

**Consideration
of assistance
to advance
office
development.**

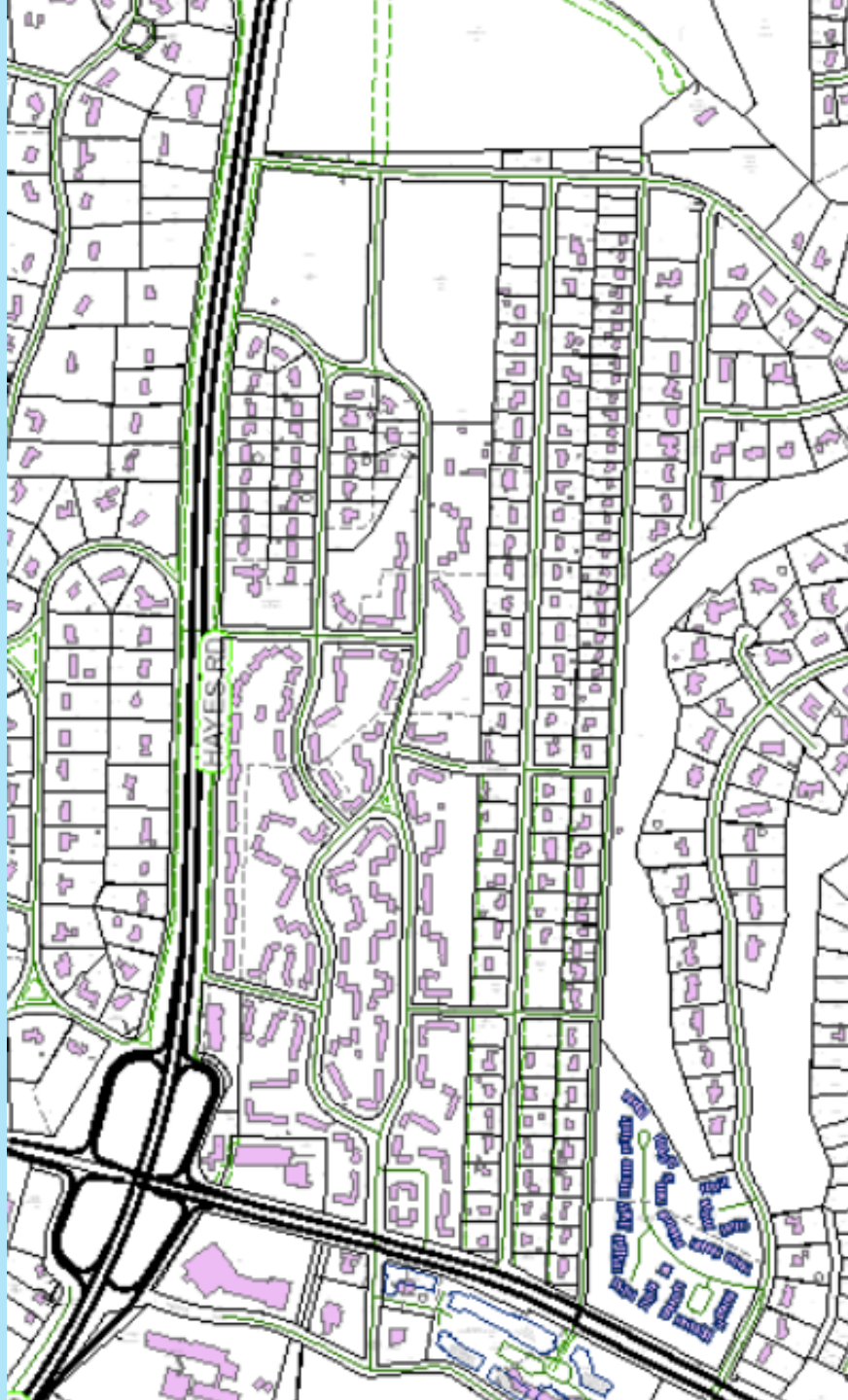


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Glen-Lennox

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- Phase 1: (1-5yrs)**
 - 460 Residential Units
 - 120,000 SF Retail
(includes 20,948 existing)
 - 100,000 SF Office
(includes 5,084 existing)
 - 150 Hotel Rooms
- Phase 2: (6-10 yrs)**
 - 540 Residential Units
 - 30,000 SF Retail
 - 500,000 SF Office
- Phase 3: (11-15 yrs)**
 - 500 Residential Units
(includes 100 walkups)
- Phase 4: (Over 20 yrs)**
 - 118 Existing Residential Units Renovated
 - 33 Residential Units in same scale as existing units
- Total Land Use:**
 - 1,500 Residential Units
 - 150,000 SF Retail
 - 600,000 SF Office
 - 150 Hotel Rooms

[Glenn Lennox]

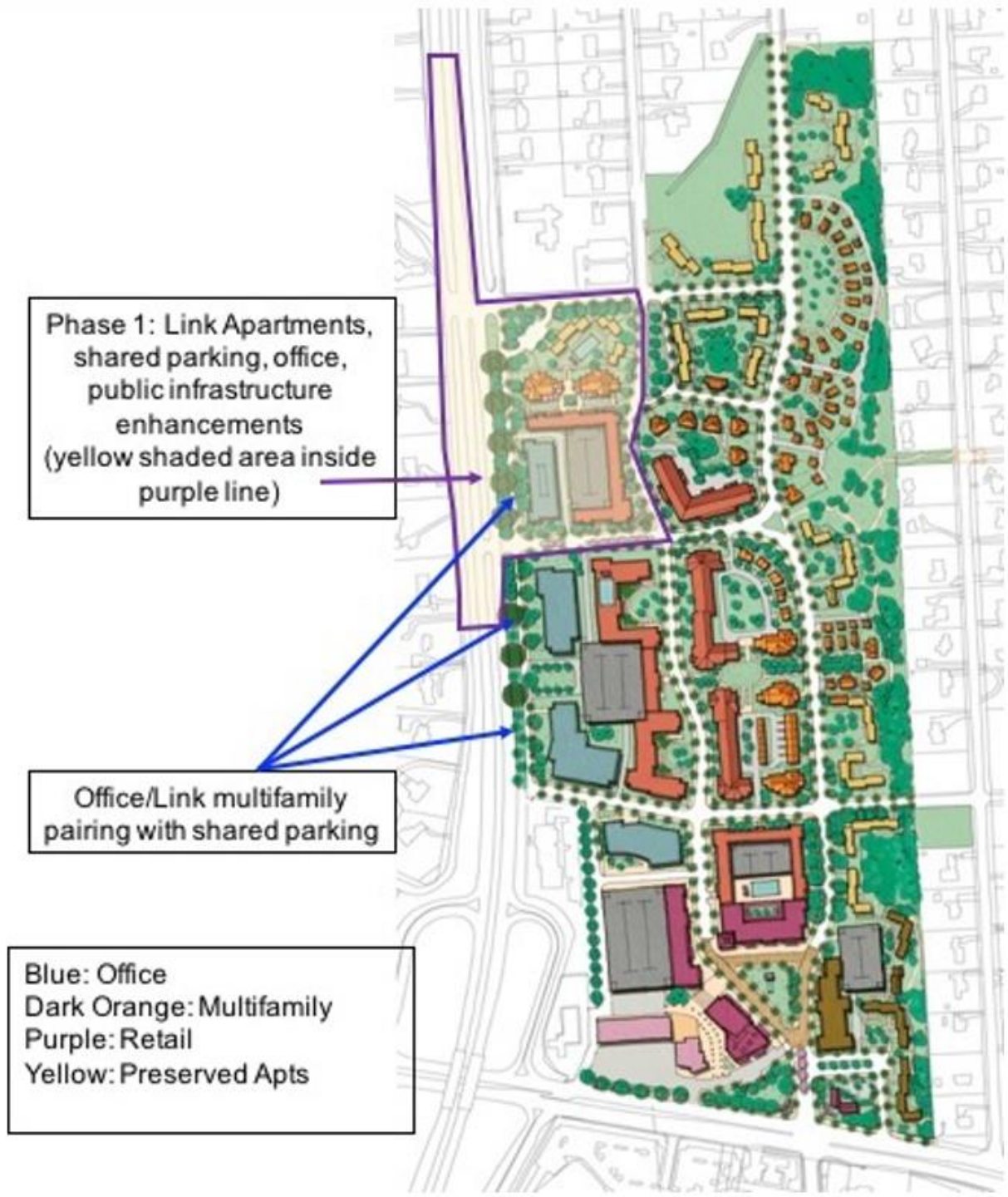
- Development Agreement voted on in 2014
- Allows for the construction of up to 600,000SF of office, 150,000SF retail and 1200-1400 residential units
- Agreed upon after years of public process and agreement

[Glenn Lennox]

- In order to proceed with the development of office space, required to make infrastructure improvements
- Construction costs have been rising and it is hard to make the numbers work to proceed
- Desires to explore Town participation in order to encourage office and commercial development in Glen Lennox
- A key strategy, reflected in the agreed-upon concept site plan, is the deliberate pairing of office and multifamily to take advantage of shared parking, which greatly reduces both costs and site impact.
- This pairing only works if both pieces work. If one piece does not, the larger goals of affordable housing and economic development cannot be achieved.

[Glenn Lennox]

▶ CHAPEL HILL



[Glenn Lennox]

Phase	Project Type	Time Frame (beginning 2018)	Apt units	Other res. units	Hospitality (rooms)	Retail (SF)	Office (SF)	
	Existing units/office/retail to remain	n/a	125			5,000	21,000	existing 440 apt units will be incrementally taken down over 15 years, w/125 remaining
Phase 1								
	Apartments, Clubhouse, Parking	1-3 years	215					44 apt units removed
1C	Office	1-3 years				1,000	104,000	
Total			340	0		6,000	125,000	
Phase 2								
2A	Office	3-7 years					135,000	
2B	Apartments/parking	3-7 years	240					55 apt units removed
2C	Office	3-7 years					135,000	
2D	Apartment/parking	3-7 years	240					
Total			480	0		0	270,000	
Phase 3								
3A	Possible grocery w/outparcels or similar	7-10 years				54,000		
3B	Village center retail, parking	7-10 years				100,000		
3C	Multifamily	7-10 years	265					
3D	Multifamily, rental or for sale	7-10 years	215					
3E	Village center office	7-10 years				0	125,000	
3F	Hotel/Inn	7-10 years			150			
Total			480	0	150	154,000	125,000	
Phase 4								
4A		11-15 years		60				
4B		11-15 years		40				
Total				100				
	Overall property totals		1,300	100	150	160,000	520,000	

[Glenn Lennox]

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**Property Tax Collections
Bill Detail**

Property Tax		Real Property	
Bill Status:		PAID	
Bill Flag:			
Bill #:		0000275973-2016-2016-0000-00	
Old Bill #:			
Old Account #:			
Due Date:		9/1/2016	
Interest Begins:		1/6/2017	
Rate	Tax Districts	Description	Amount
.8780	ORANGE	Tax	\$203,019.94
	ORANGE	Orange County Solid Waste Programs Fee	\$47,080.00
.5240	CHAPEL HILL	Tax	\$121,164.52
	CHAPEL HILL	Chapel Hill Stormwater Fee	\$17,337.45
.2084	CH-CARR SCHOOL	Tax	\$48,188.33
			Interest: \$0.00
			Total Billed: \$436,790.24

Last Payment Date : 12/12/2016

> The Town of Chapel Hill currently collects \$121,164. from property tax on the property.

DIFFERENCE BETWEEN TWO PROPOSED SCENARIOS *

Difference:	2017		2018		2019		2020		2021		2022		2023		2024		2025		2026	
	Est. Rate	Est. Taxes	Est. Rate	Est. Taxes	Est. Rate	Est. Taxes	Est. Rate	Est. Taxes	Est. Rate	Est. Taxes	Est. Rate	Est. Taxes	Est. Rate	Est. Taxes	Est. Rate	Est. Taxes	Est. Rate	Est. Taxes	Est. Rate	Est. Taxes
JURISDICTIONS		\$0		\$0		\$35,777,000		\$60,988,000		\$106,788,800		\$165,965,800		\$247,001,800		\$340,755,600		\$356,855,600		\$356,855,600
County	0.8868	\$0	0.8956	\$0	0.9046	\$323,640	0.9046	\$551,700	0.8775	\$937,036	0.8862	\$1,470,857	0.8951	\$2,210,921	0.9041	\$3,080,615	0.8769	\$3,129,383	0.8857	\$3,160,677
School	0.2105	\$0	0.2126	\$0	0.2147	\$76,818	0.2190	\$133,569	0.2124	\$226,861	0.2146	\$356,101	0.2167	\$535,275	0.2189	\$745,832	0.2123	\$757,639	0.2144	\$765,215
City	0.5292	\$0	0.5345	\$0	0.5399	\$193,152	0.5453	\$332,553	0.5289	\$564,825	0.5342	\$886,602	0.5395	\$1,332,697	0.5449	\$1,856,930	0.5286	\$1,886,327	0.5339	\$1,905,190
SW Fees (Non-Ad)		\$0		\$0		\$13,057		\$10,861		\$18,913		\$31,797		\$53,610		\$93,109		\$102,771		\$102,771
Total	1.6265	\$0	1.6428	\$0	1.6592	\$606,668	1.6689	\$1,028,684	1.6188	\$1,747,635	1.6350	\$2,745,356	1.6514	\$4,132,503	1.6679	\$5,776,487	1.6178	\$5,876,120	1.6340	\$5,933,853

TOTAL TAXES OVER TEN YEAR PERIOD: \$27,847,306

Projected Growth: (above existing taxes)

2019	\$193,000
2020	\$332,000
2021	\$564,000
2022	\$880,000
2023	\$1,300,000
2024	\$1,800,000

Continuing growth projected through 2026

Through 2024 \$5,000,000

*Grubb Properties projection

**Projected Additional Tax Revenues Generated by Phases 1-3 Over the Next 10 years
(representing only 48% of Property Redeveloped) are ~\$28 million ***

Baseline Scenario (No Redevelopment)	Total 10-Year Tax Revenue	\$6,650,000
Phases 1-3 Redev (48% Property), 10 Years	Total 10-Year Tax Revenue	\$34,500,000
(Includes Town, County, School, SW Taxes/Fees)	Total 10-Year Incremental Tax Revenue Increase/Benefit	\$27,850,000



* Figure provided by Grubb Properties

Phase 1 redevelopment

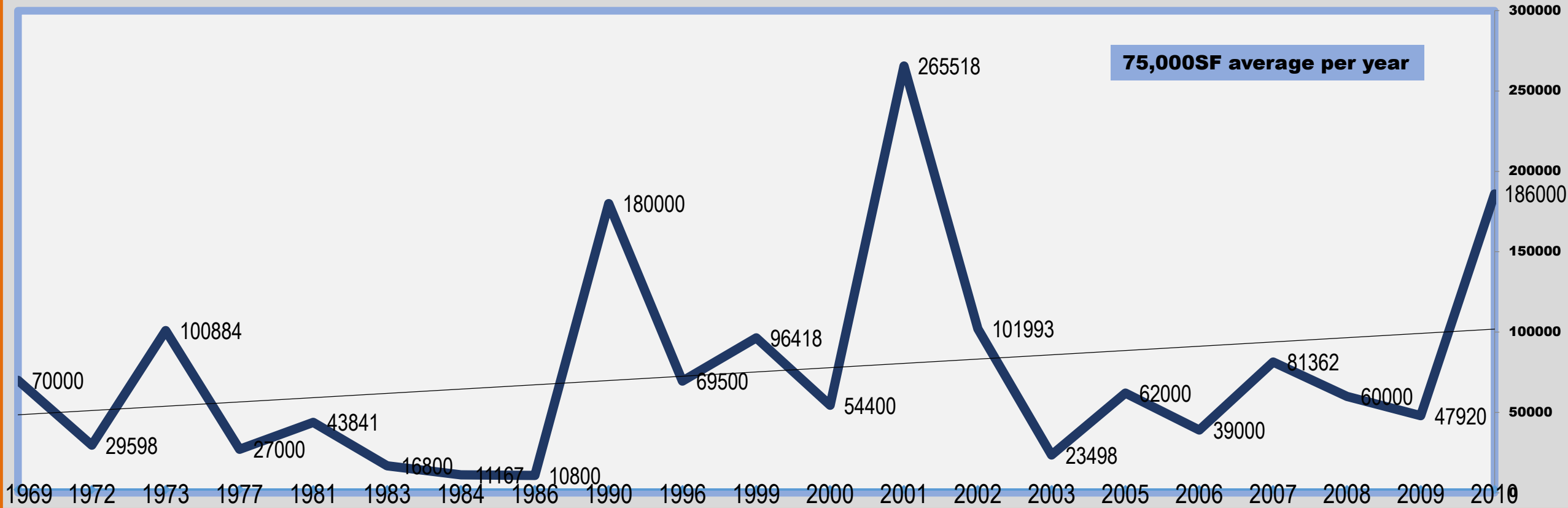
- In order to facilitate office redevelopment (economic development), Grubb decided to complete all 15-501 road and surrounding other public improvements (e.g., stormwater management upgrades outside the project site) now, which is sooner than required.
 - We cannot attract office tenants without upgraded access to the site—the area is currently perceived as being “in the back of an old neighborhood” according to brokers and consultants such as Jones Lang LsSalle. The 15-501 and related public improvements solve that piece of the puzzle.
 - 15-501 public improvements include a new signalized intersection and entrance into Glen Lennox, new dedicated turn lanes, upgrades to Hayes Rd (part of NCDOT’s 15-501 right of way), new U-turn lanes, etc.
 - Stormwater flows into the Glen Lennox site from across the street into a system that has been overburdened for decades. Grubb is upgrading this in addition to managing the impacts created by just the redevelopment.
- These costs are significant, as are the public benefits.

[UPDATE ON ECONOMIC DEVELOPMENT: Space]

Chapel Hill Office Market (build square feet)

1969 - 2011

— Leaseable SF — Year — Linear (Leaseable SF)



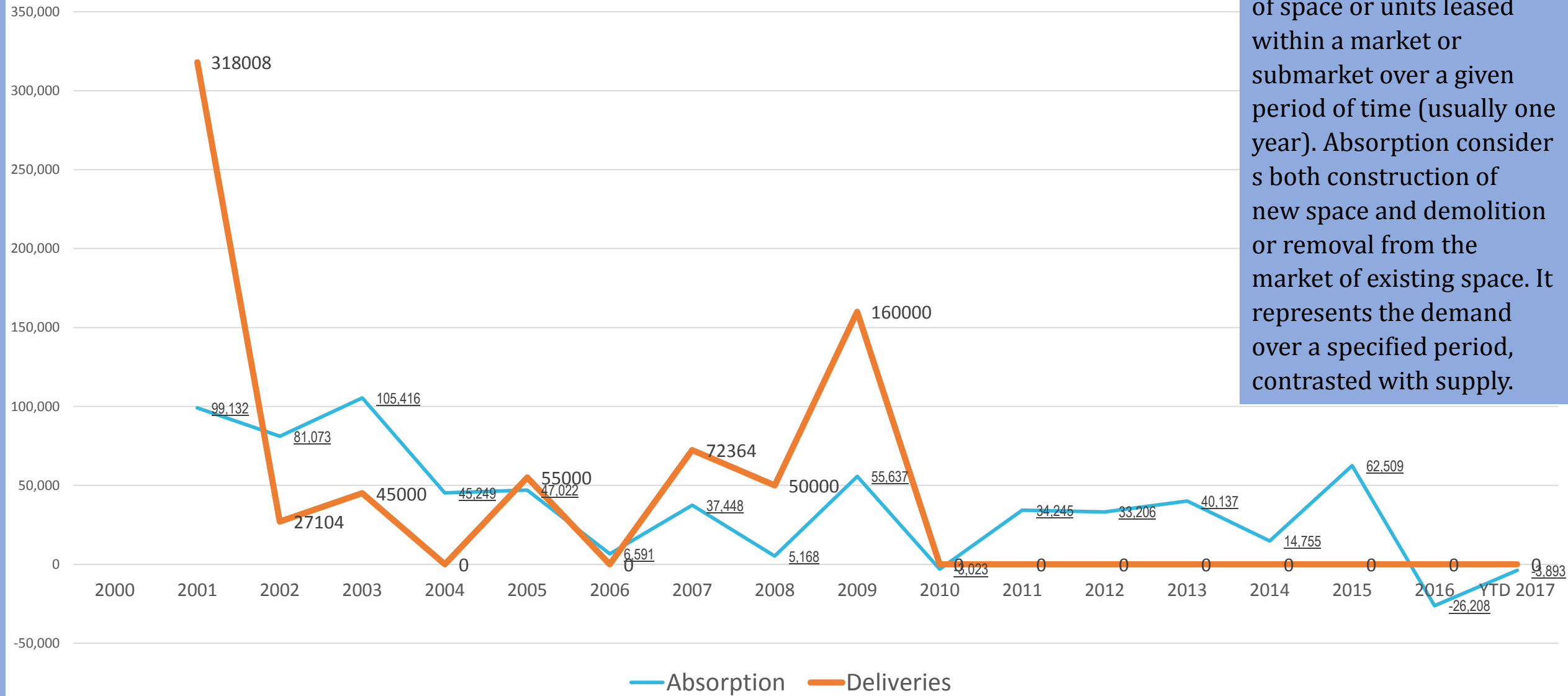
75,000SF average per year

2010- includes East 54 and Castilia

UPDATE ON ECONOMIC DEVELOPMENT: Space

Chapel Hill/Carrboro Absorption vs. Deliveries

Absorption is the amount of space or units leased within a market or submarket over a given period of time (usually one year). Absorption considers both construction of new space and demolition or removal from the market of existing space. It represents the demand over a specified period, contrasted with supply.



[**The ask**]

Consider helping further the multiple goals of upgraded public infrastructure, affordable housing, and economic development through financial support of the public infrastructure costs.

[**Question...**]

Is the Committee willing to consider looking at a proposal that would be similar to the Carraway Economic Development Agreement to incent the development of commercial space for Glen Lennox development to progress?

*Q***uestions?**

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