

**03-06-2019 Town Council Meeting**  
**Responses to Council Questions**

**ITEM #8: Review Proposal and Consider Authorizing the Town Manager and Town Attorney to Negotiate a Development Agreement with Kidzu Children's Museum**

**Council Question:** Are there any contingencies or elements that we know will be included in a DA with Kidzu? For example, everyone being welcome and able to come to Kidzu regardless of ability to pay? I know they do a great job with scholarships, etc. but if public money/land donation being included, needs to be available to the general public; memberships are OK, but for those that can't afford a membership, they have to be guaranteed entry too.

**Staff Response:** *Key interests, such as this one, can be included in the DA negotiations. The Council may identify key interests at tonight's meeting or during the negotiation schedule. If the Council decides to move forward with negotiations, the staff will identify check-in points in the schedule to keep the Council updated and to allow for the identification of additional key interests (by staff, Kidzu, or Council) as the lease and development agreement processes are fleshed out.*

**Council Question:** What is the opportunity cost of moving forward with Kidzu? What are other options for the property and what would the fiscal impact be of doing Kidzu versus not? I am supportive of Kidzu, but I think we need to be transparent and informed about what we are deciding.

**Staff Response:** *The Town has not been approached by a developer or other non-profit with a proposal for this property to date. The Town's earlier efforts to identify what additional development could look like in this area ([including a redevelopment of the park and ride properties](#)<sup>2</sup>) were shared with Kidzu and their February 8<sup>th</sup> sketches showed how their proposal could integrate with those concepts. If designed to allow for future evolution in this area, a museum could integrate the existing park use and future redevelopment in the area. Kidzu attempted to capture some of the indirect fiscal impacts of their project on [page 14 of their handout from the February 8<sup>th</sup> Council Economic Sustainability Committee](#)<sup>3</sup> meeting.*

**Council Question:** Can this development agreement be tied into a larger process for creating a small area plan, given the number and nature of project/concept proposals we have received?

**Staff Response:** *That is an option the Council can consider. The timeline and resources (in terms of both staffing and fiscal cost) required for a small area plan process concurrent to the ongoing*

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<sup>2</sup> <https://www.townofchapelhill.org/home/showdocument?id=26721>

<sup>3</sup> <https://www.townofchapelhill.org/home/showdocument?id=41833>

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*FLUM/LUMO process should be considered relative to the shorter timeline and fewer resources needed for a development agreement.*

**Council Question:** Does Kidzu want a standalone structure on the Town-owned property in question?

**Staff Response:** *The current sketch shows a standalone structure for Kidzu, a civic/open space, and a reservation of land that could be used for another purpose.*

**Council Question:** Does Kidzu want the town-owned property to be used exclusively for Kidzu Museum?

**Staff Response:** *Any shared-use interests could be negotiated as part of the development agreement process (including access to Kidzu programming, the civic/open space, and parking).*

**Council Question:** Other than affordable housing providers, has Chapel Hill ever made a donation/commitment of this magnitude (\$1.8 million) to a non-profit before?

**Staff Response:** *Based on discussions to-date, the staff anticipates that the Council prefers to consider leasing a portion of the site, instead of the entire \$1.8M parcel, at this time (see next question below). For other substantial contributions: The Town made a commitment to Kidzu for the top of the Wallace Deck (Not used). The Town has allowed use of the old Town Hall by the IFC for over 30 years. The Town allowed the Chapel Hill Museum to use the old Library building for many years. The Town donated property to DHIC for construction of the Greenfield affordable housing projects.*

**Council Question:** Would it be possible to grant Kidzu a lease on only a portion of the land so that the Town would be free to find other partners for further development on the site?

**Staff Response:** *Yes, and the staff has included the Kidzu sketch that preserves a portion of the property for a future use, to maintain that flexibility.*

**Council Question:** Our Development Agreements and other entitlements for development are based on a maximum level of construction. In this case would it be possible to specify a minimum level of construction/development?

**Staff Response:** *Yes.*

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**Council Question:** What do the Town staff see as the key issues that they will be working with Kidzu to resolve? Does the Town have a position on how Kidzu might choose to develop this parcel or will they be reacting to what Kidzu presents?

**Staff Response:** *An initial set of key issues would include: lease term, milestone for review in case of inactivity, parking, traffic impacts, use of a civic space, access to museum by Town residents (scholarship), transition from operating support to support through lease, design, connectivity, and maintaining opportunities for future development of the park-and-ride properties, and surrounding changes in the southern corridor. The staff will also focus on evaluating any proposals against the LUMO (as a base for standards) and other regulations in place today. If the Council has particular positions or interests beyond what is identified in the materials and these responses, it would be helpful to hear those Wednesday evening.*

**Council Question:** At the Feb. 8 Economic Sustainability meeting, Kidzu reps said they were in conversation to partner with another organization. What is the status of those talks? What is the organization, or what would the organization use the space for?

**Kidzu Response:** *We've had a few collegial conversations with The Artscenter over the past months as they've been exploring options beyond participating in the 203 Greensboro St. project. Kidzu is well-regarded as a generous community partner and we are always open to exploring synergies and opportunities for collaboration. That said, our conversations haven't advanced beyond the most preliminary "what-if" dialogue. It seems that they are exploring multiple avenues, but that's not for Kidzu to answer. At this point we're naturally focused on advancing the museum and providing children and families with a children's museum befitting our growing community.*

**Council Question:** Has any other organization contacted the town about ideas for use of the property? Did the town do any outreach to let the community know it was entertaining ideas?

**Staff Response:** *We have received no inquiries from other non-profits regarding this property and informal conversations with some non-profits did not identify an interest in building on this site at the present.*