

## 04-13-2020 Town Council Work Session

### Responses to Council Questions

#### **ITEM #3: Consider the East Rosemary Redevelopment Proposal Framework for the Economic Development Agreement at 125 E. Rosemary Street**

**Council Question:**

Can you provide more detail on the retail porch? Is it just empty, sheltered space or is there more to it? Are there ways that it could be used year-round or is it going to only be useful for certain times or year? In order to make that useful space for the Town, what additional costs - one-time or on-going - would we need to incur?

**Staff Response:**

*The porch will essentially be an extension of the sidewalk intended for public use with flexibility for programming and use. Amenities will include electric and water service to support vendors using the space, benches, enhanced lighting and bike racks. Radiant space heaters could also be considered for cold weather comfort. The design team is also studying potential shading elements to provide shade in hot weather.*

**Council Question:**

Can you share the status of efforts to secure the non-Rosemary St. garage exit?

**Staff Response:**

*The potential of a third exit from the Deck is waiting on results of the TIA which should be complete this week.*

**Council Question:**

Does change in design required by the easement mean the deck would need to be taller to have ~1100 spaces?

**Staff Response:**

*Yes - the current design has six full levels and a seventh level on 2/3 of the structure.*

**Council Question:**

What has become of the atrium?

**Staff Response:**

*Having to accommodate the 30-foot wide OWASA easement on the eastern end and northeastern corner of the site required the removal of the atrium in order to maintain the 1,100 car parking count.*

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**Council Question:**

I don't think I have seen the CDC's comments from their review? Can those be shared before the meeting?

**Staff Response:**

*Tonight's discussion is centered around the Economic Development Agreement. The Council is tentatively scheduled to review the Concept Plan for the parking garage on April 22 and the CDC comments will be included as part of that discussion.*

**Council Question:**

Number of parking spaces (1100 maximum or minimum)?

**Staff Response:**

*We ended up putting 1100 minimum after conversations with OWASA on reducing the site for the easement and calculating the demand for parking for the 2 office buildings (137 E. Franklin = 118,000SF and potential new building at roughly 200,000SF) and calculating for Bob Jessup the number of spaces needed from a 3 per 1000SF demand. It was over 900 Spaces conservatively. 1100 maximum is what is being designed.*

**Council Question:**

What if UNC's interest in committing to leasing spaces changes?

**Staff Response:**

*It is anticipated that we would have an agreement with UNC prior to beginning construction. We also believe there is demand for parking whether or not UNC commits to a certain number.*

**Council Question:**

Is there a maximum the Town will pay for the property exchange?

**Staff Response:**

*We are waiting to see if there are any revisions to the appraisals. In particular, the Fine/Investors property is being restudied due to the easement limitations.*

**Council Question:**

Is the Town paying for the cost of entitlement (Item #2 in Framework)?

**Staff Response:**

*The Town is paying for entitlement of the Parking Deck since we will own it.*

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**Council Question:**

What is the status of using the current CVS Parking Management Agreement as the basis for the Wallace Deck Management Agreement (#6)? This agreement is not favorable to the Town.

**Staff Response:**

*The provisions not favorable to the Town in the current CVS Agreement are primarily how the parking income is shared. We are negotiating the terms of a new Agreement with annual cost of parking spaces taken out first. The balance would be shared by the Parties. Income from parking in the Wallace Deck is projected to exceed current income because of increased demand and relocation of monthly parking.*

**Council Question:**

What will revenues for Wallace Deck operation look like, given the Town's need to pay the debt service (#7)?

**Staff Response:**

*As stated above, we will cover operating costs first and share in the balance. The projected share we will receive is higher than the past couple years primarily due to monthly spaces being removed from the Wallace Deck and an expectation of higher occupancy due to 375 spaces being removed from downtown as a result of the CVS Deck being closed for redevelopment of the new deck.*

**Council Question:**

What is meant by "Town explores second access land as a separate part of this Deck construction" (#8)?

**Staff Response:**

*Until the TIA is complete and we are given professional guidance on the need of an additional egress from the deck other than on to Rosemary Street, moving forward is unclear. Any additional land or access rights needed for the additional egress would become the Town's responsibility.*

**Council Question:**

Even if the construction management is a separate agreement (#9), won't it still be approved at the same time?

**Staff Response:**

*We fully intend to have a Construction Management Plan to share for guidance at the time of*

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*the final meeting for consideration of the Economic Development Agreement. The Construction Management Plan will need some flexibility to change as circumstances change during construction. The Plan would be drafted by a Staff Team, Grubb Team and have professional oversight from a Town retained engineering consultant.*

**Council Question:**

How do we resolve differences on the Lot 2 staging area (#11)?

**Staff Response:**

*We are not clear that there are differences on this item. We understand Council's interest in seeing community benefit from the project and we are attempting to balance the issues and interest to see the project proceed. It was assumed that it would take some time for the community input to determine the final product for the green space on the lower portion of Lot 2/Columbia-Rosemary Parking lot. We asked the developer to remove asphalt, grade as needed, build a paved pedestrian pathway to connect Varsity Alley and plant grass. Any other work on the site would become Town responsibility.*

**Council Question:**

Can we get a fairly detailed office building design (#12) prior to the 6/24 approval of the parking deck?

**Staff Response:**

*Grubb committed to have the office project ready for submittal for entitlement application by July. There would be some level of design complete prior to adoption of the Economic Development Agreement. Council will still have responsibility for entitling the office building through the Town's process.*

**Council Question:**

Who has rights of termination for the lease of Parking Spaces in the new deck (#15)?

**Staff Response:**

*With guidance from Bob Jessup, we are suggesting an annual agreement that could self-renew with provisions for rate change or escalation. The right to terminate could be both parties.*