

## **Community Partnership Award Nomination The Carolina North Development Agreement**

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Town—gown relations were improved after the University of North Carolina at Chapel Hill and the Town of Chapel Hill negotiated a development agreement for a new satellite campus in the heart of town. The community was eager for input, the schedule was tight, and the stakes were high. The successful outcome was due to a process of interest-based negotiations and transparent decision-making.

Chapel Hill is a small town, an arts center, a music scene, a sports destination and the home of a large university. Nestled in this town are about 1,000 acres of relatively undeveloped land just two miles north of the university campus. With its main campus filled to overflowing, the university decided to create a new campus, focused primarily on research and public-private partnerships, and to call it Carolina North. The 50-year master plan showed about 8 million square feet of construction on a quarter of the property.

The University has owned the Carolina North property since the 1940s, using portions of it for a landfill, which closed in 1973; a municipal operations center, which closed in 2007; and small airport, which is still in operation. But most of the acreage is forested and filled with walking trails and wildlife. How a new campus impacts the community and Chapel Hill's quality of life were serious questions. In January 2008, the town and the university chose an approach to managing this new growth previously untested in Chapel Hill: a development agreement.

A development agreement is a contract between a municipality and a developer that outlines the timing and scope of development and services provided by both parties. More far-reaching than the traditional zoning tools, development agreements had been used in North Carolina only for large, private development projects, not between two public agencies. The town needed assurances that the new campus would support the community's vision of the place they called home. The university needed some certainty to plan for a campus that would take years to complete.

The hope was to use this tool and new communications to balance the development process requirements with the community's interest in transparent negotiations between the town and university. By focusing on shared interests and by opening communications to a new level, a final agreement was negotiated then signed in June, 2009. The challenging process resulted in a better relationship between the town and university, better public communications, and transferrable lessons in public communications and negotiations.

Early on, as each party grappled with the public concerns, their own fiscal obligations, and the size of the campus, the challenge became clear: a mutually acceptable process for negotiating an agreement was needed. Previous planning efforts had taken the traditional applicant-regulator route, with opposing viewpoints, citizen committees, and little agreement. When Town Manager Roger Stancil came to Chapel Hill in 2007, the pressure on the University had mounted. Much of the main campus was reaching build-out. There was active dialogue between the town, university and other community partners such as the schools, the water and sewer authority, neighboring Carrboro and the county. A key decision was made by the council and the board of trustees on January 13, 2008: they would pursue a development agreement for Carolina North. Manager Stancil was faced with a real challenge: a critical project in the heart of town, a new tool, a short schedule, a community eager for input and a history of failed efforts.

The relationship between the town, the university, and the community was not initially a trusting one, and building trust while developing a detailed, technical and long-lasting agreement required leadership and assistance. Manager Stancil proposed two ideas to the university: a joint staff group that would chaperone the process, and hopefully build some new relationships, and hiring Dr. David Owens from the UNC Chapel Hill Institute of Government to work for the town as an advisor and expert. Dr. Owens' expertise in development agreements and his familiarity with the community's history would prove to be invaluable in supporting the new atmosphere of cooperation and trust that

eventually emerged from the process. When the development agreement for Carolina North was signed in 2009, an astounding number of issues had been identified, evaluated, and discussed with the community.

The agreement settled long-standing issues, such as identifying large portions of the property for permanent conservation, a community desire that had been adamantly opposed by the university in previous discussions. The university secured a twenty-year approval for about 3 million square feet of campus growth. Both parties identified ways of dealing with traffic, stormwater, aesthetic and utility impacts as well as ways to periodically monitor and verify the mitigation plans. The negotiation process also pushed both parties to engage the community in new ways, to accelerate the use of new technology and to implement some new practices that have carried over into other efforts. The community conversation resulted in additional bikeway and pedestrian improvements in the agreement; more detailed transportation mitigation measures and additional scrutiny of night-time lighting, height of buildings and continued communication between all parties.

The negotiation process was built on the manager's approach of identifying interests, not positions. The joint staff group met on a regular basis to focus on the issues of concern and to move away from previously established positions, toward a fact-based negotiation. A list of more than 25 issues was broken down into areas of technical expertise and policies, and the staffs were engaged to develop mutually acceptable approaches to account for items such as stormwater utility fees, recreation facilities and public safety services. Other staff pulled together information for a joint committee of the town's council and the university's board of trustees to discuss.

Once the project was moving in earnest, it took nine months, eleven council-trustee work sessions, eleven regular council meetings, nine public information and comment meetings, bi-weekly or weekly joint staff meetings, fifteen town advisory board meetings and one public hearing to approve the development agreement. The town paid a \$46,037.00 consultant fee to the Institute of Government,

the university paid a rezoning application fee (based on the size of the property) of \$35,786.00 and a \$300,000.00 development agreement fee, the second half of which was due with the first annual report on the project. The development agreement fee was based on time spent by town employees on the agreement and actually ended up being close to the standard per-square-foot of development calculation used for special-use permits in Chapel Hill. Other studies, including a transportation plan and impacts analysis, an ecological assessment, a fiscal impacts analysis and design guidelines, also went into the process.

Chapel Hill has a reputation for being inclusive, open and participatory, but on a project for which the community's need for real-time information and detailed technical background was high, new ways of getting information out were needed. This was a trial-by-fire process, and the staffs learned along the way. When someone spoke up and asked how they could see other citizens' email comments, the staff pulling those comments together and grouped them by topic on the website. All the public meetings were broadcast on local cable, recorded and posted on the town's website. The website became an important tool for sharing the constant revisions of the draft agreement, maps, reports and studies, and feedback. As the process moved along, there were concerns from the community about the speed of negotiations, but having full and open information available helped keep people up-to-date. In June, many of the most concerned citizens expressed their support of the communications efforts.

The emphasis on communication also brought new information directly to the council and board of trustees. The inclusion of "dark skies" protection was a direct result of citizen comments. Similarly, a requirement for a campus-to-campus connector for bikes was added as a result of citizen presentations. Near the end of the process, the council and university agreed to incorporate ongoing public participation as a requirement as the project moved forward.

Getting a handle on the impacts of a broad, complex agreement for such a large development can be difficult. The short-term items in the agreement are easier to calculate. The agreement contains requirements for housing on the campus, transit system improvements, bicycle and pedestrian amenities, shared public safety facilities, a public school site, open space preservation and conservation, public trails and greenways, traffic mitigation measures, net-neutral fiscal impacts, environmental remediation, utility management and a commitment to sustainable energy and infrastructure for the new campus. The university and the community both have some certainty about how the campus can develop for the next twenty years.

Some of the less easily quantifiable impacts may be just as important. During the negotiations, the staffs were encouraged to work together, a practice that had been previously discouraged. This new openness allowed the town and the university to discover resources, colleagues and counterparts they weren't aware of previously. These relationships were built on facilitated staff discussions where open sharing of information was critical. The staffs were able to begin understanding, instead of assuming, how their counterparts worked. Some of the staffs have continued to meet, to develop new partnerships, and to use those relationships to build new teams for tackling projects as diverse as economic development, regional transit, wayfinding and new technology projects.

By encouraging open, honest dialogue, the manager was able to push the town to engage the community, the university and others in new ways. The lessons of Carolina North can be applied directly to other developments, but they also transfer to most of the work the town does. As an overall communication strategy is developed by the town, this project is a model and an opportunity to test and refine new tools. Learning to reach more people, to develop new partnerships and to effectively share information are ongoing learning experiences. Having a successful project helps give the town, university and community a reason to keep finding new ways to apply the basic strategies of identifying mutual interests, looking for facts, and working together, transparently.