

**Council Committee on Economic Sustainability Meeting Notes**  
**September 1, 2017**  
**Chapel Hill Public Library, Meeting Room A**

Attendees: Mayor Pam Hemminger, Council Member Sally Greene, Council Member Ed Harrison, Council Member Nancy Oates, Council Member Michael Parker, Council Candidate Carl Schuler, Council Candidate Hongbin Gu, Council Candidate Rachel Schaevitz, Roger Stancil, Flo Miller, Jeanne Brown, Dwight Bassett, Ben Hitchings, Mary Jane Nirdlinger, Laura Selmer, Alisa Duffey Rogers, Rae Buckley, Loryn Clark, Sarah Poulton, Beth Vazquez, Meg McGurk, Steve Brantley, and Gordon Merklein.

Mayor Pam Hemminger opened the meeting at 8:04 a.m.

Agenda approved.

**Updates**

Economic Development

Economic Development Officer Dwight Bassett reviewed the Commercial Development Strategy and five high level goals that provide a focus for economic development. Current projects include an Entrepreneur Council, which met in June and agreed to focus on three specific tasks: short term flex-lease design, drafting a vision/mission/purpose statement, and mapping the entrepreneur ecosystem. The Town continues to work with the LaUNCH expansion, which is now open, and to look for opportunities to house companies that have moved beyond the accelerator phase and are looking for Stage 2 space in Chapel Hill. Staff continues to assist in moving forward projects to create jobs, like the Millhouse Road rezoning, Carraway Village, and Ephesus-Fordham. Last week, staff completed research with millennials and post-docs and will be working with the ad agency to present those high-level findings at this Committee meeting in October. Staff continues to publish a monthly e-news, build a LinkedIn account for economic development, work on the video series, "Why Chapel Hill," promote available office space, and push out promotional ads on Twitter. Economic development continues to co-sponsor events and plans to co-host with Orange County two major business retention events that focus on networking.

Mr. Bassett played a short, self-recorded video ad which was produced to promote available office space at Chapel Hill 40. Similar videos were also produced for Europa Center and Southern Village. The videos were shared on Twitter and LinkedIn, receiving 2,500 views on Twitter and 500 on LinkedIn. One video earned 4,644 impressions on Twitter, and another earned 2,036 impressions. The domain Open2Space.biz has also been secured to promote available office space.

Mr. Bassett highlighted the "Why Chapel Hill" video series, which launched in the spring to tell stories from Chapel Hill's vibrant local business community, including why they chose to open their business in Chapel Hill. He showed the Committee a collage from the video that features five area business owners, including Med Deli, Gurlitz Architects, Frank Art Gallery, Flyleaf Bookstore, and Lantern Restaurant. Longer videos profile each business individually.

Mr. Bassett provided metrics that illustrate how effectively Chapel Hill e-news reaches the market. Data shows that Chapel Hill e-news is above the national average in both open and click rates. Promotion of the June 2017 e-news on Twitter earned 2,425 impressions, reaching 55,429 users.

Council Member Michael Parker suggested including a video that tells a success story from the entrepreneur community as we work to enhance our brand around innovation. Mr. Bassett and Laura Selmer said they are looking to add such a story in the second phase of this project.

Mr. Bassett talked about further promoting stories of success in economic development on WCHL, including successes in start-up culture. In addition, he said postcards were sent to 1,200 business over the summer in an effort to encourage businesses to connect with information about the Town's economic development through the website, Twitter, LinkedIn, and e-news.

Mr. Bassett reported that last week marked the launch of the Blue Hill District. This was a six month process that included input from area businesses and property owners.

Mr. Bassett summarized inquiries for office space received over the past three months. He also provided a graphic to help illustrate the number of built square feet in Chapel Hill from 1969 to 2010, averaging 75,000 built square feet per year, as well as a graphic illustrating absorptions versus deliveries. He highlighted the fact that there have been no deliveries in the past seven years, making it difficult to respond to inquiries.

#### Planning and Zoning

Planning and Development Services Director Ben Hitchings provided an update on Planning and Sustainability, whose work flows from the Chapel Hill 2020 Comprehensive Plan and the community goals articulated in that document. He highlighted resources on the website which provide information about development activity.

Mr. Hitchings reviewed the current inventory of concept plans, including the Chapel Hill Cooperative Preschool, the Columbia Street Annex, and the North Estes Mixed Use Center. Council Member Sally Greene asked about possible encroachment of the Columbia Street Annex project on the Rural Conservation District (RCD). Mr. Hitchings said there is an RCD toward the northern part of the property, and that any information about the need for encroachment will be made available for the Council's concept plan discussion.

Mr. Hitchings reviewed the portfolio of Special Use Permit (SUP) projects, reminding Council members that, under the framework for quasi-judicial decisions, there should be no communication about these projects between the applicant and the Council until the public hearing. Mr. Hitchings asked that any questions from applicants or members of the public be referred to the Town Manager or to Mr. Hitchings. Mayor Hemminger asked whether this applies to Carolina Flex Park, and Mr. Hitchings clarified it does not. Council Member Ed Harrison asked about the timeline for the CASA project. Mr. Hitchings said the Town just yesterday received an application from CASA for 48 units of affordable housing on Merritt Mill Road, right at the border with Carrboro, which includes a mix of units of different levels of affordability. Office of Housing and Community Executive Director Loryn Clark added that CASA plans to apply for low income housing tax credits, the application for which is due in January. Ms. Clark said if they make it through the first pass, their entitlements will need to be in place mid-May. Mr. Hitchings added that Wegmans is coming to the Town Council for the beginning of the SUP hearing on September 13.

On the topic of rezoning, Mr. Hitchings highlighted the Carolina Flex Park, which he described as an experiment in conditional zoning. He explained that this process allows for a simpler application up front, gives the Council an opportunity to look at the big issues associated with the project early on, and

then, if the concept plan is approved by the Council through the rezoning, the rest of the process can be handled at an administrative level. Mayor Hemminger suggested renaming this the enterprise district versus the innovative light industrial district. Town Manager Roger Stancil said he has directed staff to look at what is required to make that change. Mr. Hitchings said the Carolina Flex Park project is a proposal for 400,000 square feet of flex office space and light manufacturing on about 12 acres. Mayor Hemminger added that negotiation about the purchase of the property hinges on it happening this fall, and she encouraged the Council to help make that a reality. In response to a question from Council Member Michael Parker, Mr. Hitchings explained that every rezoning must have a recommendation from the Planning Commission.

Mr. Hitchings reviewed two development agreements: Amity Station and Glen Lennox. Mr. Hitchings said staff has been giving a lot of attention to mapping out options for negotiating development agreements. He noted that Council has already received a concept plan presentation on Amity Station and, at Wednesday's business meeting, will be given an opportunity to consider an approach to negotiating a development agreement with Amity Station. Council Member Harrison asked about a paper from staff on criteria for development agreements. Mr. Hitchings said that Assistant Town Manager Mary Jane Nirdlinger has written a description of the process that the Town has used for the four existing development agreements. He added that an internal team has looked specifically at the Amity Station project to develop options and guidance for how that process might work. Mr. Hitchings also touched on Glen Lennox, which is a mixed use project that includes office space in the entitlement. He said the residential phase of that project is now coming forward, which includes about 215 dwelling units.

Mr. Hitchings also touched on Ephesus-Fordham projects in the Blue Hill District. He first mentioned the Fordham Boulevard Apartments, which is a redevelopment of the Days Inn site. That project proposes 273 dwelling units and is being pursued as a public-private partnership to develop a stormwater storage facility and a park amenity. Mr. Hitchings noted that Greenfield Place is entering its second phase, which will include another 69 units for seniors; the first 80 units for families are currently coming out of the ground. Council Member Parker asked about the future municipal site adjacent to this property and whether it's being considered for a new fire station. Mr. Stancil shared that the current thinking is that the station on Elliott Road will be renovated rather than relocated because of development challenges on that site. Mr. Stancil also said we've learned a lot about the buffer with the cemetery during early construction at Greenfield Place and propose that the buffer stay in place to give peace and quiet for those at the cemetery. He added that the Columbarium is also moving along. Mr. Hitchings mentioned Hillstone, which proposes 323 dwelling units on the redeveloped Crown Honda and Volvo site. Mr. Hitchings said Hillstone has almost completed the form district permitting process and will be slated for approval shortly.

Mr. Hitchings reviewed projects under construction, including Carolina Square, the expansion to Grace New Testament Church, and the Children's Campus of Chapel Hill. He also touched on the portfolio of special planning initiatives that Council approved in June 2016. He highlighted the Ephesus-Fordham Transportation Impact Analysis, which was just released and is available on the website. He also announced that the Mobility and Connectivity Plan will be available in October. Work continues on the Ephesus-Fordham Design Guidelines for the Blue Hill District; an update from John Richardson is forthcoming in late September with options for considering the timeline. Council Member Harrison asked about what initiatives go before advisory boards. Mr. Hitchings explained that plans do go through advisory boards. Technical reports, he said, like a traffic impact analysis, are handled by consultants, the results of which are then shared with advisory boards.

Council Member Nancy Oates asked if the plan to hire an urban designer was scrapped. Mr. Stancil said he has charged Jim Orr and Parks and Recreation with growing their roll to champion and advocate for open and green spaces and to create activities that bring people out to those spaces. Mr. Stancil said to help achieve this goal, urban forestry will be moving from Public Works to Parks and Recreation. He added that there are also plans to supplement planning staff with someone with landscape architecture experience who can focus on spatial relationships in development and how these spaces feel to people.

#### LUMO Project Update

Organizational and Strategic Initiatives Director Rae Buckley provided an update on the LUMO project, including how the project is unfolding and what the next steps are for content. Ms. Buckley began with a slide illustrating the schedule for project implementation, which shows that we are on track for items slated to be completed this summer and fall, including project initiation and development of a project plan. Ms. Buckley reported that a contract staff person was hired for the summer who conducted stakeholder interviews. Input from these interviews led to the development of a survey to help test whether the themes that emerged reflect what others see as relevant to this project. Ms. Buckley also introduced Alisa Duffey Rogers, who was just recently hired as the LUMO Project Manager.

#### Housing and Community

Office of Housing and Community Executive Director Loryn Clark provided an update on the affordable housing work that has been done over the summer. Ms. Clark shared a summary of the major projects that the Housing and Community is working on that involve partnerships with other Town departments as well as external partners.

Ms. Clark shared that the affordable housing activity report for this first quarter will be presented to Council in November. She also said that the annual Housing and Community By the Numbers report will be shared in the Council meeting packet for the September 6, 2017 business meeting.

Ms. Clark provided an update on expanding the scope of the HOME Consortium, which will be presented to Council in October. Council Member Greene asked why the project to expand the scope of the HOME Consortium has been delayed. Ms. Clark noted there have been few challenges, including some staffing changes at the County. Ms. Clark said that there seems to be a commitment from the County Manager as well as other managers involved to participate in this process, and that elected officials will be presented with the expanded scope in October with a goal for immediate implementation. Mr. Stancil clarified that their meeting with other managers included Carrboro and Hillsborough, however we are focused on what we're doing here in Chapel Hill. Mayor Hemminger asked if staff had reached out to ask if someone from the school system could be part of this conversation. Mr. Stancil said the County Manager agreed to reach out to Superintendent Pamela Baldwin, and she will be invited to participate in group discussions to further coordinate. Ms. Clark mentioned monthly meetings with the nonprofit providers, the first of which was a few weeks ago. Mr. Stancil added that the Town's Public Housing has also been integrated into this larger discussion about affordable housing.

Ms. Clark said that the Manager has been having ongoing discussions with UNC and UNC Healthcare about their interest in partnering to develop an affordable housing project on Homestead Road. At the September 6, 2017 business meeting, Ms. Clark said Council will be asked to designate the Homestead Road site for affordable housing.

Ms. Clark said the Public Housing Master Plan is underway, which is focused on making plans for the future of our public housing communities. Initial assessments have been completed, and staff is now reviewing proposals from architects and engineers who will help us do a structural evaluation of our units. Our goal is to have appraisals for the properties, as well as financial modeling to help us get a better sense of where we stand with our public housing neighborhoods. She added that financing options will go before the Council in November.

Ms. Clark spoke about creating an Investment Plan for Affordable Housing. She said that earlier this year, nonprofit providers expressed a need for additional funds for development of housing. The Council approved some additional funds in the affordable housing development reserve as well as the affordable housing fund. While those are our immediate plans, she said, the Town is also interested in creating a long-term plan for investing in affordable housing.

Ms. Clark said applications are due today for the first round of FY 18 funding for affordable housing projects. The Housing Advisory Board's recommendations will come before Council in October.

Ms. Clark said Housing and Community is also beginning work with a marketing firm to help us market our affordable housing work. In response to a question from Council Member Greene, Ms. Clark clarified that the marketing firm does not bring expertise in affordable housing, but will rely on staff and other partners for information and content. Council Member Oates asked for clarification on the purpose of developing a marketing strategy. Ms. Clark said that marketing can help to share our success around affordable housing and attract partners for affordable housing development. Council Member Parker asked about what metrics could be used to measure the success of a new marketing strategy for affordable housing. Ms. Clark said one way to measure success is to look at how many people we're reaching with information and how broadly that information is shared, as well as whether we bring in new partners. Mr. Stancil suggested that the metrics for measuring the success of this marketing strategy are the same ones we use to measure the success of marketing around economic development, because affordable housing, economic development, transportation, and the arts are all connected. He added that creating a place where people want to be is directly related to the affordability of housing. Mayor Hemminger agreed that we need help in framing our story in a way that resonates with the people receiving the information.

Ms. Clark also provided brief updates on the hiring of an Affordable Housing Manager and considering acquisition of several units into the Transitional Housing Program. She also said the Town received 260 responses to the Employee Housing Preference Survey, for which best practice research is underway. Lastly, Ms. Clark said that staff will be coming before the Council this fall to propose a reallocation of Community Development Block Funds to expand neighborhood revitalization initiatives.

### Downtown

Organizational and Strategic Initiatives Director Rae Buckley provided an update on the status of the Downtown 2020 Work Plan. Ms. Buckley reviewed each goal outlined in the plan and provided an update on the status of associated actions to meet those goals.

On Development Patterns, Ms. Buckley reported that development guidelines for West Rosemary Street were developed in FY 17 regarding commercial development and land use that are consistent with the vision statement of the Northside Neighborhood Conservation District. Looking forward, she said our future land use map will be a destination for conversations about the future of student housing development.

Under Access, Ms. Buckley reported that the first phase of the streets and sidewalks study is underway, which includes compiling information that then gets pushed out to the community for validation. She said we hope to have a tool that gives a graphic illustration of the all the different modalities downtown, and where there are conflicts and opportunities. She said staff is also looking at ways to add lighting to alleyways. Ms. Buckley said that Rosemary Street has been restriped and improvements have been made to pedestrian crossings, including audible signals. On parking, Ms. Buckley mentioned new meters, as well as ongoing efforts to negotiate with private parking lot owners to increase the amount of parking the Town manages.

For Variety, Ms. Buckley said we will be working with private property owners on Amber Alley to add creative pedestrian level wayfinding signage. She said that with recruiting artistic programming, a lot has been focused around 140 West, including experimentation with things like farmer's markets and gathering input from residents on what's working.

Under Public Realm, Ms. Buckley said we've been experimenting with how we use our public space and manage our streetscape. She also shared that we're rethinking our Town ordinance regarding sidewalk dining as community expectations for sidewalk dining have changed.

Ms. Buckley invited Chapel Hill Downtown Partnership Executive Director Meg McGurk to add any thoughts. Ms. McGurk shared that a lot of input was gathered in creating this plan and, in just a year's time, significant action has been taken to make progress toward meeting its goals. She applauded all those involved in implementing this plan. Ms. Buckley commended Downtown Special Projects Manager Sarah Poulton in moving this plan forward.

Motion to adjourn at 10:02 a.m.