

10-17-2018 Town Council Meeting Responses

ITEM #6: Concept Plan Review: 101-111 Erwin Road Mixed-Use Development

Council Question: What is the current hotel occupancy rate in Town? How many hotels rooms are in the current pipeline? Do we know or can we find out the occupancy rate for the Residence Inn on this property?

Staff Response: *The year-to-date occupancy rate for hotels in Chapel Hill is 65.9%. The specific occupancy rate for the Residence Inn is unknown. The only active hotel project currently under review is Tarheel Lodging, which is proposing 97 rooms.*

Council Question: Are there deed restrictions on the property?

Staff Response: *While Town staff has not conducted a comprehensive deed history, our preliminary research has not yielded any information in the Orange County Land Records files to indicate that there are deed restrictions on the property.*

Council Question: What is the current use of the 2-story building with 3 dwellings and 1500 sf of office space?

Staff Response: *We understand that the units are owned privately and they aren't rented or used by the hotel.*

Council Question: Could you please clarify the affordable housing history of this property? As I understand it, initially, the developer offered 1 of the 4 condos on the property as an affordable unit. Once it was under construction, it changed to a payment in lieu. The applicant says that change was at the Town's request. Community members say it was initiated by the applicant (or perhaps the former owner - not sure exactly when the property changed hands). Do we know which is the case? Did we ever receive a PIL? If so, how much?

Staff Response:

- *The Special Use Permit approved by the Council on March 24, 2003, stipulated 4 dwelling units, including 1 affordable unit, on the site as offered by the owner at the time, the Summit Hospitality Group.*
- *In 2006, the owner of the property requested that he provide a payment-in-lieu of housing instead of providing an affordable unit on the site. The owner consulted with the Community Home Trust who recommended a payment-in-lieu of \$60,000. We proposed this change to the Council as a Minor Modification to the Special Use Permit. At that time, the Council chose to take no action on this request.*
- *In 2009, the Summit Hospitality Group and the Community Home Trust agreed that the Residence Inn was not an ideal location for a single affordable housing unit and approached the Town to again consider a Minor Modification to the Special Use Permit. The rationale*

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was that a unit in that location would be isolated, not part of a neighborhood, and it would be a challenge to market and sell the unit. The Council Committee on Affordable Housing (four members of the Council appointed by the Mayor) reviewed the request and recommended that the Council accept an \$85,000 payment-in-lieu to the Town's Affordable Housing Fund for this unit. At that time, \$85,000 was the amount of subsidy needed to provide an affordable housing unit in Town. On January 26, 2009, the Council approved a Minor Change to the Special Use Permit and accepted an \$85,000 payment-in-lieu for the affordable unit.

- *The Town received the \$85,000 payment on May 21, 2009.*

Council Question: What could the applicant develop by right on 111 Erwin? Is there anything they would change at 101 without a revision to the current SUP?

Staff Response: *111 Erwin Rd is currently zoned Residential-2 (R-2). Single or two-family dwelling unit uses are allowed "by-right", with a minimum lot size of 10,000 SF. Since any subdivision creating more than 4 lots (since 1956) requires Council approval, a true "by-right" scenario would at most result in 4 lots, each 55,321 SF. To maximize use of this property by-right, the developer would need to subdivide the property into approximately 22 single-family lots, or 11 duplex lots. Changes to 101 Erwin Road would be limited to those meeting the parameters for a minor modification.*

Council Question: Could you provide a list of the current SUP stipulations?

Staff Response: *A copy of the SUP from 2003 is attached.*

Council Question: If we move forward with negotiating a development agreement with the applicant would that DA supplant the existing SUP?

Staff Response: *Yes, if it included the parcel currently encumbered by the SUP. A Development Agreement could supplant the existing SUP.*

Council Question: Are there any wildlife considerations/protectations that could apply when we are evaluating undeveloped properties such as 111?

Staff Response: *Wildlife considerations/protectations are not required as part of the Special Use Permit application process, unless a conservation easement or some other form of protection is already in place.*

Council Question: When did the McFarling family sell the property in question to the applicant?

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Staff Response: *The property was under contract at the time of the application submittal for the concept plan.*

Council Question: Would any new roads need to be constructed?

Staff Response: *No new roads would be constructed as part of the proposal.*

Council Question: How would applicant address the pond that currently resides on the 7.7-acre property that its proposal pertains to?

Staff Response: *The Concept Plan shows the pond as being removed.*

Council Question: Have the residents at the addresses along Summerfield Crossing and Berry Patch Lane dealt with any flooding issues since 2000?

Staff Response: *This information was not provided, but the question will be passed along to the applicant.*

Council Question: How would the applicant propose to accommodate increased parking needs at 100-110 Erwin Road, as a result of the development of 110 Erwin Road and added height and floors to the hotel?

Staff Response: *This information was not provided, but the question will be passed along to the applicant.*

Council Question: Have there been any public information meetings? If so, when and what was the feedback received from the public at the public information meeting?

Staff Response: *Public Information Meetings would be held following submission of a formal Special Use Permit application.*

Council Question: With this type of proposal/concept plan, can courtesy reviews be obtained from other advisory boards, such as the Stormwater Management Utility Advisory Board?

Staff Response: *Concept Plans only go to the Community Design Commission, Housing Advisory Board, and Town Council. If the applicant submits a formal application, the development review advisory boards would be scheduled.*