

April 1, 2008

To: The Chapel Hill Planning Board

From: Woodmont Planning Team
Capital Associates

Subject: Memoranda introduced by Henry Lister
Re: Woodmont Master Land Use Plan, Woodmont Zoning Request
Woodmont Special Use Permit, Phase I

Background:

At the Planning Board meeting of March 15, 2008 a neighbor of the Woodmont Project made a statement to the board and also presented a written memorandum to the Planning Board during your consideration of Woodmont.

The memorandum made assertions that contained errors of fact and omission of relevant information. The Woodmont Planning Team is offering this memo into the public record to present response to those assertions and omissions. This response will use the written memorandum that accompanied the oral presentation to your board. We will use the assertion contained in the memorandum verbatim and include our response in a subsequent text box. We have also numbered the assertions so that the document may be more easily understood.

Text of Memorandum and Woodmont Response:

1. The residents of Sherwood Forest express surprise and confusion over the Recommendation by the Planning Department staff to the Planning Board to support the Zoning Atlas Amendment from Capital Associates for the proposed Woodmont project. The recommendation to rezone property currently designated at low residential to mixed use-village is supported only by applicant statements for Part C. from the Rezoing Statement of Justification (Applicant file). Parts A and B are notably unsupported by the Applicant. No analyses or justifications are included from staff.

Below is section C. from the Memorandum to The Planning Board from J.B. Culpepper, Planning Director, and Gene Poveromo, Development Coordinator, dated March 18, 2008. Provided for your consideration are Arguments in Opposition to the statements of justification made by the applicant. Additional Arguments in Opposition are contained in a letter to the Planning Board that was sent via email March 17, 2008.

The residents of Sherwood Forest offer this statement, and the letter of March 17, 2008, to the Planning Board and recommend that you forward to the Town Council Attachment 2, Resolution Denying the MU-V rezoning request.

WOODMONT RESPONSE:

1)The rezoning process requires one or more of the three conditions to justify. It does not require all three as implied above.

2)Using the phrase “The residents of Sherwood Forest” is misleading, as was made evident by the testimony at the March 18, 2008 Planning Board Meeting of P.H. Craig who is a contiguous landowner to Woodmont, and by letters from other Sherwood Forest residents that accompany the submittal package. This memo certainly does not represent the majority of the residents or landowners of Sherwood Forest.

3)During the past two years, we have met with many of these owners and have corresponded with all Sherwood Forest homeowners. We have not, until the March 18 hearing, been aware of any opposition among these owners other than that of Mr. Lister. All of these meetings have been documented.

2. C. An Amendment to the Land Use Management Ordinance is necessary to achieve the purposes of the Comprehensive Plan.

- Arguments in Support: Arguments in support of this finding are offered in the applicant’s statement of justification Portions of the applicant’s Statement of Justification are copied below (in *italics*).
- Arguments in Opposition are included under the Applicant’s Statements, and are provided by residents of Sherwood Forest.

To support the objectives of the NC 54 East Entryway Goals (a component of the Comprehensive Plan) – “Streets and parking should be designed to promote easy, safe pedestrian and bicycle traffic, and to inhibit fast traffic in both residential and retail/office segments of neighborhoods.” The main spine road through the site is purposefully narrow with on-street diagonal parking to discourage fast traffic.

Additionally, the Woodmont development plan includes a network of pedestrian trails within the site, a significant portion of which will be constructed with Phase One of the development, and four loaner bicycles and bicycle racks at the Phase One office buildings. Shower facilities will be included in all of the larger Woodmont office buildings, including Building E in Phase One.” [Applicant’s Statement]

Opposition Statement: The NC 54 East Entranceway Goals clearly enumerates that proposed projects should “Avoid placing driveways on the main collector road (i.e., NC 54). Since the applicant intends for the main entrance to Woodmont to be a major intersection on NC 54 East, the applicant’s plan is in direct conflict with the second Stipulation 10 of Attachment 2 from the Planning Department staff.

WOODMONT RESPONSE:

1)Any redevelopment of this property, whether as residential under the current zoning or commercial as proposed, will require a curb cut to NC 54. This has been evaluated by the Town and by DOT, and neither has raised concerns.

2) What this portion of the Comprehensive Plan means is that new development should create a street network that allows internal driveways to be served by the new internal streets rather than by the exiting arterials (ie, NC 54). Woodmont’s master plan complies with the direction of the Comprehensive Plan by proposing a main spine road through the

site that will allow each driveway to connect to the main spine road and not need to connect directly to NC 54 or to Stancel Drive. What the Comprehensive Plan suggests is exactly what Woodmont proposes. What it would not suggest is for Woodmont to have several of its internal driveways (ie, private driveways serving it's individual buildings) to connect directly to NC 54 or to Stancel Dr.

3. *“Promote transit facilities, including preserving the potential for regional transit in this corridor. These Objectives encourage expansion of the service to outlying areas, and promotion of transit-orientated 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.” [Applicant’s Statement]*

Opposition Statement: The applicant provides no evidence that CHT has any plans or funding to extend service to the applicant’s proposed project. In fact, no plans or funding are available in the CHT budget for service extension.

WOODMONT RESPONSE:

1) Woodmont has committed via a payment-in-lieu process to provide the funding assistance required to extend the current CHT routes through Woodmont’s road. This subsidization of a transit route was a direct recommendation of the Town Council at the Concept Plan review phase and Woodmont is pleased to pursue this opportunity to test the extension of Chapel Hill Transit.

4. *To support the objectives of the Comprehensive Plan – “Encourages desirable forms of non-residential development. Phase One of Woodmont will help 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...” [Applicant’s Statement]*

Opposition Statement: The applicant presents no evidence to support this justification. Meadowmont struggles after 3 or more years to fully rent out the retail spaces that are available. In fact, retail turn-over has been high in Meadowmont. The office spaces currently are mostly leased.

WOODMONT RESPONSE:

1) This statement supports the Woodmont position that additional offices uses will be useful in this area and we are confused as to why it this point has been made as an opposition statement. 2) As Mr. Lister indicates, the retail spaces at Meadowmont are suffering. The Meadowmont Retail Owners Association has been vocal to the Town in support of the proposed Woodmont development because it will help support this struggling retail node.

3)The fact that the office spaces have such a low vacancy is a direct indication that office space in this corridor is in high demand.

5. *“Support of start-up businesses. The numerous small businesses and restaurants at Meadowmont Village will benefit significantly from the addition of density on the Woodmont site... Within Woodmont, office space will be available for both mature businesses and young businesses... Included will be corporate office space in the larger buildings and office space for smaller, newer, tenants in the smaller buildings.” [Applicant’s Statement]*

Opposition Statement: This is a hypothetical justification, and no evidence is presented that supports the purported benefits to Meadowmont business.

To the contrary, few, if any, start-up businesses immediately lease Class A space. Class A space is typically utilized by mature businesses. The architecture of Class A office structures always prioritizes design and visual appeal over cost, and sometimes over practicality - a Class A building can be considered a monument and a testament to the success and power of its tenants. In most areas, Class A office space typically commands the highest rents for office space in a community.

WOODMONT RESPONSE:

1)The Meadowmont Retail Owners Association has provided written record to these proceedings that directly addresses their need for additional density on the Woodmont site. Many of these businesses are startup businesses. This is not hypothetical, but backed by letters written into the record.

2)Woodmont includes a variety of commercial space and about 35% of the office space is not in the large footprint “Class A” office buildings but is in buildings with smaller footprints that can be attractive to new and young businesses.

3)Class A office buildings do NOT prioritize visual appeal over practicality. In fact, the larger footprint Class A buildings provide better opportunities for the inclusion of sustainable building and management practices than do smaller buildings. Please review the Woodmont Energy Management Plan. Many of the proposed sustainability features apply to the larger buildings with centralized HVAC, etc. because these buildings are more easily adaptable to these standards.

6. *“Retain existing businesses. Recent experience has shown that native firms of significant size have in some cases moved out of Chapel Hill due to lack of suitable Class A office space.” [Applicant’s Statement]*

Opposition Statement: The applicant offers no evidence or foundation to support such a claim.

WOODMONT RESPONSE:

1)The evidence for this is easily stated and confirmed. Suntrust (formerly CCB) was located in an existing office building in Chapel Hill. This bank wanted to create a regional center in which different departments could be consolidated. They chose to locate in The Exchange rather than in Durham, where they may have moved in the absence of the Exchange. Blackman and Sloop, a fine Chapel Hill accounting firm also needed new space. Instead of moving out of town they located in the Exchange. Franklin Street Partners actually moved out of Chapel Hill for want of Class A office space. They moved back when the 1450 NC54 Building was completed. All Kinds of Minds, a wonderful company started by a UNC Education professor would have left Chapel Hill for the

triangle if the 40,000 s.f. in the 1450 NC 54 Building had not been available. Smith Breeden, a large Chapel Hill investment firm, left Chapel Hill in 2007 for Durham because of the lack of Class A office space for their needs.

7. *“Work with housing providers to develop affordable housing in Chapel Hill. Capital Associates and OCHLT have committed to partner to include high quality residential units that meet the workforce affordable housing goals suggested by the Comprehensive Plan and specified by the Town Council. Capital Associates has also committed to work with the OCLT to address long term maintenance and affordability issues. The workforce affordable units will compromise 15% of the total residential condominiums units and will include a mix of one and two-bedroom units.” [Applicant’s Statement]*

Opposition Statement: The most recent proposal for Woodmont offers far too few residential units for a project that can truly be considered MU-V.

WOODMONT RESPONSE:

1)The MUV zone requires 25% of the floor area to be residential. The first Phase of Woodmont includes about 50% residential, twice the requirement. The second Phase would bring the total to about 35% and, in the third Phase the total residential square footage would meet the 25% requirement. Woodmont DOES meet the MUV residential standards.

8. *“Implement a comprehensive parking strategy. 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... 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, it is hoped and expected that none of the last 10% of parking will have to be built.” [Applicant’s Statement]*

We concur with the justification by the applicant.

“Increase the Town’s tax base in a manner that supports community values. At completion, Woodmont’s initial phase will as over \$35 million (in 2007dollars) to the tax base... 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.” [Applicant’s Statement]

Opposition Statement: The analysis has not been submitted into evidence. To the contrary, this community desires to retain the character of a village, not of a city. Extremely large, Class A office space does not match the overall community values of Chapel Hill.

WOODMONT RESPONSE:

1)Capital Associates is currently constructing two Class A office buildings in the Triangle Area that are representative of the quality of the proposed Woodmont office buildings. The actual budgeted

cost of these buildings exceeds \$205 per square foot. Since we are proposing a total of 95,000 sf of such office space for Phase I of Woodmont, that would equate to a developed property value for the office uses of over \$19,475,000 in 2008 dollars. We currently project that the three residential condominium buildings will have a combined sales price of over \$20 Million, based very conservatively upon the per square foot sales of similar recent projects in the Chapel Hill area.

2)Chapel Hill has successfully incorporated office space, Class A and other, in many parts of town including the NC54 corridor. High quality building IS consistent with the community values of Chapel Hill and can add to our quality of life, our tax base, and our ability to attract and keep high quality businesses.

Please reaffirm that the Land Use Plan, a component of the Comprehensive Plan, adopted on May 8, 2000, indicates this area as Low Residential (1-4 units/acre).

WOODMONT RESPONSE:

- 1)This parcel contains a variety of underlying zones, not only residential. The majority of the land is zoned residential.
- 2)This area has been designated a Transit Oriented Development area in the Long Range Transportation Plan. This plan anticipates that certain areas contain the density and mix of uses that will help support a mature transit system and this site is in one of those areas.
- 3)To effectively support the Long Range Transportation Plan in a predictable way, we have offered this Conditional Rezoning.