking on the benefits of curb and gutter when this item was brought back to the Council for action.

COUNCIL MEMBER PASQUINI MOVED, SECONDED BY COUNCIL MEMBER SMITH TO REFER TO THE MANAGER AND ATTORNEY. THE MOTION PASSED UNANIMOUSLY, (9-0).

Mayor Wallace commented that the Council had been labeled as anti-industry, by certain sources. He said that this (Blue Cross/Blue Shield) was the kind of industry Chapel Hill needed and should have.

Public Hearing on the Reorganization of the Development Ordinance

Manager Taylor said that this was a public hearing for citizen comment on reorganizing the Development Ordinance. He said this reorganization was simply renumbering of the paragraphs and

changing the sequence of the Development Ordinance. He said there would be no changes in the content except for paragraph references. Mr. Taylor said that when the Rusten Associates had reviewed the development process, one of the recommendations was a rearranging of the Development Ordinance.

Council Member Godschalk said that an introductory guide would also become a part of this process. Manager Taylor agreed but said that the explanatory guide was not a part of the actual Development Ordinance.

COUNCIL MEMBER THORPE MOVED, SECONDED BY COUNCIL MEMBER SMITH TO REFER TO THE MANAGER AND ATTORNEY. THE MOTION PASSED UNANIMOUSLY, (9-0).

COUNCIL MEMBER SMITH MOVED, SECONDED BY COUNCIL MEMBER PASQUINI TO ADJOURN THE MEETING. THE MOTION PASSED UNANIMOUSLY, (9-0).

The meeting adjourned at 8:20 p.m.

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