



## Legislation Text

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**File #:** 16-268, **Version:** 1

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**TITLE:**

Concept Plan for Affordable Commercial - Development Potential of Old 86 - Town Owned Property

**PURPOSE:** The purpose of the agenda item is to gather feedback from the Board of a proposal by staff to develop town-owned property for affordable commercial flex-space.

**DEPARTMENT:** Economic and Community Development

**CONTACT INFORMATION:** Annette Stone, AICP, ECD Director

**INFORMATION:** Available affordable space for flex warehouse/light manufacturing is very limited in Carrboro, therefore the Board of Aldermen directed staff to identify opportunities to lift barriers to develop this type of space. Availability and cost of land is a limiting factor affecting commercial development and the town's ability to attract or retain light manufacturing companies. Staff is seeking direction from the Board on developing an RFP to invite the development community to submit proposals for developing town-owned property located on Old 86 to create an affordable light manufacturing commercial park.

The property, located approximately one mile north of Calvander was originally purchased by the town in 2001 for \$767,000 and was intended for a new public works facility. The town has now determined that this location is no longer needed for that purpose, therefore staff has begun studying the property for commercial development potential. Preliminary study reveals a building program of approximately 90,000 square feet of warehouse/flex commercial space is possible (see attachment 1). The attached site plan illustrates four (4) 20,000 square foot buildings and the possibility of two or more, smaller 5000 to 10,000 sq. ft. building footprints.

Staff's proposal would be to issue an RFP with input from the neighboring properties for a development that sets forth certain development criteria dictating development standards and conditions related to; required square footage, leasing terms with the town, aesthetics of the construction, proposed site plan, estimated cost of infrastructure and vertical construction, rent control proposal, etc.

The 22 acre parcel is currently zoned RR, Rural Residential, which would allow for light manufacturing low impact commercial uses that generate little or no customer trips. The concept would be for the town to lease the land to a developer for a defined amount of time (20 - 30 years) who would build the project out and lease the buildings. Keeping land cost low will be key in keeping the project affordable for attracting and retaining local manufacturers, service providers, makers and artisans.

Other considerations that might be included in a RFP include preserving the feel and character of the property with careful thought be given to the aesthetic and the rural nature of the area. Buildings should have a rural

character illustrated in attachment 2. The small house on the front of the property could be preserved and used as a small retail location that might accommodate the businesses and local residents with basic staple groceries and some prepared food.

The project would require extension on water and sewer utilities which are available near Lake Hogan Farms, and a turning lane to accommodate turning traffic which should include employees, services vehicles, and delivery trucks only. These cost may be an opportunity for a grant or low interest loan from Orange County economic development .25 cents sales tax. Additionally, the property would require annexation to allow for taxation of the improvements and to generate revenue for the town. Other revenues could come from leasing the land. The lease should be tied to the amount of square footage as it is built to help with cost and to keep rents low.

Finally, in considering other possible uses for the property, the town could sell the land, however this could potentially allow for the property to be developed as multi-family residential, having a much greater impact to the surrounding properties. Development of affordable light manufacturing/flex warehouse space would meet a need and priority of the town.

**FISCAL & STAFF IMPACT:** Staff time involved with neighborhood outreach and in developing an RFP.

**RECOMMENDATION:** Staff recommends the Board discuss and consider the concept of issuing an RFP. The RFP should come back to the board for final approval.