
From: Roger Stancil
Sent: Monday, January 29, 2018 11:03 PM
To: Allen Buansi; Donna Bell; Hongbin Gu; Jeanne Brown; Jess Anderson; Karen Stegman; Town Council; Michael Parker; Nancy Oates; Pam Hemminger; Rachel Schaevitz; Roger Stancil; Ross Tompkins
Cc: CHRIS BLUE; JABE HUNTER; Amy Harvey; Beth Vazquez; Carolyn Worsley; Catherine Lazorko; Christina Strauch; Dwight Bassett; Flo Miller; Mary Jane Nirdlinger; Rae Buckley; Ralph Karpinos; Ran Northam; Roger Stancil; Sabrina Oliver
Subject: Council Question: Item 8: Municipal Services Center

Council Question: Source of funds lists \$1.6 million from property sale - what property was sold?

Staff Response: *The source of funds was the sale of the old town library (523 W. Franklin Street).*

Council Question: What would be the impact of delaying the start of the MSC development due to the lack of Debt Fund Balance capacity (i.e. on construction costs, provision of Town services, etc.)?

Staff Response: *In today's construction market, we can assume at least a \$1M increase per year of delay or higher (\$1.2 or \$1.3, depending on construction escalation and the growing labor shortage). The building will not be cheaper to build if we delay until the market shifts downward again, which is likely years in the future. The impact on Town services would be that we would continue to operate as we do today, without adequate space and we would continue to maintain outdated facilities.*

(see also answers to Agenda Item 5: Financial Report)

Council Question: What would it mean to incorporate guiding principles into the development agreement? As "principles", would they be binding or serve more as "ideals", with the understanding that they may not all be feasible? Along those lines, is Council's role at this meeting to comment on each principle/discuss which ones we think are appropriate or simply to vote yes or no on whether to incorporate them into the DA?

Staff Response: *A development agreement is a contract between two parties and can contain standards, requirements, guidelines, principles or any combination. Whether the guiding principles are written as strict requirements (shall) or governing principles (should, up to, strive for) would be determined by the exact language in the agreement, as negotiated by all parties and approved by the Town Council and the University.*

At this time, the project design is not finalized and the Town staff, while supportive of the direction and intent of the guiding principles, is not prepared to make specific recommendations to the Council on each principle. We do believe they were developed in good faith and merit further consideration by all participants in the process. We also understand and support the community's interest in having a record of the intent incorporated into the development agreement so decisions in future years can be aligned with the original project intent.

Our current recommendation is that the Town Council provide feedback as they see fit then authorize the Town Manager and Town Attorney to continue working through the process to incorporate a refined set of guiding principles into the draft Development Agreement when it returns to the Council for consideration. The value in providing guidance now is that the Council has an opportunity to hear and react to the community's stated interests and to discuss the Council's interests as a governing body. This will provide general guidance to the staff, the University, and the community as negotiations continue and the project design is refined, and the Council may "check-in" on these principles when the agreement returns to Council for consideration.

Council Question: These proposed guiding principles for the MSC seem to include things we cannot possibly guarantee -- such as that UNC will continue to consult with the neighborhood, etc. How will this be dealt with?

Staff Response: *The University received a copy of the proposed guiding principles and University representatives were present at the community meeting during which the principles were discussed. The Town cannot commit to standards that are in conflict with State or University requirements and we would expect that the University would not approve a Development Agreement with unacceptable standards. Our staffs will continue to work together to find ways to match the project design as closely to the proposed principles as feasible, providing transparent information if and when a proposed guideline is not feasible and to work toward mutually acceptable alternatives. Any development agreement that the parties ultimately agree to and sign could later be renegotiated and amended/modified; and there would be a process for doing so included in the Development Agreement.*

Council Question: Also, do any of the proposed designs adhere to Principle C that "at least 50% of the site will remain non-fragmented and contiguous natural space"?

Staff Response: *Right now, the designs are not refined enough to know for certain whether this particular standard is achievable. Design considerations that impact this principle are road location, whether the option for a future fire station is preserved, the cost of putting more parking under the buildings vs. using more surface parking, and the type and location of stormwater management facilities. We will have a better understanding of this aspect of the design in the next couple of months.*

Council Question: Does the University play any role in reviewing and/or approving the site design?

Staff Response: *Yes. The Development Agreement and the site and building design will be reviewed through the University's standard process since the facilities will be on state-owned property and we expect the University will build a facility on this site as well in the future. This review is scheduled prior to Council's consideration of the Development Agreement so that University comments can be incorporated into the agreement.*

Council Question: The presentation says that the cost of the Municipal Services Center includes the cost of coal-ash mitigation. Is that for the current police HQ site? Or is there coal ash at the new site?

Staff Response: *The mitigation cost is for the current police site, not the proposed site on Estes Drive.*

Council Question: If at the current police HQ site, is there any legally required deadline to have it cleaned up? It has been there for decades, so it would seem that it could stay as is a while longer while we rebuild debt capacity.

Staff Response: *There is no legally required mandate to clean it up and no legally required deadline to clean it up at this time. We are in discussions with NC DEQ under a voluntary remediation program.*