



To: Town of Chapel Hill Mayor & Council Members
From: Joe Dye, Executive Vice President – Commercial Division
Tim Jezisek, Vice President - Development
Cc: Town of Chapel Hill Planning Department
File
Date: September 10, 2019
Re: **137 E. Franklin Street & 136 E. Rosemary Street, Chapel Hill, North Carolina – Limited Scope SUP**

On behalf of Franklin Office Chapel Hill, LLC, Grubb Properties is requesting the Chapel Hill Town Council to open the SUP for 137 East Franklin Street and 136 East Rosemary Street (collectively, the “Property”) limited to the following:

Request

1. Rezoning the Property from TC-2 to TC-3, bringing the Property in conformity in its current form and allowing for the incorporation of existing exterior floor areas within the building envelope as part of exterior renovations to the Property; and
2. Approval of the planned exterior renovations to the Property, specifically a new curtainwall glass and panel system mainly encompassing the 136 East Rosemary building as well as new glass and panel cladding on the 137 East Franklin building (namely the side facing 136 East Rosemary).

With this limited scope, only the applicable Boards and Commissions (CDC and Planning) will review the plans.

Context Summary

The Property is currently subject to a larger zoning overlay area that classifies it as TC-2. This zoning overlay was put in place after the building was constructed and in operation. Upon adoption of the TC-2 zoning overlay, the Property became a non-conforming use.

In April of this year, Grubb Properties acquired the Property. In order to bring the property to current Class A office standards, extensive renovations have been planned to help attract tenants and jobs to downtown Chapel Hill. Planned improvements include, but are not limited to, the following: Exterior renovations to 136 E. Rosemary including a new curtainwall glass exterior, new roofs for both buildings, a new HVAC system for the Property, demolition & abatement to shell condition for all vacancy, a full building sprinkler system and renovated common areas & restrooms.

A significant aspect of the planned renovations for 136 E. Rosemary includes the enclosure of space along the Rosemary street frontage, and the first floor exterior floor area underneath the existing building overhang. The purpose is to create a more inviting presence for the building along Rosemary Street; to improve the interior condition by eliminating the odd levels and ramping currently existing by creating an internal lobby/stairway/elevator which transitions to the enclosed space on the first floor. This will also greatly enhance the appearance of the overall Rosemary building as a more modern and inviting structure.

Enclosing this space as described above means space would be calculated as new FAR space, even though it is a nominal amount. The main reason the building is non-conforming under TC-2 is the 1.97 FAR for this designation versus a 4.0 FAR under TC-3. For this reason, this incremental proposed change in FAR cannot be approved by staff.

Respectfully,
Grubb Properties, LLC on behalf of Franklin Office Chapel Hill, LLC

Joe Dye

Tim Jezisek