



# TOWN OF CHAPEL HILL

## Town Council

### Meeting Minutes - Draft

Town Hall  
405 Martin Luther King Jr.  
Boulevard  
Chapel Hill, NC 27514

Mayor Pam Hemminger  
Mayor pro tem Michael Parker  
Council Member Jessica Anderson  
Council Member Allen Buansi

Council Member Hongbin Gu  
Council Member Tai Huynh  
Council Member Amy Ryan  
Council Member Karen Stegman

**Wednesday, May 13, 2020**                      **6:30 PM**                      **Virtual Meeting**

#### Virtual Meeting Notification

Town Council members will attend and participate in this meeting remotely, through internet access, and will not physically attend. The Town will not provide a physical location for viewing the meeting.

The public is invited to attend the Zoom webinar directly online or by phone.

Register for this webinar:

[https://us02web.zoom.us/webinar/register/WN\\_\\_eftz4JCSIS9u1vnhqqMMg](https://us02web.zoom.us/webinar/register/WN__eftz4JCSIS9u1vnhqqMMg) After registering, you will receive a confirmation email containing information about joining the webinar in listen-only mode. Phone: 301-715-8592, Meeting ID: 816-4701-2443

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#### Roll Call

Mayor Hemminger called the roll and all Council Members answered that they were present.

**Present:**            8 - Mayor Pam Hemminger, Mayor pro tem Michael Parker, Council Member Jessica Anderson, Council Member Allen Buansi, Council Member Hongbin Gu, Council Member Karen Stegman, Council Member Tai Huynh, and Council Member Amy Ryan

#### Other Attendees

Town Manager Maurice Jones, Deputy Town Manager Florentine Miller, Town Attorney Ralph Karpinos, Assistant Town Manager Mary Jane Nirdlinger, Executive Director for Technology Scott Clark, Business Management Director Amy Oland, Transit Director Brian Litchfield, Police Chief and Executive Director for Community Safety, Fire Chief Vencelin Harris, Transit Development Manager Matt Cecil, Interim Planning Director Judy Johnson, Economic Development Officer Dwight Bassett, Emergency Management Coordinator Kelly Drayton, Communications and Public Affairs Director/Town Clerk Sabrina Oliver, and Deputy Town Clerk Amy Harvey.

#### OPENING

Mayor Hemminger opened the work session at 6:30 p.m. and outlined the evening's agenda. She suggested that those with questions about the COVID-19 pandemic email them to the Town Manager or check the Town website for answers.

0.01 Proclamations: Police Week and Peace Officer Day. [\[20-0325\]](#)

Mayor Hemminger pointed out that it was National Police Week and that the Town was declaring May 10-16, 2020 to be Police Week in Chapel Hill. Peace Officer Day would be on May 15 and would be an opportunity to give special recognition to officers who had died in the line of duty, she said. She encouraged all Town residents to express appreciation and gratitude to Chapel Hill Police Chief Chris Blue, Orange County Sheriff Charles Blackwood, UNC Police Chief David Perry, and their teams, for keeping the community safe.

0.02 Mayor Hemminger Regarding Virtual Groundbreaking for Booker Creek Basin Park. [\[20-0327\]](#)

Mayor Hemminger said that a groundbreaking ceremony for Booker Creek Basin Park in the Blue Hill District would be held on Friday at 10 a.m. She pointed out that it would include a park and public art.

0.03 Mayor Hemminger Regarding Advisory Board Meetings. [\[20-0328\]](#)

Mayor Hemminger said that most Town advisory boards had been meeting virtually during the COVID-19 pandemic. The Stormwater Advisory Board would meet on May 14 at 5:00 p.m., the Community Design Commission and the Parks, Recreation and Greenways Commission would meet on May 18, and the Planning Commission would meet on May 19, she said. She recommended that residents check the Town website for times and a schedule of other meetings.

0.04 Mayor Hemminger Regarding Census. [\[20-0329\]](#)

Mayor Hemminger said that 63.8 percent of Town residents had responded to the 2020 Census. That percentage needed to be higher because the response rate affected federal resources the Town would receive, she said.

0.05 Update on Town Efforts to Respond to the COVID-19 Crisis. [\[20-0330\]](#)

Mr. Jones gave a brief update on the Town's response to the COVID-19 pandemic. He said that North Carolina had begun Phase I of the state's three-phase reopening process, and he shared statistics that Governor Roy Cooper had announced at a recent news briefing. The Governor had said that the state would soon provide a list of sites where people could find free virus testing, he said.

Mr. Jones reported that all InterFaith Council shelter residents had been relocated to hotels with the help of Community Development Block Grant funds. He noted that the Chapel Hill Police and Fire Departments had joined First Responders to show appreciation for healthcare workers with a drive-by parade at UNC Medical Center. Mr. Jones also described a public art campaign that would focus on community, diversity, and resilience.

Emergency Management Coordinator Kelly Drayton gave an update on the first few days of the Phase 1 reopening. She said that the Town's call center had seen a slight increase since Friday and that questions continued to center around parks and yard waste collection. Since entering Phase 1, there had been a slight up-tick in social distancing violations and each case had been resolved without any enforcement action, she said.

Ms. Drayton reported that staff was continuing to work on creative ways to provide services to the public and was coordinating with partners across the county on how to enhance economic activity, ease regulations, and activate open spaces. Future reopening phases could include additional partitions at reception areas, limited public access, and continued telecommuting for much of the Town's workforce, she explained. Ms. Drayton said that staff had been coordinating with partners across the county on how to enhance economic activity, ease regulations, and activate open spaces.

Mayor Hemminger stated that the Town's food distribution efforts would continue for the next few months, at least. She said that the Town would continue to support partners, such as PORCH, Table, the InterFaith Council, and Meals on Wheels, and she thanked several Council Members for helping to coordinate face mask production and distribution. Utility and rental assistance continued to be a strong need and residents could help others who were struggling by contributing to efforts such as OWASA's Care to Share program, she said.

#### 0.06 Mayor Hemminger Regarding MPO Call and NCDOT Projects.

[\[20-0331\]](#)

Mayor Hemminger conveyed information from the Metropolitan Planning Organization regarding why NC DOT had stopped some road projects. The federal government had not reimbursed the state for about \$330 million in storm damage and state gas tax receipts were down more than 40 percent, she explained. She said that projects that had not yet begun, such as the Town's West End re-striping project, would be delayed. NC DOT did not know when it would have the funding to repair roads, Mayor Hemminger said.

## AGENDA ITEMS

#### 1. North-South Bus Rapid Transit Traffic Analysis.

[\[20-0315\]](#)

Town Manager Maurice Jones said that the Town was competing for North-South Bus Rapid Transit (N-S BRT) project funding from the federal government. He introduced Transit Director Brian Litchfield to present information regarding next steps in that process.

Mr. Litchfield gave a PowerPoint presentation that included background on the BRT project since it was first included in the Chapel Hill 2020 Comprehensive Plan in 2012. He said that the Council had adopted an updated Locally Preferred Alternative (LPA), a general description of the type of transit services that would be used in the corridor in 2019.

Mr. Litchfield explained that the Federal Transit Authority (FTA) had given the project a medium rating, which meant that it could continue in the funding process. However, the FTA had asked for a final LPA confirming whether portions of the route would be converted, constructed, or a combination of both. He provided answers to questions that the Council had previously asked and outlined a vision for the multi-modal N-S BRT that would run from Eubanks Road to Southern Village and back.

Mr. Litchfield pointed out that the LPA was needed to move from development into the engineering phase. Construction could begin in 2023, with potential implementation in 2027, and that schedule could be expedited if additional funding were to become available, he said. He explained that he would return to Council in June to seek final approval of the LPA. Mr. Litchfield pointed that any decision could be adjusted in later phases. He emphasized that Martin Luther King Jr. Boulevard (MLK) would not be widened regardless of which alternative the Council chose.

Kevin Baumann, of Kimley-Horn and Associates, gave a PowerPoint presentation on convert, partial convert, and construct options for the LPA. He shared data regarding travel patterns, compared travel time among options, and discussed the effect of signal timing on traffic and level of service ratings. He said that the project team was recommending full conversion through downtown as a part of the LPA, but that other stakeholders had recommended separating bus and vehicle lanes.

Mr. Baumann said that current recommendations made in consultation with the North Carolina Department of Transportation (NC-DOT) were to convert from Weaver Dairy Road to Westminster Drive, construct from Westminster to Umstead Road, convert from Umstead to North Street, and maintain the remainder as it was.

Julia Suprock, representing AECOM Ltd., outlined proposed bike and pedestrian improvements that would accompany the N-S BRT. She noted a proposed increase in the number and lengths of crosswalks and

discussed where sidewalk widths might change slightly. More than 80 percent of the corridor would have a bike or multi-use path, she said.

Mr. Litchfield said that about 50 percent of the corridor currently had bike lanes. The proposed LPA would create an additional 30 percent, and 20 percent would have a shared allocation, he said. He summarized the recommended LPA and proposed that the Council adopt it at the June 10th or June 24th meeting. Mr. Litchfield noted that the Town's Transit partners (UNC and the Town of Carrboro) had already adopted the recommended LPA. After Council adoption, staff would initiate an environmental review and move into 30 percent design, he said.

Council Member Ryan expressed concern about a road widening in the South Columbia Street/NC 54 area, and Ms. Suprock replied that it would not seem much wider when the Council saw design drawings. Mr. Litchfield agreed to provide those drawings before the end of the week and to also post them online.

Council Member Ryan confirmed with Mr. Litchfield that potential adjustment to Franklin Street, due to a proposed Rosemary Street project, had been taken into account. He would talk with consultants and staff about a recently-completed Transportation Impact Analysis for that project, Mr. Litchfield said.

Council Member Buansi raised concerns about confusion for vehicles trying to turn right in mixed traffic between Franklin and South Cameron Streets, and Mr. Baumann replied that this was why they had been hesitant to recommend it. Council Member Buansi asked how gridlock during home football games would be managed with a fully or partially converted bus lane in that area. Mr. Baumann discussed the possibility of using the outside bus lane for vehicles during special events and/or at particular times of day.

Mayor pro tem Parker urged staff to move as fast as possible since there probably would be an infrastructure component to any stimulus bill from the federal government during the COVID-19 crisis.

Mayor Hemminger thanked the presenters for listening to the Council's questions and concerns and for providing additional details. She stressed that the Town did not want to widen the N-S BRT route. She said she liked the inclusion of more crosswalks and praised the team's good work in addressing downtown constraints.

This item was received as presented.

**2. Update on the East Rosemary Redevelopment project.**

[\[20-0316\]](#)

Mr. Jones explained that the proposed East Rosemary Street

Redevelopment project would include a land swap between the Town and Grubb Properties in which the Town would exchange its Wallace Parking Deck for a Grubb-owned building at 137 East Rosemary Street. The Town would then build a new 1,100-space parking deck on the 137 Rosemary Street parcel, he said.

Mr. Jones said that The University of North Carolina at Chapel Hill (UNC) and Grubb Properties would reserve and pay for 100 and 250 spaces, respectively, in the new deck. In addition, Grubb Properties would construct a new 200,000 square foot wet lab/office building with a projected value of about \$80 million that was expected to bring hundreds of new jobs to the downtown area, he said.

Joe Dye, executive vice president with Grubb Properties, outlined additional community benefits associated with the project. These included a state-of-the-art parking deck, a wet lab/office building, an urban park and pedestrian connection to Franklin Street, and streetscape improvements along East Rosemary Street, to name a few. He showed drawings of those improvements and discussed advantages for the Town.

Mr. Dye said that the parking deck design was continuing to evolve. A 30-foot OWASA easement on its east side could be an opportunity for linear greenspace and could serve as a pedestrian connection between North and East Rosemary Streets, he said. He mentioned opportunities for bike lanes and improved sidewalks and said that Grubb's total investment in community benefits would be about \$1.1 million.

Mr. Dye discussed how the project would benefit the Town by increasing tax revenue. He noted that more people would be spending money downtown during construction and after the new wet lab/office building was completed.

Developer Clay Grubb said that the proposed project was an opportunity to change a part of downtown that had been struggling in recent years. He predicted that construction costs would be substantially lower next year as a result of the COVID-19 pandemic.

Mayor Hemminger asked what assurances Grubb Properties could give that it would actually build the 150 East Rosemary Street project, and Mr. Grubb replied that his company would not just sit on the property for 10 years. He acknowledged that the pandemic had caused uncertainty but said he assumed UNC would reopen within the next year. Grubb Properties would report to the Town on its progress regularly and would explain why it had not started, if it hadn't, said Mr. Grubb.

Economic Development Officer Dwight Bassett discussed additional costs for including a Police Department substation and other amenities at the site. He said that additions -- such as more car charging stations, a rooftop solar array, public art, new sidewalks and streetscapes, traffic and

road improvements, changed building facade, additional office space, public rest rooms, a relocated sewer line, and exits onto Columbia and North Streets would raise the total estimated cost from \$27,300,000 to approximately \$29,900,000 million.

Mayor Hemminger pointed out that including conduit for electric vehicle (EV) charging stations would be less expensive than building the stations themselves. She said that the Town had been successful in getting grants from Duke Energy for installing those stations, and she asked staff to recommend a number of stations for the deck.

Business Management Director Amy Oland presented updated financial projections that included two scenarios: a standard one based on occupancy numbers, and a more conservative one. With the standard scenario, the project would have a positive net cash flow after the first year of operations, Ms. Oland said. She said that it would take a few years to get past a cumulative negative cash flow, but the Town could use \$2.4 million that UNC was expecting to pay upfront to get through the first few years.

Ms. Oland said that the more conservative scenario estimated an increasing occupancy rate that would ultimately reach 90 percent. With the more conservative model, the Town would show a positive cash flow in 2026, she said. Ms. Oland pointed out that the \$2.4 million from UNC would help the Town get into a positive cash flow stream during those first few years.

Mayor pro tem Parker asked about putting the \$2.4 million from UNC into the project and then borrowing \$2.4 million less, which would reduce debt service and interest payments over time.

Ms. Oland replied that the Town's real cash flow needs would be at the front end of the project. The Town could always pay additional on that loan at some point, but it needed a buffer in the first few years after which the Parking Fund should be in much better shape, she said.

Ms. Oland outlined the assumptions in the financial models and pointed out that those could change. She discussed variables and noted that the Town's \$80,000 annual debt service payment would decrease over a 20-year period as the amount of interest decreased.

Council Member Ryan raised the issue of whether or not UNC would re-open in the fall, and Mr. Bassett said that the University would soon send a letter of intent regarding its commitment to parking spaces. He hoped to have some direction from them prior to the Council's last public hearing on the Economic Development Agreement (EDA), he said.

Council Member Ryan confirmed with Mr. Bassett that he would know more about Grubb's plans for excavation in coming weeks. She asked if the

Town had run a spreadsheet on the worst case scenario (in which the office building did not get built and Grubb did not lease parking spaces from the Town), and Mr. Bassett replied that discussions about including a deadline in the EDA were continuing.

Mayor pro tem Parker confirmed that Mr. Bassett expected to have more certainty regarding construction costs over the next few weeks as the Council provided more clarity on its expectations and more was known about what was under the ground.

Mr. Dye mentioned possible alternative financing or subsidies for items such as the solar array and car-charging stations. He noted the importance of having a decision from Council regarding the location of a Parking Services office and/or a Police substation so that Grubb could continue the design process and provide better numbers.

Council Member Gu pointed out that only 341 of the 525 parking spaces would be filled based on the Town's 65 percent occupancy rate projections. She confirmed with Ms. Oland that increasing a \$1.50 hourly rate would be higher than other nearby decks, but Ms. Oland pointed out that it would be consistent with other areas in Town.

In response to additional questions from Council Member Gu, Mr. Bassett pointed out that the overall conclusion in a March 2020 Town parking assessment was that the deck could succeed. A recent traffic impact analysis (TIA) had shown the Rosemary Street lots 85-90 percent occupied and staff was being as reasonably conservative as possible with its 65 percent projection, he said.

Ms. Oland added that a staff analysis had projected back from actual revenue collection to determine what occupancy numbers had been. She said that the Town had difficulty getting good parking data out of its system in the past but was developing better reporting.

Council Member Gu asked to see supporting information, and Mr. Bassett agreed to send her the Excel spreadsheets that include a 2018 parking count.

The Council and Mr. Dye discussed cost differences for various facade materials and how UNC's annual maintenance commitment would work over time. The Council confirmed with him that the Parking Services office and the Police substation would take up about 170 and 448 square feet, respectively. They asked about the status of NC Local Government Commission approval, and Ms. Oland replied that the Commission needed a go-ahead from the Council.

Mayor Hemminger said that she appreciated the staff's flexibility, due diligence, and hard work in pulling numbers together during the pandemic. She listed amenities that the Council had consistently asked for and

requested that the cost of EV conduit and car-charging stations be provided. She confirmed with Council Members that they approved of what had been presented and were waiting to see more building costs.

Attorney Bob Jessup provided an update on key EDA provisions and changes. He discussed the status of securing adjacent property and a new provision for leasing spaces. He outlined revisions and explained how he tried to limit the Town's risk. Mr. Jessup said that both parties had been willing to engage on difficult questions and had been making great progress toward getting ready for the Council's final approval.

Mayor pro tem Parker said that a number of provisions did not have any teeth or repercussions associated with them. He pointed out that the EDA included deadlines, but asked how not allowing Grubb to build the building as a penalty would help the Town.

Mr. Jessup replied that he had tried to show ways in which the Town's and Grubb's interests were aligned. He said that the Town would be better off going through the process, even if Grubb walked away the day after signing it. Grubb would own the building, would have to pay taxes on it, and there would be a development opportunity there for someone else, he pointed out. Mr. Jessup said that it was not in Grubb's interest to let the property lie fallow.

In response to a question from Council Member Gu, Mr. Jessup explained how the Town renting spaces from Grubb during construction would work. Council Member Gu expressed concern about paying \$30,000 to Grubb Properties each month during a time when parking demand could be significantly reduced due to COVID-19. That was too risky and she wanted the Town to think through how it would protect itself with different scenarios, she said.

Mayor Hemminger pointed out that the Town would soon know whether UNC would be back in session in the fall. If it did re-open, then there would be an even greater demand for parking because some who normally use public transit would prefer to drive during the pandemic, she said. She pointed out that the Town and UNC had waiting lists for parking, and she predicted that there would be a huge demand in that prime location in the future.

Mayor pro tem Parker suggested that the Town and Grubb Properties share the risk by making the lease payment half of net revenues rather than a \$30,000 fixed fee.

Mr. Bassett replied that Grubb properties had rejected that suggestion in the past. He said that staff was projecting a very high occupancy rate and felt comfortable with the recommendation.

Mr. Dye explained that the Grubb Properties agreement with its lender depended on having a fixed-lease payment.

Mr. Jessup said that the Town's financial risk was the cost of building a new parking deck and had nothing to do with what Grubb did.

Mr. Jones said that staff and Grubb Properties would take the Council's concerns back to the negotiating table.

Urban Designer Michael Stevenson showed aerial views of the site and gave a brief summary of the project. He discussed internal traffic distribution, pedestrian connectivity, locations for bike storage, and how proposed entrances and exits would handle traffic at peak hours. He outlined a parking management program and presented cost estimates for various upgrades and for adding a Parking Services office and/or Police substation.

Mr. Stevenson presented design updates and indicated locations for a building step-down on the north side, photovoltaic (PV) arrays on top, and green walls on the east and north facades. He showed how the building's height and scale would appear from North Street and how it would compare in scale and light penetration to the parking deck at Raleigh Durham Airport.

Council Members raised a potential problem of the proposed west exit being blocked by traffic during the peak evening hour, and Mr. Stevenson acknowledged that it could be difficult. However, the deck would have many monthly renters who would understand how that worked and others who would likely adapt to it, he said.

Council Member Ryan said that the traffic impact analysis (TIA) had been emphatically against that exit onto Rosemary Street, and Mr. Stevenson replied that the proposed solution in the TIA included an overpass, which the Town did not want. He commented on how such ideas prioritized cars over everything else, and Council Member Ryan agreed but said that the Town needed to make sure that the cars were actually working.

Council Member Ryan pointed out that the TIA had also recommended Columbia Street as an exit only and North Street as an entrance only.

Mr. Stevenson replied that part of the rationale for that was to avoid directing traffic to a residential street but that Grubb's design had traffic going across commercial frontage, not residential. Council Member Ryan proposed looking into whether the TIA's recommendation would have an adverse impact on the residential area.

The Council confirmed that a \$900,000 green wall would be mostly aesthetic and ascertained from Mr. Stevenson that more expensive treatments such as brick, glass or metal cladding were available if the Town wanted to customize.

The Town's Urban Designer Brian Peterson commented that using a softer material such as wood for the retail porch would add character to the project. He said that the glass stair tower added theatricality and wrapping the retail porch around the corner added interest at the street level. In addition, the public spaces had yet to be designed, he pointed out.

The Council confirmed that the applicant intended to return with examples of different materials and color options for the facade. Mayor Hemminger recommended doubling the number of conduits for electric vehicle charging stations and recommended having larger trees with less space between them.

Mr. Stevenson noted the need to find a reasonable point of agreement with the Town's fire marshal regarding the spacing of trees.

This item was received as presented.

3. FY 2020-21 Budget Update.

[\[20-0317\]](#)

Manager Hemminger said that she and Mr. Jones had agreed to postpone his budget presentation to the following week. She then reported that she and other local leaders had been meeting nearly every day to discuss the area's COVID-19 response and would meet again on Friday after hearing what the governor proposed. She expressed concern about moving too quickly into Phase 2 and noted the balance between restarting the economy and protecting people's health. The Town had been lucky so far because it had been diligent, she said.

*PUBLIC COMMENT*

**ADJOURNMENT**

The meeting was adjourned at 10:15 pm.