

REZONING STATEMENT OF JUSTIFICATION

WOODMONT STANCELL DRIVE CHAPEL HILL, NC (DURHAM COUNTY)

Introduction/Background

This is a rezoning statement of justification supplied in concert with a request by Capital Associates for approval of a Master Land Use Plan, a Conditional Use rezoning, and a Special Use Permit to allow the first phase of the Woodmont mixed use development to proceed. The plan calls for the removal of commercial warehouse and residential structures and the phased redevelopment and construction of office and residential buildings as described herein and on the accompanying plans, on approximately 33 acres located along Stancell Drive and Barbee Chapel Road. The proposed redevelopment property is located wholly in Durham County, but is in the Town of Chapel Hill planning jurisdiction. Submittal of Special Use Permit applications for future phases will be tied to the ability of infrastructure to adequately support the proposed density and use for those phases. It is anticipated that full development of the property will transpire in three phases over a period of approximately ten years. A portion of the property is currently zoned for commercial use (NC) and the remainder for residential use (R-2). A new zoning designation of Mixed Use-Village is being requested.

JUSTIFICATION FOR REZONING REQUEST

Article 4.4 of the Land Use Management Ordinance allows a zoning to be amended for any of the following: a) to correct a manifest error; or b) because of changed or changing conditions in a particular area or in the jurisdiction generally; or c) to achieve the purposes of the Comprehensive Plan.

The latter two criteria above are directly applicable to this rezoning request. The elements of the criteria c) (achieving the purposes of the Comprehensive Plan) encompass most or all of the elements of criteria b) (changed or changing conditions). Therefore, we have consolidated the justification that appears below under criteria c).

Rezoning Criteria: Achieve the Purposes of the Comprehensive Plan

The Comprehensive Plan is organized around 12 major themes. The proposed Woodmont development directly supports 8 of these 12 major themes, as discussed below. (The remaining 4 themes are not applicable to this geographic location and/or type of development.) For each of the 8 applicable Comprehensive Plan themes, there has been included below a brief summary discussion

of the Woodmont development's supporting characteristics. Following this discussion of the major themes is a section discussing specific applicable Goals, Objectives, Strategies, and Actions from the Comprehensive Plan that relate to these major themes.

- **THEME 1: CONSERVE AND PROTECT EXISTING NEIGHBORHOODS**

The Woodmont development plan provides extremely deep wooded or greenscape undeveloped areas between the central portion of the development containing the larger office buildings and the single family residential neighborhoods to the east (the Sherwood Forest subdivision) and to the west (the Pearl Lane community). These undeveloped areas will preserve the isolated nature of both of these neighborhoods in perpetuity. Related to this buffer factor, property owned by Woodmont that fronts on Little John Road (two residential lots) within Sherwood Forest will remain permanently undeveloped, benefiting the nearby property owners there.

Woodmont has in addition committed to provide supplemental tree plantings along the property lines of single family homes contiguous to the Woodmont property line. We will work with these property owners to determine the location and type of plantings that would best supplement the existing wooded areas. Woodmont will install these plantings following receipt of its master land plan approval, and well before any development of that portion of the site. This head start will allow these plantings to be much fuller and more effective as supplemental screening prior to development work on portions of the site near these residences.

Other primary factors related to the Woodmont development plan that will benefit nearby neighborhoods include:

- *Improved bicycle/pedestrian access to Meadowmont—This will result from extending the existing bicycle-pedestrian path eastward along Stancell Drive to Downing Creek Parkway, and facilitating the crossing of NC 54. The proposed new median cut and signal at Woodmont and NC 54 is the best surface pedestrian crossing location in the area, since NC 54 is at its narrowest width at this location. Alternately, crossing will be possible at the existing tunnel at The Exchange at Meadomont, which is connected with the existing NC 54 bicycle/pedestrian path.*
- *Recreational Access--Residents of these nearby neighborhoods will be welcome to access the extensive walking/exercise trail system within Woodmont at any time.*
- *Shuttle and Transit Access—Neighboring residents will have the benefit of access to the Chapel Hill Transit bus service that will be extended into the Woodmont development. They also will be encouraged to make use of the loop shuttle service that will run between Woodmont and Meadowmont Village.*
- *Supply and Demand: Introduction of the office uses in this area will increase the demand for nearby residential properties. We anticipate that a significant number of the professional office tenants will find housing that would allow them to walk or bike to work to be highly desirable. (Conversely, if the Woodmont property were to be developed exclusively as residential, the*

supply and demand picture would work against the area's existing residential property owners.)

- *Traffic signal access to NC 54 and Barbee Chapel Rd.-- A new intersection with a signal will be proposed for the Woodmont entry at NC 54. Sherwood Forest residents will have protected access to NC 54 west (to travel toward Chapel Hill) via this new traffic signal. Currently these residents must access NC 54 west via a non-signalized median cut, or negotiate the hazardous Stancell Drive/Barbee Chapel Road/NC 54 intersection area.*
- *Traffic Pattern Improvement--The Woodmont development plan will further assist the Sherwood Forest community's stated desire to remain relatively isolated by calling for the elimination of Stancell Drive as a through street to Barbee Chapel Road and Downing Creek Parkway. This will eliminate "cut through" traffic that currently uses Stancell Drive and the Little John Road or Downing Creek accesses to NC 54 as a means of avoiding the Barbee Chapel Road traffic signal. This "cut through" traffic has been particularly bothersome to the Sherwood Forest and Downing Creek residents.*
- *Service Convenience--The expected location of "service office" tenants in the buildings – medical, dental, legal, insurance, etc. will provide a positive access convenience factor to nearby neighborhood residents.*
- *Noise/Light Considerations ---There will be little or no activity on the Woodmont property after hours and on weekends. Nearby residents will not have to contend with residential noise or light pollution from backyard floodlights, leaf blowers, lawn mowers, etc. The deep vegetated undeveloped/buffer areas separating the central area of Woodmont from the neighborhoods to the east and west will provide additional isolation from these buildings.*
- *Security—Woodmont's presence as an actively managed, high end commercial property, will equate to significantly greater security to the nearby neighbors than would be the case if multiple residential buildings were placed against the existing Little John Road and Pearl Lane property lines.*

All of these factors will allow Woodmont to provide the best practical protection for, and opportunities for enhancement of, the quality of life that these existing neighborhoods now experience.

• **THEME 2: CONSERVE AND PROTECT THE NATURAL SETTING OF CHAPEL HILL**

In addition to the expansive side buffer wooded/planted areas noted above, the redevelopment plan calls for the front acreage of the Woodmont property (approximately 5.5 acres) along NC 54 to be restored to a large greenscape and waterscape area. This greenscape/waterscape frontage area will have approximately 400 feet of depth from NC 54 to the face of the building closest to NC 54. It is currently occupied by ageing warehouses, storage sheds, unpaved parking areas, and a tenant/caretaker residence. It is intended that this large area will be restored to an open, green space and will become an outstanding visual asset to the Town's east entryway corridor.

- **THEME 3: IDENTIFY AREAS WHERE THERE ARE CREATIVE DEVELOPMENT OPPORTUNITIES**

The Comprehensive Plan (Section 2.0) in discussing this theme notes that “...there are areas of Chapel Hill that represent opportunities for growth and/or redevelopment that support community objectives. Identification of these areas and consideration of creative new development forms, such as “mixed use” and “conservation” developments, is an important part of achieving a positive future for Chapel Hill, in a manner that meets the needs of current and future residents and enhances community life.” The Woodmont property is currently occupied by warehouses, storage sheds, and older residential structures. The size of the property in this area of Chapel Hill is unique, and offers the opportunity to redevelop it with a unique mix of high quality streetfront office and residential condominiums, while maintaining large areas of woods and greenscape, and while preserving and protecting the character and isolation of the adjacent neighborhoods. The proposed mix of uses directly addresses the needs of the Town to maintain a balance between residential and commercial development, as addressed in discussion of the following theme below.

- **THEME 4: ENCOURAGE DESIRABLE FORMS OF NON-RESIDENTIAL DEVELOPMENT**

In discussing this theme, the Comprehensive Plan (Section 2.0) notes that “Maintaining a mix of private, non-residential uses (e.g office, retail, and service establishments) is important to the future health and economic vitality of the community.” There is little or no Class A office space currently available for lease in the east entryway corridor of Chapel Hill. The opportunity to site this important element of the economy strategically in this east entryway location will support the economy of the Town directly through the tax base, as well as through the additional business that the professional spectrum of Woodmont tenants will bring to the commercial businesses in the area. This latter case will especially apply to the existing merchants at Meadowmont Village, many of whom are now struggling and in need of additional clientele. The addition of available Class A office space in this area is also important in order to provide an employment center in close proximity to the many residences in this east entryway/Meadowmont corridor, in keeping with the goals and objectives of mixed use development, an underlying theme of the Comprehensive Plan.

- **THEME 5: CREATE AND PRESERVE AFFORDABLE HOUSING OPPORTUNITIES**

Woodmont’s residential component of ownership condominiums, proposed to be constructed with the initial phase of the development, will contain the Town’s target of 15% of the 60 units as workforce-affordable. Discussions with the Orange Community Housing and Land Trust have led to commitments by Woodmont to partner with this entity to deliver these units at a price, quality, and long-term affordability provisions that will further the objectives of the Town, Orange Community Housing, and Woodmont with respect to this initiative.

- **THEME 6: WORK TOWARD A BALANCED TRANSPORTATION SYSTEM**

Woodmont's plans include working with the Town's transit authority management to extend CHT bus service to the development. The spine road through Woodmont is being designed to accommodate bus service and to provide stops within Woodmont. Future light rail will also be supported by the location of Woodmont, which is within ½ mile of the designated light rail station at Meadowmont. In evaluating the proposed Woodmont development, it should be remembered that in order to aggressively promote public transit as called for in the Comprehensive Plan, nodes of development density within transit zones and particularly in transit centers will be required. Woodmont has also committed to fund a shuttle vehicle that is to operate on a route between Meadowmont Village and Woodmont. The purpose of this shuttle is to provide convenient connectivity between Woodmont tenants (and the residents of adjoining neighborhoods) with the retail and food service businesses at Meadowmont Village, and in particular to minimize lunchtime traffic between these locations. The shuttle route will not require it to transit along NC 54. Finally, Woodmont's location within the mixed use zone that contains large amounts of residential property (and the residential condominiums on the Woodmont tract itself) will provide the opportunity for many tenants to walk or bicycle to the Woodmont offices. With office space of the type being proposed for Woodmont, Chapel Hill will be able to mitigate the need for its residents to commute to work locations along the I-40 corridor and beyond. This internal capture will in turn will be a mitigating factor for traffic along the NC 54 east entry corridor. (Studies by Capital Associates show that approximately 40% of the tenants at The Exchange office buildings reach that site from the west. The tenant travel patterns at Woodmont are expected to be similar.)

- **THEME 7: COMPLETE THE BIKEWAY/GREENWAY/SIDEWALK SYSTEMS**

Woodmont has committed to fund the extension of the Chapel Hill bicycle/pedestrian path along NC 54, from its existing termination point at Barbee Chapel Road eastward to Downing Creek Parkway. There will also be a significant pedestrian/exercise trail system that will wind through the Woodmont perimeter, and a sidewalk system associated with the buildings and roadways within the development. The location of the proposed median cut along NC 54 opposite Woodmont coincides with the narrowest portion of NC 54 in the east entryway corridor area. Woodmont will work with the Town and DOT to provide a safe and convenient pedestrian crossing at this location, in order to connect to bicycle/pedestrian pathways on the north side of NC 54 and to the Meadowmont Village area. As noted above, placing the Woodmont office use at this location, in proximity to large amounts of housing, will provide a boost for the bicycle/pedestrian use of this network of trails.

- **THEME 8: DEVELOP STRATEGIES TO ADDRESS FISCAL ISSUES**

This theme is obviously intertwined with all of the elements of the Comprehensive Plan. As noted above in discussion of previous major themes, the future economic health of the Town is, in large part, dependent upon ensuring that the mix of land uses within the Town is one that strikes the right balance between residential and

commercial uses. Because office use provides a strong tax base to the Town while requiring relatively little Town service cost, it has been included in the Comprehensive Plan's list of most desirable forms of non-residential development. The approval of the proposed office component within Woodmont will provide the Town with significant additional resources over time with which will in return assist with the implementation (via additional Town funds) of many of the other elements of the Comprehensive Plan. We estimate that the additional tax base to the Town from the Woodmont property at buildout will exceed \$100 million in 2007 dollars.

Additional Discussion of Comprehensive Plan – Specific Goals, Objectives, and Strategies

In the following section, the specific Strategies and Actions of Comprehensive Plan are discussed with respect to the proposed Woodmont development. This discussion includes the applicable goals and objectives of the NC 54 East Entranceway Study, which is a designated component of the Comprehensive Plan. Each specific strategy/action listed below is annotated to show its designation in the main Comprehensive Plan document (items designated as (3A), (6A), etc.). Specific goals/objectives from the NC 54 East Entranceway Study are annotated as (NC 54EE). Where applicable, strategies/actions/goals that are closely related have been grouped for discussion.

- a. Preserve/Upgrade the visual character of major roadway corridors leading into Chapel Hill (3A).**
- b. Preserve, restore, and enhance natural pastoral landscapes and vistas (NC 54EE).**
- c. Accept higher densities in interior of properties to assure preservation of the meadows and green space without any buildings (NC54EE).**

These three objectives specifically target the area along NC 54 that includes Woodmont. The planned emphasis on upgrading the visual character of the NC 54 East Entranceway Corridor will be directly supported by Woodmont, which plans to remove current ageing warehouse and residential structures and replace them with a large, deep, greenscape area fronting NC 54. Woodmont has concentrated site density at the interior of the property to assure preservation of this large open space along NC 54. This concentration also allows large areas on the perimeter of the site, particularly those bordering the residential properties to the east and west, to remain undeveloped. (It has not however proposed densities exceeding those allowable within the requested zoning.)

- d. Encourage desirable forms of non-residential development (6A, 6B)** *This objective addresses the desirability of suitable non-residential development, specifically including office uses in mixed use settings that complement the*

Town's quality of life. Woodmont will provide additional high quality office space that will complement and help balance the mix of uses within the larger Meadowmont mixed use zone of which it is geographically a part. Currently the larger Meadowmont mixed use zone is heavily weighted toward residential and retail uses. The Alta Springs apartment development that borders the Woodmont property to the south contains 300 apartment units. There are single family residences adjacent to the Woodmont property on the east and west. Further to the east but still within ¼ mile of the Woodmont property, is the major subdivision of Downing Creek, which contains a mix of single family residences, apartments, and townhomes. Finley Forest, a large established condominium community, is immediately across Barbee Chapel Road from Woodmont. Meadowmont itself is predominately residential properties, both single and multi family, with office and retail space at the Village. As noted above and below in these discussions, there are significant economic and transportation-related benefits in adding the proposed element of office use to this area.

- e. **Support of startup businesses (6A).** The numerous small businesses and restaurants at Meadowmont Village will benefit significantly from the addition of density on the Woodmont site. Woodmont clearly falls within the mixed-use zone of the Meadowmont development. Woodmont development plans include enhancements that will provide effective connectivity to Meadowmont Village for pedestrian, bicycle, shuttle service, and public transit modes of transportation. These enhancements will also improve connectivity between Meadowmont and the nearby residential neighborhoods of Finley Forest, Sherwood Forest, and Downing Creek.*

Within Woodmont, office space will be available for both mature businesses and young businesses. By building and leasing a variety of office space types space will be available at different sizes and different price points. Included will be corporate office space in the larger buildings and office space for smaller, newer, tenants in the smaller buildings.

- f. **Retain existing businesses. (6A)** Availability of Class A office space of the type being proposed within Woodmont is an important factor in retaining existing Chapel Hill – based businesses as they expand. Recent experience has shown that native firms of significant size have in some cases moved out of Chapel Hill due to a lack of suitable Class A office space. As noted elsewhere, this type of migration is a loss for the Town in a number of ways, including economic/tax base losses, cultural losses, and the addition of commuting traffic. Woodmont will provide an attractive alternative for these maturing firms that would like to remain in Chapel Hill.*

- g. Work with housing providers to develop affordable housing in Chapel Hill (7A).**
- h. Ensure the availability of safe, sanitary, decent, and well-designed affordable housing. (NC54EE).**

As noted above, Capital Associates has discussed Woodmont plans on a number of occasions with the Orange Community Housing and Land Trust. Capital Associates has committed to partner with the Land Trust to include high quality residential units that meet the workforce affordable housing goals suggested by the Comprehensive Plan and specified by the Town Council. It has also committed to work with the OCHLT to address long term maintenance and affordability issues. These units will comprise 15% of the total residential condominium units and will include a mix of 1 and 2 bedroom units.

- i. Develop a comprehensive pedestrian and bicycle network (10A).**
- j. Streets and parking should be designed to promote easy, safe pedestrian and bicycle traffic, and to inhibit fast traffic in both the residential and retail/office segments of neighborhoods. (NC54EE).**
- k. Neighborhoods are designed with narrow streets and accommodations for pedestrians and bicyclists....(NC54EE).**

In conjunction with this proposed plan, Woodmont will provide financial support for the extension of the bicycle-pedestrian path on the south side of NC 54 to the Woodmont site, and from there east to the Downing Creek Stancell Drive entry. (This extension would require acquisition of rights of way or encroachments not controlled by Woodmont.)

The main spine road through the site is purposefully narrow with on-street diagonal parking to discourage fast traffic.

Additionally, the Woodmont concept plan includes a network of pedestrian/exercise trails within the site, and for loaner bicycles and bicycle racks at the office buildings. The larger office buildings will have shower facilities.

- l. Promote the use of public transit (10C).**
- m. Promote transit facilities, including preserving the potential for regional transit in this corridor. (NC54EE).**

These objectives encourage expansion of service to outlying areas, and promotion of transit-oriented land use patterns. Woodmont is within ½ mile of a future light rail station. The development is committed to assist in extending the CHT existing routes eastward to serve the Woodmont area. Woodmont plans call for a Chapel

Hill Transit route along its spine road, with bus stops appropriately located within the development. An important related point: The proposed density of development on this site will foster public transit use, whereas development of this site exclusively as medium density residential properties would not.

- n. Implement a comprehensive parking strategy (10E).** One of the key elements of this objective calls for structured parking where feasible. Woodmont plans to provide a significant amount of under-building parking, much of which is to be on two levels, to eliminate “sprawl” parking and reduce impervious surface. Impervious surface is also reduced by 30% per space for the diagonal on-street parking spaces being proposed. The total impervious surface for all phases of Woodmont, as a result of these and other land use design strategies, will be very low for this type of development, at approximately 41%. Woodmont also intends to develop only 90% of its ultimate potentially needed parking initially. Any portion of the remaining 10% would be constructed only if, and when, there is demonstrable demand for those additional spaces, on a building-by-building basis. With a successful transit plan, ridesharing promotions, shuttles to connect to Meadowmont, and greatly expanded bicycle/pedestrian connectivity, it is hoped and expected that none of the last 10% of parking will have to be built.*
- o. Introduce public art into everyday life (3D).** Capital Associates and the Woodmont development team have initiated discussions with the Chapel Hill Public Arts Commission, and are committed to pursue public/private sector partnering with the Commission for public artwork to be located at Woodmont. Potential locations for this artwork include the open space fronting NC 54, and the central traffic circle area.*
- p. Increase the Town’s tax base in a manner that supports community values (12A).** This section of the Comprehensive Plan recognizes office development as generally generating the highest net revenues (i.e. revenues net of the cost of services required) of all land uses. At completion, Woodmont will add over \$100 million (in 2007 dollars) to the tax base. In addition, the economic impact of the professional business that will locate at Woodmont, and their employees, on the Town economy will be significant. This Comprehensive Plan objective also calls for analysis of projected net revenues as part of the land use decision making process. We will be pleased to work with the town to produce this analysis.*