



# TOWN OF CHAPEL HILL

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

## Town Council

### Meeting Minutes - Final

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

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**Wednesday, September 30, 2020**

**7:00 PM**

**Virtual Meeting**

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#### **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\\_pUHEGhPNRyuv1fWBNE0PrA](https://us02web.zoom.us/webinar/register/WN_pUHEGhPNRyuv1fWBNE0PrA) After registering, you will receive a confirmation email containing information about joining the webinar in listen-only mode. Phone: 301-715-8592, Meeting ID: 812 0231 8931

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#### **Roll Call**

**Present:** 8 - Mayor Pam Hemminger, Mayor pro tem Michael Parker, Council Member Jessica Anderson, Council Member Allen Buansi, Council Member Hongbin Gu, Council Member Karen Stegman, Council Member Tai Huynh, and Council Member Amy Ryan

#### **Other Attendees**

Town Manager Maurice Jones, Deputy Town Manager Florentine Miller, Town Attorney Ann Anderson, Interim Planning Director Judy Johnson, Economic Development Officer Dwight Bassett, Emergency Management Coordinator Kelly Drayton, LUMO Project Manager Alisa Duffey Rogers, Senior Planner Anya Grahn, Planner II Becky McDonnell, Community Resilience Officer John Richardson, Executive Director for Technology and CIO Scott Clark, Communications and Public Affairs Director/Town Clerk Sabrina Oliver, and Deputy Town Clerk Amy Harvey.

#### **OPENING**

Mayor Hemminger opened the virtual meeting at 7:00 p.m. and outlined the agenda. She called the roll and all Council Members replied that they were

present.

0.01 Proclamation: Hispanic Heritage Month.

[\[20-0658\]](#)

Mayor Hemminger introduced a Council proclamation that recognized September 15 to October 15, 2020 as Hispanic Heritage Month in Chapel Hill. The proclamation marked the anniversary of independence for Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Mexico and Chile and set time aside to celebrate the many contributions of the Hispanic community.

Mayor Hemminger expressed appreciation to El Centro Hispano for providing guidance to the Town, and El Centro's Director Alizar Posada thanked the Council for the recognition. Mr. Posada pointed out that El Centro had been highlighting local Latinx community activities virtually due to COVID-19 restrictions.

**PUBLIC COMMENT FOR ITEMS NOT ON PRINTED AGENDA AND PETITIONS FROM THE PUBLIC AND COUNCIL MEMBERS**

Petitions and other similar requests submitted by the public, whether written or oral, are heard at the beginning of each regular meeting. Except in the case of urgency and unanimous vote of the Council members present, petitions will not be acted upon at the time presented. After receiving a petition, the Council shall, by simple motion, dispose of it as follows: consideration at a future regular Council meeting; referral to another board or committee for study and report; referral to the Town Manager for investigation and report; receive for information. See the Status of Petitions to Council webpage to track the petition. Receiving or referring of a petition does not constitute approval, agreement, or consent.

0.02 Reverend Marcus McFaul Comments.

[\[20-0659\]](#)

Rev. Dr. Marcus McFaul, senior minister at Olin T. Binkley Memorial Baptist Church, expressed support for a recent Council directive to the Chapel Hill Police Department to ban the use of choke holds. He said that his church's members were anticipating an announcement from the police chief regarding how that and other new measures would be implemented.

**ANNOUNCEMENTS BY COUNCIL MEMBERS**

0.03 Mayor Hemminger Regarding Governor Cooper's Announcement Moving to Phase 3 and Associated Changes.

[\[20-0660\]](#)

Mayor Hemminger noted that Phase 3 of North Carolina's COVID-19 reopening plan would begin at 5:00 p.m. on October 9, 2020. She said that Phase 3 allowed gathering sizes to increase to 25 people indoors and 50 people outdoors and that certain venues such as bars with outdoor service could reopen. Mask wearing and physical distancing requirements

would remain in effect, she said.

Mayor Hemminger said that local governments were monitoring the numbers and would pull back if there was an increase in COVID-19 cases or a negative shift in trends. The Town would soon announce next steps, which would include guidance regarding Halloween, she said.

0.04 Mayor Hemminger Regarding Council Committee on Economic Sustainability.

[\[20-0661\]](#)

Mayor Hemminger said that the Council Committee on Economic Sustainability would meet via ZOOM at 8:00 a.m. on October 9, 2020 and that more information was available on the Town website.

0.05 Mayor Hemminger Regarding Advisory Board and Task Force Applications.

[\[20-0662\]](#)

Mayor Hemminger said Council subcommittees had been receiving applications and would present recommendations at an upcoming Council meeting.

## CONSENT

Items of a routine nature will be placed on the Consent Agenda to be voted on in a block. Any item may be removed from the Consent Agenda by request of the Mayor or any Council Member.

### *Approval of the Consent Agenda*

A motion was made by Mayor pro tem Parker, seconded by Council Member Huynh, that R-1 be adopted, which approved the Consent Agenda. The motion carried by a unanimous vote.

1. Approve all Consent Agenda Items.

[\[20-0634\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

2. Authorize the Transfer of Ownership of Light Transit Vehicles (LTVs) from the City of Durham to the Town of Chapel Hill.

[\[20-0635\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

3. Adopt an Involuntary Commitment Transportation Plan.

[\[20-0636\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

4. Approve a Request for Town Council Concept Plan Review: Town of Chapel Hill Municipal Services Center, 101 Weaver Dairy Rd. Ext. (Project #20-071).

[\[20-0637\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

5. Continue the Public Hearing on Land Use Management Ordinance Text Amendment for Townhomes in the Blue Hill District to November 4, 2020. [\[20-0638\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

6. Adopt Minutes from February 26, 2020 and March 4, and 25, 2020 and April 1, 13, and 22, 2020 and May 6, and 20, 2020 Meetings. [\[20-0639\]](#)

This resolution(s) and/or ordinance(s) was adopted and/or enacted.

### INFORMATION

7. Receive Upcoming Public Hearing Items and Petition Status List. [\[20-0640\]](#)

This item was received as presented.

8. Update on Historic District Design Guidelines. [\[20-0641\]](#)

This item was received as presented.

### DISCUSSION

9. Update on Town Efforts to Respond to the COVID-19 Crisis. (no attachment) [\[20-0642\]](#)

Emergency Management Coordinator Kelly Drayton gave an update on the Town's COVID-19 response. She said that notable changes related to the state's Phase 3 reopening plan included allowing bars to open for outdoor service and letting movie theaters and other indoor venues operate at limited capacity. Beginning on October 2, 2020, large stadiums would be allowed to fill 7 percent of their seats, she said.

Ms. Drayton said that the Orange County Health Department's guidance regarding Halloween would be released later in the week. She said that weekly COVID testing was being offered at the R-7 lot on Martin Luther King Jr. Boulevard and at St. Thomas Moore Church on every fourth Saturday. Details were available on the Town's website, she said.

Ms. Drayton noted that the deadline for completing the 2020 Census had been extended through Oct 31, 2020. She pointed out that North Carolina ranked 37th in the nation with only 62 percent of its population having responded. She encouraged residents to visit [my2020census.gov](http://my2020census.gov) and complete the form.

Ms. Drayton said that medical experts were continuing to urge everyone to get flu shots, which were available at local pharmacies and the Orange County Health Department. She stressed the importance of wearing a mask, waiting six feet apart, and washing hands regularly during the COVID-19 pandemic.

The Council reaffirmed that the Town would reduce gathering sizes again if any negative metrics such as an increase in hospitalizations and/or a rise in the positive rate to over 5 percent were to appear. In response to a question from the Council, Mayor Hemminger confirmed that the Town had not seen a rise in viral clusters as a result of people being allowed to visit local nursing homes with strict guidelines.

Council Members ascertained from Ms. Drayton that Orange County's positive rate had been below 5 percent for the past month. Staff was not aware of any viral clusters associated with reopened gyms, Ms. Drayton said, but she offered to gather more information about that.

This item was received as presented.

- 10. Consider Authorizing an Economic Development Agreement for the East Rosemary Downtown Deck & Redevelopment Project.**

[\[20-0643\]](#)

Special Note: There may be minor changes to the Economic Development Agreement and the Wallace Deck Lease that may be shared early next week with the Council and Public.

Mayor Hemminger pointed out that Agenda Items 10, 11 and 12 would all be addressed in one presentation.

Town Manager Maurice Jones gave a PowerPoint presentation on the East Rosemary Downtown Deck & Redevelopment Project economic development agreement (EDA) with Grubb Properties. His presentation included a background on the proposal to exchange the Wallace Deck (WD) with land on the south side of East Rosemary Street for Grubb-owned properties at 125 and 135 East Rosemary Street.

According to the EDA, the Town would then build a 1,100-space parking garage on a new combined East Rosemary Street parcel, and Grubb Properties would construct a 200,000 square-foot office building at the WD site, Mr. Jones explained. He said that Downtown would gain new greenspace and a pocket park and that the new Grubb building would house a wet lab and office space that was expected to bring approximately 800 new jobs.

Mr. Jones showed an aerial view of the site and discussed the Town's goals with which the project would align. He outlined a construction management plan and discussed public meetings that had been held since

February 2020. He recommended that the Council consider authorizing the EDA and approving Resolutions 7, 8 and 9.

Economic Development Officer Dwight Bassett explaining how the proposed project would help revitalize downtown and create enough parking to meet Town needs. The project would provide a net increase of more than 250 new parking spaces in addition to the 100 that the University of North Carolina at Chapel Hill (UNC-CH) planned to purchase to support a new Admissions Building in the downtown area, he said.

Craig Scheffler, a senior traffic engineer with HNTB, reviewed a transportation impact analysis (TIA) that had identified several scenarios for an intersection at North Street. The TIA had also evaluated a full access driveway on the back side of the parking deck to North Street that would function for traffic coming from NC 86 to the parking deck, he said.

Mr. Scheffler described necessary upgrades at the North Street/NC 86/North Columbia Street intersection. He discussed recommendations for East Rosemary Street that would reduce queuing in westbound lanes. He still wanted to look at where access could be developed for traffic into and out of the office building's underground parking garage, he said.

Mr. Bassett said that staff had begun discussions with property owners at the corner of North Street and Martin Luther King Jr. Boulevard (MLK) and would explore using that area as the drive entrance. He said that on-street parking and traffic calming would need to be evaluated with respect to traffic flow on North Street. A potential right-turn lane from North Street to MLK, as well as a full-movement traffic light at North Street/MLK would cost an estimated \$200,000, he said. He said that staff would create a plan for the NC Department of Transportation (NC-DOT) to evaluate.

Mr. Bassett said that Grubb Properties was not interested in creating a pedestrian bridge that the Transportation Board had suggested, and he outlined the reasons why. He showed drawings of an alternative that included landscaped medians in the road.

Business Management Director Amy Oland said that the total cost for financing the project would be \$32.9 million, and she stressed that the most important factor was making sure that the Parking Fund would be able to support that debt. She said that staff was conservatively projecting an interest rate of 2 percent but that interest could be even lower. The term would be 20 years and it would likely take about five years for the Town to generate positive cash flows, she said. She pointed out that expected funds from UNC for its 100 parking spaces could be used to supplement and reduce the term of the loan.

Bob Jessup, an attorney with Sanford Holshouser, pointed out that the EDA was based on a March 2020 memo of understanding between Grubb

Properties and the Town. He said that the EDA resolved all points of disagreement between the parties and that he believed it achieved all of the Council's expressed goals. He reviewed key elements of the EDA and said that Council approval would authorize the Town Manager to complete and sign various ancillary agreements at appropriate times.

Mr. Bassett presented a timeline, which ran from start of construction in May 2021 to entitlement of the office building in November 2021.

Mayor Hemminger and Mr. Jones discussed amending the EDA to reflect the cost of modifying North Street. They discussed how any change could be removed if ultimately not applicable.

Council Member Ryan asked about a "make whole" agreement to reimburse Grubb for certain expenses if the Town wanted to buy the property back and Mr. Jessup said that the idea seemed to be acceptable to both parties.

Council Member Ryan confirmed with Traffic Engineering Manager Kumar Neppalli that a revised TIA had had no impact on recommended mitigation measures. She raised concerns about gridlock from queue lengths, but Mr. Neppalli expressed confidence that it would be avoided if the Town were able to work with NC-DOT to add a traffic signal at the North Street/MLK intersection.

Mr. Scheffler said that the TIA would be updated to include trip generation data on peak AM, PM and noon hours but that the update before the Council included what probably was the most impactful data.

Council Member Ryan confirmed with Mr. Scheffler that the maximum queue on Rosemary Street leading toward MLK would end slightly before where the project's proposed primary access driveway would be. She confirmed with Mr. Neppalli that estimated funding for North Street/MLK intersection improvements did not include a possible right-of-way (ROW) purchase.

Mayor Hemminger verified with Mr. Jones that an estimated price for the North Street enhancement could be included in the overall cost, and they discussed adding \$300,000, which would include possible ROW purchase as well.

Council Members argued that Grubb Properties should share in that enhancement cost because the North Street access was a critical component of their project.

Mr. Jessup replied that it was the cost of building the deck but said that the issue was subject to further negotiation.

Council Member Anderson confirmed with Mr. Bassett that UNC-CH's legal

department was currently addressing the 100 parking space purchase. Mr. Bassett said that the University would have difficulty moving forward with its Admissions building if it did not have that parking, and he expressed confidence that UNC intended to proceed.

Council Member Anderson asked what would happen if UNC-CH decided against those spaces, and Mr. Jessup pointed out that UNC-CH was not part of the EDA.

Ms. Oland agreed and also noted that the Town's financial projections had not included the \$2.4 million from UNC-CH. Moreover, the Town could look to its Debt Management Fund to help fill the gap if those UNC-CH funds were not forthcoming, she said.

Council Member Stegman stressed the importance of increasing safety and comfort for cyclists and pedestrians as well as cars, and Mr. Bassett agreed to bring back recommendations related to those amenities.

Council Member Stegman asked if the Town would be locked into swapping properties if it looked as though the project would exceed the maximum price.

Mr. Bassett and Ms. Oland explained how such a contingency had been built into the budget and Mr. Jessup said that if the price of materials were to increase in six months, then the Town's choices would be to borrow more and build the same deck, build a lesser deck, or try to work something out with the partners.

Council Member Huynh pointed out that not getting the \$2.4 million from UNC-CH for 100 parking spaces would mean not getting the ongoing \$40,000 annual maintenance fee as well. He asked about an option to accelerate the timetable, and Mr. Jessup explained that it had resulted from a Council discussion about finding a way to expedite repurchasing the property if the entitlement process were to break down.

Council Member Huynh confirmed with Mr. Bassett that the final construction budget might require having to re-look at budget items such as art and solar.

Council Member Gu questioned the EDA team extensively about the EDA and their negotiating process. She argued that the EDA was unfair to the Town and that the cost of the Investors Title property was unreasonable. She proposed advantages of simply rebuilding the Wallace Deck and raised questions about how it could be in the Town's interest to swap out a parcel of higher value and greater potential.

Council Member Gu asked why the Town should continue paying for Grubb's property tax and insurance, and Mr. Bassett explained that Grubb needed to show its mortgage holder some level of income. She asked why



the Town would continue managing the Wallace Deck after it had a new deck, and Joe Dye, representing Grubb Properties, replied that the Council had requested that provision.

Council Member Gu said that it would not be fair to require the Town to continue managing the WD when the new deck was operational, and Mr. Jessup replied that the Town would only be required to manage it for a year after the new deck was open. However, the Town might want to continue the lease in order to manage those spaces in a way that was consistent with the rest of its program, he said.

Council Member Gu asked why staff felt confident that there would be a 400 percent jump in revenue two or three years after the new deck had been built, and Mr. Bassett discussed how and where parking revenue would increase. Staff had made reasonable but conservative projections, he said.

Mayor Hemminger pointed out that the Town had recently increased its hourly and leased parking rates. She said that projections had been conservative/based on only 60 percent occupancy in the first few years.

Council Member Gu raised concerns about possible structural problems, and Mr. Bassett described how land borings and other procedures would be conducted during the due diligence period.

Council Member Gu said that the EDA was balanced in favor of the applicant and that it did not contain comparable clauses that protect the Town, and Mr. Bassett replied that it had been based on the March 2020 memo of understanding. Every agreement had come before Council for point-by-point negotiations, he said.

Mayor pro tem Parker asked about the rationale for proceeding with the property exchange even if construction costs come in significantly over budget. He raised a possible alternative in which the Town would retain ownership of the WD and come up with the \$4.9 million to buy the Investors Title property.

Mr. Jessup replied that getting everybody in the room to see what could be worked out would certainly be a possibility. What the Town did with the property was its own business, but Investors Title wanted to be paid and Grubb Properties wanted the WD, he said.

Mayor Hemminger confirmed with Mr. Jones that the resolution would include \$300,000 for North Street enhancements. She also confirmed that any significant change order request would be reviewed by an internal management team, the Town's consultant, and would come to the Council for discussion before being approved.

Mayor Hemminger confirmed with Ms. Oland that the Town would work

closely with the Local Government Commission (LGC) throughout the process. She verified with Mr. Jessup that lack of LGC approval would mean that the Town would not be required to build the deck but would still need to proceed with the land swap.

Mike Zeng, a Chapel Hill resident and certified financial adviser, advised the Council to stop the process, arguing that the projected numbers would be hard to achieve and the new parking deck would become a burden in coming years. He said that most citizens probably knew nothing about the project, and he urged the Council to look at an email and video that he had submitted to the Town.

Katie Loovis, representing the Chapel Hill-Carrboro Chamber of Commerce, praised the EDA structure said that Chamber members fully supported the project. She predicted that the agreement would bring the community's long-held vision to life and accelerate its economic recovery.

Matt Gladdek, representing the Downtown partnership, agreed with Ms. Loovis's comments. He said that there would be a demand for office space after COVID-19 and that the new development would spur many other good projects downtown.

Lark Hayes, an East Rosemary Street resident, commented on the ingress and egress issues and asked the Council to use caution when proceeding with such a major decision since meaningful public participation had never been possible due to COVID-19. Ms. Hayes suggested that staff look at a potential Columbia Street access to MLK from behind the PNC Bank.

Martin Johnson, a Chapel Hill resident, expressed appreciation for Council Member Gu for her efforts to show what he characterized as faulty economics behind the EDA. He said that another parking deck would make the Town more car dependent. Passing the EDA while citizens were stressed out due to COVID-19 and unable to pay attention to the negotiations seemed negligent, he said.

Charles Humble, a Chapel Hill Alliance for a Livable Town (CHALT) member, referred to a letter to the Town from CHALT about how current problems with traffic in the area would be further exacerbated by additional cars from new buildings. He said that Town residents who did not normally agree with CHALT had been questioning the value and viability of the project as well.

Yiwen Wang, a Chapel Hill resident and professional CPA, characterized the financial projections as very aggressive and said that the liability was huge. She urged the Mayor and Council exercise due diligence and act in the best interests of Town residents.

Council Member Ryan pointed out that construction prices and interest rates were low and that there was pent-up demand for the project. She

said that not having a final TIA was problematic and that she would like to see further discussions with Grubb Properties about sharing the cost of the North Street improvements. She expressed concern about the "make whole" price and with Grubb properties not bearing the cost of its design work in that case.

Mayor pro tem Parker said that the project was a once in a generation opportunity to transform downtown, which would need some major investment to bring it back after COVID-19. He said that Grubb not moving forward with the office building would be problematic but that negotiators had done all they could to mitigate that risk with the EDA's reversion clause. He stated that the risk of not doing the project outweighed the risk of doing it.

Council Member Stegman pointed out that the Town could miss opportunities if it waited for exactly the right circumstances. She acknowledged that making such a large decision on behalf of the Town was a huge responsibility. However, the Council had put in as many guardrails as possible and the risk would go both ways, she pointed out.

Council Member Huynh described the project as a once-in-a-generation opportunity that had the potential to transform downtown. He praised staff for mitigating risk but said that some loose ends still needed to be worked out. He expressed particular concern about the ingress/egress on the North Street side and said that the parking deck's success would rest on that being resolved.

Council Member Anderson pointed out that the Town was not just building a parking deck but creating an infrastructure that would enable others to do great things downtown. She said that she wanted to vote for the project, but thought the loose ends still needed to be tied up. She expressed concern that the TIA had included mistakes.

Council Member Gu said that the project entailed too much risk for the Town and was significantly biased toward Grubb Properties. She expressed skepticism about staff's projected increase in downtown parking and said that the project needed to be considered in relation to other Town priorities. She argued against taking a risk during a pandemic. She was in favor of more economic development but with more long-term strategic planning, she said.

Council Member Buansi said that he had been enthusiastic about the project prior to COVID-19 but was no longer comfortable with the amount of risk that the Town would take on in the current uncertain climate. He was not comfortable with the limited options the Town would have if the wet lab and office building were not developed in that location, he said.

Mayor Hemminger said that the Town had a rare opportunity to build commercial space downtown. Because the area was an Opportunity Zone,

and because of interesting parcels that work together, the opportunity had come about, she said. She pointed out that having UNC-CH's Admissions building downtown would attract more visitors to the area. The project would bring good jobs for people already in the community, she said. She suggested moving forward with the caveat that some things needed to be confirmed before documents would be signed.

Council Member Anderson said she would accept the TIA being addressed during the due diligence phase, but she advocated for stipulating that it be reviewed for mistakes and to determine that traffic would actually work. She said that she did not understand why the Town would reimburse any investment that Grubb had made and be responsible for still buying Investors Title if the project were not built.

Mr. Jessup replied that the Council could adopt a resolution with stipulations, and he would try to work those out with Grubb Properties. He would also explain to Investors Title why it would be another month before the Town could make a commitment, he said.

Mr. Dye said that he could not comment on the spot but that the "make whole" price was not intended to be a market price but merely reimbursement for what had been spent. The team had negotiated a fair and equitable solution and had previously discussed it with the Council, he said.

After additional Council discussion, Mayor pro tem Parker said that the main loose end was related to the TIA.

Mr. Jessup proposed that the Council adopt Resolution 7, which would approve the EDA and start the 30-day due diligence period. He assumed that the TIA would be updated in time for the Council to consider it at an October meeting, he said. He stated that the Council could "pull the plug" on the project if the TIA was problematic.

Mayor pro tem Parker moved R-7 with a caveat that staff carefully review the TIA and pull the plug if it does not work. Mayor Hemminger asked for a friendly amendment to include an additional \$300,000 for North Street intersection improvements.

Council Member Huynh clarified that passing R-7 would mean that the 30-day due diligence period would begin when the Town Manager signed the EDA.

Council Member Ryan confirmed with Mr. Jessup that adding the stipulations that Council Member Anderson had requested would likely prolong the EDA signing for another month.

Council Member Gu confirmed with Mr. Bassett and Mr. Dye that the

30-day due diligence period included standard environmental and site assessments and could include the TIA as well.

A motion was made by Mayor pro tem Parker, seconded by Council Member Stegman, that R-7 be adopted as amended. The motion carried by the following vote:

**Aye:** 5 - Mayor Hemminger, Mayor pro tem Parker, Council Member Stegman, Council Member Huynh, and Council Member Ryan

**Nay:** 3 - Council Member Anderson, Council Member Buansi, and Council Member Gu

11. Consider Exchanging 150 E. Rosemary for 125 and 135 E. Rosemary to Support the East Rosemary Redevelopment Project and Parking Deck.

[\[20-0644\]](#)

Mayor pro tem Parker moved Resolution 8 and Council Member Stegman seconded. Council Member Anderson ascertained from Mr. Jessup that a request from Council to not swap properties if the project does not move forward would not have to go back through the process if the Council stated that the Manager could sign the EDA as long as it was agreed to.

Mr. Dye said that he had no objections in principle to that idea but wanted to make sure that the parties had time to think through its ramifications.

Council Member Parker and Stegman accepted the suggestion as a friendly amendment and Mayor Hemminger stated the motion: To exchange 150 East Rosemary Street (Wallace Deck) for 125 and 135 East Rosemary (the CVS Deck and the Investors Title lot) to support the project and the monies involved in such. She said that the amendment was that the Town would not exchange properties but would buy the Investors Title property or talk with its owners if the agreement fell through.

With regard to Resolution 9 (approving the Town's ability to reimburse itself from financing proceeds for pre-expenditures), Mr. Jessup explained that the Town expected to close on financing in time to pay the land exchange price and reimburse what it would owe Grubb Properties. He said that having a formal declaration to reimburse on record was a tax law requirement.

A motion was made by Mayor pro tem Parker, seconded by Council Member Stegman, that R-8 be adopted as amended. The motion carried by the following vote:

**Aye:** 7 - Mayor Hemminger, Mayor pro tem Parker, Council Member Anderson, Council Member Buansi, Council Member Stegman, Council Member Huynh, and Council Member Ryan

**Nay:** 1 - Council Member Gu

A motion was made by Mayor pro tem Parker, seconded by Council Member Huynh, that R-9 be adopted. The motion carried by the following vote:

**Aye:** 7 - Mayor Hemminger, Mayor pro tem Parker, Council Member Anderson, Council Member Buansi, Council Member Stegman, Council Member Huynh, and Council Member Ryan

**Nay:** 1 - Council Member Gu

- 12.** Open the Public Hearing: Conditional Zoning at 125 East Rosemary Street Parking Garage from Town Center-2 (TC-2) to Town Center-2-Conditional Zoning District (TC-2-CZD).

[\[20-0645\]](#)

Planner Becky McDonnell gave a PowerPoint presentation on an application from Grubb Properties, in partnership with the Town, for Conditional Zoning at 125 and 135 East Rosemary Street. She explained that this opened a public hearing for the parking garage that was part of the redevelopment proposal in Agenda Items 9, 10 and 11.

Ms. McDonnell said that the process thus far had included a staff review of the application and Town advisory board recommendations. She explained that the project involved two parcels on the east side of East Rosemary Street, with an existing parking deck on the western part of a 1.68 acre site. The proposal was to build a new 6-7 story parking deck and rezone the property to Town Center-2 CZD to accommodate improvements she said. The new parking deck would then replace spaces at the existing deck and at the nearby Wallace Deck and would add an additional 200-300 spaces, she said.

Ms. McDonnell showed a photo of the existing deck and the proposed site plan. She indicated access points off East Rosemary Street and onto North Street. She showed the location of a possible police substation, presented renderings of a retail front porch, and discussed a proposed crosswalk treatment.

Ms. McDonnell said that the applicant had requested modifications to increase building height from 44 to 73 feet and to reduce interior solar setback from 11 to 5 feet. Town boards had recommended approval with conditions but that the Transportation Board had recommended denial

unless certain conditions could be met, she said.

Ms. McDonnell recommended that the Council open the public hearing, receive comments via email for up to 24 hours, and consider enacting Ordinance A at its October 28, 2020 meeting.

A motion was made by Council Member Anderson, seconded by Council Member Huynh, to close the public hearing and receive comment for an additional 24-hours. The motion carried by a unanimous vote.

**13. Consider Enacting a Budget Ordinance Amendment for the Second Allocation of CARES Act Funding.**

[\[20-0646\]](#)

Community Resilience Officer John Richardson gave a PowerPoint presentation on a budget ordinance amendment to allow the Town to receive a second allocation of federal Coronavirus Aid Relief Economic Security (CARES) Act funds through Orange County. He said that CARES Act funding was intended to address the health and economic impacts of COVID-19 as well as long-term recovery planning. Enacting the ordinance amendment would appropriate \$806,000 to the Town, he said.

Mr. Richardson provided updates to housing assistance programs though which Chapel Hill residents had received help in recent weeks. He said that some CARES funding had gone toward a part-time position to help manage the Town's Food Bank, which had served more than 37,000 meals since March 25, 2020.

Mr. Richardson discussed education assistance programs for low-income children and described how Internet access was being expanded to several Town locations. He mentioned a grant program with the Chamber of Commerce that was helping businesses comply with public health requirements. He said that the Town's long-term economic recovery plan was in process and that a consultant to help would be selected by December.

Council Members praised the staff's work and expressed strong interest in receiving more information about the long-term recovery plan and who the consultant would be. They asked for ongoing updates from the consultant as well.

Council Member Huynh requested data from a recent business survey and updates from a new minority-owned business board. He recommended that the Town support the Midway Business Center, noting that minority-owned businesses there had been hit especially hard by COVID-19.

Council Member Gu requested that staff take the opportunity to expand

economic participation of minority-owned and women-owned small businesses. She hoped the long-term plan would include investment in job training and skill development, she said.

Mayor Hemminger praised staff for their "truly stellar" response during COVID-19. They had risen to the occasion and kept the community safe, she said.

A motion was made by Council Member Buansi, seconded by Council Member Stegman, that O-1 be enacted. The motion carried by a unanimous vote.

- 14.** Open the Public Hearing: Land Use Management Ordinance Text Amendment - Proposed Changes to Articles 3, 5, and Appendix A Definitions pertaining to Conditional Zoning. [\[20-0647\]](#)

Land Use Management Ordinance (LUMO) Project Manager Alisa Duffy Rogers presented LUMO amendments to facilitate development applications that had been delayed due to constraints and concerns over quasi-judicial hearings in a virtual environment. The amendments would also bring portions of the LUMO into compliance with state law 160D, which had modified development regulation statutes, she said.

Ms. Duffy Rogers explained that the ordinance would convert development options that require special-use permits such as the Residential Special Standards Conditional Use District and the Mixed Use Village District into Conditional Use (CZ) districts in accordance with 160D. The other amendment would change "S" in the LUMO's use matrix to permit uses defined as "special use" to be considered as part of a CZ application, she said.

Ms. Duffy Rogers recommended that the Council open the public hearing, allow a 24-hour public comment period, and consider the item again on October 7 or October 28, 2020.

A motion was made by Council Member Buansi, seconded by Council Member Huynh, to close the public hearing and receive comment for an additional 24-hours. The motion carried by a unanimous vote.

- 15.** Open the Public Hearing: Application for Conditional Zoning - Bridgepoint, 2214 and 2312 Homestead Road (Project 20-001). [\[20-0648\]](#)

Senior Planner Anya Grahn gave a PowerPoint overview of an application to revoke a special-use permit for Bridgepoint and rezone the property from Residential 5 Conditional Use to Residential 5 Conditional Zoning District. She showed the site plan, reviewed existing conditions and boundaries, and described a plan to construct two new interior streets.



Ms. Grahn said that the applicant was proposing 53 townhomes, a pocket park, and a stormwater pond. She outlined proposed modifications to regulations regarding land disturbance, steep slopes, buffers, and affordable housing. She said that the applicant had requested a payment in lieu of recreation space and had agreed to provide right-of-way associated with a nearby Town-owned project.

Ms. Grahn said that the Transportation and Connectivity Board and the Environmental Stewardship Advisory Board had both approved the project, with conditions, and that the Community Design Commission would see it again at the end of October. She recommended that the Council open the public hearing, receive comments for 24 hours, and consider enacting the ordinance on October 28, 2020.

Council Members confirmed with Ms. Grahn that conditions of approval included a requirement that "no parking" signs would be placed along some of the internal streets. Ms. Grahn pointed out that the townhomes would have two-car garages with driveways and that there would be a shared parking area as well. The Council confirmed that internal streets would be 26 feet wide and that the ephemeral stream was located along a property line that was shared with Town-owned property at 2200 Homestead Road.

Applicant Eric Chupp said that the Town's environmental, transportation and housing boards had unanimously approved the request and that he would return to the Community Design Commission to address its elevation concerns. He showed an aerial view of the site, described nearby easements, reviewed the parking plan, and said that the ephemeral stream was more of a pipe that ran along the boundary than a stream. He described the plan as a fantastic infill development that would be surrounded by public amenities, services, and schools.

Mr. Chupp showed renderings of how the property would look from Homestead Road and reviewed the site plan, landscaping/buffers, proposed access, and a dedicated greenway trail. He indicated where a pocket park would be and said that the plan included building a sidewalk on one side of all internal streets and along the front of Weaver Dairy Road Extension. He said that he agreed to all of the advisory boards' recommended stipulations.

Council Member Anderson left the meeting.

Mr. Chupp showed the planned locations for five affordable townhomes, which would have floor plans and elevations identical to the others and be dispersed evenly throughout the community. Three of those would be available to households earning 80 percent or less of the area median income (AMI) and two would be for those earning 65 percent or less of

AMI, he said. Mr. Chupp mentioned that he had consulted with the Community Home Trust and said that all of the affordable units would be conveyed to them for perpetual affordability.

Council Member Stegman confirmed that the market rate units would cost between \$320,000 and \$344,000. She determined that a five-foot picket fence was proposed to run along the required buffer and said that she found fences to be unwelcoming and not compatible with the connectivity plan.

Mr. Chupp explained that the reason for the fence was to supplement the buffer. It would not be a closed, privacy fence, he said, and he offered to return with photos.

Council Member Gu commented on how the view for someone passing by would be of a cleared expanse and the backs of townhomes.

Mr. Chupp replied that there would be 60 feet between those units and the curb. He said that having them face the road would not be practical, and he pointed out that the project next door would be similar for the same reasons. He said that tree canopy plans were part of the project and that the area in front would be heavily landscaped.

Council Member Ryan confirmed that the applicant was proposing almost 1.7 acres of tree canopy, which was 1.3 to 1.5 percent more than the required amount.

Martin Johnson, a Chapel Hill resident, requested that the project include protected bike lanes, if possible. He pointed out that such lanes would make biking between homes and schools much easier and safer.

Mr. Chupp described a plan to extend the bike lane along Weaver Dairy Road Extension all the way to Homestead on the western side. He said that there would be five-foot bike lanes on both sides of Homestead Road from Weaver Dairy Road Extension to Sewell School Road.

Mr. Johnson stressed that he was asking for "protected" lanes, with something like ballards between cyclists and cars.

Council Members expressed enthusiasm for the affordable housing plan, the goal of building for the "missing middle", the environmental approach, and the connectivity plan. They asked Mr. Chupp to reexamine the idea of adding a fence to the buffer and to concentrate on nice landscaping instead. They agreed that the applicant seemed to have met the recreational space requirement and said that the project was greatly improved from its earlier design.

Council Member Ryan commented that the development felt "very sterile" to her. She proposed that the applicant try to make it greener around the living areas and encouraged Mr. Chupp to try and hit the 40 percent Resource Conservation District target.

Council Member Gu asked Mr. Chupp to consider improving the appearance of the development from Homestead Road.

Mr. Chubb agreed to return with a response regarding the fence and said that he would look into increasing the caliper of trees and bushes along the Homestead Road frontage.

A motion was made by Council Member Huynh, seconded by Council Member Ryan, to close the public hearing and receive comment for an additional 24-hours. The motion carried by a unanimous vote. Council Member Anderson did not vote.

**16. Blue Hill Semiannual Report #12.**

[\[20-0649\]](#)

This item was postponed to a later date.

**ADJOURNMENT**

This meeting adjourned at 12:22 p.m.