

**DRAFT MINUTES OF THE
REDEVELOPMENT COMMISSION
OF GREENSBORO
REGULAR MEETING
AUGUST 5, 2015**

The regular meeting of the Redevelopment Commission of Greensboro (RCG) was held on Wednesday, August 5, 2015, in the Council Chambers of the Melvin Municipal Office Building, commencing at 5:00 p.m. The following members were present: Robert Enochs, Chairman; Clinton Gravely; Dawn Chaney; Angela Harris; and Charles McQueary. Staff present included Dyan Arkin and Sue Schwartz. Also present was Jim Blackwood, Attorney for the Commission; and Terri Jones, City Attorney's Office.

APPROVAL OF MINUTES:

a) June 22, 2015 Special Meeting

Mr. McQueary moved approval of the June 22, 2015 Special Meeting Minutes as written, seconded by Mr. Gravely. The Commission voted 5-0 in favor of the motion. (Ayes: Enochs, Harris, Gravely, Chaney, McQueary. Nays: None.)

b) July 1, 2015 Regular Meeting

Ms. Chaney moved approval of the July 1, 2015 Regular Meeting Minutes as written, seconded by Ms. Harris. The Commission voted 5-0 in favor of the motion. (Ayes: Enochs, Harris, Gravely, Chaney, McQueary. Nays: None.)

HERITAGE HOUSE – PUBLIC HEARING FOR HERITAGE HOUSE REDEVELOPMENT PLAN:

Sue Schwartz, Planning Director for the City of Greensboro, gave an overview of the Heritage House Redevelopment Plan. The purpose of this meeting is to conduct a Public Hearing on the proposed redevelopment plan for the redevelopment area around Heritage House property.

The redevelopment area consists of 6.9 acres which includes an events center and a condominium complex. The condominiums were condemned in July of 2014 and the Planning Board designated the property as blighted in September of 2014. Ms. Schwartz explained that the distributed redevelopment plan contains elements that correspond to those that are required under the North Carolina Urban Redevelopment law found in the General Statutes. She reviewed the location of the Heritage House site along with key findings from an existing Conditions Report that documents a wide range of data that influences the redevelopment potential of the area. It was noted that due to median income rates, unemployment rates and high residential vacancy rates for the area, replacing the 177 condominium units will further depress the market. The location has excellent Interstate access and high traffic counts. The commercial space along Randleman Road has a high occupancy rate and there is a demand for light industrial and warehouse distribution uses in this area. It is important to note that the Heritage House site is not in a residential area but it is surrounded by commercial and light industrial uses with the exception of a physical rehabilitation center for seniors.

Ms. Schwarz explained that the Comprehensive Plan's 2025 Generalized Future Land Use Map called for industrial and corporate park uses in this area. The proposed redevelopment approach of the demolition and repurposing of the site were influenced by two reports. The first was a detailed Structural Analysis that determined an estimated cost for renovation of roughly \$16 million. Selective demolition was estimated at a little over \$1 million. This approach would leave the Meridian Center as is and repair the locations where the buildings were connected. The second report was a Market Analysis

that indicated a weak housing market in the vicinity with a growing demand for light industrial space. The physical conditions of the building, the weak housing market, and the site's location led to the recommended redevelopment approaches.

There are three concepts for preliminary site plans for reuse of this property. Ms. Schwartz reviewed the three site plans that included (1) a business park and expanded senior services, (2) a business park, and (3) a business park with possible indoor recreational uses. All three are included in the plan to allow for flexibility in the site for redevelopment which can be responsive to the likelihood that market conditions will continue to evolve over the course of time the property is being acquired. The proposed zoning would move to CU-PUD (Conditional Use – Planned Unit Development) and would accommodate a range of light manufacturing, assembly warehousing, and semi-permanent structures lying within this property. Although the site has excellent traffic accessibility with streets on both sides, proposed street improvements are required for the redevelopment plan. Recommendations include adding a sidewalk on Village Green Drive to improve pedestrian access to the site. Pedestrian connectivity between the site improvements and the public right-of-way would be integrated as part of the development proposal on the site development work.

Ms. Schwartz reviewed the estimated cost to buy the site and get it ready for future development and detailed the amounts for acquisition, demolition, and disposition. Moving forward, a development proposal would be put together and a Request for Proposals would be solicited. Competitive projects would be put forward and evaluated by the Redevelopment Commission and then sent to City Council for approval. The City proposes to use a little over \$1.2 million from its capital reserve and approximately \$1.5 million from the Nussbaum Housing Partnership Fund. She noted that this would not be a lump sum payment or lump sum use; rather, some money per year would be used from the Nussbaum Partnership Fund to minimize its impact on other housing activities that are programed. She estimated that it will take at least two years for acquisition and demolition will be another six months after that time. The disposition process takes some time in terms of determining what level of development is desired beyond what is in the basic plan, the selection process, negotiating, and moving the project forward. The schedule can be shortened significantly if a desirable development proposal is received earlier in the process.

Once the land is purchased by the City of Greensboro conditions are put forward on the land through the use of restrictive covenants to make sure that there is some level of quality and that it conforms to the adopted redevelopment plan.

The Redevelopment Commission was asked to make a decision on the proposed redevelopment plan for the Heritage House site. Ms. Schwartz stated that a public meeting was held in the neighborhood on April 30, 2015 and roughly 50 individuals attended the meeting to share their thoughts about the project. Most of the comments reflected a desire to expedite the process to move the project forward. The Planning Board also has a role in the review process and will review the redevelopment plan on its conformance with the statutes. The final Public Hearing will be held by Greensboro City Council tentatively scheduled for September 15, 2015.

Public Comments:

David McLaughlin, 5403 Strasburg Drive, commented that over a million dollars of City and grant money will be spent on the project. He expressed concern that there is no certainty the City will get the money back. The City is just hoping that a developer will come in and buy the property and give the money back. He stated his opinion that the owners of the condominiums are the ones who let the property get this way and they will probably get a good deal on the sale price of the unit. He calculated that they will get above tax value for their units. He felt the owners should be chipping in some of the money toward the project instead of using only City money.

There being no other speakers, Chair Enochs closed the Public Hearing.

For the record, Counsel Blackwood noted technical corrections made to the plan after it was sent out for review by Commissioners.

Ms. Chaney moved to approve the redevelopment plan as presented with the corrections provided by the Attorney and upon approval, the proposal will be presented to the Planning Board for review. If there are no recommended changes from the Planning Board, then the redevelopment plan will be sent on to City Council for review and approval. The motion was seconded by Mr. Gravely. The Commission voted unanimously 5-0 in favor of the motion. (Ayes: Enochs, McQueary, Chaney, Gravely, Harris. Nays: None.)

STAFF UPDATES:

a) Phillips Lombardy

Per the Commission's request, staff sent a letter to EDGE (Eastern Development Growth Enterprise) informing them that if they did not provide appropriate confirmation of their intent to move forward with the project then they would be out of compliance with the lease. The deadline for a response from EDGE was August 4, 2015. Ms. Arkin reported that staff has not received any communication from EDGE and Counsel Blackwood discussed options available to the Commission in response to this matter. He said that the lease provides that the Commission can declare EDGE in default if they choose to do so. Upon such declaration a notice must be sent to EDGE giving them an option to cure the default within ten days of receiving the notice.

Staff indicated that there has been no conversation with EDGE, just the mailed correspondence. The correspondence was not sent through registered mail. Counsel Blackwood responded to a question and stated that as part of the lease agreement, EDGE is required to have a valid address on file to receive mail from the Commission. However, he recommended that any notice of default sent to EDGE should be sent through certified mail with a return receipt.

Mr. McQueary moved to move toward termination of the agreement with EDGE, seconded by Ms. Chaney. The Commission voted unanimously 5-0 in favor of the motion. (Ayes: Enochs, McQueary, Chaney, Gravely, Harris. Nays: None.)

Staff said that the letter declaring notice of default will be sent to Gayland Oliver with EDGE via registered mail.

b) Ole Asheboro

Ms. Arkin stated that a Request for Qualifications (RFQ) was sent out by Greensboro Housing Development Partnership (GHDP) to develop the remaining property under the Martin Luther King, Jr. Drive – North Plan. One response was received from Laurel Street Residential located in Charlotte, North Carolina. The response was reviewed by a citizen and staff group who made a recommendation to GHDP to move forward and request a full proposal from them. Ms. Arkin informed members that GHDP voted to request the proposal at their last meeting,

c) Willow Oaks

A report was done by the National Development Council who gave several suggestions on moving forward with development. Although this is a redevelopment area, the Commission has an agreement with GHDP to act as the master developer. Decisions are being made as to how GHDP would like to proceed and staff will bring information back to the Commission in the future for approval. They are

currently looking at the Declaration of Covenants, Conditions and Restrictions. The previous master developer whose contract has been terminated is still the declarant with some control in the area. Greensboro Housing Development Partnership has made contact with them and is in discussion about giving up the role and handing it over to GHDP to enable easier movement forward. Staff is working on an analysis of the plan requirements and the remaining activities. The goal of this process is to come up with an implementation plan to complete the work that needs to be done in Willow Oaks. The information will be brought to GHDP and the Commission for review.

d) Eastside Park

Ms. Arkin stated that the lease for the community garden in Eastside Park has expired and staff has been in contact with Habitat for Humanity. Habitat is currently in conversation with the community Neighborhood Association and the Community Center Board to determine if another entity would like to request a lease for a community garden at that location. She plans to follow up with Habitat and will bring information back to the Commission at the next meeting.

ADDITIONAL BUSINESS:

The Durbin Group has a contract with RCG to purchase land at 601 and 603 Martin Luther King, Jr. Drive to develop a Family Dollar Store. Ms. Arkin stated that the Durbin Group secured a Special Use Permit which enabled them to have a slightly different size configuration than what is required under the plan. One of nearby residents filed an appeal to the Special Use Permit and it is now on its third round of appeals. The Durbin Group has requested an additional extension to its contract with the Redevelopment Commission.

Ms. Schwartz provided details of the Special Use Permit and the appeal process. Counsel Jones is representing the City in these proceedings. The case is currently being appealed to the Court of Appeals and they are waiting for the appellant to provide the City with a record which would be due August 25, 2015. Counsel Blackwood explained details of the contract and noted that due to the indefiniteness of time in the appeal process in which the Special Use Permit would be upheld, the additional extension of the contract would specify an event rather than a specified number of days.

Mr. McQueary moved to authorize the appropriate Officer of the Commission to sign and execute the proposed amendment to the Agreement to Purchase with the Durbin Group for acquisition of property located at 601 and 603 Martin Luther King, Jr. Drive; which the amendment will be attached to the Minutes and specifies an extension of time for completion of the granting of the Special Use Permit. The motion was seconded by Ms. Chaney. The Commission voted unanimously 5-0 in favor of the motion. (Ayes: Enochs, McQueary, Chaney, Gravely, Harris. Nays: None.)

ADJOURNMENT:

There being no further business before the Group, the meeting adjourned at 5:44 p.m.

Respectfully submitted,

Sue Schwartz
Planning Director
SS: sm/jd