



# TOWN OF CHAPEL HILL

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

## Legislation Text

File #: [21-0443], Version: 1

### **Authorize the Town Manager to Sign a Letter of Intent on an Exchange of Property Associated with the West Rosemary Hotel Project.**

**Staff:**

Dwight Bassett, Director

**Department:**

Economic Development and Parking Services

**Overview:** The Town owns a small, 16-space parking lot on West Rosemary Street, behind the former Town Hall. The lot is typically under-used as compared to other Town lots.

When the developer of the proposed West Rosemary Hotel purchased the future hotel property, the transaction included a small house on Pritchard Avenue which they do not need for the hotel. The developer is proposing to exchange the Pritchard Avenue parcel for the Town's 16-space lot so he can replace the parking with a green space around former Town Hall. This green space would then be reviewed as part of the hotel entitlement process.

The Town has an interest in creating affordable housing when the opportunity arises. The Town's Housing and Community staff has evaluated the Pritchard Avenue lot and believes we could rehabilitate the house or remove it and build something new on the property.

Appraisals commissioned by the Town and paid for by the developer show the following values on the property:

208 Pritchard Avenue -	\$550,000	Parcel ID: 9788279667
110 West Rosemary Street-	\$640,000	Parcel ID: 9788370535
Difference	\$90,000	

We suggest that the \$90,000 the Town would receive in the exchange be used toward whatever future use the Town decides for the Pritchard Avenue property.

This property exchange was presented at the Council Committee on Economic Sustainability on [May 7, 2021 <https://www.townofchapelhill.org/home/showpublisheddocument/48921/637558011126630000>](https://www.townofchapelhill.org/home/showpublisheddocument/48921/637558011126630000).

This Letter of Intent would also authorize the Town Manager to sign a rezoning application for the Town parcel. This would not prevent the Town from continuing to operate the parking lot or other uses if the sale does not take place.

The Letter of Intent is a non-binding agreement and subject to the authorization of the Purchase and Sale Agreement. The Council would consider a Purchase and Sale Agreement after the final Public Hearing on the SUP permit of the property.



**Recommendation(s):**

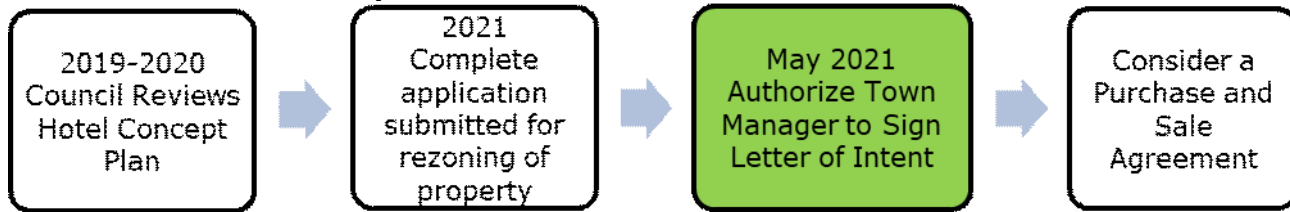
That the Council authorize the Town Manager to sign a Letter of Intent to exchange the parcels. Any further consideration for the Purchase and Sale Agreement would come back to Council after the hotel SUP permit has been considered by the Town.

**Decision Points:**

- Is the Town interested in swapping the West Rosemary parking lot for the Pritchard Avenue parcel?
- Could the swap support Council goals?

**Fiscal Impact/Resources:** Exchange of parcels and receive the difference of \$90,000 to the Town.

**Where is this item in its process?**



**Attachments:**

- Resolution

**A RESOLUTION TO AUTHORIZE THE TOWN MANAGER TO SIGN A LETTER OF INTENT ON AN EXCHANGE OF PROPERTY ASSOCIATED WITH THE WEST ROSEMARY HOTEL PROJECT (2021-05-19/R-2)**

WHEREAS, Town Council has previously considered the hotel development in Concept Plan, now known as the West Rosemary Hotel; and

WHEREAS, Town Council considers the exchange of a Town-owned parcel at 110 West Rosemary Street with a developer-owned parcel at 108 Pritchard Avenue, to be a reasonable request; and

WHEREAS, the exchange of these parcels may allow for future uses that support Council Goals; and

WHEREAS, a Letter of Intent would contemplate an exchange of these properties; and

WHEREAS, the property exchange would be authorized by a Purchase and Sale Agreement for Town Council consideration after the potential SUP Permit of the property; and

WHEREAS, a Letter of Intent would also authorize the Town-owned parcel to be included in the developer's development approval application for the East Rosemary Hotel project.

NOW, THEREFORE, BE IT RESOLVED on May 19, 2021 by the Council of the Town of Chapel Hill that the Council authorizes the Town Manager to sign a non-binding Letter of Intent containing the terms set forth in this resolution on an exchange of property associated with the West Rosemary Hotel project.

BE IT FURTHER RESOLVED THAT the Town Manager is authorized to sign the development approval application as it relates to inclusion of the Town-owned parcel at 110 West Rosemary Street in the proposed project.

BE IT FURTHER RESOLVED THAT the Town Manager is authorized to negotiate a Purchase and Sale Agreement to formalize the property exchange to be brought back to the Town Council for consideration.

This the 19<sup>th</sup> day of May, 2021.

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**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 Manager to sign a Letter of Intent on an exchange of property associated with the West Rosemary Hotel project.