



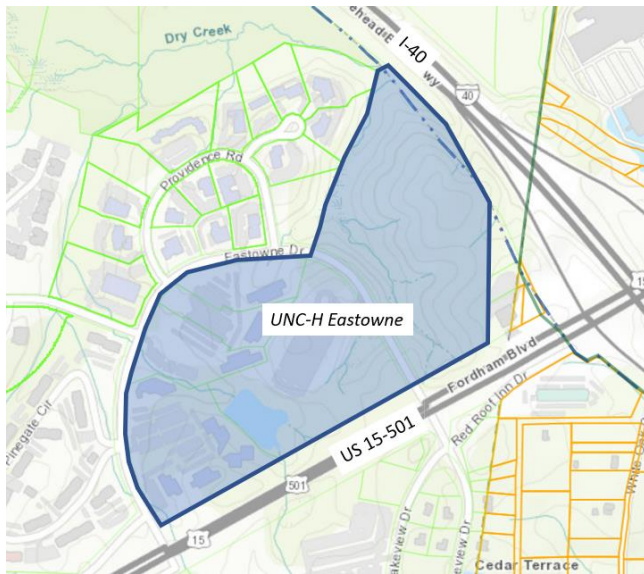
CLOSE THE LEGISLATIVE HEARING AND CONSIDER A CONDITIONAL ZONING APPLICATION FOR UNC HEALTH EASTOWNE (PROJECT #CZD-22-7)

SUMMARY REPORT

TOWN OF CHAPEL HILL PLANNING DEPARTMENT
 Britany Waddell, Director
 Judy Johnson, Assistant Director
 Tas Lagoo, Senior Planner

PROPERTY ADDRESSES 100, 200, 300, 500, 600, 700, 800, 901 and 998 Eastowne Drive	MEETING DATE May 24, 2023	APPLICANT McAdams on behalf of Health System Properties LLC (Property Owner)
TOWN MANAGER’S RECOMMENDATION That the Council 1) close the legislative hearing, 2) adopt the Resolution of Consistency and Reasonableness, and 3) enact the Ordinance approving the Conditional Zoning application.		
UPDATES SINCE THE APRIL 19, 2023, LEGISLATIVE HEARING <ul style="list-style-type: none"> • Development on the Northern 20: Construction of a parking structure on the Northern 20 shall only be authorized by the Town Manager upon demonstration of parking demand. If the deck is needed, efforts will be made to minimize impacts and to shift the construction site close to the US 15-501 and Eastowne Drive intersection. • Community Benefits: Includes a \$5 million contribution to support the creation of a loan fund supporting acquisition, preservation, and creation of affordable housing for a twenty (20) year term. Further refinement of this condition is anticipated prior to the Council meeting. • Green Building Standards: The property owner proposes all buildings designed to meet the more stringent of either (1) the North Carolina adopted energy code or (2) 20 percent better than the 2016 published version of ASHRAE 90.1. • EV Parking: The property owner shall provide a minimum of two percent of the parking spaces with EV charging stations and a minimum of 25 percent of the spaces to be “EV-capable.” • Project Phasing: The property owner will be required to apply for the first Zoning Compliance Permit (ZCP) within 5 years of the approval of this Conditional Zoning District. • 15-501 Pedestrian Crossing: Subject to NCDOT approval, the property owner will enhance pedestrian crossings at the southern Eastowne Drive/US 15-501 intersection. • Urban Design Review: The Town’s Urban Designer has provided some comments on the proposed Eastowne streetscape summarized in the Technical Report. 		
ZONING <i>Existing:</i> Office/Institutional-3 (OI-3); Office/Institutional-2 (OI-2); Mixed Use–Office/Institutional-1 (MU-OI-1) <i>Proposed:</i> Office/Institutional-3-Conditional Zoning District (OI-3-CZD)	PROCESS Conditional Zoning is a legislative process that allows Town Council to review the rezoning application for consistency with the Land Use Plan in the Comprehensive Plan and establish standards that address impacts on surrounding properties.	
DECISION POINTS <i>Modifications to Regulations:</i> The property owner requests modifications to regulations related to the following: <ul style="list-style-type: none"> • RCD buffers and dimensional regulations • Steep slopes • Parking maximums and bicycle minimums • Floor Area Ratio • Buffer along Eastowne Drive • Maximum size of signs • Requirements for the “district-specific plan” • Staff authorization of minor modifications 	PROJECT OVERVIEW UNC Health proposes to construct multiple healthcare-related buildings (totaling approximately 1.1 million square feet) and several parking decks to create a new medical campus along Eastowne Drive. Construction of a new medical office building (“MOB 2”) adjacent to the recently completed MOB 1 is slated to begin as soon as possible. Development of the remainder of the site is expected to proceed at a tempo	

PROJECT LOCATION



of roughly 1 new building every 3-5 years, with full buildout over at least 25 years.

The project site includes two parts. The approximately 30-acre "Inner Loop" is bounded by Eastowne Drive and US 15-501 and will host the majority of development on the site. The approximately 20-acre "Northern 20" lies between Eastowne Drive and Interstate 40. Approximately half of the Northern 20 will be placed in a permanent conservation easement and the remainder may be used to construct a parking garage during the final phase of development in the Inner Loop.

Transportation Impact Analyses were completed to determine the short-term impacts of MOB 2 and to understand potential impacts of the full development. Subsequent TIAs will be completed with each phase of development.

Prior to completion of MOB 2, UNC Health will make several improvements to and along Eastowne Drive between US 15-501 and Old Sterling Drive.

ATTACHMENTS

1. Technical Report and Project Fact Sheet
2. Draft Staff Presentation
3. Resolution A, Resolution of Consistency and Reasonableness
4. Ordinance A, Approving the Application
5. Resolution B, Denying the Application
6. Draft Applicant Presentation
7. Applicant Materials
8. Traffic Impact Analysis and Sensitivity Analysis
9. Plan Sheets



TECHNICAL REPORT

UPDATES SINCE THE APRIL 19, 2023, LEGISLATIVE HEARING

1. ***Development on the Northern 20:*** Concern was raised over the proposed construction of a parking garage on the Northern 20 acres. As shown, the property owner is proposing preservation of approximately 10 acres, or 50 percent, of the Northern 20. Some Councilmembers noted that a parking garage should only be allowed as a last resort.

The property owner and Town staff have explored other options to consider. The following conditions have been included in Revised Ordinance A and included in Revised Ordinance A:

Parking Spaces: A total ratio of 4.5 vehicular parking spaces per 1,000 sf of building area are authorized for construction within the Inner Loop (approximately 4,000 spaces). A maximum 1,200-space parking structure, to be located on the Northern 20, shall be subsequently authorized by the Town Manager upon demonstration that the need for additional parking exists.

If peak hour utilization of the vehicular parking spaces exceeds 80 percent of the capacity, a parking structure to provide the additional parking necessary to meet the overall demonstrated need for the Eastowne development shall be approved by the Town Manager on the Northern 20.

Parking Structure on Northern 20: The property owner shall investigate the option of moving the proposed parking structure closer to US 15-501 on the Northern 20. This location will require impacts to the Jordan Buffer, Resource Conservation District and intermittent stream. Access to the deck off from Eastowne Drive will be reviewed and approved by NCDOT and the Town. Current permitting requirements, at a minimum, include approvals from the Town of Chapel Hill (Jordan Buffer & RCD), US Army Corp of Engineers (wetlands), NCDENR-DWR (stream) and NCDOT (access). Any RCD encroachment reasonably associated with relocating the parking structure is permitted as part of this Conditional Zoning. If the permits can be obtained, the property owner will construct the parking deck as close as reasonably possible to US 15-501 and Eastowne Drive.

Town staff and the property owner explored several alternatives including:

- Increasing the height and capacity of parking garages within the Inner Loop. The property owner has indicated each proposed parking garage would be increased 2-3 stories.
- Providing diagonal parking along Eastowne Drive. Staff estimates this could provide 200-300 spaces and may impact the Level of Service, safety, and multimodal travel on the street.

- Executing a land swap with the Town if the Town could acquire property to support a parking deck near Eastowne.
- Providing for an off-site park-and-ride and shuttle for employees. This could be operated from Eubanks Road or the Friday Center.

2. **By-Right Development on the Northern 20:** Councilmembers have asked staff to outline the level of by-right development that could occur on the Northern 20. Staff note the following:

Based on the current zoning for the Northern 20 (MU-OI-1), approximately 250,000 sq. ft. of floor area is permitted by-right. Although development larger than 20,000 sq. ft. of floor area or 40,000 sq. ft. of land disturbance would require a Special Use Permit or Conditional Zoning District, the requirement could be avoided by subdividing the Northern 20 and executing multiple projects that each fall below the floor area and land disturbance thresholds.

Off-street parking is only allowed as an accessory use in MU-OI-1 districts. As a result, a standalone parking garage could not be built by-right as the primary or only use on the Northern 20.

It is also important to note that because the Northern 20 is essentially state-owned property, N.C. General Statute 160D-913 limits the Town's zoning authority to the regulation of *buildings* on the site. Activities such as tree-clearing or the construction of surface parking lots are outside the scope of the Town's zoning authority over the Northern 20.

3. **Community Benefits:** Councilmembers were largely supportive of UNC Health's proposal to offer \$5 million of seed funding for an affordable housing revolving loan fund and staff has been working to finalize details of loan fund. The following condition has been included in Revised Ordinance A:

Community Benefits: The Property owner or its successors or assigns (Owner) will contribute five (5) million dollars to support a revolving loan fund product for acquisition, preservation, and creation of affordable housing in the town limits of Chapel Hill (the "Loan"). The Town intends to use the Loan funds as top-tier seed funding for a larger Affordable Housing Loan Fund (the Fund) created at the direction of the Town and administered by a third party selected by the Town. A final funding Agreement ("Agreement") will be executed by Owner and the Town prior to issuance of the first Zoning Compliance Permit or establishment of the Fund, whichever occurs sooner. The following terms shall apply to the Loan:

- The Loan will be for a period of 20 years from its transfer to the Fund, extendable at the discretion of the Owner but otherwise repayable at the end of that period.
- As top-tier funding to the Fund, the Loan would be made at 0% interest to the Town or fund administrator and without recourse to the Town or fund administrator.
- The Loan funds will serve in a subordinate loss position to the Town in the case of losses being incurred by the Fund.
- The Loan proceeds would be made available to the Fund within 45 days of Agreement execution.

In the event that, through no fault of Owner, the Town should decline or fail to create the Fund or similar affordable housing finance product, or should the Fund not

continue in operation for the period of the Loan, this conditional zoning approval shall remain valid and enforceable and not be adversely affected thereby.

4. **Green Building Standards:** Based on continued discussions with Town Staff, the following condition has been included in Revised Ordinance A:

Energy Efficiency: All buildings shall either be designed to be 20 percent better than the 2016 version of ASHRAE 90.1 or in accordance with the current NC energy code, whichever is more stringent. For each building, the property owner will submit an energy model with the building permit plans to demonstrate that the building is designed to perform to the aforementioned standard.

For purposes of ASHRAE 90.1-2016 energy modeling and calculations, the following applies:

- a. Loads associated with specialty medical equipment shall be excluded from the energy models (baseline and proposed/design). Specialty equipment such as but not limited to linear accelerators, imaging equipment (CT scanners, MRI, etc), specialty pharmacy equipment, etc.
- b. Town staff shall allow a lower proposed/design improvement over baseline if applicant demonstrates that there is no commercially practical method to achieve a 20% reduction. Factors could consist of but not limited to equipment technology availability, material shortages, laws/regulations prohibiting manufacturing of certain materials, new codes, etc.

LEED building standard shall be reviewed for approach to energy conservation, indoor air quality, sustainability and building commissioning. The following LEED design goals shall be followed where practical in a facility designed for patient care:

- a. Third party building commissioning to ensure performance of energy conservation measures at completion of project.
- b. Strive to provide the highest indoor air quality design and eliminate or limit use of any materials that off gas to the indoor environment.
- c. Meet Energy efficiency measures as outlined in either ASHRAE 90.1 -2016 or NC energy code, whichever is more stringent.
- d. Where practical, specify materials made from sustainable and renewable resources.
- e. Provide on-site renewable energy production (i.e. photovoltaics)

UNC Health agrees to review with Staff the current standards and adjust criteria if mutually agreeable. The spirit of the projects is to build the most energy efficient buildings that are practical considering the mission of UNCH which is to provide the best possible medical care to its patients.

5. **EV Parking:** The property owner will provide at least 2 percent of the parking spaces in each parking structure with an EV charging station. Additionally, at least 25 percent of the spaces shall be "EV-capable". The following conditions have been included in Revised Ordinance A:

Electric Vehicle Parking: All new parking structures in the development shall adhere to the following standards:

- a. Prior to each Zoning Final Inspection for each parking structure, two percent (2%) of parking spaces, or more if demonstrated by ongoing monitoring of the use, in each parking structure shall be served by electric vehicle ("EV") charging stations. Charging stations shall be "Level 2" or higher as defined by the Society of Automotive Engineers and sites must:
 - i. Provide a Level 2 charging capacity (208/240V) or greater
 - ii. Comply with relevant regional or local standard for electrical connectors, such as SAE Surface Vehicle Recommended Practice J1772, SAE Electric Vehicle.
 - iii. Conductive Charge Coupler so that they are compatible with all types of chargers.
 - iv. When possible, EVSE-installed spaces should be identified and shared with the Town of Chapel Hill during the Zoning Compliance Permit review process.
- b. Twenty-five percent (25%) of parking spaces in each parking structure shall be "EV Designed," meaning the structure will be designed with accommodations to be installed to infrastructure at a later date. More specifically, this means that the final plans (and any amendments) show the full installation of up to 25 percent of the total spaces for Level 2 charging (or equivalent vehicle charging capacity by DCFC), including:
 - i. the locations for future charging stations, pavement markings and signage
 - ii. the locations for future pavement markings and signage related to ADA access that complies with the U.S. Access Board's latest version of the *Design Recommendations for Accessible Electric Vehicle Charging Stations* (or comparable ADA guidance agreed to by Town staff)
 - iii. the location of future conduit and raceways
 - iv. the location for future, upsized transformers
 - v. the location and durable marking of future electrical panels with dedicated circuits for EV charging*
 - vi. the location for borings between parking deck levels and/or walls for future conduit and raceways*

*Completed borings between parking levels and/or walls, and the durable marking of locations to reserve space for future electrical equipment (panels, transformers), will be made during the time of construction, and observed by zoning inspections staff at the time of final review.

Electric Vehicle Utilization: An analysis of the utilization of existing EV parking spaces will be provided by the Property owner with each Zoning Compliance Permit submittal and, if the staff finds there to be reasonable justification, the required number of EV spaces can be adjusted accordingly. An increase or reduction in the required number of EV spaces will be considered a minor modification.

Electric Bicycle Charging: All parking structures shall include at least three (3) 110-volt receptacles within five (5) feet of bicycle racks that meet Town standards.

6. **Project Phasing:** The property owner will be required to submit an application for the first Zoning Compliance Permit (ZCP) within five (5) years of the approval of this Conditional Zoning District
7. **15-501 Pedestrian Crossing:** Subject to NCDOT approval, the property owner will enhance pedestrian crossings at the southern Eastowne Drive/US 15-501 intersection. The following condition has been included in Revised Ordinance A:

US 15-501 and Southern Eastowne Drive Pedestrian Improvements: That enhanced pedestrian refuge islands should be provided on both pedestrian crosswalks of US 15-501 in coordination with NCDOT and the Town.

8. **Urban Designer Review**: The Town's Urban Designer has provided the following comments: "the Eastowne Drive frontages along the UNC Health Eastowne development, from what is understood, are to be a similar configuration to that which currently exists along the parking structure that was built as part of MOB 1. This consists of an approximately 3-foot wide grass strip along the curb, and a ten-foot-wide multiuse path. Beyond the path are trees spaced approximately 40 feet apart. Consider exploring if the trees could be spaced a little closer together, if suitable for the health of the growing trees.

The Eastowne Revised Concept Site Plan dated 03-30-23, indicates a "Tree Canopy" zone and 15-foot buffer beyond the right-of-way. Ample additional shade trees and other vegetation should be provided in this zone, to create a "soft" edge to the campus along Eastowne Drive. Illustrative renderings of the project previously presented, while not featuring a specific design layout, have been generally indicative of this character."

Revised Ordinance A has a condition requiring major streets to be landscaped with, at a minimum, canopy trees planted at increments of thirty (30) feet on center with groupings or limited breaks in accordance with emergency services requirements.

PROPOSED ZONING

The property owner proposes an Office/Institutional-3-Conditional Zoning District (OI-3-CZD) zoning district for the site.

The intent of the Office/Institutional-3 (OI-3) is "to provide for major educational, research, public service, and office uses, and their necessary support functions, while minimizing conflicts with adjacent land uses." (LUMO Section 3.3.5)

The property owner has submitted a Conditional Zoning application, which allows review of a development proposal in conjunction with a rezoning, and which allows site-specific standards to be applied as conditions through a legislative process. Conditions are typically used to:

- Address conformance of the development with Town regulations and adopted plans.
- Modify use, intensity, and development standards to be more restrictive when addressing impacts reasonably expected to be generated by development.
- Modify intensity and development standards to be less restrictive when accommodating the property owner's proposed site plan (Modifications to Regulations).

A -CZD suffix would be added to the zoning district designation to indicate the site-specific nature of the rezoning.

SITE CONTEXT

Staff has identified the following physical and regulatory characteristics of the land which are relevant to consideration of a Zoning Atlas Amendment:

- The site consists of approximately 50 acres.
- The site fronts on US 15-501, a NCDOT-maintained arterial road that serves as one of Chapel Hill's primary travel corridors. The site is adjacent to Interstate-40, which provides vehicular access to the broader region.
- The "Northern 20" is recognized as a "Moderate Natural Area" under the [North Carolina Natural Heritage Program](#)¹.
- The "Inner Loop" has been heavily developed and includes the recently completed Eastowne Medical Office Building 1 (MOB 1), a multilevel parking deck, and several one- and two-story office buildings that were constructed during the 1970's and 1980's.
- The site contains the following hydrological features:
 - A manmade pond and perennial stream located in the "Inner Loop" subject to a Resource Conservation District (RCD).
 - Intermittent streams on the "Northern 20" and portions of the "Inner Loop" are also subject to RCDs.
- The site is adjacent to the following uses and zoning districts:
 - The Pine Gate Apartments to the west are zoned Residential-4 (R-4).
 - The Eastowne Office Park to the north is zoned Office/Institutional-2 (OI-2).
 - The Parkline office building to the south is zoned Office/Institutional-2 (OI-2). Several other vacant parcels to the south are zoned Residential-1 (R-1).
- The site includes multiple steep slopes of at least 25 percent grade. A large share of steep slopes within the "Inner Loop" are manmade. The majority of naturally occurring steep slopes are found in the "Northern 20".

PROPOSED MODIFICATIONS TO REGULATIONS

- 1) Section 3.6.3 Resource Conservation District (RCD) Buffer:** The property owner proposes to modify the RCD Buffer standards as shown:
- a) RCD buffers for the restored stream shall only consist of the 50-foot streamside zone. There shall be no buffers associated with the managed use zone or the upland zone.
 - b) RCD impacts shall be allowed for the pond draining and stream restoration project from US 15-501 to Eastowne Drive.
 - c) RCD impacts shall be allowed for the construction of the site access opposite the intersection of Old Sterling Drive with Eastowne Drive and the extension of the multi-use path along Eastowne Drive.
 - d) RCD impacts shall be allowed for the construction of an above ground stormwater control (SCM) measure for the small RCD area on the north side of the project inside the "Inner Loop".
 - e) RCD impacts shall be allowed for the two (2) stream vehicular crossings shown on the current Conditional Zoning plan. A total of three (3) vehicular stream crossings may be permitted if deemed necessary to provide adequate emergency access to the Parcel Identifier Number 9890-91-1209. Pedestrian and bicycle crossings are permitted with the approval of the Town Manager.

¹ <https://ncnhde.natureserve.org/content/map>

Staff Comment: RCD regulations are intended to be applied to the areas within and along watercourses within the town's planning jurisdiction in order to preserve the water quality of the town's water supply, to minimize danger to lives and properties from flooding in and near the watercourses, to preserve the water-carrying capacity of the watercourses, and to protect them from erosion and sedimentation, to retain open spaces and greenways and to protect their environmentally-sensitive character, to preserve urban wildlife and plant life habitats from the intrusions of urbanization, to provide air and noise buffers to ameliorate the effects of development, and to preserve and maintain the aesthetic qualities and appearance of the town.

A manmade pond and a severely impaired stream are responsible for a majority of RCD buffers in the "Inner Loop". The property owner is proposing to drain the pond and invest in a stream restoration project that will return the stream to a natural form that supports a diverse riparian ecosystem. This work is entirely in keeping with the intent of the Town's RCD regulations. Other work in the RCD will be limited to features that are necessary to allow for adequate pedestrian and vehicular access to the site and sufficient stormwater management. Impacts on the RCD will be minimized through the use of low-impact features such as boardwalks and bottomless culverts.

- 2) Section 3.6.3 Dimensional Regulations in the Resource Conservation District (RCD):** The property owner proposes to modify the Dimensional regulations of the RCD as shown below in order to allow for the proposed stream crossings, construction of a stormwater control measures, and stream restoration:

Zone	Square Footage
Resource Conservation District Total Land Disturbance	180,000 sq. ft.
Resource Conservation District Streamside Zone Land Disturbance	172,000 sq. ft.
Resource Conservation District Streamside Zone Impervious Surface Area	25,000 sq. ft.

Staff Comment: Land disturbance and impervious surface within the RCD are proposed in to order to implement a stream restoration project, build stormwater management features, and provide adequate vehicular and pedestrian access on the site. Each of these activities represent commitments made by the property owner that exceed Town standards, enhance the project, and help the project achieve the goals of the Comprehensive Plan.

- 3) Table 3.8.1 Dimensional Matrix:** The property owner proposes to remove the maximum Floor Area Ratio (FAR) for this development. The FAR for Office/Institutional-3 zoning is 0.566.

Staff Comment: Floor Area Ratio (FAR) is used to regulate the total floor area that can be built on a site based on its gross land area. A FAR is not necessary in this case because total floor area is capped by the terms and conditions of the Conditional Zoning District.

- 4) Section 4.4.7(g)-(h) Procedures – All Other Conditional Zoning Districts:** The definitions of major and minor modifications to this conditional zoning ordinance and associated district-specific plan will be modified to allow administrative approval of the following:
- relocation of public amenity spaces
 - reconfiguration of pedestrian, bicycle, or vehicular circulation

- c. an increase of building height up to 15 percent of the approved height
- d. improvements related to construction of future Bus Rapid Transit stop on US 15-501
- e. an increase of less than 20 percent of the approved floor area
- f. an increase of less than 10 percent of the approved number of parking spaces
- g. relocation of vehicular access points to public rights-of-way by less than 50 feet from their approved location
- h. relocation of building envelopes by less than 100 feet from their approved location

Staff Comment: Administrative approval of minor modifications can provide property owners with greater flexibility to adjust to changing circumstances or unforeseen constraints as development progresses. Staff would only be permitted to approve a minor modification request if it is compliant with all applicable regulations.

- 5) Section 5.3.2 Steep Slopes:** The property owner proposes to increase the total allowable percentage of disturbance of *naturally occurring* steep slopes from 25 percent to 35 percent and to exempt manmade steep slopes associated with prior development of the site.

Staff Comment: Steep slope regulations are intended to protect streams, lakes, and wetlands from the effects of erosion on water quality and water body integrity; to protect the plant and animal habitat of steep slopes from the effects of land disturbance; and to preserve the natural beauty and economic value of the town's wooded hillsides.

The majority of disturbed steep slopes on the property are manmade slopes associated with previous development activity. The current steep slopes regulations exempt only manmade slopes associated with roads, driveways, and parking areas.

- 6) Section 5.6.2: Landscape Buffers:** The property owner proposes modifications to the required width and type of buffer, as detailed in the table below.

Buffer Location	Required Buffer	Proposed Buffer
Eastowne Drive	15 ft. Type B	No buffer required. Street trees to be planted at intervals of approximately 30 feet
US 15-501	20-ft, Type C	20-ft, modified buffer to be consistent with existing plantings along US 15-501.

Staff Comment: Landscape buffers are intended to separate proposed development from different adjacent land uses or zoning designations to minimize potential nuisances, reduce the visual impact of unsightly aspects of adjacent development, provide separation of spaces, and establish a sense of privacy.

The property owner proposes reduced buffers along Eastowne Drive in order to facilitate an activated street frontage along Eastowne Drive, which is consistent with the Comprehensive Plan.

- 7) Section 5.9.7 Minimum and Maximum Off-Street Vehicular and Bicycle Parking Requirements:** The property owner proposes to set the maximum total parking space limit at 4.5 spaces per 1,000 square feet of floor area. Minimum bicycle parking spaces shall be 2.5 percent of total vehicular parking.

Staff Comment: The proposed parking maximum is consistent with the various LUMO-mandated maximums for uses that are anticipated on the site. A harmonized parking maximum is proposed because the exact use-mix is not known at this time. The property owner proposes to provide a parking demand analysis with each application for a new building.

- 8) Section 5.12.1.a.4 Utilities – Water Main and Hydrant Installation:** The requirement for installation of water mains and fire hydrants will be amended as follows:

“No work shall commence ~~building permits shall be issued~~ with combustible materials until all required water mains and operational fire hydrants necessary for fire protection are installed and operational. For purposes of this subsection, "operational" means that the water mains and fire hydrants are capable of delivering sufficient water to meet domestic and fire fighting needs.”

Staff Comment: The proposed modification is consistent with building codes and has been vetted by Town staff responsible for enforcing said codes.

- 9) Section 5.14 Signs:** The property owner proposes to increase the maximum size of signs visible from the public right of way. Signs not visible from the public right of way will be exempt from the Town’s sign ordinance.
- a. Four (4) new UNC Health Eastowne Business Park and/or medical office site type commercial center signs up to 240 square feet each on Eastowne Drive shall be allowed for the proposed development on the Inner Loop. Sign dimensions shall be restricted to the following:
 - i. Maximum Height: 12 feet
 - ii. Maximum Width: 20 feet
 - iii. Maximum Thickness: 18 inches
 - iv. Minimum Letter Height on Panels: 12 inches
 - b. External wall signage (to include building address and/or name) shall be permitted on each building and parking structure at a location that allow for optimal visibility and wayfinding.
 - c. Internal site wayfinding signage shall be permitted at each intersection for vehicular and pedestrian traffic.
 - d. Internal building signage not facing the public right-of-way for identification and wayfinding is not subject to review by the Town.
 - e. The northern parcel will be allowed up to two (2) ground mounted signs if the parking structure is constructed.

Staff Comments: Sign regulations are intended to ensure that signs are compatible with their surroundings; appropriate to the identity of individual properties and the community; and appropriate to traffic safety.

Larger signs than those typically allowed under the sign ordinance would be appropriate given the scale of the proposed development and its potential to serve as a gateway feature to Chapel Hill.

- 10) Appendix A “District-Specific Plan”:** The property owner proposes to amend the definition of the “district-specific plan” accompanying this ordinance as follows:

“A plan, to scale, showing the approximate location of uses and structures proposed for a parcel of land as required by the applicable application and regulations, including but not limited to lot lines, streets,

building sites envelopes, reserved open space, buildings, major landscape features - both natural and manmade - and, depending on requirements, the location of proposed utility lines.”

Staff Comment: A “District-Specific Plan” is the site plan that accompanies an approved Conditional Zoning District. The proposed definition of a “District-Specific Plan” differs from the standard definition by removing the requirement to demonstrate the exact location of proposed buildings. Instead, the proposed definition allows the property owner to indicate “building envelopes” that define which areas of the site will be built upon. This modification is intended to balance the property owner’s need for greater flexibility (given the prolonged build-out period for the project) and the Town’s need to ensure that the rezoning is consistent with community interests.

Council Findings and Public Purpose: The Council has the ability to modify the regulations according to Section 4.4.7 of the Land Use Management Ordinance. Staff believes that the Council could modify the regulations if it makes a finding in this particular case that public purposes are satisfied to an equivalent or greater degree. If the Council chooses to deny a request for modifications to regulations, the property owner’s alternative is to revise the proposal to comply with the regulations.

AFFORDABLE HOUSING

The property owner proposes to support affordable housing by providing \$5 million in seed funding to the Town to establish an affordable housing revolving loan fund. The fund could support the acquisition of existing affordable housing under threat of redevelopment and creation of new affordable housing. Once initial funding is committed, staff anticipate that a fund administrator could quadruple the fund size by attracting additional private funding. With \$5 million in seed funding, the revolving loan fund could preserve or create around 500 affordable housing units or around 1,000 units for a fund with \$10 million in seed funding over 20 years.

This community benefit proposal aligns with the Town’s affordable housing goals, the Council-approved [Preservation Strategy Framework²](#), and best practices in the field of affordable housing development and preservation.

CONSISTENCY WITH THE COMPREHENSIVE PLAN AND OTHER DOCUMENTS

North Carolina General Statute 160D-605 requires the Town Council to consider a statement of Plan consistency when reviewing any Zoning Atlas Amendment. Town staff has reviewed this application for compliance with the themes from the [2020 Comprehensive Plan³](#), the standards of the [Land Use Management Ordinance⁴](#), and the [Town of Chapel Hill, NC : Design Manual and Standard Details⁵](#) and provides the following evaluation of consistency for the UNC Health Eastowne proposal:

	Description of Plan Element	Staff Evaluation
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² <https://www.townofchapelhill.org/government/departments-services/affordable-housing-and-community-connections/affordable-housing/strategies-and-plans/preservation-strategy>

³ <http://www.townofchapelhill.org/home/showdocument?id=15001>

⁴ https://www.municode.com/library/#!/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALAUSMA

⁵ <http://www.townofchapelhill.org/town-hall/departments-services/public-works/engineering/design-manual-and-standard-details>

<p>Land Use Category</p>	<p>Future Land Use Map: The site is located in Sub-Area A of the North 15-501 Corridor Focus Area. Commercial/Office uses are identified as primary uses in the Sub-Area while Institutional/University/Civic uses are identified as secondary uses.</p> <p>The FLUM notes that this Focus Area “should include employment centers, whether single user or in a mixed office setting, within proximity to future transit stops” and housing of various price points.</p> <p>The FLUM also notes that “redevelopment and development should enhance how people are connected to and experience the area’s natural resources.</p> <p>Chapel Hill 2020: The site is located in the North 15-501 Focus Area (Area 5) as identified by the Chapel Hill 2020 Comprehensive Plan. The plan calls for “efforts, in partnership with property owners in the area, to identify sections to rezone and to provide enhanced connectivity for bicycles, transit, pedestrians, and vehicles using the complete streets approach.”</p>	<p>The FLUM and Chapel Hill 2020 envision the North 15-501 Corridor as a vibrant gateway into Chapel Hill that is well served by multimodal transportation options. The proposed rezoning is consistent with the character envisioned by the FLUM and Chapel Hill 2020 because the proposed zoning district will allow for the creation of a major employment center in close proximity to existing and future transit stops as well as a broad range of existing and proposed residential developments.</p> <p>The property owner has proposed to enhance pedestrian and bicycle connectivity in the area by providing:</p> <ul style="list-style-type: none"> • buffered bicycle lanes and updated sidewalks along Eastowne Drive; • a multiuse path along US 15-501; • easements to support potential connections to the Dry Creek Trail and New Hope Commons; and • a multiuse trail connecting Old Sterling Drive to US 15-501. <p>The property owner will support transit service in the area by providing up to two additional bus stops along Eastowne Drive and by providing the land necessary to construct a Bus Rapid Transit Station along US 15-501.</p>
<p>Building Height</p>	<p>The FLUM states that typical building heights in Sub-Area A should be 4-6 stories with 6 stories along activated street frontages.</p>	<p>The property owner proposes to construct several 6-story medical buildings throughout the project site.</p>

Mobility And Connectivity	<p>The Mobility and Connectivity Plan recommends multi-use paths along major roadways in the 15-501 corridor, bike lanes along Eastowne Drive, a bicycle/pedestrian overpass or underpass at the intersection of US 15-501 and Eastowne Drive, and significant transit-oriented improvements such as dedicated transit lanes in the center median of US 15-501. The plan also calls for an extension of the Dry Creek Trail through the site.</p>	<p>The property owner proposes to construct a new multi-use path along the US 15-501 frontage, bike lanes and improved sidewalks along Eastowne Drive, and a multiuse trail through the "Inner Loop".</p> <p>The property owner will dedicate an easement through the "Northern 20" to allow for a connection to the Dry Creek Trail.</p> <p>The property owner will provide land necessary for a Bus Rapid Transit station along US 15-501.</p>
Greenway Master Plan	<p>The existing Dry Creek Trail is proposed to extend to the site.</p>	<p>The property owner will dedicate an easement through the "Northern 20" that will allow the Dry Creek Trail to connect to Eastowne Drive.</p>
Climate Action and Response	<p>The Climate Action and Response Plan identifies Sustainable Development as a top strategy to reduce our community carbon footprint and build resiliency.</p> <p>The Transportation and Land Use chapter calls for creating walkable, bikeable, transit-served neighborhoods through strategies such as supportive zoning and integrated land use – transportation planning.</p>	<p>As discussed above, the property owner proposes improvements that will support pedestrian, bicycle, and transit infrastructure in the area.</p> <p>By developing a major employment center near existing and proposed housing, the proposal can reduce car-dependence in the US 15-501 corridor.</p> <p>Because the property owner proposes a medical campus that is expected to draw patients from across the region and divert patients away from existing medical uses at the UNC main campus, its proximity to major roadways (US 15-501 and I-40) has the potential to relieve congestion and reduce vehicle-miles-traveled closer to the Town's core.</p> <p>The property owner has committed to installing solar photovoltaic panels on all new buildings and electric vehicle charging stations in all new parking decks.</p>
Chapel Hill 2020 Goals	<p>Opportunities for this application to support goals of Chapel Hill 2020 include:</p> <ul style="list-style-type: none"> The property owner proposes a medical campus with open spaces and trails that should provide a welcoming experience for a wide variety of people. (<i>A Place for Everyone. 1</i>) 	

- Structured parking is oriented in a manner that will provide visitors direct access to medical office buildings with limited conflict points with vehicular traffic. (*A Place for Everyone. 1*)
- The proposed medical campus is expected to be a major employment center that will also help to support local restaurants, retail, and other businesses. (*Community Prosperity and Engagement. 2*)
- The multi-use paths, trail connections, and proposed internal street connectivity promote a safe, vibrant, and connected community. (*Community Prosperity and Engagement.3*)
- The proposed medical campus is within walking distance to public transit routes along Eastowne Drive. Multiple bicycle and pedestrian improvements will increase opportunities for active transportation for patients, employees, and nearby residents. (*Getting Around.1*)
- Committed support for a future Bus Rapid Transit station will help connect the site to a regional transportation system. (*Getting Around. 3*)
- Proposed sidewalks, multi-use path, trails, and access to bus routes along US 15-501 and Eastowne Drive offer multimodal access to the site. Alternative modes of transportation promote air quality, sustainability, and energy conservation. These strategies align with the theme of *Getting Around*.
- The proposed medical campus will contribute to a diversity of neighborhoods in the North 15-501 Corridor. (*Good Places, New Spaces. 5*)
- The proposed medical campus will bring significant density and economic activity to underutilized properties and ensure the permanent conservation of environmentally sensitive lands. (*Good Places, New Spaces. 8*)
- The proposed medical campus will include the draining of a manmade pond, stream restoration, and permanent conservation of a state-designated Natural Heritage Area. Stormwater control measures will be designed to accommodate the 50-year storm event. (*Nurturing Our Community. 2*)
- The proposed medical campus will include several upgrades to existing sidewalks, add a multiuse path along 15-501, and provide easements that will enable pedestrian connections to the Dry Creek Trail and New Hope Commons. (*Nurturing Our Community. 4*)

REASONABLENESS OF THE ZONING ATLAS AMENDMENT

Reasonableness is determined by comparing the scale of permissible development under the proposed zoning district to the scale permitted under existing zoning, and by considering characteristics of the site and its surroundings. North Carolina General Statute 160D-605 requires the Town Council to consider a statement of reasonableness when reviewing any Zoning Atlas Amendment.

The analysis below considers the property owner's proposed zoning district and overall proposed use program. Specific characteristics of the development proposal, compliance with regulations, and appropriate conditions to address potential impacts of the development are evaluated elsewhere.

SUMMARY OF ANALYSIS FOR REASONABLENESS

Supporting Factors

- The proposed zoning of OI-3 is appropriate as it facilitates a range of neighborhoods in the North 15-501 Corridor, as proposed by Chapel Hill 2020 and the FLUM.
- The rezoning facilitates the construction of a medical campus that will strengthen Chapel Hill's employment base and relieve development pressure on UNC Hospital.
- The development of a medical campus in this location aligns with multiple themes of Chapel Hill 2020.
- The proposed Conditional Zoning district would bring significant density to an underutilized portion of Chapel Hill.
- Conditions provide an opportunity to limit intensity and to establish standards that address any impacts on surrounding properties.

Other Considerations

- Further analysis and/or zoning conditions may be needed to determine whether adequate pedestrian connectivity, vehicular access, and transit service are in place to support the proposed zoning.
- Existing regulations include measures for protecting environmental features such as steep slopes and the stream corridor. Zoning conditions may be useful for enhanced protection, if warranted by further environmental analysis.

FINDINGS OF FACT

Staff provides the following evaluation of the application under the three Findings of Fact identified in LUMO Section 4.4. LUMO states that the Zoning Atlas shall not be amended unless at least one of the Findings are made.

FINDING #1: The proposed zoning amendment is necessary to correct a manifest error.

Arguments	To date, no arguments in support or in opposition have been submitted or identified by staff.
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Staff Evaluation	There appears to be no manifest error in the Town's Zoning Atlas.
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FINDING #2: The proposed zoning amendment is necessary because of changed or changing conditions in a particular area or in the jurisdiction generally.

Arguments	As Chapel Hill continues to densify and as UNC Health continues to grow as a regional healthcare provider, the development of a medical campus in close proximity to both US 15-501 and Interstate 40 is beneficial to both the Town and UNC Health. The location of the proposed medical campus has the potential to relieve the Town's urban core from a significant amount of traffic and place a major employment center in close proximity to housing. To date, no arguments in opposition have been submitted or identified by staff.
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Staff Evaluation	The Council could make the finding that the proposed zoning amendment is necessary because of changing conditions in Chapel Hill.
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FINDING #3: The proposed zoning amendment is necessary to achieve the purposes of the comprehensive plan.

Arguments

Staff notes that the Conditional Zoning application could contribute to the purposes of the Comprehensive Plan through the following:

- Facilitating development that implements the Character Type designated on the Future Land Use Map.
- Supporting goals of Chapel Hill 2020 including *A Place for Everyone, Community Prosperity and Engagement, Getting Around, Good Places-New Spaces*, and *Nurturing Our Community*.

To date, no arguments in opposition have been submitted or identified by staff.

**Staff
Evaluation**

The Council could make the finding that the proposed zoning amendment is necessary to achieve the purposes of the Comprehensive Plan.












PROJECT FACT SHEET






Overview


Site Description	
Project Name	UNC Health Eastowne
Address	100, 200, 300, 400, 500, 600, 700, 800, 901 and 998 Eastowne Drive
Gross Land Area	2,423,112 sq. ft. (55.6 acres)
Orange County Parcel Identifier Numbers	9890-80-0195, 9890-80-7564, 9890-80-0643, 9890-80-2764, 9890-80-3947 and 9890-91-1209
Existing Zoning	Office/Institutional-3 (OI-3); Office/Institutional-2 (OI-2); Mixed Use – Office/Institutional-1 (MU-OI-1)
Proposed Zoning	Office/Institutional-3-Conditional Zoning District (OI-3-CZD)

Site Development Standards


Topic	Comment			Status
Development Intensity				
Use (Sec. 3.7)	Proposed Uses: Business, office-type; Business, convenience; Hospital; Research activities; Medical clinic			
Inclusionary Zoning Ordinance (Sec. 3.10)	NA			NA
Density (Sec. 3.8)	NA			NA
Dimensional Standards (Sec. 3.8)	Setback (secondary) and Core (primary) height: No maximums per LUMO. 120 ft. maximum building height established as a voluntary condition Setbacks: no minimum setbacks			
Floor area (Sec. 3.8)	Maximum allowed: 1,100,000 sq. ft. (in addition to existing Medical Office Building 1)			
Landscape				
Buffers (Sec. 5.6.2)	US 15-501: Eastowne Drive: requested) I-40: Interior:	Required 20 ft, Type C 15 ft, Type B 30 ft, Type D 15 ft, Type B	Proposed 20 ft, modified street trees (modification 100 ft, Type D 15 ft, Type B	M

Tree Canopy (Sec. 5.7)	<i>Minimum required:</i> 16.7 acres (30% of GLA) <i>Proposed:</i> 19.5 acres (35% of GLA)	
Landscape Standards (Sec. 5.9.6)	Final Plans application must comply	FP
Environment		
Resource Conservation District (RCD) Uses (Sec. 3.6.3)	A greenway and sidewalks are proposed within the RCD and are permitted uses. A maximum of three stream crossing are permitted in order to vehicular and pedestrian connection within the "Inner Loop" and the "Northern 20". These are permitted where there is a practical necessity to their location.	
RCD Dimensional Standards (Sec. 3.6.3)	<i>Proposed Impervious surfaces:</i> 25,000 sq. ft. <i>Proposed Land disturbance:</i> 180,000 sq. ft.	M
Erosion Control (Sec. 5.3.1)	Orange County Erosion Control permit required	
Steep Slopes Land Disturbance (Sec. 5.3.2)	<i>Maximum Disturbance allowed:</i> 25% of areas with existing 4:1 slopes or greater <i>Proposed:</i> Disturb up to 35% of naturally occurring steep slope areas (modification requested)	M
Stormwater Management (Sec. 5.4)	Meet or exceed LUMO standards Property owner proposes to design stormwater control measures to accommodate the 50-year, 24-hour duration storm event.	
Land Disturbance	Will comply at final plans.	FP
Impervious Surface	<i>Maximum allowed:</i> 1,696,178 sq. ft. (70% of GLA) <i>Will comply at final plans</i>	FP
Solid Waste & Recycling	Application must comply	FP
Jordan Riparian Buffer (Sec. 5.18)	<i>Minimum buffer required:</i> 50 ft. <i>Proposed:</i> 50 ft.; land disturbance as noted for RCD	
Access & Circulation		
Traffic Impact Analysis (Sec. 5.9)	TIA completed	
Road Improvements (Sec. 5.8)	Road Improvements Required for MOB 2: a. <u>Southern Eastowne Drive/US 15-501 Intersection</u> : The existing left-turn lane on Eastowne Drive shall be extended to provide a minimum of 375 feet of vehicle storage. b. <u>Eastowne Drive</u> : The section of Eastowne Drive between the existing Medical Office Building Parking Deck Access Driveway and Old Sterling Drive shall have on-street parking eliminated. Buffered bicycle lanes and a three-	C

	<p>lane vehicular cross-section shall be implemented, including street widening where necessary. Left-turn lanes with 100 feet of storage shall be delineated in this vicinity for the relocated Parking Deck Access Driveway and Old Sterling Drive.</p> <p>c. <u>Parking Deck Access Driveway</u>: The access driveway for the existing parking deck shall include a southbound right-turn auxiliary egress lane with at least 75 feet of storage at the Eastowne Drive intersection.</p> <p>d. <u>Signal Timing</u>: The property owner shall provide a payment of \$15,000 to the Town to support optimization of signal timing. Signal timings at the following intersections shall be reoptimized to account for site-related traffic:</p> <ul style="list-style-type: none"> i. Northern Eastowne Drive/US 15-501 ii. Southern Eastowne Drive/US 15-501 iii. Sage Road/US 15-501 <p>e. <u>Dobbins Drive</u>: Dobbins Drive shall be restricted to a right-in/right-out intersection. A median of sufficient length shall be installed to effectuate this restriction.</p> <p>f. <u>US 15-501 and Southern Eastowne Drive Pedestrian Improvements</u>: That enhanced pedestrian refuge islands should be provided on both pedestrian crosswalks of US 15-501 in coordination with NCDOT and the Town.</p> <p>Roadway improvements for all development after MOB 2 shall be determined by subsequent TIAs that will be conducted prior to each development phase.</p>	
Vehicular Access (Sec. 5.8)	Five driveways spread across the Eastowne Drive frontage	
Bicycle Improvements (Sec. 5.8)	Buffered bike lanes along Eastowne Drive	
Pedestrian Improvements (Sec. 5.8)	<ul style="list-style-type: none"> • Greenway along stream restoration project • Multiuse path along US 15-501 • Multiuse path along Eastowne Drive 	
Transit Improvements (Sec. 5.8)	Property owner to provide up to two additional bus shelters on Eastowne Drive and dedicate land necessary for a Bus Rapid Transit station on US 15-501.	
Vehicular Parking (Sec. 5.9)	<i>Maximum Parking</i> : 4.5 spaces per 1,000 sq. ft. of floor area	M
Bicycle Parking (Sec. 5.9)	<i>Minimum required</i> : 2.5 percent of vehicular spaces	M
Electric Vehicle Parking	EV chargers located at 2% of parking spaces and 25% of parking spaces to be EV-ready.	
Parking Design Standards (Sec. 5.9)	Application must comply	FP

Loading (Sec 5.9)	Application must comply	FP
Technical		
Fire	Built to Town Standards	
Recreation Area (Sec. 5.5)	NA	NA
Lighting Plan (Sec. 5.11)	Built to Town Standards; not to exceed 0.3 footcandles at property line	FP
Signage (Sec. 5.14)	Modification requested for maximum size.	M
Schools Adequate Public Facilities (Sec. 5.16)	NA	NA
Homeowners Association (Sec. 4.6)	NA	NA

Project Summary Legend

Symbol	Meaning
	Meets Requirements
M	Seeking Modification
C	Requires Council Endorsement
FP	Required at Final Plans
NA	Not Applicable