Rezoning Statement of Justification

WCA Partners

February 2010
The Charterwood property is a 12.54-acre parcel with more than 1,000 feet of road frontage on Martin Luther King Boulevard. This property was highlighted in the town’s Northern Area Task Force (NATF) study that was recently completed. The NATF report was adopted by the Chapel Hill Town Council as part of the Comprehensive Plan in January 2008. The study took approximately 18 months to complete, during which time a moratorium on building in this area was imposed. This allowed a citizen-based task force to consider land uses, intensities, and styles of development along the MLK Jr. Boulevard entryway to Chapel Hill.

The Council adoption of the Northern Area Task Force’s recommendation for this property accepted the goal of creating a mixed use village, with a combination of housing, retail, office and other uses that would take advantage of existing infrastructure, as well as the transportation alternatives – including bus, cycling, and walking – that exist in the MLK Corridor. This Corridor is a primary connector to the emergent Carolina North Campus of UNC, as well as the UNC Main Campus and UNC Hospital, the three largest employment destinations in Chapel Hill.

This property is currently zoned R-2, which allows only residential land uses. In order to develop the land uses and density that is prescribed in the Comprehensive Plan’s mixed use recommendations for the property, the current zoning must be replaced by a new zoning classification. We have selected the Mixed Use Village – Arterial zoning as the requested district under which to develop the property. This district classification will allow for the mix of uses that are proposed. We are requesting this zoning for only the portion of the property that is generally at the edge of MLK Boulevard, about 4.2 acres, or about 1/3 of the total land. On the western and northern portions of the property, the portion in proximity to the existing neighborhood development, we are not requesting any rezoning. We will develop this portion of the property under the existing R-2 (Residential 2) district classification. We have made this choice in respect of the neighboring property owners’ rights. In addition, we will increase the allowable setback under the existing R-2 zoning from the 11 foot requirement, and expand it to 25 feet. Furthermore, within this 25 foot zone, we will do enhanced privacy plantings on our property and, if requested, on the neighboring property owner’s land. We have made these additional efforts in respect of and to ensure the neighbors’ full use of their properties.

Under the existing R-2 zoning the property could be developed with up to 54 units of housing. We are requesting rezoning for the portion of the property, approximately 4 acres, at the edge of MLK Jr. Boulevard to achieve the following proposed program of mixed uses.

- 75 housing units
- 20,000 square feet of retail
- 15,000 square feet of office
- 100 room hotel
- 4-acre park and greenway in the Resource Conservation District
- Renovation/Adaptive re-use of the Altemueller farm house (approximately 1,500 s/f)
This Statement of Justification establishes the following permitted and prohibited uses for Charterwood MU-V. It provides for a mixture of complementary uses and intensities that support transit as well as alternative modes of transportation including primarily walking and cycling.

Permitted Uses

Residential
Multi-family units
Single family units
Two-family units with accessory apartments
Duplex dwelling units

Non-Residential
Hotels, Motels and Inns including Conference facilities
Office-type businesses
Child/adult day care facility
Clinic
College or university
Fine arts educational institution
Research activities
Bank
Barber shop, beauty shop
Business - convenience
Business – general
Business – wholesale
Home occupation
Personal services
Public service facility
Publishing and/or printing
Recreation facility: Commercial, including health clubs, private recreation club, and/or pool facilities
Religious institutions
Retail, including:
  - Retail shops
  - Service businesses
  - Grocery stores
  - Restaurants with outdoor dining
  - Studios and artisan shops
  - Taverns and bars
  - News stands and kiosk for outdoor sale of goods
  - Outdoor squares, plazas, parks
ADDRESSING THE MAJOR THEMES OF THE CHAPEL HILL COMPREHENSIVE PLAN

In addition to responding to the recommendations of the Task Force for the Northern Area Study, we have also been responsive to the major themes of the Chapel Hill Comprehensive Plan in our approach and philosophy in planning the Charterwood community.

The Comprehensive Plan identifies twelve major themes for the further balanced development of Chapel Hill, as well as the preservation and safeguarding of existing neighborhoods that have become a hallmark of the quality of life in Chapel Hill. The Northern Area Task Force report and recommendations were developed as part of a more refined look at a specific area of Chapel Hill in the same manner as previous small area plans and neighborhood protection plans. The following discussion addresses how the proposed Charterwood community plan will achieve the goals and expectations of both the Northern Area Task Force plan and the Chapel Hill Comprehensive Plan.

- **Identify areas where there are creative development opportunities**
  This development proposal/concept addresses all the recommendations that were made for this property in the Northern Area Task Force Study. These recommendations included the opportunity for a mixed use transit-oriented village, the saving of the Altemueller farm house, protection of specimen trees, and the creation of housing opportunities along the high volume MLK transit corridor. Our proposal is a creative and excellent example of transit-related smart growth that respects and will enhance the adjacent neighborhood.

- **Encourage desirable forms of non-residential development**
  This property, located on the MLK transit corridor, in proximity to UNC’s Carolina North Campus and an existing concentration of retail at Timberlyne and Chapel Hill North shopping centers, offers a unique opportunity for mixed use development, to further the “walkability” of an area where shopping, employment and housing in combination with transit are already present.

- **Conserve and protect existing neighborhoods**
  A significant effort has been and will continue to be community outreach and working collectively and individually with the neighbors. We have held community meetings and one-on-one in home meetings with several neighbors, and intend to ensure that the neighbors’ full enjoyment of their properties will be maintained. An important element in all new development in Chapel Hill is the protection of existing neighborhoods and our efforts will continue to focus on this. We also have committed to the preservation and adaptive re-use of the old Altemueller farm house located on the property. This will be an ongoing process involving the Preservation Society, preservation experts and potential future users of the building.

- **Conserve and protect the natural setting of Chapel Hill**
  More than thirty five percent of this project is proposed will be open space, including the proposed 4-acre Charterwood Park. In addition, careful planning and tree protection efforts will be incorporated in our process to preserve significant trees where feasible.

- **Maintain the Urban Services/Rural Buffer Boundary**
  This development/property is located in the urban services district where development-supporting infrastructure is in place. There will be no encroachment on the rural buffer.
♦ **Participate in the regional planning process**
This property is located in the MLK transit corridor less than ½-mile from Interstate 40. Development in this location will be accessible to local and regional (TTA) transit service, which is an important objective of the Triangle’s regional planning. This will result in fewer local and regional auto trips.

♦ **Work toward a balanced transportation system**
This project is based on alternative transportation options coupled to smart land use. By building housing where transportation options exist, residents will avail themselves of alternative modes of accessing destinations in Chapel Hill. In this location a household with a member employed in Chapel Hill (e.g. at a University job) could reduce their ownership of an auto. Recent transportation research shows this to be the case. (The recently published (2008) study, “Effects of TOD on Housing, Parking and Travel”, by the Transit Cooperative Research Program, is an excellent study on this subject)

♦ **Cooperatively plan with the University of North Carolina at Chapel Hill**
This property is located less than one mile from the new Carolina North Campus of the University of North Carolina at Chapel Hill. Charterwood’s housing, retail, office and other development components will be complementary to the University and growth initiatives. A key linkage between this project and the University is the potential to offer housing opportunities to university employees in a location where these employees could walk, cycle, or ride a bus to work. By using alternatives to the auto the University could reduce the amount of parking required on campus. A hotel at this location would also serve the lodging needs of tourists attending UNC events as well as business visitors to UNC, particularly as the Carolina North Campus is built out.

♦ **Develop strategies to address fiscal issues**
This development would have significant positive impacts for the Town in terms of tax revenues. Based on the proposed development program, which includes 75 housing units, a hotel, retail and office development, there would be property, sales and occupancy taxes that would be generated in significant amounts. The following approximate tax revenue stream is projected to flow to the Town of Chapel Hill in the first year after build out:

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$700,000</td>
</tr>
<tr>
<td>Sales taxes</td>
<td>$250,000</td>
</tr>
<tr>
<td>Occupancy taxes</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>Total taxes to Town Annually</strong></td>
<td><strong>$1,050,000</strong></td>
</tr>
</tbody>
</table>

Because much of the housing in the community will be small lot detached and attached housing, and primarily attractive to singles, empty nesters, and retirees, mostly without children, it is anticipated that there will be a proportionately lower number of school children residing in this community. This will result in a high public revenue to cost ratio.
- **Create and preserve affordable housing opportunities**
  The developer will work with the Town of Chapel Hill and the Orange Community Housing and Land Trust to bring affordable housing opportunities to this community. We are particularly interested in providing workforce housing targeted to households at the 80% to 120% of median household income.

- **Complete the bikeway/greenway/sidewalk systems**
  An 8’-10’ trail through this community’s park has been proposed on the plan that would connect to the Town’s greenway system. This trail will accommodate pedestrians and cyclists. The park will serve as an amenity for not only this community but also neighboring communities. In the process of developing this community the developer wants to work with the Town in improving walking and cycling travel alternatives to induce this activity.

- **Provide quality community facilities and services**
  In coordination with developers in this area, the Town can improve its services and facilities in the area by targeting intelligent strategic investments.

**Concluding Note**

In the Overview to the “Major Themes” section of the Town’s Comprehensive Plan it is stated that “the plan (also) strives to create initiatives to enhance a community that is already exceptional. In this sense the plan aims not merely to “hold the line” on community character, but also to “raise the bar” of expectations for such characteristics as pedestrian and bicycle friendliness, the diversity of activity downtown, and the integration of greenways and open space into the fabric of the community. This proposed plan will create a community and a “place” that will be among the best in Chapel Hill.”