



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

STAFF REPORT

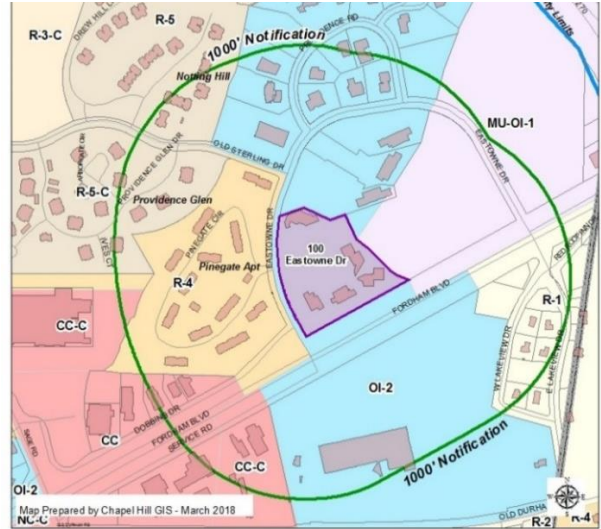
TOWN OF CHAPEL HILL PLANNING AND DEVELOPMENT SERVICES
 Ben Hitchings, Director
 Judy Johnson, Operations Manager
 Michael Sudol, Planner II

<p>PROPERTY ADDRESS 100 Eastowne Drive</p>	<p>BUSINESS MEETING DATE June 27, 2018</p>	<p>APPLICANT Health System Properties, LLC</p>
<p>TOWN MANAGER’S RECOMMENDATION</p> <ul style="list-style-type: none"> • That the Council continue and close the public hearing held on May 23, 2018 for Eastowne Redevelopment, Medical Office Building (MOB) 1; and • That the Council adopt Revised Resolution A, approving the application. • I have reviewed and discussed key issues with Town staff. Based on the information in the record to date, I believe the Council could make the findings required to approve the application with the conditions in the attached Revised Resolution A and approve the requested modifications to regulations. • Encourage UNC Health Care to commit to a Master Plan process that reflects the Town’s values, including connectivity. 		
<p>UPDATES SINCE PUBLIC HEARING</p> <p>A revised Traffic Impact Analysis (TIA) (attached) was submitted to the Town on June 6, 2018 to address the removal of Phase 2 from the proposal. As a result, several of the provisions are no longer needed. The following added provision is required with the consolidated phase:</p> <ul style="list-style-type: none"> • <u>US 15-501/Eastowne Drive/SECU intersection</u>: Prior to issuance of a Certificate of Occupancy, the developer shall extend the eastbound left-turn lane from Eastowne Drive to US 15-501 to a minimum of 400 feet. <p>Following the Public Hearing, the following stipulations have been modified or added to Revised Resolution A as a result of subsequent discussion:</p> <ul style="list-style-type: none"> • <u>Multi-Use Path</u>: That the developer install a multi-use path along the Eastowne Drive frontage as shown on the site plan and US 15-501 prior to issuance of a Certificate of Occupancy. • <u>Urban Design Review</u>: Following SUP approval, the Town will contract with an Urban Design Consultant for review of the plan set, including the parking deck design. Town Staff will select the third-party urban designer, and the applicant will pay for the urban design review based on the rate listed in the Planning and Development Services Fee Schedule for Blue Hill District Urban Design review. The Urban Designer will present his or her recommendations to the applicant for consideration prior to submittal of Final Plans for the project. • <u>Permitted Construction</u>: This Special Use Permit Modification authorizes the construction of one (1) building and associated parking deck. Any additional future buildings and other new development would need to meet all applicable Town requirements. • <u>Master Plan</u>: Before any additional new buildings are developed in Eastowne, UNC Health Care will conduct a Master Planning process that is consistent with the Town’s values as expressed in the Town’s Strategic Plan and the 2020 Comprehensive Plan. In addition, UNC Health Care will ensure that the process provides substantial opportunity for public participation and input. Once a draft of the Master Plan is prepared, the draft will be presented to the Town Council for their review and feedback. 		
<p>PROCESS</p> <p>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:</p> <ol style="list-style-type: none"> 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. 	<p>DECISION POINTS</p> <p>The proposed development requests a Modification to Regulations for the following:</p> <ul style="list-style-type: none"> • Modifications to landscape buffers along US 15-501 frontage. • Modification to the building height requirement. • Modification to the Resource Conservation District to allow accessible parking, land disturbance, and impervious surface requirements. • The proposal is contingent upon approval of a rezoning for the project area. 	

PROJECT OVERVIEW

The applicant proposes demolition of four existing buildings and construction of a 153,000 sq. ft. 6-story building for medical office and clinic uses, with a separate 5 1/2-story, 580- space parking deck. A landscaped buffer along the US 15-501 right-of-way is also proposed.

PROJECT LOCATION



ATTACHMENTS

1. Draft Staff Presentation
2. Revised Resolution A
3. Resolution B
4. Project Summary
5. Application Form and Materials
6. Revised Traffic Impact Analysis Executive Summary
7. Applicant's Submitted Plans dated June 12, 2018

Special Use Permit Modification Findings

Tonight, based on evidence in the record thus far, we 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. Council may review further evidence for the Council’s consideration as part of the continued public hearing process. 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 are generally perpendicular to Eastowne and don’t have
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	<p>windows facing Eastown 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> <p>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.</p> <p>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.</p> <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</p>
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	<p>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);
- A creative place to live, work, and play because of Chapel Hill’s art and culture (Create a Place for Everyone.2);
- 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).

Staff Response: 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.