



GRUBB PROPERTIES

People who care. Places that matter.

September 18, 2020

Mr. Maurice Jones
Town Manager
Town of Chapel Hill
405 Martin Luther King, Jr. Blvd.
Chapel Hill, NC 27514
919-969-2063 (fax)
manager@townofchapelhill.org

Re: Glen Lennox Development Agreement Annual Report for 2019-2020

Dear Mr. Jones,

Please find attached the annual report for Glen Lennox as stipulated by Sections 4.12 and 5.20 of the Glen Lennox Development Agreement. This report presents data on activities that occurred between July 1, 2019, and June 30, 2020. It demonstrates good faith compliance with the terms of the Development Agreement through June 30, 2020.

In summary, the time frame for this year's annual report saw continued design, planning, and collaboration with Town staff. There is noticeable construction progress on site with our first permitted apartment community, Link Apartments® Linden, nearing completion. The first units remain on track to deliver in December of 2020.

The second project in the Glen Lennox redevelopment made significant progress this past year as well. Construction of The Gwendolyn office building started in earnest in January 2020, and completion is anticipated in January 2021.

In July 2020, Grubb and Town staff members met to discuss the next apartment community, to be named Link Apartments® Calyx. This community will be located on block 9a, as the first project in the Village Center, envisioned as the mixed-use heart of the Glen Lennox redevelopment. The Grubb team is working to prepare the DACP application for Link Apartments® Calyx, and construction is anticipated to begin in June 2021.

Both Grubb and Town staff team members continue to work together to ensure that both the Development Agreement and the vision for Glen Lennox are realized.

Sincerely,

Whitney St Charles
Associate, Commercial Development



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Glen Lennox Development Agreement
2019-2020 Annual Report

1. One time change in floor area of 1,000 square feet or fewer to approved DACP (Section 4.9(b)(9))

There have been no changes of 1,000 SF or less to the floor area of the approved DACP plans.

2. Individual Development Agreement Compliance Permits issued (Section 4.12)

There have been no new DACPs issued in 2019-2020.

A DACP administrative modification was approved in mid-2019 for that first office building to account for the addition of a ~6,500 SF fitness center and cycle center.

A second DACP administrative modification was submitted June 30th 2020 for the DACP issued for the first apartment building, which is already under construction. This DACP modification was focused on the bus stops on Brandon Road. The modification upgraded the bus stops per the new Glen Lennox standard and added bike shelters.

3. Infrastructure installed (Section 4.12)

Infrastructure improvements in 2019 and 2020 focused on the intersection of 15-501 and Glen Lennox Drive, with associated work to widen lanes and install new traffic signals. Additionally, other infrastructure improvements associated with Link Apartments® Linden and The Gwendolyn included construction of and dedication of MacIntosh Lane, together with water and sewer infrastructure improvements.

4. Status of participation by the Town, Developer Owners, Representative and the Parcel Owners in the provision of or financing of public infrastructure for the Development (Section 4.12)

The provision of the public infrastructure installed for the Development outlined above was financed by the Developer Owner and Parcel Owners.

5. Dedications and acquisitions of infrastructure by the Town, Developer Owners, Representative and Parcel Owners (Section 4.12)

Plat for Glen Lennox drive was recorded and MacIntosh Lane was dedicated to the Town as a public right-of-way.



6. The projected schedule for Development of the Property in the forthcoming year (Section 4.12)

- Construction for the Phase 1 apartments, clubhouse, and parking deck will complete between November 2020 and February 2021.
- Construction for The Gwendolyn, the first office building in the redevelopment, is scheduled to complete in January 2021.
- Road work adjacent to block 9A is anticipated to begin in the summer of 2021.
- Construction for Link Apartments® Calyx and associated infrastructure is anticipated to begin in June of 2021.

7. For-sale affordable housing monitoring system, income levels, and new units built (Section 5.2.d)

For-Sale Affordable Housing	7/1/19-6/30/20
Total New Units	0
Cumulative Total	0
Affordable Units	0
% Affordable	0%

No for-sale affordable housing has been developed this past year. When for-sale housing is planned, a monitoring system will be created for the affordable units.

2. For-rent affordable housing monitoring system, income levels, and new units built (Section 5.2.d)

For-Rent Affordable Housing	7/1/19-6/30/20
Total New Units	0
Cumulative Total	396
Vested Renters	32
% Vested	8%
Avg. Vested Renter Rent / Unit	\$963

All apartment resident lease information is entered into Yardi Software. The move-in dates and the rental amounts are tracked. A notice is automatically sent out to every resident 90 days before their lease renewal notifying them of their upcoming rent renewal rate. Residents who have lived in Glen Lennox for more than 5 years are only allowed a rent increase equal to the Consumer Price Index with a floor of 2% and a ceiling of 5%. On a monthly basis, management uses Yardi Software to verify the current number of long-term residents. Current residents' income data will be gathered as allowed for future rental housing development. Town staff and Grubb team members collaborated last year to create a postcard notification from the Town to remind residents of the Vested Renter program and benefits.



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Of note is a new pilot program being developed voluntarily in conjunction with Community Home Trust (CHT) and Justice United. CHT, Justice United, and the Chamber approached Grubb last year with a proposal to bring more affordable housing online more quickly. Grubb Properties readily agreed and committed to leasing a number of units through a master leasing program managed by CHT. CHT master leases a collection of units, then rents those units at a subsidized income-based rate to individuals qualified and selected by CHT. This allows more low income and very low income individuals and families to live closer to jobs, services, and public transportation. The first renters moved in during the spring of 2019, with 5 designated pilot units being rented by April 2019. The Operations team at Glen Lennox continues to work with CHT and Justice United to monitor and measure efficacy.

CHT Units	Type	Move-in Date	Market Rent	Rent Charged	CHT Subsidy	Net Resident Rent
12 Audley Lane	2 Bedroom	4/12/2019	\$860	\$850	\$577	\$273
96 Hamilton	1 Bedroom	4/5/2019	\$780	\$775	\$485	\$290
31 Maxwell	2 Bedroom	5/1/2019	\$860	\$850	\$617	\$233
104 Maxwell	2 Bedroom	3/16/2019	\$860	\$874	\$532	\$342
48 Hayes	1 Bedroom	5/2/2019	\$850	\$775	\$444	\$331

3. A trip generation table showing the following (Section 5.4(b)(ii))

A. Land use type built and a location map of the buildings

N/A. No new buildings have been delivered.

Land Use	6/30/20	New	Total
Residential -For Sale (units)	-	-	-
Residential - For Rent (units)	396	-	396
Commercial/Retail (sf)	21,276	-	21,276
Office (sf)	5,084	-	5,084
Medical Office (sf)	-	-	-
Hotel (rooms)	-	-	-
Group Care Facility (beds)	-	-	-
Place of Assembly (count)	-	-	-



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B. Number of trips generated for each land use type

No development has occurred that has delivered units/office space for occupancy; so, there has been no new trip generation. However, the first part of Phase 1 development has seen the demolition of 44 units. Consequently, trip generations have actually *decreased* temporarily by roughly 400 daily trips (per the trip generation table in the Oct 2013 TIS). This will last until Q4 2020, when leasing of the new apartments is anticipated to begin and office space can be leased.

C. Comparison of trip generation table with the vehicle trips generated in the October 2013 TIS

Total External Daily Vehicle Trips (EVT) Added to Adjacent Streets	
Total New Daily EVT Projected by TIS Oct 2013 (Table ES-3)	16,557
Max New Daily EVT Allowed by DA	17,557
New Daily EVT Generated 7/1/19-6/30/20	0
Total New Daily EVT Generated by Development	0

4. Tax status of any Development or change in tax status of any property in the prior year (Sec 5.5)

There has been no change in tax status for any portion of the property. No buildings are tax-exempt.

5. Related Information of Note (Section 5.20(c))

- a) Wayfinding plan: The Development Agreement contemplates a property-wide wayfinding plan for pedestrians and bicyclists. Grubb team members met with staff in 2019 to begin drafting this document, which will require Council approval. Grubb has resumed working with Town Staff to finalize the wayfinding plan.