

**Council Committee on Economic Sustainability Meeting Notes**  
**February 3, 2017**  
**Chapel Hill Public Library, Room C**

Attendees: Mayor Pam Hemminger, Council Member George Cianciolo (Chair), Council Member Michael Parker, Council Member Sally Greene, Council Member Ed Harrison, Council Member Nancy Oates, Meg McGurk, Gordon Merklein, Steve Brantley, Florentine Miller, Dwight Bassett, Ben Hitchings, Mary Jane Nirdlinger, Sabrina Oliver, Jeanne Brown, Laura Selmer, Chris Roberts, Lance Norris, Rae Buckley, Beth Vazquez, Dr. Rudolph Juliano.

Meeting opened at 8:01 a.m.

Council Member George Cianciolo proposed changing the agenda to shift item A ahead of updates due to the consultants' schedule.

**Report on Wallace Deck**

Public Works Director Lance Norris introduced two consultants from MHAworks to discuss the feasibility study regarding the Wallace Parking Deck. They were tasked with determining what the deck could hold and to explore the option to add additional parking. The current proposal is to build three stories on top of the existing deck. MHA reports that up to 60,000 square feet could be built up vertically while keeping the lower level as parking. The proposal includes roughly 300 additional parking spaces at a cost of \$18,000-\$20,000 per space. One option proposed is to split the decks into a lease only and hourly or lease. The total cost of the project is estimated at \$6-7 million.

MHA speculated that the Historic District Commission may have a lot to say on how they skin the building. Council Member Oates said the project may not get pushback from the HDC. Planning Director Ben Hitchings said that the Historic District Commission may catch the Henderson façade, but the deck does not completely fall in the HDC. Council Member Greene added that the HDC may conduct a courtesy review of properties adjacent to the district.

Council Member Parker said if there is less office space built, there would not be as great a need for parking to support those offices. Economic Development Officer Dwight Bassett suggested the CVS deck may be demolished, then a hybrid could replace it to support Rosemary Street. Council Member Parker asked if a hybrid is both structurally feasible and utilitarian.

MHA explained that from an efficiency point of view, the addition of parking will defray the cost of building ramps. Discussion turned to potential need for increased parking availability with more commercial development downtown. Mr. Bassett offered that supplying infrastructure to support this development is perhaps a better role for the Town.

Mayor Hemminger asked about programming success on top of the existing Wallace Deck. Meg McGurk said that the movies have been very successful, but parking is more important.

Mr. Norris explained that a study was conducted in 2012/2013 to look at the maintenance needs of the Wallace Deck. He reported that parking services has initiated repairs on the inside, but there remain problems with the liner between slabs on top of the deck. Concerns were raised about putting off maintenance for so long that deterioration worsens. Mayor Hemminger proposed considering a gradual

approach, adding parking at the top level first, which would also resolve lingering maintenance issues. MHA explained that the addition of parking to the top level now would not preclude building vertically in the future.

Mr. Hitching mentioned that best practices for parking strategies are forthcoming. Council Member Parker remarked that downtown has a large number of moving parts and proposed bringing these pieces together so they're considered as a unified whole, rather than optimizing each piece independently.

Mr. Bassett suggested that the Town manage a greater share of parking downtown (40-50%) as a strategy to encourage investment; currently managing about 25%.

Council Member George Cianciolo proposed that staff come back to the full Council with both and near- and long-term options for the Wallace Deck.

## **Updates**

### Commercial Development Strategy (Dwight Bassett)

Maker Convening January 28<sup>th</sup> was a big success. There will be a second convening in 6-8 weeks, likely to take place off campus and in a space about twice the size of the first. The comment was made that makers are a part of our ecosystem that the Town needs to stand up for innovation and entrepreneurship. The January event reached 38,000 accounts on Twitter.

Mayor Hemminger will host a breakfast to support development of Entrepreneur Council. Council Member Greene encouraged reaching out to artist entrepreneurs. Council Member Cianciolo encouraged inviting those attending Mayor's breakfast to connect with the Town through LinkedIn.

### Planning and Sustainability (Ben Hitchings)

There are fewer vacant sites for development as the Town matures; the sites that are left are more complicated to develop. Shared slide from Phil Mason on permit type as percentage of total permits (FY 2015 – FY 2017). Discussed development activity report and new concept plans: Amity Station, Chapel Hill High School, Rosemary East Mixed-Use, and Wood Townhomes; Council can expect presentations on these this month.

Provided update on new SUPs. Council Member Parker suggested exploring use of development agreements instead of SUPs; asked if the Town could be making better use of the development agreement process and inquired about impact on staff. Executive Director Mary Jane Nirdlinger to check back with Town Manager Stancil. Mr. Hitchings expressed reluctance unless project has significant public component. Proposal is to pilot this approach with the Innovative Light Industrial District. Council Member Harrison suggested there is great public interest in the American Legion property.

Update on Ephesus-Fordham projects (bypass lane, Greenfield Commons, Hillstone, and Village Plaza South) and projects under construction (Carraway Village, Greenfield Place, Courtyards of Homestead, and Eastgate Building D). Question was raised as to whether a Dunkin Donuts is going in on Franklin Street next to Sherwin Williams. Mr. Bassett suggested placing small signs in front of new development stating what's coming.

Update on special planning initiatives, including Ephesus-Fordham, Downtown, Station Area Planning, and LUMO rewrite. Council Member Oates inquired about the extent of training advisory board members had received on the Ephesus-Fordham project and whether members felt that had to agree. Ms. Nirdlinger offered that board members received an intensive training when the code was adopted; board members could revisit the video from that recorded training. Some discussion took place around Station Area Planning, which involves land uses in the broad area around a station—Mr. Hitchings advised that a workshop is forthcoming.

### **Innovation @ UNC Chapel Hill**

Gordon Merklein said the University receives 850 million in annual research dollars and is one of the top recipients of NIH funding in the U.S. Industry partnerships, like that which UNC has with GSK, bring in further research dollars. Discussed five phases of entrepreneurship with focus on Phase 1: Learning and Phase 2: Acceleration. In Phase 2, researchers have outgrown their space on campus (which caps at about four researchers on a bench). However, there's no wet lab space in the Chapel Hill community. UNC focuses on learning and incubation. When people are ready to accelerate, they typically go to RTP. There are very few options off campus, in town.

Steve Brantley (Orange County Economic Development) asked why there's no science-based industry building in the plans for Carolina North. Comparison was made to NC State's Centennial Campus. Mr. Merklein advised UNC is continuing to explore options for expansion. He said, at this time, the best location for development is currently South Campus, which is in closer proximity to existing lab spaces and campus resources. Some potential in the area off Millhouse Road, where space can be delivered cheap (cost is a big factor for a start-up). Cost of facility space and parking much higher closer to campus (e.g., E. Rosemary).

Potential disconnect between property owners and reality of marketplace. Dwight Bassett offered that entrepreneurs want to stay in downtown, but they can't make it work at the market rate. Raised question as to how Town can be a partner in facilitating Phase 2 companies. Mr. Merklein suggested focusing on entrepreneurs, not administrators, and bringing in people at the start-up phase to the Summit on Innovation. Dr. Juliano (UNC Dept. of Pharmacology) added that urban cluster development is the current trend. Discussed keeping these companies in town with development of "innovation districts."

Motion to adjourn at 10:20 a.m.