

# East Rosemary Redevelopment Proposal



DRAFT

CHAPEL HILL  
OPEN2.BIZ

Hill  
Commercial  
134 E  
Franklin St

Vance  
Pettigrew  
Hyde Hall



**RECOMMENDATION:**

That the Council authorize the Town Manager to make minor non-substantive changes and sign a non-binding Memorandum of Understanding with Grubb Properties regarding a redevelopment project on East Rosemary Street and to proceed with the drafting of an Economic Development Agreement for consideration by Council.

DRAFT

# The Proposal:

**Grubb Properties exchanges property with the Town leading to an 1,100 space parking garage and 200,000 square foot office building on East Rosemary Street**

CHAPEL HILL

OPEN2.BIZ

DRAFT



# Presentation:

Maurice Jones  
Dwight Bassett  
Amy Oland

CHAPEL HILL

OPEN2.BIZ

DRAFT

# } Memorandum of Understanding:

1

- **Exchange properties (the Wallace Deck in exchange for the CVS Deck and adjacent parcel), with a cash payment settling any difference in value.**
- **Grubb will entitle, design and build (on Town's behalf) the New 1100 space Deck on the CVS Deck Property and adjacent parcel and apply by March 6, 2020 for all necessary land use approvals for the New Deck construction.**
- **The Town will pay the total cost of the New Deck.**
- **Complete the Economic Development Agreement (EDA) by June 30, 2020.**
- **Grubb will complete TIA that includes an analysis of the expected impact of the New Deck, and the New Office Building.**
- **If full entitlement is not completed by June 30, 2020, Grubb will be unlikely to realize its expected full value of the Project and may therefore cease work and negotiation.**

DRAFT

# } Memorandum of Understanding:

2

- **Grubb will design the New Deck to sit on the CVS Deck Property plus the adjacent parcel Lot to include 1100 standard sized parking spaces**
- **The parties will work together to include in the design the following features:**
  - **Parking and charging stations for electric vehicles**
  - **Pedestrian connection from the New Deck to Franklin Street**
  - **Solar energy collection facilities on the roof of the New Deck**
  - **Rosemary Street-side activation of the parking deck (ex: incorporation of a green space, retail use, or other public activity space)**
- **The parties will work together to develop a parking and construction management plan to minimize disruption during New Deck/New Office Building construction.**

DRAFT

# } Memorandum of Understanding:

- **Grubb must begin construction (which may include the start of demolition) by September 1, 2020, subject to receipt of all necessary permits and entitlements**
- **The Town must have an opinion of probable cost and a guaranteed maximum price construction contract for the New Deck approved by September.**
- **Construction must begin by September 1, 2020.\***
- **The New Deck must receive a certificate of occupancy for all its intended functions by September 30, 2021.**
- **Town will require approval from the North Carolina Local Government Commission by early October, 2020 to secure financing.**

**\*Grubb may extend deadline to December 1, 2020 if it is deemed necessary.**

DRAFT

# } Memorandum of Understanding:

4

- **The Town will provide a construction staging area in Lot 2 (Rosemary/Columbia Street Lot) during construction activity.**
- **At the end of construction, the staging area will be developed as a small urban park or green space.**
- **The parties agree that the building and its design shall include the following:**
  - **An office building with wet lab space comprising approx. 200,000 square feet.**
  - **A building profile that steps back from Rosemary Street.**
  - **A public green space at corner of Rosemary and Henderson Streets will be developed in conjunction with the office building.**

DRAFT



# Redevelopment Site

UNC exploring  
Innovation hub and other  
uses

New 1100 Space Deck

New 200,000 SF building

- Create a new opportunity for job creation in downtown.
- Consolidate parking on East Rosemary that supports new and existing businesses.

**March 4, 2020 –  
Memorandum of  
Understanding**



**March 2020 – Begin  
Conditional Zoning for  
new deck**



**June 2020 – Consider  
entitlement of new  
parking deck**



**September 2020-  
September 2021  
Construction of new  
deck**



**Staff will begin  
drafting MOU based  
on key issues.**

**Entitlement process  
for Deck will have  
full review of Board  
and Commissions  
despite shortened  
time-frame. Some  
may need to share  
meeting time for a  
single presentation.**

**Consider authorizing a  
new deck.**  
**> Authorize Grubb to  
construct.**  
**> Execute economic  
development  
agreement and  
exchange of parcels.**

**Work to  
approve ZCP  
and Building  
permits in a  
90 day  
window.**

**DRAFT**

**September 2020 –  
Accept application for  
a new office building**



**June 2021 –  
Consider authorizing  
a new office building**



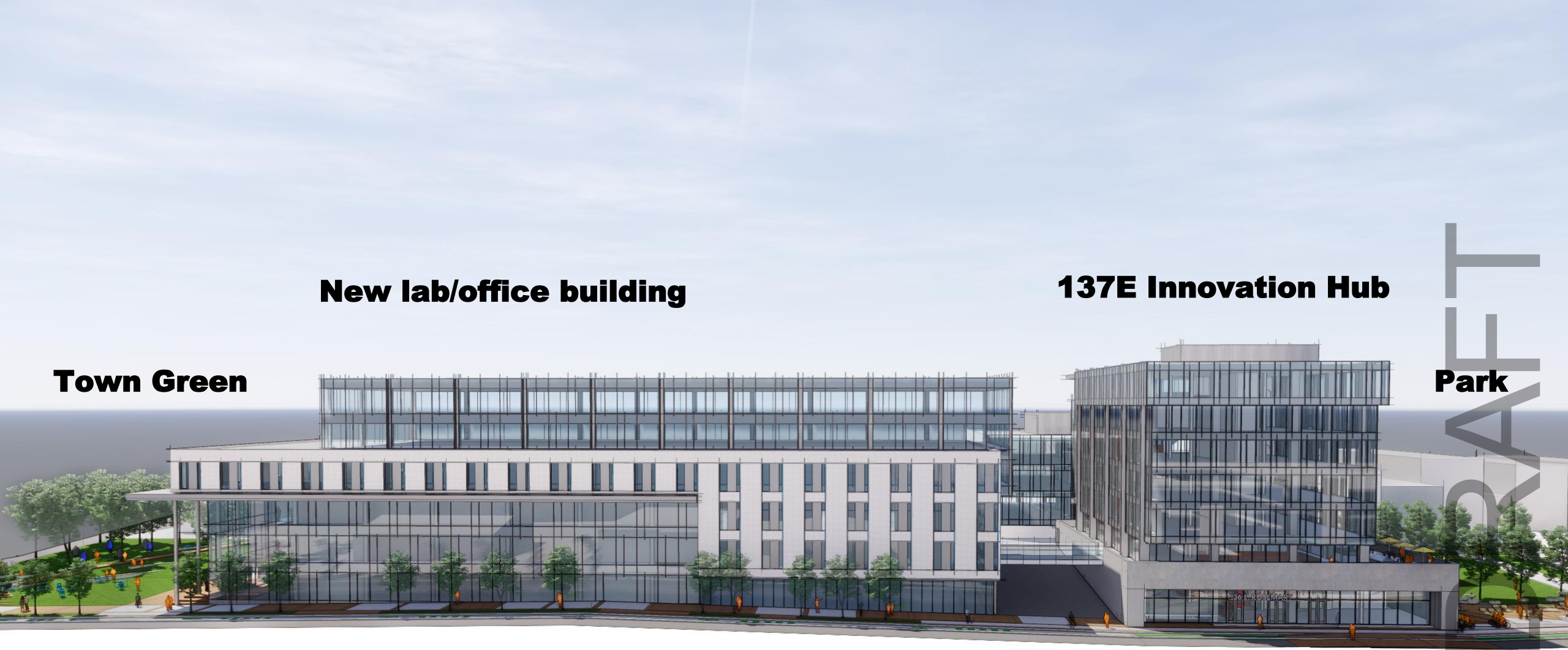
**September 2021 –  
Accept new deck and  
management of new  
deck**

**Formal and  
complete  
application for  
Concept and  
Rezoning.**

**Consider  
authorizing a new  
office building for  
downtown.**

**Move our parking  
operation from  
Wallace to new  
deck.  
Complete transfer  
of interests and  
management.**

**DRAFT**



**New lab/office building**

**137E Innovation Hub**

**Town Green**

**Park**

TRAVEL

**Rosemary Street looking south**

**Columbia St.**

**Henderson St.**

**New parking deck**

**Retail Porch**

**Rosemary St.**

**Protected bike lanes  
Bike parking**

**Widened sidewalk & street trees**

**Park**

**136 E Rosemary**

**New lab/office building**

**Town Green**

**Varsity Alley**

**Post Office Alley**

**137 E Franklin**

**Streetscape improvements: over 50% of total frontage**

**DRAFT**

# } Proposed Scenario

- **Exchange Wallace parking deck/land for 137 (CVS) parking deck and adjacent parcel(s).**
- **Build a new parking deck on 137 East Rosemary parcel that provides a total of 159 new public parking spaces (1100 space deck)**
- **Reserve rights to 100 spaces to support the University for a new Admission building downtown**
- **Grubb constructs a new wet lab/office building of 200,000SF in downtown (projected value of \$80M)**

DRAFT



**RECOMMENDATION:**

That the Council authorize the Town Manager to make minor non-substantive changes and sign a non-binding Memorandum of Understanding with Grubb Properties regarding a redevelopment project on East Rosemary Street and to proceed with the drafting of an Economic Development Agreement for consideration by Council.

DRAFT