



## Legislation Text

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**File #:** 16-302, **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 update the Board on information and 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 reported preliminary findings to the Board in May 2017 after initial community input and has been working over the summer to seek alternative financial models, such as co-ops, grant funding sources, and continue to refine the site plan concept for estimating purposes.

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). Since last reported to the Board in May, staff has been working with local design professional Jim Spencer, to refine the site concept plan to reduce cost and lessen potential impacts to neighboring properties.

The 22 acre parcel is currently zoned RR, Rural Residential. The property could be rezoned to for an Office/Assembly district which would allow for light manufacturing low impact commercial uses that generate little or no customer trips. 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 affordable. Keeping land cost low will be key in keeping the project affordable for attracting and retaining local manufacturers, service providers, makers and artisans.

The project would require extension of 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. Preliminary cost estimates put these off-site improvements at approximately \$1.5M. Staff has been seeking opportunities to off-set these cost with grant funds and 0% loans to maintain affordability of the commercial space.

A grant opportunity was identified by staff and a request was made to the Orange County Board of Commissioners to support a Golden Leaf Grant application that was due on October 20, 2017. That request to support the project for a Golden Leaf grant was rejected with a vote of 5 - 2. Many of the County Commissioners were in favor of the concept, but felt more details needed to be developed. There was a brief discussion and requests by Commissioner Penny Rich that the County revisit the distribution formula for the .25 cents sales tax set aside for Economic Development in the County.

So far, staff has had two meetings with neighbors. One at the Fire station on Homestead on May 11, 2017 and another meeting on site that was called by the neighborhood to discuss the project. Neighbors are concerned about traffic, noise, lighting, and the rural character of the community (Attachment 2).

A survey of the business community and discussions with County Economic Development staff suggested possible uses are small scale manufacturing i.e. furniture, hardware, metal works; food processing including craft breweries, coffee roasters, food truck prep; service companies, plumbing and HVAC; tv/video/photography production; carpentry/woodworking. Staff routinely gets request for space from 500 sq ft up to 10,000 plus square feet.

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.

Staff's proposal would be to continue working toward 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, rent control proposal, etc., with considerations for preserving the feel and character of the property and careful thought be given to the aesthetic and the rural nature of the area.

**FISCAL & STAFF IMPACT:** Staff time involved with neighborhood outreach and developing an RFP plus design and consultation fees.

**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.