

INTRODUCTION/BACKGROUND

This is the statement of justification to support the request to rezone 6.15 acres of the mixed use development 123 West Franklin Street (The Project) (currently known as University Square) from TC-2 to TC-3C. The Project will be developed on approximately 6.15 acres fronting West Franklin Street which is currently occupied by University Square, an office and retail mixed-use property that is part of our SUP-North submittal. The Project plan calls for the removal of the existing University Square commercial office and retail buildings and the redevelopment and construction of new office, retail and residential buildings as described on the accompanying plans. The zoning request is only for the parcel of land noted as SUP-North and does not include the land associated with SUPM-South, which contains Granville Towers. The Project site is currently zoned TC-2. A new zoning designation of TC-3C is being requested to increase density and mix of uses on the site.

JUSTIFICATION FOR REZONING REQUEST

This Zoning Atlas Amendment is requested to achieve the purposes of the Comprehensive Plan in conformance with Article 4.4. of the Town's Land Use Management Ordinance.

The 2000 Chapel Hill Comprehensive Plan is an overarching document that sets out the vision for the future development of the entire town. The Downtown Chapel Hill Small Area Plan is a component of the Comprehensive Plan and is directly applicable to The Project. The following Justification highlights significant parts of The Downtown Small Area Plan and illustrates how 123 West Franklin Street fulfills or exceeds those objectives.

The Downtown Small Area Plan Vision Statement includes the following guidance:

"In the planning process, it is necessary to take the long view of a subject area, to look into the future, to acknowledge that change and evolution over extended periods of time are typical attributes of a dynamic urban community, and to work to institute programs which will direct and control this evolution.

The Downtown Small Area Plan places one guiding principle above all others in importance: The preservation and extension of the vital people / pedestrian-oriented character of the Downtown Center, and the fostering of programs and policies which would tend to intensify the social and cultural activity that defines this character."

The Plan expresses concern on the way suburban sprawl has pulled people away from the historic core of small cities and seeks to *"reverse this tide of decentralization by encouraging the 'incubation' of vital, well-integrated, mixed-use development, of which housing, with its after-hours population, would be a key component."*

Recognizing that significant development and redevelopment parcels already exist within the Downtown area, the Vision Statement further notes:

"Through a policy of combining preservation of the most significant buildings with the enlightened, planned development – or redevelopment – of underutilized lots, blocks, and 'holes' in the urban

streetscape, the Downtown may be able to enjoy a new era of increased vitality. This maturation of Downtown would maintain continuity from its village roots through references to the antecedents in architectural details and through the preservation of landmarks. It would be distinguished also by major new civic and commercial structures that – in concert with older structures – would form a coherent rhythmic pattern of open spaces and closed street ‘walls’ in varying levels of density and intensity up and down the primary streets.”

The Vision Statement concludes by stating that future development should include *“centralized parking structures, continuous street parking, enhance pedestrian and bicycle infrastructure, and public transit.”*

The proposed redevelopment of 123 West Franklin Street is an exemplary case study for achieving this Vision.

Downtown Small Area Plan Goals & Objectives

1) Economic Vitality

To ensure 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.

The proposed redevelopment of 123 West Franklin Street will be a significant economic contributor to the Town and further supports the mixed-use commercial development currently underway at 140 West Franklin Street. The office and retail uses provide a strong tax base for the Town and are included in the Comprehensive Plan’s list of the most desirable forms of non-residential development. The approval of the rezoning will permit 123 West Franklin to provide the Town with significant additional tax revenue over time. We estimate that the additional tax base to the Town that will be generated by 123 West Franklin at full occupancy would be in the range of \$75 million to \$100 million dollars.

If rezoned, the Project depicts approximately 210,000 square feet of commercial office space, 275-300 new market rate residential rental units and approximately 75,000 square feet of retail and restaurant space. These uses will be significant economic drivers, providing hundreds of new jobs and residents who will activate the street and abutting commercial establishments in Town around the clock.

2) Town Character / Land Use

Maintain and enhance the existing downtown as the social, cultural and spiritual center of Chapel Hill.

The Downtown Small Area Plan lists several objectives for this goal including:

- *“...encourage new ‘magnets’ to attract people downtown.”*
- *“...develop public open space.”*
- *“...preserve fragile residential neighborhoods bordering downtown business districts.”*

With the requested rezoning, 123 West Franklin Street will provide the necessary density and mix of uses to achieve these objectives. The office building will be a considerable “magnet”. The addition of approximately 210,000 square feet of office space and 75,000 square feet of retail space should attract over 1,000 new daytime workers to Downtown. The 275-300 apartments will add another 300-400 residents to the neighborhood. All of these uses will be anchored around an approximately one-acre green space centered within The Project.

The Project also pays particular attention to its edges where it abuts University Baptist Church, several fraternity houses and Mallette Street residential neighborhoods. All of the proposed buildings step down to meet adjacent neighbors with compatible scale and fenestration. The new buildings also enhance and preserve view corridors into the site, making it more porous and inviting for the neighbors. All new development will occur within the 6.15-acre Project site and no abutting land uses will be impacted. Multi-family rental housing is a key component to every community's housing program and will help provide alternatives to home rentals in existing neighborhoods. In order to address the project's commitment to affordable housing, Chapel Hill Foundation Real Estate Holdings, Inc. , owner of the land included in this SUP, has contracted with the Center for Community Self-Help (Self-Help) to develop an implementation plan for the revitalization of the Northside Neighborhood at a cost of up to \$210,000.

3) Infrastructure / Public Services

Downtown facilities and services shall meet the physical, social, and cultural needs of the community.

Objectives within this goal include:

- *"Provide continuity of entire pedestrian system in the downtown and connectivity with adjacent neighborhoods."*
- *"Permit on-street parking for full length of Franklin Street in front of University Square."*

Pedestrian Activity: 123 West Franklin Street is designed to encourage pedestrian activity. The office, residences, shops and restaurant uses are all oriented to the pedestrian with generously wide sidewalks, a promenade into the central open space, detail to ground-level architecture, and vibrant signage. The landscape design greatly improves the existing tree canopy above sidewalks for shading and pedestrian comfort.

Street frontage: The Franklin Street frontage will be radically transformed from its current condition. What is now a blank brick retaining wall with a narrow sidewalk fronting a four lane street will become alive as retail shops and restaurants are brought to the edge of a widened sidewalk along Franklin Street. With approximately 750 feet of frontage on Franklin Street, The Project will create a significant addition to the Downtown streetscape by creating urban scaled storefronts that meet wide public sidewalks. In accordance with the goals and objectives of the *Downtown Small Area Plan*, the Franklin Street frontage will be lined with parallel parking to buffer pedestrians from moving traffic. The existing bus transit stop in front of University Square will be retained and enhanced, providing a convenient public transit option for commuters and employees coming to the site each day to work. This will assist in reducing vehicle trips and make the site more accessible to regional visitors.

Parking: All parking on the site, with the exception of a few parallel parking spaces lining the interior roads, will be below ground or in an architecturally screened parking structure. The site is designed to get those arriving by car into the garage quickly, and then out of the car to experience the site as pedestrians. The 1,023 new parking spaces will result in a net increase of about 600 spaces on the site – a number that is generous enough to provide parking for all uses during work-day peak commuting times and enough to provide excess parking during the evenings and on weekends for entertainment, cultural and recreational uses. The additional parking will be a great asset to the Downtown during days with home athletic events.

4) 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.

Objectives within this goal include improving *"bicycle access routes and providing additional secure storage facilities"*, encouraging *"the reduction of employee based single occupancy vehicle trips to downtown by encouraging the use of the Public Transit System"*, and providing *"adequate (but not excessive), and convenient*

off street short-term parking in either public or private facilities to serve the needs of businesses, residents, and visitors.”

The rezoning enables the Project to meet all of these objectives. The plan provides for 194 dedicated bicycle spaces, a refurbished bus stop, and a net increase of over 600 parking spaces available to the public to support businesses both on and off site. Additional sustainable initiatives related to transportation include preferred parking for alternative fuel and hybrid vehicles and tenant programs designed to foster public transit use.

In addition to embodying the four core Goals and their consequent Objectives, the proposed development exemplifies several of the *Downtown Small Area Plan’s* nine planning concepts:

- *Concept 1* - the project reinforces that Downtown is the heart of the community and makes it a more vibrant, vital place.
- *Concept 2* - the shops, restaurants, commercial offices and open space recognize what is good about downtown and finds ways to encourage that in new development.
- *Concept 4* - the small area plan specifically identifies University Square as a primary redevelopment site where there is opportunity for change.
- *Concept 5* - the residential, office, and commercial program elements promote a rich diversity of downtown uses.
- *Concept 6* - this is a site that is identified in the Plan as an area of higher intensity retail / commercial uses.
- *Concept 8* - the expansive central green space provides a people-friendly, usable, and safe gathering place that is visible to Franklin Street.
- *Concept 9* - the proposed development enhances pedestrian corridors and connections to adjoining neighborhoods.

University Square is one of seven sites highlighted in the *Downtown Small Area Plan* as a prime redevelopment site. By applying the plan’s planning concepts to this parcel, the proposed redevelopment fulfills all four of the plan’s goals and satisfies most if not all of the objectives behind those goals. This requested rezoning for the proposed redevelopment plan for University Square has its genesis in the Town’s Comprehensive Plan and represents the Owner’s and Developer’s best efforts to build upon this town’s character and allow it to evolve in a way that preserves history while stimulating economic vitality. It is a *“coordinated plan that includes centralized parking structures, continuous street parking, enhanced pedestrian and bicycle infrastructure, and public transit.”*