

# Conditional Zoning Narrative

For:

## 157 E Rosemary Street

157 E. Rosemary St  
Chapel Hill, NC

PIN # 9788379926

Applicant:

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04 October 2023

Planner/Civil Engineer



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2023-03-30	Initial CZ Submittal
2023-05-26	CZ Submittal #2
2023-07-28	CZ Submittal #3
2023-08-29	CZ Submittal #4
2023-10-04	CZ Submittal #5

## Developer's Program

TJ Capital II LLC is proposing a 12 story, 157 ft tall (150 ft tall excluding the stair tower above the roof and directly across the street from the recently approved 140 ft tall biotech building), Class A residential condominium building at 157 E. Rosemary Street with 56 for-sale dwelling units, approximately 3,000 sf of retail on the ground floor, and one level of parking beneath the building.

This project brings dense, diverse, and high-quality housing options to our downtown, with 25% of the proposed units qualifying as much-needed affordable housing. A rezoning to R-CP-CZD with the associated height modification is requested as a means to provide the economics needed to enable the developer to provide this level of affordable housing.

The site is approximately 1/3 of an acre in size and is located on the north side of E. Rosemary Street, just west of Henderson Street. The site lies within the TC-2 zoning district and does not lie within any of the Town's zoning overlay districts, although is bordered on the North and East by the Franklin-Rosemary Historic District.

The proposed building will include approximately 89,250 sf of floor area and will have one level of parking beneath the building with a total of 22 parking spaces. The street level will contain 3,000 square feet of retail space, a lobby for the residential units and a ramp to the below-grade parking. The developer is in negotiation with the Town to secure a long-term lease on a block of parking spaces within the Town's new parking deck, which is just 300 feet west of the proposed building. These parking spaces would be made available to the residents of the proposed building. The project will remove one of the site's two existing driveways from E Rosemary Street and will reduce the number of trips generated by the site, as compared to the existing use.

There is currently a 2-story commercial building, asphalt parking areas, and a concrete outdoor patio area on the site, all of which would be demolished as part of the proposed redevelopment. The site's existing ground cover consists almost entirely of impervious surfaces, which is consistent with nearby downtown sites.

The project will result in a very small increase in impervious cover (33 square feet). Stormwater management requirements will be met by providing permeable interlocking concrete pavers (PICP) on the surface of the retail level patio. This PICP system will provide significantly more than the required treatment for the additional impervious surface added by this project and will mitigate any increases in peak flows to the site's two points of discharge. Please refer to the Stormwater Impact Analysis included with this application.

The wonderful environs of Chapel Hill itself are the amenity for the future residents of the 157 East Rosemary Street building. They will be able to walk and bike one block to

the Franklin Street Retail District and will also be able to access the heart of the UNC Campus through the new pedestrian entranceway across Franklin Street.

The Town of Chapel Hill transit services will also be available on Franklin Street, including transportation to many UNC sporting events. The convenient location will minimize the need for single-person vehicular traffic, further the Town's walkability goals, and support commerce in the downtown stores and restaurants.

The 157 East Rosemary Street property is across the street from the recently approved 140 ft tall lab/office building to be developed by Grubb Properties. These buildings do not sit directly across from each other, with the slender 157-building sited more toward the east and across from the new park.

In addition, the 157 building is designed with a terraced setback of the top two floors. These two floors are proposed to be clad with clear glass. If you are close to the building, you will not be able to see the top two floors due to the terracing. As you move farther from the building the top two floors will reflect the sky and will not be visually prominent. We believe that the many mature trees within the adjacent historic district will greatly reduce the visibility of the proposed building from within the adjacent historic district.

The attached renderings and elevations clearly illustrate the design elements described above and show how any "canyoning effect" is minimal.

The quality of materials, architecture, and proportions will be high quality, eye-catching, and beautiful. The property is designed to be a sparkling contribution to aesthetics and dynamism the downtown area.

The basic elements of the preliminary design for the East Rosemary Street frontage Street Activation Zone are illustrated in this application and will be refined as input is received from the Town and other stakeholders. Included on the building or within the activation zone will be an opportunity for public art and/or outdoor dining. This will enhance public utilization of the front of the site, encouraging pedestrian traffic from Franklin Street and along Henderson Street and integrating the shopping experience from Franklin Street to Rosemary Street.

We believe the project is highly advantageous to the Town of Chapel Hill, increasing the tax base by approximately \$60 million annually, while adding very little economic burden to the Town's public services.

The project also sets a tone encouraging high quality buildings and residential density in Chapel Hill. The proximity of these residences to downtown, the campus, and to the lab/office and other employment centers creates the live/work/shop/eat/play confluence that is the hallmark of vibrant, desirable, and successful cities.

## Affordable Housing Plan

The building height that is proposed in this application allows the developer to provide 25% of the total units as affordable units, which exceeds the requirements of the current zoning by 150%, as the current zoning requires only 10% of the total units to qualify as affordable housing. There will be a total of 14 affordable units consisting of one and two-bedroom floor plans and these units will be priced to ensure they are affordable at or below 80% of AMI. The affordable units will be the same size as some of the market-rate one and two-bedroom units proposed in the building. The affordable units will be interspersed amongst the market rate units on floors 2 through 6.

As explained in other sections of this narrative, the requested height is necessary to enable the economics of the project to support the higher percentage of affordable units. To explain why in greater depth: the sales/rental revenue generated by the market price/lease of the units on those additional, higher floors enables the project to provide more affordable housing units and still be commercially viable. Stated another way: distributing the location of affordable units to floors 2 thru 6, as anticipated, is necessary to allow the 25% number of affordable units in a commercially viable project.

The units on the higher floors will have greater open-market values, which will generate necessary additional revenue to support the overall construction cost of the entire project; therefore, reducing the number of market-value units on the higher floors by distributing affordable units on those floors, would, accordingly, reduce the overall number of affordable units that the economics of the project could support.

If the project simply complied with the current zoning requirement of only 10% of the total units to qualify as affordable housing, then those units would have been on floors 2-6. In other words, the affordable units will be distributed on each of the same floors that would comprise a residential structure that could be constructed without the modification allowing the requested additional height. The combined economic effect of increasing the percentage of affordable units to 25% and also reducing the project's revenue by allocating them on the upper floors would compound the financial impact of the affordable housing units beyond what is viable given the building's construction cost.

Thus, it is appropriate to allow the owner of the building to locate the affordable units on floors 2 thru 6 in order to provide a greater number of affordable units and still maintain the commercial viability of the overall project.

At an average size of 800 sf for the affordable units and a difference between the total development cost per square foot of approximately \$700 and a sales price of approximately 200 psf the developer is making a financial contribution of approximately \$5.6 million in developer cost for the additional cost of the affordable

units. The development team feels proud to be able to make such an affordable housing contribution to the town of Chapel Hill.

### Agreement with Community Home Trust

The developer has met with representatives of Community Home Trust to discuss CHT's involvement in the project's affordable housing program and to review approximate figures related to purchase price and monthly dues. The developer has agreed to CHT's proposed pricing model based on affordability at 80% AMI and to a provision where the monthly HOA dues and special assessments for the affordable units would not exceed 30% of those of the market rate units of the same size. This will help ensure the affordable units remain affordable. The developer will decouple the cost of leased parking from the sales price of the units.

### Eligibility for R-CP-CZD

This project will offer 25% of the total proposed for-sale dwelling units at a price that is affordable at or below 80% AMI for a period of at least 99 years. According to LUMO 3.4.7 (a), this qualifies the project for R-CP-CZD zoning and for Community Priority Process for Affordable Housing Development Review.

### Statement of Compliance with Town Design Guidelines

The project will be built in compliance with the Town's Design Guidelines.

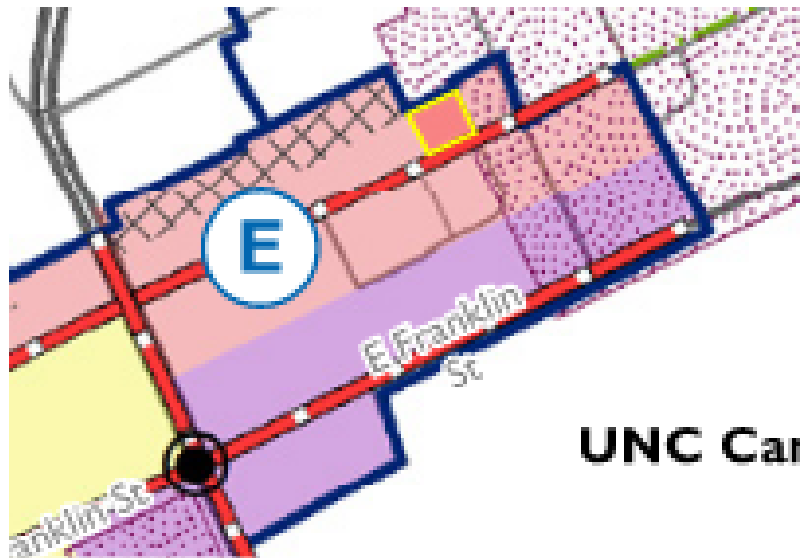
The building's architecture will be carefully designed to provide both a strong and meaningful presence on E. Rosemary St., similar to the vibrant redevelopment occurring on the remainder of the 100 block of E. Rosemary St. to the West and South. As noted above, parking will be provided in an efficient, compact footprint beneath the building.

The project will provide a vibrant, activated street frontage adjacent to the proposed ground-level retail and will maintain and enhance the streetscape improvements that were made by the Town along the site's E. Rosemary St. frontage.

Stormwater management facilities, water, sewer, and other utilities will be provided in accordance with the applicable guidelines, standards, and regulations.

### Consistency with Future Land Use Map (FLUM)

The site lies within Sub-Area E of the Downtown Focus Area of the Town of Chapel Hill Future Land Use Map, an excerpt of which is shown below. The approximate site boundaries are highlighted in yellow. The FLUM identifies the multi-family residential and ground floor retail proposed by this project as desired, primary uses in this subarea.



Although the FLUM recommends a maximum of 6 stories along the north side of E Rosemary Street and therefore this project proposes a building taller than contemplated by the FLUM, the developer believes that the proposed height enables the project to be in greater compliance with the Comprehensive Plan when viewed from the overall intent and objectives of the Comprehensive Plan than it would otherwise be if it were limited to only 6 stories.

A taller building, at the height proposed, would be a far more preferable option than a six-story building, and provide a significantly greater benefit to the Town, than simply proceeding with a more limited proposal that met the FLUM's maximum height standard. These benefits of the increased height and greater compliance with the Comprehensive Plan include:

- Increased number of affordable units;
- Higher construction quality and design features enabled by improved economics created by top floors;
- Greater residential density to enhance the live/work/play environment of the downtown area;
- An appropriate transition provided by a slimmer-profile building with reflective glass exterior;
- Improved walkability and transit for more residents in proximity to downtown businesses and the university;
- Greater tax base.

These reasons for deviating from the FLUM-recommended height are explained in more detail throughout this narrative.

Market research and experience in the Triangle have consistently indicated that the top floor of a residential building at the height proposed will generate a much greater portion of the revenue for the entire project. The economic benefit of proposing a building that only slightly exceeds the height of the far larger building recently approved

directly across Rosemary Street (150 ft vs 140 ft) tips the scale and allows the developer to increase the total affordable units to 25%, instead of the 10% affordable required under the current zoning.

Therefore, as explained earlier in this narrative, the additional height is necessary to serve a public purpose, consistent with the goals of the Comprehensive Plan, by providing dense, high-quality housing with 25% of the total units being affordable.

Another benefit of the increased height and improved project economics is that it allows for a higher (commercial) quality of design and construction than would otherwise be possible. As noted earlier in this narrative, the project will utilize steel, glass, and poured in-place concrete construction, high quality exterior finishes, floor-to-ceiling windows, exterior porches, and other construction/architectural features that will enhance the project's benefits to the Town, as discussed above, and provides greater alignment with the goals of the Comprehensive Plan.

These design/construction features cannot be economically incorporated in a shorter building, with fewer square feet that lacks the revenue enhancement from the upper floors. This is why you don't see shorter building construction with those design characteristics.

Construction of a 5-story stick-built residential condominium project above one floor of retail costs approximately 40% less than the cost of a steel, glass curtain wall, and a post tension or poured-in-place concrete structure. This project, at the proposed height, offers to buyers (in addition to its location) views from the additional 6 stories of construction, as well as significantly greater quality in exterior and interior finishes and the sound insulation and permanence of a class-A glass, steel and concrete high-rise residential condominium building. This building will symbolize the forward-looking and progressive nature of the Town of Chapel Hill.

The height and mass of the biotech building immediately across E. Rosemary Street is a "game-changer" to the building scale in the entire area, and the proposed project, in fact, would now serve as an appropriate transition as one moves north from that building. Therefore, one of the primary policy reasons of the FLUM's height limitation – to reduce the mass of buildings in transition areas – is, in fact, furthered by the project, notwithstanding its proposed height.

The relatively small footprint, and resulting slim profile of the proposed building is consistent with the FLUM's goal of transitioning building mass down as one approaches the adjacent neighborhood. Obviously, the proposed building, with only 9000 gross square feet on its largest floors (floor 2-4), tapering to only 5,480 on floors 11 and 12, with glass exterior of the higher floors, has a much smaller mass/impact than the adjacent approved building of an approximate equivalent height. In addition, the provided solar shadow study has analyzed and confirmed the minimal shadow impact of the building on adjacent properties.



Overall greater residential density allowed by the increased height - in close proximity to Franklin Street and the University - creates greater economic and societal benefits to the Town, discussed in detail above, than would be achieved by a shorter structure. For example, this increased density provides pedestrian access to more residents in the downtown area, to and from retail businesses and offices, improving walkability and transit utilization when needed and requiring less reliance on single-person vehicular transportation.

Finally, as is probably self-evident, a taller building as proposed increases the Town's tax base significantly more than a shorter building of lesser value.

Although the height of the proposed building exceeds the maximum number of floors recommended in the FLUM, conditions have changed and the adjacent approved 140' project was not contemplated when the FLUM was developed. There has been a significant and deliberate effort by the Chapel Hill Town Council in recent years to find ways to increase the availability of quality affordable housing in town, and the creation of the R-CP-CZD zoning district is the latest example of these efforts. The developer has responded by proposing a 25% affordable project with only a slight increase in height and far smaller mass than the adjacent approved project.

The developer also suggests that increases in height and density are appropriate in some downtown locations in order to reach the overall objectives of residential density and tax base to materially improve the live/work/play environment desired by many residents of the Town of Chapel Hill. The recently proposed 140' tall Longfellow project on Franklin Street provides an example of this.

The real estate market is evolving, and land and construction costs are at all-time highs. The increased height of our proposed building will allow the project to provide 150% more high-quality affordable housing units than would typically be required in the current zoning district, meeting the goals of the R-CP-CZD zoning district by providing 25% affordable housing. The many benefits of the increased density at this location, in furtherance of the spirit and intent of the FLUM, more than justifies the additional height

While the FLUM is an important advisory tool for the growth of Chapel Hill, a traveler following any map should be aware of new opportunities, changing surroundings, and serendipitous moments that may call for varying the route to improve the journey, to reach the same (or even better) destination.

The developer agrees with the Town of Chapel Hill staff that whether to deviate from the original path on the map is a decision to be made by the public officials whom the citizenry elect for exactly that purpose: to chart the most appropriate course for the Town by weighing the big picture advantages of the proposed project against guidelines on paper that would limit this site to only a six-story stick-built project.



We believe this request is consistent with, and furthers, the goals of the Chapel Hill 2020 Comprehensive Plan, for the reasons described above, and should be approved at the requested height.

### Statement of Compliance with the Comprehensive Plan

Below is a brief outline expressing several ways in which 157 E Rosemary Street will conform to the themes and applicable goals of the Chapel Hill 2020 Comprehensive Plan:

#### A Place for Everyone:

Theme description: This theme explored diversity and inclusion in a family-friendly, vibrantly creative environment. Participants focused on creating a welcoming community for all with special emphasis on the arts, teens, and the need for affordable housing.

Below is a description of how we believe this proposal meets the goals of this theme:

- Family-friendly, accessible exterior and interior places throughout the town for a variety of active uses

The proposed project will provide housing opportunities for families and a restaurant with an outdoor patio, all of which will be fully accessible.

- A creative place to live, work, and play because of Chapel Hill's arts and culture

The proposed project will create quality housing opportunities in the heart of Chapel Hill's downtown, where residents will have easy, walkable access to downtown employment centers and all of the arts and culture Chapel Hill has to offer. The project will contribute to that culture by providing a building with iconic and interesting architecture and an interesting and inviting streetscape, which will include some form of public art.

- A range of housing options for current and future residents

This project will provide 14 (25%) high-quality affordable housing dwelling units to increase the housing opportunities for those that work in Chapel Hill, but cannot afford to live here due to the high cost of market-rate housing. The project will also provide 42 high-quality market-rate units, creating a range of housing options. Our marketing efforts and market-rate unit price points will likely result in these units being purchased as primary residences, not for student rentals.

- A welcoming and friendly community that provides all people with access to opportunities

When completed, the 157 E Rosemary St. project will provide a unique and welcoming place for 56 families to call home, regardless of race, ethnicity, or religion. Those families will have access to all of the wonderful opportunities Chapel Hill has to offer and they will not need to commute into town from Durham, Chatham County, or elsewhere to avail themselves of those opportunities.

- A community of high civic engagement and participation

This location of higher density residential units within close walking distance to Franklin Street (0.1 mile), M.L.K. Jr. Blvd (0.3 mile), and the Town Hall (0.4 mile), and across for the planned park, will enable those living there to easily attend community events and activities downtown, as well as public hearings and events at the Town Hall. More generally, these residents (who will be owners of the units, not renters) will have a direct stake in the downtown area – its economic vitality, its cleanliness, its liveability, etc.; they will choose to live here, because they want also to work and play and shop all within walking distance, instead of commuting to work, then driving somewhere else for shopping and entertainment, and then returning to their residence, etc. This 24-hour/day presence in the same area will provide constant awareness of issues affecting their quality of life downtown and ensure their engagement and participation in the health of Chapel Hill.

### Community Prosperity and Engagement:

Theme description: This group focused on sustaining the financial health of the community by creating a safe, vibrant, and connected community. Participants examined encouraging economic development, supporting existing and new local businesses, and sustaining healthy neighborhoods.

Below is a description of how we believe this proposal meets the goals of this theme:

- Balance and sustain finances by increasing revenues and decreasing expenses

This project will add roughly \$80 million annually to the Town's tax base and will minimize the use of Town services.

- Foster success of local businesses

The project will help support the financial health of the community by providing unique and high-quality housing for year-round residents who will support downtown businesses

- Promote a safe, vibrant, and connected (physical and person) community

The project’s ground-level retail, outdoor patio, and activated street frontage will help enhance the vibrancy of the E. Rosemary Street corridor.

### Getting Around:

Theme description: This theme included the study of all modes of transportation needed for an inclusive, connected community. Participants explored the potential for regional partnerships linking to thriving greenways, sidewalks, bicycle amenities, and other options within the town.

Below is a description of how we believe this proposal meets the goals of this theme:

- 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

The future residents of this building will have very convenient access to the downtown bicycle and pedestrian network, including an extensive network of sidewalks, Post Office Alley, Varsity Alley, shared bike lanes along E. Rosemary Street, transit facilities on Columbia and Franklin Streets, and the future BRT station just around the corner at Franklin and N. Columbia Streets. Also, the intent is for some of the residents to utilize parking spaces in the Town’s public parking deck at 125 E Rosemary Street.

- A connected community that links neighborhoods, businesses, and schools through the provision of greenways, sidewalks, bike facilities, and public transportation

This project will maximize the connectivity to, from, and through this site to the extent practicable.

- Connect to a comprehensive regional transportation system

This project will maximize the connectivity to, from, and through this site to the extent practicable.

- Make an adaptable transportation system to support both dense and suburban development

Development of the Town’s transportation system is beyond the scope of this project.

- Create a comprehensive transportation system that provides everybody safe and reasonable access to all the community offers

Development of the Town's transportation system is beyond the scope of this project.

- A transportation system that accommodates transportation needs and demands while mitigating congestion and promoting air quality, sustainability, and energy conservation

Development of the Town's transportation system is beyond the scope of this project.

- Incorporate street planning into zoning code

Street planning is beyond the scope of this project.

- A community that has a parking system based on strategies that support the overall goals of a holistic transportation system.

As noted above, it is the intent of this project that some of its residents will utilize parking spaces that will be available in the Town's public parking deck at 125 E Rosemary Street.

### Good Places, New Spaces:

Theme description: Exploring what the Chapel Hill of the future should look like, this group focused not only on downtown and also on land use throughout the town including in existing neighborhoods, balancing respect for the old with the prospect of the new. Discussions of development coexisted with consideration of open space and the rural buffer.

- Low density, green Rural Buffers that exclude urban development and minimize sprawl

Specifically, providing higher density housing downtown reduces the pressure for residential development on the outskirts of the Town. In addition, this project will significantly add to the Town's tax base, provide much-needed, high-quality housing opportunities, and help enhance the vibrancy of downtown without any impacts to the Rural Buffer and without creating any sprawl.

- A vibrant, diverse, pedestrian-friendly, and accessible downtown with opportunities for growing office, retail, residential, and cultural development and activity

This project will redevelop a dated and under-utilized site with an attractive, high-density, mixed-use building that will provide an iconic bookend to the transformational redevelopment that is currently occurring on the 100 Block of East Rosemary Street. The iconic building design, ground-level retail, activated street frontage and well-designed residential spaces will help establish this portion of E Rosemary Street as a wonderful destination and landmark for the building residents, visitors, and the general public.

- A development decision-making process that provides clarity and consistency with the goals of the Chapel Hill 2020 Comprehensive Plan

This project does not affect the Town's decision-making policies.

- A joint Town/University development strategy that aligns initiatives for transportation, housing, environmental protection, and entrepreneurial programs

This project does not affect the Town/University development strategy, but does provide potential housing for university employee without the need of additional parking or vehicular traffic on campus, consistent with both Town and University goals.

- A range of neighborhood types that addresses residential, commercial, social, and cultural needs and uses while building and evolving Chapel Hill's character for residents, visitors, and students

This project will provide high-quality housing while adding significant architectural interest to the east end of E. Rosemary Street.

- A community that welcomes and supports change and creativity

We believe this project represents a creative solution to the need for additional affordable housing and for quality housing in general in downtown Chapel Hill.

- Open and accessible common spaces for community gathering, cultural uses, and community development

The small site limits the project's ability to provide significant gathering spaces, but the project will include an interesting and attractive streetscape and a significant outdoor patio adjacent to the proposed street-level retail/restaurant space.

- Future land use, form, and density that strengthen the community, social equity, economic prosperity, and natural environment

We believe the density proposed for this project is appropriate in this location, provides a range of housing opportunities, is economically positive, and will have very little environmental impact.

### Nurturing our Community:

Theme description: Environmental sustainability is at the core of this theme. Participants examined the many aspects of people's interaction with the natural habitat, from parks and open spaces to locally grown agriculture to protecting water quality and solid waste disposal.

- Become a model for North Carolina and beyond in wisely and justly reducing waste in a way that minimizes local environmental impact without imposing upon the environmental and social rights of others

This project will be designed and constructed using sustainable practices in order to minimize waste and environmental impacts.

- Maintain and improve air quality and water quality, and manage stormwater to heal local waterways and conserve biological ecosystems within the town boundaries and the Extra Territorial Jurisdiction

This project will meet stringent energy management standards and will incorporate a permeable pavement system to provide stormwater management/treatment for a site that currently has no stormwater treatment or management. The result will be maintenance or improvement of air and water quality.

- Protect, acquire, and maintain natural/undeveloped open spaces and historic sites in order to protect wildlife corridors, provide recreation, and ensure safe pedestrian and bicycle connections. These spaces could include, among other things, Significant Natural Heritage Areas (SNHA) lands adjacent to and connecting various properties such as riparian lands, etc.

This goal is beyond the scope of this project, but the redevelopment of this site to provide higher density housing downtown reduces the pressure for residential development on the outskirts of the Town that could be more impactful on natural/undeveloped open space and historic sites.

- Support the Parks and Recreation Master Plan and the Greenways Master Plan to provide recreation opportunities and ensure safe pedestrian and bicycle connections

The project will make a payment-in-lieu of recreation space, which can be used to help meet this goal.

- Adopt an integrated development review process that is fair and transparent and that incorporates the Chapel Hill 2020 environmental goals

Modifying the Town’s development review process is beyond the scope of this project, but the principles and consultants of the project commit to fully participate in the Town’s integrated development review process in a way that is fair and transparent and that incorporates the Chapel Hill 2020 environmental goals.

- Support local food producers and access to local foods by encouraging community and backyard gardens, farmers’ markets, and community-supported agriculture without encroaching on working farms within or adjacent to the Chapel Hill planning district

Whichever restaurant occupies the ground level space will be encouraged to work with local farmers to ensure local produce and farm products are used in the restaurant.

- Reduce the carbon footprint of all Town-owned or managed services and properties; require that all new development meets standards; and support residents in minimizing their personal footprints

This goal is beyond the scope of this project.

- Protect neighborhoods from the impact of development such as stormwater runoff, light and noise pollution, and traffic

This project will not create significant impacts to nearby neighborhoods. Cutoff fixtures and LED technology will be utilized in the lighting design to minimize light pollution, stormwater will be managed in such a way that impacts are improved as compared to the current conditions, and traffic will be significantly reduced from the number of trips currently generated by the existing use on the site. The noise generated by this project will be similar to other downtown uses. There will be construction-related noise during construction and typical noise related to garbage pickup and deliveries from and to any downtown facility once the building is occupied.

### Town and Gown Collaboration:

Theme description: Collaboration with the University of North Carolina at Chapel Hill and the UNC Health Care System on lifelong learning and innovation is the



centerpiece of this theme. Participants aspired to use the intellectual and financial capital of the University and the UNC Health Care System to help the town flourish.

- Take full advantage of ideas and resources to create a thriving economy and incorporate and utilize the intellectual capital that the University and Town create

The project will provide a multifamily living environment for university employees and others who want to live within walking distance of campus so that they can benefit from their close proximity to, and contribute to, the thriving economy and intellectual capital that the University and Town create. The project's consultants include a graduate of the UNC graduate business school and law school.

- Improve and expand access to the arts, culture, and intellectual pursuits for both the University and the Town

This higher density housing so close to campus affords more residents walkable access to the arts, culture, and intellectual pursuits offered by the University. Residents can easily walk to hear speakers at Memorial Hall, attend concerts at the Moeser Auditorium in Hill Hall, or see special exhibits at the Ackland Art Museum without the need to drive to and find parking for these opportunities.

- The University and Town will collaborate to improve downtown parking options that support business, cultural, and academic purposes

This higher density housing so close to downtown allows residents to walk to their destinations for business, cultural, and academic purposes without incremental parking spaces that would be needed if they lived further away and drove to University or downtown.

- Housing for students that is safe, sound, affordable, and accessible and meets a demonstrated need conducive to educational and maturational needs of students, and housing for Town, University, and the Health Care System employees that encourages them to reside in the community

This project will provide quality housing opportunities within a short walk of the University Campus and we anticipate our resident population to include UNC alumni and Town, University, and Health Care System employees, but not likely students, whose needs are met by numerous other housing options (primarily rental).

- The University, the UNC Health Care System, and the Town will coordinate closely to manage development in ways that respect history, traditions, and the environment while fostering revitalization and innovation

This project will be an excellent example of revitalization and innovation, which can guide best practices for future projects, but will not affect the way the University, UNC Health Care System, and the Town manage development.

- Promote access for all residents to health-care centers, public services, and active lifestyle opportunities

This project will provide quality housing opportunities within a short walk of the University Campus and we anticipate our resident population to include UNC alumni and Town, University, and Health Care System employees.

### Response to Sorority Concerns

The project qualifies for a hardship exemption from the 10-foot rear buffer requirement. The current building on the property is already located near the property line, and the site dimensions are very tight for any structure. Nevertheless, the developer has proposed an alternative buffer consisting of a 6-foot tall “green screen” trellis system interspersed with native drought-resistant columnar evergreens as shown on Sheet A10.1.

In addition, the developer has offered a substantial funding to the Sorority to be used for additional evergreen screening next to the Sorority parking lot (e.g. obstructing the views between the Sorority house and the proposed development), and/or for any combination of blinds, drapes or awnings as the Sorority might purchase and install for additional privacy. Many if not most of the residential buildings in the Town of Chapel Hill have viewlines to and from windows from nearby buildings but for buffer vegetation on their own property, and landscaping and window treatments are commonly used to provide appropriate privacy where desired.

### Modifications of Regulations:

The developer requests the following Modifications to Regulations:

**1) LUMO Table 3.8-1 Dimensional Matrix (R-CP-CZD)**

Building Height, Setback:

Maximum = 39 feet  
Proposed = 135'

Building Height, Core:

Maximum = 60 feet  
Proposed = 157'

Street Setback:

Minimum = 10 feet  
Proposed = 0 feet

Floor Area:

Maximum = 63,994 sf FAR = 1.1  
Proposed = 89,250 sf FAR = 6.0

Impervious Surface:

Maximum = 10,433 sf/0.70  
Proposed = 13,549 sf/1.00

**2) Reference LUMO Section 5.6 Landscaping, Screening and Buffering**

**5.6.2 Buffers Required**

Paragraph (f) would require this project to provide a 10' Type "B" landscape buffer between the subject site and the adjacent residential site to the north, unless site constraints would make such a buffer impracticable. In such a case, the town manager may waive the buffer requirement.

The developer requests Council approval of a modification that would eliminate the requirement for this 10' buffer and approve an alternate buffer in this location. There is currently no buffer along this property line. The wall of the existing building is less than 5 feet from the property line and the building's roof overhang extends to the property line. The existing asphalt parking lot extends to within 2 feet of the property line and there are numerous air conditioning units that along the property line.

The proposed building will feature an attractive landscape screen along the edge of the patio on top of the parking garage, which will provide screening of views across the property line at the ground level. The patio will sit just a few feet above grade, with its north edge approximately one foot away from the property line. The wall of the proposed building above the garage level will be approximately 18 feet from the property line, or more than 13 feet farther from the property line than the existing building wall. The developer believes the ground level view of the proposed project will be a significant improvement over the view of the existing property.

**3) LUMO Section 5.9.7: Minimum Parking Requirements (R-CP-CZD)**

	LUMO Requirement	Proposed Modification
Minimum Parking Spaces	59 spaces	TC-2 parking (no minimum)

This finding is based on a determination that the public purposes are satisfied to an equivalent or greater degree because the existing district has no parking requirements, additional parking may impact affordability negatively, and additional parking may be provided by utilizing nearby parking lots and garages.

**4) LUMO Section 3.10.8: Target Income Levels for Pricing of Affordable Housing Units**

	LUMO Requirement	Proposed Modification
Affordable Housing Requirements	50% of Affordable Units priced at 65% AMI	100% of Affordable Units priced at 80% AMI

This finding is based on a determination that the public purposes are satisfied to an equivalent or greater degree because the project is providing a greater degree of overall affordable units than IZ would require.

**5) LUMO Section 5.6: Minimum Tree Canopy Coverage Standards (Multi-Family Residential)**

	LUMO Requirement	Proposed Modification
Minimum Tree Canopy	30%	0%

This finding is based on a determination that the public purposes are satisfied to an equivalent or greater degree because the existing site does not provide any significant tree canopy and as designed there is not adequate space for plantings to meet LUMO requirements on site.

**6) LUMO Section 5.9.5 Parking Design Standards**

	LUMO Requirement	Proposed Modification
Parking Dimensions	25' wide drive aisles and 18.5' long parking spaces	24' wide drive aisles and 18' long parking spaces