

# Rosemary Square development group contract not expired

By TOM PARKS  
Staff Writer

The Rosemary Group scrapped its plans to build a \$30 million hotel/shopping complex Monday, but the development group and Chapel Hill have not ended their contractual obligations.

"It (the contract) is still technically alive until July 30," Chapel Hill Town Council member Joe Herzenberg said Tuesday.

The developers were required to give a report by July 30 indicating they would meet the Sept. 30 deadline

to submit final plans.

If the developers fail to meet the July deadline, the contract will automatically terminate, Herzenberg said.

James Adams, executive officer of The Rosemary Group Inc., told the town council Monday the development group would not be able to meet the council's Sept. 30 deadline for finalizing the project's plans.

The slow rate of sales of the condominium units caused The Rosemary Group to rethink its commitment to finance the project. The

group told the council it would not finalize its plans.

Mayor Jonathan Howes and Herzenberg said the only way the town and the development group could terminate the contract sooner is by ending their obligations in writing.

Howes said he thought the development group would be willing to end the contract.

Rosemary Square was conceived five years ago as a public/private project to bring public parking and private investment to downtown Chapel Hill.

Rosemary Square, with its three-level underground parking deck, would have been built at the intersection of Henderson and Rosemary streets on land used by Chapel Hill as a municipal parking lot.

The town planned to pay \$2.5 million for the construction and receive 328 parking spaces in return. The town also would have kept the deed to the land.

At the council meeting Monday, the council referred Adams' report to Town Manager David Taylor and

Town Attorney Ralph Karpinos to decide on a possible course of action.

Assistant Town Manager Greg Feller would not say Tuesday what course of action Taylor might recommend. Taylor will prepare a report within the month.

Herzenberg also was unsure of the direction Taylor would advise the council to take.

"I won't specifically know what they (Taylor and Karpinos) are going to suggest for a week or so," he said.

Before Monday's meeting, Karpinos sent a memo to council members asking them to exercise caution in their comments on Rosemary Square because of the possibility of future litigation.

The memo did not restrict council members from discussing the issue, Howes said. Karpinos just advised the council members to "be careful with what you do with this thing."

Council member David Godschalk did not comment on the memo, but he did say the contract was on its way to being canceled.

"We (the council and town) are involved in a contractual situation. And that has to govern our actions."

Herzenberg said the Rosemary Square controversy has defined town politics for the last two or three elections, with voters on both sides

of the issue choosing candidates solely because of their stand on the public/private development. "It has really been corrupting town politics."

Jack Tomkovic, owner of the Gold Connection, said the town council should now turn its attention to providing parking space downtown.

"We see the lack of foot traffic every day."

The closings of Foister's Camera Store Inc. and Logos Bookstore were directly related to a decrease in pedestrians walking along Franklin Street, Tomkovic said.

"If that does not tell you something, you are not listening. We need help."

In 1979, Chapel Hill voters turned down a bond referendum to build a parking deck on the same property Rosemary Square was to be built on, Herzenberg said.

A few years later the town council began looking at other ways to bring parking to the downtown area and settled on the idea of a public/private development project, he said.

Now that Rosemary Square has been scrapped, the town may use the land to build a parking deck similar to the one proposed in 1979, Herzenberg said.

"And that would indeed be ironic."

# OWASA to hear Amberly presentation

By TRACY LAWSON  
Staff Writer

The developer of the controversial Amberly project will make a presentation to the Orange Water and Sewer Authority (OWASA) Thursday.

Developer Philip Szostak said he believed Carrboro and OWASA could not legally deny him access to sewer and water services.

"The whole issue to me is the (constitutional) right I have to sewer and water services," Szostak said. "If they do not allow me access to the already existing water and sewer services, they are denying me my civil rights."

"If they do not allow me my legal rights, they are discriminating against me because of where the land is located. All the aspects of the project meet state and local building

ordinances."

Robert Peck, chairman of the OWASA Board of Directors, said he had no comment on the legality of denying Szostak access to water and sewer services until after the board meeting.

Attempts to build a private wastewater treatment plant to accommodate the houses in the Amberly subdivision received a setback last week when the N.C. Department of Environmental Management (DEM) refused to issue a permit for the plant.

Szostak said he requested the permit because Carrboro and OWASA refused to allow the use of existing sewer and water services.

After the DEM refused to issue the permit, Szostak said he sent letters to OWASA and the Carrboro Board of Aldermen requesting access to

water and sewer services.

The OWASA Board of Directors will also discuss the results of an environmental study concerning the controversial Amberly development project Thursday, Peck said. The study was conducted by Camp-Dresser-McKee, a Raleigh-based environmental consulting firm.

Last year, OWASA placed a moratorium on extending water and sewer services into the University Lake watershed for one year. This watershed is near the proposed Amberly subdivision site on N.C. 54 near Carrboro Park.

The purpose of the moratorium was to protect the lake from possible contamination that future developments might produce, Peck said.

The yearlong moratorium expired Sunday, and OWASA has proposed

to extend it for another year, Peck said.

"The moratorium was placed on the watershed in order to get firm information — based on research — to determine how University Lake can be developed," Peck said. "We have proposed to extend the moratorium for another year to allow time for Chapel Hill and Carrboro to study the findings of the study."

When the moratorium was initially implemented, one of its purposes was to control the amount of potential contamination that future development might produce, Alderman Randy Marshall said.

"It was thought that the development of the Amberly project might lead to a lot of other development in the area," he said.

# Board narrows choices for county airport site

By LAURA TAYLOR  
Staff Writer

HILLSBOROUGH — A list of 20 proposed county airport sites was narrowed to six locations during a work session Monday conducted by the Orange County Board of Commissioners.

The six proposed sites include locations in Hillsborough Township, Borders Little River and Eno townships and two locations in both Cheeks and Bingham townships.

The sites were chosen by the project consultants, Wilbur Smith Associates.

Board member Shirley Marshall said numerous residents are still concerned about the proposed airport although many sites were eliminated. "Many of the sites people were upset about were eliminated, but many were not," she said.

Horace Williams Airport is jeopardizing the safety of residents living near the airport and children attending Guy B. Phillips Junior High and Estes Hills Elementary schools, said Julie Andresen, a Chapel Hill Town Council member and a member of Citizens for Airport Planning.

Noise created by the airplanes is also considered an important prob-

lem, she said.

"There is a wide consensus that Horace Williams Airport has outgrown its usefulness," she said.

The paved runway at the airport runs directly in line with the schools.

Andresen said crash incidents have occurred in the past involving fatalities of plane passengers. One such incident happened near Chapel Hill Senior High School about five years ago.

The problem is that although Horace Williams Airport is owned by the University, it is classified as an open airport, she said.

There is an unusual flight approach pattern to the airport that some out-of-towners are not aware of, Andresen said. This is a potential source of danger for people nearby.

When the runway was first paved in 1970, the University agreed to certain conditions to keep the airport a limited one, Andresen said.

"I think the University has changed its policies over the years," she said.

Certain restrictions, however, have been strictly enforced by the University. "The restrictions that are in existence have been helpful," she said. The elimination of practice landings by students learning to fly airplanes has improved noise conditions, Andresen said.

Stephen Halkiotis, vice chairman of the Orange County Board of Commissioners, said if a new airport comes under construction, it will be paid for by state and federal money.

"The county would own it (the proposed airport)," he said. "We

haven't even delved into the area of finances yet."

Board member John Hartwell said the proposed airport would be considerably larger than the present airport.

"The projection was that it would open with two to three times the number of operations than at Horace Williams Airport," Hartwell said.

Any project of this size, Hartwell said, will incur some type of environmental consequences. The board will consider all environmental problems in trying to make the best final location choice.

Two public hearings will be held on May 24 and 25 in Chapel Hill and Hillsborough, respectively. Commissioners will vote June 28 to choose a final airport site.

# Orange Co. votes down impact tax

From staff reports

HILLSBOROUGH — The Orange County Board of Commissioners voted Monday to cancel a proposed impact tax on land development rather than send the bill to the N.C. General Assembly.

Moses Carey, chairman of the board, said it was unlikely that the proposal could be passed by the House before the deadline on May 11.

The bill was returned to the Intergovernmental Work Group, a committee consisting of representatives from Orange County, Chapel Hill, Carrboro and Hillsborough, for further study.

The decision on the impact tax ends the debate over the tax, which was designed to make development groups provide the funds for improvements to public facilities used during construction, such as roads.

The Intergovernmental Work Group said the impact tax would be an appropriate way to pay the cost of capital needs which cannot be attributed to one development project. The tax was supposed to take the tax burden for capital improvements off county residents.

According to estimates by the work group, a \$1 impact tax would generate \$488,450 annually for Chapel Hill's capital improvement needs.

Problems for the impact tax began when Hillsborough requested to be exempt from the proposal because town officials said the tax would have negative effects on development and affordable housing.

The proposal's tax districts had to be revised because of the withdrawal of Hillsborough. Some county officials were concerned that because part of the money from impact tax revenues was for Orange County schools, Hillsborough residents would also benefit.

The impact tax was supported by the Carrboro Board of Aldermen and the Chapel Hill Town Council.

The Chapel Hill Town Council approved a memorandum Monday to support the impact tax which was submitted by council members David Godschalk and Art Werner.

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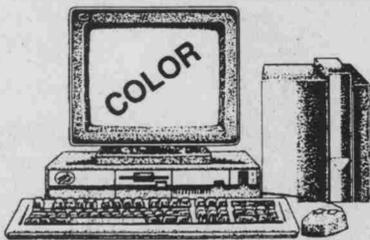
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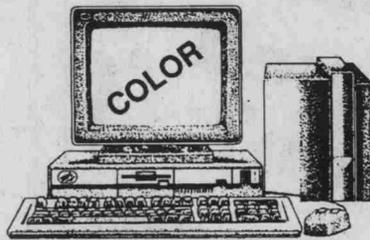
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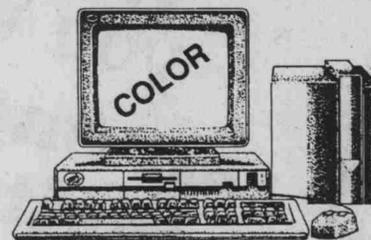
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