

STAFF MEMORANDUM

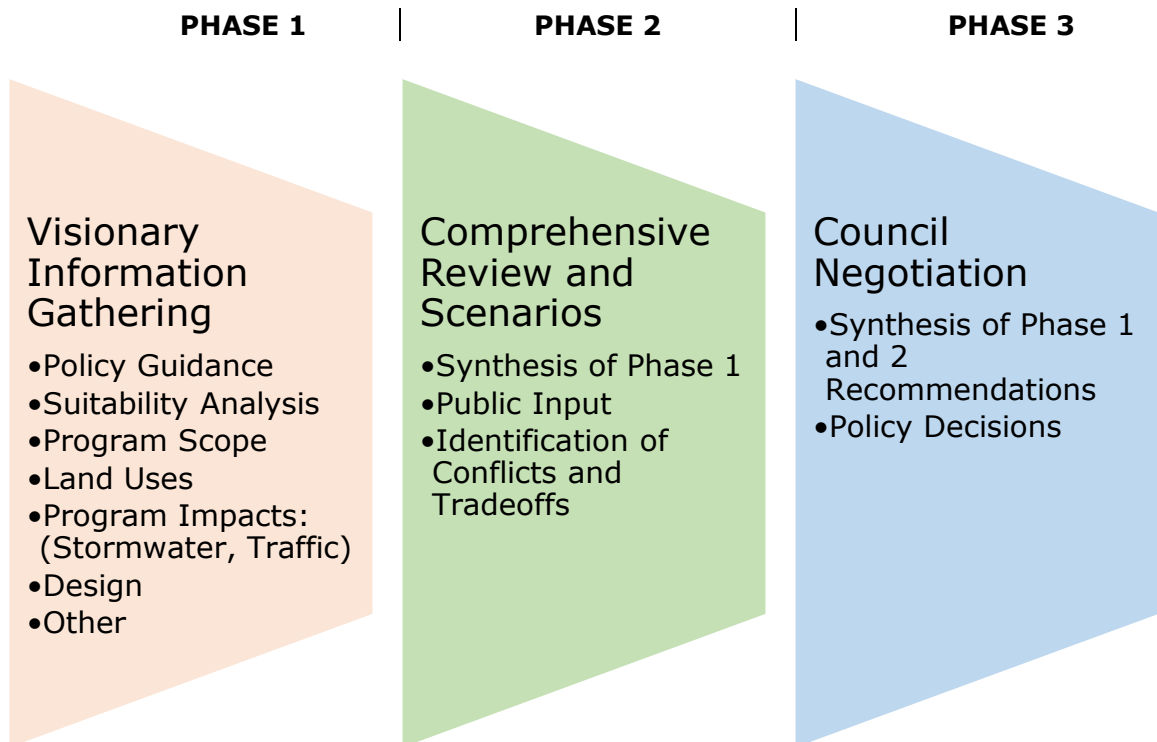
This Memorandum outlines a proposed Development Agreement process and related considerations including:

- 1) Council negotiation framework with the UNC Health Care Eastowne Development Team to pursue a Development Agreement
- 2) Participant roles
- 3) Opportunities for public involvement
- 4) List of topics for negotiations
- 5) Appropriate fee for the Development Agreement for the purpose of cost recovery

1) Development Agreement Process:

At the Council work session on [February 6, 2019](#)¹, the Council discussed options for negotiating a Development Agreement with the UNC Health Care Eastowne Development Team. At the work session, staff heard a Council preference for a Council Subcommittee that would negotiate directly with the UNC Health Care Eastowne Development Team on key policy issues in order to draft a Development Agreement for the 48-acre site at the intersection of US 15-501 and Eastowne Drive. The Town's negotiations would be consistent with the guiding principles (attached). This process would include multiple opportunities for public involvement.

Framework for Development Agreement Process

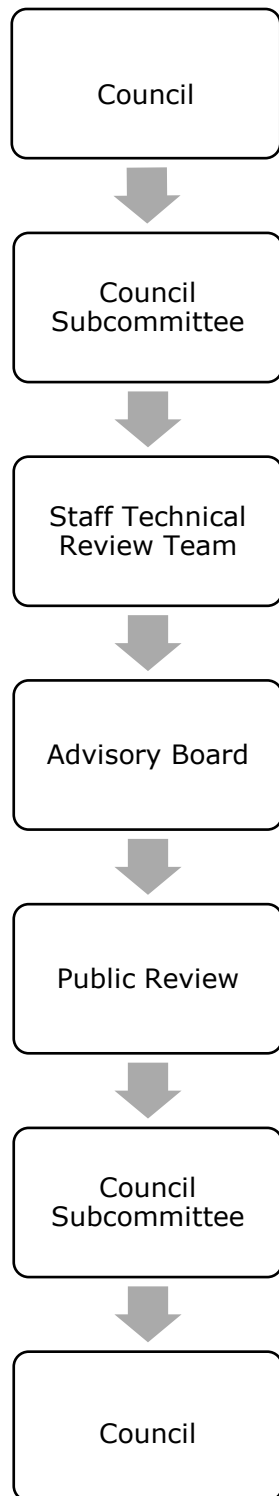


¹ <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3852081&GUID=513AE52F-0FD0-41B9-B2F6-D8FCB73B061E&Options=&Search=>

2) Roles of Participants in the Development Agreement Process

	Data Collection and Analysis, Public Input Sessions	Comprehensive review	Draft agreement presented to Council for negotiation; Council work sessions
ROLES			
Developer	Present available information for public input	Participate in all meetings and provide information and data as required	Negotiate with Council; draft legal agreement
Consultants	Provide information and data as required	Provide information and data as required	Produce draft documentation and supporting information
Council	Provide policy guidance to applicant and staff; Review public comments and consultant and staff recommendations	Provide policy guidance on conflicts and tradeoffs; Review public comment and consultant and staff recommendations after comprehensive review	Participate in negotiation sessions with applicant
Council Subcommittee	Provide details of policy guidelines for applicant, consultants, and staff	Provide policy guidance on conflicts and tradeoffs	Participate in negotiation sessions with applicant
Advisory Boards	Participate in consultant meetings and in advisory board review	Participate in consultant meetings and in advisory board review	Review draft agreement and provide input
Staff	Provide technical review, logistics, collect public input	Provide technical review, logistics, collecting public input	Support Council with information and logistics
Community	Attend meetings, provide inputs and reactions	Attend reviews, provide reactions to overall project proposal	Review draft agreement and provide input

Staff is recommending Council Subcommittee meetings with regular updates provided to the full Council. UNC Health Care has drafted a tentative proposed schedule (attached) for Council's consideration, recognizing the schedule may change due to scheduling conflicts, holidays, or other unforeseen causes.



For each of the key topic area identified, the process would start with the Town Council for policy guidance and would end with the Town Council for direction and possible endorsement. During each topic review, input would be incorporated from the Council Subcommittee, Town staff’s Technical Review Team (TRT), appropriate Advisory Board or Commission, the public, and the Council Subcommittee before returning to the Council.

For example, if design standards and public art was the topic being discussed, the Council would offer policy guidance and principles to be adhered to. The Council subcommittee would work with the development team and appropriate technical experts to refine the Council’s guidance and begin to formulate priorities. Staff would offer information, analysis, and technical review for compliance with the Town Code and Land Use Management Ordinance standards. The Community Design Commission and the Planning Commission would provide review and input. Additionally a public comment session would be held.

A synthesis of the input and review would be compiled and brought to the Council Subcommittee for guidance and recommendations. At the regularly scheduled check-in Town Council meetings, agreement would be requested from the Council on each topic.

3) Public Involvement

The Development Agreement process offers multiple opportunities for public involvement, including opportunities for public comment periods at Subcommittee meetings, open houses/workshops, and Public Information Meetings. A formal public hearing before the Town Council would be required prior to any final vote on a proposed Development Agreement.

To bookend the overall process, staff is also proposing to hold a Public Information Meeting after the Development Agreement application is submitted, as well as a Public Forum following the negotiation process. Staff will also construct a webpage for the project, which will include an opportunity for on-line engagement submittal with staff responses.

4) Content

The required Development Agreement topics fall into the following categories:

- A. Policy Discussions: Through a review of public meetings that occurred during the Council's review of Eastowne Medical Office Building 1 and discussions at the February 6, 2019 work session, we have identified the following key considerations for Council:
 - Scope of Development (uses, amount, design)
 - Environmental/Ecological Impacts
 - Traffic Impacts
- B. Technical Requirements: Staff review of technical items would generally follow existing standards in the Land Use Management Ordinance or other chapters of the Town Code.
- C. These items could then be shared with the Council Subcommittee and/or Council and the public through a staff report.
- D. Legal Requirements: Items that need to be included in the Development Agreement as North Carolina statutory or factual requirements are noted as legal team requirements.

5) Recommended Fee Structure

Negotiating a Development Agreement can involve significant cost in terms of staff time. We also anticipate fees for contracted services to support the process. The intent of charging a Development Agreement fee would be to recover most or all of the costs associated with these activities. We anticipate the proposed fee structure would include but would not be limited to staff time, technical support, and all other support elements for the project.

The recommended Development Agreement fee provisions for UNC Health Care Eastowne are:

- The first payment to be paid upon submittal and acceptance of the Development Agreement application;
- The final payment for the remaining fee to be paid prior to scheduling a Public Hearing on the Agreement;
- All contracted fees (including but not limited to Traffic Impact Analysis, Ecological Analysis, Urban Design Analysis, and Legal Review) to be paid by the developer, with payment due prior to Town contracting with consultant, where applicable;
- Rezoning is a necessary component of the Town's process for a Development Agreement, costing an additional \$1,200 plus \$60 per acre proposed to be rezoned (2018-19 Fee Structure).