

The Washington City Council met in a continued session on Monday, May 3, 2007 at the Municipal Building at 5:00 p.m. Present were: Judy Jennette, Mayor; Darwin Woolard, Mayor Pro tem; Richard Brooks, Councilman; Archie Jennings, Councilman; Ed Gibson, Councilman; Mickey Gahagan, Councilman; James Smith, City Manager; Fred Holscher, City Attorney; and Rita A. Thompson, City Clerk.

Also present were: Carol Williams, Finance Director; Allen Lewis, Public Works Director; Bobby Roberson, Planning and Community Development Director; and Mike Voss, of the Washington Daily News.

Facilitation Team (NC Division of Community Assistance): Brad Hufford, and Lee Padrick Facilitator, Chief Planner-NC Division of Community Assistance

Mayor Jennette called the meeting to order and Councilman Gibson delivered the invocation.

CLOSED SESSION – ATTORNEY/CLIENT PRIVILEGE & ECONOMIC DEVELOPMENT

On motion of Councilman Gahagan, seconded by Councilman Brooks, Council unanimously agreed to go into closed session under G. S. 143-318.11(a)(3) Attorney/Client.

At 5:34 p.m., on motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously agreed to come out of closed session.

**FORMER EVANS SEAFOOD SITE
WASHINGTON CITYCOUNCIL PLANNINGSESSION**

Facilitator, Lee Padrick, Chief Planner-NC Division of Community Assistance reviewed the agenda for the former Evans Seafood Site Planning Session:

- I. History of the Property
- II. Principles of Development (Review Smart Growth principles)
- III. Appropriate Uses of the Property
- IV. Green Space
 - How to preserve it
 - What it should look like
 - Waterfront access
- V. Lot Configuration
 - Relationship to neighboring properties
 - Street width
 - Grading plans
- VI. Selling the Property
 - Price
 - What leverage do we have when choosing between proposals?
 - What criteria do we use when evaluating proposals?

The Washington City Council listed the following as appropriate uses of the property:

- Green space

- Retail
- Hotel
- Residential

After listing the advantages and disadvantages for each use, the Council decided that a hotel was the most appropriate use of the property. The Council was asked what thoughts they had about preservation of the adjacent open space. Their thoughts were to use either a conservation easement or some other form of legal process to preserve the adjacent properties as open/green space in perpetuity. They also were asked to define “waterfront access,” and all agreed that “waterfront access” should include the viewscape, as well as physical access.

A suggestion was made that the property should be “squared off” to provide better development opportunities. Also, the idea of combining the Evans Seafood site with the two lots immediately to the west would be the preferred alternative, but the owner of the Maola property did not appear to be interested in selling at this time.

The Council discussed Water Street and the appropriate street width. Any redevelopment should consider the widening of Water Street along the McQuay and Maola properties.

The Council agreed that any attempt to sell the property for private development should include a purchase price of at least \$600,000, the recent appraised value of the ½ acre site. There was some discussion about how squaring the lot could possibly add value to the site.

The Council also outlined the criteria that should be considered before selling the lot. These criteria are:

- A performance bond and/or providing a letter of credit to show the developer has the money to complete any proposed development project
- Participation in improving and maintaining adjacent green space
- Mitigation for any loss of waterfront access
- A timeline and/or benchmarks must be met as the project moves forward
- The City can dictate the appropriate use of the property

Other considerations that could be considered are to tie any development proposal to the two adjacent properties to the west (Maola and McQuay) and to consider putting any revenues from the sell of the property into a trust to fund the library.

History of the Property

The property is approximately .5 acres and is the site of the former Evans Seafood Company (Appendix A). It has been owned by the City since the late 1990’s. There have been two plans developed for downtown development that include the property: the Downtown Washington Strategic Plan and Implementation Projects (Allison Platt, 1996) and the Downtown Washington Revitalization Strategy (W.K. Dickson, 2005).

The Allison Platt plan (Appendix B) includes a small boat basin as the focal point of the green space between the Estuarium and Market Street, including the possible configuration of three buildings located to the west of the property. The uses could include a small hotel or retail and restaurant uses on the ground floor with office or residential above. The small boat basin with a

surrounding pergola, pavilion and steps down to the water is intended to bring people down closer to the water.

The W.K. Dickson plan (Appendix C) envisions an amphitheater to the west of the block, and a great lawn/festival park intended for the area to the east, between the proposed amphitheater and the Estuarium. To the west of the amphitheater, a main plaza is proposed. The festival park would function as a location for a farmer's and artisan market and a stormwater management area until the main plaza is constructed.

Principles of Development (Review Smart Growth principles)

At the 2007 Washington City Council Planning Retreat, the Council prioritized the Smart Growth principles, in the following order:

- Make development decisions predictable, fair and cost-effective
- Create range of housing opportunities and choices
- Preserve open space, farmland, natural beauty and critical environmental areas
- Provide a variety of transportation choices
- Create walkable neighborhoods
- Improve drainage
- Mix land uses
- Compact building design
- Foster distinctive, attractive communities with a strong sense of place

Appropriate Uses of the Property

The Council listed the following as appropriate uses of the property:

- Green space
- Hotel
- Retail
- Residential

Green space

The Council listed the merits and drawbacks of using the property for green space:

- Developing the property for green space would have a negative economic impact
- Green space would preserve a view of the water for property owners on the north side of Water Street
- Green space is a quality of life issue
- Passive recreation is preferred to active recreation
- Green space would be a public asset
- Preserving the property for green space would minimize impervious surface
- Maintenance of the green space would be a cost to the City Hotel

Hotel

Next, the Council considered the advantages and disadvantages of developing the property for a hotel:

- A hotel would increase the tax base and collect additional occupancy tax revenues
- A hotel would fuel downtown businesses by bringing people to the downtown

- Developing the property would serve as a catalyst for developing the block (Evans Seafood, Maola, McQuay buildings)
- Less maintenance for city
- The property would serve as a bargaining chip for developing the Maola and McQuay properties
- Jobs
- Tourism
- A negative would be that the hotel would be on the periphery of downtown
- Parking would have a negative impact on residential area
- A hotel would have to be developed on a small lot, which may limit hotel options
- Building height would be determined by the historic preservation guidelines

Retail

The Council then considered the advantages and disadvantages of developing the property for retail:

- Retail development would have an impact on the core business district
- There are environmental restrictions on the property (Base Flood Elevation is 12 feet)
- Retail uses would bring added traffic
- Parking would be an issue
- Retail development may impact residential values
- Jobs

Residential

The benefits and detriments of developing the property for residential uses are:

- Residential use of the property would increase the tax base
- Residential use would be consistent with adjoining property
- Height of building would be determined by historic preservation guidelines
- Residential use could fuel downtown business
- Increase traffic / parking

Residential use of the property would have to be low density development. There are restrictions on multifamily development of the property that are tied to the sale of units on the Moss Landing development.

After much discussion, the Council decided that a hotel was the most appropriate use of the property.

Open Space

The Council was asked what thoughts they had about preservation of the adjacent open space. Their thoughts were to use either a conservation easement or some other form of legal process to preserve the adjacent properties as open/green space in perpetuity.

When asked what the green space should look like, the Council answered with a list of potential uses:

- An amphitheater may be an appropriate use of the open space
- Active recreational uses will have a high impact on neighboring properties
- Passive recreational uses would have less of an impact on neighboring

properties

- The open space should be visually and physically accessible
- Any improvement of the property should be done with public input, possibly a charrette process
- The town needs a center, or commons
- Any use of the open space should protect the viewscape from Bonner Street
- The property should contain restrooms

The next question pondered by the Council concentrated on waterfront access. First, the Council was asked to define “waterfront access,” and all agreed that “waterfront access” should include the viewscape, as well as physical access. Several Council members noted that the public had lost the ability to use Whichards’ Beach and Griffin’s Beach, and that the City should make efforts to preserve waterfront access for town citizens.

Lot Configuration

The next agenda item was for the Council to consider how the lot (or lots) should be configured and the relationship of the lot to neighboring properties. A suggestion was made that the property should be “squared off” to provide better development opportunities. Also, the idea of combining the Evans Seafood site with the two lots immediately to the west would be the preferred alternative, but the owner of the Maola property did not appear to be interested in selling at this time.

The Council discussed Water Street and the appropriate street width. The street currently narrows in front of the McQuay building and the Maola property, then flares out again at the western edge of the Evans Seafood property. Any redevelopment should consider the widening of Water Street along the McQuay and Maola properties.

Grading plans were briefly discussed. A few recent projects along the waterfront have brought in fill dirt to raise the lots prior to construction. Several Council members questioned whether building height should be measured from the original grade or the higher, improved grade as lots are developed using fill. Staff informed the Council that the Planning Board and the Historic Preservation Commission are currently working jointly on the issue of height.

Selling the Property

The Council agreed that any attempt to sell the property for private development should include a purchase price of at least \$600,000, the recent appraised value of the ½ acre site. There was some discussion about how squaring the lot could possibly add value to the site. Also, a feasibility study for the use of the lot for a hotel was mentioned. Another consideration was to use the lot as leverage to develop the rest of the block.

The Council also outlined the criteria that should be considered before selling the lot. These criteria are:

- A performance bond and/or providing a letter of credit to show the developer has the money to complete any proposed development project
- Participation in improving and maintaining adjacent green space
- Mitigation for any loss of waterfront access
- A timeline and/or benchmarks must be met as the project moves forward
- The City can dictate the appropriate use of the property

Other considerations that could be considered are to tie any development proposal to the two adjacent properties to the west (Maola and McQuay) and to

consider putting any revenues from the sell of the property into a trust to fund the library.

At 8:10 p.m., on motion of Councilman Gibson, seconded by Councilman Jennings, Council unanimously adjourned the meeting until Monday, May 7, 2007 at 4:30 p.m.

**Rita A. Thompson, CMC
City Clerk**