



TOWN OF CHAPEL HILL

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

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Title: Redevelopment of Police Station Property at 828 Martin Luther King Jr Boulevard and Consideration of Municipal Services Center at Site.

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Attachments: 1. RFQ Response, 2. Previous Costs for MSC Comparison, 3. Staff Presentation, 4. Applicant Presentation, 5. Council Questions with Staff Response

Date	Ver.	Action By	Action	Result
6/2/2021	1	Town Council	received and filed	

Redevelopment of Police Station Property at 828 Martin Luther King Jr Boulevard and Consideration of Municipal Services Center at Site.

Staff:

Mary Jane Nirdlinger, Deputy Town Manager
Laura Selmer, Economic Development Specialist

Department:

Manager’s Office

Overview: The purpose of this item is to provide Council with background information and options for redevelopment of the current police station property, located at 828 Martin Luther King Jr. Blvd. This property presents an opportunity to combine two ongoing efforts in the Town: a site for the Municipal Services Center (MSC); and the remediation and reuse of the current police station property.

☆ **Recommendation(s):**

That the Council pursue a public/private partnership with Belmont Sayre to redevelop the property in a way that includes the MSC, mixed-use development, public amenities, and cleanup of the site. This could be achieved through an Economic Development Agreement (EDA).

Staff have engaged Noell Consulting to provide financial analysis of a potential project at the June 4th Council Committee on Economic Sustainability.

If Council supports this direction, staff could return on June 23rd with a framework for drafting an EDA over the Council’s summer recess, returning to the Council for further discussion and decision in the fall.

I. Project Background

The timeline below provides an overview of how the private property was used before the Town acquired it, as well as the recent activities the Town has taken to investigate current conditions in coordination with the North Carolina Department of Environmental Quality (NC DEQ). The history of the site prior to Town ownership was pieced together by the Town’s Environmental Engineer, Hart & Hickman.

Timeline	Description
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1950s to early 1960s	Property initially used as a borrow pit - an area where material was dug up for use at other locations, usually for construction.
Mid-1960s to mid-1970s	Property then used as a fill site where construction debris was deposited; coal combustion products (CCPs) were later placed on top of the construction debris for structural fill.
Early 1980s	Town acquires property and builds a police station that is still in use today.
2013	As part of a process to explore a new home for the police department, Town conducts a site assessment and begins working with DEQ to investigate and share information about the condition of the property.
2015 - 2017	Town works with Environmental Engineering consultant and DEQ to complete Phase 1 and Phase 2 remedial site investigations to understand CCP locations and amounts.
2018	Town explores remedial cost options and possible future uses for the property; Council asks staff to work with a toxicologist to prepare a human health and ecological risk assessment for the Police Station property.
2019-2021	Town hires Duncklee & Dunham to perform a Human Health and Ecological Risk Assessment; Hart & Hickman perform Interim Remedial Measures on trail portion of the site; The Town issues an RFQ to select a qualified development team to consider site redevelopment.

The vision for the Municipal Services Center is to co-locate key community services and to support interdepartmental collaboration. The project is also an opportunity to move departments out of facilities that are well-past their prime with significant repair costs which will increase with delay. The Municipal Services Center program includes new space for:

1. The Police Department
2. The Fire Department Administration & Emergency Management
3. The Parks and Recreation Department
4. Some Technology Solutions Department space
5. A replacement for Fire Station #4 and space for Orange County EMS at the Fire Station #4 site on Weaver Dairy Road.
6. Parking for the uses in the building

For additional information on MSC cost estimates and comparisons, please see the [March 5, 2021 staff memorandum](https://www.townofchapelhill.org/home/showpublisheddocument/48392/637504512715730000) <<https://www.townofchapelhill.org/home/showpublisheddocument/48392/637504512715730000>>.

II. Redevelopment Options

No Development

Not developing the property has a cost. If the MSC is built elsewhere, we assume a cost to upfit or demolish the existing police department building. Additionally, permanent remedial measures for the property are needed (e.g., a retaining wall system along the embankment). The Town could pursue a brownfields agreement acting as prospective developer, or work with the Inactive Hazardous Sites Branch (IHSB) of the NC DEQ to stabilize the property. The building is not eligible for historic register or tax credits to offset rehabilitation costs and needed repairs are extensive.

MSC Only

The Town could redevelop the site for the Municipal Services Center under a Brownfields Agreement with the Town acting as prospective developer. The Town would gain liability protection under a brownfields agreement, but as a municipal entity, the Town would not benefit from the brownfields tax credit incentives. This would be a costly option, with the added need for permanent remedial measures as a component of construction. Most important is the retaining wall along Bolin Creek to prevent further erosion of coal ash on the embankment. Temporary remedial measures have stabilized the bank in the short term, but they are not a long-term solution.

MSC and Public/Private Mixed Use

A public/private partnership with RFQ respondent, Belmont Sayre, could allow for the development of mixed-use space and the MSC. The developer would enter into a brownfields agreement with the NC DEQ to redevelop the property. The Town would incur construction costs, but the developer would cover, in part, the permanent remedial measures for the site under an environmental management plan as a component of the brownfields agreement. This scenario would allow for tax base growth for the mixed uses, a solution to the MSC siting, cleanup of the site, development along the BRT corridor, and trail oriented development. In this scenario, the Town could explore retaining ownership of the trail portion of the property, or an easement. Temporary relocation of police operations would be needed during construction.

Private Development

The Town could sell the land to a private developer, who would then act as prospective developer and engage in a brownfields agreement with the NCDEQ. This scenario would allow for maximum tax base creation but would not solve the need for a site for the MSC.

III. Public Feedback & Engagement

Staff held two public information meetings in May 2021. The first meeting, held on [May 17th](https://chapelhill.granicus.com/MediaPlayer.php?clip_id=4919) <https://chapelhill.granicus.com/MediaPlayer.php?clip_id=4919> provided a summary of site history, the Interim Remedial Measures Report, and the Human Health and Ecological Risk Assessment. The second meeting, held on May 24th, introduced redevelopment options for the site and staff collected feedback. What we heard:

- Interest in exploring the preservation of the existing police station building for its historical significance.
- Concern for risk on the site for residential uses, risk during construction for workers and neighbors, and mitigating soil disturbance.

Staff will continue to engage the public and neighbors for feedback and concerns, should a project materialize at this site.

Decision Points:

- Siting of the MSC at current police station property
- Pursue a public/private partnership with Belmont Sayre

Key Issues:

- Environmental remediation
- Building the MSC at the current police station property would also require the upfit of Fire Station #4

Fiscal Impact/Resources: The fiscal impacts of the various scenarios are generally described above

Where is this item in its process?



Attachments:

- RFQ Response
- Previous Costs for MSC Comparison

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

PRESENTER: Laura Selmer, Economic Development Specialist

The purpose of this item is to provide Council with background information and options for redevelopment of the current police station property located at 828 Martin Luther King, Jr. Blvd. This property presents an opportunity to combine two ongoing efforts in the Town: a site for the Municipal Services Center (MSC) and the remediation and reuse of the current police station property.