

Spencer C. Young

From: Spencer C. Young [SpencerCYoungInvestments@gmail.com]
Sent: Friday, December 21, 2007 5:03 AM
To: Kevin Foy (kfof@intrex.net); Bill Strom (billstrom@nc.rr.com); Roger Stancil (manager@townofchapelhill.org)
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Subject: **Project Lemonade**
Attachments: Document # 1 - Project Lemonade - Architectural Drawings - Dec. 5, 2007.pdf; Document # 2 - Project Lemonade - Aerial Photo - Dec. 5, 2007.pdf; Document # 3 - Project Lemonade - Orange County Commissioner Ratification - Dec 11, 2007.pdf

To: Kevin Foy – Mayor – Town of Chapel Hill
 Bill Strom – Mayor Pro Tem – Town of Chapel Hill
 Roger Stancil – Chapel Hill Town Manager

cc: Liz Parham – Executive Director – Chapel Hill Downtown Partnership
 Pam Jones – Orange County Director of Buildings & Land Acquisition
 Laurie Paolicelli – Executive Director – Orange County Visitors Bureau
 Merchants of *The Courtyard of Chapel Hill*
 Property Management Team
 Redevelopment Team
 Real Estate Advisory Team
 Other Interested Parties

As they say, “*When handed lemons . . . make lemonade*” – therefore, to ameliorate the current impasse and compromised parking situation at *The Courtyard of Chapel Hill*, the actions noted below are being undertaken as part of an initiative I refer to as “*Project Lemonade*”:

1. Parking Lot Reconfiguration – The unencumbered portion of the back parking lot of *The Courtyard of Chapel Hill* will be aesthetically enhanced and reconfigured to facilitate valet

parking, as well as provide 22 parking spaces. The attached **Document # 1** reflects the architectural drawings for the reconfigured parking lot and perimeter wall (matching the brickwork at other areas at this property) to not only provide a safe, well-lit, attractively landscaped and fully functional valet parking lot, but also shield views of the currently blighted adjacent lots.

2. Purchase of Nearby Land Parcels – A wholly-owned subsidiary of *Spencer C. Young Investments, Inc.* will purchase adjacent land parcels on S. Graham Street in Chapel Hill to provide stacked valet parking for up to 60 cars. Refer to **Document # 2** for an aerial view of the subject properties.
3. Engagement of Valet Parking Firm – Proposals have been received from three highly experienced and reputable valet parking services companies, to provide valet parking for the public at a to-be-established fee; however, with the validation of a parking ticket by a merchant of *The Courtyard of Chapel Hill*, this fee will be waived. Each firm will be refreshing their proposals, based on updated information, and a mandate will be awarded in the coming weeks. It is contemplated that valet parking services will be provided during all operating hours of *The Courtyard of Chapel Hill*, and staffed by cordial, professional, and uniformly dressed parking attendants.
4. Supplemental Parking Arrangements – In order to meet potentially larger peak demands, additional parking arrangements are being made with nearby lot owners during times when their lots are not otherwise being used, an example being the deal recently struck for use of the parking lot of the Skills Development Center and Bentley Building, which was recently ratified by the Orange Country Board of Commissioners (refer to attached **Document # 3**).

Here are more of the particulars pertaining to the impending acquisition of Land Parcels:

- The Parcels – The two adjacent parcels are zoned TC-2, with each one measuring 55' x 100', and thereby yielding a suffused property of 110' x 100' dimensions, or 11,000 sq. ft. The legal addresses are: **110 S. Graham St.** (“**Lot A**”); and **W/S Graham Street**, which is sometimes referred to as “100 S. Graham St.”, but hereinafter referred to as “**Lot B**”. **Lot A** has a one story structure measuring 1,143 sq. ft, and currently houses the office of the Seller, and a one bedroom apartment (with NO kitchen). This building has a crawl space, but no subterranean basement. Each unit is rented on a month-to-month basis, and the respective leases can be terminated at any time, with 15 days advance notice. **Lot A** also has an oversized unhealthy looking tree located at the southeast quadrant of the property, as well as a gravel parking lot. **Lot B** is strictly a gravel parking lot with a handful of month-to-month leases that can be similarly ended after providing notice 15 days in advance.
- The Sellers – The current owner of **Lot A** is *Matt Williams*, an individual, who is also a real estate broker associated with *Prudential Carolinas Realty*; **Lot B** is owned by *Clay Street, LLP* (a North Carolina limited liability partnership), the principal owner of which is *Anthony (“Tony”) Sease*.
- The Interim Surrogate Buyer (& Assignor) – *Hoel Investments, LLC*, a North Carolina limited liability company is owned by *Ed Hoel*, an individual who is a real estate investor, and Principal at *Triangle Commercial, Inc.*, a real estate services company located in Cary. Shortly after entering into the contracts to purchase **Lot A**, and **Lot B**, together with the execution of a contract amendment for **Lot B**, conforming the due diligence period and closing dates with those of **Lot A**, *Hoel Investments, LLC*, assigned both contracts to an entity which owns and is in the midst of redeveloping *The Courtyard of Chapel Hill*.
- The Buyer (& Assignee) – As a result of the aforesaid contract assignments, the entity that will

close on the acquisitions of **Lot A** and **Lot B** is *Spencer C. Young Investments / The Courtyard of Chapel Hill, LLC*, a North Carolina limited liability company and wholly-owned subsidiary of *Spencer C. Young Investments, Inc.*, a New York Corporation licensed to do business in North Carolina.

- Buyer's Counsel – Kendall Page, Esq., a highly respected and deeply experienced real estate attorney, who has previously represented an affiliate of the Buyer in another Chapel Hill real estate acquisition, will be representing the Buyer in the acquisition of the Parcels.
- Real Estate Brokers of Record – The sell-side broker in both transactions is *Matt Williams* of *Prudential Carolinas Realty*, and the buy-side broker is *Sam DiFranco* of *Triangle Commercial, Inc.*
- Purchase Prices – The purchase price for **Lot A** is \$440,000, and **Lot B** is being acquired for \$340,000 –the Buyer will pick up \$1,000 of the buy-side broker's fee in the acquisition of Lot A, and \$10,000 for the buy-side broker's fee pertaining to the acquisition of Lot B – *therefore*, the all-in purchase price consideration for Lots A & B is \$441,000, and \$350,000, respectively, such that the aggregate acquisition price for both lots will be \$791,000. The Sellers have owned the respective parcels less than two years, and will each net approximately \$100,000 in profit.
- Planned Use - These parcels will be used exclusively for stacked valet parking for *The Courtyard of Chapel Hill*, a commercial property located a short block away on the southeast corner of W. Franklin St. and Robeson St.
- Lot Improvements Planned – Both **Lots A & B** are best described as “unsightly” and “unkempt”, and the improvements planned will certainly enhance the aesthetics of its locale. The improvements will include the following: (1) Raze the building, cap utility lines, and remove the oversized tree; (2) install attractive ornamental trees at select perimeter points; and (3) lay-down high quality red gravel across the preponderance of the assimilated lots area.
- Pertinent Dates – The “closing” for both **Lots A & B** is Thursday, January 10, 2008, and the aforesaid improvements should be completed within the weeks following.

Project Lemonade offers many benefits – here's a dozen to start with:

1. Effectiveness – It represents a highly effective and often recommended solution by third party municipal planning consultants who are engaged to address the problem of insufficient parking (source: *Rich & Associates*, a municipal planning and consulting firm engaged by Chapel Hill to conduct a parking study for Downtown Chapel Hill);
2. Improved Perceptions – People who may feel there is already ample parking in Downtown Chapel Hill (a rather small minority) cannot possibly change the minds of those who feel otherwise (an overwhelming majority) with mere rhetoric; however, those dissidents who hear there is “free valet parking in Downtown Chapel Hill” will no doubt quickly change these long-held negative views;
3. Convenience – You can't beat the convenience of valet parking, most especially during times of inclement weather, as the parking attendants will have oversized umbrellas to shield patrons from the elements as they emerge from or enter into their vehicles;
4. Safety – Patrons will no longer have to worry about spraining an ankle from an unseen pothole, or breaking their hip from tripping over an unexpected fallen tree branch, as they blindly muddle their way through the darkness of an unlit and poorly maintained parking area;
5. Crime Deterrence – Leaving and entering the safety of one's own car with the assistance of young

athletic parking attendants at an active well lit public entrance is never punctuated by a sojourn through a dark blighted area that could otherwise serve as a convenient haven for a mugging;

6. Friendliness – Any visitor to Chapel Hill who looks for a place to park their car will invariably be met with a surfeit of signs warning of the threat of being towed if the space where their car is parked is not used for its very specific, and usually very limited purpose – worse yet, for those who commit such a ghastly infraction, they can expect an expedient compliance check, and prompt towing, with the additional insult of having to trek an inconvenient distance, and then pay a towing fee of \$150 or more. Let me assure you, such an experience does not leave a lasting positive impression of “southern hospitality”, and if such an event were to occur to a first time visitor to Chapel Hill – it may very well be their last visit. *Project Lemonade* keeps things simple, friendly and always welcoming, while providing incentives to patronize the intended merchants – and no towing.
7. Strong Merchants – Savvy business people will naturally gravitate toward establishing businesses at locations that offer pleasant and inviting environs for their patrons;
8. Improved Tourism – The aforesaid benefits naturally lead to improved tourism, because “word gets around” and since: (a) first impressions are lasting impressions; and (b) *The Courtyard of Chapel Hill* is located across the street from the Orange County / Chapel Hill Tourism Bureau, then “word will get around even faster”
9. Leadership By Example – The success of *Project Lemonade* will naturally lead to other properties and merchants adopting similar creative solutions to the perceived “Downtown parking problem”
10. Improved Commerce – The above benefits will in turn lead to a rising economic tide – and “a rising tide lifts all boats (i.e., merchants/patrons/ residents/tourists)”
11. Immediacy – Since closing on the land parcels is just weeks away, and these lots can be used for stacked valet parking shortly thereafter, and any one of three reputable valet parking companies is “ready to go”, the pernicious effects of the unlawful cordoning off of *The Courtyard of Chapel Hill* parking lot will be immediately resolved.
12. Resolution of an Imbroglia – In my conversations with many Town of Chapel Hill officials and community leaders, no one had been able to derive an expedient and viable solution to the unlawful cordoning off of certain portions of *The Courtyard of Chapel Hill* parking lot, which has very negatively impacted many local merchants, residents and patrons of Downtown Chapel Hill. **Well I have, and *Project Lemonade* is it** – and although your endorsement is not per se necessary to make this a reality, demonstrating such leadership and expressing your support would certainly be timely and beneficial to EVERYONE – even to the misguided fellow who perpetrated the unlawful parking lot blockades in violation of the Special Use Permit. And in lieu of needlessly subjecting both parties associated with this inexcusable Special Use Permit (“SUP”) to a costly, protracted and mind-numbing “permit modification process”, (which often takes years to accomplish), just **void the confounded SUP altogether** – because *Project Lemonade*, renders it entirely superfluous, and permanently resolves this matter.

If *Project Lemonade* provides an immediate long-term solution to *The Courtyard of Chapel Hill* parking conundrum, and obviates the need for this 29 year old, antiquated, horribly flawed, and pitifully drafted SUP: How will attorneys be able to feed their families?; What will Chapel Hill Town officials at the Planning Dept. and nearby property owners do with all their extra time?; And what, for heaven’s sake; will become of the local newspaper reporters who have written about this “impasse”, “downtown dilemma”, and “ongoing saga”?

Pardon my sarcasm, but we all know *Project Lemonade* will not mean local lawyers and their

families will go hungry; moreover, *legitimate* development issues will be given their proper and more timely attention; and local newspaper reporters will no longer have to creatively sensationalize with caustic rhetoric what is actually a rather pedestrian ho-hum matter– instead, they could turn their attention to the many success stories percolating downtown (e.g., Bonne Soiree was selected as the Triangle region’s “Restaurant of the Year” by the *News & Observer*, and chosen by *Bon Appetit* magazine as one of the top dozen restaurants . . . in the United States!).

Now with regard to the SUP that has provoked so much controversy and heartache for nearly three decades, it not only should be rescinded outright – all copies of it (I believe there are literally hundreds of copies circulated over the years) should be used to create a town-sponsored bonfire. “Heresy!” you say? . . . I think not. . . . for the following reasons:

1. No Reason For Being – The **sole** reason for this absurd document was to appropriate parking spaces for the exclusive use by *The Courtyard of Chapel Hill* so as to comply with Chapel Hill’s minimum parking requirements that were in effect in 1979 – these have since been eliminated, so the **only** reason for this document has similarly been eliminated;
2. Sufficient Parking – The parking capacity resulting from *Project Lemonade* will exceed the once required minimum parking level at *The Courtyard of Chapel Hill*, and when factoring in the side agreements with nearby lot owners, the result is roughly a **doubling of the parking capacity** that has historically been available under the subject SUP;
3. No One Wants It – **Both** owners of the parking lot parcels subsumed in this farcical and anfractuous SUP want it immediately terminated, so that they may divorce themselves from any further involvement with each other;
4. No Change in Use – Certainly as it relates to *The Courtyard of Chapel Hill*, there will be no change in its land use, so it will remain in compliance with its TC-2 zoning, and the same holds true for the soon-to-be acquired lots on S. Graham St., which are similarly zoned. Moreover, I understand my estranged nearby parcel owner wishes to offer commercially leased parking, which means there will also be no change in its use – only the segregation of lots in this ludicrous SUP, which should have never been conjoined. So here’s a real time example of the aphorism: “*The more things change, the more they stay the same*”.

Hence, Project Lemonade represents a WIN-WIN scenario for everyone, and your open and unqualified support of it, including the immediate countermand of the vexing, and thoroughly untenable SUP would be very much appreciated . . . by more people than you can possibly imagine.

In closing, I would be remiss if I didn’t mention the instrumental role *Liz Parham* played in the formulation of *Project Lemonade*. Her demonstrative leadership as Executive Director of the *Chapel Hill Downtown Partnership* has been exemplary, and her lucid thinking, creativity, and “can-do” attitude in problem solving, firmly establishes her in a class of her own – and whatever she is being paid – it is not enough. Other noteworthy “positive change agents” who have been supportive of *The Courtyard of Chapel Hill*, and whose advocacy was crucial in obtaining the aforementioned ratification by the Orange County Commissioners are – Pam Jones (Orange County Director of Buildings & Land Acquisition), and Laurie Paolicelli (Executive Director of the Orange County Visitors Bureau) – and to them, I also express my gratitude.

Sincerely,

Spencer

Spencer C. Young

President

Spencer C. Young Investments, Inc.

134 Meadowmont Village Circle

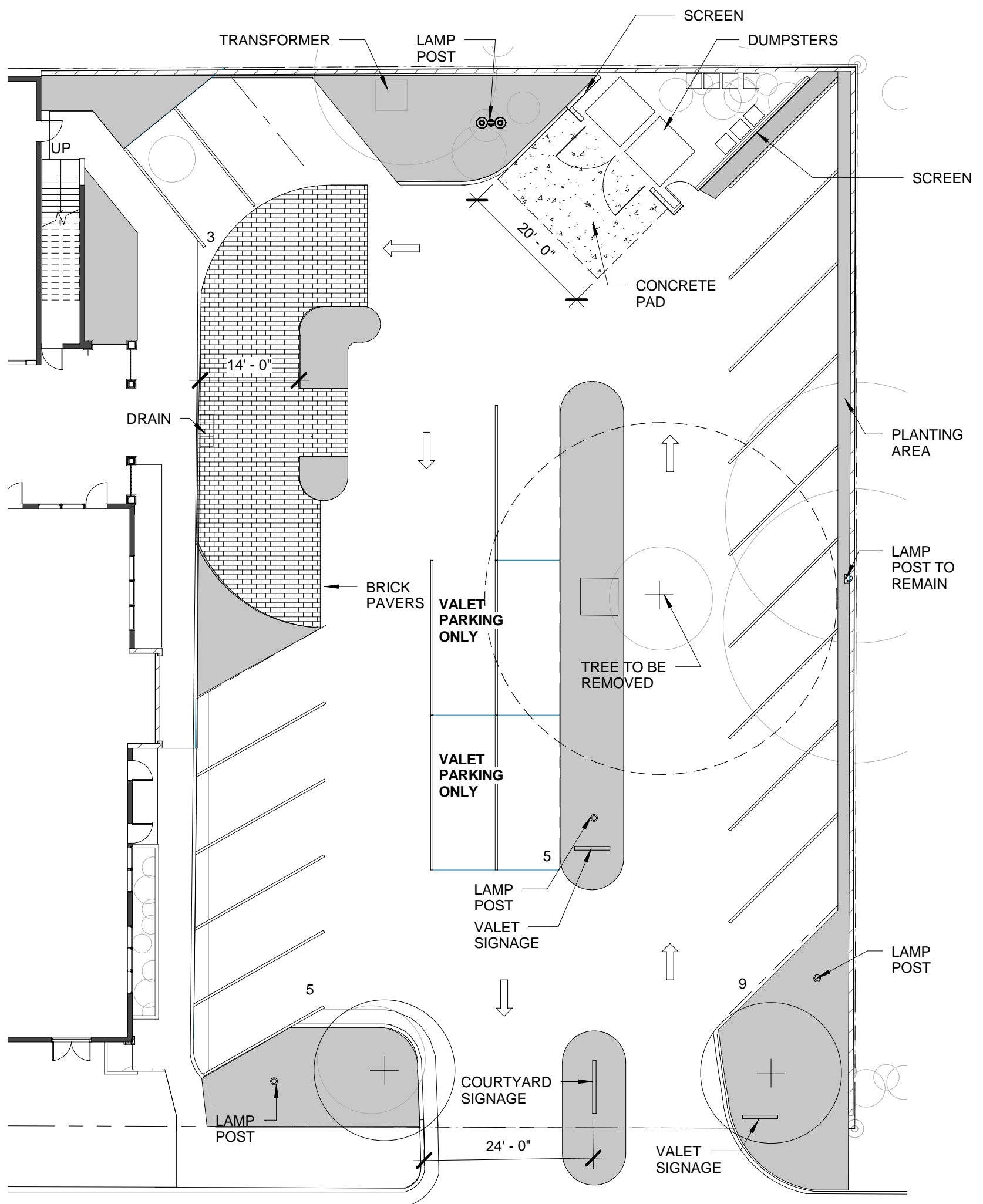
Chapel Hill, NC 27517

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1 VALET PARKING- OPTION 4
 1/16" = 1'-0"

drawn by: JLW
 checked by: JGW
 project no.: 05-305
 date: 09/27/07

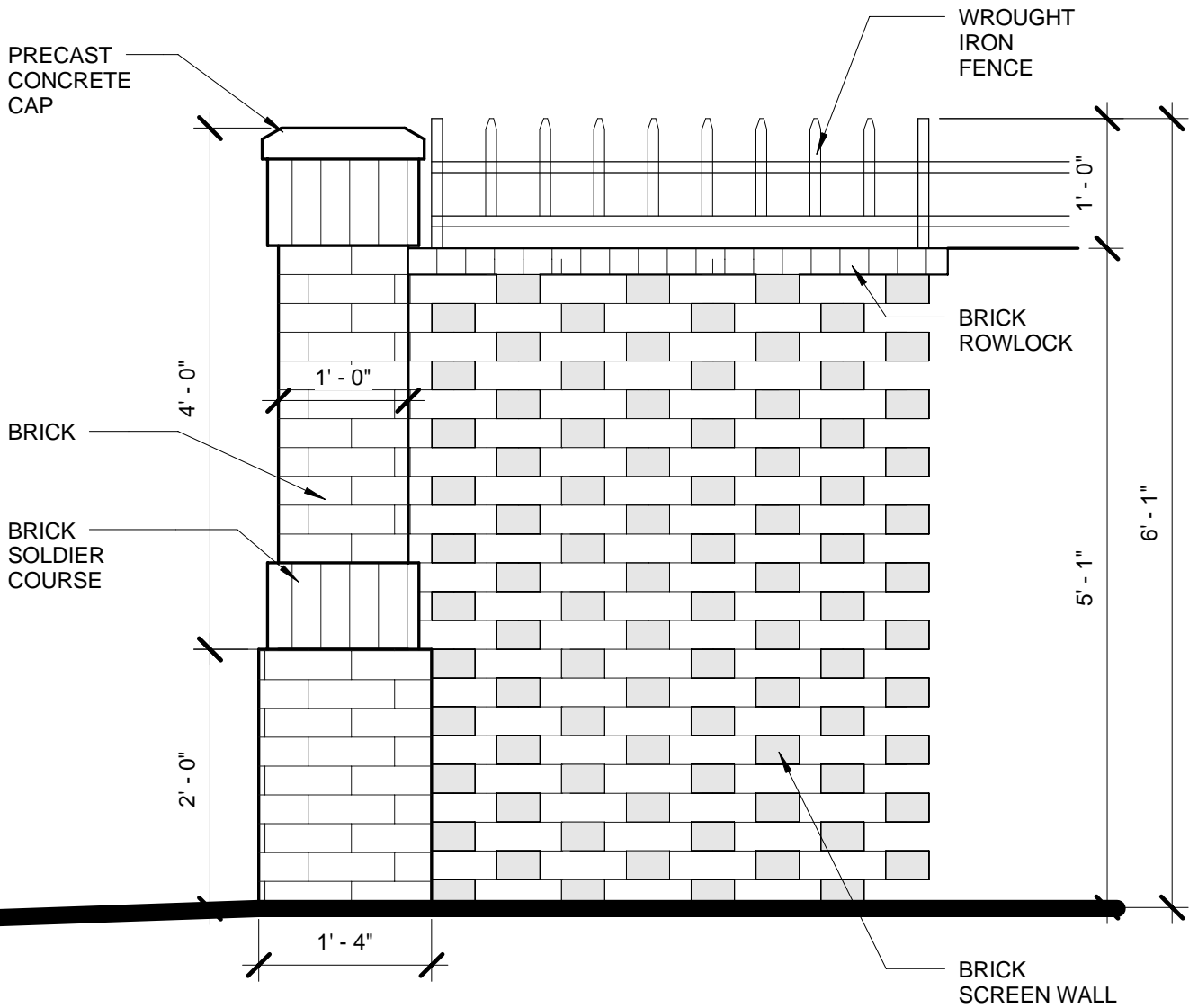
THE COURTYARD
 OF CHAPEL HILL



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SK-01
 PARKING



1 PARKING LOT WALL
 3/4" = 1'-0"

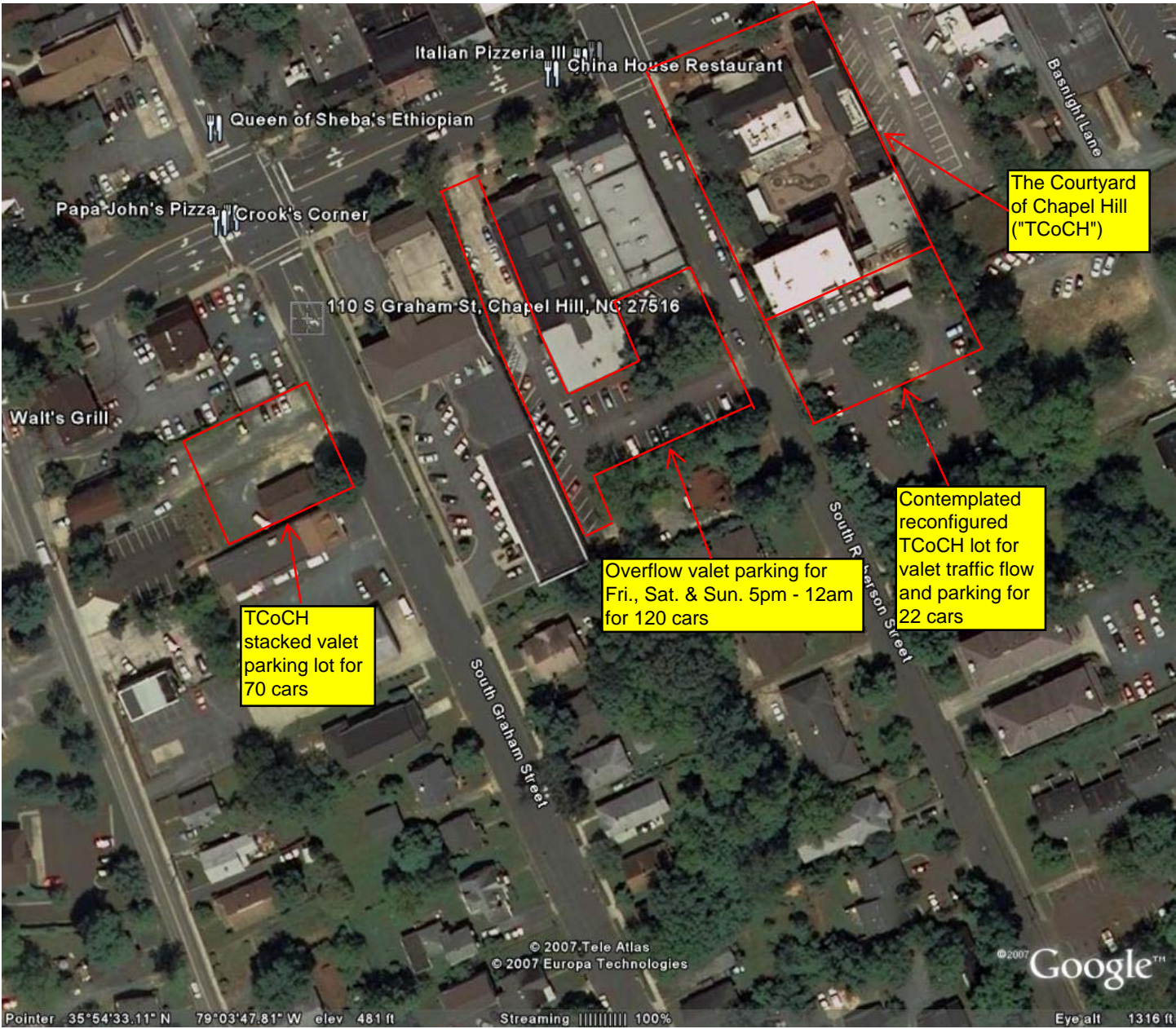
THE COURTYARD OF CHAPEL HILL
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SK-02
 WALL



Italian Pizzeria | China House Restaurant

Queen of Sheba's Ethiopian

Papa John's Pizza | Crook's Corner

110 S Graham St, Chapel Hill, NC 27516

Walt's Grill

The Courtyard of Chapel Hill ("TCoCH")

TCoCH stacked valet parking lot for 70 cars

Overflow valet parking for Fri., Sat. & Sun. 5pm - 12am for 120 cars

Contemplated reconfigured TCoCH lot for valet traffic flow and parking for 22 cars

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Pointer 35°54'33.11" N 79°03'47.81" W elev 481 ft

Streaming 100%

Eye alt 1316 ft

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT
Meeting Date: December 11, 2007

**Action Agenda
Item No. _____**

SUBJECT: Short-Term License: Parking Spaces at 501/503 W. Franklin Street

DEPARTMENT: Purchasing and Central Svcs.

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

INFORMATION CONTACT:

Pam Jones (919) 245-2652

PURPOSE: To consider granting a short-term license to Spencer Young to use the parking around the Skills Development Center and Bentley Building at 501/503 East Franklin Street, Chapel Hill.

BACKGROUND: Spencer Young is the owner of The Courtyard, a building on the corner of Franklin and Robeson Streets and across the street from the County's Skills Development Center and Bentley Building. As a result of a land issue, parking at The Courtyard has recently been reduced, which has adversely affected the downtown restaurants, including those in the building owned by Mr. Young. While he is in the process of developing alternative parking locations, he has asked the County to allow him to rent the area around the County building on Friday, Saturday and Sunday evenings from 5pm to 12 midnight. The area would be used for valet parking only.

The Skills Development Center programs do not operate during the period proposed for rental. Mr. Young has expressed a willingness to work with our tenants in the Bentley Building, including the Visitor's Bureau, should evening access to the lot be required.

Upon the Board's approval, Mr. Young's business insurance policy will be endorsed to add this location and the County as an additional insured during the period in which it will be used for this function. The authorization to commence use will not be issued until an acceptable Certificate of Insurance reflecting the appropriate coverage has been received by the Purchasing and Central Services Director.

Mr. Young would be responsible for ensuring the lot was left in a clean condition on Sunday evenings, in order to be prepared for incoming classes and staff on Monday morning.

A six-month License Agreement, commencing upon a date that is mutually acceptable both to Mr. Young and the County is requested. It is understood by the County and Mr. Young that

under no circumstances would the time frame be extended beyond six months. Attorneys for Mr. Young will be responsible for preparing the License Agreement, at the direction of the County Attorney. The Agreement will include appropriate penalties should terms of the Agreement be violated during the six-month period or after termination of the License Agreement.

FINANCIAL IMPACT: The rental fee for the space is \$125 per month, payable on the first day of each month for which the lot is used. Assuming a full six month period, the total funds received by the County would be \$750.

RECOMMENDATION(S): The Manager recommends that the Board approve a License Agreement with Mr. Spencer Young for six months, commencing upon a mutually agreed upon date, under the terms as presented and contingent upon Attorney and staff review; and authorize the Manager to execute the agreement.