



Southern Village Hotel and Apartments
Concept Plan Narrative
Chapel Hill, NC



Southern Village Hotel and Apartments

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Southern Village Hotel and Apartments

Concept Plan Overview

As an addition to the Southern Village mixed-use neighborhood, we propose a 125 room hotel with two attractive fronts -- one on 15-501 South and a second pedestrian-oriented front that faces onto Barksdale Drive in the Southern Village Apartment District. The market objective of this hotel is to bring visitors to Southern Village to support existing restaurants and businesses.

We propose to add 80 units to the Southern Village Apartments community. These apartments would share existing infrastructure and increase the availability of one and two-bedroom rentals. The Southern Village Master Plan approved in 1993 called for 1,388 dwelling units. We have completed 1,152 homes, townhomes, condominiums and apartments - 16 percent fewer than allowed.

This project offers aesthetic and financial benefits for the larger community. It will significantly enhance the southern entranceway appearance. A new, landscaped hotel and apartment building will comply with the design principles of Chapel Hill 2020 and replace 1960s-era rentals that lost much of their front yards to the 15-501 South widening. The hotel will add valuable non-residential tax base and sales and occupancy tax revenues, strengthen the Village Center micro-economy and provide connections for social, physical and economic activity in the neighborhood.

Statement of Compliance with Design Guidelines

The project placement and design are consistent with the design and use principles in the 15-501 South Discussion Group report that is now part of the adopted Chapel Hill 2020 Comprehensive Plan. Specifically, the project employs these principles:



Concerts in the Village Center

Emulates the design principles of the market area of Southern Village. Key design principles of the Village Center that will be employed include:

- Hiding the parking. In this proposal, all parking is beneath the buildings, in two levels.
- Creating “permeable” building facades. The design will create interest with windows, materials and relief.
- Bringing buildings to the sidewalk. The hotel and apartments will have pedestrian access to Barksdale Drive, emulating the streetscape of the Village Center. Visitors will have a short walk to restaurants and shops.

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- **Building heights.** The 15-501 South Discussion Group agreed that building heights in the area across the highway from Southern Village should “emulate” the market area of Southern Village. Their principles did not speak specifically to the area adjacent to Southern Village that we are proposing to develop. Here are example heights of buildings in the Village Center:

Weaver Street Market	42 feet at front, 49 feet at rear
410 Building	40-43 feet at front, 52-58 feet at rear

These height differences between front and rear are created by slope. With the 410, 400 and 300 buildings, we took advantage of slope to place parking underneath the buildings.

These are the proposed heights for a new hotel and apartment building:

	Facing <u>Barksdale Drive</u>	Facing <u>US 15-501</u>
Hotel	50 feet	74 feet
Apartments	44 feet	64 feet

The heights on the Barksdale (Village Center) side are comparable to existing building heights. This is appropriate for buildings that come directly to the sidewalk on Barksdale and face existing apartment buildings. From this view the parking is concealed. The heights on the highway side are greater. These heights are appropriate for buildings that are 70 feet away from the sidewalk on 15-501. This side cannot be expected to have a village feel, as it faces a federal highway with a 45 mph speed limit and 20,000 vehicles per day.



Village Center

15-501 will be generously landscaped

- Uses compact design: multi-story with all parking underneath buildings, minimizing impervious surface.
- Adds a commercial use (hotel with restaurant).
- Minimizes traffic impact on neighbor hoods. Vehicular access and egress from 15-501 only.
- Provides corridor buffer and allows for visibility of the hotel. Frontage along with a visual break in front of hotel.
- Enhances the Green Gateway by replacing outdated, poorly maintained buildings. Our design opens up the corridor visually by setting the buildings back.
- Creates very limited impact on schools. School impact fees will be paid for each apartment unit.
- Provides pedestrian connectivity to the existing Village Center.

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- Recognizes the spirit of the Southern Small Area Plan (1992). The Southern SAP called for a concentration of village-style, mixed-use development in the general area that is now Southern Village. An apt summation of these goals is “Density, Design, Destination.” Through density, design and destination, Southern Village met the plan’s environmental goals:
 - Concentrating development, thus minimizing land disturbance and adverse stormwater impacts.
 - Creating a transit-oriented design that reduces vehicle trips and, with the park-ride lot, facilitates use of Chapel Hill Transit by both Southern Village residents and commuters who come in from the south.
 - Designing the neighborhood to be walkable, with sidewalks and street trees throughout the development.

The two proposed new buildings (apartments and hotel) incorporate all of these attributes and thus carry forward the goals of the Southern SAP that are relevant to the Southern Village community.



Southern Village

Southern Village Hotel and Apartments

Statement of Compliance with Comprehensive Plan

The proposed Southern Village Hotel and Apartments comply with the following community-wide goals of the Chapel Hill 2020 Comprehensive Plan:

- Increase in commercial tax base
- Adds to variety in types of housing
- Enhances the southern entranceway
- Promotes connectivity of all types -- social, economic, physical (walkable design)
- Strengthens existing businesses
- Supports local visitors program
- Promotes transit ridership
- Efficient use of public facilities, using infrastructure that is already in place (roads and sidewalks, water and sewer, close to Southern Village Greenway and Southern Community Park)



Southern Village Farmers Market



Southern Village Hotel and Apartments

Developer's Program

Market Objective

We propose this hotel and apartment project primarily to support the existing restaurants and businesses on Market Street. We are the developer of the Village Center and owner of the buildings at 300, 400, 410 and 700 Market Street, as well as the Lumina Theater. These commercial buildings were completed over a six-year period, 1999-2005.

As developer-owners, we enjoy creating successful new built environments and have worked hard to create a thriving Village Center. In 2000 we opened the Lumina Theater to create a retail anchor. We formed creative partnerships to bring in important establishments such as Weaver Street Market (2002), Christ Church (1999) and Chapel Hill Daycare (1996).

We are currently in discussions with hotel operators, who advise us that 125 rooms are necessary to make this project economically viable. These experts believe that this is an excellent hotel location for the Chapel Hill market, as there are no hotel facilities south of downtown Chapel Hill. In addition to leisure visitors, this hotel would be convenient for persons visiting UNC Hospitals and conducting business at the University. We are in discussion with hotel operators who work with Hilton Garden Inn and Marriott Courtyard. These may be viewed as the type of limited-service hotel we are seeking.

Benefit to Local Businesses

A hotel would be a very important third anchor, joining Weaver Street and the Lumina in the Village Center. A hotel offers excellent value-capture for a walkable town center. We would be bringing our retailers an ever changing market -- 125 rooms of foot traffic.

The Chapel Hill-Carrboro Visitors Bureau reports that in 2012, a person who stays overnight in Chapel Hill spends an average of \$285 per day for lodging (\$126), food and beverage (\$85), shopping (\$37) and transportation (\$37). A hotel would strengthen the long-term vitality of the Village Center. The hotel itself is inherently mixed-use, with lodging, a restaurant and meeting space.

Benefit to Neighbors

A vibrant Village Center helps keep housing values strong in the neighborhood. Local realtors report that homebuyers considering Southern Village place a high value on being able to walk to restaurants, shops and services. A hotel would broaden the array of local conveniences by providing a place for guests to stay, a new restaurant and a facility for local families to have celebrations.

Benefit to the Community

A hotel would have a beneficial fiscal impact, adding to the non-residential tax base in an area where municipal services are already provided. It would also contribute occupancy tax revenues to local governments. The location is an excellent fit for our public transit system, enabling visitors to visit UNC Hospitals, conferences, sports events and concerts by using Chapel Hill Transit.



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Apartments of this design—predominantly one and two-bedroom - would likely attract young professionals and graduate and professional students who prefer to live in a walkable town center and take transit to work or the University. The 80-unit apartment building, with flats and one-bedroom lofts, would bring a different type of residential housing to an established neighborhood where all infrastructure is in place. This is desirable infill.

This investment is projected at \$20 million. At the current tax rate, this new project would generate \$309,058 per year in ad valorem revenues for the town, county and school district. Assuming 65 percent occupancy of the hotel, the Town of Chapel Hill and Orange County would realize more than \$170,000 each per annum in occupancy tax revenues.

Chapel Hill Transit comes to Southern Village 16 times per day. This project—both the hotel and the apartments - will enhance Southern Village’s established success as a Transit Oriented Development.

Requested Approvals

While we understand that concept plan review is not a zoning or special use permit application, we want to share some ideas from our preliminary discussions with the Planning Department staff. Those discussions indicate that we might be seeking the following approvals from the Town:

- Rezoning of the subject property to Mixed Use Village Arterial. This zoning designation was created during the review of Meadowmont. It did not exist when Southern Village was approved, but seems appropriate for what we are proposing. We would be amenable to an MUV-Arterial Conditional rezoning, allowing only the specific buildings we are proposing.
- Modification of the Southern Village Master Plan to include these two new buildings and expand the master plan boundary.
- Modification of the Southern Village Apartments SUP to include the new apartment building.
- New SUPs for the hotel and apartment building.

While we are seeking approval for the hotel and apartment building, we will also request a modification of the Village Core SUP to permit the level of flexibility now in place for the Meadowmont Village Center.

Specifically, we request the Mixed Use Village standard of having at least 25 percent residential and at least 25 percent non-residential. Currently we have caps on our square footage as follows:

Office	145,000
Retail	62,500
<u>Residential</u>	<u>162,500</u>
Total	370,000

We would like to retain the existing limit on total square footage, but relax the absolute caps on each type of use. The Village Center now functions as a downtown, and needs the flexibility to adapt to market changes.



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For example: The Lumina Theater is a retail use.

If a theater in that location is no longer economically viable, we would like the flexibility to convert that space to office, if that's what the market would allow.

Another example: Let's say that we have retail uses occupying 62,500 SF in the Village Center, and a pharmacist approaches us with a plan to open an independent pharmacy in Southern Village. Although this is the retail use residents request most often, we would not be able to accommodate this request if we already were at our current retail capacity.

These caps initially were the Council's way of ensuring that the Village Center be truly mixed use. This plan succeeded. But for the Village Center to continue to thrive, it needs the flexibility to respond to market conditions and desires of Chapel Hill residents rather than somewhat arbitrary square footage caps that were established almost 20 years ago.

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Southern Village Evolution

1992

Chapel Hill Southern Area Plan

2012

Chapel Hill 2020 Plan

1993

SV approvals granted

1994

Infrastructure begins
Collaboration begins for Scroggs School
First lots sold to builders

1995

First home occupied
Day care approved
Phase 1 townhomes approved
Corner Cafe opens

2012

Corner Cafe becomes
Edward D. Jones office

Park-Ride Lot opens
Southern Village Apartments open
Infrastructure for Market Street begins

Park-Ride lot at capacity

1996

Day care opens
Other residential and village center
approvals granted

2011

Day care expands

1997

Phase 2 residential begins
Greenway construction begins

2011

SV greenway connects to
Morgan Creek GW and SC park

1998

SV Racquet and Swim Club opens
Condominium Phase 1 begins

1999

Christ Church opens
700 Market Street opens
Mary Scroggs School opens
Market Street infrastructure complete

2000

Lumina Theater opens

2001

Condominium final phase complete
Bike and pedestrian improvements complete



Southern Village Hotel and Apartments

2002

Weaver Street Market opens
Several Market Street buildings completed

2003

Last new home sale

2005

410 Market Street completed

2008

Hotel proposal for Village Center parking lot

2012

Hotel and apartment proposal for 15-501 South, adjacent to Village Center