

## 137 E Franklin Street Innovation Hub: Special Use Permit Application

### Project Narrative and Statement of Justification

#### Project Narrative

The 137 E Franklin Street is a comprehensive renovation of two commercial office buildings, the three-story 137 E Franklin Street and the seven-story 136 E Rosemary Street. The two buildings are connected with a shared elevator and stair core forming a single commercial office property on a .66 acre parcel spanning between Franklin and Rosemary Streets. The existing buildings were built over 40 years ago, before the current zoning classifications of TC-1 and TC-2 were applied to the site, and are currently Class C office space that do not meet modern standards needed to attract and retain office tenants to downtown.

The proposed development is a ground-up renovation of the property that will be transformative in its scope and design. The renovated project will include creative office, research and collaboration space offering a dynamic environment to attract researchers, businesses and entrepreneurs, bringing the potential of hundreds of new jobs to downtown. The project will not only fill a need for additional commercial office space in downtown but will also create an opportunity to engage UNC research programs and bring those into contact with the public.

Significant features of the renovation include:

- Replacing the solid brick elevator and stair core with a transparent, active atrium space.
- Recladding the Rosemary Street building with new curtain wall and metal panels.
- New storefront on the Rosemary Street ground floor.
- Re-cladding the Franklin Street elevation with curtain wall and metal panels.
- New handicapped accessible toilets.
- New HVAC and fire suppression systems.
- New roofing.

These renovations will result in a marginal increase of the floor area from 125,600 SF to approximately 126,600 SF, but the FAR will remain in compliance with the requested TC-3 rezoning.

New streetscape treatment and widened sidewalks will also be included 136 E Rosemary Street frontage.

#### Statement of Justification

As required by the Land Use Management Ordinance Section 4.5.2 *Standards and Findings of Fact*, in order to receive recommendation of SUP modification approval by the town manager, the following findings shall be made concerning the 137E Franklin Street Innovation Hub:

1. The proposed development will be ***designed and operated to maintain and promote public health, safety, and general welfare***. Currently the property is an aging, Class C office property. The renovations will bring the building into compliance with current building codes, including for energy, sustainability and accessibility.
2. Proposed SUP will be designed to ***comply with all required regulations and standards of the Land Use Management Ordinance, including all applicable provisions of articles 3 and 5, and applicable specific standards contained in the supplemental use regulations (article 6), and all other applicable regulations***. Several examples of compliance are as follows:

***Compliance with Article 3:***

- The existing *group care facility* use is a permitted use within the TC-3 zoning district sought under the rezoning application.
- The total existing and expanded floor area will be in compliance with the TC-3 zoning district.
- The renovated building expansion will be in compliance with required building setbacks for TC-3 zoning.

***Compliance with Article 7:***

- The property was developed before the adoption of the current TC-1 and TC-2 zoning districts. Rezoning to TC-3 will bring the property into conformance with the Land Use Management Ordinance.
3. The existing facility is ***located*** where it helps to ***enhance the value of contiguous property***, as it is surrounded by businesses on three sides, and therefore our employees and visitors will help to boost patronage in the area. Likewise, the proposed improvements to the site are ***designed to maintain and enhance the value of contiguous property***, because we will be improving the appearance and attractiveness of the property to new businesses.
4. The development modifications ***conform with the general plans for the physical development of the town as embodied in*** the LUMO, Town Design Guidelines, ***and in the comprehensive plan:***

***Compliance with Town Design Guidelines:***

The existing facility is located in downtown Chapel Hill on the 100 block of East Franklin and East Rosemary Streets with highly visible frontages on both streets. As the tallest building on this block the property has a significant impact on the visual character of this part of downtown. With this in mind, the building renovations have been designed to enhance the architectural character of the property and to improve access for pedestrians and bikes.

A new public open space will be created adjacent to the project on a portion of the existing Lot 2 parking lot. This space will include the extension of Varsity Alley to Rosemary Street as well as providing bicycle parking facilities.

Streetscape improvements will be included along the 136 E Rosemary Street frontage, including sidewalk widening and an enhanced mid-block pedestrian crosswalk.

***Compliance with the Comprehensive Plan:***

The development supports the goals of the Comprehensive Plan in the following respects:

***Theme 1: A Place for Everyone***

- A creative place to live, work and play because of Chapel Hill's arts and culture (PFE.2).

***Theme 2: Community Prosperity and Engagement***

- Balance and sustain finances by increasing revenues and decreasing expenses (CPE.1).

- Foster success of local businesses (CPE.2).

#### *Theme 3: Getting Around*

- A connected community that links neighborhoods, businesses and schools through the provision of greenways, sidewalks, bike facilities and public transportation (GA.2).

#### *Theme 4: Good Places, New Spaces*

- A vibrant, diverse, pedestrian-friendly, and accessible downtown with opportunities for growing office, retail, residential and cultural development and activity (GPNS.2).
- A community that welcomes and supports change and creativity (GPNS.6).

#### *Theme 6: Town and Gown Collaboration*

- Take full advantage of ideas and resources to create a thriving economy and incorporate the utilize the intellectual capital that the University and Town create (TGC.1).

### **Compliance with the Downtown Chapel Hill Small Area Plan:**

*The Downtown Chapel Hill Small Area Plan* is a component of the Comprehensive Plan and is directly applicable to the project. The following passages from The Downtown Small Area Plan illustrate how this project fulfills the goals and objectives of that report for the future of downtown:

#### **1. Vision Statement**

*“The Downtown Plan will seek to reverse this tide of decentralization by encouraging the ‘incubation’ of vital, well-integrated, mixed-use development ...”*

This project will once again place downtown at the center of business activity in Chapel Hill and will be catalytic in attracting and retaining businesses, helping to reverse the trend of businesses leaving downtown and moving to downtown Durham, Raleigh and the Research Triangle Park.

#### **2. Downtown Small Area Plan Goals & Objectives**

**Economic Vitality:** *To insure that Downtown Chapel Hill remains the center of the community’s government, commercial, spiritual and cultural activities with appropriate public office, commercial and residential development, thereby continuing its economic vitality.*

*Development and Redevelopment: Encourage development and redevelopment of properties in the downtown area, designed in accordance with this Downtown Plan.*

This project will create a hub of research, innovation and business in downtown, expanding the employment base and significantly increasing the daytime population of pedestrian and business activity in downtown.

***Town Character/Land Use:***

*Maintain existing, and encourage new 'magnets' to attract people to downtown.*

The project will create a magnet for new business, providing a place for them to grow.

*Maintain and develop public open space.*

The project includes a new public open space facing Rosemary Street, including the extension of Varsity Alley to Rosemary Street.

***Infrastructure/Public Services:***

*Pedestrian Pathways: Provide continuity of entire pedestrian system in downtown and connectivity with adjacent neighborhoods.*

The project will extend Varsity Alley to Rosemary Street along the edge of a new public open space.

*Streetscape: Complete the improvements proposed in the Downtown Streetscape.*

Streetscape improvements are included in the project for the Rosemary Street frontage of 136 E Rosemary Street including up to the extension of Varsity Alley and the new public open space.

*Bikeways: Encourage bicycling by providing for a coordinated and continuous bicycle path system connecting Downtown to the University and to surrounding neighborhoods.*

Bicycle parking facilities are included in the new public open space on Rosemary Street.

***Transportation:*** *Maintain and further develop multiple Downtown transportation systems and facilities to conveniently serve residents, businesses and their employees, customers, and visitors to Chapel Hill.*

*Bicycle Facilities and Safety: Improve bicycle access routes and provide additional secure storage facilities.*

Bicycle parking facilities are included in the new public open space on Rosemary Street.

*Transit: Encourage the reduction of employee based single occupancy vehicle trips to downtown by encouraging the use of the Public Transit System and other available methods of transportation.*

The project will locate hundreds of new jobs within walking distance of public transit, and equally important within walking distance of other businesses, services and residences, significantly reducing auto-dependency for potential employees working here.