



TOWN OF CHAPEL HILL

Town Council Meeting Agenda

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, June 2, 2021 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_dyIVL1yTRo-IOo3Kcbcs5w

After registering, you will receive a confirmation email containing information about joining the webinar in listen-only mode. Phone: 301-715-8592, Meeting ID: 859 8856 2572

View Council meetings live at <https://chapelhill.legistar.com/Calendar.aspx> – and on Chapel Hill Gov-TV (townofchapelhill.org/GovTV).

OPENING

ROLL CALL

ANNOUNCEMENTS BY COUNCIL MEMBERS

Budget Related Items

1. Final Update on the Development of the FY 2021-22 Budget. [\[21-0498\]](#)

PRESENTER: Maurice Jones, Town Manager
Amy Oland, Business Management Director

The purpose of this item is to provide Council a final update on the development of the FY 2021-22 budget.

2. Redevelopment of Police Station Property at 828 Martin Luther King Jr Boulevard and Consideration of Municipal Services Center at Site. [\[21-0499\]](#)

PRESENTER: Laura Selmer, Economic Development Specialist

The purpose of this item is to provide Council with background information and options for redevelopment of the current police station property located at 828 Martin Luther King, Jr. Blvd. This property presents an opportunity to combine two ongoing efforts in the Town: a site for the Municipal Services Center (MSC) and the remediation and reuse of the current police station property.

3. Update: American Rescue Plan Financial Support of the ReVive Recovery Plan. [\[21-0500\]](#)

PRESENTER: Dwight Bassett, Economic Development Director

The purpose of this item is to confirm that the Council wants to use the American Rescue Plan dollars as described and return on June 23 for action.

DISCUSSION

4. Rosemary Parking Deck Update and Adopt Resolution for Initial Findings and to Call a Public Hearing for the Issuance of Limited Obligation Bonds (LOBS). [\[21-0501\]](#)

PRESENTER: Mary Jane Nirdlinger, Deputy Town Manager

RECOMMENDATION: That the Council receive a project update and offer feedback on parking technology and the project budget. We also recommend that the Council adopt an initial findings resolution and call a public hearing to allow funding for the project to proceed on schedule.

REQUEST FOR CLOSED SESSION TO DISCUSS ECONOMIC DEVELOPMENT, PROPERTY ACQUISITION, PERSONNEL, AND/OR LITIGATION MATTERS



TOWN OF CHAPEL HILL

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

Item Overview

Item #: 1., **File #:** [21-0498], **Version:** 1

Meeting Date: 6/2/2021

Final Update on the Development of the FY 2021-22 Budget.

Staff:

Maurice Jones, Town Manager
Amy Oland, Director

Department:

Manager’s Office
Business Management

Key Topics

Budget Development:

The FY 2021-22 Manager’s Recommended Budget restores funding needed to continue the high-quality core services to the Town’s residents, businesses, and visitors. The budget also supports the Council’s strategic goal areas from climate change to social equity and addresses critical workforce needs.

In an attempt to balance the needs of the community with the impact of the revaluation increase on property owners, the Manager’s Recommended Budget proposed a tax rate of 52.4 cents per \$100 assessed valuation to capture some of the natural increase in property values, while slightly lowering the tax rate.

At the May 12th budget work session, Council expressed an interest in lowering the proposed tax rate by an additional penny (\$940,000) to 51.4 cents. We returned at the May 19th public hearing with a recommendation on where to cut a penny out of the proposed budget. After receiving additional feedback from Council, we will return before Council on June 2nd to provide a final recommendation for Council’s consideration and adoption on June 9th.

Recommendation for One Penny Decrease:

• Increase in Inspections Permit revenue	\$ 300,000
• Increase in Fund Balance Appropriation	210,000
• Decrease in Street Repaving	50,000
• Decrease in OPEB Prefunding	250,000
• Decrease in Pay Go Capital	100,000
• Decrease in Climate Action	<u>30,000</u>
	<u>\$ 940,000</u>

One change was made between the recommendation presented at the May 19th public hearing and the recommendation above. Instead of reducing the street repaving budget by \$350,000, we are now only recommending a \$50,000 reduction. The \$300,000 difference will come from additional inspections permit revenue.

Staff had previously examined all expenditures to determine if there were any additional reductions that could be made. There were none found that would not have a significant impact on department operations. Instead, we re-examined department revenue projections. In looking through our larger revenue sources, we saw a trend in inspections permit revenue. We budget this revenue source very conservatively as it is difficult to accurately estimate the project timeline from Council approval to building inspection. Over the last four years, we have averaged \$1.95 million which is about \$500,000 more than budgeted. Based on projects that we know are in the pipeline, we feel comfortable increasing this revenue budget by \$300,000.

Remaining Dates in the Budget Development Process

- **June 2** Budget Work Session
- **June 9** Proposed FY 2021-22 Budget Adoption

Information on the development of the FY 2022 budget can be found on the Town's website at www.townofchapelhill.org/budget <<http://www.townofchapelhill.org/budget>>.

**Attachments:**

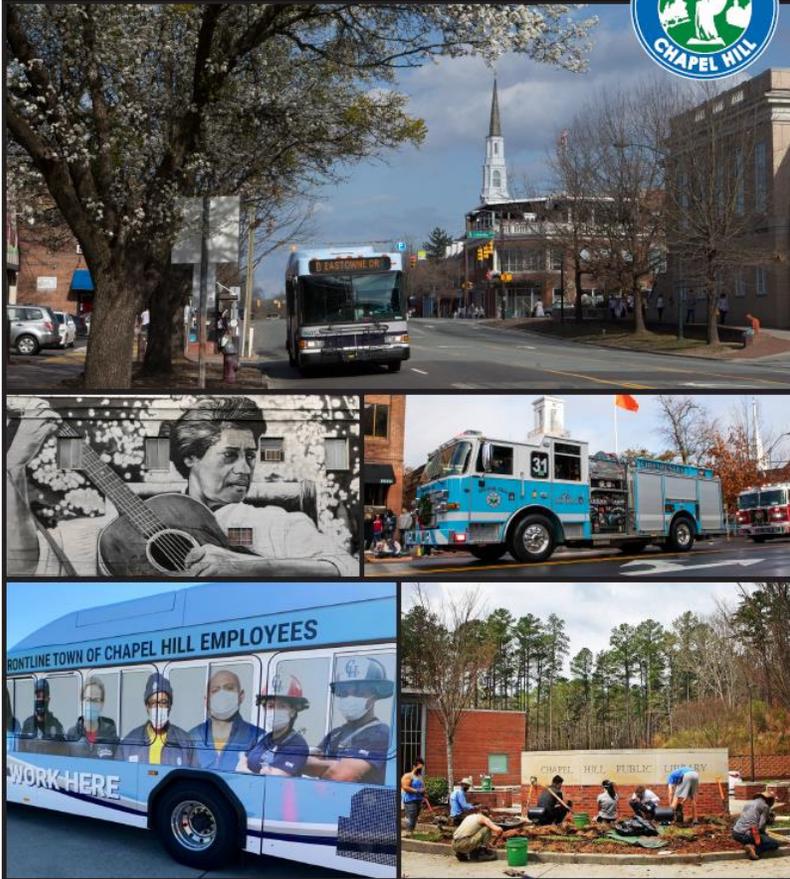
- Draft Staff Presentation

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Maurice Jones, Town Manager
Amy Oland, Business Management Director

The purpose of this item is to provide Council a final update on the development of the FY 2021-22 budget.

Town of Chapel Hill
North Carolina



Manager's Recommended Budget
FY 2021-22

Town of Chapel Hill
North Carolina

2021-22 Recommended Budget



Chapel Hill Town Council, 2021-2022

Your Town Council is Mayor Pam Hemminger, Mayor Pro tem Michael Parker, and Council members Jessica Anderson, Allen Buansi, Hongbin Gu, Tai Huynh, Amy Ryan and Karen Stegman.

Town Manager
Maurice Jones

Finance Officer
Amy Oland

Budget Update

June 2, 2021

DRAFT

Budget Foundations

Original Recommendation:

- Total budget = \$116,746,903
- 5% increase from prior year
- Revaluation
- Property tax rate of 52.4 cents
- 3% of market pay increase
- Investment in Council Priorities



DRAFT

Property Taxes



Current Tax Rate	54.4
Original Proposed Tax Rate	52.4
Revised Proposed Tax Rate	51.4
Revenue Neutral Tax Rate	49.4

DRAFT

One Penny Reduction

Increase Inspections Permit revenue	\$ 300,000
Increase Fund Balance Appropriation	<u>\$ 210,000</u>
	\$ 510,000
Decrease Street repaving	\$ 50,000
Decrease OPEB Prefunding	\$ 250,000
Decrease Pay Go Capital	\$ 100,000
Decrease Climate Action	<u>\$ 30,000</u>
	\$ 430,000
TOTAL	\$ 940,000

DRAFT

FY 2022 Priorities

Budget Topic	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2022 Recommended Budget (Original)	FY 2022 Recommended Budget (Revised)
Pay Adjustment	3%	0%	3%	3%
New Positions	\$ 0	\$ 0	\$444,000	\$444,000
Ephesus Fordham TIF Transfer	\$ 445,100	\$ 0	\$445,100	\$445,100
Climate Action	\$ 50,000	\$ 0	\$500,000	\$470,000
Human Services	\$ 446,500	\$ 446,500	\$556,500	\$556,500
Community Safety Task Force	\$ 0	\$ 0	\$100,000	\$100,000
Pay Study/Implementation	\$ 100,000	\$ 0	\$400,000	\$400,000

DRAFT

FY 2022 Priorities

Budget Topic	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2022 Recommended Budget (Original)	FY 2022 Recommended Budget (Revised)
OPEB Prefunding Contribution	\$500,000	\$250,000	\$500,000	\$250,000
Buildings Maintenance	\$472,000	\$ 0	\$350,000	\$350,000
Vehicle Replacements	\$524,000	\$ 0	\$345,000	\$345,000
Street Resurfacing	\$669,000	\$369,000	\$619,000	\$569,000
Pay-Go Capital	\$237,500	\$ 0	\$350,000	\$250,000
Position Savings	\$ 0	\$ 0	(\$1,000,000)	(\$1,000,000)

DRAFT

5-Year Budget Strategy

Strategy to ramp up the Town's investments in:

- Environmental Resiliency
- Infrastructure
- Maintenance
- Vehicles
- Human Capital
- Affordable Housing & Human Services
- Social Equity
- Transportation

Return to Council in the fall for an in-depth discussion of the 5-year budget strategy

DRAFT

Dates for Budget Process

Final Step in Process:

June 9 Budget Adoption

2021-22 Budget Development Page

www.townofchapelhill.org/budget

DRAFT



TOWN OF CHAPEL HILL

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

Item Overview

Item #: 2., File #: [21-0499], Version: 1

Meeting Date: 6/2/2021

Redevelopment of Police Station Property at 828 Martin Luther King Jr Boulevard and Consideration of Municipal Services Center at Site.

Staff:

Mary Jane Nirdlinger, Deputy Town Manager
Laura Selmer, Economic Development Specialist

Department:

Manager's Office

Overview: The purpose of this item is to provide Council with background information and options for redevelopment of the current police station property, located at 828 Martin Luther King Jr. Blvd. This property presents an opportunity to combine two ongoing efforts in the Town: a site for the Municipal Services Center (MSC); and the remediation and reuse of the current police station property.



Recommendation(s):

That the Council pursue a public/private partnership with Belmont Sayre to redevelop the property in a way that includes the MSC, mixed-use development, public amenities, and cleanup of the site. This could be achieved through an Economic Development Agreement (EDA).

Staff have engaged Noell Consulting to provide financial analysis of a potential project at the June 4th Council Committee on Economic Sustainability.

If Council supports this direction, staff could return on June 23rd with a framework for drafting an EDA over the Council's summer recess, returning to the Council for further discussion and decision in the fall.

I. Project Background

The timeline below provides an overview of how the private property was used before the Town acquired it, as well as the recent activities the Town has taken to investigate current conditions in coordination with the North Carolina Department of Environmental Quality (NC DEQ). The history of the site prior to Town ownership was pieced together by the Town's Environmental Engineer, Hart & Hickman.

Timeline	Description
1950s to early 1960s	Property initially used as a borrow pit - an area where material was dug up for use at other locations, usually for construction.
Mid-1960s to mid-1970s	Property then used as a fill site where construction debris was deposited; coal combustion products (CCPs) were later placed on top of the construction debris for structural fill.
Early 1980s	Town acquires property and builds a police station that is still in use today.
2013	As part of a process to explore a new home for the police department, Town conducts a site assessment and begins working with DEQ to investigate and share information about the condition of the property.

2015 - 2017	Town works with Environmental Engineering consultant and DEQ to complete Phase 1 and Phase 2 remedial site investigations to understand CCP locations and amounts.
2018	Town explores remedial cost options and possible future uses for the property; Council asks staff to work with a toxicologist to prepare a human health and ecological risk assessment for the Police Station property.
2019-2021	Town hires Duncklee & Dunham to perform a Human Health and Ecological Risk Assessment; Hart & Hickman perform Interim Remedial Measures on trail portion of the site; The Town issues an RFQ to select a qualified development team to consider site redevelopment.

The vision for the Municipal Services Center is to co-locate key community services and to support interdepartmental collaboration. The project is also an opportunity to move departments out of facilities that are well-past their prime with significant repair costs which will increase with delay. The Municipal Services Center program includes new space for:

1. The Police Department
2. The Fire Department Administration & Emergency Management
3. The Parks and Recreation Department
4. Some Technology Solutions Department space
5. A replacement for Fire Station #4 and space for Orange County EMS at the Fire Station #4 site on Weaver Dairy Road.
6. Parking for the uses in the building

For additional information on MSC cost estimates and comparisons, please see the [March 5, 2021 staff memorandum](https://www.townofchapelhill.org/home/showpublisheddocument/48392/637504512715730000) <<https://www.townofchapelhill.org/home/showpublisheddocument/48392/637504512715730000>>.

II. Redevelopment Options

No Development

Not developing the property has a cost. If the MSC is built elsewhere, we assume a cost to upfit or demolish the existing police department building. Additionally, permanent remedial measures for the property are needed (e.g., a retaining wall system along the embankment). The Town could pursue a brownfields agreement acting as prospective developer, or work with the Inactive Hazardous Sites Branch (IHSB) of the NC DEQ to stabilize the property. The building is not eligible for historic register or tax credits to offset rehabilitation costs and needed repairs are extensive.

MSC Only

The Town could redevelop the site for the Municipal Services Center under a Brownfields Agreement with the Town acting as prospective developer. The Town would gain liability protection under a brownfields agreement, but as a municipal entity, the Town would not benefit from the brownfields tax credit incentives. This would be a costly option, with the added need for permanent remedial measures as a component of construction. Most important is the retaining wall along Bolin Creek to prevent further erosion of coal ash on the embankment. Temporary remedial measures have stabilized the bank in the short term, but they are not a long-term solution.

MSC and Public/Private Mixed Use

A public/private partnership with RFQ respondent, Belmont Sayre, could allow for the development of mixed-use space and the MSC. The developer would enter into a brownfields agreement with the NC DEQ to redevelop the property. The Town would incur construction costs, but the developer would cover, in part, the permanent remedial measures for the site under an environmental management plan as a component of the brownfields agreement. This scenario would allow for tax base growth for the mixed uses, a solution to the MSC siting, cleanup of the site, development along the BRT corridor, and trail oriented development. In this scenario, the Town could explore retaining ownership of the trail portion of the property, or an easement. Temporary relocation of police operations would be needed during construction.

Private Development

The Town could sell the land to a private developer, who would then act as prospective developer and engage in a brownfields agreement with the NCDEQ. This scenario would allow for maximum tax base creation but would not solve the need for a site for the MSC.

III. Public Feedback & Engagement

Staff held two public information meetings in May 2021. The first meeting, held on [May 17th <https://chapelhill.granicus.com/MediaPlayer.php?clip_id=4919>](https://chapelhill.granicus.com/MediaPlayer.php?clip_id=4919) provided a summary of site history, the Interim Remedial Measures Report, and the Human Health and Ecological Risk Assessment. The second meeting, held on May 24th, introduced redevelopment options for the site and staff collected feedback. What we heard:

- Interest in exploring the preservation of the existing police station building for its historical significance.
- Concern for risk on the site for residential uses, risk during construction for workers and neighbors, and mitigating soil disturbance.

Staff will continue to engage the public and neighbors for feedback and concerns, should a project materialize at this site.

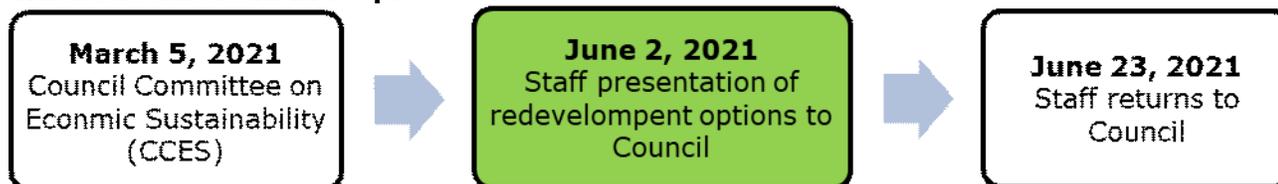
Decision Points:

- Siting of the MSC at current police station property
- Pursue a public/private partnership with Belmont Sayre

Key Issues:

- Environmental remediation
- Building the MSC at the current police station property would also require the upfit of Fire Station #4

Fiscal Impact/Resources: The fiscal impacts of the various scenarios are generally described above

Where is this item in its process?

**Attachments:**

- RFQ Response
- Previous Costs for MSC Comparison

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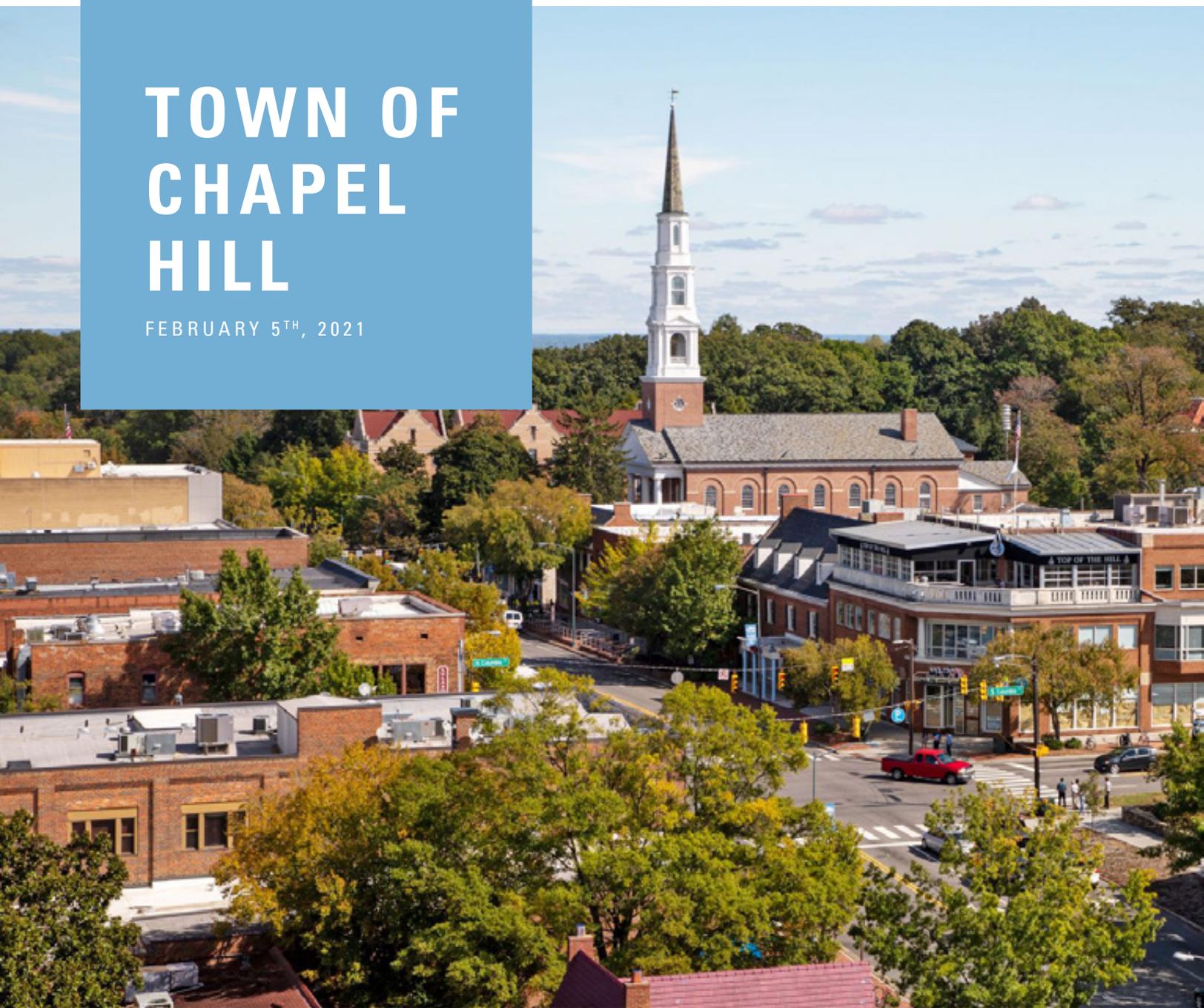
PRESENTER: Laura Selmer, Economic Development Specialist

The purpose of this item is to provide Council with background information and options for redevelopment of the current police station property located at 828 Martin Luther King, Jr. Blvd. This property presents an opportunity to combine two ongoing efforts in the Town: a site for the Municipal Services Center (MSC) and the remediation and reuse of the current police station property.

Qualifications for
BROWNFIELD SITE REDEVELOPMENT

TOWN OF CHAPEL HILL

FEBRUARY 5TH, 2021





February 5, 2021

Ms. Zakia Alam
Purchasing & Contracts Manager
Town of Chapel Hill
405 Martin Luther King Jr Blvd.
Chapel Hill, NC 27514

Re: Brownfield Site Redevelopment RFQ

Dear Ms. Zakia Alam,

On behalf of Belmont Sayre, LLC team, we are pleased to submit this response to Town of Chapel Hill for the Request for Qualifications (RFQ) for the redevelopment of the Brownfield site at 828 Martin Luther King Boulevard. The principals of Belmont Sayre and the redevelopment team have more than 100 years of combined real estate, construction, and finance experience, with deep expertise in commercial, residential, institutional - all in a Brownfield setting. Belmont Sayre has gathered top industry experts in the following fields who are capable, ready, and willing to execute the Town of Chapel Hill and the community's redevelopment plans: general contractors, civil engineers, architects, environmental remediation, tax credit counsel and accountants, bankers and institutional tax credit investors.

We look forward to working with Town of Chapel and the community and your partners as we move through the RFQ process. Should you have any questions in regard to this submission, please feel free to contact the undersigned at (919) 885-4508 or John Gallagher at (919) 522.7289.

Sincerely,
Belmont Sayre, LLC

Kenneth Reiter
President

cc:
Dwight Bassett
Laura Selmer

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1. Executive Summary

Belmont Sayre's development team has unique expertise and experience focused on repurposing complicated, environmentally-challenged sites, like Chapel Hill's police station. Our engineering, planning and financial partners have led award-winning environmental restoration projects and managed millions of dollars of brownfields cleanup work. These projects have transformed blighted sites here in North Carolina and elsewhere across the US resulting in the creation of billions of dollars in community development value. Simply put, we are uniquely suited to help you with the police station.

1.1 Project Priorities

1. ENVIRONMENTAL STEWARDSHIP

Environmental stewardship is our highest priority and our team brings unique expertise to manage the coal combustion products (CCP) impacts at the site. The regulation of CCP was triggered by the legacy of large coal ash spills, including the catastrophic ash release in 2008 at a power plant in Kingston, TN, and the 2014 Dan River coal ash spill that occurred in Eden, NC. We will be following all federal and state requirements to provide a framework for the remediation of the Chapel Hill property and protection of human health and the environment, including guarding against the risks of contamination the land, air, groundwater and the Bohlin Creek surface waters.

2. FINANCIAL PERFORMANCE

We believe the site has significant potential to generate considerable revenue for the town, given its proximity to downtown Chapel Hill and the university and location along the future BRT line, as well as considering the area's overall growth as a world class center for research and development. Our team, with input from

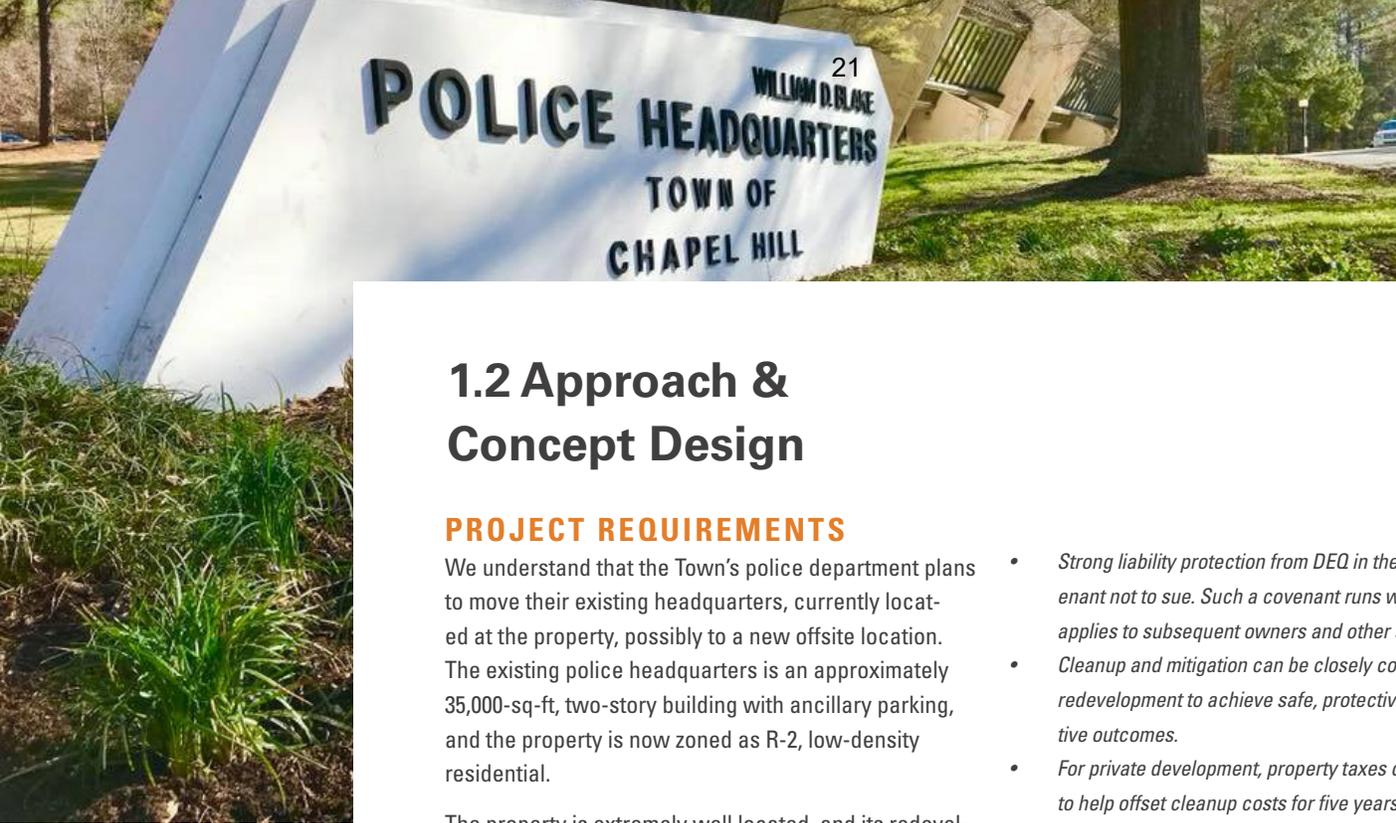
the community and town, plans to consider a series of economically viable reuse plans that will fully consider the CCP remediation and the possible continued use as a municipal services complex. The property's redevelopment, despite the environmental impairment, is viable and can be successful resulting in a multi-million-dollar mixed-use development that creates jobs, public benefits, sustained tax revenue and follow-on investment in the surrounding community.

3. MIXED-USE DEVELOPMENT

Our team believes that a host of dynamic mix of uses are possible that will include mixed income residential, commercial, retail, and possibly office, as well as continued use as a municipal services complex. Our focus will be to work with you to plan and design meaningful connections within the neighborhood to create value linking public, private, and institutional interests. An important aspect of the redevelopment program will be connections between the BRT transit plans and the property's redevelopment. We are confident in creating a program to repurpose the property that results in sustainable and continuing economic growth and increased tax revenues through job creation and physical investment in

4. PUBLIC PRIVATE PARTNERSHIP

Our team is a strong advocate for a public-private partnership (PPP) for the redevelopment of the property, particularly if the site is repurposed to be home to a municipal services complex, either as a sole use or along with other private uses. A public-private partnership creates an alignment of values and objectives. PPP increases the likelihood of meeting cost and schedule objectives, supports project financing, enhances community stakeholder engagement, and results in more successful outcomes.



1.2 Approach & Concept Design

PROJECT REQUIREMENTS

We understand that the Town's police department plans to move their existing headquarters, currently located at the property, possibly to a new offsite location. The existing police headquarters is an approximately 35,000-sq-ft, two-story building with ancillary parking, and the property is now zoned as R-2, low-density residential.

The property is extremely well located, and its redevelopment can include a dynamic, mixed-use development that takes full advantage of its proximity to downtown, the Bolin Creek Trail and future Bus Rapid Transit (BRT) line. Moreover, repurposing could include bringing Municipal Service Center back to the site with a variety of other mix of uses to create an important community asset.

Historically, the property was used as a gravel and fill borrow pit from the late 1950s through the early 1960s, and then an unlicensed coal fly ash and debris disposal site until the mid-1970s. Due to the disposal activities, which have impacted almost 50% of the site, the property was classified as an inactive hazardous site (Site ID No. NONCD0001486) pursuant to the state Inactive Hazardous Sites Response Act (the state Superfund cleanup program). Moreover, we understand the Town entered into a voluntary assessment and cleanup agreement with the NC Department of Environmental Quality, and for the past 6 or 7 years, you have commissioned a series of extensive environmental studies of the property.

In addition to the voluntary response actions, the Town has enrolled the property's redevelopment in the NC Brownfields Program established under the Brownfields Property Reuse Act of 1997 and received a Letter of Eligibility from DEQ on October 1, 2019. Participation in the Brownfields program provides a series of substantial benefits for redevelopment:

- *Strong liability protection from DEQ in the form of a covenant not to sue. Such a covenant runs with the land and applies to subsequent owners and other stakeholders.*
- *Cleanup and mitigation can be closely coordinated with redevelopment to achieve safe, protective and cost-effective outcomes.*
- *For private development, property taxes can be reduced to help offset cleanup costs for five years after redevelopment occurs under a special tax exclusion provided by the Brownfields Program and North Carolina's tax statutes.*

PROCESS & APPROACH

Belmont Sayre and the development team has extensive experience developing large-scale mixed-use communities in urban settings. Over the past decade, the team members have been involved in dozens of projects, millions of square feet of mixed-use development, acres of environmentally-contaminated land, and over \$500 million of investment, both direct and indirectly. We are a leader in creative financial methods, including Opportunity Zones (OZ), Historic Tax Credit (HTC), New Markets Tax Credits (NMTC), tax-increment financing (TIF) participation and Brownfield Remediation Tax Credits. Leveraging these scarce resources is a critical component to addressing these challenging sites. Our approach to these mixed-use opportunities involves a tremendous amount of coordination and communication in partnership with local officials, community residents, financial institutions, business leaders, and philanthropic sources.

In addition, the capabilities of our development, design and construction firms are unparalleled. Belmont Sayre has assembled a team of professionals that not only has prior experience in the very effort we propose, but also has specific knowledge of the existing planning, design, environmental, infrastructure and financial issues that are associated with this complex redevelop-

collaboration with the Town and community, has the ability to control the ultimate development for the property, while currently the future of the site is uncertain. Given the tremendous amount of effort and progress already made in preparations by the Town of Chapel Hill, we believe that this safekeeping period will be relatively short.

DEVELOPMENT ACTIVITIES & PROGRAMMING

During the safekeeping period, Belmont Sayre will work in collaboration with Town of Chapel Hill and its stakeholders and perform the following activities:

- **Environmental** – legal liability, risk assessment, environmental mitigation, demolition, salvage, additional testing
- **Financing** – traditional debt, HTC, NMTC and bridge to maximize available subsidy
- **Programming** – confirmation of office, residential and other mixed-uses for the site
- **Infrastructure** – on-site and off-site improvements, coordination with NC DOT/ bus-rapid transit planning
- **Parking/Additional Development** – structured and shared parking for various uses.

In addition to tackling the above issues, we will work with Town of Chapel Hill and community stakeholders to design and develop the optimal project with a mixture of civic, retail, office, academic, research and entertainment sites as warranted. The exact location of each use is not yet determined, but we see the ultimate program being approximately 80,000 square feet of commercial development, more than multi-family rental apartment units and associated surface and structured parking.

As part of this public-private partnership, we would also propose reaching out to the broader academic, professional and residential communities to obtain a better sense of the needs and desires of the community that will be served by this important corridor.

CATALYTIC IMPACT / COMMUNITY DEVELOPMENT

Public-private and institutional partnerships are a central element in our dedication to investing in urban neighborhoods. Our team's breadth of capacity in a wide range of University and mixed-use product types, enables us to structure a very strong and financial relationship with the Town of Chapel Hill in planning, developing and operating the best possible outcome.

Our best and most thoughtful projects come from community participation. Community centers and similar buildings reach diverse communities so the process of building consensus must be tailored to the specific needs of your community. Through a process of listening, learning, and leading, we can provide our design expertise without ignoring the attributes that resonate with a particular community. Our project team has not only extensive experience in the public engagement process, but we strive to create meaningful interaction and exciting settings in which our fellow neighbors can participate.

PROJECT PRINCIPLES

As part of our core mission of rebuilding neighborhoods across North and South Carolina, Belmont Sayre integrates, mixed-use, economic development, environmental protection, comfortable physical and visual connections, transit-related, sustainable, green/LEED, historic preservation, public space and critical mass techniques into the overall development strategy.

We have worked with many of the major Universities in North Carolina (including UNC, NC State, Duke and Wake Forest) and municipalities in North Carolina (Development Agreement with City of Mt Airy and Development Agreement with City of Hendersonville have seen first-hand the benefit of public-private partnerships to drive growth and innovation. By working together with the Town of Chapel Hill as a team to redevelop the property, we will have an enormous impact on the community's future.

We believe that redeveloping the property into an aesthetically-pleasing, mixed-use project will help the Town attract and grow retail, office and residential uses in the neighborhoods surrounding the property. The ability to transform the site into an anchor of activity is essential to the overall attractiveness and financial strength of the entire Martin Luther King Boulevard corridor. We believe that the property at 828 Martin Luther King Boulevard property is a fundamental link to connecting the main areas of activity within the larger context of the Town of Chapel Hill.

There are now many examples of redevelopments of urban, in-fill, environmentally-challenged site across the United States, some more successful than others. Through our development team's extensive national experience over many years, we have focused our approach on the following principles:

- Appropriate reuse program, density, and market readiness,
- Superior public spaces to counter the associated stigma of site, and
- Capitalize on tax incentives and creative public private financial structures

DEVELOPMENT SEQUENCING

Essential to the successful reuse and redevelopment of the site is (i) establishing a legal and financial structure and (ii) developing a strategy to handle any potential environmental risks. Without this, the redevelopment of the site will be delayed if not completely compromised. Initially, Belmont will consult with Town of Chapel Hill and other stakeholders to ensure that an acceptable resolution to these matters is achieved. Then, we will move quickly to pursue any demolition and cleanup and remediation of the parcels. An attractive site will allow the adjacent parcels to be developed more quickly and the property to come together more effectively and efficiently.

Upon completion of this preliminary work, the remainder of the property can then be held in "safekeeping" until such time as the development strategy can be fully executed. This is an important step in the process because it signals to the marketplace that development team, in

SUSTAINABILITY/ LEED

Developing LEED and sustainable projects is a core component of the Belmont Sayre venture – we look at this not as a cost factor but rather as an essential element at the heart of our commitment to building a great community in Chapel Hill. We will continue a commitment to LEED ND and Gold standard for individual buildings, and coordinate all activities with Town of Chapel Hill to meet or exceed your sustainability guidelines.

PHASING

We believe the entire property could and should be developed as one continuous phase. Due to the size, nature and extent of the various environmental, development and financial challenges, coordination of these activities over a number of months or years will most likely result in several continuous phases of development, possibly leap-frogged by other opportunities. It is important to demonstrate with certainty that the site will be developed and deliver an important message to the marketplace that has many options - that the 828 Martin Luther King Boulevard site and mitigation of the environmental conditions are imminent. There is no stronger indication to the marketplace than a vibrant mixture of uses functioning on a 24/7 basis.

Once the site is “capital ready” it will be a matter of the momentum of the leading projects lease-up and commitments and completion of any necessary infrastructure that will dictate the pace of redevelopment. Those signals to the market indicate that the transformation will occur and the property will attract the users we believe are ideally suited for the site.

As engagement facilitators, our focus is on the community engagement process overall. It's important that we consistently follow six (6) core practices; (1) stay neutral on content, (2) listen actively, (3) ask questions, (4) paraphrase to clarify, (5) collect ideas, and (6) synthesize ideas.

Initially, Belmont Sayre will conduct its activities to: 1) eliminate those barriers for capital entry into the project and allow the site to be transferred from the Town of Chapel Hill at the appropriate time in the future and 2) allow for Belmont to begin site preparation and demolition, clean up and remediation. We will work early in the process to identify site control challenges and develop an understanding of the impact of the local demographics on the proposed program. Local demographics, neighborhood market and the social dynamics are critical to the success of the project.

DESIGN CONCEPTS

A key component to the economic viability of the project and a sustainable revitalization plan lies in partnerships and connections between the existing neighborhoods. By connecting the space spatially and functionally, the area will be able to share and leverage infrastructure, activity and culture. By being located near a major highway and primary road system, the project is well positioned with a direct and strong connection to the surrounding overall context. These connections will assist in making the project a dynamic and thriving place. A concept rendition drafted by architect Little has been attached hereto for indicative purposes only.

PROPERTY

The parcels included in the Little rendition include approximately 10 acres of land and buildings as follows:

- 60k-80K SF Office
- 15k SF Retail
- 300 Residential Units
- 466 Multi-Use Parking Spaces

While the precise repositioning of the property will be determined after detailed conversations with Belmont Sayre and other interested stakeholders, it is fully contemplated that a significant portion of the existing property will be used for core commercial and residential uses with supportive surface and structured parking, including the ability to relocate the Municipal Service Center back into the redevelopment. Nonetheless, the coincident and adjacent space and uses are often what “make or break” the underlying core space, including the following elements.

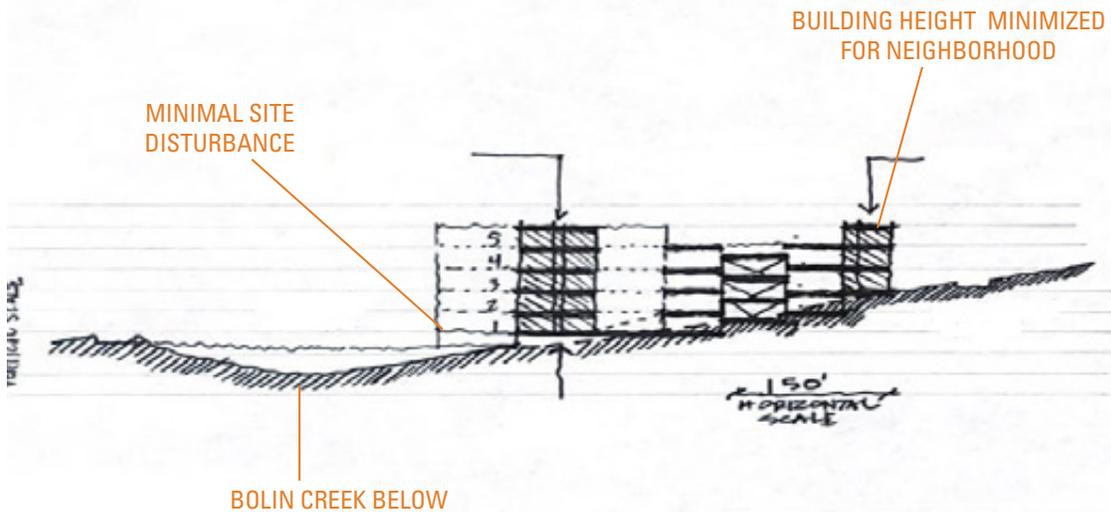
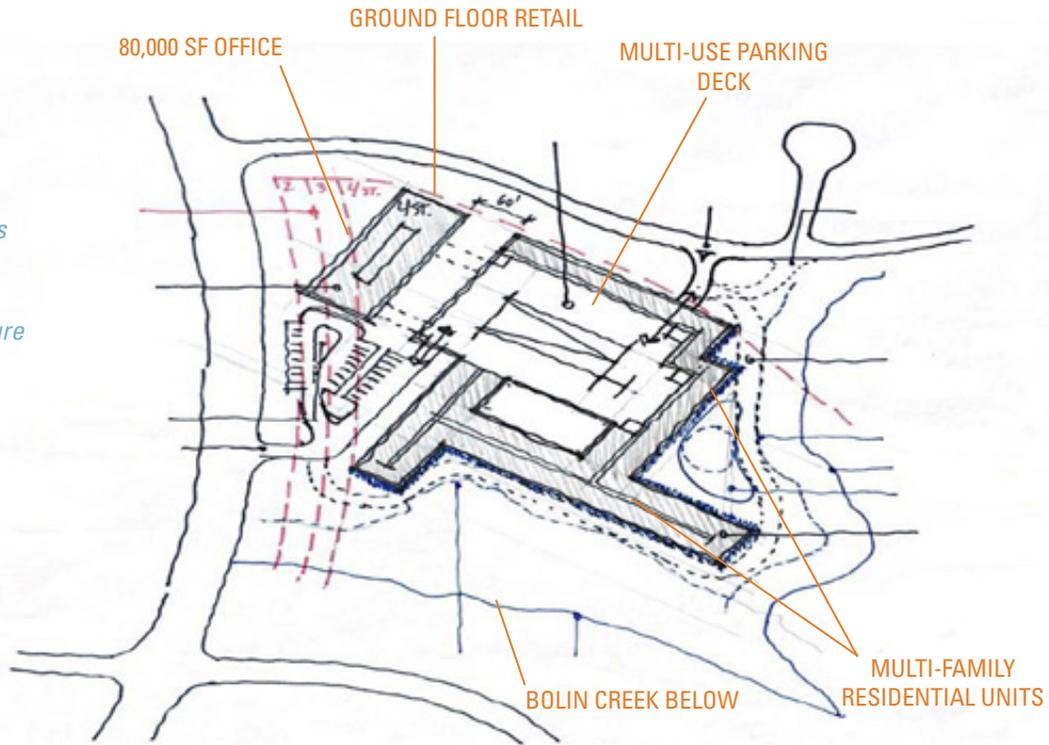
OPEN/ PUBLIC SPACES

Open space and public space when defined by the surrounding settings creates a sense of place in a neighborhood. The open space provides a break in the architectural setting and an opportunity for the community to gather. The property to be redeveloped is challenged with massing at the street-level and a lack of open space. Developing some open/public space as part of the Bolin Creek trailway will provide connectivity to other areas in the neighborhood and beyond.

Concept Design

At Little, our focus on mixed-use destinations looks to create that sense of place, which requires not only attention to the proposed experience, but the context within which this site exists. Careful attention is paid to understanding the value of this beautiful setting, where access to Bohlin Creek is an amazing feature. Collaborating with a team well experienced in brownfield remediation, our team sought to maximize the site's potential with minimal disturbance, offering options for office, apartment and retail mixes that optimized the value to the owner and the town.

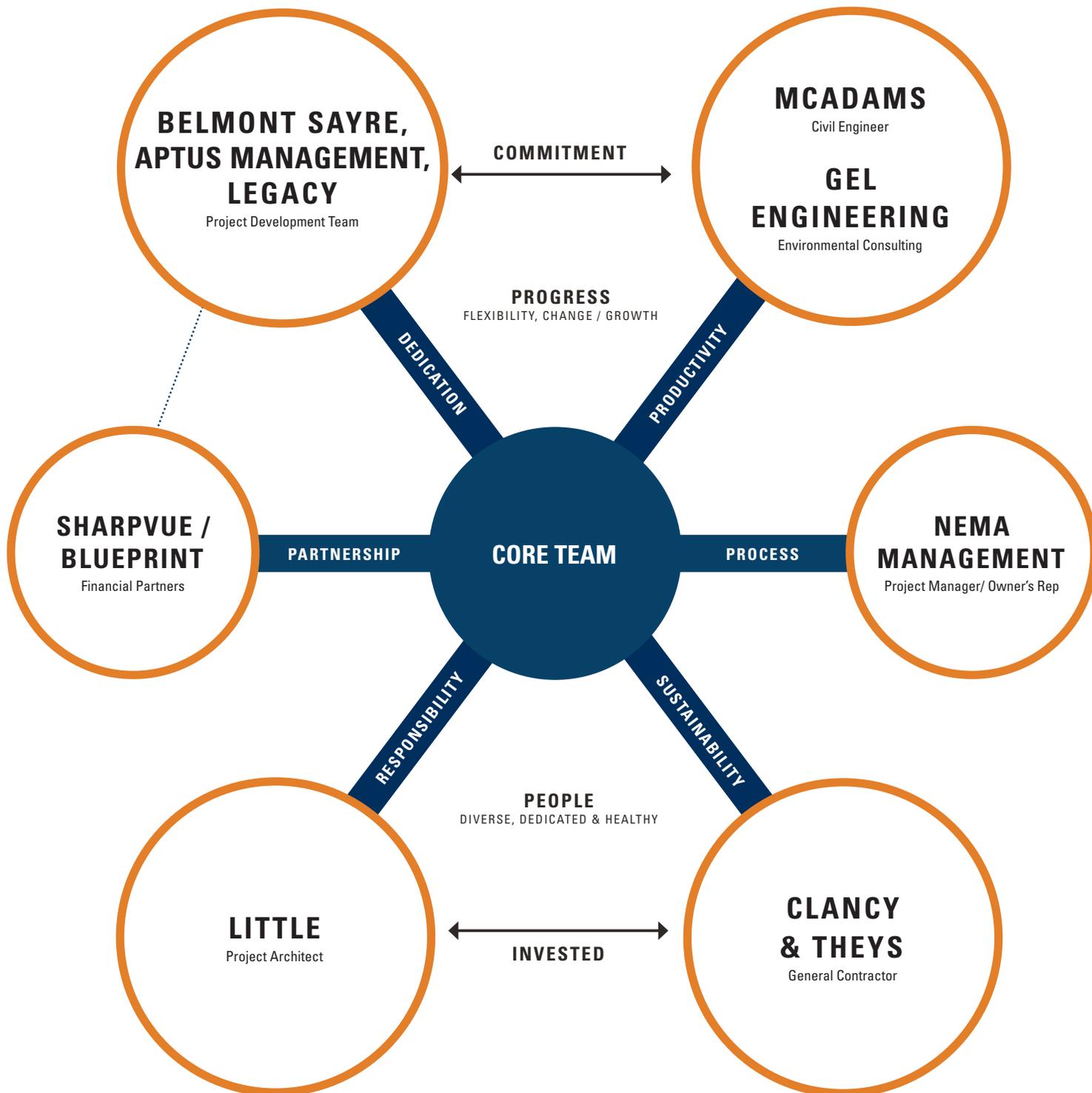
*Mixture of Uses
Ample Parking
Access to Nature*



*Building Height Sensitive to Context • Maximum Density with Comfortable Scale
Minimal Excavation/Site Disturbance • Creek Below*

2.

Team Qualifications & Experience





Firm Summaries

BELMONT SAYRE

Belmont Sayre, LLC specializes in the development of mixed-use investments in downtowns and urban neighborhoods and is a leader in the adaptive reuse of historic, environmentally-challenged buildings.

We not only see infinite possibilities in urban neighborhoods, but we also strive to become the catalyst for further change. Whether creating exciting retail venues, restoring celebrated historic buildings or leading sustainable developments, we always focus on our ultimate vision - creating a place that will impact many people's lives, a place that will attract people, a place that people feel good about, a place that people will want to visit, a place where people will want to live.

APTUS MANAGEMENT

Aptus is a registered engineering firm that provides professional consulting and comprehensive engineering services associated with brownfields redevelopment and disposition of environmentally impaired assets. The firm is the environmental professional of record for over a dozen brownfields property Environmental Management Plans, including the EMP for

Raleigh Union Station focused on management of Coal Combustion Products (CCP) and other environmental impacts at the site.

Over the past 11 years, Aptus has managed brownfields redevelopment projects in the Triangle and elsewhere in North Carolina, which have resulted in over \$2 billion of community investment. Notable Aptus projects include Raleigh Union Station, Raleigh CAM, RUS Bus, the restoration of the Flynt Fabrics Mill in Hillsborough in Orangs County, Passage Home's community redevelopment site in low-income southeast Raleigh, and a number of other sustainable mixed-use developments in greater Wilmington, Charlotte, Durham and Raleigh.

LEGACY REAL PROPERTY GROUP

Legacy Real Property Group, LLC is a real estate development firm located in the Southern Part of Heaven, Chapel Hill, North Carolina. Legacy RPG has a broad range of experience in horizontal land development, new vertical development (multi-family, office, mixed use, retail) and the redevelopment of existing assets. Legacy RPG pursues development projects that meet their criteria for performance, sustainability and quality. In addition to real estate development projects, Legacy RPG also pursues investment opportunities for its Principals and core business partners. Legacy RPG provides

various management services for projects and existing income producing property on behalf of its Principals and core business partners. The Team at Legacy RPG strives daily to provide high quality management of its ongoing projects and current asset responsibilities. The Team focuses on our core mission and vision and looks to improve what we do every day.

NEMA MANAGEMENT

NEMA Management is committed to adding value to each and every project. With a deep and integrated understanding of what drives projects, NEMA offers design and construction guidance and leadership for a wide range of large, complex projects. We bring an experienced team who will quickly identify the critical issues and lead the project team down a carefully planned path. Our team's attention to detail and expertise will ensure your project is thoughtfully planned, intelligently designed, and properly executed.

NEMA provides planning, design, construction, and development related advisory services as a valued extension of your organization. We manage and oversee the team as it produces its collective deliverables, keeping clients informed and engaged throughout the process. NEMA Management provides the extra leverage to ensure projects are designed efficiently, fit the budget, stay on schedule and perform as needed.

GEL ENGINEERING

Since 1981, The GEL Group, Inc. (GEL) has conducted thousands of environmental assessments and redevelopment projects across the Carolinas. With over 300 employees, GEL is one of only a few firms that provide environmental consulting, remediation design, civil engineering, surveying, geophysics, and laboratory analysis all under one firm.

Our Brownfield projects have ranged from small single parcels, to one of the largest privately financed Brownfield projects in

the country, to managing EPA Brownfield Assessment Grants. In addition, GEL staff have organized and moderated North Carolina's Brownfields redevelopment forum and served on North Carolina's Brownfield Study Commission.

GEL has conducted investigations at sites with complex contaminant distributions including coal combustion residuals (CCR). Our designers and inspectors have extensive experience identifying, sampling, and managing CCR materials.

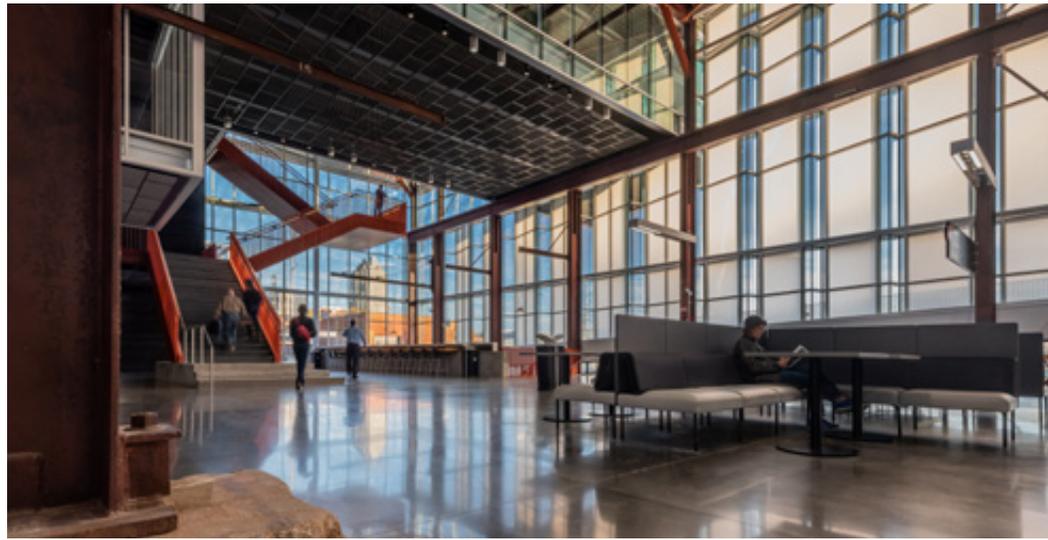
McADAMS

Founded in 1979, McAdams is a full-service civil engineering, land planning, landscape architecture and geomatics firm headquartered in Durham, North Carolina with offices in Raleigh and Charlotte, North Carolina and Dallas-Fort Worth, Texas. McAdams has built its reputation throughout the industry over 41 years by delivering unmatched expertise and unwavering commitment to clients in a variety of markets including municipal, education, healthcare and energy, as well as commercial and residential development.

The firm is comprised of over 280 professionals including over 100 professional engineers and engineering designers, 17 registered landscape architects, four certified planners, 14 professional land surveyors, 10 LEED certified professionals, three certified floodplain managers, one certified floodplain surveyor, two certified professional wetlands scientists and one certified professional in erosion and sediment control.

LITTLE

With over 385 professionals in five locations across the country, Little delivers results beyond architecture by combining great design that is responsive to the client, successful in expectation, responsible in design and beautiful within our environment. Our comprehensive offering includes architecture, engineering, interior architecture, land development



services, workplace strategies and space management, graphic design, building technology applications, computer animation and internet application solutions.

At Little, we approach every client, every site and every occupant as unique, and strive to solve problems with great design, as both a trusted financial partner and steward for the environment and its community. We incorporate an intense visioning session with each client, and when appropriate engage all aspects of the local community for maximum acceptance alongside the goals of client objectives. Our work with all counties in the Triangle speaks to that, as do our relationships with the stakeholders. We strive for measurable outcomes, invigorate your people, expand sales, create efficiencies, minimize energy usage, magnify visibility, reduce costs, and enhance profitability—just to name a few.

We deliver results you wouldn't expect from an architectural firm.

CLANCY & THEYS

Clancy & Theys Construction Company is one of the largest vertical builders owned and headquartered in North Carolina. Originally founded in Raleigh in 1949, by brothers-in-law E.I. Clancy and Johnny Theys, the company has become one of the largest privately-owned

entities in the state and one of the largest Contractors in the Southeast and the nation according to Engineering News Record (37th, 168th respectively). Mr. Clancy's sons have run the company since 1986. Tim is president and Tick is executive vice president. Clancy & Theys has 5 offices in the southeast region of the US. The company's headquarters is in downtown Raleigh, North Carolina and we have additional locations in Wilmington and Charlotte, North Carolina; Newport News, Virginia; and Orlando, Florida.

The company's work in the past three decades has been primarily focused on projects involving team approaches to design and construction, including Team-Build, Design/Build and Construction Manager at-Risk. Much of this is work on municipal and state led construction projects. As a result, our project team is well-versed in public CM at-Risk procedures, and the requirements to maintain a safe, efficient construction site.



KENNETH M. REITER
PRESIDENT

BELMONT SAYRE

Kenneth M. Reiter brings almost 20 years of experience in real estate development and finance, fiscal and economic analysis, and planning and public-private partnerships from Chicago and Southeast Michigan to North Carolina. Kenneth has worked in both the public and private sector focusing in the redevelopment of urban neighborhoods. Kenneth has earned a Masters of Urban Planning from the University of Michigan, as well as graduating with honors from Northern Illinois University earning a Bachelor of Science degree in Accountancy. He earned his Certified Public Accountant certificate in Illinois and worked in the Chicago office of Deloitte & Touche in their finance, insurance and real estate practice. Ken has served on both the Executive Committee and Board of

Directors for Downtown Durham Inc.. He currently sits on the Board of Directors for the Contemporary Art Foundation and is on the Executive Committee and is Treasurer of the Community Home Trust in Orange County, NC.



JOHN GALLAGHER
PRESIDENT & FOUNDER

APTUS MANAGEMENT

John has a unique 30-year career focused primarily on brownfields site redevelopment, and real estate and environmental management services, including project financing, remediation, specialty insurance, risk/liability management and sustainability program development. He is a leading, nationally recognized expert in all aspects of in-fill redevelopment and brownfields site reclamation.

Earlier in his career, John served in the U.S. EPA Superfund program, as a consulting engineer and with Eastman Kodak Company.

John has led brownfields redevelopment of numerous high-profile sites, including as an investor and in a principal capacity, and in partnership with private developers and public sector and municipal clients.



MARK MOSHIER
PRINCIPAL

LEGACY REAL PROPERTY GROUP

As a founding partner at Legacy Real Property Group, Mark is responsible for the day to day operations of the company. This includes Legacy's pursuit and execution of new Development and Investment projects as well as their daily Asset and Property Management responsibilities. Surrounded by a highly capable team in the Legacy home office, Mark is able to follow his roots in design and construction by getting intimately involved in almost all of Legacy's projects. Mark acts as Project Manager and/or Owner's Rep on many of Legacy's projects.

SELECT PROJECT EXPERIENCE:

- Maynard Station, Cary, NC
- ACHC Headquarters, Cary, NC
- Weldon Downs Community, Durham, NC
- Wilshire I&II, Chapel Hill, NC
- Shelton Station Phase 1 & 2, Carrboro, NC



DREW LANGSAM
LEED AP
PRINCIPAL & SENIOR PROJECT MANAGER

NEMA MANAGEMENT

Drew focuses primarily on a disciplined and collaborative approach to construction management. Drew uses his past hands on general contracting experience to problem solve and his attention to detail ensure all issues are appropriately addressed and that projects are managed effectively and efficiently. During his career, Drew has worked on projects totaling over \$2 Billion worth of construction volume ranging in size from 1,000sf to 2,000,000sf. He has held a wide variety of roles and executed varying project types from senior living life plan communities, healthcare facilities, data centers, corporate office, higher education, K-12, to multi-family including affordable housing, as well as recreation centers and sporting facilities.

SELECT PROJECT EXPERIENCE:

- Bullhouse Apartments , Durham, Liberty Warehouse Mixed Use Apartments , Durham, NC
- Sancar Turkish Community and Cultural Center , Chapel Hill, NC
- Village Plaza Mixed Use Apartments, Chapel Hill, NC
- NC East 54, Building 5000 Multifamily, Chapel Hill, NC
- The Graduate Multifamily, Chapel Hill, NC
- Murray Hill Townhomes , Chapel Hill, NC
- Liberty Warehouse Mixed Use Apartments, Durham, NC
- NC Ovation at Weston, Cary, NC
- Rigsbee Apartments, Durham, NC



BILL DERKS
PE
CIVIL ENGINEERING

MCADAMS

As a vice president of McAdams' Raleigh-Durham Land Development department, Bill provides expertise in civil site design while managing projects, budgets and staff. Bill has worked on numerous large profile projects throughout North Carolina. His experience in design is an asset to his clients in the management of their projects. Bill implements a driven approach to managing client accounts to ensure the completion of projects in a timely and cost-effective manner. Bill has 30 years of experience and has been with McAdams since 1996.

SELECT PROJECT EXPERIENCE:

- Fire Station at East 54, Chapel Hill, NC
- Cary Transit Operations + Maintenance Facility, Cary, NC
- Meadowmont, Chapel Hill, NC
- East 54, Chapel Hill, NC
- Carraway Village , Chapel Hill, NC
- Park at Chapel Hill , Chapel Hill, NC
- Chapel Hill Country Club Expansion, Chapel Hill, NC
- Murray Hill at Meadowmont, Chapel Hill, NC
- Obey Creek, Chapel Hill, NC



MARCUS ACHESON
AIA
PROJECT PRINCIPAL

LITTLE

Marcus leads the Workplace Office Studio for Little and is experienced in organizing and leading large, multi-disciplinary teams of complex projects. He has considerable experience developing projects for corporate, research, and academic clients. His architectural vision stems from his artistic background which translates into unique buildings appropriate for their function and context.

SELECT PROJECT EXPERIENCE:

- Smoky Hollow Office Building, Raleigh, NC ***Brownfield Site**
- Churchill Office Building, Tri Properties, Durham, NC
- Durham City Center, Durham, NC
- Greensboro News & Record, Greensboro, NC
- SECU, The Parkline, Chapel Hill, NC
- Wakemed Medical Office Building, Raleigh, NC



MICHAEL COATES
AIA, NCARB
PARTNER / DESIGN PRINCIPAL

LITTLE

Michael has more than 27 years of architectural design experience with projects ranging from office to educational to corporate headquarters. He has extensive experience in master planning, project visioning, and creating and developing comprehensive design solutions. Michael directs and supports a team approach to problem solving and inventing new ideas. He sets the bar high at Little for design excellence and the ability to inspire others to find optimal solutions.

SELECT PROJECT EXPERIENCE:

- Smoky Hollow Office Building, Raleigh, NC *Brownfield Site
- Fairwinds Credit Union Headquarters, Orlando, FL
- Stanhope Student Apartments, Raleigh, NC *Brownfield Site
- Campbell University School of Nursing and DPT, Buies Creek NC
- AdventHealth West Headquarters, Roseville, CA
- Churchill Office Building, Tri Properties, Durham, NC
- Durham City Center, Durham, NC
- Greensboro News & Record, Greensboro, NC



JOHN ANDRAS
VICE PRESIDENT, PRE CONSTRUCTION

CLANCY & THEYS

John Andras has been the leader of Clancy & Theys' estimating department for over twenty four years. The majority of Clancy & Theys' construction projects require intensive preconstruction efforts for projects utilizing a team approach to design and construction. John provides invaluable construction expertise which furnish cost saving ideas and constructability reviews as early as the conceptual stage of the project.

SELECT PROJECT EXPERIENCE:

- Smoky Hollow Development, Raleigh, NC * Brownfield Site
- Raleigh Union Station, Raleigh, NC * Brownfield Site
- The Dillon Apartments, Raleigh NC * Brownfield Site
- Stanhope Student Apartments, Raleigh, NC, * Brownfield Site
- Seaboard Station, Raleigh, NC *Brownfield Site

3.

Relevant Project Experience

OUR SUBMISSION AND CHAPEL HILL'S PRIORITIES & SCORING

1. Brownfield Redevelopment Experience

Collectively, our team has unprecedented brownfields redevelopment experience with projects in the Triangle, elsewhere in North Carolina and throughout the United States. This has resulted in over \$4 billion of community investment and development. Team members have served in all aspects of brownfields redevelopment as the development lead, environmental assessment and remediation manager, site/civil designer, architect, and construction contractor on many of the area's most important brownfields community redevelopment projects. In North Carolina, these include those highlighted in our submittal: Raleigh Union Station, Raleigh CAM, Spencer's Mill, Transfer Co., Stanhope and the other Raleigh and Durham mixed-use projects.

Our experience extends outside of North Carolina and includes notable projects in South Carolina and elsewhere in the southeast, and in the mid-Atlantic states, New England, Texas, Colorado and the west coast. Among other projects, our team members led redevelopment of the Macalloy Superfund site that is now home to a successful commercial/light industrial center and intermodal port facility. The cleanup, decommissioning and redevelopment of the former steel alloy plant won national recognition as the 1000th federal NPL site to be addressed in the 25-year history of the EPA's Superfund Program -- it is widely considered to be a model for successful brownfield restoration.

2. Brownfield Redevelopment Experience in North Carolina

While our team has completed a number of brownfields redevelopments outside of North Carolina, our entire team is locally based and brings in-depth, first-hand brownfields redevelopment experience in North Carolina. As outlined above, the depth of our team's North Carolina experience is unprecedented. Together we have worked on approaching 50 brownfields redevelopment sites in the state, including the specific highlighted projects provided here. And in addition to those individual projects, we have led or made significant contributions to a host of other sustainable community development efforts at brownfields sites in the greater Triangle, Wilmington, Charlotte, Durham, and the Triad. Finally, our team works closely with DEQ's Brownfields Program on policy matters and we have been frequent contributors to the program's success.

Our team members have been the environmental professional of record for over a dozen brownfields property DEQ Environmental Management Plans and served as the contractor implementing those plans, including the EMP for Raleigh Union Station focused on

management of Coal Combustion Products (CCP) and other environmental impacts.

3. Public / Private Partnerships

Our team is a strong advocate for a public-private partnership (PPP) for the redevelopment of the property, particularly if it is repurposed to be home to a municipal services complex, either as a sole use or along with other private uses.

Our team has extensive experience with public/private partnerships including our work for Raleigh CAM, with City of Raleigh and NC State as project participants, Raleigh Union Station and RUS Bus, partnerships with GoTriangle, Raleigh and NCDOT, and our work with Chapel Hill. For public/private partnerships, our team has also been involved in the sale of brownfields sites from municipalities to development entities pursuant to NC General Statute 160A for community development. This includes the Grey Mills and Spencer's Mills sites, the Chapel Hill Fire Station, and the Transfer Co. and the Raleigh Residence Inn, two Raleigh-owned properties conveyed for development.

4. Experience in Construction of Government/Quasi-Government Facilities

As outlined above, our work has included development and construction of government facilities, including in Chapel Hill and throughout the state. Clancy & Theys, our construction management partner, built Raleigh Union Station and a host of other notable government and public facilities, including, among others, the Onslow County Court House and Human Services facility, Raleigh's central communications center, the Jacksonville Center for Public Safety, and the Chatham County Justice Center. Similarly, other team members – Little, Belmont Sayre, NEMA and Aptus – have all been involved in construction of government facilities, often in urban settings and at brownfields sites. Little is a leading designer of government facilities for universities and municipalities – among their projects are the Wake Forest Town Hall, Holly Springs Library and a host of others.

5. Experience with Developments in Opportunity Zones

Our team is participating in a number of projects located in Opportunity Zones, including most recently in Raleigh, Durham and elsewhere in North Carolina. As project plans are prepared, we will fully consider Opportunity Zone financing and economic development incentives.

In 2018 the Town of Chapel Hill, Office of Economic Development, applied for the area in and around the property (census tract 37135011400) to be approved as a NC-designated Opportunity Zone.

It was approved and is the sole Opportunity Zone in greater Chapel Hill. Opportunity Zones are focused on economic development and are an incentive for long-term investments in under-served, low-income urban and rural communities. The census tracts for this redevelopment area is the only one in greater Chapel Hill recommended by Governor Cooper to the US Treasury to be designated as priority for reinvestment and community and economic development as Opportunity Zones pursuant to the federal Tax Cuts and Jobs Act of 2017.

6. Community Redevelopment Projects in General

All of our brownfields projects and the large number of conventional real estate developments our team has supported have significant community redevelopment components. We have been involved in transformative community redevelopment efforts in Durham's Innovation District, the Historic Depot District in Raleigh (home to Raleigh Union Station, RUS Bus, Raleigh CAM, and the Dillon mixed use development), the Piedmont Triad Research Park.

As mentioned above, our recent collective work has resulted in over \$4 billion of community investment and development

7. Community Meetings and Neighborhood Involvement

Virtually all of our projects involve community outreach, meetings and neighborhood involvement. Because the Belmont Sayre team develops and invest in distressed communities and environmentally-challenged sites we are prepared and welcome the interaction and engagement of the community and stakeholders. It has been our experience that while the process of engagement can be time-consuming and sometimes frustrating and confusing for all participants because of the complexity of these types of develops, it has been our experience on all our projects that the product is superior.

Specifically, as part of the Brownfields redevelopment process, there is particular attention to community engagement and we pride ourselves on meaningful community engagement. Further, we routinely conduct outreach, manage public notice and comment components for our NC brownfields projects.

At Belmont Sayre, we welcome the opportunity to partner with civic leaders, major institutions, and philanthropic partners, and the community and we enter each project with a spirit of collaboration to create healthy and successful communities.

In addition, we strive to maintain a dedication to authenticity and a commitment to our financial partners. We consider real estate development from a human perspective but recognize the financial realities of each investment.



As you'll see below, the Belmont Sayre team has experience in all project types relevant to this project. In addition, the following pages will highlight projects that show expertise specific to your project.

Project	Lead	Scoring Criteria							
		Brownfield	Brownfield in NC	Public-Private Partnership	Construction of Govt/Quais-Govt Facility	Development in OZ	Other Investment Credits	Community Development Projects	Community Meetings & Neighborhood Involvement
CAM Raleigh Raleigh, NC	Belmont, Aptus	X	X	X	X		HTC, NMTC	X	X
Union Station Mt. Airy, NC	Aptus, Clancy	X	X	X	X			X	X
Transfer Co Food Hall Raleigh, NC	Aptus	X	X	X	X			X	X
Smoky Hollow Raleigh, NC	Aptus, Little, Clancy	X	X					X	X
Stanhope Raleigh, NC	Aptus, Little, Clancy	X	X	X	X			X	X
Fire Station at East 54 Chapel Hill, NC	NEMA, McAdams	X	X	X	X			X	X
Roxboro at Venable Center Durham, NC	NEMA, McAams, Clancy	X	X			X		X	X
Bullhouse Apartments Durham, NC	NEMA, McAams,	X	X			X		X	X
Shelton Station Carrboro, NC	Belmont Aptus Legacy			X	X			X	X
Grey Mill Hendersonville, NC	Belmont Aptus GEL	X	X	DA			HTC	X	X
Spencer's Mill Mt. Airy	Belmont Aptus GEL	X	X	DA			HTC	X	X

DA - Development agreement with local and state agencies
 HTC - Other investment tax credits, Historic tax credits
 NMTC - Other investment tax credits, New Markets tax credits



CAM RALEIGH

Raleigh, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

Belmont Sayre

PROJECT HIGHLIGHTS:

- Brownfield Site
- Public/Private Partnership

Belmont Sayre led the financing for the redevelopment of a historic warehouse building in Raleigh's Depot District for a sponsorship group consisting of the City of Raleigh, NC State University's College of Design and the non-profit Contemporary Art Foundation. Our development team and financial partners secured over a \$3.5 million subsidy for the project -- representing over 50% of the cost -- through a combination of North Carolina Mill Rehabilitation, federal historic and New Markets tax credits. We also managed a complicated brownfields agreement and helped direct the site design, construction and redevelopment program for CAM's new permanent home, which opened in April 2011.



RALEIGH UNION STATION

Raleigh, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

Aptus Management
Clancy & Theys

PROJECT HIGHLIGHTS:

- Brownfield Site
- Seeking LEED Certification

Clancy & Theys and Aptus Management were key team members in redevelopment of the new Raleigh Union Station, a multi-modal transportation hub in Downtown Raleigh that adaptively reuses the industrial Viaduct Building and improves rail infrastructure and regional connectivity. It is centrally located in downtown Raleigh’s historic Warehouse District, the project is a partnership between the City of Raleigh and the NC Department of Transportation and has catalyzed over \$700 million in transit-oriented residential and commercial development in the surrounding area. The station is served by high speed rail service with expansion planned in the coming years. It also serves as a gathering place with office and retail space, a soaring atrium

preserving industrial elements and a public plaza.

Clancy & Theys provided a CM at-risk for Raleigh Union Station. Conversion of an existing mid-century industrial building into a state-of-the-art urban transportation center housing intercity passenger rail facilities, commercial lease space, significant interior and exterior civic spaces and major public infrastructure improvements. Aptus Management headed the environmental programs, including the remediation of impacted fill, debris and Coal Combustion Products (CCPs), and the Brownfields Agreement process for the train station’s reuse.





THE TRANSFER CO FOOD HALL

Raleigh, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

Aptus Management

PROJECT HIGHLIGHTS:

- Brownfield Site
- Public/Private Partnership

Aptus Management led the Brownfields Agreement process for the Transfer Co. redevelopment in downtown Raleigh. The historic site was home to Stone's Warehouse, a city-owned property that was repurposed in a public/private partnership in an effort to build economic capacity for the residents and minority business enterprises of the surrounding neighborhood. The publicly-owned property was home to an intercity bus maintenance garage, Raleigh Rescue Mission facility and healthcare clinic. It was conveyed for redevelopment in compliance with NC General Statute 160A-457. Today, Transfer Co is a space for local food producers, vendors, restaurateurs, their guests, and the local community. Transfer Co.'s mission is to be the gathering place where different communities can connect through food.



SMOKY HOLLOW DEVELOPMENT

Raleigh, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

Aptus Management
Clancy & Theys
Little

PROJECT HIGHLIGHTS:

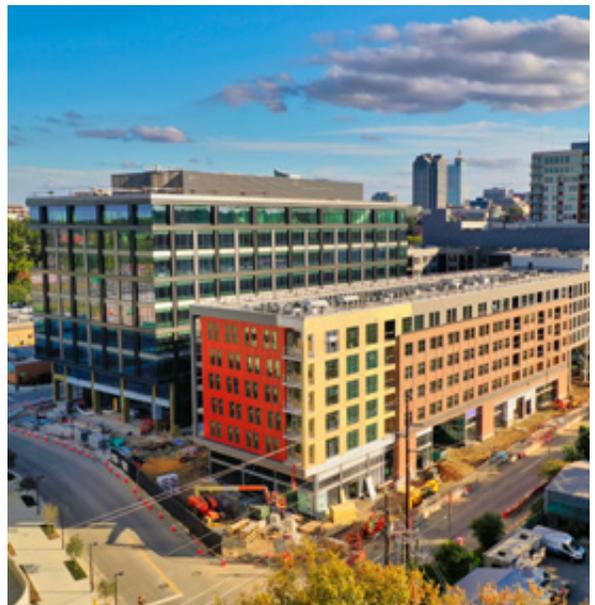
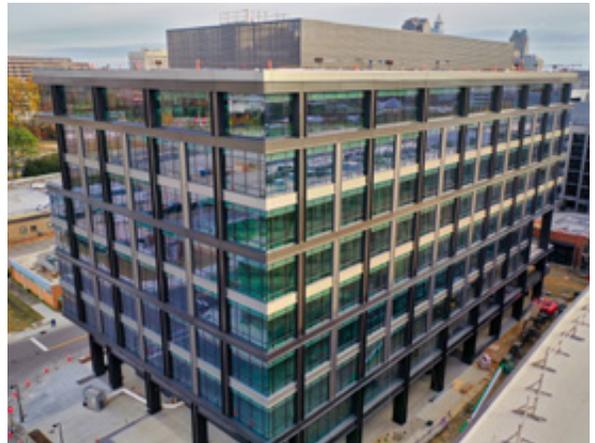
- Brownfield Site
- Mixed-Use
- Concrete Podium

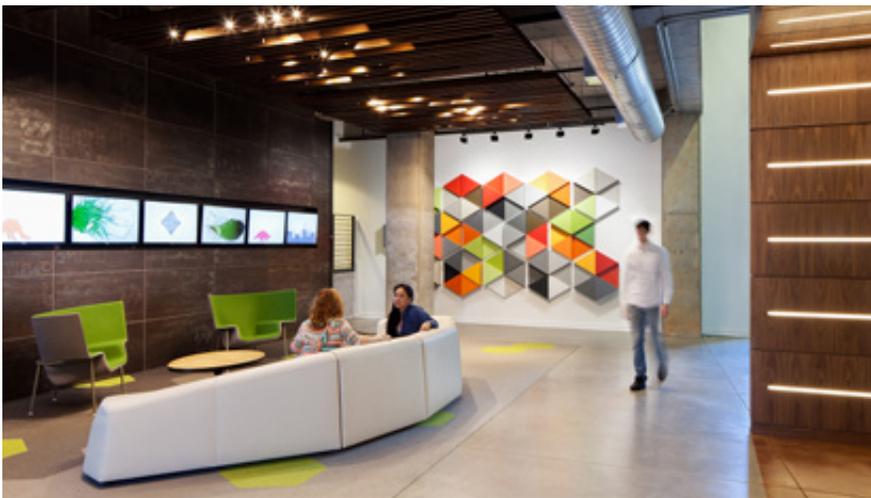
Located in the old Smoky Hollow neighborhood in downtown Raleigh, this development is an 11-story, urban, mixed-use project anchored by a 67,700 sq ft Publix grocery store.

The Line Downtown Raleigh Apartments is part of the Smoky Hollow Phase 2 development. It is the second phase in a large urban mixed-use development in Downtown Raleigh. Phase 1 is the Peace Development highlighted on the previous page. There will be a 305,327 SF residential apartment complex with 31,000 SF of retail space on the ground level. The apartments will be 5 stories of wood construction over a concrete podium.

Smoky Hollow phase 2 also includes a new 9-story, 250,000 SF office building with over 10,000 SF of retail space on the ground level and a 250,000 SF, 10-story parking garage.

The office and residential building will form a courtyard with inviting hardscapes and art. The project is located between the new Peace development and The West apartment building on West Street.





STANHOPE STUDENT APARTMENTS

Raleigh, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

Aptus Management
Little
Clancy & Theys

PROJECT HIGHLIGHTS:

- Brownfield Site
- Public/Private Partnership
- Mixed-Use

Developed on a brownfield site, phase II of this student housing project at North Carolina State University includes 300 fully furnished residential apartment units with 822 beds totaling 430,000 sq ft. The project includes commercial retail space totaling 25,000 sq ft and a 725-space pre-cast parking deck. Construction types include type IA under podium, IIB parking deck, type IIIA slab-on-grade, type VA above podium.

This project had a strict schedule in order to accommodate student move-in dates in early August 2015. Late was not an option. The early finish for the project allowed the leasing office to offer and take advantage of early student move-in opportunities.



FIRE STATION AT EAST 54

Chapel Hill, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

McAdams

PROJECT HIGHLIGHTS:

- Mixed-Use Development
- Redevelopment of Fire Station

McAdams was called up to assist in preparation and processing of a Development Agreement Permit and Final Plans for the redevelopment of the Hamilton Road Fire Station property in Chapel Hill, North Carolina.

We provided civil engineering, planning, stormwater and surveying services for the 50,000-square foot office building, a two-level parking structure and a new Town of Chapel Hill Fire Station. This project was strategically located along the future Durham-Orange Light Rail Transit line and the NC-54 growth corridor of Chapel Hill. The Station at East 54 is a redevelopment to replace a functionally obsolete fire station and expand the dynamic mixed-use East 54 development.

BULLHOUSE APARTMENTS

Durham, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

NEMA Management
McAdams

PROJECT HIGHLIGHTS:

- Brownfield Site
- Opportunity Zone

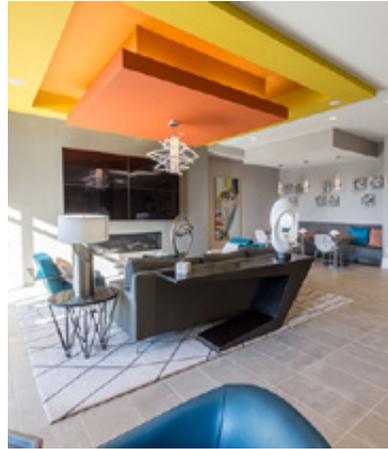
NEMA Management was selected by Woodfield Partners to assist in the entitlement and construction management of first phase of the Gateway Center mixed use project located on the old Hendrick Chevrolet property situated between downtown Durham, the Durham Freeway and the very successful American Tobacco / Durham Bulls development. The first phase includes 305 luxury apartments, extensive amenities and structured parking deck. Site required environmental clean up through

the NC DENR Brownfields program and is situated on a proposed light rail transit stop. NEMA is providing permit expediting, value analysis and construction management services.

Services Provided:

- Geotechnical Studies
- Utility Coordination
- Establish GMP
- Budget Control
- Value Analysis
- Construction Management
- Quality Assurance

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ROXBORO AT VENABLE CENTER

Durham, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

NEMA Management
Clancy & Theys
McAdams

PROJECT HIGHLIGHTS:

- Brownfield Site
- Mixed-Use
- Opportunity Zone

NEMA Management provides development oversight for lead equity partner in the development of Roxboro at Venable Center. The building will be home to 202,000 square feet of Class A office and retail space and 200 luxury apartments. Our team monitors and coordinates the efforts of a joint venture between two development teams. The project included significant unsuitable soils/rock, environmental remediation through brownfield agreement, working with Durham to relocate infrastructure including waterlines, traffic signals, street lights and constructing a new

urban road through the campus. We coordinated relocation of Duke Energy powerlines into underground ductbank and provided stormwater mitigation through underground detention system.

Services Provided:

- Equity Oversight
- Joint Venture Coordination
- Utility Coordination
- Establish GMP
- Construction Management
- Construction
- Schedule Monitoring
- Quality Assurance
- Civil Engineering



SHELTON STATION

Carrboro, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

Belmont Sayre
Legacy
Aptus Management

PROJECT HIGHLIGHTS:

- Mixed-Use
- Public Private Partnership
- Community Development
- Community Engagement



The Shelton Station development is a 22,716 SF commercial retail and office space development. It also includes 94 residential units, comprised of 20% affordable housing. It is a four story, stick-built project on a podium parking deck with underground stormwater. It was designed to LEED design standards.

GREY HOSIERY MILL

Hendersonville, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

Belmont Sayre
Aptus Management
Legacy

PROJECT HIGHLIGHTS:

- Brownfield Site
- PPP Development
- Community Dev & Engagement
- Affordable Housing

Belmont Sayre as owner and developer, and Aptus and GEL were key members of the historic rehabilitation and redevelopment of Grey Hosiery Mill in Hendersonville, NC. into 35 market-rate multi-family apartments. The project is Brownfield site and was developed in coordination of Development Agreement with City of Hendersonville and NC Department of Commerce. The total project cost was approx. \$7 million and is completed in 2020 and is 100%

leased in less than 6 months. 20% of the units are affordable to 80% of the area media income for not less than 10 years.

Confidentiality, the Grey Hosiery Mill was awarded the Best Adaptive Reuse for 2020 by NC Department of Commerce Main Street Program. A formal announcement will be made in March 2021.

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SPENCER'S MILL

Mt. Airy, NC

TEAM MEMBERS WHO WORKED ON THIS PROJECT:

Belmont Sayre
Aptus Management
GEL Engineering

PROJECT HIGHLIGHTS:

- Brownfield
- PPP Development
- Community Dev & Engagement

Belmont Sayre as owner and developer, and Aptus and GEL were key members of the historic rehabilitation and redevelopment of Spencer's Mill in Mt. Airy, NC into 65 market rate multi-family apartments. The project is Brownfield site and was developed in coordination of Development Agreement with City of Mt. Airy, Department of Commerce and Golden Belt Foundation. The total

project cost was approx. \$12 million and was completed in 2020 and is 100% leased in less than 6 months.

4.

Additional Requirements & Financial Capability

LICENSING AND REGISTRATIONS

Belmont Sayre and each of the other project team members have the requisite professional licensing and accreditations to conduct work in North Carolina, including for professional services, such as engineering, design and architecture. In addition, Clancy & Theys holds a full, unlimited general contracting for eventual development and construction of the property. In addition, all companies on our team are registered NC businesses with the NC Secretary of State and have standing to conduct business in the State.

CONFLICTS

Our team has no known potential conflicts of interest, independence issues, or biases associated with executing the Brownfields Site Development scope of work.

INSURANCE

Our development team members maintain common and customary insurance for worker's compensation, general liability, auto, professional liability and other specialty coverages, including for environmental services. For the project, we can also extend insurance coverage, with suitable limits, to the Town of Chapel Hill as an additional insured.

HOLD HARMLESS

Belmont Sayre agrees to indemnify and hold harmless the Town of Chapel Hill in accordance with commercially reasonable efforts from all loss, liability, claims or expense (including reasonable attorneys' fees) arising from bodily injury, including death or property damage to any person or persons proximately caused in whole or in part by the negligence or willful misconduct of the Contractor except to the extent same are caused by the negligence or misconduct of the Town.

CONTRACT PERIOD

Belmont Sayre acknowledges that the contract resulting from this response shall be effective for the fiscal year of 2021-2022.

FINANCIAL CAPABILITY

In the past decade alone, the principal development firms behind Belmont Sayre and its partners and affiliates have lined up debt, equity and tax credit financing for over \$500 million in completed real estate developments and projects under development or construction.

As is further evidenced, both BluePrint Local Investments, an Opportunity Zone fund investment entity, in Washington DC and SharpVue Capital, LLC, real estate fund that specializes in the investment in environmentally challenged sites, in Raleigh, NC have expressed interest in the 828 Martin Luther King Boulevard site and have invested with Belmont Sayre and Opportunity Zone projects. Belmont Sayre is confident that we will be able to clearly demonstrate to the satisfaction of the Town of Chapel Hill, that, prior to the execution of any binding agreements, we will be able to secure the necessary financing - equity and debt - to support the underwriting requirements of the project during the development period.

THANK
YOU.





MEMORANDUM

To: Council Committee on Economic Sustainability

From: Mary Jane Nirdlinger, Assistant Town Manager
Jabe Hunter, Assistant Police Chief

Date: March 5, 2021

Subject: Cost Considerations for Municipal Services Center

This memo provides an overview of projected costs associated with the construction of a Municipal Services Center (MSC) and is based on conversations with our project designers.

1. Project Vision

The vision for the Municipal Services Center is to co-locate key community services and to support interdepartmental collaboration. The project is also an opportunity to move departments out of facilities that are well-past their prime and for which there are significant repair costs today, and which will increase with delay.

The Municipal Services Center program includes new space for:

1. The Police Department
2. The Fire Department Administration & Emergency Management
3. The Parks and Recreation Department
4. Some Technology Solutions Department space
5. A replacement for Fire Station #4 and space for Orange County EMS at the Fire Station #4 site on Weaver Dairy Road.
6. Parking for the uses in the building

2. Cost of not Building MSC

Costs associated with *not* building an MSC include:

1. Repair/replace existing Police Department building,
2. Repair/replace existing Parks and Recreation building at Plant Road,
3. Replace Fire Station #4 ~5M (see #5 below),
4. Rental/upfit costs for Technology Solutions space.

Previously, we highlighted the need for improvements or replacement of various Town facilities. Most pressing are the police headquarters and fire station #4. The current police building needs significant repair. Replacing the roof and multiple air conditioning units are the most pressing

needs. Interior space has also been exhausted. At fire station #4, water intrusion and space needs are impacting operations.

3. Costs for Building MSC

Calculating building costs per-square-foot generally only refers to “hard costs” for construction. Hard costs can clarify what a building costs, however they do not typically reflect the all-in costs to develop a project. Below are some key project components that need to be considered and included in addition to the hard costs of a project.

- The Town’s upfront pre-development costs
- Design team fees (soft cost)
- Commissioning (CxA) fees (soft cost)
- OWASA/permitting fees outside of building permit.
- Site development costs
- Tabletop or structured parking (helps minimize site development area; may be included in hard costs)
- Construction delivery method- some methods are more expensive.
- Fixtures, Furniture, & Equipment (FF&E)
- Owner contingencies
- Escalation costs (8% annually)
- Relocation of police department during construction (if MSC is rebuilt at current site)

These costs vary depending on the project site (amount of site work and new infrastructure needed) and the business relationship (rental costs, property sharing costs, other business arrangements).

4. Cost-per-square-foot Estimates

We have provided cost estimates for the MSC at several locations as the project has evolved. It is important to remember that the budget developed a couple of years ago for this project was a total project cost as discussed above. To simplify things for comparison, the construction budget costs were based on hard costs for similar project types, and a cost/sf estimate of \$295/sf. for the shell and interior fit-out of a 75,000-sf building was recommended. At that time, the design team tested the cost/sf assumptions with construction partners within the region who validated that we were within the expected range. The recommended cost per sf of \$295 resulted in a projected building hard cost of \$22,125,000 at the time.

Given cost escalations in the construction market, \$295/sf is no longer a viable estimate as increases in both materials and labor costs have resulted in higher costs per sf. Escalation has been as high as 7% - 8% annually in our region since the start of this project and the pandemic has further exacerbated this increase. As a result, *our architects have suggested we use \$350/sf to estimate hard costs* in the current market for this project.

For a 75,000sf MSC, the hard costs would be approximately **\$26,250,000**.

5. Fire Station #4 Estimates

Council recently received information about placing the MSC at the current location of fire station #4 on the corner of Weaver Dairy Rd. and Martin Luther King Jr. Blvd. This location would support the program space planned for the MSC, would allow for the replacement of fire station #4 on the site, and would add space for Orange County EMS to operate an ambulance from the site. **The fire station replacement and EMS space would increase the MSC project size by 11,540 sf.**

Should Council choose to locate the MSC on another site, the need for replacement of station #4 will remain. With an estimated program area of 11,540 sf and \$450/sf costs, the replacement cost (hard costs) would be around **\$5,153,000.**

If Orange County EMS were a partner in the building, they would cover the costs for their portion, which could be about **\$1,000,000.**

Additional project costs would include:

- Soft costs/professional fees/Utility fees in the 7% to 8% of range (of total project budget)
- Fixtures, Furniture, and Equipment at 1% to 2% of construction budget (depending on how much furniture is purchased new)
- 5% Owner's contingency

6. Comparison Chart

These three options have many variables making a side-by-side comparison difficult. The public engagement and entitlement processes for the two locations would also impact the time and cost of each option.

MSC + Fire Station #4 at Weaver Dairy Rd.	Fire Station #4 Replacement at Weaver Dairy Rd.	MSC at 828 Martin Luther King Jr. Blvd.
\$375/SF (hard costs) 82,500 SF	\$450/SF (hard costs) 11,500 SF	\$350/SF (hard costs) 75,000 SF
\$30.9M – Orange Co. Contribution + soft costs	\$5.15M – Orange Co. Contribution + soft costs	\$26,250,000 + soft costs



Item Overview

Item #: 3., File #: [21-0500], Version: 1

Meeting Date: 6/2/2021

Update: American Rescue Plan Financial Support of the ReVive Recovery Plan.**Staff:**

Dwight Bassett, Director

Department:

Economic Development

Overview: The purpose of this item is for Council to discuss considering funding the ReVive recovery plan with financial support through the American Rescue Plan.

General Update: Staff has presented the ReVive recovery planning and final plan to the Council Committee on Economic Sustainability multiple times between November 2020 and May 2021. It is an aggressive plan for Chapel Hill to help propel our economic climate and help businesses to recover from the pandemic. It attempts to address several issues like business support, worker training and recruitment, and creative ideas for placemaking and support of minority and women-owned businesses. It supports grants from ideation to initial support to supporting local established businesses.

**Recommendation(s):**

That the Council provide feedback on the proposed funding plan and consider taking action on June 23.

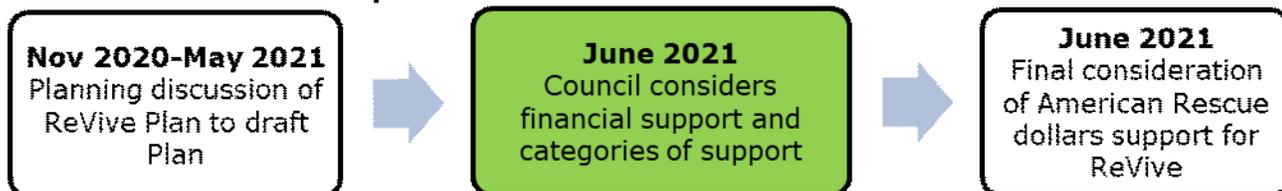
Decision Points:

- Is Council willing to support a set of grants, program, and training to implement the ReVive plan?
- Are the American Rescue Plan dollars the appropriate place to fund this work?

Key Issues:

- Helping Chapel Hill begin to recover from the pandemic
- Help propel our economic climate to a greater level

Fiscal Impact/Resources: Up to \$650,000 for various program, grants, and training from the American Rescue Plan.

Where is this item in its process?**Attachments:**

- Proposed funding for the ReVive Recovery Plan

Item #: 3., File #: [21-0500], Version: 1

Meeting Date: 6/2/2021

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Dwight Bassett, Economic Development Director

The purpose of this item is to confirm that the Council wants to use the American Rescue Plan dollars as described and return on June 23 for action.



American Rescue Plan

Economic Development request for implementation of ReVive recovery plan.

April 1, 2021, May 7, 2021 updated. May 19, 2021 updated. May 28, 2021 updated.

\$650,000 total for 2022 budget year

1 – **Business Grants** \$200,000

These would be a range of grant types, probably two, targeted to help businesses return to a different state of existence post pandemic. The Chamber is completing a needs assessment now and we will look to that data to determine the type of need we would target to help business survive and thrive again. This would be administered by the Chamber of Commerce in partnership with the Town to ease the required paperwork for accessing these grants. The Downtown Partnership and Launch are also partners in these grants.

- Micro grant- Targeted towards very early startup and support or encouraging idea formulation. Grant amount would be \$500, Applicants considered by Chamber's Minority Committee and applicants could receive up to 2 grants in 12 months if they are able to show progress. Requirements would be minimal. (\$25,000 pool of dollars)

- Entrepreneur grant – Targeted to entrepreneurs who are progressing toward a functioning and operating organization. Applicants considered by Launch Advisory Board and previous progress must be shown on an initiative to qualify, with moderate requirements. Grants up to \$1500. (\$50,000 pool of dollars)

- Small business grant – Grants beginning at \$2500 and targeted to Chapel Hill based businesses who can show negative effects of the pandemic. Reviewed by a staff team of Town, Chamber and Downtown Partnership with location and affects from pandemic required from applicant. (\$125,000 pool of dollars)

2- **Marketing funds** \$100,000

There are two categories we would target; market Chapel Hill and the opportunities for shopping/dining and marketing available space for new businesses to start, expand or relocate. The marketing available space would also have a co-op for some of the dollars to help leverage our investment. There is an emerging partnership between Clean Design, Chapel Hill Chamber, Downtown Partnership and Orange Co. Visitors bureau to partner on similar campaigns to reinforce the message. This is targeted toward a digital marketing campaign to encourage shopping, dining and doing business in Chapel Hill.

3- **Opportunity grants** \$100,000

This would be to support new and innovative ideas around support of small businesses and placemaking. It would be opportunities like the small box-car idea for West Franklin or other similar ideas. It would be required to support innovative ideas for doing business and create a refreshed sense of place at the same time. We would target an impact of minority and women owned business as a component of this venture fund.

4 – **Parking marketing** \$100,000

If we spent at least \$100,000 per year for the next two years promoting our parking opportunities, we would also be promoting coming downtown for shopping and dining at the same time. It would assist the parking

fund in beginning to recover from the last year, beef our demand up for the parking and help begin to overcome the reputation of our lacking parking downtown.

5- Downtown Together initiative \$100,000 (Town and Gown partnership)

This is money for the Downtown Initiative being led by a Town/Gown partnership that includes the Mayor, Maurice, myself, Matt Gladdek, Gordon Merklein, Sheryl Waddell and Doug Rothwell. It comes as a sub-element to the Chancellor's UNC Economic Development plan for Chapel Hill. This includes matched money for a Downtown Plan and downtown beautification (also matched) for the east end of downtown in partnership with the University.

6- Workforce development - \$50,000

In partnership with NC Works, Durham Tech, and the Chamber of Commerce, develop a series of training opportunities and build off the research completed by the Chamber of Commerce in helping with the trend of "employee reallocation" as residents seek new jobs and opportunities.



Item Overview

Item #: 4., File #: [21-0501], Version: 2

Meeting Date: 6/2/2021

Rosemary Parking Deck Update and Adopt Resolutions for Initial Findings and to Call a Public Hearing for the Issuance of Limited Obligation Bonds (LOBS).
Staff:

Mary Jane Nirdlinger, Deputy Town Manager
Dwight Bassett, Economic Development Officer
Laura Selmer, Economic Development Specialist
Amy Oland, Director

Department:

Manager's Office
Economic Development
Economic Development
Business Management

Overview: The Rosemary Parking Deck will replace an existing deck and support economic development in the Downtown. Construction bids for the project were received on Friday, May 21, 2021 and a representative from Samet Corp. (construction company) will be available to discuss the details of the bids and the resulting budget at the June 2nd meeting. Since accurate bid reconciliation takes time, more detailed information will be emailed to the Council after the holiday weekend.

**Recommendation(s):**

That the Council receive a project update and offer feedback on parking technology and the project budget. We also recommend that the Council adopt an initial findings resolution and call a public hearing to allow the issuance of Limited Obligation Bonds to fund the project and to proceed on schedule.

Decision Points:

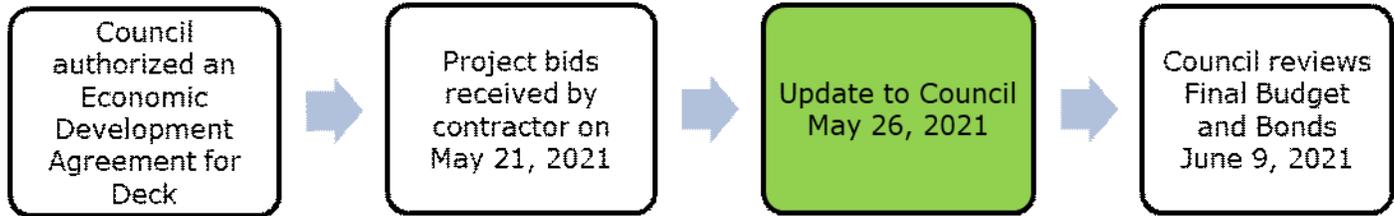
- Select parking technology for the deck
- Approve the Gross Maximum Price (GMP)
- Approve a resolution of initial findings
- Adopt the resolution setting the public hearing for issuance of Limited Obligation Bonds for June 9, 2021 and authorizing the filing of a sworn statement of debt.

Key Issues:

- Since the Council's last update on the Rosemary Deck, market costs have continued to rise. The Council may consider some options and trade-offs for reducing the overall cost. The Council will also need to authorize an increase in the project's overall cost (Guaranteed Maximum Price (GMP)) for construction to proceed this summer.
- There are certain steps related to financing of the project that require Council action, including approval of an Initial Findings Resolution and holding a public hearing on June 9, 2021.

Fiscal Impact/Resources: The Council will be asked to authorize an increase in the GMP, based on bid results.

Where is this item in its process?

**Attachments:**

- Drat Staff Presentation
- Staff Memorandum
- Resolution of Initial Findings and Calling a Public Hearing for the Issuance of Limited Obligation Bonds for June 9, 2021

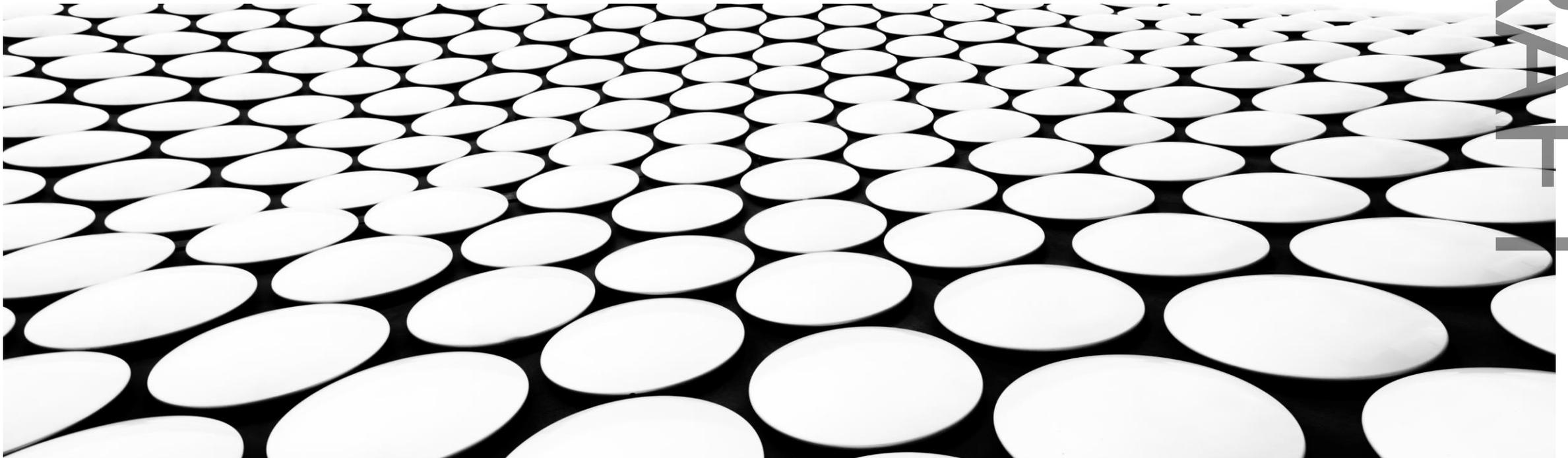
The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Mary Jane Nirdlinger, Deputy Town Manager

RECOMMENDATION: That the Council receive a project update and offer feedback on parking technology and the project budget. We also recommend that the Council adopt an initial findings resolution and call a public hearing to allow funding for the project to proceed on schedule.

ROSEMARY PARKING DECK UPDATE

JUNE 2, 2021



DRAFT



VISION 2025



FUTURE FOCUS

- Civic investment in Downtown
- Spur private investment
- Capture innovation and biotech
- Attract residents and guests
- Efficiencies and Connections



Aerial view from Northeast



CHALLENGES

- Today's market
- Maintain the vision

1 view from Northwest

WEB OF IMPACTS

Downtown Together

Parking Services

Biotech Ecosystem

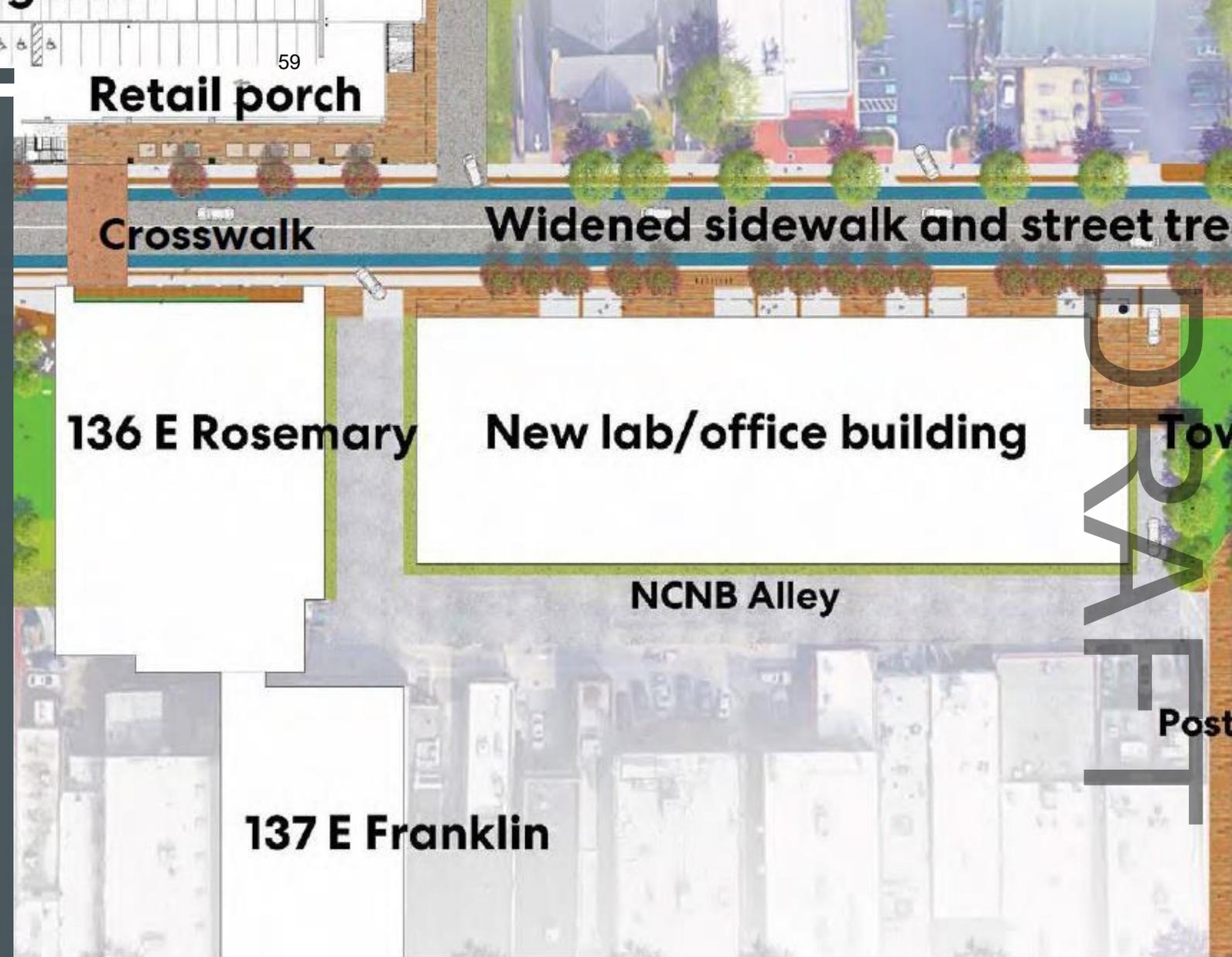
Spin-off Impacts



DRAFT

TODAY'S DECISIONS

- Parking Technology
- Authorizing Project Cost
- Construction Savings



Rosemary Street Public Realm

BUDGET OVERVIEW

Staff will provide a review of budget numbers, based on bids received on 5/21 and Samet (construction manager) reconciliation.

These numbers are in production through 5/28/2021

- Data for these topics is under development and—because of the need to have accurate and reliable numbers—will be shared after the holiday weekend.

DRAFT

COST SAVINGS

Discussion of opportunity to raise deck 1 level (11-12') to save construction costs.

Funding options.

- Data for these topics is under development and—because of the need to have accurate and reliable numbers—will be shared after the holiday weekend.

DRAFT

DECISION POINTS

Parking Technology

Overall Budget

Cost savings opportunities

- Data for these topics is under development and—because of the need to have accurate and reliable numbers—will be shared after the holiday weekend.

DRAFT

NEXT STEPS

- June 4, 2021 Council Committee on Economic Sustainability (CCES) Meeting
 - Review Parking Technology options

- June 9, 2021 Council Meeting
 - Public Hearing for Limited Obligation Bonds

- June 23, 2021 Council meeting
 - Final authorization for financing

DRAFT

STAFF MEMORANDUM

Subject: Rosemary Parking Deck Update
Date: May 26, 2021
From: Mary Jane Nirdlinger, Deputy Town Manager
 Dwight Bassett, Economic Development Director
 Amy Oland, Business Management Director
 Laura Selmer, Economic Development Specialist

Project Progress

In the last several months the Council, Town staff, and the construction team have accomplished the following tasks to keep the project moving forward on schedule:

1. **Confirmed the design** of the deck with the Council, including access lanes off Rosemary Street and a secondary access on North Street
2. **Acquired** the property on North Street
3. **Resubmitted** drawings to the North Carolina Department of Insurance (NCDOI) and the Town for demolition and construction permits
4. Held a **public information meeting** for interested residents and neighbors on May 10, 2021
5. Developed a **construction management plan** for the project
6. Identified opportunities to **support downtown businesses** during construction with grants and communication strategies
7. **Coordinated** the lease renewal and amendment with the USPS
8. **Authorized** the Letter of Intent with the University for the purchase of 100 spaces in the deck

Overview

Tonight, the Council is being asked to make several interrelated decisions to maintain the project schedule.

1. Select parking technology for the deck
1. Approve the increased Guaranteed Maximum Price (GMP)
 - o Make a recommendation on the granite removal/increased height option to reduce project costs
2. Approve a resolution supporting an application to the Local Government Commission (LGC) for its approval of a Town financing agreement
3. Call a public hearing on June 9th for the issuance of Limited Obligation Bonds (LOBS)

The construction market has been unusually volatile and cost escalation for materials such as steel and concrete, a labor shortage, and global pandemic impacts have pushed the overall project cost up. The Town has also made some decisions that increased the initial project cost (parking technology selection, green design elements) but which should, over the life of the project, save time and money because of the higher cost to retrofit certain technologies and the ability of some features to pay for themselves through savings.

Tonight, we will offer the Council some options to reduce the project cost, but they cannot bring the overall project cost down to the earlier estimates because of the larger market forces at play.

Despite these increases, it is our continued recommendation that the Council authorize the higher project budget because: the Town has the financial resources and capacity available

to proceed with the borrowing; the project continues to achieve the Town's ultimate goals of supporting the downtown, capturing additional office and innovation enterprises; and delay will cost more in terms of lost opportunity or even higher costs. Should market conditions improve, we will capture reduced project costs, but should costs continue to rise, our ability to make this investment will become more difficult.

Additional Information

1. Parking Technology

In listening to Council during consideration of building East Rosemary parking deck, we heard a strong interest in having better data from our parking system so that we could better manage our resources. There are limitations with the Parkeon meters when combined with the ParkMobile app and weighing that data against gate counters that we currently operate with. As a part of the oversight work by Walker Consultants we asked that they look at technologies and consider how we progress.

Walker made a presentation to the Council Committee on Economic Sustainability in December 2020 and asked for guidance on how to proceed. (<https://www.townofchapelhill.org/home/showpublisheddocument/47573/637423356007870000>) The Committee recommended further consideration of the PARCS and APGS system to provide the best data output and operation of the deck. The PARCS system was the primary choice with APGS being included if we decide it is critical.

Walker issued an RFP in December 2020 for parking technology proposals. The responses were analyzed, reviewed by Walker Parking, the Town's Parking and Technology Solutions staffs, ranked and interviewed.

The team recommends proceeding with the PARCS technology in order to install a fully functional parking technology system from the outset. Reasons for this recommendation include:

- The technology will pay for itself over time by guiding visitors to spaces efficiently.
- Retrofitting is more costly.
- APGS will communicate with the previously selected PARCS technology.
- The technology meets our needs for guiding visitors, managing leased spaces, meets our security interests, and provides fully functional data from the outset.

We are recommending an increase to the Guaranteed Maximum Price (below) and the Council could opt to go with a less expensive parking technology, but the savings from this choice would not significantly reduce the overall project costs. Additionally, we know that other parking decks in our area are retrofitting to include this technology or including it in their designs because of the financial benefits over time.

Walker Consultants will be on the Agenda for Council Committee on Economic Sustainability to review the technology with Council on June 4, 2021.

→ ***We recommend that the Council confirm the selection of the PARCS/APGS technology in the deck.***

2. Approve the increased Guaranteed Maximum Price

Since the Council's last update on the Rosemary Deck, market costs have continued to rise. The Council may consider some options and trade-offs for reducing the overall cost, and the Council will need to authorize an increase in the project's overall cost (GMP) for construction to proceed this summer, as planned.

The initial Economic Development Agreement anticipated a maximum project cost of \$33.2 Million.

Samet Corporation received initial pricing and bids on May 21, 2021. At the June 2nd meeting, we will be able to provide more detailed information about those responses, but at the time of this memo, we are seeing a range of costs:

The most significant increases can be attributed to these specific factors:

- Rock removal and related traffic control
- Concrete, architectural precast
- Architectural steel
- Waterproofing, metal roofing and paneling
- PVC pricing
- Parking technology?

The project team has carefully evaluated the market and the bids and we believe there are factors beyond our control and a couple of options the Town could consider to reduce costs.

Although there is nothing we can do to manage or reduce the escalation in materials cost for the project, we have an opportunity to lock in pricing and move forward.

- Should prices continue to increase, this puts the Town in the best position to capture today's costs.
- If prices fall, Samet will have the ability to negotiate with contractors to capture those reduced costs for the project.

A representative from Samet will be available at the June 2nd meeting to help answer questions on the project and project budget.

→ ***We recommend that the Council authorize a GMP not to exceed the total project cost which should allow sufficient capacity to finance the project.***

Rock Removal/Additional Height Option

One option the Council could consider for cost reduction is to lift the garage up a story, which would raise the deck up an additional 12 feet, eliminating a significant

amount of the rock removal cost. Council could enact an ordinance change to the conditional zoning in June if they choose.

The detailed site borings identified significant areas of granite that will need to be removed at a significant cost. Removal includes breaking up the rock and hauling it away from the site; this work takes about a month.

Pros of Increasing Above-Ground Height/Reducing Rock Removal	Cons of Reducing Rock Removal
Significant cost savings	Some savings would be spent on redesign
Save one month by not removing rocks	Use time to redesign plans (would not impact overall delivery date)
Reduces neighborhood impacts of rock removal (noise, vibrations)	Deck would be approx. 12 feet higher
Mostly eliminates the need to haul rock (heavy trucks) on MLK out to I-40.	none

→ We recommend that the Council authorize the Town Staff to pursue entitlements for this option if they feel the benefit merits that choice. Reduced project costs would be within the GMP recommended above.

3. Approve a resolution supporting an application to the Local Government Commission (LGC) for its approval of a Town financing agreement

There are certain steps related to financing of the project that require Council action, including the submission of an application to the LGC for its approval of a Town financing agreement and holding a public hearing on June 9, 2021.

As we have previously discussed with Council, in conjunction with issuing financing of up to \$39 million for the East Rosemary Deck, the Town will be including the Blue Hill District road improvements project in this borrowing for a total of \$6.48 million. In addition, the Town intends to refinance up to \$12 million in existing loans (140 West and Hargraves Center renovations) to free up collateral (Town Operations Center) to use for this financing and to take advantage of low interest rates.

Town staff will present revised project cash flows and an update on the resources available to pay for this project.

→ We recommend that the Council approve the resolution in support of submitting an application to the Local Government Commission for its approval of a Town financing agreement for the 2021 Parking Deck Financing, Blue Hill Road Improvements, and Refinancing of Existing Loans.

- 4. Call a public hearing for June 9, 2021 to discuss the proposed issuance of Limited Obligation Bonds for the Rosemary Deck Financing, Blue Hill Road Improvements, and Refinancing of Existing Loans**

→ *We recommend that the Council call a public hearing for June 9, 2021.*

A RESOLUTION SUPPORTING AN APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR ITS APPROVAL OF A TOWN FINANCING AGREEMENT – 2021 PARKING DECK FINANCING, BLUE HILL ROAD IMPROVEMENTS, AND REFINANCING OF EXISTING LOANS (2021-06-02/R-1)

Introduction --

The Town Council (the "Council") of the Town of Chapel Hill (the "Town") has previously determined to carry out a project to acquire, construct and equip a new East Rosemary Street parking deck and Blue Hill District road improvements. The Council has also made a preliminary determination to finance this project through an installment financing, as authorized under Section 160A-20 of the North Carolina General Statutes. In an installment financing, the Town's repayment obligation is secured by a mortgage-type interest in all or part of the property being financed, but not by any pledge of the Town's taxing power or any specific revenue stream.

The Town Council has also been advised that it may be possible to refinance the Town's 2012 Limited Obligation Bonds and existing Hargraves Center improvements debt with a new installment financing, and thereby provide savings to the Town.

North Carolina law requires that the Town's financing be approved by the North Carolina Local Government Commission (the "LGC"), a division of the North Carolina State Treasurer's office. Under the LGC's guidelines, this governing body must make certain findings of fact to support the Town's application for the LGC's approval of the Town's financing arrangements.

1. THEREFORE, BE IT RESOLVED by the Town Council of the Town of Chapel Hill, as follows:

(a) The Town makes a preliminary determination to finance up to \$39,000,000 to pay for the acquisition and construction of the new Town parking deck on East Rosemary Street, as well as \$6,500,000 for the Blue Hill road improvements, and related financing costs.

(b) In addition, the Town makes a preliminary determination to finance an amount estimated as up to approximately \$12,000,000 to refinance existing loans. The amount for refinancing may be reduced depending on which Town loans can be efficiently refinanced and will include amounts for financing costs.

(c) The Council will determine the final amount to be financed by a later resolution. The final amount financed may be slightly lower or slightly higher than as described above. Some of the financing proceeds may represent reimbursement to the Town for prior expenditures on project costs, and some proceeds may be used to pay financing expenses or to provide any appropriate reserves.

2. The Council makes the following findings of fact in support of the Town's application to the LGC:

(a) The proposed projects are necessary and appropriate for the Town under all the circumstances. The parking deck is a discrete facility and is therefore particularly suitable for installment financing. The refinancings are already installment financings and therefore are appropriate to use the same debt structure. Adding the Blue Hill road improvements project is more efficient and economical compared to financing the project independently.

(b) The proposed installment financing is preferable to a bond issue for the same purposes.

The Town has no meaningful ability to issue non-voted general obligation bonds for this project. These projects as a group will not produce sufficient revenues to support a self-liquidating financing. The Town expects that in the current interest rate environment for municipal securities there would be no material difference in the overall financing costs between general obligation bonds and installment financings for this project.

(c) The estimated sums to fall due under the proposed financing contract are adequate and not excessive for the proposed purpose. The Town will closely review proposed financing rates against market rates with guidance from the LGC and the Town's financial adviser. All amounts financed will reflect either approved contracts, previous actual expenditures, or professional estimates.

(d) As confirmed by the Town's Finance Officer, (i) the Town's debt management procedures and policies are sound and in compliance with current law, and (ii) the Town is not in default under any of its debt service obligations.

(e) The Town estimates that there will be no actual increase in the tax rate required for these projects. Funds from the parking enterprise and funds previously allocated to Town debt service should be sufficient for payments on this financing. Given the Town's need for the project, the Council believes that the effect on the Town's budget and the tax rate impact will be reasonable under all the circumstances. The Council will work to minimize the tax rate impact of the borrowing in a manner consistent with moving forward with the project and addressing the full range of Town needs. Because of the savings to be realized through the refinancing, that portion of the transaction will have a beneficial equivalent tax rate impact for the Town.

(f) The Town Attorney is of the opinion that the proposed projects are authorized by law and is a purpose for which public funds of the Town may be expended pursuant to the Constitution and laws of North Carolina.

3. ADDITIONALLY, THE COUNCIL RESOLVES as follows:

(a) The Town intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse project expenditures from financing proceeds. The Town intends that funds that have been advanced for project costs, or which may be so advanced, from the Town's general fund, debt service fund, or any other Town fund, may be reimbursed from the financing proceeds.

(b) The Council will hold a public hearing on this matter. The Council directs the Town Manager to set the date and time of the hearing, and directs the Town Clerk to provide

for publishing a notice of the hearing in the manner provided for by law. The Council expects a hearing on June 9.

(c) The Council directs the Town Manager and the Finance Officer to take all appropriate steps toward the completion of the financing, including completing an application to the LGC for its approval of the proposed financing.

(d) The Council ratifies all prior actions of Town representatives relating to the activities set out in this Section 3. This resolution takes effect immediately.

This the 2nd day of June, 2021.