



## Item Overview

Business Meeting – 09/27/2017  
Agenda # 10

**Subject:** Consider a Development Agreement Process for a Municipal Services Center on Estes Drive Extension

**Staff:**

Mary Jane Nirdlinger, Assistant Town Manager  
Chris Blue, Executive Director of Community Safety and Chief of Police  
Jabe Hunter, Assistant Police Chief

**Department:**

Manager's Office  
Community Safety & Police Department

**Overview:** Tonight we propose a Development Agreement process for the Council to consider in pursuit of a Municipal Services Center project on University-owned property on Estes Drive Extension. The Town Council first considered this site in January 2017 for a collaborative location for police administration, fire administration and other functions.



**Recommendations**

That the Council review the proposed process and, if the Council wishes to continue with a Development Agreement, authorize the Town Manager and Town Attorney to proceed with negotiations as outlined in these materials.

**Decision Points**

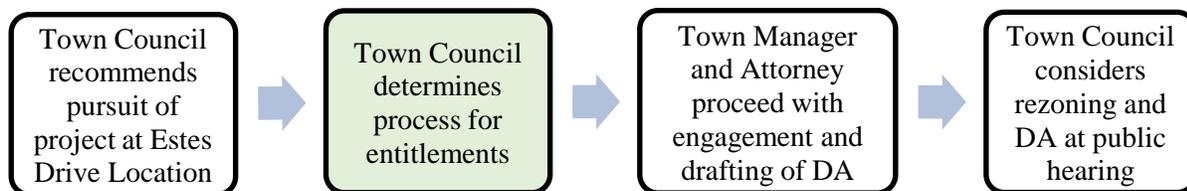
- Does the Council wish to pursue a Development Agreement for the project?
- If yes, does the Council wish to provide feedback or suggest modifications to the proposed process for a Development Agreement?

**Key Issues**

- The Town can begin working to develop the details of a long-term agreement for the project; the development agreement will require University authorization in addition to Town Council approval at a public hearing.
- Several key design issues, raised by the Elkin Hills neighborhood and Town staff, will need to be addressed during site and building design and the negotiation of an agreement.

**Fiscal Impact/Resources:** Funding from the sale of the old Town library remains available for the next phase of design and site evaluation.

**Where is this item in its process?**



**Council Goals:**

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input checked="" type="checkbox"/>		Develop Good Places, New Spaces
<input type="checkbox"/>		Support Community Prosperity	<input checked="" type="checkbox"/>		Nurture Our Community
<input type="checkbox"/>		Facilitate Getting Around	<input checked="" type="checkbox"/>		Grow Town and Gown Collaboration

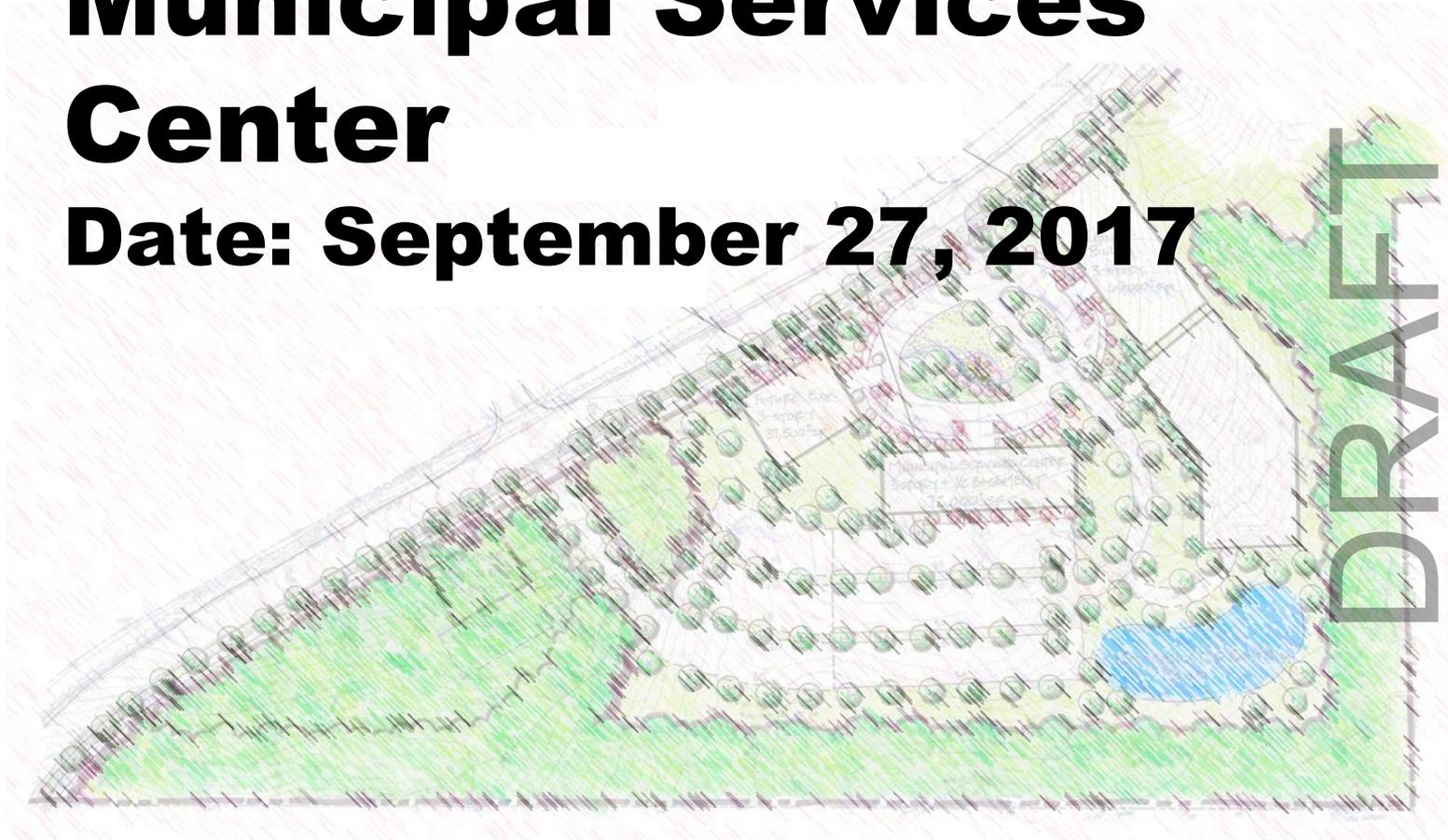
**Attachments:**

- Draft Staff Presentation
- Staff Memorandum
- Resolution
- Outline of Development Agreement Topics
- Outline of Proposed Development Agreement Process



# Municipal<sup>69</sup> Services Center

**Date: September 27, 2017**

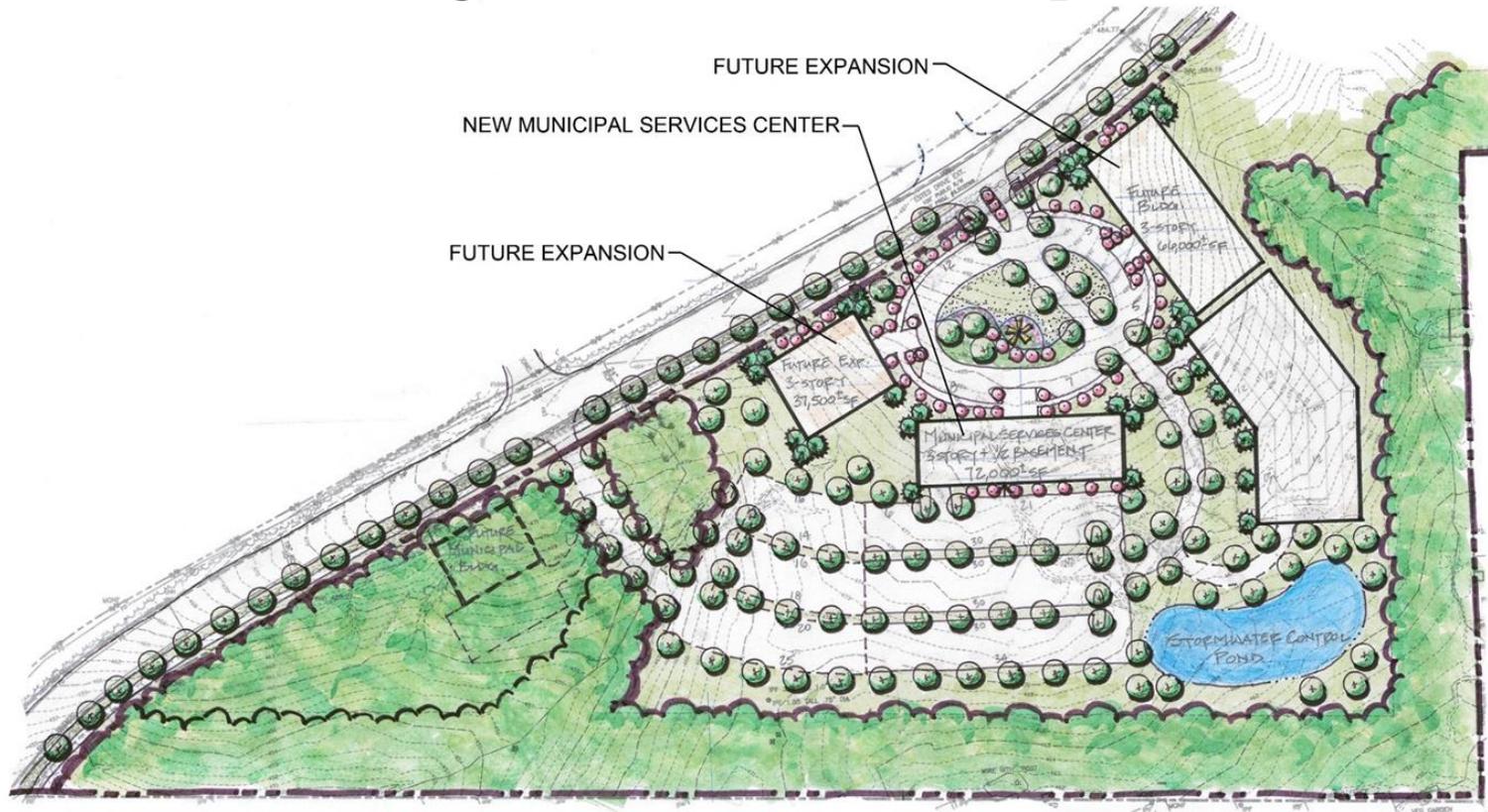


# 70 Project Location



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# 71 Project Concept



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# Decision <sup>72</sup> Points

- Proceed with Development Agreement
- Follow guidelines from tonight to bring a Development Agreement to the Council in June, 2018
  - Engage with community stakeholder around topics of interest
  - Engage technical support for studies and site investigation
  - Coordinate with UNC on lease, areas of interest for property owner

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# Update on Key Events<sup>73</sup>

<b>January 23, 2017</b>	Town Council meeting providing authorization to proceed with discussions about project at Estes Drive location contingent on UNC Chapel Hill Board of Trustees authorization.
<b>January 25, 2017</b>	UNC Board of Trustees meeting authorizing continued discussions.
<b>March 6, 2017</b>	Public Information Meeting #1, Town staff documented key issues, received questions, posted FAQs and new materials on Project website ( <a href="http://www.townofchapelhill.org/EstesProject">www.townofchapelhill.org/EstesProject</a> ) in response to discussion.
<b>June 25, 2017</b>	UNC Chapel Hill Board of Trustees reviewed draft lease for joint use of site.
<b>June and August</b>	Email updates to Council; also distributed through e-news.
<b>September 7, 2017</b>	Public Information Meeting #2 discussed primary topic of concern (stormwater), project background, and development agreement framework.

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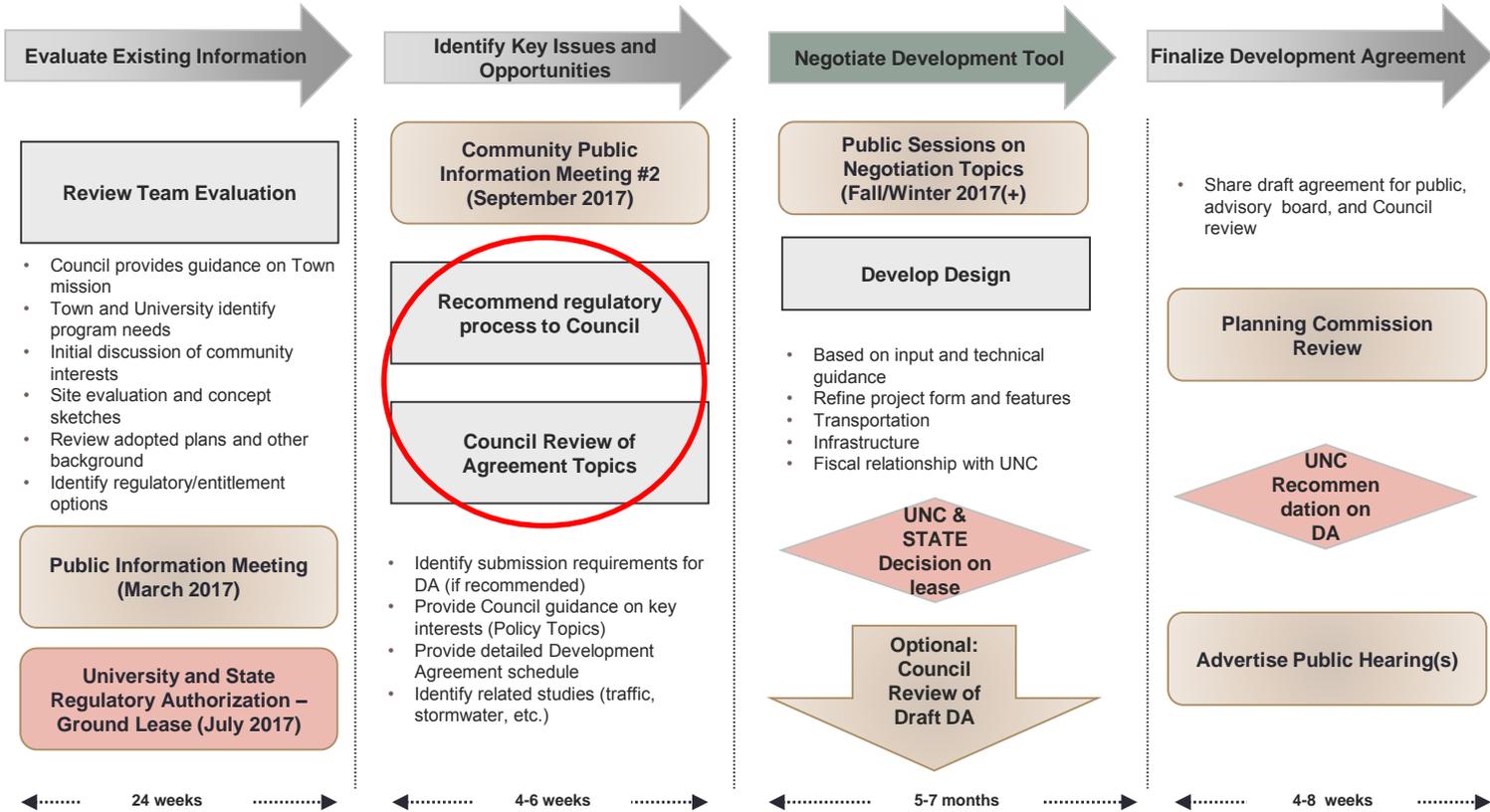
# Key Issues

- Stormwater
- Lighting
- Noise
- Buffering
- Plantings
- Appearance
- Bike/Ped connections
- Traffic
- Future uses



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# The Development Agreement Process

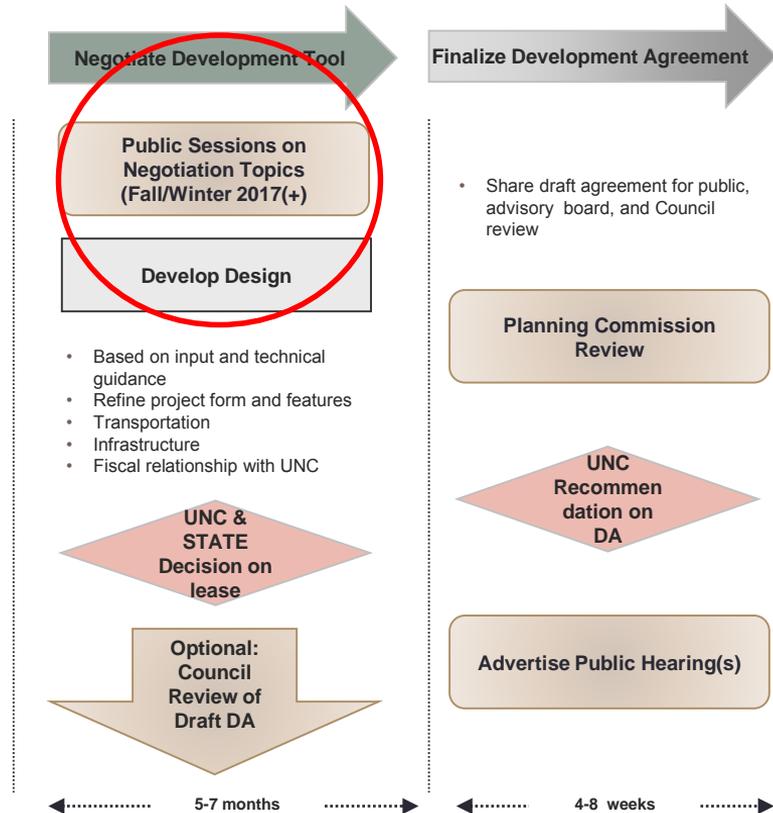


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## Workshop-style community conversations

### Baseline topics:

- Site Plan and Building Design
- Stormwater and Environmental Protection
- Landscape, Walkability, Bike Paths and Traffic
- Acoustics, Lighting and Building Appearance



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# Fiscal Impacts<sup>77</sup>/Resources

- Approximately \$1.4M is available for schematic design
- Funding plan will be developed using a combination of GO Bonds and Installment Financing
- Construction could start in late 2018 or 2019

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# Recommendation

## Adopt Resolution R-8

Authorize the Town Manager and Town Attorney to proceed with negotiations as outlined in these materials.

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# Staff Memorandum

Business Meeting – 09/27/2017



**Overview:** Tonight we propose a Development Agreement process for the Council to consider in pursuit of a Municipal Services Center project on University-owned property on Estes Drive Extension. The Town Council first considered this site in January 2017 for a collaborative location for police administration, fire administration and other functions.



## Recommendations:

*Staff Recommendation:* That the Council review the proposed process and, if the Council wishes to continue with a Development Agreement, authorize the Town Manager and Town Attorney to proceed with negotiations as outlined in these materials.

## Key Issues:

- The University Board of Trustees has approved a draft lease for Town use of the property. The lease will still require State approval.
- The Town may proceed with design and drafting of a Development Agreement for the property in anticipation of final lease approval by the State of North Carolina and approval of a Development Agreement by the Town Council and the University of North Carolina at Chapel Hill.
- The concept plan and Development Agreement can consider long-term buildings on the site, acknowledging that the Town's current interest is construction of the first building for the Municipal Services Center and that the University has no imminent plans to construct a facility on the site but would reserve the right to do so in the future.
- This report and recommendation propose that the Town and University, jointly and as lessee and lessor of this site respectively, would negotiate and enter into a Development Agreement with the Town as Regulator, for a project that will potentially include both Town and UNC building development on a site owned by the University.

**Fiscal Impact/Resources:** Once the Town enters the next phase of work, expenses will include schematic design, site testing, a traffic impact analysis, and staff resources for supporting public engagement and drafting an agreement for Council consideration.

The Town currently has about \$1.4 million of funding earmarked for this phase of work, from the sale of the Old Library at 523 E. Franklin Street. Construction of the project will require an installment financing supported by the new building and will use a portion of the Parks and Recreation Facilities bonds to pay for the portion of the building used for Parks and Recreation administration. The total construction cost will be influenced by the final design, timing, and bid results. Today, our best estimate is between \$28 and \$32 million dollars.

## Timeline of Key Events:

<b>January 23, 2017</b>	Town Council meeting providing authorization to proceed with discussions about project at Estes Drive location contingent on University Board of Trustees' authorization.
<b>January 25, 2017</b>	University Board of Trustees meeting authorizing continued discussions.

# Staff Memorandum

Business Meeting – 09/27/2017



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## Area Map:



Figure 1 Site Location

## Development Agreements

In Chapel Hill, Development Agreements have authorized large, complex, or multi-year projects. The Council has considered and approved four Development Agreements (see attachment) including:

- [Carolina North](#)<sup>1</sup>
- [Glen Lennox](#)<sup>2</sup>

<sup>1</sup> <http://www.townofchapelhill.org/town-hall/news-events/current-issues/carolina-north/carolina-north>

<sup>2</sup> <http://www.townofchapelhill.org/town-hall/departments-services/planning-and-sustainability/development/development-agreement-projects/glen-lennox>

# Staff Memorandum

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- [Obey Creek](#)<sup>3</sup>
- [Fire Station #2/Hamilton Road](#)<sup>4</sup>

On September 6, 2017, the Council also considered a Development Agreement for the proposed project at Amity Station.

The process used to draft a Development Agreement varies depending on the type of proposal. Basic project profiles include **Single-Building or One-Phase Projects** such as Fire Station #2/Hamilton Road, **Multi-Building or Multi-Phase Projects** such as Glen Lennox and Obey Creek, and **Public/Private Partnerships** like the Fire Station #2/Hamilton Road, but could also include larger joint efforts as well. Key process elements may include Council work sessions, Council committees, community meetings/forums, and reviews by Town staff, and legal review.

## **A Development Agreement for a Municipal Services Center**

Following the Council's authorization to pursue discussions with the University about a Municipal Services Center at the Estes Drive location, Town and University staff drafted a lease that would establish a framework for the Town to build on a portion of the site. The lease anticipates the long-range development in the site test fit plan presented to the Town Council in January 2017. If the Town Council proceeds with a Development Agreement, specific next steps are recommended at the end of this memorandum.

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<sup>3</sup> <http://www.townofchapelhill.org/town-hall/departments-services/planning-and-sustainability/development-activity-report/obey-creek-development-agreement>

<sup>4</sup> <http://www.townofchapelhill.org/town-hall/departments-services/planning-and-sustainability/development-activity-report/fire-station-2-hamilton-road>

# Staff Memorandum

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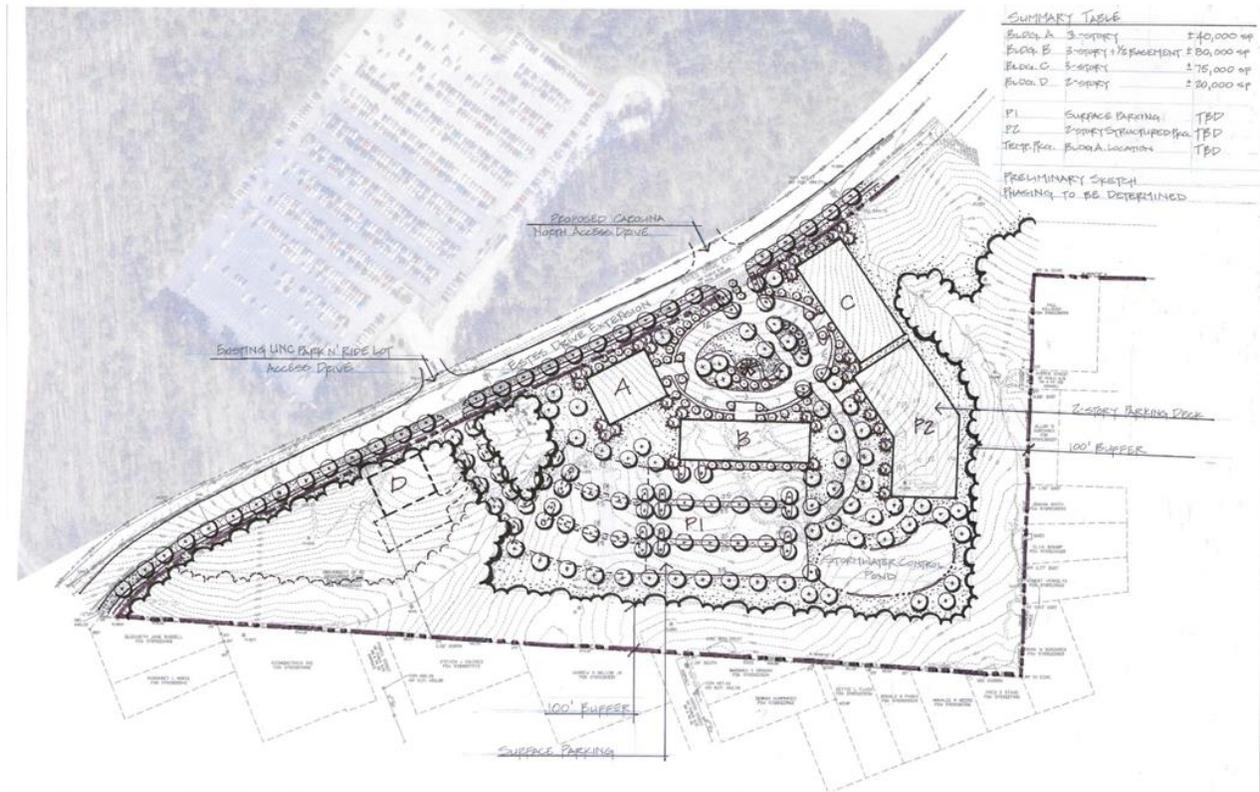


Figure 2 Site Test Fit Plan

At this time, the Town is interested in constructing a first building for the Municipal Services Center (the equivalent of **Building B** in the site test fit plan). The site test fit was done to understand the longer-term capacity of the site, since opportunities to expand in the future and to coordinate with the University, should that become a mutually desirable opportunity, were important considerations for this site.

A Development Agreement could anticipate the long-range needs of the future developments while setting out the immediate parameters and technical requirements of a first building. The Development Agreement is also an appropriate tool, much like the Fire Station #2/Hamilton Road project, to coordinate shared use of the site over time with the University.

Since the Development Agreement would be primarily technical, not policy driven, we are recommending that the Town Council consider authorizing the Town Manager and Town Attorney to:

- Receive technical recommendations from the Town Staff;
- Organize a series of community discussions focused on topics of high-interest to the community and adjacent property owners;
- Work with University Staff on landlord/lessee topics; and

# Staff Memorandum

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- Recommend a draft Development Agreement to the Planning Commission and a Council Committee for review prior to recommending a rezoning and final agreement for a public hearing.

This attached Development Agreement Process framework outlines these steps.

## Coordination with the community

The Municipal Services Center will serve the entire community by enhancing the Town's level of public service and anticipating future needs. When our Police, Fire, and Parks and Recreation administration work in coordination, we connect community safety and outreach in innovative ways that serve the Town. A collaborative work environment for these and other functions, with flexibility to adapt to the future is a long-term, visionary way to serve the community. We also recognize that the property owners near the site have an interest in aspects of the project that could affect them directly.

During our two public information meetings, participants identified a series of topics that are important to them and they expressed an interest and willingness to collaborate with the Town during the Development Agreement process.

At the September public information meeting, there was general agreement among the participants that a series of open workshop-style discussions, with early information and an opportunity to shape project outcomes, would be a desirable way to structure public engagement during the upcoming months. The attached list of Development Agreement topics could serve as a starting point for these discussions.

As a baseline, we would recommend the following topics for open workshop-style conversations with the community:

1. Site Plan and Building Design – Site Plan Development / What the Building Looks Like / Cross Section
2. Stormwater and Environmental Protection – Stormwater Quantity / Stormwater Quality / Rain Harvesting / Irrigation / Roof Gardens / Off-Site Improvements evaluated by the TOCH / Generator Fuel Impact
3. Landscape, Walkability, Bike Paths and Traffic – General Landscape Solutions / Existing Tree Protection / Walkability / Bike Paths
4. Acoustics, Lighting and Building Appearance – General Acoustics of the Project / Generators / Sirens / Site Lighting / Building Appearance Details

## Coordination with UNC Chapel Hill

One of the primary benefits of this location is the opportunity to plan in the future with the University for service to the Carolina North Property. In June 2017, the University Board of Trustees approved a lease, giving the Town a first level of approval for the proposed use on the University's property.

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The lease establishes the basic business relationship for next steps and provides a framework for moving ahead. Many details of the site, project, and joint relationship will still need to be determined during the upcoming months. This lease would require additional review and approval by Town and State bodies.

The next stage of engagement would focus on the Town's interest in a first building, and drafting an agreement that allows the University to build on their property in the future.

## Next Steps

If the Council wishes to proceed with a Development Agreement, we would pursue the following steps:

- Establish a schedule for community engagement around topics of interest using the four topic groups identified above, including some review and refinement opportunities.
- Conduct studies and basic site evaluation/exploration to inform the refinement process such as:
  - Traffic Impact Analysis
  - Stormwater Alternatives Analysis
  - Site investigation
- Continue engagement with Town department stakeholders during design process
- Refine concept for site based on community engagement outcomes and technical information
- Use iterative process to develop a draft Development Agreement
- Share full draft agreement with Planning Commission and others, as interested, in the Spring of 2018
- Advertise and hold a public hearing for rezoning and Development Agreement consideration before Council recess in June, 2018

**A RESOLUTION INITIATING NEGOTIATION ON A DEVELOPMENT AGREEMENT FOR A MUNICIPAL SERVICES CENTER, AND AUTHORIZING THE TOWN MANAGER AND TOWN ATTORNEY TO PROVIDE STAFF SUPPORT ON THE EFFORT (2017-09-27/R-8)**

WHEREAS, a Development Agreement has been identified as a regulatory tool to guide future development; and

WHEREAS, on January 23, 2017, the Council of the Town of Chapel Hill authorized the Town Manager and Town Attorney to continue pursuit of a Municipal Services Center on University-owned land on Estes Drive Extension; and

WHEREAS, the next step to begin detailed design and entitlements for a Municipal Services Center would require an agreed-upon process; and

WHEREAS, the Development Agreement process can incorporate community interests, the Town's long-range interests, and facilitate coordination between the University of North Carolina at Chapel Hill and the Town of Chapel Hill.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council:

1. Authorize the Town Manager and Town Attorney to proceed with the identified process based on Council guidance for a Municipal Services Center; and
2. Authorize the Town Manager and Town Attorney to develop community engagement sessions, consistent with the issues identified by Council; and
3. Authorize the Town Manager and Town Attorney to draft a Development Agreement for the Town Council's consideration, consistent with the guidance provided by the Town Council.

This the 27<sup>th</sup> day of September, 2017.

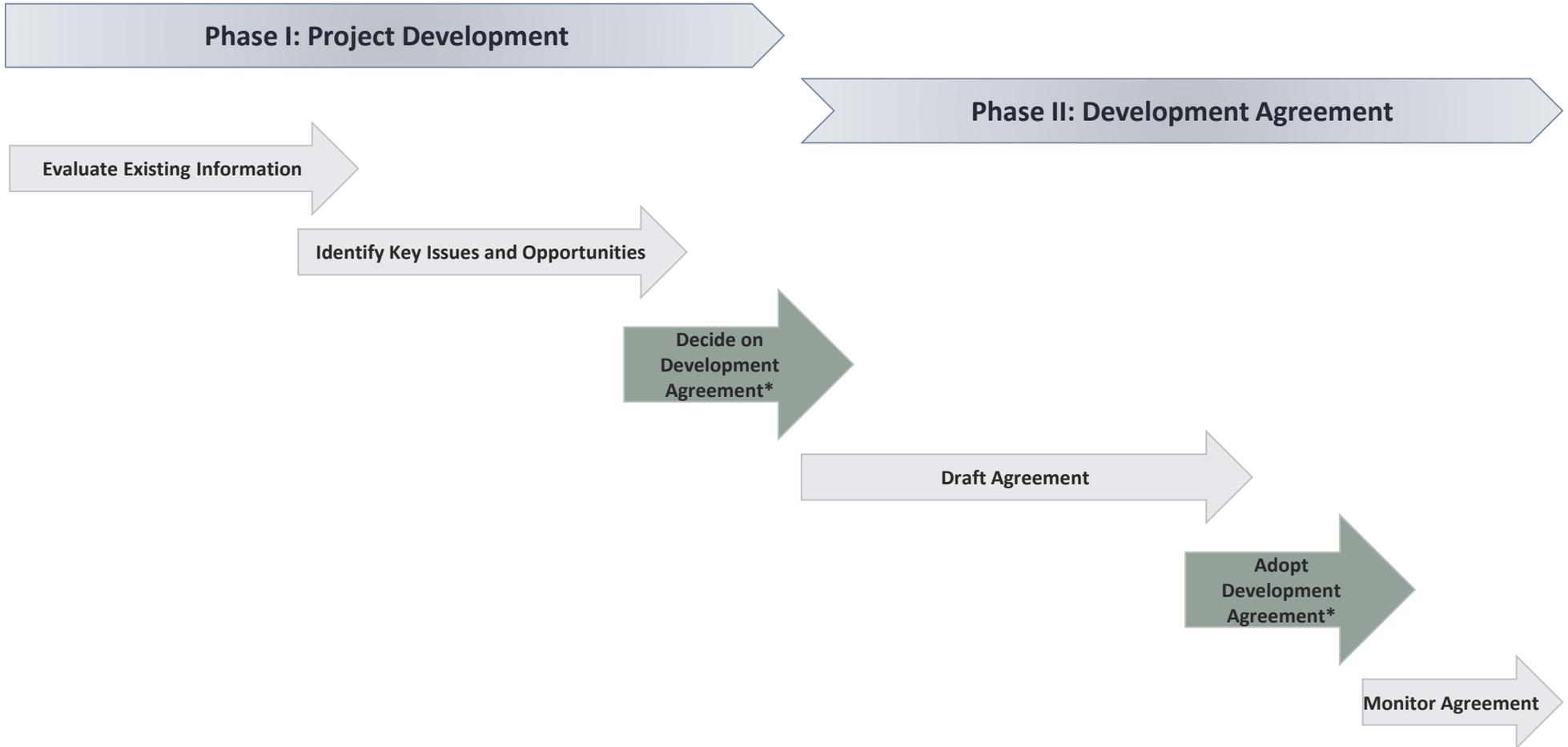
# Development Agreement Topics for Municipal Services Center

*Produced by Municipal Services Center Project Team*

*September 2017*

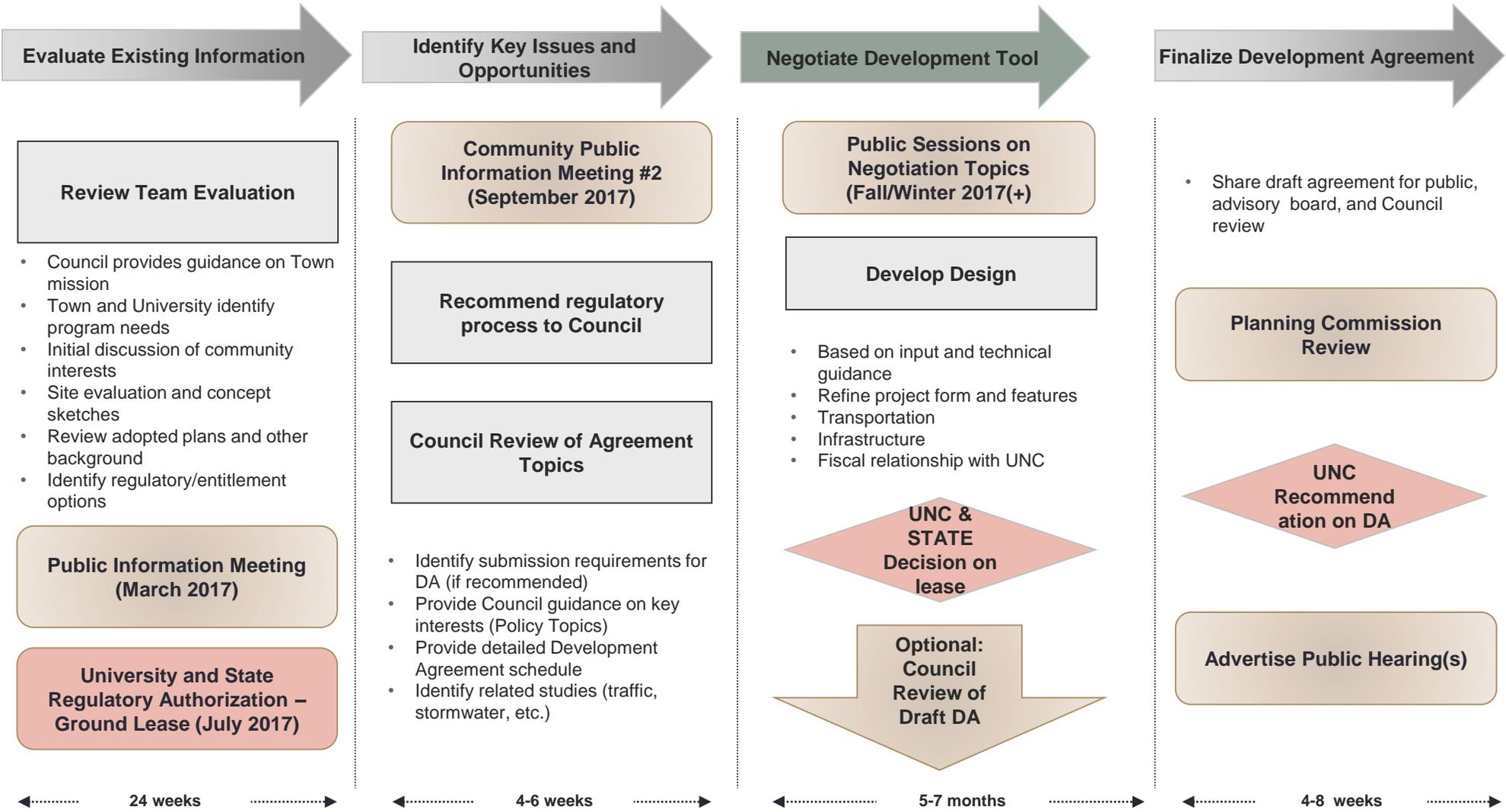
	<b>Topics</b>
<b><i>Community Discussion</i></b>	Stormwater management
	Site layout and phasing of infrastructure
	Building design and sustainability
	Lighting, noise, buffering
	Landscaping, vegetation
	Circulation (vehicles, bicycles, pedestrians, access)
	Environmental hazards (fuel, generators etc.)
<b><i>Technical Review</i></b>	Scale of development; Timing of development; Phasing of Town project; Phasing of University project
	Legal terms and permits; Term of agreement (time); Laws in effect
	Amendments and modifications; Periodic compliance review and enforcement
	Utilities; Construction management plan
	Permitted uses: Office, administration, public services, associated infrastructure
	Traffic analysis; relationship to Carolina North transportation improvements
	Annual report; Schedule of triggers and thresholds for actions
Sedimentation (also related to Stormwater)	
<b><i>Town-Gown Coordination</i></b>	Zoning to allow a development agreement
	Coordination of cost-sharing
	Maintenance responsibilities (landscape, building, stormwater, etc.)
	Coordination of future shared use

# The Development Agreement Process



\*If agreement is not used, underlying zoning and processes remain in place

# The Development Agreement Process



# The Development Agreement Process

