

June 9, 2015

MEMORANDUM

To: Bonnie Hammersley, Orange County Manager

From: Jeff Thompson, Director, Asset Management Services
Lucinda Munger, Director, Library Services
Michael Harvey, Planner III
Andrea Tullos, Assistant Director, Library Services

Subject: Southern Branch Library Siting Update; Carrboro Arts & Innovation Center Working Group Update

Southern Branch Library Siting Update

Staff continues to work toward the analysis and recommendation of sites for a potential Southern Branch Library. In early 2015, the Development Agreement discussions regarding the Brewer Lane property between Orange County and property owner/site developer, Main Street Partners, ended amicably without an agreement to develop a library at the site. The relationship between the County and the Developer remain strong.

Staff continues to conduct preliminary due diligence on several sites proposed by the Board of County Commissioners and Carrboro. Updates and staff recommendations on these sites are attached:

Attachment 1 - ***The Carrboro Century Center;***

Attachment 2 - ***203 S. Greensboro Property*** (initially proposed for study by Carrboro in May, 2013);

Attachment 3 - The former ***Fire & Hearth*** site (East Main Street across from the Hilton Garden Suite Hotel);

Staff will continue to work on these sites within the preliminary site due diligence framework approved by the Board of Commissioners and will seek feedback from the Board in the fall of 2015.

In addition to these three sites, staff has recently begun preliminary due diligence ***on 501/503 West Franklin***, a County property that houses the Chapel Hill/Orange County Visitor's Center, the Skills Development Center, Durham Technical Community College, Guardian ad Litem, and tenant occupant TerraDotta. This site was studied by staff in 2010; current staff recommendations have not been developed and will be forthcoming in the fall of 2015.

Attachment 1 - Century Center Preliminary Phase Due Diligence



Background

The .7 acre Century Center is owned by the Town of Carrboro and currently houses the Carrboro Police Department, Carrboro Parks and Recreation, and the Orange County Cybrary. The two level facility is approximately 23,540 gross square feet and in area with a net useable flood area of 18,000 square feet. An adjacent .46 acre parcel, also owned by the Town, contains 39 publically dedicated parking spaces. An additional 17 spaces are on the east side of the main parcel.

Each level yields approximately 9,000 usable square feet in its current configuration.

Conceptually, the site would be re-purposed in some part to house a Southern Branch Library while displaced Carrboro staff would relocate, potentially to a refurbished Carrboro Town Hall. Jeff Thompson and Michael Harvey are working with David Andrews and Patricia McGuire on studying merits of this site as well as the development variables related to the possible renovation of Town Hall.

Preliminary review of the viability of the Century Center, consistent with adopted site criteria, has been completed.

Positive characteristics, according to the criteria are as follows:

1. The site meets the criteria points of location and access;
2. The parcel is in downtown Carrboro,
3. The overall facility appears structurally able to be re-purposed for a more open library floor plan;
4. The facility is zoned appropriately for a library; however the use would need to be re-applied within the CUP framework;

Challenging characteristics according to the criteria are as follows:

1. Use of the facility would depend on the relocation of Carrboro staff. Development of a library, therefore, would be delayed until appropriate space is created with no guarantee(s) of a timeline on which this would be achieved. There is also no firm idea on the total amount of space that will be available to support the library,
2. Onsite parking, should the facility be shared with some Carrboro department staff, would be limited, causing the site to require off-site parking;
3. The site is severely challenged with regard to handicapped accessibility, a lack of natural light, and is not equipped with an elevator;
4. There is little or no ability for future expansion.
5. The County may be asked to be involved physically or financially with the renovation of the Carrboro Town Hall.

Staff recommendation:

At this point, continue performing due diligence work in collaboration with Carrboro staff in the areas of:

1. Determining the Carrboro staff (Police and Parks and Recreation Departments) that would relocate to Carrboro Town Hall or other locations in order that a more definitive schematic space plan could be prepared for the Southern Branch Library within the Century Center;
2. Performing the physical due diligence for the feasibility of renovating Town Hall to house the potentially relocated Carrboro staff;
3. Developing schematic partnership structure and cost options between Orange County and Carrboro for review, discussion, and Board Direction.

Attachment 2 - 203 S. Greensboro Preliminary Phase Due Diligence



Background

The .89 acre Century Center is owned by the Town of Carrboro and is currently utilized as a public parking lot.

The parcel was submitted for consideration and evaluation as a library site by the Carrboro Town Board on May 10, 2013. Staff had studied the parcel in accordance with established library site evaluation criteria and initially determined potential benefits, with respect to the development and/or use of the property, were outweighed by identified benefits constraints including:

- a. Proximity to existing residences creating issues for property owners (i.e. noise, traffic, congestion, etc.)
- b. Cost of construction,
- c. Traffic impacts,
- d. Limits of expansion opportunities.

After having additional discussions with the Town of Carrboro, which included the review of a previously approved development proposal for the site and Carrboro staff's assurances over potential development of satellite parking to support a library, staff is re-evaluating the property.

Buildable area on the parcel is estimated to be at approximately 30,000 square feet. With the construction of a single level structure, staff estimates a 15,000 square foot library structure, with adjacent surface parking for approximately 50 vehicles, may be achieved.

It should be noted local zoning allows a multi-level building to be constructed on the property. As a result a larger, multi-floor, building can be erected to house other users. This site has potential for the collaborative Carrboro Arts and Innovation Center that could house the library, the Arts Center, the Kidzu Museum, and potentially other uses.

Positive characteristics, according to the adopted site evaluation, criteria for the property are as follows:

1. The site meets the criteria points of location and access;
2. The site is in downtown Carrboro;
3. The site is fairly level and open with access to needed utilities;
4. The facility is zoned appropriately for a library use; however the use would likely require a Conditional Use Permit application;
5. The parcel is owned, and was submitted for evaluation, by the Town of Carrboro;
6. The County may experience a more favorable acquisition cost structure in its negotiations with Carrboro.

Challenging characteristics according to the criteria are as follows:

1. The presence of unsuitable soils and rock are a concern; however a full geotechnical analysis of the site will inform this;
2. The topography and drainage of the site limit on grade entrances to a proposed facility to the west side of the property bordering Jones Ferry Road
3. Future expansion would be limited to building more levels to the facility; designing for this possibility would increase the cost of the initial structure.
4. Final determination on the need to develop parking either on or off-site has not been formalized. As a result staff is unsure what we could be walking into with respect to a requirement that we replace the public parking displaced as a result of a library being constructed on the parcel.
5. Traffic studies have not been completed identifying the viability of locating a library here.

Staff recommendation:

At this point, continue performing due diligence work in collaboration with Carrboro staff in the areas of:

1. Physical and geotechnical due diligence;
2. Performing the physical due diligence for the feasibility of developing the site as both a single and multi-story structure.
3. Continuing to review and develop an understanding on the parking requirements/needs for a standalone library structure and surface parking; and
4. Developing schematic partnership structure and cost options between Orange County and Carrboro for review, discussion, and Board Direction.

Attachment 3 - Former Fire & Hearth Property Assembly Preliminary Site Due Diligence



Background

A three parcel collection of semi-contiguous parcels anchored by the former Fire & Hearth retail store and Browning Ferrell Furniture totaling approximately .9 acres is currently on the market for sale (hereafter 'Fire & Hearth parcels'). This location is opposite of the 300 Main development on the north side of East Main Street. As currently comprised the parcels do not offer sufficient land area, or road frontage, to support development of a library facility. Vehicular access would also be complicated. Additional land area would have to be secured to achieve sufficient land area for library development as well as ensure proper vehicular ingress/egress to and from the site.

Contiguous to these parcels is a .26 acre restaurant and a .1 acre single family residence not for sale. Inclusion of these two parcels would improve the use of the property, including access for a library project. As of the writing of this report there have been no overtures made to these property owners to discuss their attitudes on potential purchase options.

The Fire & Hearth parcels will likely to be valued in the market at the equivalent \$800K- \$1MM per acre. Using the \$1MM per acre figure as a benchmark, staff has estimated the cost of the full assembly (i.e. purchase of approximately 1.26 acres in support of library space development) would total approximately \$1.26MM. This assumes successful purchase of adjacent properties.

With surface parking feasible on this assembled site in lieu of structured parking, the budgeted costs for the Brewer Lane ground lease and purchased structured parking (\$600K + \$900K = \$1.5MM) may be in line with this assembled site's purchase and surface parking development costs.

Overall development costs are expected to be no greater than most other downtown sites (and which likely could be substantially less on the whole because the site could be surface parked).

Conceptually, the buildings on the property would be deconstructed and the entire site developed for a single or dual level building with onsite surface parking.

Positive characteristics according to the criteria are as follows:

1. The site meets the criteria points of location, visibility and access;
2. The site is in downtown Carrboro;
3. The site conditions are topographically ideal and seem to be able to carry the structural loads of a Southern Branch Library and required surface parking;
4. The facility is zoned appropriately for a library; however a CUP process would be required;
5. Land acquisition costs are roughly equivalent to Brewer Lane given the more expensive structured parking at Brewer Lane and surface parking on this site.

Challenging characteristics according to the criteria are as follows:

1. The assembly of the five parcels is necessary for the site to work as a library; this is challenging and largely unknown at this point;
2. Required deconstruction costs would add to the total project cost of the project
3. Given the size of the parcel(s), expansion to accommodate future library space or space for alternative uses, will not be practical.

Staff recommendation:

Staff should continue performing due diligence work. A decision point after the completion of preliminary due diligence may be to engage with a real estate broker to assemble the properties under an option to purchase structure.

Carrboro Arts & Innovation Center (“CAIC”) Working Group Update

In the spring of 2015, an organizational meeting was held with the elected and appointed chairpersons of Orange County, Carrboro, the Arts Center and Kidzu, along with the organizations’ managers and executive directors to collaboratively explore the merits of co-locating and sharing a set of spaces that would serve and benefit the County’s Southern Branch Library, Carrboro, the Arts Center and the Kidzu museum within the central cultural area of Carrboro.

A steering committee consisting of County Manager Bonnie Hammersley, Carrboro Manager David Andrews, ArtsCenter Chair Don Rose, ArtsCenter Board Member Phil Szostak, and Kidzu Board Chair Betsy Bennett has been formed to guide this effort and report findings and recommendations to the respective governing boards. A technical committee consisting of Orange County Asset Management Services Director Jeff Thompson, Carrboro Planning Director Trish McGuire, ArtsCenter Interim Executive Director Noel James, and Kidzu Interim Executive Director Lisa Van Deman staff has been formed to advise the steering committee in its work.

The work of these groups will follow the general guidelines of the “Pathway to a Proposal” proposed by Carrboro Alderperson Bethany Chaney during an early spring Carrboro Board meeting.

The Steering and Technical Committees met on June 8, 2015 to discuss tasks and guidelines with the “Pathway to a Proposal”. The group agreed on its collective charge and has charted a course to move forward with due diligence on four sites:

1. 203 S. Greensboro Street site
2. The current ArtsCenter site
3. The former Fire & Hearth Site
4. The “Armadillo Grill Parking” site (the site previously proposed by the CAIC group earlier in 2015)

The group agreed to collaborate on a co-location visioning plan through the summer of 2015, develop business plans focusing on potential co-location synergies, and—depending upon the summer’s work-- be in position to consider investing together on required due diligence that will continue to examine and potentially build a co-location development case.

Attached is a PowerPoint deck of slides that facilitated the group’s discussions on June 8, 2015 and captures the consensus and basis for moving forward with the collaboration. The PowerPoint deck is framed upon the “Pathway to a Proposal” written by Alderperson Bethany Chaney. The comments highlighted in red represent the Steering Committee feedback and points of general group agreement for going forward work.