

Town of Carrboro

Town Council

September 23, 2020

RE: Historic Rogers Road Zoning discussion

Dear Carrboro Town Council,

I represent a partnership that is under contract to purchase most, but not all, of the 8 parcels of land on Rogers Rd., that were the subject of discussion during yesterday's council meeting. It is our intention to purchase the property and develop it. My reason for writing is to offer a different perspective with "real world" considerations when viewing how this property should be developed.

As a potential buyer for the property, we have been conducting our proper "Due Diligence". Some of the issues that were discussed during the hearing have a direct impact on the viability of any sort of development on this property. Please allow me to address them:

- 1.) The number of houses that were mentioned as being developed on this property was 35. Based on work that we have done with our engineer, which included reviewing the proposed guidelines for the HRR area and speaking with several people that work for the town of Carrboro, we interpret that that approximately 58-60 residential lots could be built. Some homes would be duplexes and others would be single-family homes. This needs to be confirmed. Please remember that this is for 6 of the 8 parcels.
- 2.) There is a stream that cuts across the southeast corner of the tract. I have had a professional Wetland Scientist survey the property and review the course and path of the stream. That being said, the town of Carrboro needs to make a formal stream determination. This is a very important factor for any developer when considering a project. The stream and its buffer zone will render a sizeable part of the tract unusable for development of new homes. Some of the area can be used as a place to construct a storm water management area. There will also be room for some recreational area. However, this is land that the developer must purchase as part of the deal and will be a non-revenue part of the project and has to be factored into the project.
- 3.) The town of Carrboro requires that 15% of the homes that are built be "affordable homes". These homes are built by the developer under specific requirements and guidelines and will be sold to the Community Home Trust (CHT). These 8-9 homes will be sold to the CHT based on a particular formula that takes into account the average household income for low income

families. Typically, the developer loses money on each affordable home that is sold to the CHT. We think that this is a fine program and a tremendous asset for the community. However, it needs to be said that a developer cannot continue in business if he loses money on each home that is built. The cost of providing homes to the CHT must be made up by being able to develop a sufficient number of homes that sell for a profit.

- 4.) As mentioned earlier, we are under contract to purchase 6 of the 8 parcels that are under discussion and review. We understand that the town of Carrboro is making a uniform plan that covers all 8 parcels. While we know that it's not the council's problem if there are challenges that face either the buyer or seller in a private real estate transaction, whatever uniform plan is approved will affect the development project. All 8 parcels are currently owned by one entity. If we buy 6 of the parcels, then there will be at least two different owners. Guidance from the town of Carrboro on how to navigate this matter will be appreciated and welcome.
- 5.) In his remarks to the council, Minister Campbell speaks about "identifying opportunities" for the HRR area. Specifically, he was referring to retail opportunities. Let me preface my comments by saying that I've been a retail restaurant developer for over 40 years. I have worked exclusively with one particular international sandwich chain and have helped develop over 800 locations in North Carolina. While I love the idea of having services and businesses close to my home, my experience tells me that a business in a location such as the HRR area would be a major struggle. As a developer, I would welcome the opportunity to build commercial property that I can rent out to tenants who would pay rent every month. However, in my professional opinion there is not enough traffic, either from autos and/or pedestrians to support most kinds of business. My worry is what happens when some people are cajoled or encouraged into opening businesses and the businesses fail within the year. I understand the desire for the council to listen closely to its constituents and to support their requests. But you also have a responsibility to make wise and prudent choices. You would do a disservice to potential business owners and to the developer by legislating that retail be developed: the business owners, because they will believe that since you pushed for the space to be built, that it is a sure thing and for the developer, because he will incur a loss and have no one to fill his vacant property.
- 6.) Minister Campbell expressed his concern about stormwater runoff. I agree that this is an important issue and needs to be completely addressed by the town of Carrboro. Certainly, as a developer, we wish to know the stream determination status as soon as possible and by way of this letter, request that the town of Carrboro make that determination. This will assist all those concerned in making the proper engineering plans for dealing with water, particularly during rainy periods. And as mentioned earlier, this will help with home site planning, as well.
- 7.) The town is setting specific limits on the size of homes to be built. I believe that the requirement is that 15% of the homes (affordable houses) are approximately 1100 square feet (SF) and 15% of the homes can be as large as 2,000 SF. The remaining homes to be 1200-1800 SF. (I am not 100% certain about the exact specifics required and offer these numbers for review purposes only.) As a developer, the smaller the homes, the smaller the income to the builder. I know that this is not of concern to the council; I only mention this because it is another of the "real world" factors that must be considered.
- 8.) Finally, I have a few comments regarding "flex" space. I like this idea. I can imagine a tradesperson, perhaps someone like a plumber who owns a house in the development. He runs a plumbing business and goes to his jobs using his truck. At the end of the day, he drives to his

flex space (a 1200 SF bay that is part of a 6000 SF building). He pulls his truck into the garage, loads, unloads and restocks his truck. In the front corner of the bay, is a small office in which he can conduct his business administrative work. Then, he walks 5 minutes to his home. It's hard to know what the market is for this sort of space is, but unlike retail business, it's not dependent upon outside traffic. This can work.

Thank you for taking the time to read my comments.

Respectfully yours,

Peter Slomiany

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