



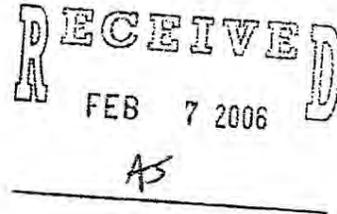
THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

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February 7, 2006



Kevin Foy
Mayor, Town of Chapel Hill
405 Martin Luther King Jr. Blvd
Chapel Hill, NC 27514

Dear Kevin:

Thank you for your letter of February 1 in response to our plan to create a Leadership Advisory Committee for Carolina North. I appreciate this opportunity to address the questions you raise and the concerns expressed by the Town Council.

I attach a statement prepared by Ken Broun and published in the Chapel Hill Herald, which sets forth his understanding of the charge of the Committee and its proposed process. I endorse Ken's language and welcome this opportunity to elaborate on the views he expressed in light of the specific questions you ask.

Potential Process

The committee will help set its own work process. As Ken indicated in his statement, the process is designed to produce principles that will guide the University in preparing plans for submission to the local governing bodies as part of the regulatory process. I hope that this process enables the University to create plans with full understanding of community concerns and in a manner that best considers those concerns. The committee sessions also will provide an opportunity for the participants to question each other about the project and to have an open exchange of ideas. The sessions will be open to the public, and I anticipate that the committee will allow comments from the public on several occasions to get a broad range of input from the community. Useful principles will emerge from a serious, good-faith effort on behalf of all of the parties. Two members of the University's Board of Trustees will be part of the committee process and will be fully engaged in the dialogue with other community members.

Committee Charge

I believe that the committee's charge is set out as fully as I can articulate it in my response above under the heading Potential Process. The Horace Williams Citizens Committee's report will be an important reference for the committee's discussion. I expect that the final report of the Leadership Advisory Committee will provide comprehensive principles to guide development of the property. I cannot speculate on how much more detail would be provided. That depends upon the committee's work. I am confident that a committee that engages both the community and University leaders will result in a constructive outcome.

Work Schedule

I expect that the committee would meet about once a month for the next year. There is the possibility that subcommittees or groups could be formed that would meet more frequently or at different times. No staff work from the Town on behalf of the committee is anticipated. However, the Town would have to decide how much staff work is necessary to prepare its representatives for full participation.

Meetings Televised

At a minimum, the University will videotape the meetings of the Leadership Advisory Committee, and, if subcommittees form, we will try to videotape those meetings as well. The University will air the meetings on its local cable access channel, and we would appreciate the Town airing the meetings on its government channel as well. We can also provide the tapes to the Peoples Channel.

Committee's Composition

A list of the people who have agreed to serve on the committee, as well as a listing of the entities we have asked to nominate members, is attached.

Town's Zoning Authority

The University enters this process in good faith and with the recognition and understanding that the Town of Chapel Hill has zoning authority over the Carolina North property within its boundaries.

Long-Range Transit Plan

The University is committed to supporting the development of a long-range transportation plan. We hope that the development of such a plan could begin as soon as possible and be done in conjunction with the work of the committee.

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Fiscal Equity Model

Similarly, the University is prepared to move forward with the development of a fiscal equity model. Such work should also be done in conjunction with the work of the committee.

Open Space Conservation

The University shares the Town's interest in protecting environmentally sensitive areas and is studying available mechanisms for doing this.

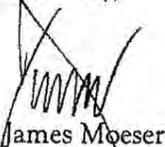
Airport Plans

The University's planning is based on the assumption that the Horace Williams Airport will close. We plan to relocate Medical Air Operations, which serves the Area Health Education Centers Program, to Raleigh-Durham International Airport when the development of Carolina North begins. Last May, the University pledged to keep the airport open until site work for Carolina North begins.

I hope that these answers are useful to you. As I requested in my letter of December 28, I urge you to forward to me the names of your three representatives to serve on the committee. It is our hope that your representatives will include members of the Town Council so that our dialogue can be truly productive. The committee will hold its initial meeting before the end of this month.

I appreciate your cooperation in this most important endeavor, and I look forward to the start of the Leadership Advisory Committee. If you have additional inquiries, please feel free to address them to me or to Professor Broun.

Sincerely,



James Moeser

Enclosures

Cc: Ken Broun
Nancy Suttentfield
Tony Waldrop

Carolina North Leadership Advisory Committee

Chair, Kenneth S. Broun, Henry Brandis Professor of Law, The University of North Carolina at Chapel Hill

Anita Badrock, Vice President, Chapel Hill-Carrboro Chamber of Commerce

Delores Bailey, Executive Director, EmPOWERment

Douglas J. Crawford-Brown, Professor of Environmental Sciences and Engineering and Director, Carolina Environmental Program, The University of North Carolina at Chapel Hill

Mark Crowell, Associate Vice Chancellor for Economic Development and Technology Transfer, The University of North Carolina at Chapel Hill

David King, Deputy Secretary of Transit, North Carolina Department of Transportation

David T. McCoy, Director, North Carolina State Budget Office

Roger Perry, member, The University of North Carolina at Chapel Hill Board of Trustees

Etta Pisano, Professor, Department of Radiology and Biomedical Engineering, The University of North Carolina at Chapel Hill

Lisa Stuckey, Chair, Chapel Hill-Carrboro City Schools Board of Education

Nancy D. Suttentfield, Vice Chancellor for Finance and Administration, The University of North Carolina at Chapel Hill

Holden Thorp, Professor and Chair, Department of Chemistry, The University of North Carolina at Chapel Hill

Tony Waldrop, Vice Chancellor for Research and Economic Development, The University of North Carolina at Chapel Hill

Bob Winston, member, The University of North Carolina at Chapel Hill Board of Trustees

To be named:

Three by the Chapel Hill Town Council

Three by the Carrboro Board of Aldermen

Two by the Orange County Commissioners