



TOWN OF CHAPEL HILL

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

Legislation Details (With Text)

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Title: Amend the Lease with United States Postal Service (USPS) at 179 East Franklin Street.

Sponsors:

Indexes:

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Attachments: 1. SHPO Clearance Letter, 2. Post Office Amendment, 3. Deed Book Entry, 4. Council Questions with Staff Response, 5. A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXTEND AND AMEND A LEASE WITH THE UNITED STATES POSTAL SERVICE AT 179 EAST FRANKLIN STREET (2021-04-07/R-7)

Date	Ver.	Action By	Action	Result
4/7/2021	1	Town Council	adopted	Pass

Amend the Lease with United States Postal Service (USPS) at 179 East Franklin Street.

Staff:

Mary Jane Nirdlinger, Assistant Town Manager
Dwight Bassett, Economic Development Officer

Department:

Manager’s Office
Economic Development

Overview: Council authorized the East Rosemary Economic Development Agreement as a framework to guide enhanced development in our Downtown. The existing Grubb building (CVS Plaza) and the proposed office building would work to tap the Meds/Eds/Beds (medical, education, and hospital/hospitality) sectors of our market. We believe we have tremendous potential for growth and retention of biotechnology and life sciences companies downtown. The Town’s commitment to closing on the Wallace Deck property in May with Grubb Properties is part of this effort and it requires a lease amendment as described below.

☆ **Recommendation(s):**

That the Council authorize the Town Manager to amend the lease with the USPS on property adjacent to the Wallace Deck.

Background:

During our due diligence and title search for the East Rosemary project, we found that, in 1979, the Town granted the State Historic Preservation Office (SHPO) and the USPS the right to review any changes to the Wallace Deck property when the Wallace Deck Parcel was added to the deed restrictions connected with the Post Office building.

The Town is currently recombining property so that these Deed restrictions will no longer apply to the Wallace Deck.

In addition to tonight’s action, the Town will also need to address zoning-related issues so the project can proceed:

- 1) The Town will need to create an Easement over the first 30' of the western edge of the park property so as not to limit the amount of glass or wall penetrations on the building. (Fire)
- 2) There may be a need for a text amendment or other consideration to allow the building to rise to the proposed height since the proposed setback and height do not meet current regulations at the property line. (Planning)

These items will be dealt with separately.

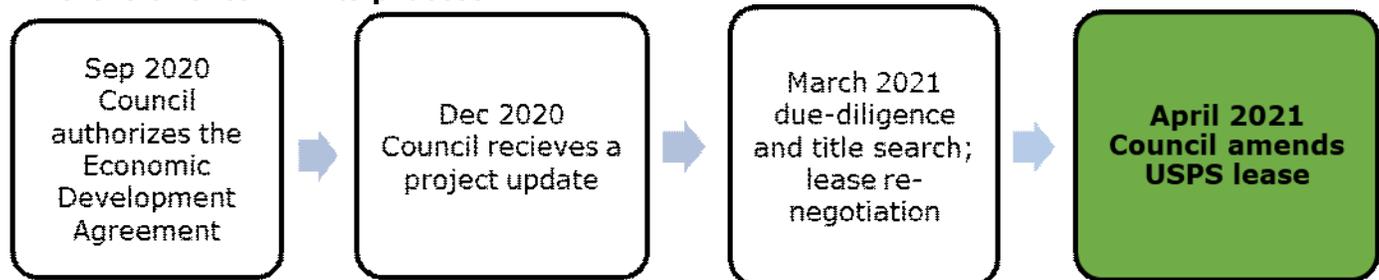
Decision Points:

Before the closing, the Town needs to amend and extend the lease with the USPS on the adjacent courthouse property, where the USPS has a long-standing lease with the Town.

Tonight, the Council will authorize the Town Manager to proceed with the lease Amendment. The USPS agreed to sign a Deed Release on the Deed Restrictions, they asked for a lease extension, and they agreed to increase in the rate. The SHPO has also agreed to sign a Deed Release and Lease Amendment.

Fiscal Impact/Resources: Authorization will allow the Town to proceed with the closing.

Where is this item in its process?



Attachments:

- Resolution
- SHPO Clearance Letter
- Post Office Amendment
- Deed Book Entry

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXTEND AND AMEND A LEASE WITH THE UNITED STATES POSTAL SERVICE AT 179 EAST FRANKLIN STREET (2021-04-07/R-7)

WHEREAS, the Town wishes to proceed with a May closing on the Wallace Deck property; and

WHEREAS, during due-diligence the Town discovered lease restrictions related to the USPS lease on the Courthouse property adjacent to the Wallace Deck which would have impacted the future use of the Wallace Deck, and

WHEREAS, amending the lease is required to proceed with closing.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council authorizes the Town Manager to amend and extend the lease with the United States Postal Service at 179 East Franklin Street.

This the 7th day of April, 2021.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By adopting the resolution, the Council authorizes the Town Manger to extend and amend the lease with the United States Postal Service at 179 East Franklin Street.