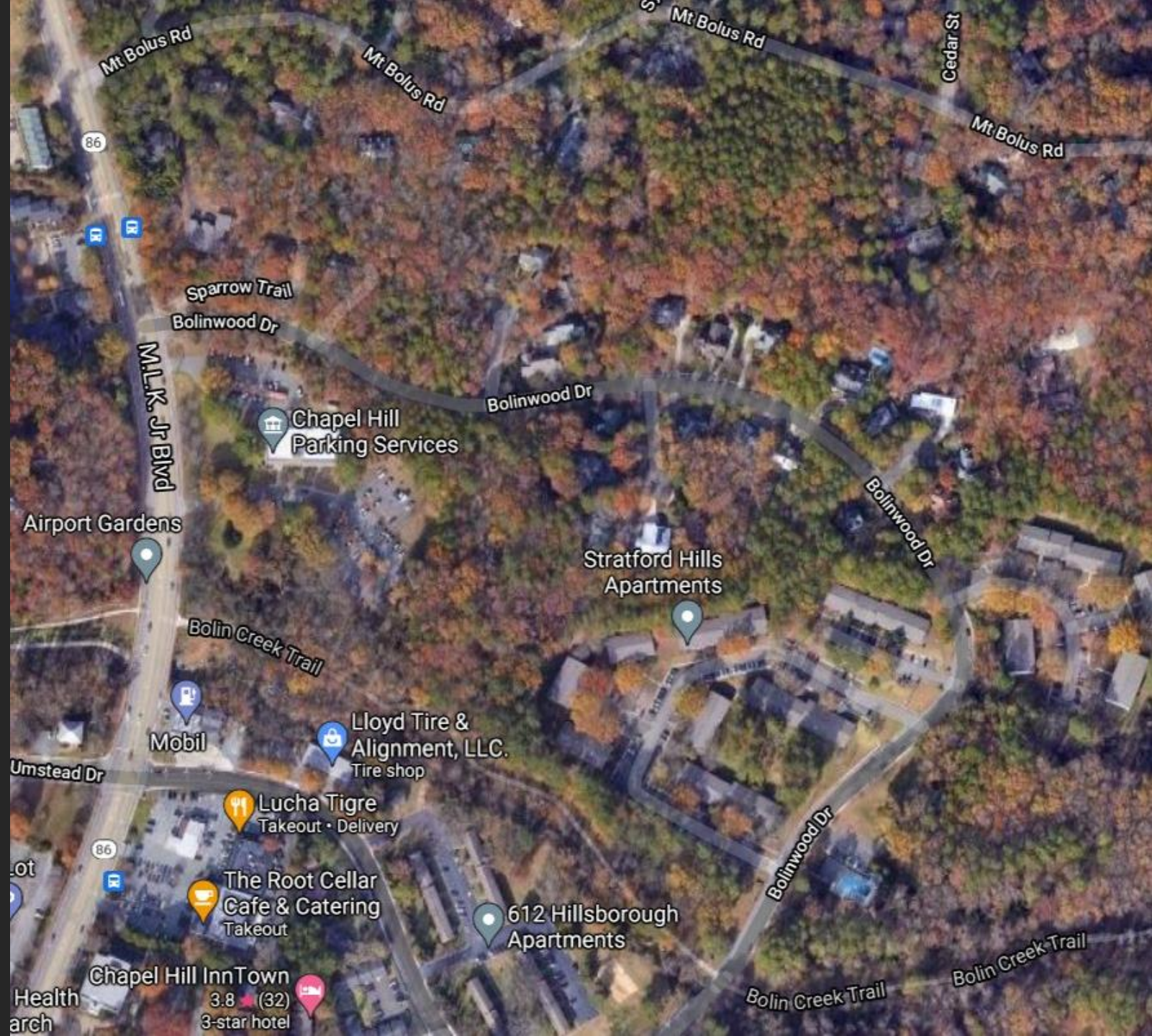


Police Station Site MOU

JANUARY 26, 2022

TOWN COUNCIL MEETING

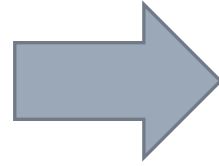


Objective

Continue Discussion of the Draft Memorandum of Understanding (MOU) between the Town and Belmont Sayre

- **FOCUS** on development scenarios

MOU



EDA

TARGET: FEBRUARY 2022

Nonbinding Agreement

- Basic business terms
- Project Concept
- Framework for Land Ownership
- Financial Framework based on assumptions

TARGET: MAY/JUNE 2022

Binding Agreement

- Defined business terms
- Land Sale Price
- Cost sharing agreement
- Outstanding key issues addressed

Key Dates

The MOU does not need to include a final determination on site density, uses, and affordable housing mix

Tonight

- Receive clarifying information on development scenarios

Feb 2 Town Council Work Session

- Deep dive into financial information and discussion

Feb 9 Town Council Meeting

- Council considers authorizing Town Manager to execute nonbinding Memorandum of Understanding

March 2022

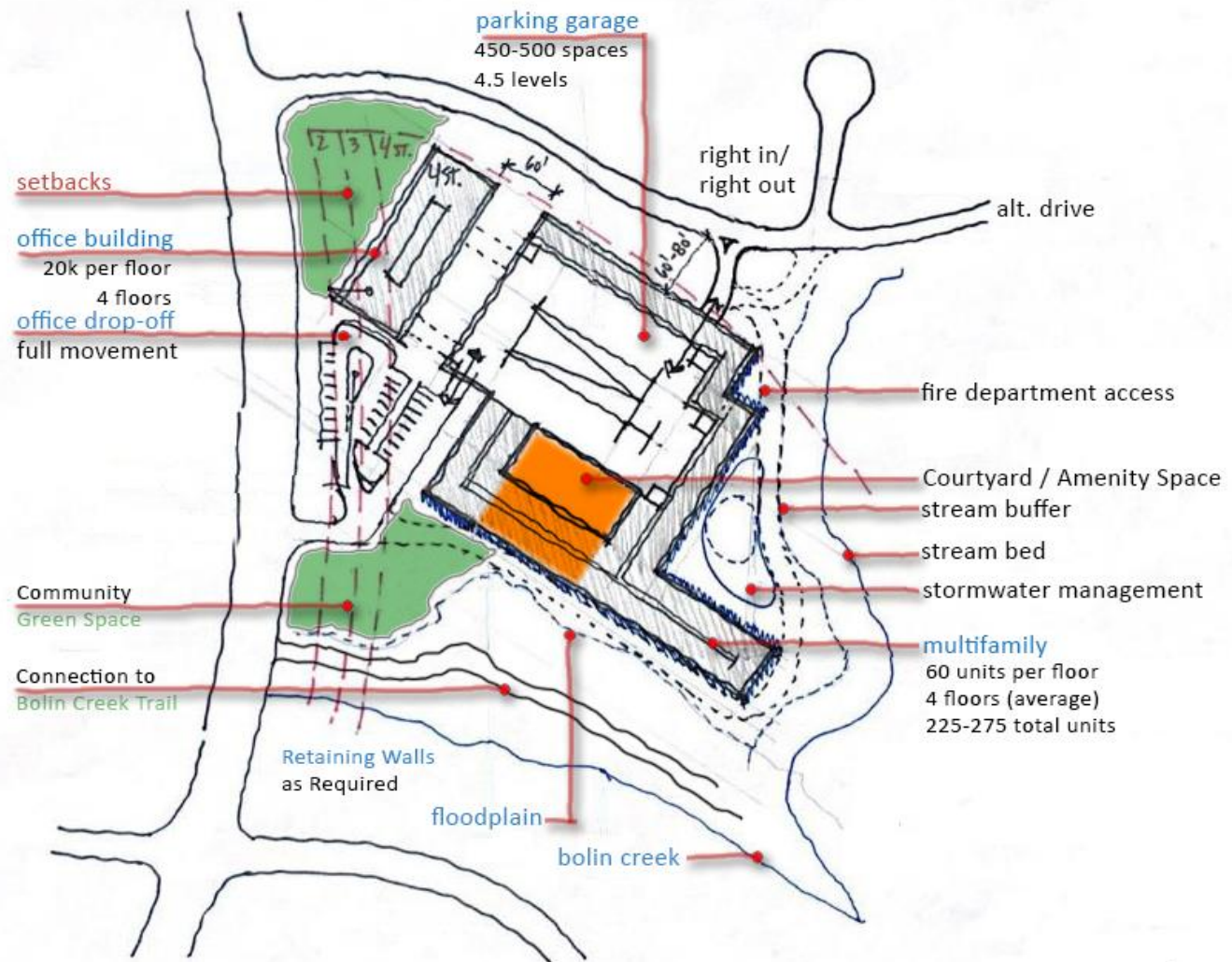
- Concept Plan submission

Economic Development Agreement Negotiations

Future Issues for Council EDA Negotiation

Items for the Economic
Development Agreement

- Affordable Housing Component
 - Proceed with Teacher Housing
- Site Density
- Community Greenspace
- Retaining Wall (enhanced design for “amphitheater” programmable space)
- Black/Minority Contracting Requirement
- Living Wage Requirement



828 MLK JR. BOULEVARD
PROPOSED SITE PLAN

Market-rate Office Program
 Up to 80,000sf
 Market, workforce housing
 ~225 - 275 units
 ~450 parking spaces
 Stormwater controls
 Expand buildable area

parking garage
 450-500 spaces
 4.5 levels

setbacks

office building
 20k per floor
 4 floors

office drop-off
 full movement

Community
 Green Space

Connection to
 Bolin Creek Trail

Retaining Walls
 as Required

floodplain

bolin creek

right in/
 right out

alt. drive

fire department access

Courtyard / Amenity Space
 stream buffer

stream bed

stormwater management

multifamily
 60 units per floor
 4 floors (average)
 225-275 total units

RENTAL APARTMENTS

Meets need as indicated in Town of Chapel Hill Housing Study

Market Viability

Ability to Finance in todays Capital Markets

Potential to add Affordable Housing Units to Town inventory and meet Affordable Housing Goals

Higher Land Value than other uses and quicker Tax Revenue

Can stand alone as Private Development in desirable location

CONDOS / TOWNHOMES

Condo Financing extremely difficult and Pricing would be high

DEQ not currently accepting Townhouse Ownership in Brownfields Agreements due to complexity

OFFICE

Not a highly desirable location for current or future Office demand - distance from Campus and I-40

Not currently viable in todays market - cost to develop site would drive rents beyond market capacity

Viability translates into difficulty to finance - Pro forma analysis does not pencil out

Lower Land Value and delayed project construction would delay Tax Revenue

With delayed Office Development, shared parking deck becomes Town burden

RETAIL

Not a highly desirable site and not enough "critical mass" of other retail

Mixed Use Retail with Office is viable, but "Office" is projected to be Town Owned MSC

Mixed Use Retail with Apartments adds difficult complexity to ownership, financing and future value

Lower Land Value and delayed Tax Revenue

828 MLK Land Use Options

<i>Description</i>	<i>Projected Cost Scenarios</i>		
	No Development on 828 MLK	MSC Only at 828 MLK	MSC & Private Development (Apts) at 828 MLK
MSC Construction Cost - Base Budget	\$0	\$34,000,000	\$34,000,000
Brownfields Related Costs	\$5,000,000	\$5,000,000	\$2,500,000
Soft Costs	\$2,000,000	\$2,875,000	\$1,437,500
Parking	\$0	\$5,400,000	\$0
Potential Value assigned to Land	\$0	\$0	(\$1,000,000)
<i>828 Subtotal</i>	<i>\$7,000,000</i>	<i>\$47,275,000</i>	<i>\$36,937,500</i>
<i>Additional Items that could be included at 828 MLK Site</i>			
2nd Floor MSC Entrance Plaza / Community Space	\$0	\$2,500,000	\$2,500,000
Outdoor Amphitheatre at Bolin Creek Trail	\$1,000,000	\$1,000,000	\$1,000,000
Outdoor Community Greenspace on Town Parcel	\$1,000,000	\$1,000,000	\$1,000,000
Sustainable Construction Enhancements	\$0	\$3,000,000	\$3,000,000
<i>Total with all Additional Items Included</i>	<i>\$9,000,000</i>	<i>\$54,775,000</i>	<i>\$44,437,500</i>
<i>Additional Items to be considered</i>			
MSC Construction Cost - different site	\$34,000,000	\$0	\$0
20 yr. Town Tax Revenue at 828 MLK	\$0	\$0	(\$6,800,000)
<i>Net Cost</i>	<i>\$43,000,000</i>	<i>\$54,775,000</i>	<i>\$37,637,500</i>
			<i>Private Development shares Brownfields Cost and Parking Deck +/- \$13M</i>

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Questions & Discussion