

**DRAFT SUMMARY MINUTES OF A WORK SESSION  
OF THE CHAPEL HILL TOWN COUNCIL  
WEDNESDAY, NOVEMBER 9, 2016, AT 4:30 PM**

**Council Members Present:** Mayor Pam Hemminger, Mayor pro tem Donna Bell, Council Member Jessica Anderson, Council Member George Cianciolo, Council Member Sally Greene, Council Member Ed Harrison, Council Member Nancy E Oates, Council Member Maria T Palmer, Council Member Michael Parker, and Communications and Public Affairs Director and Town Clerk Sabrina Oliver.

**Staff members present:** Town Manager Roger L Stancil, Deputy Town Manager Florentine Miller, Town Attorney Ralph Karpinos, Fire Chief Matthew Sullivan, Director of Planning and Development Services Ben Hitchings, Planning and Sustainability Executive Director Mary Jane Nirdlinger, Interim Fire Marshal Tommy Gregory, and Police Officer Rick Fahrer.

**AGENDA ITEMS**

**1. Discussion: Development Review Options.**

Town Manager Roger Stancil opened the work session with an overview of the evening's focus on development review tools and processes. He noted that Chapel Hill's existing system had evolved over time and that Council would be asked to consider whether improvements should come through incremental adjustments or a more comprehensive rewrite of the Land Use Management Ordinance (LUMO). Mr. Stancil emphasized that staff would return in the spring with recommendations and requested Council's guidance on their preferred direction.

Planning and Development Services Director Ben Hitchings presented a summary of the development review landscape in Chapel Hill, explaining that most major development proposals—approximately 70 percent—move through the Special Use Permit (SUP) process. He discussed the "20/40 rule," defining the threshold for SUP applicability, and highlighted recent Development Agreements such as Carolina North, Glen Lennox, Obey Creek, and the Station at East 54. Mr. Hitchings explained the comparative flexibility of Development Agreements and noted that applicants often sought the Town's advice on whether to pursue a DA or SUP route.

UNC Chapel Hill School of Government David Owens provided an overview of the statutory framework governing development decisions in North Carolina. He outlined the four types of development review processes—legislative, quasi judicial, advisory, and administrative—and described how each process differs in terms of discretion, citizen engagement, evidentiary requirements, and opportunities to impose conditions. Mr. Owens also emphasized the importance of maintaining due process in quasi judicial decisions and noted limitations on ex parte communications in SUP cases.

Council members asked clarifying questions related to the legal constraints of SUP review, the role of conditional zoning, and whether other review pathways might offer greater predictability or community engagement. Council engaged in a broad discussion about how development tools should reflect the community's vision, including the importance of aligning decisions with the comprehensive plan, the appropriate use of conditional zoning, and the potential benefits of a

more structured framework for determining when different tools (SUP, DA, conditional zoning) are appropriate. Council expressed interest in receiving clearer guidance from staff on which development types were best suited for each review pathway.

Staff agreed to return at a future meeting with recommendations outlining potential improvements to the Town's development review framework. These recommendations will include clearer guidance on whether Development Agreements, Special Use Permits, or conditional zoning may be the most appropriate tools for specific types of development proposals. Staff are also committed to providing Council with additional analysis that will support the upcoming LUMO revision process and help determine how development review tools should align with Chapel Hill's long term planning goals.

## **2. Discussion: Town Fees Related to Development and Building Safety.**

Planning and Sustainability Executive Director Mary Jane Nirdlinger provided an overview of planning and sustainability fees, explaining that state requirements implemented in 2015 mandate that revenue from building inspections fully support the cost of inspection functions. Ms. Nirdlinger outlined current staffing needs, including plan reviewers, inspectors, and code enforcement personnel—and noted that planning related revenues generally cover a smaller share of overall costs than inspection revenues. She explained that fees are waived for affordable housing projects and that a future review of fee structures could help align resources with services.

Fire Chief Matthew Sullivan presented information on the Fire Department's life safety fees, describing the division's responsibilities in community education, inspections, code compliance, plan review, and fire investigations. Chief Sullivan noted growth in the life safety division over recent years and explained how fire inspection fees are structured, including system based permit fees and periodic inspection fees required under state law. Chief Sullivan also provided examples demonstrating staff time needed to complete reviews and inspections of large residential buildings.

Staff explained that feedback from stakeholders indicated that the fee schedule was perceived as complicated and sometimes difficult to understand. Stakeholders expressed a desire for a fee system that was reasonable, clear, and simple. Staff suggested goals for simplifying the schedule, evaluating outliers, and ensuring a clear relationship between fees and services provided.

Council discussed the philosophy behind fee for service models, including the distinction between services that benefit the entire community and those that serve individual applicants. Staff noted that future fee discussions could be aligned with the budget development process for FY17–18.

Staff committed to preparing refined fee structure options and comparative analyses for Council consideration during the upcoming FY17–18 budget cycle. In addition, staff will examine ways to simplify and clarify the Town's existing fee schedules, identify any inconsistencies or outliers, and ensure that future fee structures align more closely with the Town's policies, service demands, and any future changes to the LUMO.

The meeting adjourned at 9:15 p.m.