



CONSIDER AN APPLICATION FOR CONDITIONAL ZONING – 150 E. ROSEMARY STREET

SUMMARY REPORT

TOWN OF CHAPEL HILL PLANNING DEPARTMENT

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PROPERTY ADDRESS	MEETING DATE(S)	APPLICANT
150 E Rosemary Street	September 23, 2021 – Environmental Stewardship Advisory Board September 28, 2021 – Transportation and Connectivity Advisory Board September 28, 2021 – Community Design Commission October 5, 2021 – Planning Commission October 12, 2021 – Historic District Commission	George Retschle, Ballentine Associates
STAFF RECOMMENDATION		
That the Environmental Stewardship Advisory Board, Community Design Commission, Transportation and Connectivity Advisory Board, and Planning Commission review and make comments and recommendations on the application to the Town Council and the Historic District Commission provide courtesy comments.		
ZONING Existing: Town Center–2 (TC-2) Proposed: Town Center–3–Conditional Zoning District (TC-3-CZD)	DECISION POINTS The applicant is requesting the following modifications to regulations: • Increase the allowed setback height from 44 feet to 112 feet	
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 any impacts on surrounding properties.	PROJECT LOCATION	
PROJECT OVERVIEW The application is part of a larger redevelopment proposal for E. Rosemary Street to create new office, wet-lab, and innovation space downtown. This project proposes to demolish the existing Town-owned Wallace Parking Deck, which is a 309-space parking deck, and construct a new, seven-story lab and office building over three levels of parking with approximately 160 parking spaces. The project will also include a Town Green public space on the corner of E. Rosemary Street and Henderson Street. A Transportation Impact Analysis was completed for the larger E. Rosemary St. redevelopment projects and identified the following necessary improvements for this portion of the project: • Provide a single primary on-site underground parking garage access location aligned with the existing driveway at 151 E. Rosemary Street. • Maintain the existing one-way alley access configuration behind the proposed office building		
ATTACHMENTS	1. Technical Report 2. Project Details Table 3. Draft Resolution A, Resolution of Consistency 4. Draft Ordinance A (Approving the Application) 5. Draft Resolution B (Denying the Application) 6. Applicant Materials	



TECHNICAL REPORT

PROJECT OVERVIEW

The application proposes applying a Town Center-3-Conditional Zoning District (TC-3-CZD) district to the site in order to accommodate a seven-story lab and office building with approximately 160 parking spaces. Currently on-site there is a three-story parking deck with 309 parking spaces. 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 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 a 1.49-acre site with the existing parking deck.
- The subject site fronts on and has access to E. Rosemary Street and Henderson Street, which are both collector streets maintained by the Town.
- The eastern portion of the property is located in the Franklin-Rosemary Historic District.
- The properties to the west and on the opposite side of E. Rosemary Street to the west are zoned Town Center-3 (TC-3) and Town Center-2-Conditional Zoning District (TC-2-CZD), respectively, and are part of the overall redevelopment project described above.
- Property on the opposite side of E. Rosemary Street to the east is zoned Town Center-2 (TC-2).
- Property to the south of the subject site, fronting on Franklin Street, is zoned Town Center-1 (TC-1) and consists of commercial uses.
- There is no Resource Conservation District or floodplain on the site, which is relatively flat and contains minimal vegetation.

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 in order 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 Town Center-3-Conditional Zoning District (TC-3-CZD) district for the site.

The intent of the Town Center-3 (TC-3) 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; and to encourage further residential development in the central area of Chapel Hill.”¹

The applicant has proposed modifications to the maximum primary building height, as summarized in the Modifications to Regulations section below.

PROPOSED MODIFICATIONS TO REGULATIONS

- 1) Section 3.8.2(g)(2): Dimensional Regulations:** The dimensional regulations in Town Center zoning districts limit building height at the setback line to 44 feet.

Staff Comment: The proposed modification request is to increase the 44 feet setback height limit up to a maximum of 112 feet on all four elevations.

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.

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 150 E. Rosemary Street 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:

☒		Create a Place for Everyone	☒		Develop Good Places, New Spaces
☒		Support Community Prosperity	☐		Nurture Our Community
☐		Facilitate Getting Around	☒		Grow Town and Gown Collaboration

¹ LUMO Section 3.3.1

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>

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 proposed rezoning aligns with the character envisioned by the FLUM. The FLUM also calls for:

- **ACTIVATED STREET FRONTAGE.** Activated street frontage is encouraged in order 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.
- **BUILDING HEIGHT.** The FLUM calls for 4 stories at the street setback and up to 8 stories allowed on the south side of E. Rosemary Street. (The FLUM suggest a story height of approximately 12 ft.)
- **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 E. Rosemary Street. There are existing sidewalks on both sides of the street. A future Bus Rapid Transit station is located about ¼ mile from the site.

Staff Evaluation: North Carolina General Statute Section 160D-605(a) 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 Town Center-3-Conditional Zoning District (TC-3-CZD) district would allow all of the uses that the FLUM indicates are appropriate. The Conditional Zoning application proposes falls 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 7-story building.

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.

Staff provides below an evaluation of this application based on the three findings. Further information may be presented for the Council's consideration as part of the public hearing process. 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's Statement of Justification states that the proposal will meet the Future Land Use Map's designation for higher density than currently exists onsite.

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 in response to changing conditions in downtown Chapel Hill area and in the jurisdiction generally.

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 proposed rezoning would contribute to the following elements of the Comprehensive Plan:

- Family-friendly, accessible exterior and interior places throughout the town for a variety of active uses (*Goal: A Place for Everyone.1*)
- A welcoming and friendly community that provides people with access to opportunities (*Goal: A Place for Everyone.4*)
- Balance and sustain finances by increasing revenues and decreasing expenses (*Goal: Community Prosperity and Engagement.1*)
- Foster success of local businesses (*Goal: Community Prosperity and Engagement.2*)
- A connected community that links neighborhoods, businesses and schools through the provision of greenways, sidewalks, bike facilities and public transportation (*Goal: Getting Around.2*)
- A vibrant, diverse, pedestrian-friendly, and accessible downtown with opportunities for growing office, retail, residential and cultural development and activity (*Goal: Good Places, New Spaces.2*)
- A joint Town/University development strategy that aligns initiatives for transportation, housing, environmental protection, and entrepreneurial programs (*Goal: Good Places, New Spaces.4*)
- A community that welcomes and supports change and creativity (*Goal: Good Places, New Spaces.6*)
- Open and accessible common spaces for community gathering, cultural uses, and community development (*Goal: Good Places, New Spaces.7*)

- 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 (*Goal: Town and Gown Collaboration.1*)

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

Project Details

Site Description	
Project Name	E. Rosemary Street Redevelopment Project
Address	150 E. Rosemary Street
Property Size (NLA)	64,690 SF (1.49 acres)
Existing	Parking deck
Orange County Parcel Identifier Numbers	9788-37-9717
Existing Zoning	Town Center-2 (TC-2)
Proposed Zoning	Town Center-3-Conditional Zoning District (TC-3-CZD)

Site Development Standards

Topic	Comment	Status
Development Intensity		
Use/Density (Sec. 3.7)	Existing Use: 309 vehicle space parking garage and surface parking lot Proposed Use: Seven-story lab and office building above three levels of parking	✓
Dimensional Standards (Sec. 3.8)	Primary height: 44 ft. (modification requested) Core height: 120 ft. Setbacks: 0 ft. in Town Center zoning districts	M
Floor area (Sec. 3.8)	Maximum: 284,756 sq. ft. Proposed: 228,000 sq. ft.	✓
Landscape		
Buffers (Sec. 5.6.2)	N/A in Town Center zoning districts	✓
Tree Canopy (Sec. 5.7)	N/A in Town Center zoning districts	✓
Landscape Standards (Sec. 5.9.6)	N/A in Town Center zoning districts	✓
Environment		
Resource Conservation District (Sec. 3.6)	N/A	✓
Erosion Control (Sec. 5.3.1)	Orange County Erosion Control permit required	✓
Steep Slopes (Sec. 5.3.2)	N/A	✓

Stormwater Management (Sec. 5.4)	Meet or exceed LUMO 5.4 standards	
Land Disturbance	75,000 sq. ft.	
Impervious Surface	N/A in Town Center zoning districts	
Solid Waste & Recycling	Private trash and recycling pickup proposed	
Jordan Riparian Buffer (Sec. 5.18)	N/A	
Access & Circulation		
Road Improvements (Sec. 5.8)	Improvements to be completed in accordance with TIA findings, including: - Provide a single primary on-site underground parking garage access location aligned with the existing driveway to 151 E Rosemary - Maintain the existing one-way alley access configuration behind the proposed office building	
Vehicular Access (Sec. 5.8)	One two-way driveway on E. Rosemary Street and one exit-only driveway on Henderson Street	
Bicycle Improvements (Sec. 5.8)	Bike lanes along E. Rosemary Street proposed	
Pedestrian Improvements (Sec. 5.8)	Streetscape improvements along E. Rosemary Street frontage including brick pavers and street trees	
Traffic Impact Analysis (Sec. 5.9)	TIA completed	
Vehicular Parking (Sec. 5.9)	<i>Proposed:</i> 170 vehicle parking spaces	
Transit (Sec. 5.8)	N/A	
Bicycle Parking (Sec. 5.9)	<i>Required:</i> 168 spaces <i>Proposed:</i> 181 spaces	
Electric Vehicle Parking	<i>Proposed:</i> 6 spaces	
Parking Lot Standards (Sec. 5.9)	Built to Town Standards	
Technical		
Fire	Built to Town Standards	
Schools Adequate Public Facilities (Sec. 5.16)	N/A	
Inclusionary Zoning Ordinance (Sec. 3.10)	N/A	
Recreation Area (Sec. 5.5)	N/A	

Lighting Plan (Sec. 5.11)	Built to Town Standards; not to exceed 0.3 footcandles at property line	
Homeowners Association (Sec. 4.6)	N/A	

Project Summary Legend

Symbol	Meaning
	Meets Requirements
M	Seeking Modification
FP	Required at Final Plan
NA	Not Applicable