

03-04-2020 Town Council Meeting Responses to Council Questions

ITEM #10: Consider Authorizing a Memorandum of Understanding for the East Rosemary Downtown Redevelopment Project

Council Question:

The MOU includes specific dates for tasks or activities to be done by. The only activity where we do not have a specific date is under 6(b), the date by which the Town will require approval of the NC Local Government Commission. Was there a particular reason for not having a specific date here?

Staff Response:

The specificities related to the financing will be worked out as part of the Economic Development Agreement. The goal for Local Government Commission (LGC) approval is October 2020, but the exact date is unknown at this time as we will need to work with the LGC to get scheduled on their calendar.

Council Question:

Do we have a sense right now, of how many spaces in Lot 2 could be removed as a result of the construction staging area for New Deck?

Staff Response:

We are projecting that 27 spaces will be removed for the staging area and eventual green space.

Council Question:

I noted that reference to protected bike lanes and other multi-modal improvements has not been included in the draft MOU. Can that please be added?

Staff Response:

The details of bike lanes and mobility are to be negotiated in the Economic Development Agreement. Additionally, this will be a part of the entitlement process for the deck and/or the office building as it comes back to Council for further consideration. We will continue to explore the feasibility of bike and multi-modal improvements as it requires coordination with DOT.

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Council Question:

Can the language describing the Town Square please include reference to the inclusion of green space/trees within that space?

Staff Response:

The details and requirements for the Town Square design will be negotiated in the Economic Development Agreement.

Council Question:

I see that we have provisions for an expert to review the final cost proposal from Grubb for building the new deck (good!) but I don't see any mention of having a consultant work on our behalf to evaluate the deal overall, and the town's risk/benefit profile. Is this just an internal town matter and doesn't need to be in the MOU, or should it be included?

Staff Response:

Yes, it is internal. We presume that we will find an individual or small team to review and help guide the Council on this decision. We also anticipate hiring McAdams Engineering to oversee the planning of the deck, construction of the deck and construction management on both projects to assist our team.

Council Question:

It's common practice for developers engaged in development agreement negotiations to pay for town consultants (traffic analysis, environmental analysis, for example). Should it be part of the/our negotiations that Grubb pays for our consultants?

Staff Response:

We will pay for the TIA related to the parking deck through our agreement with Grubb. Prior to closing on the property we may engage in a Phase I evaluation of the subject property we expect to acquire and Grubb can do the same at their expense. For a project this size there may not be sufficient resources from the developer to assume paying for items not specifically related to their office building.

Council Question:

The MOU doesn't mention the cost or logistics of acquiring land to provide a non-Rosemary entrance to the deck. Should that be included as a negotiating point?

Staff Response:

There is a section in the MOU that references the need and how it will be determined. See: MOU Section 5 v.) The design should include a second outlet for traffic (in addition to Rosemary

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Street) at a place as be determined in the Traffic Impact Analysis and as may be described in the EDA.

Council Question:

The MOU doesn't mention negotiating the cost of road improvements indicated by the TIA. Should that be included as a negotiating point?

Staff Response:

We presume that most details related to the development would be covered in the Economic Development Agreement or as a part of the project entitlement.

Council Question:

On p. 116, item 8(a)(iv)(C) talks about Grubb providing annual lease payments "equivalent to the leasing of 250 spaces in the new deck" – does this limit the ability of the town to negotiate a rate with Grubb that would make this deal at least cost-neutral to the town, given that at current rates, our leases do not fully reimburse the town for the cost of constructing, operating, and maintaining spaces?

Staff Response:

Grubb has committed to lease 250 spaces at the current rate. The details of that agreement can be structured as a part of the EDA.

Council Question:

If the parking under the office building is available to the public, prices can be no less than what the Town charges for its deck.

Staff Response:

We can include that stipulation in the Economic Development Agreement (EDA) that what this new building charges for parking can be no less than Town parking prices.

Council Question:

What happens if, after receiving an entitlement for the office building, Grubb chooses not to or is unable to construct it?

Staff Response:

We anticipate that we would include a stipulation in the EDA that if construction does not begin within a given period of time, the Town would reserve the right to repurchase the land.

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Council Question:

Is the Town guaranteeing spaces to Grubb in the new deck or is Grubb guaranteeing occupancy of spaces?

Staff Response:

The Town is guaranteeing spaces for Grubb to use in the new deck. In essence Grubb is leasing 250 spaces annually for \$125 per space per month, occupied or not.

Council Question:

Should there be costs associated with providing temporary parking while the new deck is under construction, who will bear those costs?

Staff Response:

We are just beginning to explore what the replacement parking will look like during construction. We expect to better understand this issue in the coming months.

Council Question:

Similarly, who will be responsible for any costs associated with ensuring minimizing negative impacts to existing businesses?

Staff Response:

The Town has reserved some dollars programed from Orange County (Article 46 money) to be used to market and make grants to help assist businesses on East Franklin as we are in construction. We are not clear on the full magnitude of resources needed to help in minimizing the effects at this point in time.

Council Question:

The MOU does not mention the green space to be created at the East end of parking lot no. 2.

Staff Response:

It is in Section 6.h – [“h) The Town will make available to Grubb and its contractors a construction staging area in Lot 2, generally shown on Exhibit C attached. Grubb will use this staging area for all purposes of constructing the New Deck, constructing the New Office Building and carrying out the Renovation. At the end of the construction activity, Grubb will consult with the Town and then restore the staging area with suitable plantings and other development as a small urban park or green space (including, for example, removing all asphalt from the staging area).”].