



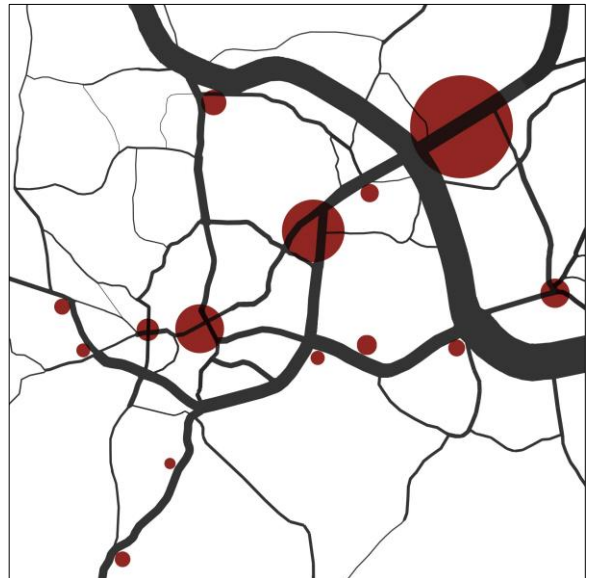
## Mini Market Study of The Police Station Site

### Summary

1. This is an excellent site for residential development because it is located near the center of the town; it has good walking, biking and bus connections, and it has forested views. Were it not for DEQ restrictions, this would even be a good site for condominiums or for-sale townhouses. Given the town's lack of "move down" housing, this is even a good site for senior or other age restricted housing.
2. This is not a good site for office development because it lacks two of the most important factors for these uses: visibility and freeway access. Because of Covid, there is also great uncertainty now about future demand for office space, and other locations with stronger locations for work will pull that demand first.
3. Because of the same lack of visibility and freeway access, this is also not a good site for retail development. There is potential to make the larger area around this site into an urban village with more walkable retail, but the commercial core of that village would be the intersection of Hillsborough St. and MLK, not this site.

### Retail Demand

This is not a good site for retail because it lacks exposure to passing traffic and a critical mass of retail nearby. The map at right, which indicates the relative amount of retail in red and the relative traffic volume in black, shows that most of the town's retail space is on the major commute routes to the east and north. Other than the small shopping center anchored by Root Cellar and Fly Leaf Books, there is relatively little retail on MLK between downtown and Weaver Dairy Rd. There is a reason for that: most in the neighborhoods between these two nodes are driving north to shop at the Harris Teeter or Food Lion at Timberlyne Village; south and east to shop at the Harris Teeter and Weaver Street Market near the old Carr Mill, or east to the Whole Foods, Trader Joes, Food Lion, Trader Joes, and Wegman's in the "Blue Hill" district or farther east along Hwy. 15-501.



The pattern of development along the MLK corridor indicates the difficulty of developing locally-serving retail here. Between Hillsborough St. and Timberlyne, the only retail development is three gas stations with convenience stores and a small retail building at the southwest corner of MLK and Homestead that has had a fair degree of turnover. The weak occupancy of both Timberlyne Village and the shopping

center around the Harris Teeter Store in Chapel Hill North shows the limits on demand there. When the town government approved the Carraway Village project, it hoped that the more than 400 new apartments there would anchor new locally-serving retail, but this has not proved to be the case, for the strongest retail there is a Starbucks on a free-floating retail island and a Chick-fil-A with drive-through lanes, both of which appeal to drivers coming off the interstate<sup>1</sup>.

## Office Space

The challenges of limited access and exposure that limit retail development on this site also make office development challenging here. Like Chapel Hill's retail space, most of the town's office inventory is on the western and northern approaches to the freeways. The police station site is a "tweener" location without either the cafes and coffee shops of downtown or the easy-on, easy off access of Eastowne and Chapel Hill North. Any development here would also face considerable competition from new projects in stronger locations. Based on historical absorption rates, there is currently about a six-year of supply of office space now open, approved or advanced stages of approval<sup>2</sup>. New office development at the police station site would have difficulty competing with these projects, which are in much stronger locations

If the pandemic has created vacancies in retail, it has created even more uncertainty long term about the demand for office space locally, regionally and nationally. For every day that white collar workers permanently telecommute from home, the long-term demand for office space may drop by ten or 15 percent. We will simply not need as much office space, until the market grows out of current and coming vacancies. That does not mean there will not be demand for quality office space in places like downtown, where people will want to work because of the liveliness around them, but the demand for less-centrally-located "drive-to" offices will almost certainly shrink. There could be long-term demand for office space at this site if the area around it becomes a higher density urban village, but in that case the residential and retail would need to come first, building in the demand for walkable places near the new and smaller multi-family units that have been put up.

## Residential

This is an excellent location for multi-family housing, either rental or for sale, depending on the DEQ. Given the aging population and the shortage of "move-down" housing for seniors, age-restricted development could also be successful here.

There are several factors that make this a good site for residential development. The first is its centrality and great biking, walking and bus connections. Both Root Cellar and Fly Leaf Books are right down the street. The Bolin Creek Trail runs right by the property, connecting not only to supermarkets and restaurants in downtown Carrboro but, with a small dog leg, the public library off Estes. There is frequent bus service that makes downtown or to UNC only a ten-minute ride away. And the site's views are largely of forest, a pleasant alternative to the lights and noise of downtown living.

Longer term, this project could be part of an urban village resulting from redeveloping low-rise apartments with taller buildings. This is already going on elsewhere in the city not only in Glen Lennox but in a project near MLK, and this could be a place that, like Five Points in Raleigh, becomes Chapel

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<sup>1</sup> A good rule of thumb is that each nearby resident can support about two to three square feet of "walkable" retail. A project with 500 units and 750 people can support 1500 to 2500 s.f. of retail, or the equivalent of one or two small storefronts.

<sup>2</sup> This includes 378,000 s.f. of space for lease at the Gwendolyn in Glen Lennox, 60,000 s.f. in the "Tri properties" at Barbie Chapel and Hwy. 54, and 238,000 s.f. in the 150 E. Rosemary St. building downtown.

Hill's "midtown neighborhood", a place with interesting walk-to shops and cafes. The police station site is not in the right location to be that center, which should be at the intersection of Hillsborough St. and MLK, but it could contribute the density that would make that center work.