

Staff Report: Future Use of American Legion Property

This report serves as an update on the Town's acquisition and ownership of 1714 Legion Road ("the Legion property") and provides background for the Council's consideration related to the future use of the Legion property.

Purchase of the Legion Property

The Town of Chapel Hill purchased the 36.2-acre property at 1714 Legion Road in March 2017, acquiring the land from American Legion Post 6. As a condition of the purchase, the Town agreed to lease the property back to Post 6 for three years. The Town also agreed to pay the \$7.9 million purchase price in three installments: the first at closing in 2017, with additional payments due on the first and second anniversaries of closing. The final installment was paid in March 2019. The funding source for these payments is as follows:

- \$3,600,000: General Fund excess fund balance
- \$4,300,000: General Obligation (G.O.) bonds

The G.O. bonds were part of a 2015 voter referendum and were designated for Recreation Facilities. While the purchase of the Legion property was not specifically contemplated at the time of the 2015 referendum, staff determined that land acquisition aligned with the bond authority if the funds paid for a portion of the property that would be used for parks and recreation purposes. Council authorized the sale of the G.O. bonds for this purpose in [March 2018](#)¹.

Public Engagement / American Legion Task Force

The Council initiated a public engagement process on the future use of the property in April 2017. This included appointing community members to the [American Legion Task Force](#)² (ALTF), which was charged with developing future land use recommendations for the property, along with next steps in the planning process.

A community charrette was held on April 8, 2017, to gather input from the public. At their first meeting, the ALTF reviewed the public input received and the concept sketches developed at the charrette.

The ALTF delivered their first report to the Council in June 2017, which included a set of recommended Development Principles. At that time, the Council gave the ALTF an additional charge of developing a list of key criteria to fulfill the Development Principles.

As part of their work on the second charge, the ALTF developed an online survey for gathering public input, with the specific focus of gauging what public and recreational uses were most preferred by the respondents. The survey was posted on the Town's website and was open from October 18 – November 13, 2017. Per the second report of the ALTF, the

¹ <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3380248&GUID=E006C3C2-5C31-4D3D-AAE0-75B8687AC093&Options=Advanced&Search=&FullText=1>

² <https://www.townofchapelhill.org/government/departments-services/communications-and-public-affairs/current-issues/american-legion-property/american-legion-task-force>

survey was publicized through Town communication channels, shared with elementary and middle school families via Chapel Hill-Carrboro City Schools communication channels, and shared on social media via the ALTF members' personal networks. The survey received 927 responses. Affordable housing was a popular write-in response (on nearly 100 surveys) to a question about other uses that should be considered for the site. Demographic information captured included household size, number of children and senior citizens in the household, and proximity to the Legion property.

The ALTF delivered their second report to the Council in November 2017, which included Evaluation Criteria for any proposed future uses, as well as a prioritized list of public and recreational uses that was informed by the online survey responses. The ALTF also recommended the Town undertake a master planning process as the next step in planning for a future park, which would provide better information about land needed for public and recreational uses and land remaining, if any, for private development.

Potential Future Uses

When the Council authorized the Town Manager to execute an offer to purchase the Legion property in [December 2016](#)³, they did not specify how the land would be used. The Council stated in their adopted resolution, "the acquisition of the Legion property will provide the opportunity for the Town to consider opportunities for potential different uses for parts of the property which will provide benefit to the Town and its residents." Also from the adopted resolution:

BE IT FURTHER RESOLVED that the Council affirms its intent that the American Legion property be used for a mix of purposes, both public and private, consistent with the guiding principles approved by the Council in [June, 2016](#)⁴ and that Council expects the Town will recoup a portion of the purchase price by making some portions of the American Legion property available for private development.

The guiding principles referred to above were developed when the American Legion Post 6 was still the property owner and was working with a private developer on a proposed project.

At a [February 2020 work session](#)⁵, the Council received information related to three potential uses for the property: recreational facilities, affordable housing, and private development.

Recreational Facilities: The Town's Urban Designer prepared a conceptual drawing in advance of the 2020 work session using information and concepts provided by local architect Dan Jewell of Coulter Jewell Thames, PA. The drawing demonstrates the possibility of placing recreation facilities and amenities on a portion of the site. These amenities could provide space for nearly all of the indoor and outdoor activities discussed by the ALTF in 2017, with the exception of swimming pool and baseball field sport activities. These

³ http://chapelhill.granicus.com/MinutesViewer.php?view_id=7&clip_id=2955&doc_id=8a33b376-bbea-11e6-ad57-f04da2064c47

⁴ https://chapelhill.granicus.com/MinutesViewer.php?view_id=21&clip_id=2801&doc_id=04086c40-37b9-11e6-8170-f04da2064c47

⁵ <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=4327808&GUID=A448063A-027A-4129-8CB1-BEA6DDCA74C5&Options=&Search=>

included athletic activities such as gymnasium sports, net-based sports, and outdoor surface sports. They also included casual activities and other uses like water play, walking, open field play, picnics, children's play, pet play, indoor/studio classes, special events, and community gardening.

The concept leaves an estimated 13.5 acres of land available for other uses besides passive and active recreation. This includes approximately nine acres on the western side of the property fronting on Legion Road that includes the existing pond. The remaining four-and-a-half acres are on the eastern side of the property that includes the dance studio and is adjacent to the Colony Woods and Colony Woods West neighborhoods.

Affordable Housing: The Town's Affordable Housing staff performed a preliminary evaluation of the property and determined that it would be well-suited for siting housing units. Staff expects the site would score well as a Low-Income Housing Tax Credit project based on the current criteria for funding. There are a range of housing scenarios, including townhomes and/or apartment-style units, that could work on the site, depending on how much of the property was allocated for housing and the density of development. The number of units and size of the development would also influence the level of investment that might be required by the Town beyond the contribution of land.

Private Development: Town staff engaged a professional appraiser in March 2018 to consider multiple possibilities for future land use, to understand the value of the land if a portion of the property were potentially offered for private development. The appraisal was performed with the assumption that the Town would retain a majority of the acreage for a park. Guidance from the Town's Economic Development staff is that the land fronting on Legion Road would be the most desirable to a private developer, and this assumption was also built into the appraisal. The appraisal noted that Legion Road is primarily an office and multi-family area without the traffic and visibility for a commercial use other than office. The appraisal suggested that residential development was the highest and best use given the assumptions outlined above.

Next Steps

On May 18, 2022, the Council received a petition from several Council members requesting the Town move forward with developing and implementing a plan for the future use of the property. The petition requests that the plan incorporate all three of the uses described above. It also asks that the Town Manager provide a preliminary version of the plan for public review by Fall 2022 and a final plan for Council action in the first quarter of 2023.

In consideration of this petition, and based on the information provided above, there are several options the Council could ask staff to explore further.

- **Design recreation amenities:** Staff could revisit and expand on the work of the Task Force, as well as the recreation concept described above, to design an initial recreation phase that targets lower-cost items like picnic shelters, an open-air pavilion, and the beginning stages of a trail system. This would allow some work to begin on the park concept while funding sources and design plans are considered for potential future amenities.
- **Pursue affordable housing:** Staff could further pursue affordable housing options and return to Council with more detailed scenarios for consideration, including

housing located on different portions of the property. The Council could also weigh these against any proposals for other development, should staff take the step outlined in the following bullet.

- **Consider private development:** In order to weigh options for potential uses other than a park on a portion of the property, staff could follow up on economic development leads to generate more detailed proposals. As an alternative, the Town could issue a request for proposals to publicly evaluate potential partners/buyers. In either case, the Council could use the proposals to inform their decision about the future use of the property. Having more specific proposals will make it easier to discuss land allocations, use compatibility, and potential tradeoffs.

If the staff moves forward with any or all these options, then a proposed public engagement process would also be developed to accompany the preliminary plan in the fall. Staff looks forward to receiving additional guidance from Council.