



Town of Chapel Hill
405 Martin Luther King, Jr. Blvd.
Chapel Hill, NC 27514

www.townofchapelhill.org

MEMORANDUM

Date: May 8, 2020
To: Maurice Jones, Town Manager
From: Phil Fleischmann, Parks and Recreation Director
Lance Norris, Public Works Director
Regarding: American Legion Facilities Update

PURPOSE

This memorandum provides staff recommendations related to the continued use of the two buildings on the American Legion property, the large assembly building and the smaller dance studio facility. In addition, it includes background information justifying the recommendations including basic cost projections for work that would be required should the Town pursue use of the large assembly building.

RECOMMENDATION

Taking into account the Town's values which include Safety, the desire and expectation for our facilities to be inclusive and accessible to all, and the cost of repairs that would have to be undertaken, under the guidance of the Town Attorney and Risk Manager we do not recommend that the Town pursue use of the assembly building. Rather, the building should be deemed unusable and secured upon the Town taking possession.

Given the newer age and better condition of the smaller dance studio facility, with the support of the Town Attorney we recommend that the Town develop an annual lease agreement with the dance studio through which the lessee would make a monthly rental payment to the Town. Under this scenario, the lessee would assume the building in as-is condition and agree to be responsible for upkeep and making repairs.

BACKGROUND

Based upon interest received from the community and also a request of the Parks, Greenways, and Recreation Commission, Parks and Recreation staff expressed a desire to explore the suitability of using the existing, large assembly building at the American Legion property for rentals and programming. In order to explore this, Public Works initiated testing the building for



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environmental contaminants, specifically mold, asbestos, and lead; and completed a preliminary assessment of the building's systems. A summary of the findings is as follows:

- The building contains asbestos and lead-based paint in several different areas which requires extensive remediation.
- The roof for the building and aspects of the HVAC system are in poor condition and in need of replacement.
- Electrical and lighting upgrades will be required to meet safety concerns and meet current code.
- Accessibility is limited. Modifications will be necessary in order to make the building ADA-compliant.
- There is currently no centralized fire alarm or suppression system in place. Based on anticipated renovations, the building would need to add a full sprinkler system.
- There are currently no "as-built" drawings for the facility, which would require a contract with a design professional to provide a complete set of measured drawings in order to proceed with any reconstruction projects, including but not limited to reconstruction after the asbestos and lead-based paint remediation.
- The restrooms in the facility are out of date, are not ADA-compliant, and do not meet current codes.

Since receiving these findings, staff from Parks and Recreation, Public Works, Building Services, Risk Management, Fire, the Attorney's Office, and the Manager's Office have met to review and discuss possible options for moving forward. A key interest was in determining how much making minimally required repairs to the building might cost (i.e., repairs required in order to make it suitable for use).

Based on what is known to need to be addressed in order to make the building safe for public use, code compliant, and accessible, an initial, informal cost estimate for work exceeds \$1.9 million. This cost estimate is derived from the International Code Council's allowance of \$160.96/sq. ft. for a type IV structure renovation. Included in the \$1.9 million is an allowance of \$301,980 for testing and remediation of all asbestos and lead-based paint throughout the facility as well as the roof and HVAC replacements. Recognizing this high cost and knowing that the existing building is not a part of a park concept for this property, the staff team described above supports the recommendation that the building be deemed unusable and secured upon the Town taking possession.

In addition to the large assembly building, there is also a smaller, auxiliary building on the property which houses a dance studio. The building is newer and the dance studio has leased it from the American Legion post for many years. The Attorney advises that the Town could develop an annual lease agreement with the dance studio through which the lessee would make a monthly rental payment to the Town, assume the building in as-is condition, and agree to be



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responsible for upkeep and making repairs. Parks and Recreation staff have met with the operator of the dance studio, Melody Eggen, and she wishes to continue operating at the facility. Ms. Eggen has preliminarily indicated that she would accept such lease terms.

Other points to determine through future exploration are a) whether or not the land should be used in its current state and for what types of activities, as there have been requests for use of the outdoor space; and b) the type and level of routine maintenance to be performed on the property.

Cc: Ralph Karpinos, Town Attorney
Flo Miller, Deputy Town Manager
Mary Jane Nirdlinger, Assistant Town Manager
Ron Allen, Risk Manager
Ross Tompkins, Assistant to the Manager
Chelsea Laws, Building and Development Services Director
Linda Smith, Assistant Parks and Recreation Director