



# TOWN OF CHAPEL HILL NORTH CAROLINA

## MEMORANDUM

**Meeting Date:** 07-02-2014  
**AGENDA #2**

**TO:** Roger L. Stancil, Town Manager  
**FROM:** Jason Damweber, Assistant to the Manager  
**SUBJECT:** Disposal of the Old Library Property through Preservation North Carolina  
**DATE:** June 23, 2014  
**REISSUED:** July 2, 2014

### Purpose

- To discuss proposals submitted by parties interested in purchasing the Old Library property and make a recommendation to Preservation North Carolina (PNC) to enter into a purchase agreement with the recommended party upon execution of a revised Option to Purchase Agreement.
- Consider revising the existing agreement with PNC to extend the expiration date, require that the Optionee and subsequent purchasers pay all local ad valorem property taxes or their equivalent for a certain number of years into the future, and establish a new minimum purchase price.

### Context for Discussion

- On February 10, 2014, Council authorized the Town Manager to negotiate and enter into an agreement with PNC to help market and find a potential buyer for the property located at 523 East Franklin Street. An agreement was executed in April, 2014 and PNC began marketing the property for sale.<sup>1</sup>
- PNC received four official offers for the property, all from individuals or organizations they believe could be good stewards of the property.
- On June 16, 2014, Council heard pitches from each of the prospective buyers in which they discussed:
  - Proposed use of the property
  - How well they believe that use fits in with the surrounding neighborhood
  - Whether the use would provide some benefit to the Town, financial or otherwise
  - Whether the use would permit continued public access to the property in some capacity or whether it would be entirely private
  - The highest dollar amount they would be willing to pay for the property

At the same meeting, Council requested that the Town Attorney respond to questions regarding the process for disposing of the Old Library property, including the role Council could play in selecting a buyer and establishing a minimum purchase price. The Town Attorney's response is included as an attachment to this memorandum.

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<sup>1</sup> <http://www.presnc.org/properties/old-chapel-hill-library/>

**Fiscal Note**

- The original proposed asking price of the Old Library property and adjacent parking lot is \$752,000. If the Council adopts the attached Resolution approving a revision to the terms of sale for the Old Library and authorizing the Manager to negotiate a new Option Contract, it can establish a new minimum purchase price for property and determine the amount due to the Town at the time of sale and in subsequent years. If the property is sold, the Council will have an opportunity to decide how the funds will be used, including the possibility of offsetting costs of high priority capital projects.

**Attachments**

- Email from Town Manager
- Resolution Approving a Revision to Terms of Sale for Old Library Property
- Resolution Recommending a Purchaser to PNC
- Proposals for Purchase of Town of Chapel Hill Old Library Property
- Letter from UNC College of Arts and Sciences with Complete Document Information

**From:** [Roger Stancil](#)  
**To:** [Donna Bell](#); [Ed Harrison](#); [George Ciancolo](#); [Jim Ward](#); [Jim Ward2](#); [Lee Storrow \(LeeStorrow.CH@gmail.com\)](#); [Maria Palmer](#); [Mark Kleinschmidt](#); [Mark McCurry](#); [Matt Czajkowski](#); [Town Council](#); [sally@ibiblio.org](#)  
**Cc:** [Amy Harvey](#); [Catherine Lazorko](#); [Dwight Bassett](#); [Flo Miller](#); [Jason Damweber](#); [John Richardson](#); [Mary Jane Nirdlinger](#); [Ralph Karpinos](#); [Roger Stancil](#); [Sabrina Oliver](#)  
**Subject:** Sale of 523 East Franklin  
**Date:** Monday, June 30, 2014 1:45:28 PM  
**Attachments:** [Update to Proposal for Purchase of Old Library - Chabad.docx](#)  
[Update to Proposal for Purchase of Old Library - Cox.docx](#)  
[Update to Proposal for Purchase of Old Library - A&S Foundation.pdf](#)  
[June 27 2014 letter to mayor and council with complete document informat....pdf](#)  
[Resolution - Approving Revision of Option Agreement.pdf](#)  
[Resolution - Recommending Purchaser to PNCrk.pdf](#)

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Preservation has forwarded the attached proposals and related information submitted to Preservation North Carolina by the 5:00 PM deadline last Friday. I am also attaching the resolutions for your consideration at the meeting Wednesday night, 5:30 PM at the Library. If you have questions, please let me know.

I received the following information from Cathleen Turner regarding a proposed sharing of proceeds with Preservation North Carolina:

“In response to Jim Ward’s question the other night about a recommendation for sharing proceeds from the sale of the Old Library with Preservation NC I offer the following thoughts. Preservation NC typically receives anywhere between 5% to 25% share in the proceeds from our involvement in the sale of a surplus government property (unless it is outright donated to us, then we receive all the proceeds). The process can be an intensive one. At the beginning of the process with Chapel Hill in the sale of the Old Library, Preservation NC was basically assuming the role of conduit to meet the requirements of the state statute to ensure a good outcome for the property, and since there was already an interested buyer or two waiting in the wings, it seemed pretty straight forward, which justified the more modest \$5,000 amount. The process has become much more intensive and more complex than originally anticipated. Please also keep in mind that our involvement will not end with the sale. Preservation NC also will be monitoring the renovation to ensure that changes are in concert with the easement and the condition of the library in perpetuity.

In total, the situation has changed becoming more than we bargained for, therefore we feel that it makes sense that our proceeds reflect that and be more consistent with how we work with other local governments. We don’t expect 5%, but Preservation NC would appreciate if Council would consider at least a 2.5% share in the proceeds from the transfer, which is remains substantially lower than our typical arrangement.

Respectfully,

Cathleen

## **Cathleen Turner**

Regional Director

*Preservation North Carolina*

*Durham Office*

*P.O. Box 3597*

*Durham, NC 27702-3597*

✉ [cturner@presnc.org](mailto:cturner@presnc.org)

☎ 919-401-8540

☎ 919-832-1651”

**DESIGN**  
CHAPEL HILL 2020  
—————  
CONNECTIONS·CHOICES·COMMUNITY

**Roger L. Stancil**

Town Manager

**Manager's Office**

[Town of Chapel Hill](#)

405 Martin Luther King Jr Blvd

Chapel Hill, NC 27514-5705

Phone: (919) 968-2743

Fax: (919) 969-2063

**A RESOLUTION APPROVING A REVISION TO THE TERMS OF SALE FOR THE OLD LIBRARY PROPERTY TO PRESERVATION NORTH CAROLINA (2014-07-02/R-1)**

WHEREAS, the building located at 523 E. Franklin Street was designed to house the Chapel Hill Public Library, which occupied the building from 1966-1994; and

WHEREAS, between 1994 and 2010 the building housed various community organizations, until the Town of Chapel Hill resumed responsibility for the building in 2010; and

WHEREAS, in 2012 it was determined that the condition of the building and identified accessibility issues required repairs beyond what the Town was able to adequately fund in order to bring it into compliance for a municipal use; and

WHEREAS, in 2007 the Town entered into an easement agreement with Preservation North Carolina (PNC) with the mutual interest of retaining the subject property's historically and architecturally significant features, while being sympathetically adapted and altered, where necessary, to provide for contemporary uses; and

WHEREAS, in a June 24, 2013 memorandum to Council a group of local real estate professionals recommended that, if the Town opted to dispose of the property, the most effective option would be to work through PNC, the entity that holds the easement, to help market the building and identify potential buyers; and

WHEREAS, in April 2014 the Town entered into an option to purchase agreement with PNC for the Old Library property; and

WHEREAS, PNC sought proposals from interested parties and received four responses;

WHEREAS, on June 16, 2014 the Council heard detailed presentations from the following interested parties regarding proposed uses and preservation of the property:

- Chris and Ann Cox
- Jesse (Jay) Miller
- Chabad of Chapel Hill; and
- The University of North Carolina at Chapel Hill Arts and Sciences Foundation, Inc.; and

WHEREAS the Council has determined that the previous Option Contract between the Town and PNC needs to be modified in order for PNC and the Town to consider the offers and select a purchaser which would best meet the goals of the Town and PNC, including but not limited to the preservation of the structure in accordance with the Historic Preservation Agreement currently encumbering the property; and providing opportunities for public access to said property; and

WHEREAS, the Council desires to secure a fair and reasonable return to the Town for the value of the property, both as to its initial sales price and by requiring that it be maintained as a taxable property or a payment in lieu of taxes be provided.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council authorizes the Town Manager to negotiate and execute a new and amended Option to Purchase Real Property for Historic Preservation with the Historic Preservation Foundation of North Carolina Inc. that includes the following modification from the prior Option Agreement:

1. Expiration Date: This Option shall expire at \_\_\_ on \_\_\_\_\_.  
*(Date to be determined based on whether there is a contingency tied to rezoning of the property and issuance of a special use permit. Recommend 3 months if no such contingency and 18 months if rezoning and special use permit are needed)*
2. The Town may include as a condition and restriction in any deed to Optionee a requirement, binding on the Optionee and subsequent purchasers, that the property shall remain subject to an obligation to pay all local ad valorem property taxes, or their equivalent, for \_\_\_ years.
3. Purchase Price: The Purchase Price for sale by the Town to the Optionee shall be a minimum of \$\_\_\_\_\_.

BE IT FURTHER RESOLVED that the other terms of the prior Option Contract shall be retained substantially as written.

BE IT FURTHER RESOLVED that the Council authorizes the Town Manager to negotiate and execute an Option Contract and if said Option is exercised by PNC, a Deed to sell said Property and any other necessary documents to complete this transaction.

This the 2<sup>nd</sup> day of July, 2014.

**A RESOLUTION RECOMMENDING THAT PRESERVATION NORTH CAROLINA ENTER INTO A PURCHASE AGREEMENT WITH \_\_\_\_\_ UPON EXERCISING THEIR OPTION TO PURCHASE THE OLD LIBRARY PROPERTY FROM THE TOWN OF CHAPEL HILL (2014-07-02/R-2)**

WHEREAS, the building located at 523 E. Franklin Street was designed to house the Chapel Hill Public Library, which occupied the building from 1966-1994; and

WHEREAS, between 1994 and 2010 the building housed various community organizations, until the Town of Chapel Hill resumed responsibility for the building in 2010; and

WHEREAS, in 2012 it was determined that the condition of the building and identified accessibility issues required repairs beyond what the Town was able to adequately fund in order to bring it into compliance for a municipal use; and

WHEREAS, in 2007 the Town entered into an easement agreement with Preservation North Carolina (PNC) with the mutual interest of retaining the subject property's historically and architecturally significant features, while being sympathetically adapted and altered, where necessary, to provide for contemporary uses; and

WHEREAS, in a June 24, 2013 memorandum to Council a group of local real estate professionals recommended that, if the Town opted to dispose of the property, the most effective option would be to work through PNC, the entity that holds the easement, to help market the building and identify potential buyers; and

WHEREAS, in April 2014 the Town entered into an option to purchase agreement with PNC for the Old Library property; and

WHEREAS, PNC sought proposals from interested parties and received four responses; and

WHEREAS, on June 16, 2014 the Council heard detailed presentations from the following interested parties regarding proposed uses and preservation of the property:

- Chris and Ann Cox
- Jesse (Jay) Miller
- Chabad of Chapel Hill; and
- The University of North Carolina at Chapel Hill Arts and Sciences Foundation, Inc.

; and

WHEREAS, the Council has authorized the execution of a revised Option to Purchase with PNC setting forth a new minimum purchase price and other new terms and obligations.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council recommends that PNC, upon its execution of the revised Option to Purchase from the Town, enter into a purchase agreement with \_\_\_\_\_ to purchase the Old Library.

BE IT FURTHER RESOLVED that the Council authorizes the Town Manager to execute all necessary documents to complete this transaction

This the 2<sup>nd</sup> day of July, 2014.

## Proposal Updates for Purchase of Old Library Property

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### Name of Bidding Organization/Person

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**The University of North Carolina at Chapel Hill Arts and Sciences Foundation, Inc.**

**The Arts and Sciences Foundation is a nonprofit 501(c)3 organization governed by an elected Board of Directors who manage its property, affairs and business. The Foundation is a separate and distinct legal entity, with a federal tax ID number, audited financial statements and Form 990 tax returns.**

**The Foundation's net assets of nearly \$200 million are private funds separate from the University's assets and are not controlled by the University. The Foundation has an annual operating budget of \$3.8 million.**

**The Foundation is dedicated to raising private funds for the College of Arts and Sciences, the academic center of "the Carolina experience." The College aims to give its students a world-class arts and sciences education with all the benefits of being at a leading public research university. Our mission is also to create knowledge and seek solutions, and to contribute meaningfully to North Carolina, the nation and the world.**

**These private funds raised by the Foundation benefit not just the College but the greater Chapel Hill community as well. Gifts to the Foundation have funded a wide range of cultural events, from musical performances to art exhibitions to public lectures by well-known speakers. These events are free and open to the public. Thanks to funds raised by the Foundation, Carolina students have worked with disadvantaged youth and at-risk populations in the community as part of experiential learning opportunities. Private funds support scientific research with far-reaching benefits.**

### Best and Final Purchase Offer

**Our final offer is \$1,725,000, broken down as follows:**

- **\$1,250,000 base purchase price**
- **\$475,000 unrestricted allocation to be paid at closing representing payment in lieu of property taxes for the Town of Chapel Hill to use at its discretion**

**In addition, as described in more detail below, we are committed to investing \$1.5-2 million in renovations to the interior and exterior of the building and its infrastructure that showcase the architectural significance of the property.**

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The Foundation has the resources to purchase the property (cash on closing) and to begin renovations quickly upon close of sale. We anticipate that renovations will take 12 to 18 months.

Describe your commitment to pay taxes or payment in lieu if use is not taxable, and any other financial incentives you would commit to offering the Town.

We are offering to make payment in lieu of taxes and to do so as a one-time lump sum payment of \$475,000 at the time of purchase.

If, however, the Town Council would prefer *annual* payment in lieu of taxes instead of the lump sum at closing, we are prepared to make a commitment to do so indefinitely, as we have noted in our earlier offers.

As for other benefits to the Town, we would like to address concerns that have been expressed by council members regarding a need for affordable meeting space for local cultural and nonprofit organizations.

As previously stated in our earlier proposals, we will be using the space for the headquarters of the Arts and Sciences Foundation. It will also be used for regular meetings of advisory boards of the College and related activities, such as events for distinguished alumni and guests. However, our renovation plans call for two conference rooms. We are prepared to create a process by which community groups and organizations could request the use of the meeting rooms after normal business hours (such as meetings of the Chapel Hill Historical Society), so long as the rooms are not being used for Foundation business and advisory board meetings.

We also provide benefit to the Town in that we offer stable, long-term ownership for this landmark property. The Foundation has been in existence for 40 years and will be supporting the College of Arts and Sciences far into the future. If at some future date, the Foundation wishes to no longer hold the property, it would offer Preservation North Carolina the right of first refusal to purchase the property and the Town of Chapel the right of second refusal.

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**Will you commit to pay this tax or payment in lieu in perpetuity or do you place a limit on this commitment?**

**As noted above, we are giving the Town Council the option of accepting a \$475,000 payment at closing in lieu of taxes or choosing that the Foundation make annual payments in lieu of taxes to the Town in perpetuity.**

**Describe your commitment to improving and maintaining the property.**

**We have done our due diligence by commissioning our architects, Weinstein Friedlein, a firm experienced in historic preservation and in working with the Town's planning department and regulation authorities, to conduct a detailed feasibility study/building assessment.**

**Working within the framework of the preservation easement, Weinstein Friedlein has developed preliminary plans and they estimate it will cost approximately \$1.9 million to renovate the property:**

- **All such renovations and exterior landscaping will adhere to the requirements of the Historic Preservation Agreement.**
- **To maintain the library's character, the Foundation does not require any alterations or changes in the color, material or surfacing of the exterior of the building.**
- **The Foundation will not be building an addition or altering the footprint of the building.**
- **The assessment shows the building to be structurally sound, but we anticipate replacing the outdated mechanical, electrical and plumbing systems to bring them up to code, as well as a complete re-roofing.**
- **Renovations will bring the building into compliance with ADA regulations, such as adding an elevator, and Town of Chapel Hill rules, such as adding an automatic fire-suppression sprinkler system.**
- **Exterior landscaping will be respectful of the neighborhood's Historic District status.**
- **Repaving and relining of the parking lot to make it ADA compliant will decrease the number of available parking spots; many Foundation employees, however, will have access to two nearby University-owned lots. Many also take advantage of the fare-free Chapel Hill bus service.**
- **The Foundation, not the University, will be responsible for maintenance and upkeep of the building and exterior landscaping.**

**We are confident that these planned renovations, inside and out, will be respectful of the property's history and the surrounding neighborhood, will comply with the**

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preservation easement and will result in a showcase building that will be an asset to the community.

**Is your offer contingent upon rezoning or is your offer “as-is” (i.e. are you committed to your offer with existing zoning?)**

Because we will be using this property as office space, we do require that it be rezoned and will accept the most restrictive zoning classification for the property that will allow the Foundation to use the building as offices while ensuring compatibility with the surrounding neighborhood.

We also believe that it is in the Town’s best interests to rezone the property because this would allow it to place restrictions on the property that address concerns of nearby residents.

Over the past few weeks, the Foundation has reached out to those who live near the Old Library to discuss its vision for the building and has received verbal and written support from many. We believe that our use of the property would be the most compatible to the residential setting, since weekend and evening use of the building would be limited.

The Foundation is ready to begin renovations and to move quickly to put the building into active use. If the Town Council approved an accelerated rezoning process, it would move us closer to beginning the needed repairs and renovations to give this cherished town landmark a new and vibrant second act.

**DEADLINE: FRIDAY, JUNE 27 @ 5:00pm - No late submissions will be accepted**

## Proposal Updates for Purchase of Old Library Property

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### Name of Bidding Organization/Person

Chabad of Chapel Hill

### Best and Final Purchase Offer

Final purchase offer of **\$1,800,000**.

### Describe your commitment to pay taxes or payment in lieu if use is not taxable, and any other financial incentives you would commit to offering the Town.

We are committed to give \$752,000 for the asking price and then a check of \$1,048,000 will be delivered to the Town Council in unrestricted funds to be used as the council sees fit.

Chabad commits to pay property taxes without a limit or if the town council would rather we would make a payment in lieu of property taxes as the town sees fit.

### Will you commit to pay this tax or payment in lieu in perpetuity or do you place a limit on this commitment?

Chabad commits to pay property taxes without a limit or if the town council would rather we would make a payment in lieu of property taxes as the town sees fit.

### Describe your commitment to improving and maintaining the property.

Our proposed use, fits seamlessly into what was the original mission of the property; that this lantern of education will remain just that, a place for all to come who seek knowledge and wisdom on the ethics of faith. Rather than transforming the property into yet another university property or a business venture, our proposal selected as the Preservation NC's first choice allows the Town of Chapel Hill to be assured that it has faithfully stewarded the building and property to continue to function in the spirit of its legacy.

Chabad is in conversation with Mr. Josh Gurlitz, a close friend, who knows the property very well. He has suggested a couple of well-known contractors, who have specifically worked with historical and preservation properties around Chapel Hill.

We truly treasure the historic, iconic look of the Old Library, therefore with the counsel and guidance that we have been given, we can guarantee that the property will be maintained in the most considerate and respectful manner.

We anticipate the complete renovations and entire project to reach close to another

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\$2,000,000. Chabad will be able to cover these costs, with a thorough and fiscally responsible process in place, to be able to sustain the durability and longevity of this property.

We are motivated and look forward to bringing vibrancy back to this historic building. Many of our donors are local members of the community, and have a special interest in seeing this notable landmark, the Old Library they grew up with, being brought back to life and energy.

Our desire is to become an integral part of the neighborhood in which our Center would reside. We are confident that our community service programs will tastefully enhance Chapel Hill and the neighborhood. We are assured that our student, adult and community members are respectful of neighborhood and community values.

**Is your offer contingent upon rezoning or is your offer “as-is” (i.e. are you committed to your offer with existing zoning?)**

Chabad is uniquely positioned to be able to close on the property without needing to have the property re-zoned.

**DEADLINE: FRIDAY, JUNE 27 @ 5:00pm - No late submissions will be accepted**

## Proposal Updates for Purchase of Old Library Property

DEADLINE: FRIDAY, JUNE 27 @ 5:00pm - No late submissions will be accepted

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### Name of Bidding Organization/Person

Chris and Ann Cox or as assigned.

### Best and Final Purchase Offer

Our Best and Final proposed purchase price is \$1,410,000. (*One Million four hundred and ten thousand dollars.*)

Describe your commitment to pay taxes or payment in lieu if use is not taxable, and any other financial incentives you would commit to offering the Town.

We are committed to paying property taxes as required. The incentive we offer is inherent in our goal to provide a cultural facility.

Will you commit to pay this tax or payment in lieu in perpetuity or do you place a limit on this commitment?

We commit to pay the required taxes as required as long as the property is held by our family.

Describe your commitment to improving and maintaining the property.

This facility would fit within the character of the neighborhood just like it fits today. We will not modify the architecture except as may be required to bring the facility up to code and ADA standards that will require elevator access, some site modifications for accessibility and specific uses.

We can say that the grounds and the facility will be maintained to a very high standard.

My wife and I live directly across the street, and as part of the neighborhood, we want this project to fit into the history of Chapel Hill.

Is your offer contingent upon rezoning or is your offer "as-is" (i.e. are you committed to your offer with existing zoning?)

Our offer is not contingent on receiving rezoning. We are ready to close as soon as it would be practical by both parties.

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UNC  
COLLEGE OF  
ARTS & SCIENCES

THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

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June 27, 2014

KAREN M. GIL, Ph.D.  
DEAN, COLLEGE OF ARTS AND SCIENCES  
LEE G. PEDERSEN DISTINGUISHED PROFESSOR OF PSYCHOLOGY

Dear Mayor Kleinschmidt and Members of the Town Council,

We have submitted our proposal update for the purchase offer for 523 East Franklin Street separately, but for your convenience we have assembled all of the materials we have submitted in the past weeks into one packet.

Please find:

1. Our June 19, 2014 letter and accompanying informational sheet delineating how the Arts and Sciences Foundation is a private nonprofit entity separate from the University of North Carolina.
2. Our June 12, 2014 responses to the Proposal to Purchase of Town of Chapel Hill Old Library Property form.
3. Our April 15, 2014 letter to Cathleen Turner and Preservation North Carolina and purchase contract for the property
4. A list of neighbors who support the Arts and Sciences Foundation's purchase of the property and copies of the letters and emails they have sent to the Town Council voicing their support.

Once again, thank you for providing the Arts and Sciences Foundation the opportunity to articulate its vision for 523 East Franklin Street.

Sincerely,

Karen M. Gil, Ph.D.  
President, Arts and Sciences Foundation



UNC  
COLLEGE OF ARTS & SCIENCES

THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

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[www.college.unc.edu/foundation](http://www.college.unc.edu/foundation)

June 19, 2014

Dear Mayor Kleinschmidt and Members of the Town Council,

Thank you for providing the Arts and Sciences Foundation with the opportunity to articulate its vision for 523 East Franklin Street at Monday evening's council meeting. As you know from our bid and presentation, we hope this distinguished Chapel Hill landmark will become the permanent home for our Foundation.

Because many council members had questions about the relationship between the University and the Arts and Sciences Foundation, I am attaching an informational sheet explaining the Foundation's mission, assets and governance structure.

Here are a few key points about the Foundation and about our proposal that I would like to emphasize:

- The Foundation is a nonprofit 501(c)3 organization governed by an elected Board of Directors who manage its property, affairs and business. It is its own legal entity and files its own 990 tax returns. The Foundation's assets are not controlled by the University.
- The Foundation, not the University, will be responsible for the renovation, maintenance and upkeep of the Old Library property, and it has the assets to do so.
- Our architects, who are experienced in historic preservation, have worked within the framework of the preservation easement to develop plans for the building, and our renovations and landscaping will comply with the stipulations of the Historic Preservation Agreement that was attached to our initial purchase contract.
- We envision this property as being our long-term home, but in the event that the Foundation no longer needs the space, it will offer the Town the right of first refusal to purchase it before transferring the property to the University or selling it to another entity. *Note that this language supersedes language used in our original offer letter and subsequent supporting materials.*
- This building will be primarily used for office space. There will be occasional evening and weekend use, such as board meetings, dinners, receptions or similar gatherings of our leadership alumni. Such social events would not be disruptive to the surrounding neighborhood. We intend to use this building as a showcase for visiting alumni conducting business with the Foundation, so it is in our best interests to keep it attractive and well-maintained.

We hope this addresses the key issues raised Monday evening, and we are happy to answer any additional questions you may have.

Sincerely,

Karen M. Gil, Ph.D.

President, Arts and Sciences Foundation

## THE ARTS AND SCIENCES FOUNDATION

Incorporated in 1975, the Arts and Sciences Foundation is a nonprofit 501(c)3 organization established exclusively for charitable, educational and scientific purposes. The mission of the Foundation, as specified in its articles of incorporation, is to aid and support, financially and otherwise, the College of Arts and Sciences at UNC-Chapel Hill by meeting the needs of the various academic departments, promoting teaching research and service, and supporting the continuing development of knowledge and learning.

### Governance

The Foundation is governed by a Board of Directors composed of 30 elected members who serve staggered terms. In addition, there are five *ex-officio* members who are employees of the University, including the dean of the College, who serves as president.

The property, affairs and business of the Foundation are managed by the Board of Directors.

An Executive Committee, as mandated by Foundation bylaws, comprises the chair of the board, the vice chair of the board, the immediate past chair of the board, the president of the board, and the chairs of each of the board's three standing committees. The Executive Committee has the authority to exercise all the powers of the Board of Directors between its semi-annual meetings. The Foundation bylaws specify that the chair of the Finance Committee must not be an employee of the University.

The Foundation is a legal entity, separate and distinct from the University, with its own federal tax ID number. It files its own 990 tax return and has an annual full external audit completed on its financial statements. The current auditor for the Foundation is Blackman & Sloop.

The University does not appoint or approve the Foundation's board members nor does it approve the organization's charter or bylaws.

### Assets

The Foundation has net assets of nearly \$200 million. Of this total, \$180 million represents endowed funds. The Foundation oversees the stewardship of an additional \$390 million in endowed funds that benefit the College.

The Foundation's assets are private funds separate from the University's assets and are not controlled by the University. The Foundation may distribute funds to the University if so stipulated in a directed gift, such as support for a professorship.

It has an annual operating budget of \$3.8 million, which is approved by the Board of Directors.

The Foundation raises approximately \$40 million annually in private funds. In the Carolina First Campaign, 1999-2007, the Foundation raised nearly \$390 million for arts and sciences faculty recruitment and retention, teaching and research facilities, and student support. Nearly 35,000 donors made gifts to the College.

### Board of Directors Executive Committee

Vicki Underwood Craver '92, *Chair*  
 James L. Alexandre '79, *Past Chair*  
 R. Duke Buchan III '85, *Chair of Development and Communications*  
 G. Munroe Cobey '74, *Vice Chair\**  
 Karen M. Gil, *President\*\**  
 Jonathan Hartlyn, *Vice President\*\**  
 Shontel Jung, *Secretary\*\**  
 Tammy J. McHale, *Treasurer\*\**  
 Edwin A. Poston '89, *Chair of Finance\**  
 Thomas M. Uhlman '71 MS, '75 PhD, *Chair of Nominating*

*\*Residents who live near 523 E. Franklin St.*

*\*\*Ex officio members*

## Responses to Purchase of Town of Chapel Hill Old Library Property

### 1. Name of Bidding Organization

The University of North Carolina at Chapel Hill Arts and Sciences Foundation, Inc., is the bidding organization.

The Foundation is dedicated to raising private funds for the College of Arts and Sciences, the academic center of “the Carolina experience.” The College aims to give its students a world-class arts and sciences education with all the benefits of being at a leading public research university. Our mission is also to create knowledge and seek solutions, and to contribute meaningfully to North Carolina, the nation and the world.

Private philanthropy has become increasingly vital to the University in an era of declining state support. Thanks to the work of the Foundation and the power of private giving, the College has been able to provide new learning opportunities for undergraduates, support its renowned faculty and academic programs, and invest in state-of-the-art research facilities.

### 2. Proposed Use for Property

The College of Arts and Sciences, the oldest and largest school at the nation’s first public university, will use the property as the headquarters of the Arts and Sciences Foundation and as a home to some of the College’s business offices. The Foundation currently occupies office space elsewhere on East Franklin, and the College seeks a long-term, stable, permanent home for this organization so vital to its success. The business operations currently lease space in the Europa Center, off Fordham Boulevard, and employees must currently drive or use bus service to conduct in-person business with University staff on campus.

The Old Chapel Hill Library location is ideal for these uses since it is just a block from the main campus of UNC-Chapel Hill. This central location will allow our alumni to visit the College Foundation when they are in town. The business offices will be convenient to College faculty, staff and students. Employees in the building will also have access to the parking and transportation resources already available through the University, such as two nearby lots for employees on Park Place and adjacent to the Koch Memorial Forest Theatre.

Beyond the building’s use as offices, the Foundation foresees using the facility as a site for regular meetings of advisory boards of the College and related activities, such as events for distinguished alumni and guests.

### 3. How will this use fit in with the character of the surrounding neighborhood?

The property at 523 E. Franklin St. is a distinguished mid-century landmark in Chapel Hill’s National Register Historic District (with local ordinance Historic District status). As noted

## Responses to Purchase of Town of Chapel Hill Old Library Property

previously, the neighborhood abuts the main campus of UNC-Chapel Hill, and its residents include many alumni and university supporters, as well as faculty and staff employed by the University.

The Foundation has done due diligence by hiring the architectural firm Weinstein Friedlein to conduct an office feasibility study, which it recently completed. The feasibility study included building/site assessment, space planning and renovation cost estimates.

Having made this investment, the Foundation is confident that the property can be renovated and repurposed to present-day needs while remaining respectful of its history and environs. Weinstein Friedlein has worked within the framework of the preservation easement. The Foundation does not require any alterations or changes in the color, material or surfacing of the exterior of the building to accommodate its use, nor does it plan to alter the building footprint with an addition.

The University is a proven good neighbor in maintaining buildings off its main campus. The College of Arts and Sciences, in particular, has demonstrated this with its thoughtful and respectful renovation of the nearby Love House (410 E. Franklin St.) in 2006-07. This historic farmhouse is now the headquarters of the College's acclaimed Center for the Study of the American South (CSAS) and has been successfully integrated into the surrounding neighborhood.

Over the past two weeks, the Foundation has reached out to numerous residents in the neighborhood that surrounds the property to discuss its vision for the building and has received verbal and written support from many.

The Foundation agrees to maintain the grounds and exterior property in a manner that is compatible with the covenant of the historic district.

#### **4. Describe plans for public accessibility to building, if applicable.**

Carolina is an open campus. As a public institution, UNC-Chapel Hill takes pride in providing the people of North Carolina and beyond with access to the University's people and resources. Members of the public would have access to the building, as they do with any campus office building during regular business hours. It would give us great pleasure to be a part of showcasing such a treasured landmark in North Carolina.

#### **5. Proposed benefit to town—financial or otherwise.**

*(Will town receive annual property tax revenues? Payment-in-lieu? Other?)*

## Responses to Purchase of Town of Chapel Hill Old Library Property

The Foundation is a 501(c)3 organization, which is exempt from taxes. However, as with recent property acquisitions by other UNC-related entities, the Foundation agrees to pay property taxes or make a payment in lieu of property taxes.

In addition, the Foundation requests an accelerated rezoning process and will accept the most restrictive zoning classification for the property that will allow it to use the building for offices while ensuring compatibility with the surrounding neighborhood.

There is also a benefit to the Town by selling such a significant and architecturally important property to an established entity with a recognized, committed interest in retaining the building for the long term, as well as the resources to renovate and maintain it. If, at some future date, the Foundation and/or University no longer wishes to hold the property, we would agree to give the Town of Chapel Hill the right of first refusal to purchase it.

We also find an undeniable synchronicity in this property—once home to the Town’s library and the Chapel Hill Museum and dedicated to promoting arts and culture—being given a second life as a home to a Foundation dedicated to advancing the very same causes through its support of the College of Arts and Sciences, the jewel of higher education in the State of North Carolina.

### **6. Highest possible offer**

The University of North Carolina at Chapel Hill Arts and Sciences Foundation, Inc., is pleased to raise its offer to \$1,025,000 for the purchase of the property.



UNC  
COLLEGE OF  
ARTS & SCIENCES

April 15, 2014

Cathleen Turner  
Regional Director  
Preservation North Carolina  
Durham Office  
P.O. Box 3597  
Durham, NC 27702-3597

THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

OFFICE OF THE DEAN

205 SOUTH BUILDING  
CAMPUS BOX 3100  
CHAPEL HILL, NC 27599-3100

T 919.962.3082  
F 919.962.2408  
college.unc.edu

KAREN M. GIL, Ph.D.

DEAN, COLLEGE OF ARTS AND SCIENCES

LEE C. PEDERSEN DISTINGUISHED PROFESSOR OF PSYCHOLOGY

Dear Cathleen:

I am writing on behalf of The University of North Carolina at Chapel Hill Arts and Sciences Foundation to express our excitement about the opportunity to purchase the Old Chapel Hill Library building at 523 E. Franklin Street. This distinguished mid-century landmark in Chapel Hill's National Register Historic District (with local ordinance Historic District status) is an ideal location for both the Foundation's headquarters and the business offices of the College of Arts and Sciences.

The Arts and Sciences Foundation is dedicated to raising private funds for our faculty, students and programs. The College of Arts and Sciences is the largest and oldest academic unit at the heart of the nation's first public university. Our mission is to create new knowledge and seek solutions to the world's greatest challenges, prepare students for leadership in a fast-changing, global society, and contribute meaningfully to North Carolina, the nation and the world.

The Old Chapel Hill Library building's distinctive location and architecture make it an exceptionally appealing venue for the Foundation's business and board meetings. It would be an especially welcoming location for our distinguished alumni, donors and friends when they visit Chapel Hill.

As dean of the College and president of the Foundation, I can assure you that we would relish the opportunity to welcome our guests to this prominent address adjacent to Chapel Hill's downtown and our campus. We see this as a mutually beneficial link connecting "town and gown."

After careful consideration, UNC has contracted the architecture firm of Weinstein/Friedlein to provide building/site assessment and evaluation, space planning, and renovation cost estimation. We sought a firm with experience in working with Chapel Hill's planning department and regulating authorities, as well as Preservation North Carolina and the Historic District Commission. We are confident that Weinstein/Friedlein, the College of Arts and Sciences, and the Town of Chapel Hill can work collaboratively to successfully repurpose the building.

Letter to Cathleen Turner  
RE: Old Chapel Hill Library  
Page 2

Working within the framework of the preservation easement, Weinstein/Friedlein will develop plans for the College that highlight the building's historic character. We expect the architect's work to be completed within the next five weeks, and we will be happy to share plans at that time. At this time, we do not anticipate any alterations or changes in the color, material, or surfacing of the exterior of the building, and our intention is to be sympathetic in adapting the building for our use. Of course, we fully expect that the significant interior architectural features identified in the Historic Preservation Agreement will be preserved, and that interior alterations will complement those features.

We plan to use the assets and/or credit of The University of North Carolina at Chapel Hill Arts and Sciences Foundation to purchase and renovate the property. The Foundation has net assets of almost \$200 million. In the long term, the building will be either owned by the Arts and Sciences Foundation or gifted by the Foundation to the University of North Carolina at Chapel Hill, or one of its special purpose entities, for the use of the College of Arts and Sciences.

We hope that you agree that our project is an ideal use for this historic landmark, particularly because the building will continue to have regular exposure to visitors and local North Carolinians alike. It would give us great pleasure to be a part of showcasing such a treasured landmark in North Carolina. We look forward to discussing this exciting possibility.

Sincerely,



Karen M. Gil  
President, Arts and Sciences Foundation  
Dean, College of Arts and Sciences  
The University of North Carolina at Chapel Hill

**STATE OF NORTH CAROLINA  
COUNTY OF ORANGE**

**REVISED**

**OFFER TO PURCHASE AND  
PURCHASE CONTRACT**

**THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL ARTS AND SCIENCES FOUNDATION, INCORPORATED**, a nonprofit corporation organized under the laws of the State of North Carolina, hereinafter referred to as “Buyer”, hereby offers to purchase, and **THE HISTORIC PRESERVATION FOUNDATION OF NORTH CAROLINA, INC.**, a nonprofit corporation organized under the laws of the State of North Carolina, hereafter referred to as “Seller”, upon the execution hereof, agrees to sell and convey, all of that parcel of land as described below, together with improvements located thereon, (“the Property”), upon the following terms and conditions:

1. **REAL PROPERTY:** Located in the City of Chapel Hill, County of Orange, North Carolina, being known as and more particularly described as the Old Chapel Hill Library on .6 acre and the adjacent .34 acre of land now used as a parking lot, located at 523 East Franklin Street, Chapel Hill, North Carolina.
2. **OFFER/PURCHASE PRICE:** The purchase price offered is Eight Hundred Fifty Two Thousand Five Hundred Dollars and 00/100 (\$852,500.00), and shall be paid as follows:
  - (a) \$8,525.00 representing a one percent (1%) deposit (“Earnest Money Deposit”), paid by check with the delivery of this Contract, to be held in escrow by The Historic Preservation Foundation of North Carolina, Inc., until the sale is closed, at which time it will be credited to the Buyer, or until this Contract is otherwise terminated and it is disbursed as provided herein.
  - (b) \$843,975.00 (the balance of the purchase price) to be paid in cash at Closing, as defined herein.
3. **PROPOSED USE:** The proposed new use or uses for the Property will be as a business office, with ancillary use for occasional social functions (“Buyer’s Intended Use”).
4. **PROPOSED SCHEDULE OF WORK:** Buyer shall reasonably and diligently pursue completion of the rehabilitation, subject to force majeure which shall include war, civil commotion, acts of God, governmental restrictions, scarcity of labor or materials, strikes, labor walkouts, or any other reasons beyond Buyer’s control.
5. **CONDITIONS:** All of the Standard Provisions attached hereto are hereby incorporated herein. The following conditions shall apply to this instrument.
  - (a) The Property will be sold subject to the Historic Preservation Agreement attached to this contract, which shall be incorporated into the deed.
  - (b) Closing is contingent on the exercise of an option from the current owner to the Seller.
  - (c) Closing is contingent on Buyer’s receipt of such permits or licenses that are necessary to permit Buyer to use the Property for Buyer’s Intended Use and rezoning of the Property to accommodate Buyer’s Intended Use (collectively, the “Government Approvals”). If such Government Approvals have not been obtained before the expiration of one hundred eighty (180) days from the Effective Date of this Contract, Buyer, prior to such date, may either (a) terminate this Contract by written notice to Seller of such termination and receive a refund of the Earnest Money Deposit, or (b) waive such condition and proceed to Closing. Buyer’s failure to timely give notice shall be deemed a waiver of such condition.
6. **DURATION OF OFFER/EXAMINATION PERIOD:** This offer to purchase shall be effective for thirty (30) days from the date hereof, and in the event that Seller elects not to accept this offer by such date, Seller shall return the Earnest Money Deposit to Buyer. Following acceptance of this offer and execution by the Seller of the Purchase Contract (the “Effective Date”), the Buyer shall have forty-five (45) days from the Effective Date (the “Examination Period”) to conduct any and all studies and inspections of the Property. At any time prior to the expiration of the Examination Period, upon giving written notice to Seller, Buyer may, at

Buyer's sole discretion, terminate this Agreement. In the event of such termination by Buyer within the Examination Period, Buyer shall be entitled to the immediate return of its Earnest Money Deposit. Buyer's failure to give such notice prior to the expiration of the Examination Period shall be deemed to be Buyer's election to proceed to Closing. Should Buyer elect to proceed to Closing then the Earnest Money Deposit shall become non-refundable to Buyer, except in the event that Buyer is unable to obtain Government Approvals as more fully set forth in Section 5(c) above and in the event of any Seller default, but such Earnest Money Deposit shall remain applicable towards the Purchase Price.

Within the first thirty (30) days of the Examination Period, Buyer shall obtain a survey and a title commitment from a title company of its election. The commitment must show merchantable title in Seller subject only to taxes for the year of Closing (which are not yet due and payable), and the survey and commitment must show only such easements, rights of way, restrictions and other title matters as Buyer shall deem, in its sole discretion, not to adversely affect the value or limit Buyer's Intended Use (herein, the "Permitted Exceptions"). Should such commitment and survey reflect any exceptions other than the Permitted Exceptions, Buyer shall notify Seller within five (5) days of receipt of the title commitment and the survey, and within five (5) days of receipt of the Buyer's notice, Seller shall give notice to Buyer whether it elects to cure such exceptions prior to Closing. Should Seller's notice indicate that Seller is unable or unwilling to cure such exceptions, then Buyer shall have the option of accepting title in its existing condition and thereupon Closing [except that monetary liens affecting the Property which are not disputed by Seller and which are dischargeable by payment of money may be paid by Buyer at Closing and deducted from the Purchase Price], or of terminating this Agreement. Buyer shall give notice of its election within five (5) days of receipt of the notice from Seller, and if Buyer terminates, the Earnest Money Deposit shall immediately be refunded to it. In the event Seller elects to cure any such objections, Seller shall have until Closing to complete cure of such objections. If Seller fails to give timely notice, Seller shall be deemed to have elected not to cure.

Notwithstanding the foregoing, the Examination Period shall not begin until Buyer has the right, either as Buyer under this Contract or through Seller's coordination with the existing owner, to access the Property as provided in this paragraph. Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of inspecting, examining, performing soil boring and other testing, and surveying the Property. Buyer shall conduct all such on-site inspections, examinations, soil boring and other testing, and surveying of the Property in a good and workmanlike manner, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. In that respect, Buyer shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to any tenants of any entry onto any tenant's portion of the Property for the purpose of conducting inspections. Upon Seller's request, Buyer shall provide to Seller evidence of general liability insurance. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality. Buyer assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this paragraph and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Buyer shall, at Buyer's expense, promptly repair any damage to the Property caused by Buyer's entry and on-site inspections. Buyer shall have from the Effective Date through the date of Closing to perform the above inspections, examinations and testing.

7. **CLOSING:** All parties agree to execute any and all documents and papers necessary in connection with Closing and transfer of title. The deed is to be made to THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL ARTS AND SCIENCES FOUNDATION, INCORPORATED, and will be a Special Warranty Deed. Closing shall mean the date and time of recording of the deed. Closing shall occur on or before the date that is fifteen (15) days after the later to occur of: (a) the date that Buyer obtains the Government Approvals, or (b) the expiration of the Examination Period. At Closing, Seller shall deliver to Buyer the deed and other

documents customarily executed or delivered by a seller in similar transactions, including without limitation, an owner's affidavit, lien waiver forms and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall pay to Seller the Purchase Price. At Closing, the Earnest Money Deposit shall be applied as part of the Purchase Price. The Closing shall be held at the office of Buyer's attorney or such other place as the parties hereto may mutually agree. The Purchase Price and other funds to be disbursed pursuant to this Agreement shall not be disbursed until Closing has taken place.

- 8. **POSSESSION:** Possession shall be delivered immediately upon Closing. Seller expressly represents and warrants that the existing tenant or licensee that is operating on the Property will vacate the Property prior to Closing. All possessions of seller, tenant, and/or licensee shall be removed prior to Closing.

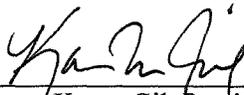
**This offer shall become a binding contract when signed by both Buyer and Seller.**

Date of Offer: \_\_\_\_\_

Date of Acceptance: \_\_\_\_\_

THE UNIVERSITY OF NORTH CAROLINA  
AT CHAPEL HILL ARTS AND SCIENCES  
FOUNDATION, INCORPORATED

THE HISTORIC PRESERVATION FOUNDATION  
OF NORTH CAROLINA, INC.

BY   
Karen Gil, President

BY \_\_\_\_\_  
J. Myrick Howard, President

134 East Franklin Street; CB #6115  
UNC – Chapel Hill  
Chapel Hill, NC 27599-6115  
Phone: (919) 962-0108  
Fax: (919) 962-2531

**Receipt of Bid Deposit:**

I hereby acknowledge receipt of the Earnest Money Deposit herein set forth and agree to hold and distribute the same in accordance with the terms hereof.

The Historic Preservation Foundation of  
North Carolina, Inc.

Date: \_\_\_\_\_

By: \_\_\_\_\_

*Preservation North Carolina*  
(The Historic Preservation Foundation of North Carolina, Inc.)  
220 Fayetteville Street Mall, Ste. 300  
PO Box 27644  
Raleigh, North Carolina 27611-7644

## STANDARD PROVISIONS

### OFFER TO PURCHASE AND PURCHASE CONTRACT

1. **DEPOSIT WITH OFFER:** This offer is made pursuant to conditions established by N.C.G.S. 160A-266 which allows the sale of historic properties by private negotiation and sale. In the event this offer is not selected or accepted as the most appropriate for the proposed reuse and renovation of the Old Chapel Hill Library, or if the offer is accepted but the Seller fails to satisfy any of the conditions hereof or breaches this contract, then the Earnest Money Deposit shall be returned to the Buyer.

In the event this offer is accepted and the Buyer fails to close (subject to its right to terminate during the Examination Period or in the event that it is unable to obtain Government Approvals) or otherwise breaches this contract, then the Earnest Money Deposit shall be retained by Seller as full liquidated damages for such default. Such delivery of the Earnest Money Deposit shall be the sole and exclusive remedy of Seller by reason of a default by Buyer under the Agreement. Seller and Buyer acknowledge that Seller's actual damages in the event of a default by Buyer under the Agreement will be difficult to ascertain, that such liquidated damages represent the Seller's and Buyer's best estimate of such damages and that the Buyer and Seller believe such liquidated damages are a reasonable estimate of such damages. Seller and Buyer expressly acknowledge that the foregoing liquidated damages are intended not as a penalty, but as full liquidated damages; provided that the foregoing will not limit Buyer's obligations under Section 6 of the Offer.

2. **PRORATIONS AND ADJUSTMENTS:** Unless otherwise provided, the following items shall be prorated and either adjusted between the parties or paid at Closing: (a) Ad valorem taxes on real property due for the next fiscal year period shall be paid by the Buyer when Closing is held between January 1 and June 30<sup>th</sup>. (Reference N.C.G.S. 105-285(d)), (b) Ad valorem taxes on personal property, if any, for the entire year shall be paid by Seller, (c) Rents, if any, for the Property shall be prorated to the date of Closing. Seller acknowledges and agrees that no transfer fee is due under the existing Historic Preservation Agreement.
3. **FIRE AND OTHER CASUALTY:** The risk of loss or damage by fire or other casualty prior to Closing shall be upon the Seller.
4. **SOILS AND ENVIRONMENTAL CONDITIONS:** Buyer and Seller acknowledge that the Property is to be sold in "as is" condition; that no assurances or warranties are given by the Seller as to the condition of the site, including any adverse conditions discoverable by soils studies or other subsurface investigations of the Property. All assessments and studies in the control of Seller will be made available to the Buyer, and Seller shall make reasonable efforts to have such assessments and studies in the control of the current owner made available to Buyer. However any additional studies or investigations to be performed by the Buyer are the sole responsibility of the Buyer; and the Buyer expressly releases and discharges the Seller from any and all responsibility and liability resulting from surface, soils, ground water or other contamination or adverse environmental condition of the site, whatsoever.
5. **CONDITIONS:**
  - (a) The Property must be in substantially the same condition at Closing as on the date of this offer, reasonable wear and tear excepted.
  - (b) All deeds of trust, liens and other charges against the Property not assumed by the Buyer, must be paid and cancelled by the Seller prior to or at Closing.
  - (c) Prohibited uses (as defined in the Town of Chapel Hill Code of Ordinances):
    - Uses comprising public nuisances
    - Uses prohibited by the Protective Covenants required under N.C.G.S. 160A-266 and attached hereto.
  - (d) Title will be delivered at Closing by a Special Warranty Deed.

(e) Seller shall convey fee simple marketable and insurable title to the Property, subject only to (i) easements, covenants and restrictions of record as of the Effective Date, (ii) such matters as would be disclosed by a current accurate survey of the Property as of the Effective Date, and (iii) such matters as approved by Buyer after the Effective Date. Seller shall not enter into, consent to, or record any instrument that affects the Property after the Effective Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

(f) Seller has satisfied each of Seller's covenants and obligations as set forth in this Contract.

6. **NEW LOAN:** Buyer shall be responsible for all costs with respect to any new loan obtained by the Buyer. Seller shall have no obligation to pay any charge in connection therewith unless specifically set forth in this contract.
7. **CLOSING EXPENSES:** Seller agrees to prepare and pay for the proper deed and all other documents necessary to perform Seller's obligations under this Agreement, excise taxes (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law. Buyer shall pay for recording the deed and for preparation and recording of all other instruments, if any, incidental to Closing.
8. **DELIVERIES:** Seller shall, immediately after the acceptance of this offer, deliver to the Buyer copies of all information relating to the Property in possession of or available to the Seller, including but not limited to title insurance policies, attorney's opinions on title, surveys, assessments, warranties, service contracts, covenants, deeds, notes and deeds of trust and easements relating to the Property, and shall make reasonable efforts to obtain such documents and information from the current owner and deliver them to the Buyer.
9. **ASSIGNMENTS:** This contract may not be assigned without the written agreement of all parties, but if assigned by agreement, then this contract shall be binding on the assignee and his heirs and successors.
10. **PARTIES:** This contract shall be binding upon and shall inure to the benefit of the parties and their heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.
11. **SURVIVAL:** If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.
12. **ENTIRE AGREEMENT:** This contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein in writing.

June 25, 2014

TO: Chapel Hill Town Council Members

FROM: Karen M. Gil, President, Arts and Sciences Foundation

RE: Letters of support

These Chapel Hill residents have written on behalf of the Arts and Sciences Foundation in its bid to purchase 523 East Franklin Street:

|                            |                        |
|----------------------------|------------------------|
| Stephen and Sandra Rich    | 603 E. Franklin Street |
| Derek and Louise Winstanly | 104 N. Boundary Street |
| James and Florence Peacock | 306 N. Boundary Street |
| Druscilla French           | 204 Glenburnie Street  |
| John Sweet                 | 208 Glenburnie Street  |
| John and Joanie Preyer     | 214 Glenburnie Street  |
| Kimball King               | 610 North Street       |
| Julia Sprunt Grumbles      | 350 Tenney Circle      |
| Alston Gardner             | 623 E. Franklin Street |
| Edwin and Harriet Poston   | 260 Glandon Drive      |
| Ford and Allison Worthy    | 517 Hooper Lane        |
| Greg Fitch                 | 208 Glenburnie Street  |
| Lynne Kane                 | 11 Lark Circle         |
| Susan Lyons                | 400 Laurel Hill Road   |
| Becky Cobey                | 303 Lone Pine Road     |
| R. M. Riddick IV           | 103 Village Gate Drive |
| Jane Kaufman               | (no address provided)  |
| Dave and Kathy Clemmons    | 349 Tenney Circle      |
| Kimberly Kyser             | Hooper Lane            |
| David Sutton               | (no address provided)  |
| Timothy A. Kuhn            | 37 Clover Drive        |
| Thomas H. Heffner          | (no address provided)  |

To: Town Council of the Town of Chapel Hill  
From: Stephen and Sandra Rich  
June 16, 2014

Subject: Potential Sale of 523 East Franklin Street

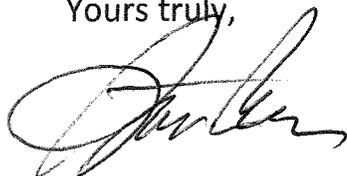
We have been involved on various boards at the University and with the town, Stephen having served six years on the Historic District Commission and one year as its chair; Sandra was a founding board member of Kidzu Childrens Museum. We care very deeply about our community. We were students at UNC in the 1960's and retired to Chapel Hill in 2003. Our home is at 603 East Franklin Street, directly across North Boundry Street from the building that was formerly the Chapel Hill Public Library and later the Chapel Hill Museum.

The Arts and Sciences Foundation is the best organization to purchase 523 East Franklin Street.

- Being a part of UNC the Foundation brings the stability of our state's flagship institution of higher education. Additionally, the Foundation will properly renovate the building and maintain it.
- The Foundation will operate mainly Monday to Friday from 9am to 5pm with only occasional evening functions with supporters.
- The property is convenient to the University and like the Love House and UNC Press will be accepted in the neighborhood.

Of the various proposals for the sale of 523 E. Franklin Street we feel selling the building to the Arts and Sciences Foundation will least impact the neighborhood and will be an owner that will respect the building and the neighbors in an appropriate manner.

Yours truly,



Stephen Rich  
Cell 919-923-6900  
Email [stevearich@bellsouth.net](mailto:stevearich@bellsouth.net)



Sandra Rich  
Cell 919-923-8338  
Email [sandradrich@gmail.com](mailto:sandradrich@gmail.com)

*Winstanly*

104 N. Boundary Street  
Chapel Hill, NC 27514  
USA

Phone (919) 268-3614  
Mob (919) 256-1405  
dlw@winstanly.com

June 13, 2014

To: Chapel Hill Town Council  
From: Dr. Derek and Louise Winstanly

Subject: Sale of 523 East Franklin Street

Dear Sir/Madam,

We moved to Chapel Hill in 2005 and live at 104 North Boundary Street directly across from the subject property. During our time in Chapel Hill, we have been involved in the community, served on various boards at the University and Louise served several years on the Historic District Commission.

We want to place our support behind the bid of the Arts and Sciences Foundation for the following reasons:

Being a part of UNC, the Foundation brings the stability of our state's flagship institution of higher education. Additionally, the Foundation will properly renovate the building and maintain it.

The Foundation will operate mainly Monday to Friday from 9am to 5pm and will only hold occasional evening functions with supporters.

The property is convenient to the University and like the Love House and UNC Press, are accepted in the neighborhood.

Of the various proposals for the purchase of 523 E. Franklin Street we support the Arts and Sciences Foundation as the organization which will least impact the neighborhood and will be an owner that will respect the building and the neighbors appropriately. This is an extremely important aspect as we are direct neighbors of 523 E Franklin Street and do not want the quiet enjoyment of our property to be disturbed by a use that would involve an increase in traffic and frequent use during evening hours.

Your consideration of this letter is much appreciated.

Yours truly,

  
Louise and Derek Winstanly

Dear Chapel Hill Town Council:

As residents of Boundary Street in Chapel Hill, we join other neighbors in supporting the Arts and Sciences Foundation of UNCCH locating in the building on the corner of Boundary and Franklin Streets. This building was the site of the Chapel Hill Public Library, then the Chapel Hill Museum. These entities no longer occupy the building and we applaud occupancy by a distinguished organization such as the Arts and Sciences Foundation. The Foundation would contribute well to the character of this historic district for several reasons. First, the University is key to the history of the town. Second, the College of Arts and Sciences is integral to the history and reputation of the University. Third, the Foundation helps sustain the excellence of the University and thus the character of this neighborhood in the historic district.

Sincerely, James and Florence Peacock, residents 306  
North Boundary Street.

*Florence A. Peacock 6/9/14*  
*James L. Peacock 6/9/14*

Druscilla French, Ph.D.  
204 Glenburnie St.  
Chapel Hill, NC 27514

June 11, 2014

Chapel Hill Town Council  
405 Martin Luther King Jr. Blvd.  
Chapel Hill, NC 27514

Mayor and Members of the Chapel Hill Town Council:

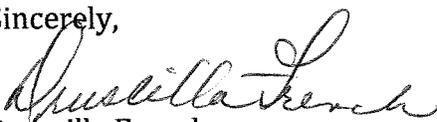
I am writing to you today regarding the sale of the property at 523 East Franklin Street. It is my understanding that the Arts and Sciences Foundation would like to purchase this property for purposes of housing their offices and conducting such meetings as are required to conduct their business. I would like to voice my approval for this sale, as I think this is an appropriate use for the old library.

My husband, Stephen Cumbie, and I have worked with the Arts and Sciences Foundation for over a decade. We have found them to be a fine organization, purposeful and considered in their work. They have always conducted themselves in a thoughtful, respectful manner. The work they do is beneficial to not only the university, but to the state and to the nation. I believe their presence in our little shady corner of Chapel Hill would be a welcome addition. I am sure they would be considerate neighbors, mindful of the fact that they are in a residential area.

I also serve on the board of the Center for the Study of the American South. I must say that the refurbishment of the Love House and the current use of it seem to be a wonderful addition to Franklin Street and to the community as a whole. CSAS seems to be a good neighbor in our historical end of town. The programs they offer and the exhibits of art are open to the community and frequently attended by residents and students alike. I think this is a good model to emulate when considering the repurposing of a building on this main corridor.

The Arts and Sciences Foundation plans to restore the building, making the necessary repairs and maintaining it in a manner appropriate to its location. This is a great improvement over the gradual decay that has been in evidence since I moved into my home. I would be delighted to see it serving a useful purpose once again, demonstrating the commitment to education and enlightenment that was the initial goal of the structure.

Sincerely,

  
Druscilla French

Dear Members of the Town Council--

I'm writing in support of the proposal of the UNC Arts & Sciences Foundation to purchase the town-owned property at 523 E. Franklin Street. As someone who lives quite near this property, I have read the four proposals carefully. It seems to me that the Arts & Sciences proposal offers the greatest benefits to the town and would be the most compatible with the residential character of this historic neighborhood.

As a town taxpayer, I was gratified by the Foundation's commitment to pay taxes on the property.

As a neighbor, I was reassured by the stability that the Foundation offers and the University's longstanding commitment to being a good neighbor. None of the other proposals, it seems to me, can offer such assurances. Particularly reassuring was the Foundation's commitment that landscaping and hardscaping plans would be developed so as to be compatible with the character of the Historic District--something that is particularly important given the scale of the current parking areas and the neighborhood's residential nature.

All best wishes,

John Sweet  
208 Glenburnie St.  
Chapel Hill, NC 27514

[jws@me.com](mailto:jws@me.com)

June 11, 2014

To whom it may concern:

As home owners in the Rosemary/Boundary Street Historic District, we have a vested interest in what happens with the old public library on the corner of Franklin and Boundary Streets. We support the University's purchase of the building. For one thing, it will provide the town with needed income. Secondly, the University is an ideal purchaser. That corner is not a location suited for any business where people are in and out, purchasing goods or services. It is in the middle of a residential area which, over the past ten years, has seen a huge increase in the number of children living there. The traffic that uses the Boundary to Rosemary cut through is already a problem. This is a win-win for the town, the neighborhood and the University.

Sincerely,

  
Joanie Preyer

John Preyer

214 Glenburnie Street

June 10, 2014

Dear Town Council:

I was very pleased to hear that Dean Karen Gill of the University of North Carolina has applied to buy the old Chapel Hill Library/Museum on the corner of Franklin St and Boundary for Arts & Science.

I am a former head of the Chapel Hill Historical Society, which still has offices in the basement of that building. We are anxious that no zoning in the Historical District not be changed.

Making that lovely building the Arts & Sciences office would seem ideal to me and my wife, who live nearby that building at 610 North St. Sincerely, Prof. Emeritus, <sup>Kenneth</sup> Lewis

Julia Sprunt Grumbles  
350 Tenney Circle  
Chapel Hill, North Carolina 27514  
juliagrumbles@gmail.com

June 10, 2014

Dear Dean Gil,

I want to again let you know how grateful I am that you let me know of the Arts and Science Foundation's intent to buy the old library. As a neighbor, I walk by the quickly deteriorating building almost every day and have often hoped that a UNC Foundation would rescue it, occupy and maintain it as has been done with so many other wonderful Chapel Hill properties in my neighborhood. The Horace Williams and Love Houses are examples of great stewardship. I was also relieved to hear that the Arts & Sciences Foundation might be the owner knowing that another owner might not be as respectful, especially when it comes to parking, events, landscaping and weekend crowds!! Your vision for the use of the property would "fit" right in to the neighborhood and not cause noise, congestion or maintenance problems. I also like the fact that the Foundation would be a long term, stable owner not flipping it in a few years to who knows who!!

Karen, I have known you and the Foundation for a long time and I trust that what you told me is exactly what you and the Foundation intend to do. As a matter of fact, I am so enthusiastic about the Foundation owning this property that I would love to rally my neighbors to this cause. Just say the word!

Yours truly,

Julia Sprunt Grumbles

ALSTON GARDNER  
623 E. FRANKLIN ST.  
CHAPEL HILL, NC 27514

June 12, 2014

Chapel Hill Town Council  
405 Martin Luther King Jr. Blvd.  
Chapel Hill, NC 27514

Dear Ladies and Gentlemen,

I understand the UNC Arts and Sciences Foundation is proposing to purchase the city's property at 523 E. Franklin Street. As a close neighbor at 623 and 625 E. Franklin Street, I heartily support their proposal. The Arts and Sciences Foundation has been a long time supporter of the community and I believe will be a good steward of the property. The Arts and Sciences Foundation and the University have the financial resources and expertise to renovate and maintain the building. The proposed use of the property for offices should have minimal impact on traffic in the neighborhood and will help maintain current property values. I believe the purchase by the Arts & Sciences Foundation would be the best option for Chapel Hill and our neighborhood.

With best regards,

A handwritten signature in black ink, appearing to read "Alston Gardner", with a long horizontal flourish extending to the right.

Alston Gardner

**From:** Edwin Poston [<mailto:eposton@truebridgecapital.com>]

**Sent:** Tuesday, June 10, 2014 12:43 PM

**To:** [mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)

**Subject:** Letter of support for the College of Arts and Sciences Foundation's efforts to purchase 523 E. Franklin St

Dear Mayor Kleinschmidt and members of the Town Council:

We are writing to endorse the College of Arts and Sciences Foundation's efforts to purchase 523 E. Franklin St. We live in the neighborhood and believe they would be the best new owners of the historic property.

We believe the foundation has the resources and experience to manage the property for the long-term. UNC-Chapel Hill has proven their ability to successfully and respectfully convert historic homes for non-residential use including: Horace Williams house, one block east of the Old Library, and the Love House, one block west. Additionally, we are sure that the use of this building as offices and as a fund-raising venue for small, alumni functions will not disrupt the neighborhood.

In sum, we think they would be the perfect neighbors.

Sincerely,

Edwin and Harriet Poston  
Chapel Hill Residents  
260 Glandon Drive

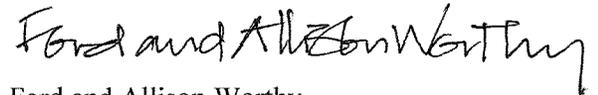
517 Hooper Lane  
Chapel Hill, North Carolina 27514

June 12, 2014

Dear Members of the Town Council:

We would like to register our support for a proposal we understand will be made by the UNC Arts and Sciences Foundation to purchase the Chapel Hill Museum building. As residents of 517 Hooper Lane, we live in close proximity to the Chapel Hill Museum building, as well as to two UNC owned properties – the UNC Press on Boundary Street and the Love House on Battle Lane and Franklin Street. Both are good neighbors in every respect and we believe the Arts and Sciences Foundation would be a good neighbor as well. In short, our support of the Arts and Sciences Foundation proposal is centered on the long-term stability university ownership of the building would bring to the neighborhood. Thank you for your consideration.

Sincerely,



Ford and Allison Worthy

June 16, 2014

Dear Mayor and Town Council Members,

I wanted to share two lines of thought about the old Library building as you consider its future, including who might be the best steward for this property, and alerting members of an opportunity to resolve of some longstanding esthetic and pedestrian safety issues at this site.

First, having reviewed the four proposals now under consideration, I believe that the Arts & Sciences Foundation would make **the best buyer**. UNC has a proven track record of working with property owners in the Historic District and are committed to being a good – and quiet – neighbor. The other buyers simply can't offer those assurances. UNC, like the Historic District, is here for the long term.

Second, many residents walk by this property, since Boundary is a 'feeder' route to campus for the neighborhood that includes parts of the Historic District, Tenney Circle/Lone Pine, and Boundary Street extension. For neighbors like us, there simply is no faster or safer way to walk to campus. Whoever the new owner is, this would be an ideal time for the Town to **seek a commitment for landscaping and grounds improvements** that would benefit the neighborhood. If you have visited the site, you will have noticed the overwhelming dominance of asphalt and concrete built to create about 30 parking spaces behind the building. Parking spots almost touch neighboring parcels and there is insufficient room for landscaping buffers.

The following changes would **improve pedestrian safety and streetscape aesthetics** (the attached images can help you better understand these points):

1. Reduce the parking lot size, such that **a landscaped buffer is created along Boundary**, its depth matching those of adjacent residential front yards. This setback would harmonize this block, and allow landscaping to screen out parked vehicles. The buffer could serve as a detention area for surface run off that now runs into the street.
2. **Reduce the number of automobile access lanes along Boundary from two to one**. Now there are two lanes just mere feet apart; this seems unnecessary. One access lane will improve pedestrian safety and aesthetics.
3. Related to that, **repair the brick sidewalk along Boundary**, and extend over the site of a long gone street tree, and the unnecessary second lane.

With these parking issues in mind, that is the final reason I think the Arts & Sciences Foundation would make the best owner. Since UNC owns adjacent parking lots, it may in fact not need such an extensive parking lot. Presumably given the advanced condition and tight turning radiuses of the current parking plan, the new owner may regardless consider an improved design.

Thank you for listening. If I can further explain anything please do not hesitate to ask.

Best,

Greg Fitch  
208 Glenburnie Street  
greg@fearrington.com

## Appendix – Site Photos



Its Boundary frontage includes two lanes, mere feet from each other. Missing brick sidewalk in foreground.



Its Boundary 'front yard' is almost entirely concrete and asphalt



A buffer from parking here would complement adjacent residential setbacks and allow landscaping

June 22, 2014

To the Town Manager, Mayor, and Town Council:

The sale of the old Chapel Hill Library has two acceptable buyers' offers.

The UNC Foundation for the Arts and Sciences is the best fit with the Franklin-Rosemary Historic District and has apparently made the highest offer of payment. UNC Foundation uses would be concentrated on workdays, leaving the surrounding residential neighbors free of noisy activities during nights and weekends. As with the Foundation's University Square renovation, they can pay property taxes.

Chris and Ann Cox, being nearby residents themselves, would also be suitable buyers, but we must be careful not to "cannibalize" our existing arts and cultural area already near Franklin and Columbia Streets. Carrboro's renovations on Main Street will also increase the draw of a cultural center nearer downtown, and a possible African-American cultural center may be added as part of Rosemary Imagined. Yet arts and cultural centers tend to thrive in the Triangle.

I think Chabad is a definite non-fit at 523 East Franklin Street. Chabad here is focused on students, with Friday night meals and services, holiday celebrations, conferences and other events that will bring more all-at-once noise and traffic to the building than the UNC Foundation will bring. Chabad should be located within the UNC student areas as the Hillel organization is located.

In my opinion, Jay Miller's plans are the least worthy of consideration for the former Chapel Hill Library/Chapel Hill Museum building. Non-profit offices' leases can change frequently depending on grants and donations received and probably generate less payment to the Town. Miller's plan is also not a good fit with a historic residential neighborhood because it is hard to predict what kind of non-profits with what kind of clients would be located there.

As often lately, we have a few Town Council members who fear any change will precipitate fast changeovers soon after. This is always a possibility, just as residences sold to owners can eventually be rented to non-owners, so this is not a unique future possibility at 523 E. Franklin.

However, if Chapel Hill has the right of first refusal after the sale of this town-owned building, our Town retains some control.

I visited the Chapel Hill Museum several times when I was a new resident here, and I attended a few talks there.

I strongly support sale of this historic building to the UNC Arts and Sciences Foundation as the best and highest use of the building. If for some reason this cannot happen, Ann and Chris Cox should be the buyers.

Sincerely,

Lynne Kane  
11 Lark Circle

[Tel. 919-960-0983]  
[Email: batya.etel@gmail.com]

**From:** [Susan Lyons](#)  
**To:** [mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)  
**Subject:** 523 Franklin Street  
**Date:** Sunday, June 22, 2014 8:49:51 PM

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Dear Mayor & Council:

Council member Ward raises, as reported in the CH News, an important point that, to summarize, the University might be a troublesome and perhaps less interested neighbor for 523 E Franklin St. This is an important concern that deserves examination. What experience do we have upon which to base our expectations? Consider, the Horace Williams House, the Love House, the Urban Studies Center, and finally the Edward Kidder Graham House.

Horace Williams has been a joint effort by Preservation Chapel Hill and UNC-CH to preserve this precious property. UNC-CH as chosen to allow the community to make the best use of this resource albeit at a cost to private fundraising efforts. That seems appropriate.

The Love House is a wonderful restoration that was informed by community input suggesting the best uses for this historic and invaluable icon in the history of the town.

The Urban Studies Center remains an appropriate restoration that fits well within the community.

And finally, UNC-CH chose not to become involved in the Edward Kidder Graham House allowing the community to return it to a restoration about which the entire town may celebrate. Were it taken over by UNC-CH it is doubtful that it could have been preserved, especially with the care taken by the current owners in cooperation with local preservation interests.

Also worth consideration are downtown properties whose uses have preserved the appearance and uses of UNC-CH owned property.

Further, it has been pointed-out that the Foundation is an independent unit within UNC-CH and not subject to the pressures that come from reliance entirely upon General Assembly funding. Moreover, the Foundation is likely to conduct its affairs in a manner consistent with the community within which 523 is sited.

While the concern raised by Councilman Ward deserves consideration, a closer examination of the University's role in the nearby sites that it owns tends to lead to the conclusion that the Foundation would likely be the best possible of neighbors. This fact is reinforced by the nearly unanimous support for the Foundation by those who live in that specific neighborhood.

Sincerely  
Susan Lyons  
400 Laurel Hill Road

**From:** [Becky Cobey](#)  
**To:** [mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)  
**Subject:** 523 E Franklin St  
**Date:** Sunday, June 22, 2014 4:40:03 PM

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Dear Mayor Kleinschmidt and Council Members:

I am writing to support the UNC Arts and Sciences (A&S) Foundation's application to purchase 523 East Frankllin Street. As a neighborhood resident, I believe the weekday 9 - 5 use of this site is preferable to other uses, particularly student and cultural groups, which would come at irregular hours including weekends and nights.

As a resident, I, like many others, worry about our town's property tax base. I understand that the A&S Foundation has agreed to pay property taxes or an equivalent amount - something that is a plus compared to the site's previous uses as a library and museum.

Another point of concern is the small parking lot. It is more than adequate for the staff of the A&S Foundation and their occasional visitors. I understand that the Chabad organization hosts regular dinners and social gatherings, most always in the evening and weekend. Many, but not all UNC students could walk but students from Duke (also part of this organization) would need to drive. This same issue of nights, weekends and parking would apply to any use as a cultural center.

The University is the most permanent institution in Chapel Hill. The A&S Foundation's relationship to the University would insure that their use of the building will be the most permanent of the 4 proposals. They know their staffing and space requirements and can predict their future needs. The non-profit center and cultural center, as start ups, cannot predict their future requirements and depending on their success or failure, may need to sell or lease this property in the future. The Chabad organization also cannot predict the number of students seeking its services or hospitality.

I hope the Council will listen to the neighborhood when deciding the best use of this property.

Respectfully submitted,  
Rebecca T. Cobey  
303 Lone Pine Road  
Chapel Hill, NC 27514

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To our esteemed mayor and council members:

**I support the sale of 523 E Franklin St to the Arts and Sciences Foundation.** We pretty much know what they will be doing with the property. The other bidders are more unknown, and that is a big concern. The A&S Foundation will be using the property for office space, and perhaps occasional gatherings. Chabad is a total unknown. They could be using the space for loud parties and activities that will ruin the peaceful nature of the neighborhood.

**Please give priority to the Arts and Sciences Foundaton when you make your decision.** Think about the future and the potential impact of each bidder to the wonderful neighborhood.

R. M. Riddick IV  
103 Village Gate Dr  
27514

**From:** [Rif99@aol.com](mailto:Rif99@aol.com)  
**To:** [mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)  
**Subject:** old library sale  
**Date:** Thursday, June 26, 2014 1:20:14 PM

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To the Mayor and Members of the Town Council:

I write in support of the sale of the Old Library to the Arts and Sciences Foundation. This organization will have the least impact on the neighborhood.

When one council member spoke on Monday night about a woman wishing she didn't have two vacant houses on either side of her, that is what that woman wants. Please take into consideration what the majority of neighbors prefer in this particular situation.

I realize you have to look at the highest bids carefully; but remember that quality of life is important to current residents of this neighborhood. It's very hard for me to imagine a group spending millions on a building, just to have 15 people stop by daily.

Please strongly consider supporting the Arts and Sciences Foundation.

R M Riddick IV  
103 Village Gate Dr  
27514

919-240-7837

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**From:** [Convissor, Linda](#)  
**To:** [Jung, Shontel](#)  
**Subject:** FW: 523East Franklin Strret from Jane Kaufman  
**Date:** Monday, June 23, 2014 11:26:00 AM

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**From:** Jane Kaufman [<mailto:jaakaufman@gmail.com>]  
**Sent:** Friday, June 20, 2014 6:08 PM  
**To:** [mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)  
**Cc:** Jane Kaufman  
**Subject:** 523East Franklin Strret

Dear Mayor and Town Council

I do not live in the downtown area but I do drive there several times a week. I would like to add my name to those who wish to see The UNC Arts and Sciences Foundation on the spot of our former public library. I think this choice would make the least impact on the residential neighborhood. It makes sense to have the Foundation there because it is close to the university and the activities associated with it would occur primarily during the daytime hours.

Just one thing about having a house of worship is that area: the many churches in Chapel Hill are either away from downtown or in the part of downtown which is not residential. Having the Chabad and all the traffic and activity at that location would be so detrimental to the neighborhood.

Thank you

Jane Kaufman  
[jaakaufman@gmail.com](mailto:jaakaufman@gmail.com)

**From:** [kathy.clemmons](mailto:kathy.clemmons)  
**To:** [mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)  
**Subject:** Old Library proposals  
**Date:** Monday, June 23, 2014 12:28:44 PM

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We are writing to express our support for the Arts and Science Foundation's proposal for the space at 523 E. Franklin St. We have carefully read the four proposals that were presented to you and strongly feel that the Arts and Science Foundation is the best one for Chapel Hill and for our neighborhood. Their proposal made it very clear that they plan to be good stewards of the property, having already hired an architectural firm and conducted a feasibility study to assure compatibility with the surrounding neighborhood. They understand the history of our beautiful town. Town and Gown has always been very important to this area, and the Arts and Science Foundation has an excellent reputation. Please grant them the ability to purchase this property.

Sincerely,  
Dave and Kathy Clemmons

**From:** [Kimberly Kyser](#)  
**To:** [mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)  
**Subject:** sale of 523 East Franklin Street  
**Date:** Monday, June 23, 2014 11:56:52 AM

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Dear Mayor Kleinschmidt and Town Council:

I am writing in support of the Arts and Sciences Foundation's proposal to buy the old Chapel Hill Library at 523 East Franklin Street. Initially, I had misgivings similar to those expressed by some Council members who fear the University's eventual takeover of the property. More importantly, I was concerned that the sale of 523 East Franklin Street to a non-profit would result in one more property taken off the tax rolls. I now understand this is no longer an issue and that all four proposals before you include tax payment.

For residents of the Franklin-Rosemary Historic District and really all neighborhoods adjacent to campus and downtown, the University's encroachment is a constant concern as is commercial development that negatively impacts people and property values. I am a life-long resident of Franklin Street and Battle Lane. We co-exist with sororities and fraternities, dormitories and rental properties for undergraduates, and also houses successfully turned into offices like the Hickerson House and the Love House directly across from me on Battle Lane. Living close to campus, one develops an appreciation of good institutional neighbors and a sensitivity to those that are not. Encroachment comes in many forms, and I believe that selling 523 East Franklin to Chabad with its student outreach-social justice agenda represents an *inappropriate* fit with the neighborhood. The Arts and Sciences Foundation is the perfect, respectful buyer for this location, and I am confident that in their new home they will commit to a long-term relationship with the neighborhood. **Please vote in favor of selling 523 East Franklin Street to the Arts and Sciences Foundation.**

Sincerely,  
KIMBERLY KYSER

**From:** [David Sutton](#)  
**To:** [mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)  
**Cc:** [leestorrow.ch@gmail.com](mailto:leestorrow.ch@gmail.com); [sally green](#)  
**Subject:** old public library  
**Date:** Sunday, June 22, 2014 8:11:46 PM  
**Attachments:** [Untitled attachment 00015.txt](#)  
[Untitled attachment 00018.txt](#)  
[photo 3.JPG](#)  
[photo 2.JPG](#)  
[photo 1.JPG](#)

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so I just saw a few of you at the Ackland event, great to see you in person. since I am by foot I thought I'd give it a look/see on the way home as to the current condition of chabad. let me share these with you directly. above those purple chairs is where I saw students lounging rooftop(reference in my earlier letter). I'm unsure where they intend to put the leather sofa if awarded perhaps in the little garden to the side?? and that paint job I can only imagine would really lend itself to a distressed theme on franklin street.

from what I gathered many of you seem concerned that the university is going to strong arm the foundation. in speaking with some of you I really think you'd be able to work with the preservation society to gain first right of refusal if the building changes. that wording can be put into the sale contract. I'm certain that the city's lawyers know the language for that. it baffles me why we cower at the university rather than working with them. they are us, we are them. again I lend my voice further to the arts & sciences foundation.

good luck tomorrow with your vote.

yours

david

Dear Mayor and Town Council,

I am writing in support of the Arts and Sciences Foundation's bid for the former Library / Museum building.

After reviewing the article in the newspaper and then subsequently, the websites of the two top bidders, it appears to me that the Foundation has the resources to ensure the building is restored and maintained in a

way that would be conducive to the site and neighborhood. The Foundation would also appear to be more committed to the location given their remit and be more respectful of the neighborhood given their hours of operation.

I still miss the Museum, but I am happy to see that the building will no longer be vacant, that the Town will benefit from the sale and future tax revenues, and hopefully, that the historical family-oriented neighborhood will be preserved.

Thanks so much,

Timothy A Kuhn

37 Clover Drive

Chapel Hill, NC 27517

**From:** [Tim](#)  
**To:** [mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)  
**Subject:** RE: 523 East Franklin Street  
**Date:** Wednesday, June 25, 2014 7:38:39 PM

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Dear Mayor and Town Council,

I'm glad I attended the meeting on Monday night. It was nice to hear the intent of the four applicants. All were impressive, but again The Foundation, in my view, would be the most appropriate group to occupy the space given their remit and the location of the building and the size of the parking lot.

I was impressed that the Foundation appears to have been proactive in terms of identifying costs involved with the renovation, and appear to have the funds available to purchase and begin the renovations. I think this is especially appealing and sets them apart.

It was not clear if the other three applicants have considered this at this time. I'm not familiar with how the bidding process works, but if an organization depletes their funds to purchase the building, and do not have the funds to renovate and occupy the building within a reasonable timeframe, then I think that is concerning. The building has been vacant for too long.

Hopefully the bid will include best and final offer for purchase (with no caveats), plus estimated funds and timeline for renovation, (in addition to their view on rezoning, and length of time (years) for paying property taxes, with first right of refusal for the Town if bidder decides to sell).

Thanks so much,

Timothy A Kuhn  
37 Clover Drive  
Chapel Hill, NC 27517

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**From:** Tim [mailto:[timothyakuhn@bellsouth.net](mailto:timothyakuhn@bellsouth.net)]  
**Sent:** Sunday, June 22, 2014 1:20 PM  
**To:** 'mayorandcouncil@townofchapelhill.org'  
**Subject:** 523 East Franklin Street

Dear Mayor and Town Council,

I am writing in support of the Arts and Sciences Foundation's bid for the former Library / Museum building.

After reviewing the article in the newspaper and then subsequently, the websites of the two top bidders, it appears to me that the Foundation has the resources to ensure the building is restored and maintained in a way that would be conducive to the site and neighborhood. The Foundation would also appear to be more committed to the location given their remit and be more respectful of the neighborhood given their hours of operation.

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**From:** Tom Heffner [mailto:tom@chapelhillnc.com]  
**Sent:** Monday, June 23, 2014 1:59 PM  
**To:** All Agenda Materials  
**Subject:** 523 East Franklin Street

To: The Mayor and Members of the Town Council

From: Thomas H. Heffner

Date: 6/23/14

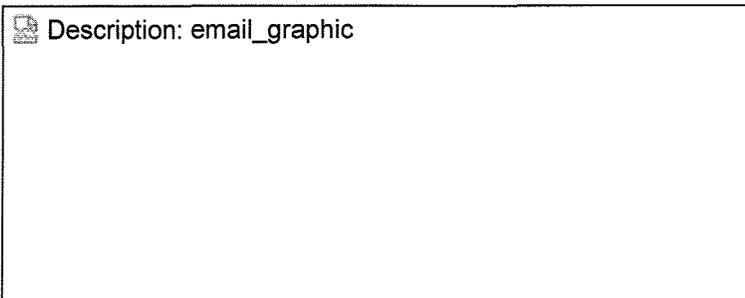
As a long time Chapel Hill area resident and Realtor, I encourage you to recommend the sale of the Old Chapel Hill Public Library to The UNC Arts and Sciences Foundation. I believe a sale to the Arts and Sciences Foundation will minimize the possibility of a negative impact on adjoining property values in the important Franklin Street Historic District. The University has proved itself to be a good and responsible neighbor in its stewardship of the nearby Love House. The Arts and Sciences Foundation's proposed use for the Old Library will likewise minimize negative impacts to property values in the neighborhood.

Respectfully submitted,

Thomas H. Heffner

[www.chapelhillnc.com](http://www.chapelhillnc.com)

 Description: email\_graphic



**From:** [Sallie Shuping-Russell](#)  
**To:** [mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)  
**Cc:** [Storrow Lee](#); [Sandra Rich](#); [Stephen Rich](#)  
**Subject:** Library  
**Date:** Thursday, June 26, 2014 11:02:05 AM

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I want to say three final things here regarding the old Library and it's potential sale to the Arts and Sciences Foundation:

1. It disheartens me to see the kind of distrust of the university which is apparent on the Council with regard to the possibility of designating the Library for the Arts and Sciences foundation. That said, there has been a lot of negative history which built that distrust; I thought we had all moved beyond many of those old feelings but clearly that does not seem to be so.
2. I am extremely disheartened that the Council does not seem to be listening to its constituents most affected by this transaction. When so many people living in the surrounding area support one proposal it seems to me that should carry some weight in your decisions. Many of the neighbors supporting the A&S proposal are the same ones who support a lot of the social needs in Town - we helped raise funds for the Ronald McDonald House, we helped move the Centered for Battered Women from its prior Durham site to the current site on Homestead road, we help with IFC, we serve on the Preservation and Historical Societies, we lead campaigns against heart disease and cancer, we've worked with Self Help Credit Union to try to create a good solution to preserve North Side. These are just a few. We are scholars, artists, writers, doctors, singers, professors, business leaders, stay-at-home moms/dads, journalists, filmmaskers. We are a cross section of the much of this Town.
3. In your deliberations pls look particularly at two questions: (1) how many bodies are going to be using the facility at a given time, not how many cars will be parked there, and (2) does the proposer have funds not only to buy the building but also to maintain it -- will those funds have to come through fundraising or rents? A&S meets those requirements with its current assets. I am not sure the others don't have to rely on raising additional monies or maintaining a full occupancy to provide sufficient rent revenues to maintain it. This makes long term maintenance a bigger risk than it seems today.

Thank you all the time and commitment you put into governing our town.

Sallie Shuping-Russell  
507 E Rosemary Street

Sallie Shuping-Russell  
Sent from my iPad