



CONSIDER AN APPLICATION FOR A SPECIAL USE PERMIT MODIFICATION FOR 136 E. ROSEMARY ST. AND 137 E. FRANKLIN ST. INNOVATION HUB (PROJECT #20-027)

STAFF REPORT

TOWN OF CHAPEL HILL PLANNING DEPARTMENT
 Judy Johnson, Interim Planning Director
 Michael Sudol, Planner II

PROPERTY ADDRESS 136 E. Rosemary St. & 137 E. Franklin St.	DATES Community Design Commission: April 27, 2020 Planning Commission: May 5, 2020	APPLICANT George Retschle, Ballentine Associates
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STAFF RECOMMENDATION
 That the Community Design Commission and Planning Commission review and make a recommendation on the application to the Town Council.

STAFF ANALYSIS
 An accompanying application to rezone the property from Town Center-1 (TC-1) and Town Center-2 (TC-2) to Town Center-3-Conditional (TC-3-C) is also proposed, and this application proposes to meet standards in the Town Center-3-Conditional (TC-3-C) zoning district.

PROCESS
 The application will be presented to Council for approval of a Special Use Permit Modification. The Council must consider the **four findings** for approval of a Special Use Permit Modification, which indicate that the use or development:

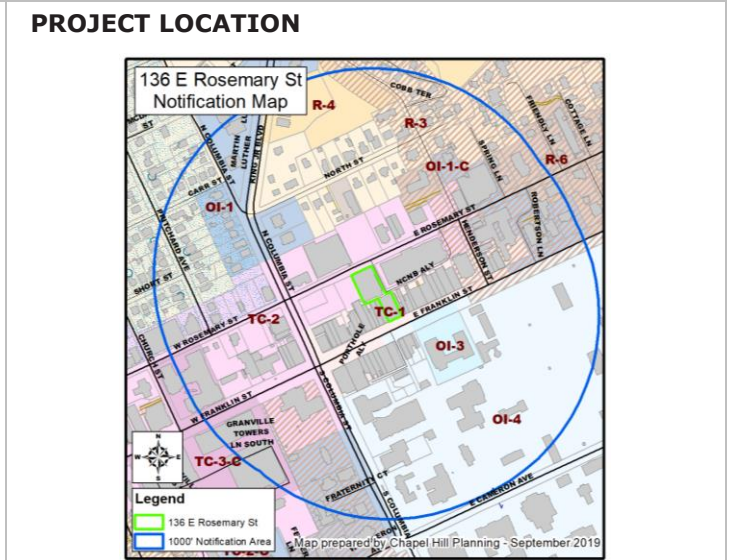
1. is located, designed, and proposed to be operated so as to maintain or promote the public health, safety, and general welfare;
2. would comply with all required regulations and standards of the Land Use Management Ordinance;
3. is located, designed, and proposed to be operated so as to maintain or enhance the value of contiguous property, or that the use or development is a public necessity; and
4. conforms to the general plans for the physical development of the Town as embodied in the Land Use Management Ordinance and in the Comprehensive Plan.

DECISION POINTS

- The applicant is requesting a Special Use Permit modification along with the accompanying rezoning application.
- On October 2, 2019, Town Council passed a resolution limiting the scope of review of the Special Use Permit Modification to approval of the planned exterior renovations to the property, specifically a new curtainwall glass and panel system mainly encompassing the 136 E. Rosemary Street building as well as a new glass and panel cladding on the 137 E. Franklin Street building (facing 136 E. Rosemary Street).

PROJECT OVERVIEW
 The applicant proposes a comprehensive renovation of the two commercial office buildings at 137 E Franklin St and 136 E Rosemary St. These buildings share a single 0.66-acre lot that is split-zoned between TC-1 and TC-2, which are connected by a shared elevator and stair core.

The proposed renovations include replacing the elevator and stair core with an atrium space, recladding both buildings, creating new storefront space on the Rosemary St. ground floor, adding accessibility features, installing new fire suppression systems and HVAC systems, and replacing the roofing. These changes will result in an addition of approximately 1000 square feet of floor area. The accompanying rezoning to Town Center-3-Conditional (TC-3-C) is proposed to allow for the increase in floor area and bring the existing structures into compliance with the Land Use Management Ordinance.



ATTACHMENTS	<ol style="list-style-type: none"> 1. Project Summary Form 2. Resolution A 3. Resolution B 4. Application Form & Materials 5. Submitted Plans
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TECHNICAL REPORT

PROJECT OVERVIEW

The application proposes a Special Use Permit (SUP) Modification along with a rezoning to Town Center-3-Conditional (TC-3-C) for the site in order to accommodate renovations to two existing buildings that are non-compliant with the floor area ratio (FAR) allowed in the existing Town Center-1 (TC-1) and Town Center-2 (TC-2) zoning districts. The site currently consists of a single parcel that fronts on both East Rosemary Street and East Franklin Street. The project narrative explains that the existing buildings were built over 40 years ago, before the current zoning classifications of Town Center-1 (TC-1) and Town Center-2 (TC-2) were applied to the site, and do not meet modern standards. The proposed renovations will result in an increase in floor area from 125,600 SF to approximately 126,600 SF, and will be in compliance with standards of the requested Town Center-3-Conditional (TC-3-C) zoning district. More details about the proposed development can be found in the applicant's narrative and statement of justification.

Information about the site and proposed zoning district can be found below, as well as a proposed Modification to Regulations, other important considerations that staff has identified, and an analysis of the project's consistency with the Comprehensive Plan and relevant Findings of Fact.

SITE CONTEXT

Staff has identified the following physical and regulatory characteristics of the land which are relevant to consideration of a Special Use Permit Modification and Zoning Atlas Amendment:

- The 0.66 acre subject site fronts on and has access to both East Rosemary Street and East Franklin Street.
- The property is currently split-zoned between Town Center-1 (TC-1) on the Franklin Street side and Town Center-2 (TC-2) on the Rosemary Street side. The existing FAR exceeds what would be permitted under either zoning district.
- Adjacent properties to the north, northeast, and northwest are zoned Town Center-2 (TC-2). Adjacent properties to the south, southeast, and southwest are zoned Town Center-1 (TC-1).
- The current building height exceeds the permitted primary height of 44 feet at the setback line. The Town Center zoning districts have a 0' setback.

PROPOSED MODIFICATIONS TO REGULATIONS

- 1) Section 3.8 Dimensional Standards:** LUMO Table 3.8-1 specifies dimensional standards for the Town Center-3 (TC-3), including a maximum primary height of 44 feet at the setback line. The applicant is requesting a modification to increase the maximum primary height to 93 feet.

Staff Comment: The applicant requests to reduce dimensional requirements in order to bring the existing structure on East Rosemary Street into compliance with the current code. Staff believes that Council could find a public purpose for the altered dimensional standards as the modification will bring the building into compliance and facilitate renovation of the structure.

Council Findings and Public Purpose: The Council has the ability to modify the regulations according to Section 4.5.6 of the Land Use Management Ordinance. Staff believes that the Council could modify the regulations if it makes a finding in this particular case that public purposes are satisfied to an equivalent or greater degree. If the Council chooses to deny a request for modifications to regulations, the developer’s alternative is to revise the proposal to comply with the regulations.

For additional information on the proposed modifications and other considerations on timing and flexibility, please refer to the applicant’s attached materials.







OTHER CONSIDERATIONS

- On October 2, 2019, Town Council passed a resolution limiting the scope of Advisory Board review for the Special Use Permit modification to the Community Design Commission and Planning Commission. The resolution also limited review to the following:
 - Approval of the planned exterior renovations to the property, specifically a new curtainwall glass and panel system mainly encompassing the 136 E. Rosemary building as well as a new glass and panel cladding on the 137 E. Franklin Street building (facing 136 E. Rosemary Street)

CONSISTENCY WITH THE COMPREHENSIVE PLAN AND OTHER DOCUMENTS

Town staff has reviewed this application for compliance with the themes from the [2020 Comprehensive Plan](#)¹, the standards of the [Land Use Management Ordinance](#)², and the [Town of Chapel Hill, NC : Design Manual and Standard Details](#)³ and believes the proposal complies with several themes of the 2020 Comprehensive Plan:

Comprehensive Plan Themes: The following are themes from the 2020 Comprehensive Plan, adopted June 25, 2012:

☒		Create a Place for Everyone	☒		Develop Good Places, New Spaces
☒		Support Community Prosperity	☐		Nurture Our Community
☒		Facilitate Getting Around	☒		Grow Town and Gown Collaboration

¹ <http://www.townofchapelhill.org/home/showdocument?id=15001>

² https://www.municode.com/library/#!/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALOUSMA

³ <http://www.townofchapelhill.org/town-hall/departments-services/public-works/engineering/design-manual-and-standard-details>

Land Use Plan: The [2020 Land Use Plan](#)⁴, a component of the 2020 Comprehensive Plan, designates this site for Town/Village Center.

Staff Evaluation: North Carolina General Statute Section 160A-383 requires the Council to approve a statement describing whether its action is consistent with an adopted comprehensive plan and any other applicable officially adopted plan when adopting or rejecting any zoning amendment.

Staff provides the following evaluation of this application's consistency with the 2020 Comprehensive Plan and other adopted plans:

- The Town Center districts encourage the development of a commercial, service, and social center for Chapel Hill, which is consistent with the 2020 Land Use Plan. Similarly, these districts emphasize designing and locating buildings so that they provide visual interest.
- The proposed rezoning is also consistent in intensity with the Land Use Plan. The Town/Village Center land use designation currently encompasses all the Town Center zoning districts.
- Additional purposes of the 2020 Comprehensive Plan which may be achieved through this application are noted in the applicant's Statement of Justification.

FINDINGS OF FACT

No Special Use Permit modification shall be recommended by the Town Manager or Planning Commission for approval and no Special Use Permit modification shall be approved by the Town Council unless each of the following findings is made concerning the proposed special use or planned development:

- 1)** That the use or development is located, designed, and proposed to be operated so as to maintain or promote the public health, safety, and general welfare;
- 2)** That the use or development complies with all required regulations and standards of this chapter, including all applicable provisions of articles 3 and 5, the applicable specific standards contained in the supplemental use regulations (article 6), and with all other applicable regulations;
- 3)** That the use or development is located, designed, and proposed to be operated so as to maintain or enhance the value of contiguous property, or that the use or development is a public necessity; and
- 4)** That the use or development conforms with the general plans for the physical development of the town as embodied in this appendix and in the comprehensive plan.

⁴ <http://www.townofchapelhill.org/home/showdocument?id=1215>




















PROJECT FACT SHEET



Project Details

Site Description	
Project Name	136 E. Rosemary St. and 137 E. Franklin St. Innovation Hub
Address	136 E. Rosemary St. and 137 E. Franklin St.
Property Size (NLA)	28,836 SF (0.66 acres)
Existing	Office, retail, and restaurant
Orange County Parcel Identifier Numbers	9788-37-7517
Existing Zoning	Town Center-1 (TC-1) and Town Center-2 (TC-2)
Proposed Zoning	Town Center-3-Conditional (TC-3-C)


Site Development Standards

Topic	Comment	Status
Development Intensity		
Use/Density (Sec. 3.7)	Office, retail, and restaurant	
Dimensional Standards (Sec. 3.8)	Alternative dimensional standards proposed: Building Height, Setback – 93 feet	M
Floor area (Sec. 3.8)	Maximum: 126,880 sq. ft. Proposed: 126,600 sq. ft.	
Landscape		
Buffer – North (Sec. 5.6.2)	<i>Required: None</i>	
Buffer – East (Sec. 5.6.2)	<i>Required: None</i>	
Buffer – South (Sec. 5.6.2)	<i>Required: None</i>	
Buffer - West (Sec. 5.6.2)	<i>Required: None</i>	
Tree Canopy (Sec. 5.7)	<i>Required: None</i>	
Landscape Standards (Sec. 5.9.6)	<i>Required: None</i>	

Environment		
Resource Conservation District (Sec. 3.6)	<i>Required: None</i>	
Erosion Control (Sec. 5.3.1)	<i>Required: None</i>	
Steep Slopes (Sec. 5.3.2)	<i>Required: None</i>	
Stormwater Management (Sec. 5.4)	<i>Required: None</i>	
Land Disturbance	N/A	NA
Impervious Surface	31,720 sq. ft. (100% of gross land area)	
Solid Waste & Recycling	Required at Final Plan	FP
Jordan Riparian Buffer (Sec. 5.18)	<i>Required: None</i>	
Access & Circulation		
Road Improvements (Sec. 5.8)	No improvements proposed	
Vehicular Access (Sec. 5.8)	Existing access maintained	
Bicycle Improvements (Sec. 5.8)	No improvements proposed	
Pedestrian Improvements (Sec. 5.8)	No improvements proposed	
Traffic Impact Analysis (Sec. 5.9)	N/A	NA
Vehicular Parking (Sec. 5.9)	<i>Required: None</i>	
Transit (Sec. 5.8)	<i>Required: None</i>	
Bicycle Parking (Sec. 5.9)	<i>Required: None</i>	
Electric Vehicle Parking	<i>Required: None</i>	
Parking Lot Standards (Sec. 5.9)	<i>Required: None</i>	
Technical		
Fire	Meets Town Standards	
Site Improvements	Façade renovations and 1,000 sq. ft. increase in floor area	

Schools Adequate Public Facilities (Sec. 5.16)	N/A	NA
Inclusionary Zoning Ordinance (Sec. 3.10)	N/A	NA
Recreation Area (Sec. 5.5)	<i>Required: None</i>	
Lighting Plan (Sec. 5.11)	Maximum of 0.3 foot-candles at property line or no increase in existing ambient light levels	
Homeowners Association (Sec. 4.6)	N/A	NA

Project Summary Legend

Symbol	Meaning
	Meets Requirements
M	Seeking Modification
C	Requires Council Endorsement
FP	Required at Final Plan
NA	Not Applicable