



CONSIDER AN APPLICATION FOR CONDITIONAL ZONING – ROSEMARY-COLUMBIA STREET HOTEL PROPERTY ASSEMBLAGE LOCATED AT 108, 110, AND 114 W. ROSEMARY STREET, 205 N. COLUMBIA STREET, AND 208 PRITCHARD AVENUE (PROJECT 20-076)

SUMMARY REPORT

TOWN OF CHAPEL HILL PLANNING DEPARTMENT

Colleen Willger, Director

Judy Johnson, Assistant Director

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PROPERTY ADDRESS 108, 110, and 114 W. Rosemary Street, 205 N. Columbia Street, and 208 Pritchard Avenue	MEETING DATE(S) June 15, 2021	APPLICANT Wendi Ramsden, Coulter Jewell Thames PA, on behalf of Chapel Hill Ventures, LLC
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STAFF RECOMMENDATION

That the Planning Commission review and make a recommendation on the application to the Town Council.

STAFF ANALYSIS

The applicant is asking for modifications to regulations. See attached Technical Report for additional information.

PROJECT OVERVIEW

The applicant is proposing to redevelop lots surrounding the Old Town Hall building on the northwest corner of N. Columbia Street and W. Rosemary Street. The applicant is working with the Town Council on a land swap in which the Town will transfer the lot at 110 W. Rosemary Street to the developer in exchange for a portion of the lot at 208 Pritchard Avenue.

The site currently includes four surface parking lots, a small brick building, and a two-story wood structure. These will be removed as part of the development of the site. There is an existing house at 208 Pritchard Avenue which will be deeded to the Town as part of the land swap, and it is not proposed to be modified by this application.

Following the land swap, the applicant proposes redevelop the site to construct a 125-140 room hotel with attached parking deck with access connecting the hotel to N. Columbia Street occurring on the Town-owned property and adjacent to the Old Town Hall building. The 8,180 sq. ft. Town-owned lot adjacent to the Old Town Hall will also be developed to create a park.

- Existing Zoning: Residential-3 (R-3), Office/Institutional -1 (OI-1), Town Center-2 (TC-2) with Northside Neighborhood Conservation District (NCD) overlay
- Proposed Zoning: Town Center-2-Conditional Zoning District (TC-2-CZD) with Northside NCD overlay
- Lot size: 56,997.96 sq. ft. (1.31 acres)
- Project area: 74,134 SF (1.70 acres), including town land to be developed into park space

PROCESS

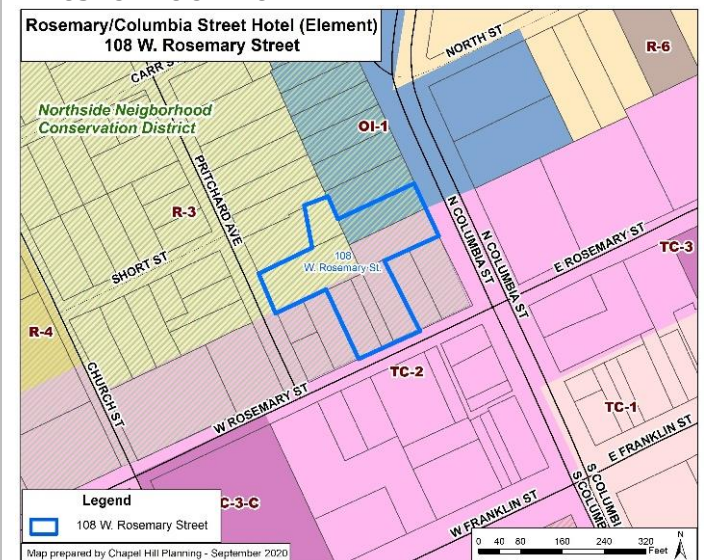
Conditional Zoning is a legislative process that allows Town Council to review the rezoning application for consistency with the Land Use Plan in the Comprehensive Plan.

DECISION POINTS

The proposed development requests a Modification to Regulations for the following:

- Landscape buffers
- Landscaping strips along entrance drives
- Building height

PROJECT LOCATION



ATTACHMENTS

- Project Details Table
- Resolution A, Resolution of Consistency
- Ordinance A (Approving the Application)
- Resolution B (Denying the Application)
- Applicant Materials
- Plans
- Urban Designer Comments



TECHNICAL REPORT

PROJECT OVERVIEW

November 13, 2019	Town Council reviewed a concept plan for a 95,000 square foot, 140-room hotel.
September 28, 2021	Applicant submitted a Conditional Zoning District Permit for 125-140 room hotel with approximately 70 parking spaces.

The application proposes a Town Center-2-Conditional Zoning District (TC-2-CZD) for the site to accommodate a 125-140 room hotel. The project seeks to redevelop seven (7) contiguous parcels on the northwest corner of N. Columbia Street and W. Rosemary Street in order to construct a hotel and parking deck on the proposed L-shaped lot. As part of the project, the applicant will also be developing a park adjacent to the Old Town Hall building. More details about the proposed development can be found in the applicant's narrative and statement of justification.

Information about the site and proposed zoning districts can be found below, as well as a list of proposed Modifications to Regulations, other important considerations that staff has identified, and an analysis of the project's consistency with the Comprehensive Plan and relevant Findings of Fact.

SITE CONTEXT

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

- The site is adjacent to the following uses and zoning districts
 - The Office/Institutional-1 (OI-1) zoning district to the north contains offices and businesses located within converted homes.
 - The Town Center-2 (TC-2) zoning district to the east, south, and west, including across N. Columbia St and E. and W. Rosemary St., contains a bank, surface parking lots, and small office/commercial buildings
 - The Residential-3 (R-3) zoning district to the northwest contains single-family and two-family residential uses.
- Portions of the site are already zoned Town Center-2 (TC-2). If portions of the site currently zoned Office/Institutional-1 (OI-1) and Residential-3 (R-3) are rezoned to Town Center-2 (TC-2) as proposed, then the same adjacency of zoning districts would still exist – a larger Town Center-2 (TC-2) area abutting Office/Institutional-1 (OI-1) and Residential-3 (R-3).
- Areas of manmade steep slopes have been identified along some of the parcel boundaries. The applicant describes the site as "fairly flat on the south half, but slopes down approximately 10 feet along the parcel spur toward N Columbia."

- The site does not appear to have any hydrological features.
- There is extensive impervious surface already existing, meaning the proposed development is likely to have minimal impact on total built-upon area and there would be minimal loss of tree canopy.
- The site fronts on N. Columbia St., an arterial corridor in Chapel Hill with high amounts of existing vehicular traffic. N. Columbia St. has a high amount of existing bus service and serves as part of the corridor for the future North-South Bus Rapid Transit (BRT) project. A proposed BRT station is located just south of the site.
- The site also fronts on W. Rosemary St., a significant business corridor for Downtown Chapel Hill where there has been recent investment in sidewalks and streetscape improvements.

PROPOSED ZONING

The applicant has submitted a Conditional Zoning application, which allows review of the development proposal in conjunction with the rezoning, and which allows site-specific standards to be formulated and applied as conditions through a legislative process. The Conditional Zoning application provides an opportunity to establish conditions that modify use, intensity, and development standards to address impacts reasonably expected to be generated by development. Conditions can also address conformance of the development with town regulations and adopted plans. A -CZD suffix would be added to the zoning district designation to incorporate the approved conditions. The applicant has proposed a Conditional Zoning districts for the site, as shown on the site plan: Town Center-2 (TC-CZD).

- The intent of the Town Center-2 (TC-2) zoning district is “to provide for the development of the commercial, service, and social center of Chapel Hill while maintaining its character, its pedestrian-oriented scale, and its nature as a concentration of business, administrative, financial, governmental, and support functions serving the community.”¹

PROPOSED MODIFICATIONS TO REGULATIONS

- 1) Section 5.6 Landscaping, screening, and buffering:** The applicant is proposing to reduce the following required landscape buffer:

Buffer	Required	Proposed	Applicant’s Justification
Northeast	10 ft.	6 ft., 60% required plant mix	<p>The applicant finds that the property to the north is also a commercial use and a fence with smaller shrubs along the property line will screen the two commercial uses from one another.</p> <p>The applicant also proposes to eliminate canopy trees and reduce the number shrubs prorated to 60% of the total required.</p>

¹ LUMO 3.3.1

Staff Comment: Landscape buffers are not required for properties within the Town Center zoning districts. Staff believes the Council could find a public purpose for reducing the buffers as the proposed buffers meet the intent of reducing the visual impact of unsightly aspects of adjacent development, providing separation of spaces, and establishing a sense of privacy.

- 2) Section 5.9.6(c) – Parking & Loading - Design Standards:** A 5 ft. wide foundation buffer strip is required between the structure and any parking facilities. Entrances drives into parking facilities are required to be bordered by a minimum 8 ft. landscaped buffer strip.

The applicant proposes combining the two buffers (5 ft. and 8 ft.) by creating a 12 ft. wide landscape area between the building and the sidewalk along the W. Rosemary Street entrance. The applicant finds that the wider space will allow greater plant variety, including small trees, shrubs, and ornamental grasses for a layered effect that will give more depth to the planting pallet. No landscaping strip is proposed at the hotel entrance adjacent to the guest drop off zone on the west side of the drive.

Along northern property line adjacent to the N. Columbia Street entrance into the parking deck, the applicant proposes a 6 ft. wide landscape strip with no planting strip along the north elevation of the parking deck. The applicant finds that this drive provides access to the service areas of the building and there is not sufficient space for the required width of two landscaped strips on either side of the drive. On the north side of the drive, the applicant proposes a 6 ft. parking strip with a fence to help screen the view of the parking deck from neighboring properties. The applicant proposes a trellis with vines on the north elevation of the garage to create a green wall to minimize the appearance of the parking deck.

Staff Comment: Staff believes the Council could find a public purpose for reducing the planting strips as the intent of the requirements is to reduce radiant heat from structures, reduce noise, ameliorate stormwater drainage problems, and protect and preserve the appearance, character, and value of adjacent properties. The applicant has proposed planting strips that while reduced in width will provide trees, shrubs, and other vegetation that will meet the intent of the ordinance.

- 3) Appendix B, Section 1.4 Building Height:** In the TC-2 zoning district of the Northside Consideration District (NCD), the maximum primary building height is 40 feet, and 30 feet if it is adjacent to residential zones. The secondary building height in 50 feet. All measurements are taken from mean finish grade.

At the Rosemary wing, the applicant proposes a four-story building at the street (approximately 54 ft. above mean finish grade). At the Columbia wing, the applicant proposes a three-story building at the street (approximately 43 ft. above mean finish grade). The total roof height is 65 ft. above mean finished grade. The increased height will be along portions of the Rosemary and Columbia wings, meeting at the northwest corner of the building, adjacent to the Residential-3 (R-3) zoning districts.

The west and northwest elevations of the hotel are adjacent to the Residential-3 (R-3) zoning districts. The applicant argues that the Town Center zoning on adjacent blocks allows for heights up to 90 ft. The hotel is 65 ft. at the street but does step down on the north and northwest corners of the building to create a transition zone between this commercial use and the adjacent residential uses of the Northside neighborhood.

Staff Comment: Staff believes the Council could find a public purpose for allowing increased height as the proposal would generate increased economic development and expand the non-residential tax base.

Council Findings and Public Purpose: The Council has the ability to modify the regulations according to Section 4.5.6 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 developer's alternative is to revise the proposal to comply with the regulations.

For additional information on the proposed modifications and other considerations on timing and flexibility, please refer to the applicant's attached materials.







OTHER CONSIDERATIONS

Applicant proposes a building height modification that would increase the height allowed under the Northside Neighborhood Conservation District (NCD) Overlay. Height limits are the main impact that the NCD regulations have on nonresidential development. Proposed heights on the northern part of the site, adjoining the Northside Neighborhood, are also inconsistent with the Transitional Area shown on the Future Land Use Map, and with the guidance provided by the West Rosemary Street Development Guide.

CONSISTENCY WITH THE COMPREHENSIVE PLAN AND OTHER DOCUMENTS

Town staff has reviewed this application for compliance with the themes from the [2020 Comprehensive Plan](#)², the standards of the [Land Use Management Ordinance](#)³, and the [Town of Chapel Hill, NC : Design Manual and Standard Details](#)⁴ and believes the Weaver's Grove proposal complies with several themes of the 2020 Comprehensive Plan:

Comprehensive Plan Themes: The following are themes from the 2020 Comprehensive Plan, adopted June 25, 2012:

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input checked="" type="checkbox"/>		Develop Good Places, New Spaces
<input checked="" type="checkbox"/>		Support Community Prosperity	<input checked="" type="checkbox"/>		Nurture Our Community
<input checked="" type="checkbox"/>		Facilitate Getting Around	<input checked="" type="checkbox"/>		Grow Town and Gown Collaboration

Future Land Use Map: The Future Land Use Map (FLUM) envisions the Downtown Focus Area as the social and cultural center of Chapel Hill, where infill and redevelopment can encourage sufficient density to absorb growth and limit impacts to other areas of town. The FLUM indicates a range of appropriate Primary and Secondary uses for the Sub-Area where this site is located, and Commercial/Office is one of the appropriate Primary uses. The

² <http://www.townofchapelhill.org/home/showdocument?id=15001>

³ https://www.municode.com/library/#!/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALAUSMA

⁴ <http://www.townofchapelhill.org/town-hall/departments-services/public-works/engineering/design-manual-and-standard-details>

proposed hotel use falls within this Commercial/Office category, and the proposed rezoning aligns with the character envisioned by the FLUM. The FLUM also calls for:

- **ACTIVATED STREET FRONTAGE** are encouraged to create vibrancy and ensure pedestrian activity over time. Sub Area E of the FLUM's Downtown Focus Area calls for active visual engagement between the street and ground floor uses, with an environment between streets and buildings that provides pedestrian connections and excludes off-street parking.
- **TRANSITIONAL AREA.** Along the northern site boundary, the Downtown Focus Area strives for harmonious transitions to adjacent neighborhoods. Transitions can include less-intense uses, reduced height, landscape buffers, and other measures.
- **BUILDING HEIGHT.** The FLUM calls for 4 stories along the streets and within the Transitional Area, stepping up to 6 stories in the core part of the site. (The FLUM suggest a story height of approximately 12 ft.) The Downtown Focus Area recommends that new developments along West Rosemary Street are in keeping with the spirit of the West Rosemary Development Guide and mitigate building mass by introducing steps backs from the front façade to maintain a human-scale public realm as well as incorporating setbacks that respect the adjacent residential Northside neighborhood.
- **ENVIRONMENTAL.** The Downtown Focus Area also suggest creating urban pocket parks adjacent to the sidewalk zones, specifically in areas prime for public events and festivals.

Mobility Plan: The Mobility and Connectivity Plan shows bicycle facilities for the site's frontages on both N Columbia St and W Rosemary St. There are existing sidewalks on both streets.

West Rosemary Development Guide: The Plan includes the following elements impacting the site:

- Intersection pedestrian improvements at Rosemary/Columbia
- Fewer curb cuts/shared driveways for the site's frontage along W Rosemary St
- Enhanced open space around Historic Town Hall
- Appropriate transitions to adjacent residential areas, with stepping down of height and landscape buffers
- Sustainability elements going beyond LUMO requirements, such as green roofs, underground cisterns, and rain gardens integrated into streetscapes and open space
- An approximate 20-foot wide public realm zone along W Rosemary St, with a 10-foot sidewalk and streetscape improvements such as street trees, welcoming lighting, wayfinding, and other pedestrian amenities
- Screen/minimize unsightly features such as trash collection, loading areas, parking, rooftop equipment, and power lines.
- Building design that emphasizes the ground floor, activates the pedestrian realm, and creates visual interest

Staff Evaluation: North Carolina General Statute Section 160A-383 requires the Council to approve a statement describing whether its action is consistent with an adopted comprehensive plan and any other applicable officially adopted plan when adopting or rejecting any zoning amendment.

Staff provides the following evaluation of this application's consistency with the 2020 Comprehensive Plan and other adopted plans:

- The proposed rezoning aligns with the character envisioned by the FLUM. The TC-2 district would allow all of the uses that the FLUM indicates are appropriate. The Conditional Zoning application proposes hotel that would fall within the 'Commercial/ Office' category.
- The presence of Activated Street Frontages suggests urban design that is compatible with more intense, pedestrian-oriented development. Zoning conditions would be useful to ensure that street activation is achieved.
- Zoning conditions would be useful to ensure that Building Height follows FLUM guidance. Current proposal indicates a 5-story building in the Transitional Area, exceeding the limit.
- The current proposal is not consistent with the 'transitional height planes' abutting residential areas as envisioned by the Development Guide. Building heights are meant to "step down towards the neighborhood to reflect the smaller scale of the Northside Neighborhood."

FINDINGS OF FACT

In order to establish and maintain sound, stable, and desirable development within the planning jurisdiction of the Town, it is intended that the Land Use Management Ordinance (as stated in Section 4.4) shall not be amended except:

- 1) To correct a manifest error in the chapter; or
- 2) Because of changed or changing conditions in a particular area or in the jurisdiction generally; or
- 3) To achieve the purposes of the Comprehensive Plan.

All information submitted at the public hearing will be included in the record of the hearing.

- 1) Finding #1:** The proposed zoning amendment is necessary to correct a manifest error.
Arguments in Support: To date, no arguments in support have been submitted or identified by staff.

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

Staff Response: We believe, based on the information entered into the record to date, that there is no manifest error in the Town's Zoning Atlas Amendment related to the project site.

- 2) Finding #2:** The proposed zoning amendment is necessary because of changed or changing conditions in a particular area or in the jurisdiction generally.

Arguments in Support: The applicant states that "the small commercial buildings and surface gravel parking lots are a remnant of decades past where the majority of downtown development happened on Franklin Street. But the development in the past decade of multi-use projects, and the influx of residential uses in the downtown have created an environment where Rosemary Street is an extension of the Franklin Street corridor."

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

Staff Response: We believe, based on the information entered into the record to date, that the Council could make the finding that the proposed zoning amendment is necessary because of changing conditions in the Downtown Future Focus Area.

3) Finding #3: The proposed zoning amendment is necessary to achieve the purposes of the comprehensive plan.

Arguments in Support: The applicant's Statement of Consistency states that the application is in accordance with the following elements of the 2020 Comprehensive Plan:

- A community of high civic engagement and participation (A Place for Everyone.5)
- Balance and sustain finances by increasing revenues and decreasing expenses (Community Prosperity and Engagement.1)
- Foster success of local businesses (Community Prosperity and Engagement.2)
- A well-conceived and planned, carefully thought out, integrated, and balanced transportation system that recognizes the importance of automobiles but encourages and facilitates the growth and use of other means of transportation such as bicycle, pedestrian, and public transportation options (Getting Around.1)
- A connected community that links neighborhoods, businesses, and schools through the provision of greenways, sidewalks, bike facilities, and public transportation (Getting Around.2)
- A transportation system that accommodates transportation needs and demands while mitigating congestion and promoting air quality, sustainability, and energy conservation (Getting Around.6)
- A vibrant, diverse, pedestrian-friendly, and accessible downtown with opportunities for growing office, retail, residential, and cultural development and activity (Good Places New Spaces.2)
- Open and accessible common spaces for community gathering, cultural uses, and community development (Good Places New Spaces.7)
- Future land use, form, and density that strengthen the community, social equity, economic prosperity, and natural environment (Good Places New Spaces.8)
- 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 (Nurturing Our Community.1)
- 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 (Nurturing Our Community.2)
- Promote access for all residents to health-care centers, public services, and active lifestyle opportunities (Town and Gown Collaboration.6)

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

Staff Response: We believe, based on the information entered into the record to date, that 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	Rosemary/Columbia Hotel
Address	108, 110, 114 W. Rosemary Street; 205 N. Columbia St., and 208 Pritchard Avenue
Property Size	56,997.96 sq.ft. (1.31 acres), includes 48,111 sq.ft. hotel lot + 8,887 sq.ft. park
Project Area	74,134 SF (1.70 acres)
Existing	Existing one-story brick building along W. Rosemary Street and a two-story wood frame house accessible from N. Columbia Street
Orange County Parcel Identifier Number	9788-37-0680, 9788-37-0549, 9788-27-9667, 9788-27-9700, 9788-37-0721, 9788-37-0647, 9788-37-0535
Existing Zoning	Town Center- 2 (TC-2), Office/Institutional-1 (OI-1), Residential-3 (R-3)
Proposed Zoning	Town Center-2-Conditional Zoning District (TC-2-CZD)


Site Design

Topic	Comment	Status
Use/Density (Sec 3.7)	125-140 room hotel and parking garage	✓
Dimensional Standards (Sec. 3.8)	Comply with LUMO Section 3.8; Dimensional standards (setbacks) only apply to exterior property lines	✓
Floor area (Sec. 3.8)	<i>Maximum:</i> 192,042.8 sq. ft. <i>Proposed:</i> 95,000 sq. ft.	✓
Inclusionary Zoning (Sec. 3.10)	NA	NA
Landscape		
Buffer – North (Sec. 5.6.2)	<i>Required:</i> 10' Type "B" <i>Proposed:</i> Modified 6' Type "B"	M
Buffer – East (Sec. 5.6.2)	<i>Required:</i> 20' Type "C" <i>Proposed:</i> 0' Type "B" and modified 4' Type "D"	M
Buffer – South (Sec. 5.6.2)	<i>Required:</i> 20' Type "C" and 10' Type "B" <i>Proposed:</i> Modified 0' Type "C" and modified 0' Type "B"	M
Buffer - West (Sec. 5.6.2)	<i>Required:</i> NA <i>Proposed:</i> 20' Type "C" and 10' Type "B"	✓
Tree Canopy (Sec. 5.7)	NA	NA
Landscape Standards (Sec. 5.9.6)	Application must comply	✓

Environment		
Resource Conservation District (Sec. 3.6)	NA	NA
Erosion Control (Sec. 5.3.1)	Orange County Erosion Control permit required	✓
Steep Slopes (Sec. 5.3.2)	<i>Required:</i> Disturb < 25% of slopes greater than 25% slope <i>Proposed:</i> 100% (2,173 sq. ft. total)	M
Stormwater Management (Sec. 5.4)	NA	NA
Land Disturbance	62,350 sq. ft. (1.43)	✓
Impervious Surface (Sec. 3.8)	53,727 sq. ft. (72% of gross land area)	✓
Solid Waste & Recycling	Individual public refuse pickup	✓
Jordan Riparian Buffer (Sec. 5.18)	No disturbance proposed	✓
Access and Circulation		
Road Improvements (Sec. 5.8)	No road improvements proposed.	NA
Vehicular Access (Sec. 5.8)	Primary access will be from W. Rosemary Street and N. Columbia Street.	✓
Bicycle Improvements (Sec. 5.8)	No bicycle improvements proposed.	NA
Pedestrian Improvements (Sec. 5.8)	Sidewalk connections exist along W. Rosemary Street and N. Columbia Street. Pedestrian links throughout the site will help connect this site with W. Rosemary Street and N. Columbia Street.	✓
Traffic Impact Analysis (Sec. 5.9)	TIA Executive Summary attached	✓
Transit (Sec. 5.8)	Not proposed at this time; site is accessed by routes.	NA
Bicycle Parking (Sec. 5.9)	<i>Required:</i> 9.3 spaces <i>Proposed:</i> 10 spaces	✓
Parking Lot Standards (Sec. 5.9)	Application must comply	✓
Vehicular Parking (Sec. 5.9)	<i>Required:</i> 126 max. <i>Proposed:</i> 71 spaces	✓
Technical		
Fire	Meet Town Standards	✓
Site Improvements	125-140 room hotel and parking garage	✓

Recreation Area (Sec. 5.5)	<i>Not required for commercial uses</i>	NA
Lighting Plan (Sec. 5.11)	Maximum of 0.3 foot-candles at property line	
Homeowners Association (Sec. 4.6)	NA	NA
Adequate Public Schools (Sec. 5.16)	NA	NA

Project Summary Legend

Symbol	Meaning
	Meets Requirements
M	Seeking Modification
C	Requires Council Endorsement
FP	Required at Final Plan;
NA	NA