



**CONSIDER AN APPLICATION FOR SPECIAL USE PERMIT MODIFICATION – EASTOWNE REDEVELOPMENT – MEDICAL OFFICE BUILDING (MOB)-1**

**STAFF SUMMARY**

TOWN OF CHAPEL HILL PLANNING AND DEVELOPMENT SERVICES  
 Ben Hitchings, Director  
 Judy Johnson, Operations Manager  
 Michael Sudol, Planner II

<b>PROPERTY ADDRESS</b> 100 Eastowne Drive	<b>BUSINESS MEETING DATE</b> September 19, 2018	<b>APPLICANT</b> McAdams on behalf of Health System Properties, LLC
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**UPDATES SINCE PUBLIC HEARING**

A public hearing was held on May 23, 2018 and recessed until June 27. On June 27, the applicant requested deferring the reopening of the hearing to September 19 to address concerns raised by the Council and to provide additional information to both the Council and community. Since that time, the Planning Commission and the Community Design Commission have held special meetings and the Planning staff and applicant have conducted an Open House for the public. Planning staff have worked with the applicant to add several stipulations to Revised Resolution A. The added stipulations address the concerns raised by the public regarding building height, buffer, the Resource Conservation District (RCD), and the Traffic Impact Analysis (TIA). They are described in more detail in Attachment 2 – Proposed Added Stipulations. In addition, please see the Manager’s Cover Memorandum.

The following are key revisions addressing building height, buffer, the RCD, and the TIA:

1. The applicant has removed a multi-use path along 15-501 to reduce the impact on the buffer along 15-501. They will address the path as part of the Master Plan process in the future and bicycle facilities will be constructed to the extent practicable.
2. To maintain more of the existing buffer along 15-501, the applicant will remove fewer trees by doing a 50’ cut for viewing the medical office building and a 95’ cut for fire access that will be reduced to 55’ with plantings.
3. To address the concern about impervious surface within the RCD, the applicant has removed all parking in the upland portion of the RCD except for the 5 accessible parking spaces for Building 500.
4. The applicant increased the size of the parking deck to include 1,100 total spaces. The deck will be 78’ high. This would allow the structure to accommodate parking for a second building on the site without impacting the RCD.
5. To address concerns about the appearance of the parking deck from Eastowne Drive, the applicant will shift more cladding material to the Eastowne Drive façade, reducing views into the deck.
6. The applicant reduced the height of the medical office building to a maximum of 90’ from finished floor elevation (floor of the ground floor), and all mechanical equipment will be located within this limit. The applicant was able to do this by reducing the height of each floor from 15’ to 14’.
7. The TIA was revised to include a “worst case” scenario with a maximum trip generation rate based on square footage. The maximum trip generation rate results in some intersections having additional delays (the longest being up to 10 seconds), but does not warrant additional improvements beyond those already required in the June TIA per DOT and Town standards.
8. The applicant will provide covered picnic tables and landscaping to provide employees and visitors with an outdoor amenity area.

**PROCESS**

The application is before the Council for approval of a Special Use Permit Modification. The Council must consider the **four findings** for approval of a Special Use Permit, 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 requests three modifications to the regulations:

- To promote visibility into the site from US 15-501: install low-lying vegetative buffer between the proposed building and the property line (inner 30’) while maintaining existing tree canopy between the property line and US 15-501 (outer 82’). Also, remove two sections of tree canopy (50’ and 95’ wide) along 15-501 for visibility and required fire access.
- To include necessary building space and parking while minimizing RCD impacts: increase the allowable height for structures along Eastowne Drive, at both the setback line (from 35’ to 78’) and for building height more internal to the site (from 60’ to 90’).
- Allow 5 accessible parking spaces for Building 500 and associated land disturbance within the RCD.

**PROJECT OVERVIEW**

The applicant proposes demolition of four existing buildings and construction of a 150,000 sq. ft. 6-story building for medical office and clinic uses, along with a 3,000 sq. ft. utility building and a separate 7 ½-level, 1100-space parking deck. In addition, the applicant proposes a landscaped buffer along the US 15-501 right-of-way.

Future phases of the project will be part of a larger Master Plan process, including community input for additional buildings, infrastructure, and connections.

**PROJECT LOCATION****ATTACHMENTS**

1. Draft Staff Presentation (will be forwarded the week of September 17<sup>th</sup>)
2. Proposed Added Stipulations
3. Revised Resolution A
4. Resolution B
5. Project Details
6. Council Questions and Responses
7. Planning Commission Special Meeting Discussion Summary dated August 21, 2018
8. Community Design Commission Special Meeting Discussion Summary dated August 22, 2018
9. Transportation and Connectivity Advisory Board Meeting Discussion Summary dated August 28, 2018
10. Stormwater Management Utility Advisory Board Recommendations dated August 28, 2018
11. Planning Commission Special Meeting Discussion Summary dated September 4, 2018
12. Public Questions and Responses
13. Eastowne SUP Medical Office Building Comment Responses dated August 16, 2018
14. Revised Traffic Impact Analysis: Cover Memorandum and Executive Summary
15. Application Materials
16. Eastowne Redevelopment Illustrative Site Plan
17. Applicant's Submitted Plans dated August 31, 2018

**Special Use Permit Modification Findings**

Tonight, based on evidence in the record thus far, Town staff provide the following evaluation of this application based on the four findings of fact that the Council must consider for granting a Special Use Permit Modification. Council may review further evidence for its consideration during the continued public hearing. Summary of the evidence in the record to date is as follows:

**Finding #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:***

Evidence in Support	The applicant’s Statement of Justification includes the following:  “The Eastowne Medical Office project is located adjacent to public streets and is designed to allow for Emergency Services to access the site. The new buildings will be constructed in compliance with all life safety code requirements to protect tenants, visitors, and the general public.”
Evidence in Opposition	To date, there is no evidence of opposition.

**Staff Response:** We believe, based on the evidence entered into the record to date, that the Council could make the finding that the development would be operated to maintain or promote the public health, safety, and general welfare. We believe that the Special Use Permit Modification will provide emergency access to the site.

**Finding #2: *That the use or development would comply with all required regulations and standards of the Land Use Management Ordinance:***

Evidence in Support	The applicant’s Statement of Justification includes the following:  “This project is designed to be in compliance with the Land Use Management Ordinance and other plans and policies of the Town of Chapel Hill, and any other state or federal requirements with the exception of three modifications that have been requested to the LUMO. Those three consist of:  1. Modification to Section 3.8.4-Transitional Control Intensity Modifications: a. The OI-3 district to which the property is being rezoned has no limitation on building height. b. The topography of the site drops dramatically from north to south so a measurement of the building height based on the existing grade at the lowest point of the site would greatly limit the potential development density either in limiting building height of the required setback form Eastowne Drive. c. The Eastowne area is designated in the 2020 Comprehensive Plan as a future focus area for mixed-use office focused development. The plan specifically identifies it as a gateway site for potential high-density development. d. The medical office building, while across from the multi-family development, is not directly across the street from the existing buildings. The existing multi-family buildings
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	<p>are generally perpendicular to Eastowne and don't have windows facing Eastowne Drive so the impact of the building on residents will be limited. The closest residential building is perpendicular with an approximately 200-foot separation.</p> <p>2. Modification to Section 5.6.6 Schedule of Required Buffers: The required buffer along US Hwy. 15-501 is a 30' Type "D" buffer based on the sites adjacency to an arterial street. The requested modification is to regrade and landscape the buffer in an appropriate manor to provide an attractive landscape for view from 15-501 that also allows for visibility of an attractive building.</p> <ul style="list-style-type: none"> <li>a. The LUMO requirement was established in a different time when the goal was to screen development from view from the roadway. It is now understood that the combination of attractive landscaping and attractive buildings is also an acceptable, if not more engaging, treatment of a project's perimeter.</li> <li>b. In keeping with the vision of the 2020 Comprehensive Plan the attractive landscape plan, preserving existing larger trees in the right-of-way, while cleaning up unattractive scrub and underbrush will provide a true gateway entrance rather than a thick barrier between 15-501 and the project.</li> </ul> <p>3. Modification to Section 3.6.3-Permitted Uses and Activities in the Resource Conservation District (RCD): The current development already has buildings, parking lots, sidewalks and significant clearing and grading in the RCD. The development proposes to reduce the amount of development in the RCD with the demolition of 4 existing buildings and associated parking lots and sidewalks. However, for the fifth building, that lies fully in the RCD, and is not being demolished, it is necessary to construct accessible parking spaces in the outer "upland" portion of the RCD. The accessible parking must be close to the building entrance and therefore cannot be constructed outside of the RCD and property serving the existing building.</p>
Evidence in Opposition	To date, there is no evidence of opposition.

**Staff Response:** We believe, based on the evidence entered into the record to date, that the Council could make the finding that the development would comply with all required regulations and standards of the Land Use Management Ordinance. We believe that the Special Use Permit Modification with the modifications to height, landscape buffer along US 15-501, and location of accessible parking within the upland portion of the RCD will meet the regulations and standards of the Ordinance.

**Finding #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 of development is a public necessity.**

Evidence in Support	<p>The applicant’s Statement of Justification includes the following:</p> <p>“The new office buildings will replace older buildings constructed in the 1970’s that no longer serve as viable and functional office space. The new structures will be designed to the current standards of the Land Use Management Ordinance which will improve the attractiveness and functionality of the development.</p> <p>Redevelopment of this site will allow for the construction of functional medical office space intended to serve the needs of the citizens of Chapel Hill and surrounding area. The increased functionality and attractiveness of the medical offices will increase the values of surrounding properties and drive further investment in surrounding developments.”</p>
Evidence in Opposition	To date, there is no evidence of opposition.

**Staff Response:** We believe, based on the evidence entered into the record to date, that the Council could make the finding that the redevelopment would maintain or enhance the value of contiguous properties, with the conditions in Revised Resolution A of the Special Use Permit Modification.

**Finding #4: That the use 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.**

Evidence in Support	<p>The applicant’s Statement of Justification includes the following:</p> <p>“The use of the parcel will not change as part of the redevelopment approval of this Special Use Permit Modification will allow for the construction of new, energy-efficient, modern office buildings designed to meet the requirements of the Town’s LUMO.</p> <p>The subject property is located in the North 15-501 area as described in the Chapel Hill 2020 Comprehensive Plan. This area of Chapel Hill was noted to have areas of redevelopment opportunity due to underutilized commercial capacity. Approval of the subject Special Use Permit will allow denser non-residential development in the North 15-501 Area.”</p>
Evidence in Opposition	To date, there is no evidence of opposition.

**Staff Response:** We believe the Eastowne redevelopment proposal generally complies with the Land Use Plan and themes in the 2020 Comprehensive Plan. Relevant goals and objectives in the Comprehensive Plan include, but are not limited to the following:

- Balance and sustain finances by increasing revenues and decreasing expenses (Create a Place For Everyone.1);
- Foster success of local business (Create a Place for Everyone.3);

- A well-conceived and planned, carefully thought-out, integrated and balanced transportation system that recognizes the importance of automobiles, but encourages and facilitates the growth and use of other means of transportation such as bicycle, pedestrian, and public transportation options (Getting Around.1);
- Promote a safe, vibrant and connected (physical and person) community (Community Prosperity and Engagement.3);
- A connected community that links neighborhoods, businesses, and schools through the provision of greenways, sidewalks, bike facilities, and public transportation (Getting Around.2);
- A transportation system that accommodates transportation needs and demands while mitigating congestion and promoting air quality, sustainability, and energy conservation (Getting Around.6);
- Future land use, form, and density that strengthens the community, social equity, economic prosperity and natural environment (Good Places New Spaces.4); and
- Protect neighborhoods from the impact of development such as stormwater runoff, light and noise pollution, and traffic (Nurturing Our Community.8).

We believe, based on the evidence entered into the record to date, that the Council could make the finding that the proposed Special Use Permit Modification conforms to the general plans for physical development of the Town as embodied in the 2020 Comprehensive Plan.