

**THE STATION AT EAST 54
STATEMENT OF JUSTIFICATION
SPECIAL USE PERMIT
DECEMBER 11, 2015**

SUMMARY STATEMENT

The Station at East 54 project proposes the redevelopment of the current Town of Chapel Hill Fire Station #2 site which contains 1.12 acres at the corner of Hamilton Road and Prestwick Road. The Town issued a Request for Proposal on January 10, 2014 with the intent of offering a private development opportunity in exchange for the development and construction of a new Fire Station #2. The outcome of this process was the selection of East West Partners to partner with the Town on a development project containing a new, state of the art, 10,000 square foot fire station, a class-A office building of approximately 49,000 square feet, and an onsite parking structure. The Town and East West Partners entered in to a Memorandum of Understanding that established the framework for a public-private partnership and the resulting development plans are the purpose of this Special Use Permit application.

The development plans call for the demolition of the existing Fire Station #2 and the creation of a new replacement fire station, office building and parking deck. The new proposed fire station will continue to have access on Hamilton Road and will be located on the northwest corner of the property. To the east of the fire station will be a tabletop parking structure to serve both the fire station and office building. The new office building will be located on the southeast corner of the site and will face Prestwick Road and wrap around the corner to face Hamilton Road as well. The office building will be a four story building above the two level parking structure.

While there are many justifications for this project detailed here within, there are two overarching reasons why this project is of great benefit to the Town. First, this project leverages the value of Town owned property for commercial purposes in order to deliver to the Town a modernized fire station at minimal public cost. Second, the proposed development plans capitalize on the site's location along a major transportation and growth corridor to deliver the type of new development that is identified in the Town's Comprehensive Plan and will seamlessly integrate in to the fabric of its surroundings.

BASIS FOR JUSTIFICATION – KEY POINTS

- Provides a much needed new fire station to the Town and upgrades a necessary service to the people of Chapel Hill.
- Increases tax revenues and fosters economic development by offering a new class-A office space to an under-supplied office market in town, which in turn will help ease the cost burden on Chapel Hill businesses by adding to the supply chain.
- Delivers dense, mixed-use development adjacent to existing East 54 mixed-use village and along the major growth and transportation corridor of NC-54.
- Proximity to the future Light Rail Corridor and proposed Hamilton Road Station exhibits good urban planning by locating density adjacent to mass transit.
- No extension of off-site infrastructure is anticipated.
- The project will not have a significant impact on traffic.
- The project will not increase required town services.

- East West Partners is a locally owned and operated real estate development company with a history of executing well designed, high quality development in Chapel Hill.

SPECIAL USE PERMIT – REQUIRED FINDINGS OF FACT

Finding #1 – *“That the use or development is located, designed and proposed to be operated so as to maintain or promote the public health, safety and general welfare”*

Emergency Services

The proposed redevelopment plans include a new, state-of-the-art fire station for the Town of Chapel Hill Fire Department. The existing Fire Station #2 currently occupies the property and is very old and functionally obsolete, which is impacting both the emergency service area and the fire department staff who work there. The proposed new fire station will make the general public safer and will allow the fire department to be better equipped and prepared to do their jobs delivering emergency services. During demolition and construction activities, the current staff and equipment will be housed at the corner of Prestwick Road and Finley Golf Course Road in temporary facilities that will serve their daily needs and eliminate any disruption in their ability to offer emergency services.

The Chapel Hill Fire Department is also in active discussions with Orange County Emergency Services to house EMS services in the new fire station #2. This will give OCES a new operations facility allowing better EMS response times and coverage.

The new office building will be equipped with a fire suppression sprinkler system and comply with all life safety code requirements to protect the office tenants and general public.

Utilities and Solid Waste Services

The proposed redevelopment site will receive water and sanitary sewer service by OWASA and meet all public health safety standards related thereto. Both water and sanitary sewer are adjacent to the site and adequately sized to handle the volumes from the new office building and fire station.

Electricity will be provided by Duke Energy via existing power poles that are located on the subject property. All power routing, transformer housings, etc. will comply with Duke Energy standard practices to ensure utmost safety for the general public.

The current Fire Station #2 houses one of the Town’s critical fiber optic network hubs, and having this hub located in a new facility will ensure that it is protected and secured in the most advanced manner possible.

Solid waste management and recycling will be administered by Orange County Solid Waste and a private waste service provider. There is one centrally located service area that will house a solid waste dumpster for both the office and fire station. All solid waste and recycling practices will conform to Orange County Solid Waste standard methods and practices.

Fire protection and emergency services will be provided by the Town via the new onsite fire station #2.

Floodway/Floodplain & Resource Conservation Distric (RCD)

No floodway/floodplain or RCD exists on this site.

Traffic/Connectivity

A traffic impact study has been deemed unnecessary by the Town Traffic Engineering Department. Given the results of the recent traffic impact study on the proposed Glen Lennox redevelopment project across NC-54, the Traffic Department does not believe that any road improvements will be required, but that a signal timer for the traffic signal at Hamilton Road and NC-54 will be required. The fire station daily trips are not anticipated to increase, but the new office building will generate additional daily trips. Travelers have access to the site from both Prestwick Road and Hamilton Road, which mitigates potential congestion caused when all travelers have a single access route.

The parking deck is a tabletop deck meaning there is no internal connectivity. The ground floor of the parking deck will be accessed from Hamilton Road, while the first floor of the parking deck will be accessed from Prestwick Road. This design separates the site ingress and egress traffic and serves to alleviate high traffic volumes on both Prestwick Road and Hamilton Road.

The fire station will be equipped with a traffic signal trigger for the traffic light at the intersection of Hamilton Road and NC-54 so that dispatched firetrucks do not encounter traffic backup at this intersection. The traffic signal trigger will serve to eliminate any potential unsafe conditions at this intersection, while also ensuring that emergency services can be dispatched as efficiently and safely as possible.

The location of the subject property is ideal for a dense, urban development project because it offers many different transportation options for tenants and visitors. Directly across Prestwick Road is the future Durham-Orange Light Rail Corridor and proposed Hamilton Road LTR station. Sidewalks along Hamilton Road and Prestwick Road lead to the NC-54 major transportation corridor served continuously with multiple bus services and routes. The Finley Golf Course trails system is located directly across Prestwick Road and offers tenants and visitors opportunities to exercise and promote healthy living. The site will contain bike storage that encourages bike commuting and recreational usage along the trail system.

Finally, the proposed development is located adjacent to the East 54 mixed-use village that contains restaurants, residential and hospitality uses. This project is an extension of this mixed-use village district and will offer tenants and visitors access to all of these amenities without having to use a car, which promotes healthy living and a healthy environment.

Finding #2 – *“That the use or development would comply with all the required regulations and standards of the Land Use Management Ordinance”*

The Station at East 54 is designed to meet the intent of the LUMO and other Town standards and largely follows the prescribed standards of the MU-V Arterial district. However, this type of dense, urban development does not fit exactly in to the boxes created by the LUMO and therefore proposes modifications to the the MU-V Arterial standards.

Proposed modification to the MU-V Arterial zoning

Under LUMO section 3.5.1.b)(2)A. it states “An MU-V shall include office, commercial, and residential uses as described below. The mix of floor area within a proposed development shall contain at least twenty five (25) per cent of the floor area devoted to residential uses and at least twenty five (25) per cent of the floor area devoted to office/commercial uses.” The Station at East 54 project itself does not contain residential uses, but as an extension of the adjacent East 54 MU-V zoning district all the required uses of the MU-V district are included within this mixed use development and the required percentages of each use are achieved. Extending the East 54 MU-V district to include the Station at East 54 project creates an MU-V district that contains 36.9% residential uses and 63.1% commercial uses, both well above the 25% residential and commercial requirements in the LUMO. The fire station, civic use along with the office building is a logical extension of the zoning district.

Building heights, architectural elements and the site plan were designed with the goal of making the project an extension of the East 54 development.

Proposed modification to the solar setback

Under LUMO Table 3.8-1 Dimensional Matrix, the zoning code requires a solar setback of twenty (20) feet (measured perpendicular to the north property line) for properties zoned MU-V arterial. Due to numerous compounding factors, the fire station and structured parking deck encroach into the solar setback to satisfy the programmatic requirements of the development. We understand the intent of the solar setback is to maximize sunlight and to limit shading and/or shadows cast from adjacent (southern) properties. A diagrammatic section drawing found on the Town of Chapel Hill website demonstrates this intent and while also illustrating compliance with the intent while encroaching into the setback. Referencing the Town’s diagram as precedent, in a similar manner we demonstrate on sheet A4.02 – “Zoning Section” in the SUP drawing set that the proposed buildings cast shadows much shorter than those cast by the largest allowable building development on the site. Therefore, even though the footprint encroaches into the setback, the buildings are scaled to satisfy the intent of the code. Furthermore, the adjacent property to the north of the site includes an approximately 25-foot wide asphalt driveway running east-west for the full width of the project site. Shadows cast on this drive have negligible impact on the use and value of the adjacent property.

Proposed modification to landscape buffers – LUMO Section 5.6

The Adopted Special Use Permit for East 54 prescribed specific "Planting Areas" in lieu of TCH standard buffers. Those relevant to this SUP application are included in Table 'A' below. In keeping with the precedent established by the Council action on East 54, modifications are hereby proposed to include "Planting Areas" in lieu of buffers as detailed in the Table 'B' below.

Table 'A' - East 54 Landscape Buffer Modification Stipulations Excerpt From East 54 SUP

22. Planting Areas: That the applicant shall provide the following planting areas:

Planting Areas Proposed	Location
0-10'	"planting area" Prestwick Road
8'	"planting area" Internal Western Edge (Fire Station)
8'	"planting area" Internal Southern Edge (Fire Station)

23. Perimeter Planting Areas: That prior to the issuance of a Zoning Compliance Permit, the applicant shall obtain approval of a planting plan from the Community Design Commission for landscape materials within all perimeter "Planting Areas" as identified on the approved Special Use Permit Modification site plan.

Table 'B' - The Station at East 54 Landscape Buffer Modifications Proposed

Planting Areas: That the applicant shall provide the following "planting areas" in lieu of "buffers". Planting Areas shall not be required at driveway and walkway connections needed for required egress.

Planting Areas Proposed	Location
Width	
1' - 18'	"planting area" Prestwick Road
4' - 20'	"planting area" Hamilton Road
5'	"planting area" east internal yard common with East 54
10'	"planting area" north internal yard common with East 54

The purpose of buffering is to separate a proposed development from adjacent major streets and different adjacent land uses or zoning designations in order to minimize potential nuisances such as the transmission of

noise, dust, odor, litter, and glare of lights; to reduce the visual impact of unsightly aspects of adjacent development; to provide for the separation of spaces; and to establish a sense of privacy. The adjacent land uses to this project are similar and therefore compatible, especially when considering this project an extension of the adjacent East 54 MU-V district. Furthermore, in urban settings such as this, issues of noise, light, glare, etc. have been addressed within the design to mitigate impacts.

Proposed modification to the tree canopy coverage – LUMO Section 5.7.2

Under LUMO Section 5.7.2 the minimum tree canopy coverage is required to be 40%. We are proposing to reduce the required Tree Canopy Coverage to 15% due to the large development footprint required to accommodate all of the necessary project components that make it economically viable. To fit a new fire station, the necessary amount of office and parking deck on to this 1.12 acre site requires a modification to 15% tree canopy coverage. Any additional tree canopy coverage above the 15% shown on the plans will impact the building footprints and will render the project financially unviable. In addition to the numerous project benefits detailed herein, the public will benefit from having a large majority of the onsite parking enclosed, including the enclosed garage parking needed by the fire department. Surface parking area shading is nearly twice the required amount.

Proposed modification to not provide the required minimum five foot parking lot screening between the internal parking areas and building facades – LUMO Section 5.9.6

Under LUMO Section 5.9.6 there is a required minimum 5' parking lot screening between the internal parking areas and the building facades. In lieu of this, a mixture of planting areas has been provided to the entrance courtyard in order to provide an inviting entry and deliver scalable landscaping/screening solutions for what is a very tight site configuration.

Proposed modification to impervious surface – LUMO Section 3.8.1

Under LUMO Table 3.8-1 Dimensional Matrix, the zoning code requires a maximum impervious surface percentage of 70% for projects zoned MU-V Arterial. We are proposing the total project impervious surface as shown in the calculation as stated below:

Lot area	48,787 sf
Existing (grandfathered) impervious	<u>16,533 sf</u>
Remaining lot area	32,234 sf
Allowable Impervious (70%)	22,564 sf
Proposed impervious	44,431 sf
Existing (grandfathered) impervious	<u>16,533 sf</u>
Proposed new impervious (86.5%)	27,878 sf

The justification for allowing this additional impervious surface is that the economics of the development do not work if any of the project components are reduced in size. The fire station cannot be resized without adversely impacting the Town's project goals. The private office component of the project must be the designated size that is proposed, and it requires the allocated parking spaces to make the office viable for leasing at market lease rates. To fit a new fire station, the necessary amount of office and parking deck on to this 1.12 acre site requires that new impervious surface area be increased to 86.5% as opposed to the LUMO requirement of 70%. Any reduction in the impervious footprint will render the project financially impractical.

The development team has explored various other scenarios to alleviate the amount of impervious surface, but all of these scenarios, including the green roof concept detailed in the plan set, are very expensive and cost

prohibitive. Neither the Town's project budget nor the East West Partners project budget can absorb these significant alternative scenario costs without making the development financially unfeasible for both parties.

Finding #3 – *“That the use of development is located, designed and proposed to be operated so as to maintain or enhance the value of contiguous property, or that the use of development is a public necessity”*

The Station at East 54 project is both a public necessity and an enhancement to the neighboring properties. The Town recognized the need for a new Fire Station #2 and the proposed development plan was conceived through the Town's RFP process. This development provides the new fire station that was determined to be a public necessity by Town leadership. In conjunction with the new fire station, the project contains structured parking and a class-A office building that will serve as an extension of the adjacent East 54 mixed use village. The density, architectural form and functions will only serve to enhance the existing uses in East 54 and the commercial uses across Hamilton Road. The class-A office component to this project will be of the same or higher quality to what is currently in East 54, and its tenants and visitors will fill the hotel, restaurants and retail establishments in both East 54 and the Glenwood Square Shopping Center.

Finding #4 – *“That the use or development conforms with the general plans for the physical development of the Town as embodied in the Land Use Management Ordinance and in the Comprehensive Plan”*

The proposed Station at East 54 project conforms to the general plans for the physical development of the Town by embodying the MU-V standards set forth in LUMO and by achieving the desired development form and function outlined in the Comprehensive plan. The adjacent East 54 project has successfully established high density, mixed-use development along the major NC-54 corridor. The subject property is the last remaining outparcel in the East 54 block between Hamilton Road and Finley Golf Course Road, which makes it a smart location for additional density and MU-V zoning. Conformance to the MU-V standards outlined in the LUMO will allow this project to seamlessly blend in to the existing East 54 development and locate dense, urban development in an area of Town that is well established as high density. The Comprehensive Plan identifies the NC-54 corridor as an area to “Focus intensity and a mix of uses around proposed LRT and BRT stops,” and that “highest density should reach 4-6 stories.” This project embodies all of the Comprehensive Plan's goals for development along the NC-54 corridor and LRT stops, and is a great fit within the Town's current physical landscape.

Comprehensive Plan Themes and Goals

1. **A Place for Everyone:** In the time since it was constructed, the area served by Fire Station #2 has transformed from a rural and suburban area of town to a vibrant, urban extension of downtown and the University. As such, the existing fire station desperately needs modernization both for the public safety of the area and the fire department employees working there. The proposed redevelopment of this site will realize that goal at a minimum of expense to the Town and fire department.

Additionally, the new office building proposed will add to Chapel Hill's office supply. Office space in Chapel Hill, and especially on the Highway 54 corridor, is considerably under-supplied. The new building will help ease the supply restriction and reduce the upward pressure on office rents. In turn, this will help ease the cost burden on Chapel Hill businesses and those that would like to locate here with more affordable office space around town.

2. **Community Prosperity and Engagement:** The station at East 54 will help Town finances in two ways. By leveraging the value of the land containing the current fire station, the Town will be able to replace and modernize a crumbling station at a fraction of the cost of its construction.

In addition, the new office building will provide a considerable annual revenue stream to the Town (approximately \$50,000/year plus revenue to the County and schools) with minimal services demanded by office tenants.

3. **Getting Around:** The Fire Station #2 site is the ideal location to add density to encourage and support public transit and general mobility around town. In addition to being located on a major transportation corridor (Highway 54) served by regular bus service, the DOLRT plan calls for the Hamilton Road station adjacent to the project.
4. **Good Places, New Spaces:** The Station at East 54 will add two new desirable buildings, one for public service and one for private, commercial use. The new fire station will provide fire department staff with a modern, healthy building from which to operate. The office building will add modern new commercial space with exceptional views of Finley Golf Course. Both buildings will enjoy direct access to recreational amenities with the adjacent greenway trail providing direct access to Meadowmont on one end and the Botanical Gardens on the other as well as the shopping and entertainment destinations at East 54 and the Glenwood Square shopping center.
5. **Nurturing Our Community:** The Station at East 54 will be built on a site and with methods that reflect the community's environmental and sustainability values. As it sits today, the site contains a considerable amount of impervious surface with virtually no facilities to assist storm run-off quantity or quality. Redeveloping the site as proposed will improve on the site's existing stormwater conditions.

Additionally, East West Partners has a long history of only developing projects on the cutting edge of green building practices. Meadowmont was one of the first new home communities in the state to require energy efficiency consultation as part of all new construction and East 54 contains buildings that achieved Platinum and Gold LEED certification.

6. **Town and Gown Collaboration:** The new office building will provide space that is conveniently located to UNC main campus and UNC Hospitals. This means that the building could be attractive to users within the University and/or Health Care System as well as a space to retain businesses spun out by University faculty and students.

Area 4 Key Considerations (Highway 54)

1. **Highway 54 is one of the town's major connections to I-40, Research Triangle Park, and the greater Triangle region with access to health care, shopping, downtown, the University, and UNC Hospitals.**

Because of this site's strategic location along the Highway 54 corridor, it is the ideal location for infill commercial densification. The site is not adjacent to residential neighborhoods, but provides regional connectivity desired by area business. In addition to regional vehicular access, the site is well served by Chapel Hill transit and along a greenway and side path that provides convenient access for cycling and pedestrian commuters.

2. **Future transportation improvements should consider the proposed light rail connection between Chapel Hill and Durham.**

The site is adjacent to the future Hamilton Road stop on the DOLRT corridor.

3. **Investments in the transportation system, including all types of circulation, and land-use decisions should be coordinated in this corridor.**

This site is already located in one of the most strategic locations in town for multi-modal transportation. Between the Hamilton Road DOLRT stop, adjacent greenway connecting to the Botanical Gardens and Meadowmont, side path along 15-501 and bus stops along Highway 54, the site is easily accessible to all forms of transportation.

CONCLUSION

The Station at East 54 seeks to deliver a very opportunistic development situation for all parties. Not only will the Town successfully leverage its property value to fund a replacement fire station, but it will also receive the type of new development that is outlined in the Comprehensive Plan and desired along one of the Town's major transportation and growth corridors. All with a development partner in East West Partners who is locally owned and operated and has a track record of delivering well designed and executed projects. The current plan submitted for a Special Use Permit follows Town design principles and plans for this site while delivering a high quality mixed-use project that will be a great benefit to the Town.