

ZONING ATLAS AMENDMENT APPLICATION



TOWN OF CHAPEL HILL
Planning Department
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Parcel Identifier Number (PIN): 9798 34 0950 Date: 4/29/16

Section A: Project Information

Project Name: The Station at East 54
Property Address: 1003 S Hamilton Rd. Chapel Hill Zip Code: 27517
Use Groups (A, B, and/or C): B Existing Zoning District: CC
Project Description: Redevelopment of Fire Station #2 into a new 11,000 sf fire station, 60,000 sf office building and parking deck.

Section B: Applicant, Owner and/or Contract Purchaser Information

Applicant Information (to whom correspondence will be mailed)
Name: Bryson Powell and Ben Perry / Town of Chapel Hill and East West Partners Mgmt. Co.
Address: 1450 Environ Way
City: Chapel Hill State: NC Zip Code: 27517
Phone: (919) 929-0660 Email: bpowell@ewp-nc.com / bperry@ewp-nc.com

The undersigned applicant hereby certifies that, to the best of his knowledge and belief, all information supplied with this application is true and accurate.
Signature: [Signature] Date: 4/29/16

Owner/Contract Purchaser Information:
 Owner Town of Chapel Hill and **Contract Purchaser**
Name: Bryson Powell and Ben Perry of East West Partners Mgmt. Co.
Address: 1450 Environ Way
City: Chapel Hill State: NC Zip Code: 27517
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Signature: [Signature] Date: 4/29/16

Developer's Program

The Station at East 54

Existing Conditions

The Station at East 54 is proposed for a 1.12 acre site at the northeast corner of Hamilton Road and Prestwick Road, tucked between the East 54 mixed-use project, across Hamilton Road from a State Employee's Credit Union branch and across Prestwick Road from UNC's Finley Golf Course. The site currently contains Fire Station #2 facing Hamilton Road, along with its associated driveway and parking area to the rear of the building.

Public Process

On January 10, 2014, the Town of Chapel Hill put out a Request for Proposal for the redevelopment of Fire Station #2 on Hamilton Road. Through this process, East West Partners was selected to partner with the Town on a project that will demolish the existing fire station and relocate it as part of a new project containing a new, modern fire station along with an approximately 49,000 sf office building and associated parking structure. This process resulted in a Memorandum of Understanding between the Town and East West Partners which has formed the basis of this Concept Plan.

As a result of on-going conversations between East West Partners, members of the Town's Planning Department and Fire Department, we have decided to pursue a rezoning and Special Use Permit for entitlement of the proposed project. East West Partners and the Town of Chapel Hill are joint applicants as both parties will own a portion of the site upon redevelopment.

In addition to the entitlement process, an Economic Development Agreement between East West Partners and the Town will be necessary to facilitate the sale of the property and project execution with East West Partners as the lead developer.

Project Plan

The proposed plan for the project involves demolition of the existing building. A new, modern fire station will then be constructed on the northwest corner of the site fronting Hamilton Road. To the south of the new fire station, a table-top parking structure, serving both the fire station and the new office building, will be constructed. On the southeast corner of the site, a 4 story, 49,000 square foot office building over a portion of the parking structure will wrap the corner of Hamilton Road and Prestwick Road, with the building extending the length of the site along Prestwick Road.

The parking contains two accesses. One access is off Hamilton Road between the new fire station and the new office building accessing the lower level of the parking deck. The second access is off Prestwick Road and connects under the first level of office space to the upper level of the parking structure. The site will contain 139 parking

spaces, which is a minimal, but acceptable, amount to be supportive of the uses contained on the site.

Goals and Objectives

The primary objective of the project is to leverage the value of the site for commercial purposes in order to deliver the Town a modernized fire station on the site while minimizing the public cost. With this Concept Plan, East West Partners is able to contribute up to \$1.75 million toward the cost of constructing the new fire station in exchange for the right to build, own and operate the office building on the site. Given the size of the site after construction of the new fire station, \$1.75 million is a very high price to pay for the remaining land. However, due to the views of Finley Golf Course enjoyed by the future tenants, strategic location on the Highway 54 corridor, and walkable amenities next door at East 54 and Glenwood Square, East West Partners believes the project will be financially viable.

Other goals and objectives for the project are consistent with East West Partners' core business strategy: to develop innovative communities with an unparalleled value placed on helping people realize the highest quality of life. With a careful eye on the environmental, social, and economic sustainability of each new community, we provide comprehensive services that include acquisition, planning, development, marketing and sales.

To achieve these goals, we are embarking on a design for the building that will utilize cutting-edge green building technologies and methods and a high quality finished product to maximize the enjoyment of the new office building for the future tenants. We are working closely with the fire department with the same goals in mind, while also being mindful of the Town's budget constraints and \$1.75 million contribution from East West Partners.

**THE STATION AT EAST 54
STATEMENT OF JUSTIFICATION
ZONING ATLAS AMENDMENT
APRIL 15, 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 Zoning Atlas Amendment 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

The Town of Chapel Hill allows a zoning atlas amendment for any one of three reasons. The Station at East 54 qualifies under two of them:

1) Changed or changing conditions in a particular area or in the jurisdiction generally

- When the existing fire station #2 was constructed, its area of service was primarily developed as low density residential and the fire station was designed as such. In the decades since, the area has significantly urbanized and the existing fire station is no longer suitable to serve the make-up of this area of Town.
- The cost of constructing a new fire station with the capacity to properly service this area entails significant expense. In order to off-set some of this cost to the Town and its taxpayers, the Town is considering entering into a development agreement with East West Partners to develop a portion of the site as office. This agreement requires the zoning district DA-1 be applied to the site.

2) Achieve the purposes of the Comprehensive Plan

The Station at East 54 addresses many of the goals of the Chapel Hill 2020 Comprehensive Plan. Below is a short list of just a few stated goals and how this project addresses them.

- **Council Goal 1, CPE.1: Balance and sustain finances by increasing revenues and decreasing expenses** – The Station at East 54 provides revenues to the Town in two forms: 1) a substantial contribution from the developer to help construct a desperately needed new fire station, and 2) through on-going property taxes generated by the infill development of a new privately owned commercial building.
- **Council Goal 1, CPE.2: Foster success of local business** – The Station at East 54 will provide desperately needed office space in the location of Town most demanded by local businesses.
- **Council Goal 1, CPE.3: Promote a safe, vibrant and connected community** – The Station at East 54 is well located next to the 24-hour East 54 community and the Glenwood Square shopping center. It is also conveniently located on a main Chapel Hill Transit bus line and less than a block from the future Hamilton Road light rail station.