

East Rosemary Redevelopment Proposal



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.

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

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134 E
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Battle
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Hyde Hall

Presentation:

Maurice Jones
Dwight Bassett
Amy Oland

CHAPEL HILL

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Memorandum of Understanding

- 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.

Memorandum of Understanding

- 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.

Memorandum of Understanding

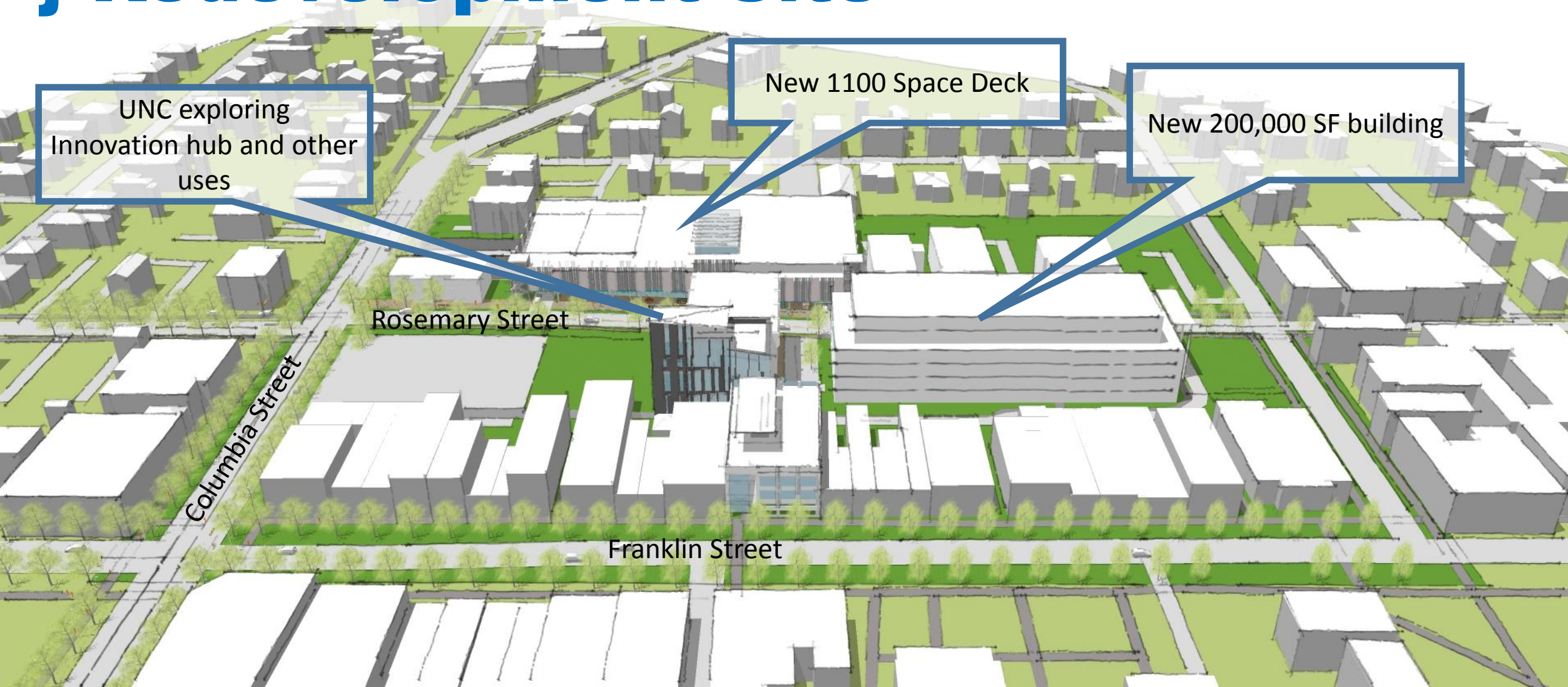
- Grubb must begin construction (which may include the start of demolition) by September 1, 2020, subject to receipt of all necessary permits and entitlements
- The Town must have an opinion of probable cost and a guaranteed maximum price construction contract for the New Deck approved by September.
- 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.

Memorandum of Understanding

- 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 SF
 - 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.

} Redevelopment Site



UNC exploring
Innovation hub and other
uses

New 1100 Space Deck

New 200,000 SF building

Rosemary Street

Columbia Street

Franklin Street

Hyde Hall

Franklin St

- 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.**

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



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



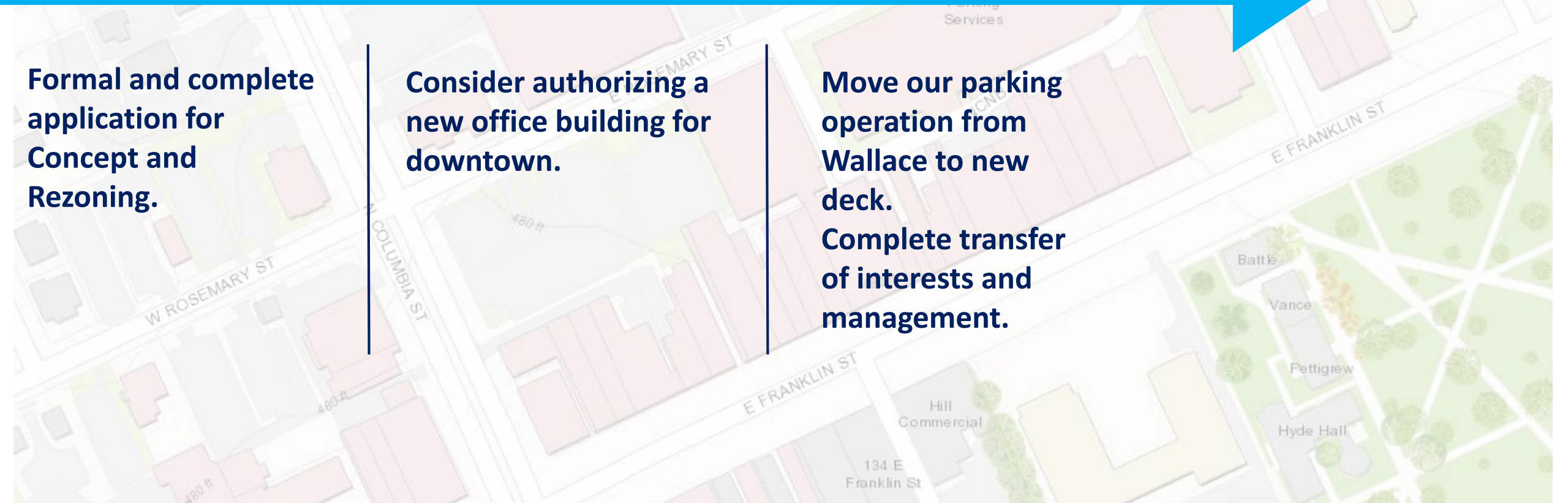
**September 2021 –
Accept new deck and
management of new
deck**

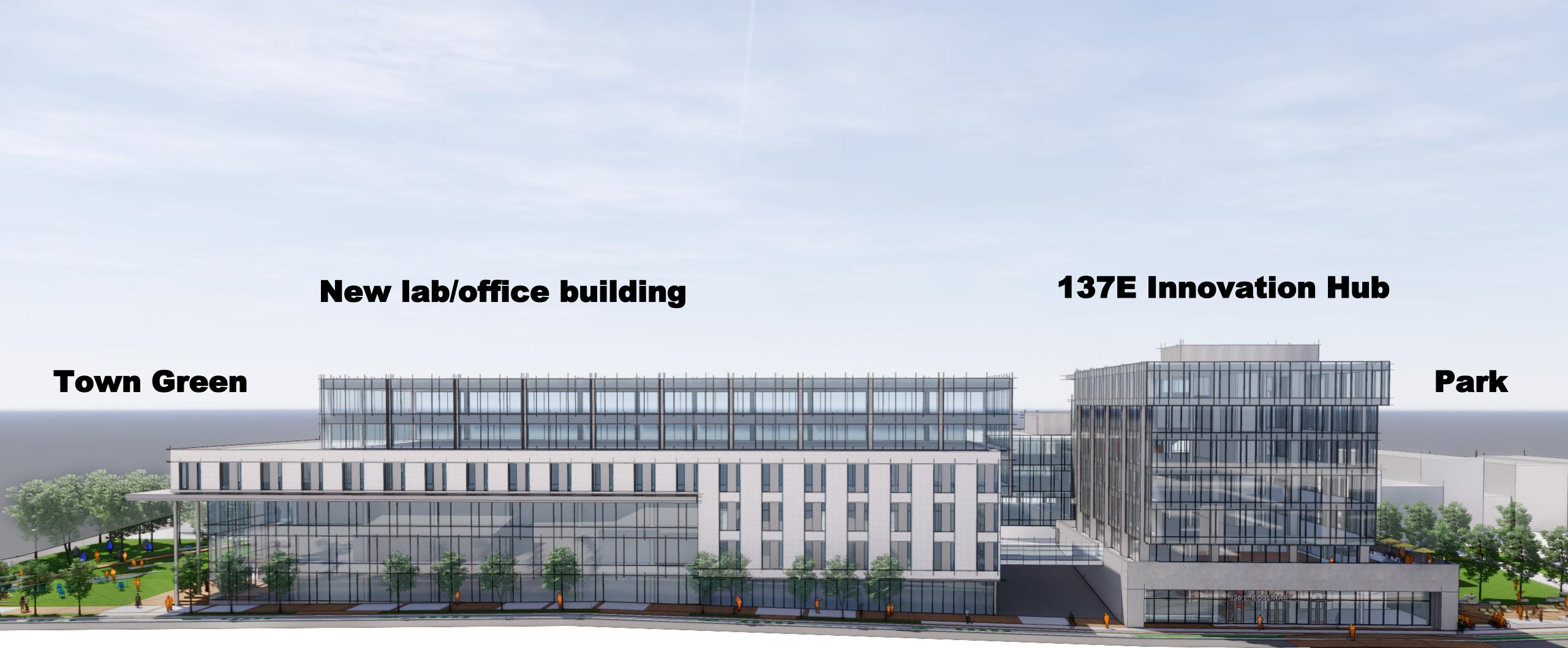


**Formal and complete
application for
Concept and
Rezoning.**

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

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





New lab/office building

137E Innovation Hub

Town Green

Park

Rosemary Street looking south

New parking deck

Retail Porch

Protected bike lanes
Bike parking

Widened sidewalk & street trees

Rosemary St.

Columbia St.

Henderson St.

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

} 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)**



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