



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 Karen Stegman
Council Member Jessica Anderson
Council Member Camille Berry
Council Member Tai Huynh

Council Member Paris Miller-Foushee
Council Member Michael Parker
Council Member Amy Ryan
Council Member Adam Searing

Wednesday, June 14, 2023 7:00 PM RM 110 | Council Chamber

Language Access Statement

For interpretation or translation services, call 919-969-5105.

ဘာသာပြန်ဆိုခြင်းနှင့် စကားပြန်ခြင်းအတွက်၊ (၉၁၉) ၉၆၉-၅၁၀၅ ကိုဖုန်းခေါ်ပါ။

Para servicios de interpretación o traducción, llame al 919-969-5105.

如需口头或
书面翻译服
务，请拨打
919-969-5105.

လၢတၢ်ကတိၤကျိးထံ မ့တမၢ် လၢတၢ်ကွဲးကျိးထံအတၢ်မၤစၢၤအဂီၢ် ၶ် ကိးဘၣ် (၉၁၉)-၉၆၉-၅၁၀၅

In-Person Meeting Notification

View the Meeting

- View and participate in the Council Chamber.
- Live stream the meeting - <https://chapelhill.legistar.com/Calendar.aspx>
- View on cable television channel at Chapel Hill Gov-TV (townofchapelhill.org/GovTV)
- The Town of Chapel Hill wants to know more about who participates in its programs and processes, including Town Council meetings.
- Participate in a voluntary demographic survey before viewing online or in person - <https://www.townofchapelhill.org/demosurvey>

Parking

- Parking is available at Town Hall lots and the lot at Stephens Street and Martin Luther King Jr. Boulevard.
- See <http://www.parkonthehill.com> for other public lots on Rosemary Street
- Town Hall is served by NS route and T route, and GoTriangle Routes of Chapel Hill Transit.

Entry and COVID-19 Protocols

- Entrance on the ground floor.
- Visitors and employees will self-screen. Do not enter if you have these symptoms: Fever, chills, cough, sore throat, shortness of breath, loss of taste or smell, headache, muscle pain

Speakers

- Sign up at the meeting with the Town Clerk to speak.
- If more than 14 people sign up for an item, Council will reduce speaking time from 3 minutes to 2 min./person.
- Please do not bring signs.

ROLL CALL

- Present:** 8 - Mayor Pam Hemminger, Council Member Jessica Anderson, Council Member Camille Berry, Council Member Paris Miller-Foushee, Council Member Tai Huynh, Council Member Michael Parker, Council Member Amy Ryan, and Council Member Adam Searing
- Absent:** 1 - Mayor pro tem Karen Stegman

OTHER ATTENDEES

Interim Town Manager Chris Blue, Deputy Town Manager Loryn Clark, Deputy Town Manager Mary Jane Nirdlinger, Town Attorney Ann Anderson, Planner II Jacob Hunt, Transportation Planner I Josh Mayo, Transit Planning Manager Caroline Dwyer, Planning Manager Corey Liles, Fire Marshal Roland Falana, Planning Manager Corey Liles, Police Officer Josh Mecimore, Fire Administrative Services Manager Ryan Campbell, Transit Director Brian Litchfield, Emergency Management Coordinator Kelly Drayton, Fire Chief Vence Harris, Transit Development Manager Matt Cecil, and Deputy Town Clerk Amy Harvey.

OPENING

Mayor Hemminger called the meeting to order at 7:00 p.m. and reviewed the agenda. Mayor pro tem Stegman was absent, excused.

0.01 Proclamation: In Honor of Chief Vence Harris.

[\[23-0537\]](#)

Mayor Hemminger read a proclamation honoring Fire Chief Vence Harris Jr., who was retiring after having served the Town with integrity and distinction since 1994. The proclamation included a long list of his accomplishments, and it deemed June 16, 2023, to be Vencelin Harris Jr. Day in Chapel Hill. It urged everyone to show appreciation for all that Chief Harris had done for the community.

Chief Harris said that he felt honored by the proclamation and proud to be a future Town retiree. He emphasized how welcomed he had felt when he first began working for the Town in 1994. He said that the system had been designed to make sure he succeeded. It was not easy for him to

leave a team that had been like family for the past 29 years and that he would miss them, he said.

ANNOUNCEMENTS BY COUNCIL MEMBERS

0.02 Mayor Hemminger Regarding NCDOT Project U6067.

[\[23-0538\]](#)

Mayor Hemminger mentioned a project that the NC Department of Transportation (NC-DOT) had "dropped" on the Town in recent weeks. She said that representatives from Chapel Hill and surrounding towns, the Board to Transportation, NC-DOT and others had recently met and would hold a subcommittee meeting on June 27, 2023, to figure out a path forward. There was much desire to have a highly functioning interchange at that location, but both Durham and Chapel Hill had grave concerns about NC-DOT's proposed plan, she said.

0.03 Mayor Hemminger Regarding Just Majority Bus Tour.

[\[23-0539\]](#)

Mayor Hemminger noted that a "Demand Justice" bus tour had recently come through Town in order to shine a light on an upcoming Supreme Court ruling regarding a Students for Fair Admissions case that involved the University of North Carolina (UNC). The speakers included Reverend Al Sharpton, Martin Luther King, III, and Andrea Waters King, and they requested that the Town ask North Carolina's senators to co-sponsor court reform legislation, she said.

0.04 Mayor Hemminger Regarding Juneteenth Celebrations.

[\[23-0540\]](#)

Mayor Hemminger encouraged all residents to celebrate Juneteenth on Saturday, June 17th, from 10:00 a.m. to 3:00 p.m. She said that Monday, June 19th, would be the Town's Juneteenth holiday.

0.05 Mayor Hemminger on Future Business Meeting.

[\[23-0541\]](#)

Mayor Hemminger pointed out that the Council's next business, on June 21, 2023, would be its final one until September.

0.06 Council Member Anderson Gives Appreciation to Mayor Hemminger and Council Members Parker and Berry Regarding Advocacy on NCDOT Issue.

[\[23-0542\]](#)

Council Member Anderson thanked the Mayor and Council Members Parker and Berry for work that they had done regarding the NC-DOT U6067 project that the Mayor mentioned in Item 0.02. Other Council Members seconded that.

PUBLIC COMMENT FOR ITEMS NOT ON PRINTED AGENDA AND PETITIONS FROM THE PUBLIC AND COUNCIL MEMBERS

Petitions and other similar requests submitted by the public, whether written or oral,

are heard at the beginning of each regular meeting. Except in the case of urgency and unanimous vote of the Council members present, petitions will not be acted upon at the time presented. After receiving a petition, the Council shall, by simple motion, dispose of it as follows: consideration at a future regular Council meeting; referral to another board or committee for study and report; referral to the Town Manager for investigation and report; receive for information. See the Status of Petitions to Council webpage to track the petition. Receiving or referring of a petition does not constitute approval, agreement, or consent.

0.07 Naomi Slifkin Requests Establishment of Citizen Focus Group for Alternative Proposals for Housing in Chapel Hill and to Delay LUMOTA Housing Choice Decision.

[\[23-0543\]](#)

Naomi Slifkin said that a proposed Land Use Management Ordinance (LUMO) text amendment regarding housing choice would likely increase home prices and rental rates. She asked the Council to delay its vote on that and establish a citizens focus group to find alternatives.

This item was received as presented.

0.08 Isaac Woolsey Request to Increase Chapel Hill Transit Bus Route Service.

[\[23-0544\]](#)

Isaac Woolsey, a resident whose disabilities prevent him from driving, expressed concern about a reduction in Chapel Hill Transit bus service since the pandemic. He explained how that had affected him personally and summarized Title 6 for Disabilities rules regarding accessibility. He asked the Town to return to running buses every 40 minutes until 7:00 p.m. and until 11:00 p.m.

This item was received as presented.

0.09 Aaron Nelson Requests to Extend Water and Sewer Boundary Lines One Mile South to Chatham County.

[\[23-0545\]](#)

Aaron Nelson, president and CEO for the Chamber for a Greater Chapel Hill and Carrboro, read excerpts from a Chamber petition that asked the Town to evaluate extending water and sewer into its southern boundary, and he provided several reasons for the request.

A motion was made by Council Member Anderson, seconded by Council Member Ryan, that the Council received and referred all petitions to the Manager and Mayor. The motion carried by a unanimous vote.

0.10 William Thorpe Comments on Internship Program.

[\[23-0546\]](#)

William Thorpe, son of late Council Member Bill Thorpe, requested that the Bill Thorpe Undergraduate Internship Program be expanded. He would be meeting the next day with Town representatives to discuss ways to

improve that program, he said.

This item was received as presented.

CONSENT

Items of a routine nature will be placed on the Consent Agenda to be voted on in a block. Any item may be removed from the Consent Agenda by request of the Mayor or any Council Member.

Approval of the Consent Agenda

A motion was made by Council Member Anderson, seconded by Council Member Berry, that R-1 be adopted, which approved the Consent Agenda. The motion carried by a unanimous vote.

1. Approve all Consent Agenda Items. [\[23-0521\]](#)
This resolution(s) and/or ordinance(s) was adopted and/or enacted.
2. Award a Bid and Authorize the Town Manager to Execute a Contract for the Construction of the Homestead and Seawell School Roads Sidewalk Improvements Project. [\[23-0522\]](#)
Mayor Hemminger thanked Interim Town Manager Chris Blue for helping to find funds for improving these sidewalks. She said that it had taken 7.5 years to finally get through hurdles with NC-DOT and several property owners.
This resolution(s) and/or ordinance(s) was adopted and/or enacted.
3. Authorize the Town Manager to Execute Option to Ground Lease Agreements with the Vertical Developers of the Homestead Gardens Mixed Income Affordable Housing Development Project. [\[23-0523\]](#)
This resolution(s) and/or ordinance(s) was adopted and/or enacted.
4. Modernize the Town's Energy Policy for Conditional Rezoning Applications and Align it with the Climate Action and Response Plan. [\[23-0524\]](#)
This resolution(s) and/or ordinance(s) was adopted and/or enacted.
5. Align the Town's 2030 Carbon Reduction Goal with an Updated Science-Based Target. [\[23-0525\]](#)
This resolution(s) and/or ordinance(s) was adopted and/or enacted.
6. Adopt a Calendar of Council Meetings through December 2023. [\[23-0526\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

INFORMATION

7. Receive Upcoming Public Hearing Items and Petition Status List. [\[23-0527\]](#)
This item was received as presented.
8. Receive the Splash Pad and Inclusive Playground Feasibility Assessment Final Report. [\[23-0528\]](#)
Mayor Hemminger pointed out that the Council's information packet contained a final report on the Splash Pad and Inclusive Playground Feasibility Study. There had not been time to get that on an agenda, but the information was available to the public, she said.
This item was received as presented.

DISCUSSION

ZONING ATLAS AMENDMENT(S)

Zoning Atlas Amendment: The Zoning Atlas Amendment, to change the zoning designation on this property, is Legislative. The Council receives and considers public comment on the merits of the proposed rezoning, including opinions, when making Legislative decisions.

9. Close the Legislative Hearing and Consider an Application for Conditional Zoning Modification - Columbia Street Annex, 1150 South Columbia Street. [\[23-0529\]](#)
Planner II Jacob Hunt presented a Conditional Zoning District (CZD) modification request that would accommodate a Council request to lower the total building height at the Columbia Street Annex. He said that the Council had approved the CZD in March 2021 and that site work had begun in November 2022. Staff had performed a limited review of the request in January 2023, he said.
Mr. Hunt explained that lowering the building had led to a 2,000 square foot increase in total impervious surface, but there had been no increase in overall Resource Conservation District encroachment or disturbance. Building size had increased by approximately 5,000 square feet, but the total number of units remained the same, he said. He recommended that the Council close the legislative hearing, adopt Resolution-7, and enact Ordinance-1, for approval.
A motion was made by Council Member Anderson, seconded by Council Member Berry, that the Council closed the legislative hearing. The motion

carried by a unanimous vote.

A motion was made by Council Member Anderson, seconded by Council Member Berry, that the Council adopted R-7. The motion carried by a unanimous vote.

A motion was made by Council Member Anderson, seconded by Council Member Berry, that the Council enacted O-1. The motion carried by a unanimous vote.

10. Close the Legislative Hearing and Consider a Conditional Zoning Application for Starpoint Refuel at 1950 U.S. 15 501. [\[23-0530\]](#)

Transportation Planner Jacob Hunt presented a request to close the legislative hearing on a Conditional Zoning request for Starpoint Refuel, a redevelopment project on 1.26 acres at the Town's southern jurisdictional boundary. He pointed out that an existing gas station and small retail area had been zoned Neighborhood Commercial/Residential Low Density-1. The applicant was requesting a rezoning to Neighborhood Commercial-Conditional Zoning District in order to build a new gas station and convenience store there, he said.

Mr. Hunt reported that the applicant had recently increased the proposed a number of trees in the canopy buffer and had improved pedestrian circulation at the site's interior. Staff was no longer requesting sidewalks due to an NC-DOT requirement that building those would trigger the need for a crosswalk. There was also a lack of anticipated Town-led pedestrian improvements in the area, he said.

Mr. Hunt said that the request had been through staff and advisory board review. He recommended that the Council close the legislative hearing, adopt Resolution-2, and enact Ordinance-9, for approval.

Council Member Ryan asked why Transportation staff had recommended not requiring a payment in lieu (PIL) for a sidewalk, and Mr. Hunt explained that it was due to NC-DOT's requirement for a crosswalk and a lack of any plans to build additional facilities in that area. Council Member Ryan pointed out that a petition from the Chamber (Agenda Item 0.09) could open that area up to more development, however.

Council Member Searing asked about neighbors' comments regarding the sidewalk, and Mr. Hunt replied that three people had said they would appreciate having one there.

Council Member Ryan said that she would not insist on including the internal circulation that the applicant was offering because it would not achieve the Town's connectivity goal. She proposed asking for a payment in lieu (PIL) instead, but also setting a date for returning that money if

the Town did not use it.

Jessica Hardesty, a planner with McAdams Company, explained that building a sidewalk along Smith Level Road would be cost-prohibitive because it would trigger NC-DOT's requirement for a crossing. In addition, providing a sidewalk internal to the site would not be ADA compliant because of a steep slope, she said. She explained that the applicant was offering to build the sidewalk around the parking lot, which would allow for better access into the site if a sidewalk were ever built on Smith level Road.

Ms. Hardesty explained that an offer by the applicant to build a retaining wall two feet higher would allow for a that Smith Level Road sidewalk in the future. She pointed out building it would create significant cost for the developer, and she asked if that would be a sufficient PIL.

Mayor Hemminger replied that the Council was interested in having a sidewalk that would lead to US 15-501 by running across the end point of the site, not one that would lead to the site.

Council Member Anderson confirmed with Ms. Hardesty that the applicant probably would agree to the suggestion to provide a PIL that would be returned if no connection were built. However, Council Member Berry expressed some opposition to the idea and Council Member Parker said that he would not want to hold onto a PIL for more than five years. He did not think that anything would happen in that location during that time that would trigger a Town-led project to build sidewalks, he said.

Ms. Hardesty confirmed with the Mayor and Council that a PIL of about \$20,000 for material and labor would be sufficient, and the Council agreed that it should be returned to the applicant if no sidewalk had been envisioned there by five years. Mr. Hunt pointed out that the retaining wall did need to be raised, however, and Ms. Hardesty agreed to raising the retaining wall as well as the PIL.

The Council amended the resolution to include an additional \$20,000 PIL, which would be returned if not used within a five-year period, and a retaining wall that would be constructed to accommodate future sidewalk construction.

A motion was made by Council Member Anderson, seconded by Council Member Parker, that the Council closed the legislative hearing. The motion carried by a unanimous vote.

A motion was made by Council Member Anderson, seconded by Council Member Parker, that the Council adopted R-9. The motion carried by a unanimous vote.

A motion was made by Council Member Anderson, seconded by Council Member Parker, that the Council enacted O-2 as amended. The motion carried by a unanimous vote.

CONTINUED DISCUSSION

11. Close the Legislative Hearing and Consider Adopting the Connected Roads Plan as an Amendment to the Town's Comprehensive Plan, Chapel Hill 2020. [\[23-0531\]](#)

Transportation Planner Josh Mayo gave a brief update on a proposed Connected Roads Plan (CRP) amendment to the Chapel Hill 2020 Comprehensive Plan. He said that the CRP sought to implement a consistent approach to local street connections, especially those driven by development. It proposed 34 potential connections and would expect new developments to include those, he said.

Mr. Mayo said that 12 new bicycle and pedestrian connections had been added to the Town's Everywhere to Everywhere Greenways Plan. He explained that five connections had been removed and three had been realigned due to Resource Conservation District impact concerns. During a recent public feedback period, several people had highlighted the need for walkability and public safety, he said.

Mr. Mayo pointed out that the CRP included policy recommendations that would be incorporated into the LUMO rewriting process. Staff would also be working on revising and modernizing the Town's traffic calming policy and would evaluate how roads get implemented, he said. He recommended that the Council close the legislative hearing and adopt Resolution-11, which would add the Connected Roads Plan as an amendment to the 2020 Comprehensive Plan.

Mayor Hemminger thanked Mr. Mayo and staff for reaching out to the public. She and the Council appreciated their excellent work, she said.

A motion was made by Council Member Anderson, seconded by Council Member Huynh, that the Council closed the legislative hearing and adopted R-11. The motion carried by a unanimous vote.

12. Review Draft Affordable Housing Plan and Investment Strategy. [\[23-0532\]](#)

Director of Affordable Housing and Community Connections Sarah Viñas introduced Phillip Kash, a consultant with HR&A Advisors, to present an update on the Town's Affordable Housing Plan. She proposed that the Council provide feedback on the draft Plan and investment strategy. Staff would work over the summer to further refine it and would return in early fall for adoption, she said.

Mr. Kash reminded the Council that he had discussed the Town's needs and housing challenges with them in April and was returning with recommendations for tools and approaches to address those. He said that a comprehensive approach to affordable housing (AH) included public subsidies, land use, and tenants' rights and that he would focus on the first two because tenants' rights were quite constrained in North Carolina. He emphasized the importance of bringing a racial equity lens to every aspect of the Plan and pointed out that land use required policies that reverse exclusionary zoning.

Mr. Kash said that the Town's housing market's challenges included: a limited housing supply, decreasing homeownership opportunities, declining rental affordability, and ongoing displacement. Even though available data regarding the Town's housing supply did not include about 2,600 approved developments, housing supply remained a challenge, he said. He pointed out that the Town was already using a robust set of housing programs and tools. He would look at opportunities to strengthen those and would analyze dedicated and new funding sources, he said.

Mr. Kash said that he would examine governance and public funding processes, assess public-private partnerships, and study the Town's capacity for running a range of programs. A large part of his final recommendation would be about expanding and improving things that the Town was already doing, such as providing gap financing for low-income tax credits and affordable rental production, he said. It would include tweaking and expanding Town efforts (such as its master leasing program) and would recommend examining the Town's down payment assistance program, he said.

Mr. Kash said that he would address refining the Town's inclusionary zoning policy and exploring asset building programs for renters as well. In addition, he would make recommendations regarding land use -- such as changes in the entitlement process and an outreach campaign to ensure that the public understood tradeoffs and the implications of not making changes, he said.

Mr. Kash estimated that the Town would need about \$30 million in additional local money in five years to sustain the level of development it had already laid out. That would rise to \$45 million when some of the Plan's recommended changes were included, he pointed out. Even though the Town's AH funding sources were stronger than most of its peers, there was value in having a formal, dedicated tax source, such as two pennies for housing, he said.

Mr. Kash proposed that the Town establish a revolving loan fund and he discussed the benefits and tradeoffs of doing so. He discussed the advantages of having a Quick Strike Fund and a Preservation Loan Fund. A Quick Strike Fund would allow the Town to do things it would not otherwise be able to do, and a Preservation Loan Fund would let it stretch

dollars to have more impact, he said.

Mr. Kash also recommended expanding the Town's Down Payment Assistance Program. He noted that the cost of home ownership had increased in Chapel Hill and said that such a program was important if the Town was serious about equity and economic justice.

Mr. Kash said that Chapel Hill's AH program was much healthier and more collaborative than other towns and that he would not recommend any major changes or reorganization of governance. However, he would recommend adding seats on advisory boards for beneficiaries of AH programs and making sure that those boards focus on policy and priorities rather than specific projects or programs, he said.

Mr. Kash asked the Council for feedback on whether the direction of the Plan lined up with its goals. He would continue to work on the Plan over the summer and anticipated returning to the Council for adoption in early September 2023, he said.

Council Members requested that HR&A look into creating a one-stop resource that could simplify the process and eliminate logistical, bureaucratic and informational gaps for those seeking AH. They asked for additional information on how much of the \$19 million that the Town had allocated to AH since 2020 had been from sources other than tax levy funds.

Council Member Ryan pointed out that land was a substantial Town contribution to housing, and she proposed including the value of that land in calculations. Council Member Anderson asked staff to provide information on how the Plan would fit with the Town's debt capacity and its recent tax increase. She confirmed with Mr. Kash and Ms. Viñas that they would provide a potential timeline for implementation.

In response to a question from Council Member Miller-Foushee regarding tenants' rights, Mr. Kash said that there were many different tools and levers that the Town could use to bolster them. He pointed out that Orange County had a staff attorney who provided aid to households facing eviction, and he emphasized the importance of making tenants aware of that resource. In addition, the Town could impose tenants' rights on any property that it put public money into, he pointed out. He stressed the importance of having clear records regarding eviction patterns and said that sheriffs had a fair amount of discretion regarding how they handle evictions.

Mayor Hemminger and Mr. Kash discussed how the cost of building single-family housing was significantly higher than bringing townhomes to market. Mr. Kash characterized the trend toward not building entry-level homes as an American failing. He said that down payment assistance was valuable, but only if the market was providing entry level homeownership

product. Solving that on the subsidy side would not work, and he would illustrate that with examples and numbers, he said.

Mayor Hemminger mentioned several approaches that the Council had taken to obtain more AH units from developers, and she confirmed with Mr. Kash that such information would be woven into the Plan. He agreed to a request from Council Member Parker to look into strategies other than density bonuses that would create incentives to lower costs, around missing middle homeownership in particular.

Several Council Members stressed the importance of informing the public about the huge amount of time, effort, expertise and funding that the Town had already invested in AH. Mr. Kash replied that he would absolutely describe the range of that in the Plan. He pointed out that Chapel Hill's AH program was among the top three in the country.

Council Member Ryan said that staff's approach of determining what it would take to do what the Town wanted and then planning for it was a great way to be creative and aspirational but a difficult way to budget. She proposed putting the question of funding up front and talking about it in the context of the Town's overall, long-term budgetary discussions.

Council Member Miller-Foushee commented on how housing policies could amplify economic and racial inequities, and she thanked Mr. Kash for looking at the issue through a racial equity lens. Funding was an obstacle, as was having to remediate long-time policies that had driven a racially discriminatory housing process, she said.

Council Members Parker and Berry asked Mr. Kash to return with suggestions for what the Town might request from partnering agencies that would make projects more equitable by reducing obstacles such as disproportional incarcerations and criminal background checks. He wanted to know what the Town could do to make the process of getting people into homes easier and more equitable, he said.

Ms. Viñas pointed out that the Town had worked hard to change the exclusionary period for people with criminal backgrounds. The Public Housing Department had been leading the state in that respect by being more flexible and evaluating applicants on a case-by-case basis, she said.

Mayor Hemminger emphasized the importance of sharing HR&A's information with Orange County and Carrboro, since there were opportunities to partner and leverage money and activities with them in some situations. She confirmed that Mr. Kash would be willing to present his report to the Orange County Commissioners. She asked him to also think about sharing it with the broader community at a Town information session.

This item was received as presented.

13. North-South Bus Rapid Transit (NSBRT) Update.

[\[23-0533\]](#)

Chapel Hill Transit Director Brian Litchfield began the staff's presentation on costs associated with the Town's bus rapid transit (BRT) project and its recommendations for moving forward with a ratings request and a full funding grant agreement. He asked the Council to keep in mind that the BRT was much bigger than a typical Transit project. It had been a Town priority for more than a decade and would support many of the Town's goals, such as its Complete Community Framework and its greenways, development and sustainability goals, he pointed out.

BRT Project Manager Caroline Dwyer gave a PowerPoint presentation in which she described the proposed 8.2-mile BRT, which would extend from Eubanks Road to Southern Village. She presented an overview of the project and reviewed the timeline from 2022 to the present. Staff would request a small starts grant agreement from the Federal Transit Authority (FTA) in 2024 and hoped to begin construction in 2026, she pointed out.

Ms. Dwyer reported that unanticipated cost increases due primarily to inflation had led to a \$43 million cost increase since 2021. She said that construction and corridor improvements, which made up half of the project's costs, were highly sensitive to inflation. There were also additional costs related to FTA contingency requirements, right-of-way acquisition, vehicles and professional services, she said. She said that 70 percent of the \$43 million increase had been due to inflation.

Ms. Dwyer said that the cost increase meant that there would be a local funding gap of about \$16.6 million in 2029, the year of expenditure. She pointed out that the Town needed to have all of its local match committed when it asked FTA for a Small Starts Grant agreement in 2024. Staff had made efforts to obtain state funding, but there was a lack of certainty about that, she said.

Ms. Dwyer said that the options before the Town were to reduce project costs, find additional revenue, or wait and see if money becomes available. Staff had concluded that reducing project costs would be the best choice, she said, and she laid out the following four potential means of doing so: 1) purchase fewer electric buses; 2) build a multi-use path on only one side of the road; 3) remove two BRT stations (perhaps at Longview, where development was not currently happening); and a 4) change corridor design elements on the roadway itself.

Ms. Dwyer said that staff was in favor of pursuing the first two options while continuing to seek additional non-federal funding. She pointed out that electric vehicles could be always added later through replacement cycles and that the multi-use path could be expanded in the future when additional funding became available.

The Mayor and Council praised Ms. Dwyer for the excellent presentation and clear explanation of how staff had reached its conclusions. They confirmed that Orange County Transit was putting substantial money into project and that the proposed changes would not affect ridership. They said that staff's recommended changes looked reasonable.

Council Member Parker pointed out that Chapel Hill would be the smallest community in the country with a BRT. "Kudos to all" who had created such a remarkable organization over the years, he said.

Mayor Hemminger commented on how the BRT would be transformational for the Town's Climate Action Plan as well. She preferred to not remove the Longview transit stops because there would be other projects and a connecting greenway in that area, she said.

This item was received as presented.

APPOINTMENTS

14. Appointments to the Cultural Arts Commission.

[\[23-0534\]](#)

The Council reappointed Dianne Pledger, and appointed Laurie Hinzman White to the Cultural Arts Commission.

15. Appointments to the Parks, Greenways and Recreation Commission.

[\[23-0535\]](#)

The Council appointed Margaret Moore to the Parks, Greenways and Recreation Commission.

16. Appointments to the Stormwater Management Utility Advisory Board.

[\[23-0536\]](#)

The Council Reappointed Janet Clarke, and appointed Linda Sanders, Audrey Britton, and Paxton Ramsdell to the Stormwater Management Utility Advisory Board.

ADJOURNMENT

The meeting was adjourned at 9:22 p.m.