



MEMORANDUM

March 28, 2006

To: Gene Poveromo

From: Jim Baker

Re: Castalia Statement of Justification – **Revised 3/28/06**

Below is a revised Statement of Justification to be submitted with the response to the DHR comments. Please let me know if I can provide any additional detail.

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.

The Master Land Use Plan for Meadowmont took into consideration the four findings needed for Chapel Hill. This MLUP designated this site for 52,500 square feet of office retail or commercial development as part of the overall planning of Meadowmont. This plan was thoroughly examined for its promotion of public health, safety and general welfare. It is using the guidance from this plan that Castalia was designed.

The Castalia project is designed to have 52,000 of only office space. The project is not designed to have commercial or retail space. This provides for a direct reduction in car trips that would have been generated with retail or commercial space.

The design for Castalia includes the re-allocation of residential units from elsewhere in Meadowmont to the top floor. This addition reflects the new urban planning that is a stated desire - to include residential on the top floor to make Castalia a true mixed use project. This re-allocation of 11 residential units has been approved by Meadowmont and but increases the size of the project to 76,000 square feet.

The site is sized appropriately for the building providing ample areas for landscaping, plantings and green environments. The sloping nature of the site allows for the placement of the building and parking so that it is an enhancement to the Meadowmont community for those who wish to walk to work, ride bicycles or drive a car. The main site entrance will utilize an existing curb cut on Barbee Chapel Road across from Oval Park Place. The

location of the entrance to the project from West Barbee Chapel Road was placed as far south as possible to provide maximum site distance to the north.

The general welfare is supported by providing office and living space for residents of the immediate and surrounding areas in keeping with the overall plans. The attached plans address the specific aspects of the development including services and utilities, drainage and relationship to floodways and resource conservation districts.

Finding #2: That the use or development complies with all required regulations and standards of the Chapter including all applicable provisions of Articles 3, 4 and 5 and the applicable specific standards contained in Section 6, and with all other applicable regulations.

The land, use and development complies with all required rules and regulations outlined in the Development Ordinance and the Master Land Use Plan for Meadowmont and also complies with the newly revised LUMO regulations regarding storm water retention. Supporting letters are included from Meadowmont to this effect. Landscape plans provide for appropriate buffer, screening and other requirements. Because the MLUP anticipated this use, no additional street improvements are needed. The setbacks, height, parking intensity and other design aspects comply with the MLUP and the Development Ordinance.

Public spaces are being designed into the project with the most visible being the pedestrian entrance from West Barbee Chapel Road. This is designed as the focal point and open seating area for tenants and area pedestrians.

It should be noted that the MU-R-1 zoning area was intended to have not less than 60% office or more than 85% office. At this time it is our understanding the office portion is 61%, almost at the minimum level. Currently there is an excess of retail & other space in this zoning area. By approving Castalia with its office and residential, it will increase the office portion to 63% while adding residential which will help balance the amount of retail & other space.

The Site Analysis Plan provided for this site shows that there are slopes exceeding 25% along the western edge of the site. These steep slopes are cut slopes that were created by the construction of West Barbee Chapel Road and are not natural. This project proposes construction on approximately 90% of the area covered by these steep slopes. However, the construction proposed in these areas primarily includes the installation of a retaining wall along West Barbee Chapel Road, which will result in a reduction of the slope. Since these slopes are a pre-existing condition caused by the roadway construction, we believe that these activities are not subject to the Slope Construction Restrictions found in Section 5.3.2 of the LUMO.

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

The project is located according to the Master Land Use Plan for Meadowmont. The use is consistent with the MLUP with the addition of residential units on the top floor. The addition of residences adds a mixed use character which is desirable and enhances value of the project, the contiguous property and the surrounding area.

Providing working space for Health Decisions Inc. will bring back to Chapel Hill an employee base and employment opportunities not only for administrative and clerical staff but also for highly educated and highly compensated scientists. Available space of this magnitude and quality does not exist elsewhere.

Finding #4: That the use or development conforms with the general plans for the physical development of the Town as embodied in this chapter and in the Comprehensive Plan.

The Chapel Hill Comprehensive Plan is embodied in the Master Land Use Plan for Meadowmont. This project and its physical development are consistent and do conform to the Meadowmont MLUP and the Comprehensive Plan. It is consistent with the zoning and the other plans including but not limited to the Greenway Plan, the Land Use Plan, the Urban Services Area and the Thoroughfare Plan. The comments above show this project contributes to achieving the mix of office and residential within the zoning area that is currently below desired levels.

Specifically the Meadowmont Master Land Use Plan (MMLUP) has allocated 52,500 square feet of commercial or office space to this site. The MMLUP has also allocated residential units elsewhere in Meadowmont that are being proposed to be relocated to this site. The proposed project does not increase any approved use, it does relocate residential within the MMLUP. The addition of third floor living space reflects the central theme of Meadowmont of living and working in close proximity. This third floor will not impact either the visual appeal or the building or the traffic patterns.

The residential units proposed will include one of two alternatives to address the affordable housing requirement. One alternative is to build two units that can comply with the requirements for affordable or work force housing. A second alternative is to partner with one of the agencies working with affordable housing (such as Robert Dowling of Orange Community Housing and Land Trust) and make a contribution to their construction of affordable units in lieu of providing the two units.

The siting of the building off Barbee Chapel Road and into the site was designated as part of the MMLUP. The architectural style of the project meets the requirements of Meadowmont as stated in the MMLUP and affirmed by Roger Perry to be striking and unique.

The parking exceeds the minimum requirement by 6 spaces. 17 parking spaces are located beneath the building for the residents use. 11 residential units require secure parking for residents but also visitor's spaces that do not conflict with the business use of the rest of the building. The additional 6 spaces above the minimum are intended for residential visitor use separate from the business use of employees and clients of the office tenants.

Recreation space for the residential space exists within Meadowmont's extensive infrastructure of paths, trails and amenities such as the swim club (sized for the residential that is being transferred), UNC Wellness Center and others. These residential units are being relocated from within Meadowmont and have already been included in the overall recreational space provisions. The MLUP includes 418 residential units in its construction of recreation infrastructure. The recreation space already provided for the 418 units includes but is not limited to Greenways, Town Parks, Pocket Parks and the Meadow.

The current approved residential being built totals 381 units. This leaves 27 units not built. It is 11 of these 27 units that are being transferred to the Castalia project. Other residential not part of the Meadowmont infrastructure include the Crosland project with 258 units, the Village Center with 24 units, the Rosemary project with 32 units, the Greenway affordable housing condos with 16 units and the Hilltop condos having 48 units. The 11 units being transferred to Castalia are part of the 418 units contemplated in the MLUP and the corresponding recreation infrastructure.

This concludes the statement of justification.