

MINUTES
JOINT PUBLIC HEARING
HILLSBOROUGH TOWN BOARD and PLANNING BOARD
Monday, July 23, 2007

7:00 PM in the Gordon Battle Courtroom of the New Orange County Courthouse

BOARD OF COMMISSIONERS PRESENT: Mayor Tom Stevens, Commissioners Frances Dancy, Mike Gering, L. Eric Hallman, Evelyn Lloyd, and Brian Lowen.

PLANNING BOARD MEMBERS PRESENT: Chair Matthew Farrelly, Edna Ellis, Paul Newton, Dave Remington, Eric Oliver, Neil Jones, Barrie Wallace, and Toby Vandemark.

STAFF PRESENT: Town Manager Eric Peterson, Planning Director Margaret Hauth, and Town Attorney Bob Hornik.

Mayor Stevens called the public hearing to order at 7:04 p.m.

INTERVIEW: Vacancy on the Parks and Recreation Board – Robert English.

Mayor Stevens introduced Robb English. Mr. English provided some information on his background, interests, and professional qualifications.

Commissioner Lowen asked if Mr. English's other commitments might conflict with the meeting times of the Parks and Recreation Board. Mr. English responded there were no conflicts.

Mayor Stevens thanked Mr. English for applying, noting that the Board would consider the appointment later in the evening.

ITEM #1: Open the Joint Planning Hearing.

Planning Board Chair Matthew Farrelly opened the public hearing.

ITEM #2: Annexation, Zoning, and Master Plan Application from American Asset Corporation. The annexation covers approximately 164 acres. The entire proposal covers 22.13 acres with access to South Churton Street between the NC Railroad and I-85. The zoning district requested is Entranceway Special Use. The Master Plan calls for up to 550,000 square feet of commercial retail space, 1,100 dwelling units at different densities, 12 acres of civic/community space, and 12.5 acres of open space. Additionally, the approximately 18 acres listed above may be converted to office and institutional uses. (TMBL 4.40.A.4, 5, 26, 33, 33d)

Planning Director Margaret Hauth stated that Town Manager Eric Peterson would be arriving later in the meeting to speak to the financial issues regarding this matter. She stated that those speakers who were previously under oath continued to be so. Mr. Farrelly suggested that the Boards follow the suggested order of issues contained in the packet, with affordable housing being the first issue.

Beth Trahos, with Smith Moore and speaking on behalf of American Asset Corporation, introduced those who would be speaking for the applicant. She said they had taken seriously the comments made at the last

hearing, and had put together a concise presentation to respond to those comments and provide further information.

Affordable Housing

Ms. Trahos stated they had provided an Affordable Housing Commitment which included 20 single-family dwelling units and a donation over a five-year period of \$375,000 to the Orange County Housing and Land Trust. She said Robert Dowling of the Land Trust had made positive remarks regarding that proposal.

Transportation

Earl Lewellyn with the John R. McAdams Company stated he was the traffic engineer for this project. Using slides, he summarized questions, comments, and suggestions that had been made at previous meetings: prepare the Traffic Impact Analysis without an access to US 70A; questions about roundabouts at several locations along Churton Street; impacts at peripheral intersections to the north and south of the project; railroad crossing issues; timing of the improvements; and, possible removal of the Wendy's/Shell access to the southern end of the site.

Mr. Lewellyn said they would not present any new information in that regard, but had prepared written responses to all of these issues that were contained in the packet. He said included in that was the full Traffic Impact Analysis addendum, analyzing the traffic impacts without an access to US 70A.

Mr. Farrelly said regarding the trip summary in the addendum, there were many acronyms and asked for clarifications. Mr. Lewellyn stated that for instance, ebr stood for east bound right, and ebl stood for each bound left, LOS stood for Level of Service, and so on.

Mr. Farrelly stated that for him, traffic was a big issue. He asked what the peak period was for the AM peak hours/LOS, and what the assumptions were. Mr. Lewellyn said for each peak, both AM and PM, they took traffic counts for a two-hour period, typically 7 to 9 AM and 4 to 6 PM. He said they took the highest hour within that two-hour period to determine the peak traffic. Mr. Farrelly asked what time of year those counts were taken. Mr. Lewellyn said it was prior to March, but was not sure of the exact dates.

Mr. Farrelly said he did not believe the numbers "jived" with the delays they currently see, noting that the LOS seemed better than the perceived reality. Mr. Lewellyn responded that the study optimized the signal operation, noting those signals may not be coordinated optimally at the present time. He said they would likely look at the signal plan for the entire corridor to optimize the signal functions. Mr. Farrelly stated that some intersections were at a D LOS, as noted on page 5, tables 6 and 10. He asked if D was an acceptable LOS. Mr. Lewellyn responded that D was deemed an acceptable design perimeter by NCDOT. He said the numbers in Table 10 were at the lower end of the delay spectrum for LOS D.

Mr. Oliver, referring to Figure A9, quoted "existing driveway across from site drive 1", and asked where that was exactly. Mr. Lewellyn said that was an existing restaurant driveway. Mr. Oliver said he did not see Steakhouse Road on the map. He said Steakhouse Road did not line up with site drive 1, so it was not that. Mr. Lewellyn said they did not have a map that actually showed that street. He said it was the one most closely aligning with that site drive. Mr. Oliver said it was not close at all. Mr. Lewellyn said the plan was to put a median there making it a right in/right out driveway. Mr. Oliver said then it was a "real" street. Mr. Lewellyn responded yes. Mr. Oliver asked that the map be corrected so that people understood what was being referred to.

Ms. Ellis asked for an analysis of traffic going into Wendy's and the Shell station. She asked if people were likely to come off of I-85, and if that was a right in/right out then where people would turn around to get back onto I-85. Mr. Lewellyn said there would likely be interconnections to allow them to come out at a traffic signal opposite Mayo Street.

Mr. Hornik asked if the Wendy's and Shell properties were separately owned, noting he was concerned that interconnectivity would require outside parties to agree. Joe Dye responded that was correct, noting they would work with those owners to secure that agreement. Mr. Lewellyn remarked that he assumed that there was an existing cross-access easement in place for the current uses that shared that drive.

Mr. Hornik asked had any title search work been done to substantiate that. Mr. Dye said they were almost sure the cross-access easement existed, but could not confirm it at this time.

Mr. Remington asked for an explanation of the relationship between delay in seconds and LOS, noting apparently it was not a strictly linear set of cut-offs. Mr. Lewellyn said there was not a linear relationship. He said the average overall vehicle delay going through the intersections were as follows: level of service A was from 0 – 10 seconds; B was from 10 – 20 seconds; C was from 20 – 35 seconds; D was from 35 to 55 seconds; E was from 55 to 80 seconds, and F was greater than 80 seconds. Mr. Lewellyn said there was a different set of criteria for unsignalized intersections.

Mr. Remington asked why the intersections in Figure 8 were at LOS E. Mr. Lewellyn said that was for an unsignalized intersection, and the figures were for the side street only, not the whole intersection. He said that was from the John Earl Street approach. Mr. Lewellyn added the intersection would operate very well with only the side street having a slight delay.

Mr. Oliver asked what the left-turn alternatives were for Steakhouse Road. Mr. Lewellyn responded U-turns could be accomplished at nearby signals. Mr. Oliver said if the recommendation was for a U-turn at Mayo Street, then how it would be regulated. Mr. Lewellyn replied that unless there was an operational reason not to, it was preferred by NCDOT. Mr. Oliver asked would there also be U-turn opportunities for those wanting to make left turns onto Churton Street. He said the next intersection was the site drive 1, and asked would there be a U-turn there as well even though there was no cross-street. Mr. Lewellyn and the site drive 1 would also be a right in/right out intersection. Mr. Oliver asked where vehicles would make a U-turn to get onto northbound Churton Street. Mr. Lewellyn said at the interchange ramp. Mr. Oliver asked if that was a customary practice. Mr. Lewellyn said it was becoming increasingly more customary because of the initiative to go to median cross-sections.

Mr. Oliver asked could Mr. Lewellyn show on the maps where U-turns would be necessary or allowed, and asked for the estimated counts for U-turns. Mr. Lewellyn they could look at the current volumes to make estimates, noting they operated as left turns and were grouped with left turns. He said an alternative would be to leave it as a five-way cross-section. But, he said, they were attempting to adhere to the Town's plan of creating a divided cross-section.

Commissioner Gering asked for clarification of the road configuration shown on Exhibit 16. He said he did not believe Steakhouse Road was a right in/right out with a median. Mr. Lewellyn stated that given the location of Steakhouse Road and the need to provide for left turns at Mayo Street, Steakhouse Road would likely remain a full movement access road. He stated that the Hardees access drive would become a right in/right out.

Mr. Oliver asked that the plan be updated to show all local streets and their associated traffic. Mr. Lewellyn stated that the volumes were included in the thru-volumes on the streets. Mr. Oliver said that

the exhibits were incorrect, noting it was necessary to show all of the streets and all of its traffic that was currently there. Mr. Lewellyn remarked that they had asked DOT what intersections to analyze and they had not included that one, and apologized for that.

Mr. Remington said for clarification, the traffic counts and delayed levels of service took into account the vehicles that would have to make U-turns at various intersections. Mr. Lewellyn said yes, that the redirected traffic was included in the counts.

Ms. Ellis asked were they completely without access to US 70A? Mr. Lewellyn said they were continuing to investigate opportunities to gain that access. Mr. Dye said that access depended on the underlying ownership of the easement by the railroad. He said if it was only an easement and the Railroad did not actually own the land, then there may be some additional rights. He said it was unclear from the current title work which side they fell on, and they could not guarantee timing or the possibility.

Mr. Farrelly said it was unclear how you would conquer the intersection even if you gained access, noting the proposal was at grade. Mr. Dye said the alternative would be to construct an overpass or an underpass, both of which were expensive.

Ms. Ellis asked where exactly did they propose to connect the Shell station and Wendy's to this intersection, noting there was not enough road there. Mr. Dye said each of those properties had driveway access onto Churton Street, but it would entail moving the car wash.

Mr. Farrelly asked if the Weaver Street Market was included in the model. He also asked why they were using the years 2011 versus 2018 to evaluate the roundabout. Mr. Farrelly said in the roundabout analysis the year 2018 was used. Mr. Lewellyn said the year 2018 was from NCDOT's model, which was not development specific. He said their model predicted it would fail earlier in 2011 at their build-out. He said the Weaver Street Market was not specifically included, noting it had not been approved at the time. Mr. Lewellyn said given the amount of development traffic they had included and not accounting for any pass-by trips, it would not change the outcome. Mr. Farrelly suggested that the Weaver Street Market be included in the model just to make sure that there was not significant difference in the estimates.

Mr. Oliver stated there was a traffic study done for the Weaver Street Market, and it was updated with the additional development adjacent to it included. He suggested that Mr. Lewellyn access that information. Mr. Lewellyn said in all likelihood with different phases of this project, they expected DOT to require updated traffic studies at the time of submittal of the site plan or SUP or when driveway permits were received, in order to confirm any interim growth.

Mr. Farrelly said he believed that would be too late, noting they wanted to know that information before that point was reached. Mr. Lewellyn said they would provide all possible information.

Cultural/Historic Resources

Ms. Trahos said they had previously provided some information, but a full report had been included in the packet. She asked if there were any questions regarding this issue. There were no comments offered by the Boards.

School/Civic Site

Ms. Trahos stated that Parcel D was being offered to the school system as a school site, consisting of approximately 12 acres. She said they had offered ideas of how that site might be used as an urban school with a civic and community component.

Mr. Dye displayed the Concept Plan, noting it showed the footprint on the site with the same size building as the Brier Creek urban school. He also provided an example from south Charlotte on a site near a rail line/transit stop with a school site. Mr. Farrelly said he was familiar with the Brier Creek site, noting it seemed to work well. He said it would be helpful to see where existing trees had to be removed from this site, noting it should be shown in a drawing. Mr. Dye said they would work to create an aerial map or something similar to convey the information as suggested.

Ms. Ellis said the plan suggested a 2-story school, and asked if a community center was included in the same building or proposed to be in a separate building. Mr. Dye responded it was designed to be a shared facility to make more efficient use of that building, but with a clear internal delineation between the civic space and the educational space.

Ms. Ellis asked if they had consulted the Board of Education. Ms. Trahos replied they had, noting they had sent them a formal offer letter. She said the terms of the letter offered ownership of the parcel to the school system to be developed as they saw fit.

Ms. Vandemark said the two drawings provided did not match, pointing out the two ball fields. Ms. Hauth commented that the second drawing was provided by HYAA to depict what they would like to see on the site and not an offer from the developer.

Mr. Jones said due to the rising costs of building new schools this was a great offer. But, he said, this was also a great opportunity for the developer to build the school as well and set a new benchmark. He asked had they considered that. Mr. Dye said they could consider that as well as any other requests, but that everything had to balance. He said that might mean that some other improvements would not be able to take place. Mr. Dye said it was an excellent idea, but may not be feasible for this project. Mr. Jones suggested that they could make a strong statement.

Mr. Hornik said he believed the expectation for this gift to the school system was an offset of impact fees. Mr. Dye said the offer was the land in place of the impact fees. Mr. Hornik said he wanted to make it clear that the developer was not actually giving away 12 acres of land; rather it was a negotiated offer to offset the payment of impact fees.

Mr. Remington said when looking at Brier Creek versus the drawing, it appeared that Brier Creek had much more parking. Mr. Dye stated the drawing was conceptual only. Mr. Remington said they needed to be sure the parking area was large enough.

Mr. Hornik noted those kinds of concerns were very premature; he said that Orange County Board of Education would control the site, not American Asset Corporation. He noted the plans submitted were simply a conceptual suggestion of what could be provided on the site. Mr. Remington said he fully recognized that, but wanted to be sure that what was being presented conceptually was realistic; otherwise they would not know what they were accepting.

Ms. Trahos noted that the school system was evaluating the viability of the site for a school, and they had offered to provide them with engineering and other information to assist them in that evaluation.

Mr. Oliver asked why Parcel D was selected for the school site, noting it appeared to be in the middle of the commercial area. He asked why they believed it would fit there. Mr. Dye said the evolution of the parcel began with the existing ballfields and their desire to preserve that amenity for the long term, and therefore had focused on that location.

Commissioner Hallman said if that site went to the Orange County schools, the option to use the site for Hillsborough parks would be lost. Mr. Hornik said that interlocal agreements could be used to facilitate joint use/development. Commissioner Hallman said the Boards needed to be aware that it would not be an easy task. He said they wanted the ballfields there, but the school system would want to place its facilities there.

Mr. Dye stated the Briar Creek model they had used as an example was a partnership between Wake County and the City of Raleigh, and suggested something similar might be done here.

Commissioner Hallman stated if they went that route, it appeared that the Town would lose the opportunity for municipal uses on the site. Town Manager Eric Peterson, after having been sworn, stated he had not read the letter that had been sent to the school board by the developer. He said his question was the wisdom of donating the land in lieu of impact fees, noting it would be close to a zero sum game. Mr. Peterson said if the site went in total to the schools, he may need to recalculate the financial analysis. He said this development would increase population in the community by about 50% with the assessed valuation coming close to matching what they had now, while not providing any land for fire or police expansion. Mr. Peterson said that was a real concern to him and raised some legitimate questions. Mr. Dye said those issues could be discussed during the fiscal analysis.

Mr. Farrelly stated that Orange County's review comments were not on the list. Ms. Trahos stated there was a memo included in the packet from the John R. McAdams Company summarizing a meeting with Orange County and the school system. She said the items covered in that meeting were open space and vegetation, ramps to adjacent streets, transit opportunities, walkability, live/work opportunities, the school site, affordable housing, and other design items.

Commissioner Hallman asked if they had a response from the County. Ms. Trahos said she did not know if the County had sent a letter or not. Commissioner Hallman asked that staff check with the Orange County staff for further comments.

Response to Previous Questions/Comments

Mr. Peterson said the biggest item of discussion at the meeting was the school site, noting it carried a high level of interest.

Ms. Wallace said as far as the meeting with Orange County, the memo was not a response to the many comments offered at the hearing. Cara Lacey, a Planner with the John R. McAdams Company, said they had meet with Craig Benedict on May 8 and responded to his questions.

Ms. Wallace noted she wanted to see a response to each comment offered. Ms. Lacey said it was their understanding that they were to set up a meeting to respond in open dialogue, not provide a written response. Ms. Wallace said she wanted every question submitted to be specifically responded to in writing. She said she expected that the County would submit an updated courtesy review as a result of that meeting.

Mr. Farrelly stated they may be able to do it by reference, using the guidelines so that the Boards could follow along.

Fiscal Analysis

Mr. Farrelly stated it would be helpful if an overview was provided indicating where the numbers came from and what value they were based on, which he assumed was at build out as it related to property values. Mr. Dye said the spreadsheet summarized the information, but more detail could be provided.

Mr. Oliver said he did not have the material related to the fiscal analysis, specifically the spreadsheet. Ms. Hauth noted it was located with the packet from the Thursday night hearing. She said the third page was a memo, and then the next sheet was the spreadsheet. Ms. Hauth said the Hillsborough Town staff did not do an additional analysis in addition to that, and that the piece that the Planning Board was missing was a memo from the Town Manager to the Town Board detailing the fact that an additional analysis would not be done and that the Manager would be present at this hearing to respond to questions.

Mr. Farrelly asked what the property value was on which that the fiscal analysis was based; noting that "x" multiplied by something equaled \$2.4 million. He asked what the "x" was. Mr. Dye said they had provided a market outlook analysis for the commercial component, and then a separate analysis was done for the residential component because that was the annexation part of the application. He stated that Emil Malizia, a part of the American Asset Corporation consultant team, would provide more information on the market outlook.

Emil Malizia, after having been sworn, stated he was a professor in the Department of City and Regional Planning at UNC, and also worked with Lucy Gallo as a consultant to American Asset Corporation. He said they had conducted a fiscal analysis of the commercial portion of the project as well as a market outlook to try to get a handle on the economics behind the proposal. He said they wanted to envision improvements that in 35 years they would think had improved the site.

Mr. Malizia said his work on focused on the proposed commercial, but in terms of the overall project what he had found interesting from a planning perspective was that the site afforded the possibility of a wider range of housing than is currently available in the community. He said the project was an infill approach with a mix of uses and redevelopment of a commercial site which would continue to deteriorate over time if it was not redeveloped. Mr. Malizia said he had also reviewed the Churton Street Corridor Plan and was able to identify some specific elements that could be incorporated into this project to be consistent with that Plan to create a village entranceway.

Mr. Malizia stated that redevelopment made sense from a planning, marketing and a community perspective, because it would have to meet not only the market test but also what the community would require in terms of its standards. He said the commercial redevelopment would clearly upgrade and improve the facilities on the site, and would improve an important entranceway into the Town and set a tone for the South Churton Street corridor heading towards the downtown. He said it would also offer an increase over the current level of tax revenues being generated from the property.

Mr. Malizia said he would be happy to answer questions about the market outlook, noting it was about a 14-page document that made an attempt to gauge the level of risk involved in taking on a project that was on the scale of 475,000 square feet of development. He said based on judgments of market analysts consulted, the project appeared to represent a moderate level of risk to the development, and was something that could be absorbed by the community in the time frame of development, which was by 2011/2012. Mr. Malizia said the rents would obviously limit the total revenues available to the developer, and that in combination with the fact that this was a redevelopment site and not a suburban Greenfield location the cost basis of the project was higher. He said the rents derived from the retail located at that location could be a bit higher than a more peripheral location, depending on traffic counts and population, but not appreciably in his view.

Mr. Malizia stated that the reputation of this company was expressed in work they had done previously, noting he had been able to see that in Charleston, Charlotte, and Raleigh and that boded well for what might be done in Hillsborough. He said he tended to be more impressed with development companies

that took long-term views of development, and believed this development company took the 30-50 year view which provided more opportunity for the outcome to be positive from both the community's perspective and the market perspective.

Commissioner Hallman stated that the model was specific to the commercial aspect. He asked if the assumptions assumed a big box anchor store or multiple big boxes. Mr. Malizia said they had looked at three different options for retail centers, and the one that seemed to make the most sense was a large community center with very few big box anchors and junior anchors. He said that junior anchors were modest in size, averaging between 10,000 and 15,000 square feet. Mr. Malizia said that big box anchors averaged 20,000 to 40,000 square feet, adding an average supermarket was around 40,000 square feet. He said this would not be a power center like the new Alamance Center with boxes around 100,000 square feet, or those such as in New Hope Commons.

Commissioner Hallman said it was worthwhile to look at the risk analysis of this venture with the capacity of this area. Mr. Malizia said they had used several different methods to forecast, and had mapped a market area for this project based on the transportation analysis. He said they called this not a site specific market study but a market outlook, which determined how much of the market was needed to be successful and whether it was a low, moderate, or high risk. Mr. Malizia said the analysis did not look directly at competition, adding they had determined that 6% of the overall market was needed to be successful and that it was a moderate risk. Commissioner Hallman said they were also trying to assess the risk from the Town's perspective, and a moderate risk may or may not be acceptable.

Commissioner Gering they needed to discount the current/existing revenues to show the new projected revenue. He noted that the figures provided were \$1.1 million per year, but that was not new revenue. Mr. Malizia said on the other side, the expenditures were not new either and had not been factored in. He said you had to look at where you were now in terms of what revenues were being received, what expenditures were currently being allocated, and then compare revenues and expenditures. Commissioner Gering agreed, noting he was trying to determine the future benefit of this new development. Mr. Malizia said he had not provided those numbers, but as the center continued to age, it would not generate the same revenues that it had.

Commissioner Gering asked how they would factor in the cost of County services. Mr. Malizia responded he had not looked at that dimension.

Mr. Farrelly said one point to consider was what assumptions were made in terms of impact on existing businesses in Town. He asked how that was factored in, in terms of net gain. Mr. Malizia said they had attempted to answer that question by measuring risk, adding that their determination was that a community center was less likely to compete or undermine existing businesses or the downtown. He said it would certainly compete with highway-oriented retail near that location to some extent, and you would have to draw a conclusion as to whether that was good or bad. Mr. Malizia said he happened to think it was a good idea, because that would result in better services to the community.

Mr. Farrelly stated it was hard to get a sense of what were the explicit assumptions and uncertainty, and asked were they running a regression analysis? Mr. Malizia responded no. Mr. Farrelly stated that was a qualitative judgment, noting that he believed using the 6% figure was a somewhat false precision since it was not based on a qualitative analysis. Mr. Malizia replied that the numbers were real in that the market demand for this type of center was real. Mr. Farrelly remarked that the numbers used had come from 2002 retail data, making the numbers dated. He said it was better just to say that in their opinion the center provided moderate risk. Mr. Malizia said he would characterize that differently, noting that the numbers they had to allow the center to perform adequately were solid. He said what was questionable

was the forecast, but the demand was the denominator based on a set of assumptions. Mr. Farrelly agreed, but said the range they had forecasted overlapped with the 6%, and the range could go down to zero or up to 12. He said it was important for people to understand those assumptions.

Mr. Remington said regarding the market outlook, the population within the draw area was much less than the target populations. Mr. Malizia said the outlook in the report was given as the norms, adding they did not look at population because it was not as good an indicator as was disposable income.

Commissioner Lloyd said her concern for this project was the number of houses and people projected, noting this would take up the last big parcel of land to be developed in her lifetime. She said the project would possibly be getting into the Town's Phase II of water, and their wastewater treatment plant was in need of upgrading. Commissioner Lloyd said the Town had many aspects to consider, such as water pressure, fire and police services, and traffic. She said the vagueness of that was disturbing, and did not want to see the current citizens paying for that impact. Commissioner Lloyd remarked that this project would double the population of Hillsborough, so those questions had to be answered.

Commissioner Lloyd said she had not seen in the plans any connectivity, noting for example that there was no walking path to allow residents to get to Weaver Street. Mr. Malizia commented that Commissioner Lloyd had the right to ask those questions, and they wanted to be as responsive as possible. He said the reality was they had not yet commissioned all the studies necessary to answer them at this stage.

Commissioner Hallman addressed the cash flow, noting he saw the \$1.1 million at build out but was concerned about reaching that build out. He said looking at the cash flow; he agreed with Commissioner Gering that they needed a net cash flow model. Commissioner Hallman said he had difficulty with asking citizens to pay for cash flow deficits and not getting that back until year 13. Mr. Dye stated that the fiscal analysis by the Town focused on the residential/annexation area. He said they had tried to add the commercial component to that fiscal analysis since they were a package project, and that had resulted in the \$1.1 million figure at build out. Mr. Dye offered to help balance the shortfalls in years 10 and 11 by donations to police/fire capital, water capital, and sewer funds. He said the timing of that was flexible to best offset the larger impact years.

Commissioner Gering remarked he did not want to see Hillsborough suffering anything "in the red" with build out of this project. He strongly encouraged the applicant to develop a model that kept the Town "in the black" for every year until build out. Mr. Dye said they specifically intended to do that, and the project could be oriented to make that a reality. Commissioner Gering said those were impacts that were due to this development, and more work needed to be done to resolve the capital problem. He said they might require more of a contribution to the Town's capital program for infrastructure improvements.

Mr. Farrelly asked Mr. Peterson if he had anything to add that might shed more light on this issue. He said he felt as if they had only partial information. Mr. Dye stated that the spreadsheet showed Mr. Peterson's fiscal analysis along with the commercial component they had prepared.

Mr. Peterson said there were two important tasks for the Boards and the Town, with the first being to decide whether the project was something they were interested in. He said financial analysis was done in March, and then revised in April, and they now needed to wait to see in what direction the project was going. Mr. Peterson said factors to be considered were did the Boards like the project, did it have momentum, and was it positive. He said once that was determined then they could have more detailed discussions with the developer and then address the cash flow issues.

Mr. Peterson said when they first did the fiscal analysis; they had done only the annexation aspect for two reasons. One, he said, was because the commercial aspect could be done by right. He said they always like to look at the bottom line, and it was up to the Boards to determine how much if any risk the Town would like to take. Mr. Peterson said they had not looked at it in that detail yet because the Boards had not suggested that it was more critical now.

Mayor Stevens agreed, noting it needed to meet the market test and the community test. He said they needed to hear from the advisory boards as to whether this project was meeting the community test. Mayor Stevens said it was important to determine if this was the kind of retail they were looking for and what the risk might be. He said it was also important to understand the effects it might have on the downtown and the opportunities for connectivity.

Commissioner Gering said he did not believe they were not asking for further fiscal analyses at this point, noting they had larger concerns that needed to be addressed.

Mr. Farrelly noted that two citizens had signed up to speak, and suggested allowing them to speak at this time.

Susan Levy, after having been sworn, said she was speaking as a representative for Habitat and as a housing advocate. She said Habitat provided homes to households that fell in the range of 30-50% of median income, and they would like to partner with the Town and developers to provide housing in new developments. Ms. Levy said for this project, the number of units being offered was too small for the size of the development. She noted that the Chapel Hill standard was 15% of homes in a development were dedicated to affordable housing, and that Chatham County required 5%. Ms. Levy said this project was proposing less than 2%, and she was asking that 5% be dedicated for this project. She said that range was broader than what the Land Trust could usually serve, and stated that Habitat was willing to work with this and other developments to provide options and opportunities.

Commissioner Hallman thanked Ms. Levy for her comments, adding that in his opinion everything, including affordable housing, was still on the table for discussion. He encouraged the applicant to talk with Habitat regarding Ms. Levy's comments.

Mr. Oliver asked if the affordable housing numbers from other communities were usually satisfied with a certain type of housing, such as single-family homes or townhomes. For Chapel Hill, for example, he asked if that 15% was broken up so that perhaps 3% were single-family homes, and so forth. Ms. Levy said it was usually a variation and depended on what made sense for a specific development.

Commissioner Lowen asked if Habitat had a preference as to what type of affordable homes was provided. Ms. Levy said they were open to being flexible. She said clearly, single family homes were more in demand.

Art Mines, after having been sworn, said he was pleased to see the consideration of setting aside 12 acres. He presented the Boards with a petition containing 366 signatures casually acquired over the last 7 weeks encouraging the Town to consider a multi-use train stop in Hillsborough, including Amtrak and the future Triangle Transit. Mr. Mines said there were pressures to use those acres in different ways, and asked the Boards to give this serious consideration. He noted that the comments with the petition included how people might use the trains and where they might travel to, and believed the Boards would find those comments interesting and informative. Mr. Mines asked the Boards to consider how trains might affect traffic, noting that one example might be that people could travel to and from the UNC campus by train rather than by car.

Mayor Stevens asked for more information regarding the developer's transit commitment in terms of public transportation, and whether that was rail stops, buses, or other modes. Mr. Dye said they were absolutely committed to it. He said the access road going through the Master Plan was for transit easements on the main road to allow access to the site. Mr. Dye said as the price of gasoline rose they continued to look for opportunities to get people out of their cars and use a bus, or rail or something else.

Mr. Farrelly asked at build out, what was the property value of the collective project. Mr. Peterson responded for the residential, the analysis estimated \$240 million, which would result in \$1.5 million in property taxes. He said the estimated value of the commercial was \$75 million, minus the current assessed value of the Bonne/Collins property.

Ms. Trahos thanked the Boards for their input. She said this plan was similar to the Town's Comprehensive Plan, noting it was a specific Master Plan for this piece of property. Ms. Trahos said like the Comprehensive Plan, it had flexibility including the protection the Town had that would require that the applicant come back to the Town for Special Use Permits as they developed each parcel.

ITEM #3: Close the Public Hearing and Open the Town Board Monthly Workshop

Commissioner Hallman said he was willing to close the public hearing, but did not want to send a message to the Planning Board that the Town Board was ready for a recommendation. He said he did not see the project being as beneficial to the Town as he would like to see. Commissioner Hallman said he wanted to see a clear financial picture that showed the positive impact to the Town.

Mr. Farrelly said based on what was heard, was Commissioner Hallman expecting that information to be provided or did he want to make a specific request of what needed to be revisited, recalculated, etc. Commissioner Hallman replied he believed they had been specific in what was expected.

Commissioner Lloyd agreed, noting the Boards had been clear about what their concerns were and what the applicant needed to provide. Mr. Farrelly said he was attempting to have those requests summarized. He said one option was to have the applicant come back for another public hearing with responses to the comments made this evening, or they could close the hearing. He said the Planning Board needed some direction as to what the Town Board wanted them to work on.

Commissioner Hallman said they had asked the questions and had not received adequate answers.

Commissioner Dancy suggested leaving the public hearing open and allow the applicant to come back with better responses.

Commissioner Gering said there were two big hurdles, the size of the residential component and the vagueness of both components. He said this project was half as big as what Hillsborough currently was, and it would pretty much use up all remaining capacity for water and traffic. Commissioner Gering said what had been provided was good, but it was not good enough. He said he did not yet have a good visual picture of this project, and wanted to make sure it would be something they were proud of. Mr. Dye asked was that vision he was looking for a picture, a drawing, a site plan, or something else. He said he was struggling to understand what was being requested. Commissioner Gering said he needed something that would make him stand up and say that was the part of Hillsborough he wanted people to be living in 50 years from now.

Mr. Farrelly said the Boards had to create a mental picture of the project. He said examples had been provided that perhaps worked for the applicant, but the Boards remained uncertain about how the design guidelines would play out. Mr. Farrelly noted that in order for the Boards to get more comfortable with the project the applicant needed to get more specific, noting that now it was too nebulous.

Commissioner Gering remarked that reassurances that they would continue to get more information during the SUP process were nice, but it would be too late because by then they would have already committed to that “monster development.” He said that was not acceptable.

Commissioner Hallman said also to be considered was the risk that they were placing on the Town. Mr. Dye said he would take those comments away and attempt to respond to them. He said he could see the struggle the Town had and understood it. Mr. Dye said it was a struggle for them as well because they had to put it in the context that the Town wanted to judge it by.

Mr. Remington stated one of his concerns had to do with the character statement recently received about the historic district and what needed to be preserved. He said it detailed the mix of things that were important in Hillsborough, and the fact that there were places right next to each other built at different times with different architectural styles. Mr. Remington said that mix was important, and this proposal did not provide that variety. He said it would all look alike and would never acquire diversity.

Ms. Vandemark agreed, noting for example that Southern Village in Chapel Hill had pockets of differentness to give a village feel. She suggested for this project that the commercial be dispersed throughout the development. Ms. Vandemark suggested that the two Boards meet and jointly voice their concerns, and create a joint list. She said they were all thinking about different things and they needed to talk to each other, and then have the applicant come back for more dialogue.

Ms. Wallace said they had asked many times for certain things but had not received what they had asked for. She suggested closing the public hearing and denying the application. Ms. Wallace said they were wasting time and stringing the developer along.

Mayor Stevens said he had concerns as well, noting as they had progressed they had asked for a vision and had not received it. He said this was not a bad project, but it may be a bad fit. Mayor Stevens said that this project could not be just good; it had to be a solid vision. He said it appeared the Boards just could not see enough of that vision to be comfortable with it.

Commissioner Gering suggested closing the public hearing and scheduling a joint meeting with the Planning Board to discuss some of these issues, and then determining if there was enough interest to continue. Mr. Hornik stated that was an acceptable approach.

Mr. Farrelly agreed, noting he believed that was a good idea and a good way to proceed.

Commissioner Hallman said they all brought different things to the table and they needed to have a full discussion about all the issues among themselves.

Mr. Jones asked with that said, were they closing the public hearing now or leaving it open? Mr. Farrelly offered to allow the applicant to respond, and then decide that issue with further discussion.

Mr. Dye said they were trying hard to provide the information requested, but the disconnect was the method to relay that information. He said the Boards were seeking details and they were focused on the Master Plan. Mr. Dye said they wanted to find a way to move forward and get the message across in a

different format than what they had here. He said obviously the Master Plan format was not providing the Boards with that they needed to make decisions. Mr. Dye said he sincerely wanted the opportunity to do that.

Ms. Trahos echoed Mr. Dye's comments, noting from the Boards' perspective it might appear that they were missing something, but they had spent significant time trying to respond to comments and questions. She asked for the opportunity for further dialogue so that they could strip the project down to the basics, recognizing that it was not possible to show exactly what each subdivided lot would look like and where each individual home would be located. Ms. Trahos said they wanted to work together to address all concerns, and would appreciate the opportunity to do that.

Mr. Jones said the question now was whether or not to close the public hearing. Mayor Stevens asked Mr. Hornik if the public hearing was closed, could it be reopened at a later time. Mr. Hornik responded yes, it could. He said he understood that there was a desire for a joint workshop and that that meeting may determine whether a new hearing was called, noting that the applicant could sit in on that public meeting to listen. He suggested that the simplest way to proceed would be to close this hearing and schedule a joint workshop. Mr. Hornik said at the conclusion of that workshop, the Boards may have a consensus of whether or not they wanted to proceed with the project.

Upon a motion by Commissioner Gering, seconded by Commissioner Dancy, the Boards moved to close the public hearing on the Annexation, Zoning, and Master Plan Application from American Asset Corporation by a vote of 14-0. The motion was declared passed.

Commissioner Lowen asked that Ms. Hauth poll the Boards for possible meeting dates during August. Ms. Hauth agreed to do so.

Upon a motion by Commissioner Lowen, seconded by Commissioner Gering, the Boards moved to adjourn the joint public hearing by a vote of 14-0. The motion was declared passed.

The Board took a short recess.

Monthly Workshop

Mayor Stevens called the meeting back to order.

ITEM #4: Agenda Changes.

Commissioner Hallman requested that five minutes be added to the meeting to allow for discussion of Orange County's request regarding Justice Facility parking. The Board agreed by consensus. No other changes to the agenda were noted.

Upon a motion by Commissioner Lloyd, seconded by Commissioner Dancy, the Board moved to approve the agenda as amended by a vote of 5-0. The motion was declared passed.

ITEM #5: Committee Updates and Reports.

No updates or reports were offered.

ITEM #6: Set a time and Date for a Special Meeting in mid-August to Approve the Financing and Purchase of the Leaf truck. Note: This is necessary so the truck can be acquired in time for employees to be trained on the new truck for this year's "leaf season."

The meeting should only take a few minutes and could even be held in the morning or immediately after work.

Mr. Peterson stated they were working to arrange financing for the low bid, noting they had 45 days to approve the financing. He said by mid-August they needed to take advantage of the piggyback bid. Mr. Peterson suggested scheduling it with the joint workshop, noting it would take only a few minutes. The Board agreed by consensus.

ITEM #7: Consideration of amendment to the settlement agreement with EYC Companies regarding details associated with permitting.

Mr. Hornik stated that regarding Sections c.1 and c.2 of the settlement agreement, the phrase “substantial compliance” should be modified, noting to provided too much “wiggle” room. He said that EYC was requesting one permit, but the Town’s process required multiple zoning permits. Mr. Hornik explained the amended settlement agreement spelled out the need for the multiple phases of EYC’s project. He recommended that the Board accept the settlement agreement, modified to remove the word “substantial” from the phrase “substantial compliance,” noting it was either in compliance or it was not.

Upon a motion by Commissioner Hallman, seconded by Commissioner Dancy, the Board moved to accept the settlement agreement with EYC with the amendments to Sections c.1 and c.2 to remove the word “substantial” from the phrase “substantial compliance” by a vote of 5-0. The motion was declared passed.

ITEM #8: Appointment: Consideration of Appointment to the Parks and Recreation Board – Robert English.

Upon a motion by Commissioner Gering, seconded by Commissioner Dancy, the Board moved to appoint Robert English to a full three-year term on the Parks and Recreation Board by a vote of 5-0. The motion was declared passed.

ITEM #8a: Consideration of a request by Orange County regarding the Justice Facility Parking.

Commissioner Hallman stated that Orange County Commissioners Barry Jacobs and Pam Jones were concerned about the design of the parking lot. He said they had asked if this Board would direct staff to have a conversation with the planners about what they believed could be done to make the parking lot more environmentally sensitive. Ms. Hauth said in reality, they were having a net loss of parking on this property when the project was completed. She said that the Board of Adjustment had been incredibly flexible in reviewing the site plan by allowing them to count the spaces at Durham Tech in a park and ride/shuttle situation. Ms. Hauth said she would be happy to have a discussion regarding what would make the parking lot more environmentally sensitive, but if that reduced parking spaces she would not recommend it.

Mr. Hornik stated that the Board of Adjustment had “bent over backwards” to accommodate the County and he did not see what the Town would get back by continuing a dialogue.

Mayor Stevens asked if the key issue was the number of spaces. He said he had understood the County wanted more trees and to make it more environmentally friendly. Mayor Stevens asked if it was worth it to the Town to have a conversation about how to make it more environmentally friendly without reducing the number of parking spaces. Mr. Hornik said he was concerned that prior agreements regarding this facility would begin to be chipped away, noting it was his sense that the County continually asked for more.

Ms. Hauth said the County had already reduced the parking to save a few of the trees and some of the archeological area, but she still did not have plans from them about what changes to the parking lot might

happen to preserve the kiln that was discovered on the site, which would require removing even more parking spaces. She said the County had not yet said what the impact of that was to the project.

Mr. Hornik said at some point this would have to go back before the Board of Adjustment. Ms. Hauth said that was correct, noting she had already used all the flexibility she was empowered to use under the Ordinance, as had the Board of Adjustment, to review the plan.

Mr. Hornik said they had already stretched the Ordinance as much as possible to provide what the County was asking for, and he was not comfortable with stretching it in such a way as to further reduce the number of parking spaces.

Mayor Stevens said he believed that message had been stated strongly when the Board had discussed the archeological site. Ms. Hauth said she would be happy to review anything that did not entail the removal of more parking spaces. She said she had no more flexibility to give based on the Ordinance in the number of parking spaces to be provided.

ITEM #9 Closed Session.

Mr. Peterson stated that the Closed Session could be cancelled since it did not concern a current employee.

Commissioner Hallman suggested that the Closed Session be rescheduled. There was no objection from the Board.

ITEM #10: Adjourn.

Upon a motion by Commissioner Gering, seconded by Commissioner Lowen, the Board moved to adjourn the meeting by a vote of 5-0. The motion was declared passed.

The meeting was adjourned at 10:09 p.m.



Respectfully submitted,
Donna F. Armbrister, MMC
Town Clerk