



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Meeting Minutes Board of Aldermen

Tuesday, February 3, 2015

7:30 PM

Board Chambers - Room 110

Present: Mayor Lydia Lavelle, Alderman Damon Seils, Alderman Michelle Johnson, Alderman Randee Haven-O'Donnell, Alderman Bethany Chaney and Alderman Sammy Slade, Alderman Jacquelyn Gist

Also Present: David Andrews, Town Manager, Cathy Wilson, Town Clerk, Mike Brough, Town Attorney

APPROVAL OF PREVIOUS MEETING MINUTES

MOTION WAS MADE BY ALDERMAN SLADE, SECONDED BY ALDERMAN CHANEY TO APPROVE THE MINUTES OF JANUARY 20, 2015 AND JANUARY 27, 2015, AS AMENDED.
VOTE: AFFIRMATIVE ALL

PRESENTATION OF CAPITAL IMPROVEMENTS PROGRAM UPDATE

The purpose of this item was to present to the Board of Aldermen the annual update of the Capital Improvements Program (CIP) for FY 2015-16 through FY 2020-21.

Arche McAdoo, the Town's Finance Director, made the staff presentation. He explained that there is a Town Hall space and utilities needs analysis scheduled for this FY that will address the needs of building space and systems for FY 16/17.

Alderman Gist stated that there is a need for collaboration with the Public Works space and stated that it is prime land and suggested that some of the land be placed on the market to return to the tax base.

Alderman Seils asked if there was a standard for the replacement and maintenance of sidewalks and greenways. George Seiz, the Town's Public Works Director, stated that he would look into this system. He also asked about the Jordan Lake Rules and if the current laws would provide the Town with more flexibility on how to expend funds for stormwater within the Town. The Town Manager explained that current projects in the CIP have been prioritized based on Federal laws but that there may be flexibility in when the funds are spent. He also asked that the Town begin the conversation related to the Police Policy for Body Worn Cameras and asked if the School District wants Body Worn Cameras on the School Resource Officers and if so, if they can help purchase those cameras. The Town Manager stated

that he will look into this with the School District.

Alderman Chaney asked about the retrofits that are required for the schools. Trish McGuire, the Town's Planning Director, stated that the retrofits aren't being done for the schools but by the Town to find locations to partner with property owners in areas with the highest potential.

Alderman Chaney stated that a lot of residents of Plantation Acres feel that the source of their flooding is coming from the McDougle Middle School area and asked if those projects could be prioritized. Alderman Chaney asked for staff to provide an analysis on what the impact of financing for the proposed Arts Center would have on the Town's CIP document, debt ratios, bond ratings, and the impact on the Town's operating budget in terms of debt service. She asked if the information could be presented showing comparisons of current CIP with the addition of the proposed Arts and Innovation Center. If we were to build another hotel, could any of those tax revenues be used to fulfill any of the Town's other capital improvements project needs.

Alderman Johnson stated that the Town usually makes decisions in a much longer process than they are currently being asked to make decisions regarding the proposed Arts Center.

Alderman Haven-O'Donnell asked if the Town could partner and create a stormwater utility and how that would affect the CIP budget. David Andrews, Town Manager, responded that staff will be looking at that as an option. Alderman Haven-O'Donnell stated that residents of Plantation Acres have serious concerns regarding flooding issues and asked that monies be put toward fixing those issues sooner rather than later.

Alderman Slade encouraged the Board to have the foresight to mitigate before the events. He asked if the Rogers Road Community project could include historical and collaborative language. He asked that staff continue to monitor offering broadband. He asked the staff to maximize solar for the MLK Park. He asked that a process be used for the policy for Body Worn Cameras for the Police Department and asked that the Board hold a public hearing regarding the policy.

Mayor Lavelle asked if a parking lot would be included in future CIP's. David Andrews, Town Manager, responded that it would but not at this time.

A motion was made by Alderman Seils, seconded by Alderman Haven-O'Donnell, that the report be accepted. The motion carried by the following vote:

Aye: Mayor Lavelle, Alderman Chaney, Alderman Gist, Alderman Haven-O'Donnell, Alderman Johnson, Alderman Seils and Alderman Slade

A PUBLIC HEARING ON THE ISSUE OF A PROPOSED NEW ARTS AND INNOVATION CENTER

The purpose of this agenda item was for the Board of Aldermen to hear public comments on a proposal for a new Arts and Innovation Center that would replace the current ArtsCenter and bring Kidzu to Carrboro.

Manish Atma, owner of the Hampton Inn, spoke to the Board about the proposed addition of a new hotel. He stated that the addition of meeting and group space in the hotel will increase the occupancy of the hotel. He stated that it is anticipated that the new hotel will generate the same, or more, revenue

of the current Hampton Inn. He stated that the hotel finished 2014 averaging about 67% occupancy. He discussed the time constraints related to the Hilton licensing agreement and stated that the hotel would need to open in 2016. Alderman Gist asked if they would be seeking an expedited review. Keven Benedict, representing 300 East Main, stated that they understand that a modification would be needed to the existing CUP. In response to Alderman Gist, he stated that they would plan on the current CUP process being around eight months but would like the Town to review as quickly as possible.

Alderman Johnson asked if the new hotels in Durham and the Chapel Hill are would affect occupancy rates for the new hotel. Mr. Atma stated that due to growth, those new hotels won't affect the proposed hotel.

Laura Van Sant, representing 300 East Main, read a statement of support for the second hotel building. They also showed a concept plan for the design of the hotel that also showed a possible location of the Orange County Southern Branch Library and apartments. She stated that the CAIC proposal does not affect the Cat's Cradle. She stated that they have worked with the Cat's Cradle for years but that the Cradle has turned down multiple offers to have increased and new space at a rent of direct costs. She stated that they remain available to continue discussing the Cat's Cradle's long-term future. She asked the Board to take down a long-term visionary approach for the proposed Arts Center.

Alderman Gist stated that when the project was first approved there was green space and an outdoor concert space and that the project has changed since approval. Mr. Benedict stated that these plans haven't changed since the CUP approval.

Diana Staughan, representing Cat's Cradle, stated that Frank Heath had planned to speak but was not prepared to hear the comments from 300 East Main regarding their rental discussions so he needed to leave because he was dismayed. She stated that he feels that this is not the correct place to hash out the discussions between the Cat's Cradle and 300 East Main.

Alderman Slade stated that the Cat's Cradle simply speaks for itself. He stated that it is the responsibility of the Town and Board of Aldermen to make sure that the Cat's Cradle stays in Carrboro and feels that as this project progresses, there isn't space remaining for the Cradle.

Alderman Chaney stated that the Town is reviewing a project related to two non-profits but that the Town could not offer the same support to the Cat's Cradle because it is a for profit business. She asked to see the economic impact of the Cat's Cradle to the Town.

Alderman Slade stated that the Town should be looking at Orange County as a partner especially considering the 1/4 cent sales tax and asked for the County Commissioners to assist in the creation of space that the Cat's Cradle needs.

Alderman Seils asked for the economic impact from the Cradle. David Andrews stated that staff will work on getting this information to the Board.

Phil Szostak, representing the CAIC partners and ArtsCenter Board Member, reviewed what the partners heard during the meeting on January 20, 2015. He stated that he has had two meetings in the past two weeks with Mark Dorosin and Frank regarding the Cat's Cradle. He stated that he looks forward to working toward the solutions.

Noel James, the interim director of the ArtsCenter, spoke to the Board about the ArtsCenter and their

role in the region. She stated that the hotel proposal provides an opportunity for the ArtsCenter and Kidzu to move forward. She stated that the ArtsCenter is financially fit and fiscally responsible.

Alderman Chaney asked if the ArtsCenter works around a three -year business plan. Ms. James stated that she has not seen the business plan since she started in September but that she has seen the strategic plan. Jay Miller, ArtsCenter Board Chair, stated that the Board is in communication regarding the current budget and is projecting an \$80,000 surplus for this year but that they do not have a three-year business plan. Ms. James stated that 70-75% of the budget is earned income because of programs that are in demand. Mr. Miller stated that they took a hit in 2010 and that ratios are affected by that year. He stated that the ratios aren't great starting five years back but moving more recently, they are stronger. Alderman Chaney asked how many years the ArtsCenter has been financially in the positive over the past five years. Mr. Miller stated that they have been positive over the last four years and their audited financials are available to the public.

Alderman Gist asked if the hotel were placed where the ArtsCenter is, who would buy the building. Ms. James stated that the building would be sold to 300 East Main at a price yet to be determined but that it would pay off the mortgage debt and leave \$600,000 to set aside as endowment.

Alderman Haven-O'Donnell asked about the transition plan if the ArtsCenter building is sold. She stated that she would love to see a transition plan that includes a timeline. Ms. James stated that Main Street Partners has committed to assisting with that transition but that it has not been scheduled at this time.

Mary Grady Norkus, the co-founder of Carrboro Modern Dance Company, spoke in favor of the proposed Arts Center.

Michael Reklis, a Carrboro resident, stated that part of what has kept him in Carrboro has been the Cat's Cradle. He stated that his main concern is that this project is moving too quickly and needs more time for review.

Brad Porter, the managing director of the ArtsCenter, spoke in favor of the proposed project and that the arts is why he moved to Carrboro. He encouraged continued collaboration during this project.

Charles Sune, a resident of Carrboro, stated that he doesn't see a solution for the arts in Carrboro without a solution for the Cat's Cradle.

Diana Garcia, a Carrboro resident, expressed concern with the proposal related to parking, traffic, and bottlenecks and stated that the Town needs to consider all of these issues. She asked that an environmental analysis should be completed to ensure that neighbors aren't affected. She stated that there are a lot of empty storefronts now and that a hotel isn't the plan to fix those. She asked the Board to review the proposal from a human level and to keep the skyline in mind. She asked that Carrboro be revitalized before expanded.

Jim Porto, a Carrboro resident, spoke in favor of the project and asked the Board not to think small scale but long-term investments for the future.

Michael Mezzatesta, a resident of South Lake Shore Drive in Chapel Hill, stated that art is not a luxury but rather a necessity. He spoke in favor of the project and stated that the proposal is an investment.

Richard Ellington, a resident of Carrboro, stated that there is a difference in the Town's Revolving Loan

Fund and is asking the Town to cover the cost of the proposed ArtsCenter. He stated that the ArtsCenter's financial situation has been tenuous during the life of the non-profit and that should be considered. He stated that there are a lot of people that won't use the building and that they should be asked to fund the proposal.

Catherine Adamson, a resident of the Town of Carrboro, stated that she is in love with the idea of the project and that she is unconcerned with parking and that the market can support a new hotel. However, she stated that as much as she wants to see it work, that she is unable to recommend that the Town move forward with the project as it has been presented. She expressed concern for the risks taken by the Town and the ArtsCenter.

Virginia Queen, a resident of Chapel Hill, spoke in favor of the proposed project and stated that it would bring increased space for classes, arts, and professional artists. The ArtsCenter could also grow new programming.

Frank Heath, the owner of Cat's Cradle, stated that the comments from 300 East Main didn't necessarily reflect his experience on the process over the last six years. He stated that they can't always spend the same in rent as other organizations because they are spending the money on bringing artists in and they don't see a lot of it come back in. He said that there is a great dilemma at the moment because both the Cat's Cradle and the ArtsCenter need to expand to realize their full potential.

Dan Krebill, a resident of Chapel Hill and member of the ArtsCenter Board of Directors, stated that it is heartening to see the public involvement in this proposal and vision. He delivered, via email, a petition of nearly 100 names in support of the project and asked the Board to take a look at the petition. He stated that the ArtsCenter needs the increase of space and spoke of the great results of the summer camp program.

Patrick McDonough, a resident of Carrboro, stated that this project is a great idea in progress. He stated that the Town's residents would like to see more information from the ArtsCenter regarding the specifics of the proposal and finances. He stated that the hotel seems to be pushing to make a fast deal and that it feels uncomfortable. He asked them to be flexible with their timeline. He asked the Aldermen to keep asking questions and proceed with the project similarly to how the Board handled the library process. He encouraged the Board to consider a comprehensive plan to put the Town's values and goals together.

Eric Scout Guthrie, a resident of Carrboro, stated that the Cat's Cradle is an iconic institution and that both the ArtsCenter and the Cat's Cradle are incredible institutions. He expressed concern with the idea of building another hotel when the first isn't at 100% occupancy. He stated that the proposal is beautiful but that it needs more exploring and that it can work without being rushed.

Virginia Sloop, stated that this project feels rushed. She also stated that the other Hilton Garden Inn is located near the Randy Parton Theatre in Roanoke Rapids, NC and that it doesn't fit in Carrboro.

Tricia McSigian, stated that everyone wants the best of the ArtsCenter and the Cat's Cradle and that the Hilton Garden Inn does not feel like Carrboro.

Mayor Lavelle suggested, and the Board agreed, that the Board discuss the proposed Arts Center at their February 17th meeting. She asked that requests for additional staff information to be provided to David as soon as possible.

ADJOURNMENT

MOTION WAS MADE BY ALDERMAN SEILS, SECONDED BY ALDERMAN HAVEN-O'DONNELL, TO ADJOURN THE MEETING. VOTE: AFFIRMATIVE ALL