

**Residences at Grove Park**

425 Hillsborough St.  
Chapel Hill, NC

**ATTACHMENT 3**

Zoning Text Amendment Application  
Statement of Justification



August 12<sup>th</sup>, 2008

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**Introduction**

This is a request for a Zoning Text Amendment to support our accompanying SUP application for the development of the Residences at Grove Park on a unique property consisting of the recombined portions of four contiguous parcels 425 & 429 Hillsborough St. and 624 & 626 Martin Luther King Jr. Blvd. Our redevelopment plan for the nearly clear-cut 10 acres outside of the Resource Conservation District calls for replacing the existing 111 dilapidated apartments with a mix of 40 town homes in scale with the Hillsborough St. neighborhood and 4 additional condominium buildings built adjacent to Martin Luther King Jr. Blvd. Located less than 4/10 of a mile from Downtown and connected by a system of pedestrian walkways and bus routes, the project currently lies predominantly in the R-4 and R-6 zoning districts allowing just 10-15 units/acre. However, with this request we are asking to have the affected property rezoned to the existing R-SS-C zoning designation with only a single text change to allow the sensitive and sustainable density increase we are proposing. Through cooperation with the Planning Department, we have created this proposal to match the spirit of the Comprehensive Plan and the goals of the Council for this unique site in order to appropriately locate healthy density to support the burgeoning revitalization effort in Downtown Chapel Hill.

**Background**

Since early 2006, we have been working on the 425 Hillsborough Street, formerly known as the Townhouse Apartments, because the property offers a unique opportunity for a meaningful infill redevelopment that fulfills the Town of Chapel Hill's initiative for sensitive, sustainable, and significant redevelopment.

The first theme of the Town of Chapel Hill's Comprehensive Plan is preservation of the Rural Buffer by better utilizing the land within the existing Urban Services Boundary. However, since the Urban Services Area is nearly 94% built out, in order to fulfill the Town's Comprehensive Plan goals and meet the growth needs projected in the 2035 Long Range Plan, creative infill redevelopment of existing properties must occur to maintain and improve Chapel Hill's vibrant cultural center. The challenge is to intelligently locate redevelopment on sites that provide the necessary amount of healthy density to support growth, while preserving the natural amenities and atmosphere that define Chapel Hill. We believe the redevelopment of these properties creates just that kind of site.

Our plan for this site grew up around the Urban Land Institute's research that details the densities necessary to support a thriving downtown area like Chapel Hill's in a sustainable and conscientious way. According to the ULI's New Urbanism text of best practices, the EPA's life cycle assessment development standards state that well-planned, sustainable downtown areas are built on the following model:

**Region of Town**

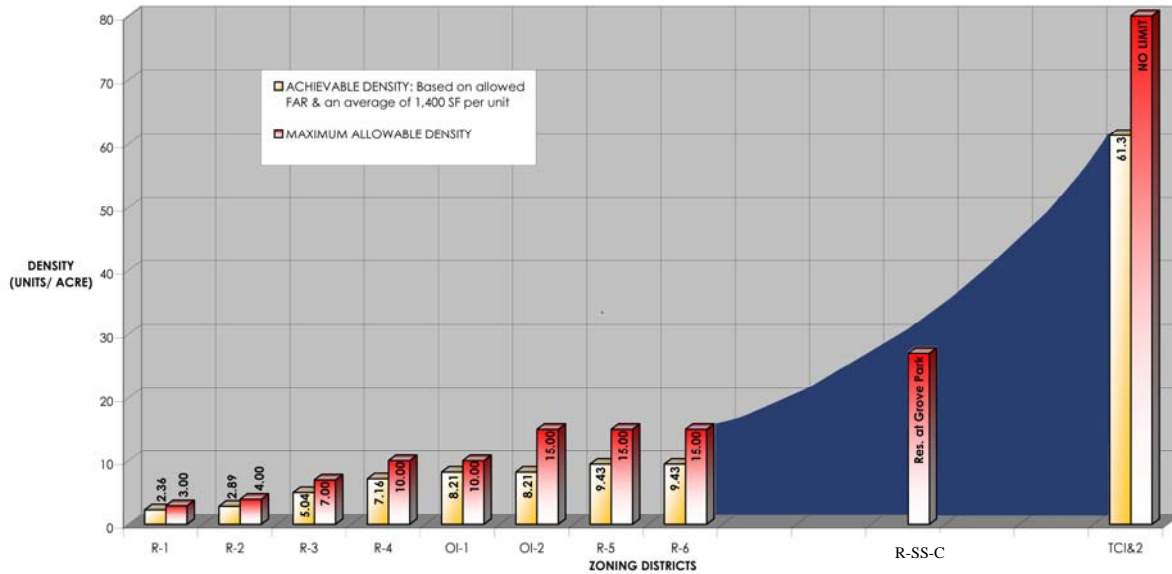
TOWN CORE:	ABOVE 35 UNITS PER ACRE
NEIGHBORHOOD CENTER:	18-35 UNITS PER ACRE
NEIGHBORHOOD GENERAL ZONE:	6-18 UNITS PER ACRE
NEIGHBORHOOD EDGE:	3-6 UNITS PER ACRE

Essentially, in order to preserve the natural resource of a rural buffer area, the highest and best use of redevelopable land needs to be created around the Town's core at densities that support its vitality. Applying this matrix to Chapel Hill, the Town core would center on the Town Center Zones around Franklin St. with potential 35 residences per acre, while the areas immediately surrounding it, like our site, would be the supporting neighborhood center at 18-35 residences per acre. However, in Chapel Hill we have the unique amenity of the historic Franklin-Rosemary Neighborhood and the Northside Neighborhood conservation district directly bordering the Town's core. These significant but low density areas drive the average count of homes closer to 4 or 6 per acre. In order to preserve these unquestionably valuable cultural resources, even more care should be taken to locate the needed residences so that the Town Center can be effectively supported without impacting the amenities the Town is known for. That requirement is what makes the 425 Hillsborough St. parcel so unique. On this essentially clear cut site, the sloping topography and the towering trees of the surrounding Resource Conservation District allows our plan to provide the much needed increased number of residences while keeping them almost completely hidden from the surrounding low scale neighborhoods and the public right of way.

The other key sustainable precept we are trying to fulfill with this plan revolves around providing more residences to meet growth needs while minimizing the infrastructure impact on the Town. That concept fulfills itself through our plan in two critical ways. First, by redeveloping an underutilized multifamily property, no utilities extensions or new Town service areas need to be created to support our development. Therefore, the Town and county will not have to pay for any new services to support the increased property tax base they will now benefit from. Secondly, based on extensive research by the Sierra Club in conjunction with the Urban Land Institute, higher density multifamily developments near Town Centers just like this one, attract very few families with children that contribute to the overburdening of the school system. Then, as with the first benefit, the Town can provide for and reap the benefits of smart growth without further taxing its resources.

Finally, our plan aims to fully support and strengthen the public transit and future mass transit systems by developing sites properly located and connected to the Town Center. According to the Urban Land Institute's *Ten Principles for Successful Development around Transit* a minimum average of 15 units per acre within the 2 mile area surrounding a Town Center is required to support frequent bus service. Accordingly, to encourage the conservation of resources by utilizing mass transit as Chapel Hill grows, increased density on well located sites around Downtown along the bus routes are required. Since our site borders two major bus corridors on either side of the site and connects directly to the heart of Downtown Chapel Hill in ten minutes or less via any of a number of well-used pedestrian routes, locating an increased number of residences here makes the best sense for a sustainable development plan. By encouraging bus ridership via convenience and potential bus stop improvements, individual automobile trips can be greatly decreased. Furthermore, based on the proximity of the site to the majority of the Town's amenities and services, any trip that is taken will be far shorter than from a typical suburban sprawl development. Better still, because the site is within 4/10ths of a mile of the re-emerging Downtown amenities and so well connected with pedestrian routes, the majority of resource wasting trips of any sort can be eliminated with a short walk.

Our proposal to support the Comprehensive Plan's Themes and the Town's number one goal of Downtown revitalization only lacks a fully defined zoning that provides for the increased sustainable density that this site could support. Currently, there is a major gap between the allowable number of units in the highest level R-6 zoning, 15 units/acre, and the Town Center Districts that can allow approximately 61 Units/acre based on their FAR restrictions. Clearly, this site is not a Town Center. However, being directly adjacent to the Downtown amenities and directly connected to them via pedestrian and mass transit routes, an increase in allowable density beyond the existing R-4 zoning restriction of 10 units per acre is also clearly warranted if it can be done in a sensitive and sustainable way.



Our proposed rezoning to the existing R-SS-C zoning designation with only a change to the FAR encourages this healthy density and sustainable growth without necessitating any new designations. R-SS-C’s current conditional nature allows the Council to apply the designation on a case by case basis where the goals of the Comprehensive Plan and Town are met. We believe this SUP proposal meets those goals and provides the proper dimensions for healthy density on a one of a kind property adjacent to Downtown and identified transit arteries like Martin Luther King Jr. Blvd as defined by the Town’s Long Range Plan. Thanks to the unique location, surrounding RCD, and beneficial topography, the Residences at Grove Park will promote the healthy growth Chapel Hill’s revitalization needs, while preserving the unique natural amenities and neighborhood culture the Town already enjoys.

We have taken this plan through two CDC review sessions, neighbor meetings, and all Town commissions previously to revise our design and address the concerns and desires of our neighbors and the commissions. After discussing with neighbors their chief concerns about the size and density of the plan, as well as the traffic that they felt would go along with it, we revised our proposal and arrived at the plan we present now for SUP review and approval. These changes included a reduction in the number of units by nearly 60, reduction in parking spaces by better than 160, and redirection of ingress and egress paths to make Martin Luther King Jr. Blvd the main entrance to the development. We are even working on an address change for the project to further encourage the use of the Martin Luther King Jr. access and drive traffic away from Hillsborough St. Also included are large increases in significant green space and tree saves, elimination of one of the tallest structures previously shown, an increase in boundary area and town home product along the Hillsborough St. edge to better buffer the existing neighborhood, and a more significant affordable housing component. With these changes, the plan can now meet the Town Council’s vision for increased density to fuel Downtown Revitalization while using the natural buffers and sensitive development along the Hillsborough St. edge to almost completely mask the increased density components from the surrounding neighborhoods. By matching the goals of the Council to these neighborhood concerns, we believe this plan delivers an ideal solution for the redevelopment of this Downtown perimeter site.

**Goals & Objectives**

This site offers unique opportunities that can be maximized by sensitive, sustainable and significant development made possible only through the collective efforts of community leaders and private enterprise. At Grove Park, it is our desire to create a model development that will be a cornerstone of the Downtown community where people can “live, work, and play” in a well-connected, well planned, and well integrated Chapel Hill.

Redevelopment of properties that are at the end of their effective lifecycle and in decline provide opportunities to add value and create places where our communities can grow and thrive while minimizing the impact on infrastructure and our natural resources. Our proposed redevelopment utilizes infrastructure already in place thereby decreasing the need for additional public investment, enhancing the efficiency of the property, and creating healthy increased density. By appropriately locating higher density developments in areas like Grove Park, the Town of Chapel Hill can use healthy density to offset the significantly increased cost of redeveloping dilapidated properties detrimental to the heart of its Downtown Core Area. By facilitating healthy density on well-located sites adjacent to Downtown, unique projects like this one can encourage pedestrians and public transportation usage, reduce traffic congestion, and increase the tax base and economic vitality of the Downtown Business District, while helping to reduce detrimental and unsustainable suburban sprawl.

**Request for Zoning Text Amendment**

The proposed Residences at Grove Park development complies with the Development Ordinance’s land and development regulations and standards as defined in the Application Procedures outlined in Article 4, the Design and Development Standards in Article 5, and the Special Regulations for particular uses in Article 6. The parcels making up the Residences at Grove Park development, including 425 and 429 Hillsborough and portions of 624 and 626 Martin Luther King Jr. Blvd. are predominantly zoned R-4 and R-6 allowing minimal redevelopment opportunity. We are therefore requesting this rezoning to the existing R-SS-C designation with a single amendment to the FAR in order to garner this project’s benefits for the Town. Along with the included modifications requested in this SUP, only the single FAR amendment is required. We believe by granting the rezoning to a conditional designation like R-SS-C, the Council will preserve the right to apply this zoning and the dimensional limits to projects on a case by case basis. We are requesting separate modifications rather than further amendments to limit future rezonings and dimensional increases only to the unique projects that warrant them like Grove Park. The following dimensional matrix outlines the restrictions of the current zoning as well as our proposal for the dimensions of the new zoning designation we are requesting the text amendment for. The modifications are described below.

<b>Dimensional Matrix</b>	<b>R-6 Zone</b>	<b>Proposed R-SS-C</b>
Max. Density	15/acre	N/A
Max. Height (Primary)	39’	39’
Max. Height (Secondary)	60’	60’
Maximum Impervious Ratio	.24/.5/.7	.24/.5/.7
Maximum FAR	0.303	1.10

With the existing R-SS-C zoning, only the Floor Area Ratio will need to be increased so that the impervious area can be minimized while facilitating healthy density that is already allowed by the current designation. We propose a 1.10 ratio for the FAR to allow an increase from the R-6 zoning, but staying well below any existing MU-V arterial or TC zoning designation. This conservative increase facilitates slightly more but not overwhelming density on this Downtown perimeter site where well designed density is appropriate. These changes taken together have the best opportunity for providing the proper zoning to accommodate the healthy growth of Downtown Chapel Hill and the entire region in the coming years.

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The provided dimensional matrix is based on current LUMO regulations for similar residential designations, the recommendations of the ULI, and New Urbanism guidelines for residential development supporting Downtown cores and frequent bus service systems like those surrounding our site. This dimensional proposal seeks to fill the gap described in the current zoning matrix between the R-6 and TC-1&2 zoning designations by changing only the FAR to provide an opportunity for healthy growth in properly located sites.

We are requesting these modifications to the dimensional requirements and current zoning based on the following significant public benefits and community amenities provided by the Grove Park redevelopment proposal:

1. The development is designed for providing healthy density in a unique well located parcel that will support the growth projected in the 2035 Long Range Plan without impacting the surrounding neighborhoods or harming the beauty of Chapel Hill's vistas.
2. With 346 new residences, the proposed project could generate large increases in annual property taxes for the entire region and also increase sales taxes as the new residents enjoy the walkable Downtown commercial district. Furthermore, these increases to the tax base will come with little cost to the Town as no additional infrastructure is needed since all utilities and services are already in place. Furthermore, the influx of new Downtown residents will not only contribute to the economic vitality of the Downtown and greater Chapel Hill Area but also contribute to the safety of Downtown Chapel Hill by getting more eyes into the Downtown and surrounding community.
3. A major component of our redevelopment plan is the construction of green space, active open space, and RCD improvements for pedestrian connectivity and improved safety on the site. These investments will include extensive improvements to the RCD, bus stop improvements, pedestrian amenities, and better drive lanes to improve public safety. In addition to these benefits, we are also dedicating a greenway easement through the revitalized RCD so the entire community can enjoy the improvements we have planned for Grove Park.
4. Based on our ongoing discussions with Orange County Housing and Land Trust, we understand that the amount of condominium projects coming into the Chapel Hill market has caused an influx of affordable condominium units, single bedroom units in particular, that the Land Trust has serious concerns about being able to place. In order to give the Town and Land Trust flexibility to address these concerns, we are proposing to fulfill the Town's Affordable Housing and Inclusionary Taskforce Initiatives by providing our 15% affordable housing requirement with 52 affordable bedrooms in a mix of one and two bedroom condominiums. The final mix of unit types will be determined in consultation with the Land Trust and approved by the Town Manager prior to the issuance of the Zoning Compliance Permit.
5. To further our dedication to sustainability and the environment, we have already committed to increasing energy efficiency by 20% above ASHRAE 90.1 standards and are the first project to agree to independent individual water metering for all our condominium units to promote water conservation. In addition to the massive carbon reduction benefits garnered from locating our project adjacent to Downtown and along major public transportation routes, the design benefits provided by our buildings and unit types, like energy savings from shared walls and passive solar design, will generate a reduction in energy costs our residents will enjoy and a reduction in overall energy use the whole community can benefit from.

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**Proposed LUMO Revisions**
**1.) Table 3.8-1: Dimensional Matrix**

*Only one amendment to the current dimensions for the R-SS-C zoning should be inserted into the matrix in the general use zoning group.*

(A) Zoning District	<b>R-SS-C</b>	
(B) Minimum Lot Size	N/A	
(C) Maximum Density	N/A	
(D) Minimum Frontage	N/A	
(E) Minimum Lot Width	N/A	
(F) Maximum Building Height (Primary)	39	
(G) Maximum Building Height (Secondary)	60*	* 1 time modification to 90' requested
(H) Minimum Street Setback	10	
(I) Minimum Interior Setback	0	
(J) Minimum Solar Setback	N/A	
(K) Impervious Surface Ratio	.24/.5/.7	
(L) Maximum Floor Area Ratio	<b>1.10</b>	

## 6.) 5.9 Parking and Loading – No Change Required

*(This entire parking section is under review and will be replaced by a resolution now being drafted and considered by the Council. We have calculated our requirements based on the indications shared with us by the Planning Department as to the new proposed requirements and will act in accordance with the final measure or ask for modifications where applicable. As a caveat to this new resolution we would request that due to the distinct public benefit and the greatly increased development cost associated with structured and underground parking, projects using structured parking be considered for different maximums than typical surface parking. Essentially, the goal of parking maximums are to minimize the amount of impervious surface dedicated to surface parking and reduce the impact of parking on the visual and pedestrian environment. By the example set forth in this project, if the developer is willing to absorb the cost of placing a significant number of the spaces under the buildings or in structures we can provide a greater number of parking spaces with far less additional impervious surface area than even the minimum number of parking spaces would require on the surface. Based on the distinct benefit this development expense can provide to the overall community and environment, we feel encouragement of such a beneficial and sustainable characteristic would warrant a LUMO consideration. We would put forward for consideration a graduated bonus system starting with a 10% bonus for putting at least 50% of the parking below grade or in a structured space, a 15% bonus for at least 75%, and a 20% parking bonus if the project was willing to put all the parking in structured or below ground spaces.)*

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### LUMO Article 4.4 Zoning Amendment Justification

Article 4.4 of the Land Use Management Ordinance on Zoning Amendments states: *In order to establish and maintain sound, stable, and desirable development within the planning jurisdiction of the Town it is intended that, this Chapter shall not be amended except a) to correct a manifest error in the Chapter, 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.*

*It is further intended that, if amended, this Chapter be amended only as reasonably necessary to the promotion of the public health, safety, or general welfare, and in conformance with the Comprehensive Plan.*

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To justify the need for the R-SS-C rezoning for the Grove Park Project with the FAR text amendment, we submit the following:

- a.) There is no manifest error in the Chapter that needs to be resolved for 425 Hillsborough St., however;
- b.) Though no manifest error in the zoning chapter, there is a change in the nature of the area around Martin Luther King Jr. Blvd that this project can help facilitate. As outlined by the Long Range Plan, the demands of population growth and economic expansion has sparked the need for increased residential density along major transit arteries like Martin Luther King Jr. Blvd to help preserve the Rural Buffer and limit suburban sprawl. Because of this parcel's unique location and amenities as described above, as well as its pedestrian proximity to the growing Downtown District, this property is an ideal candidate on which to apply a minor text amendment in order to provide the higher residential use the Long Range Plan envisions and to fulfill the themes of the Comprehensive Plan.
- c.) The Findings required for the Special Use Permit and the requirements for justifying the proposed text amendments can best be demonstrated by the proposed development's fulfillment of the core themes of the Comprehensive Plan.

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## Themes of the Comprehensive Plan

### 1. Maintain the Urban Services Area/Rural Buffer Boundary

By redeveloping a Downtown site rather than challenging the buffer with additional suburban track development, the Residences at Grove Park project alleviates suburban sprawl by providing a significant choice for new residential development on one of the few remaining sites where such development is encouraged and appropriate. Additionally, this new opportunity for healthy density is created with little additional infrastructure required since the utilities and base services are already present.

### 2. Participate in regional planning

Forward thinking, sustainable growth projects like the one proposed for Grove Park can give Chapel Hill an example project to act a model for the rest of the region.

### 3. Conserve and protect existing neighborhoods

Since the area inside the Urban Services Area is approximately 94% built out, one of the few remaining opportunities for Chapel Hill to accommodate the nearly 50% population growth forecast in the 2035 Long Range Plan is to seek out sustainable urban redevelopment sites like 425 Hillsborough St. With developments like Grove Park handling the new growth, the character and nature of Chapel Hill's historic neighborhoods can be protected.

### 4. Conserve and protect the natural setting

As with neighborhood protection, assigning growth projects to locations like the Residences at Grove Park with its unique benefits of topography and the RCD's tree buffer, sensitive responsible redevelopment can make sure the natural vistas of Chapel Hill remain unblemished. To further protect the greater environment, we will create an energy management plan for Grove Park with the goals of increasing energy efficiency 20% above the current ASHRAE standards and seek ways to reduce our carbon footprint over typical developments.

### 5. Identify areas where there are creative development opportunities

As detailed before, 425 Hillsborough Street's unique Downtown location and natural benefits ensure that no better site exists than at Grove Park for a well planned, sustainable density development to provide for Chapel Hill's growth while protecting its beauty.

### 6. Encourage desirable forms of non-residential development

By encouraging higher residential intensities in specific locations that support the Downtown commercial area, the Town can do the best thing for encouraging Downtown non-residential development by providing those projects with nearby residents to patronize them. With Grove Park being all of 4/10ths of a mile from the Downtown core and tied into it by a series of pedestrian and mass transit connections, our site is an ideal project for just this type of non-residential encouragement.

### 7. Create and preserve affordable housing opportunities

In cooperation with the Town and Orange Community Housing and Land Trust, we will provide our 15% affordable housing requirement with 52 affordable bedrooms in a mix of one and two bedroom condominiums in order to provide a flexible affordable housing opportunity that meets the needs of the community.

### 8. Cooperatively Plan with the University of North Carolina

Every effort has and will continue to be made to include the University of North Carolina in the benefits the Residences at Grove Park hopes to provide to Chapel Hill. We believe this site will be an ideal location for supporting the University's current campus and the plans for Carolina North.



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**9. Work toward a balanced transportation system**

By design, the Residences at Grove Park bring more residents to the walkable Downtown environment. The proximity of these new residents to downtown should reduce overall automobile trips as well as providing the necessary density to properly support the growing bus system provided by Chapel Hill. More directly though, the improvements Grove Park brings to the pedestrian connections already on our site and the bus corridors it borders will encourage pedestrians, bikes, and bus ridership through out the area and be a model for other developments along the Martin Luther King Jr. Blvd transit corridor.

**10. Complete the bikeway / greenway / sidewalk system**

The new pedestrian and bicycle amenities provided by the Grove Park design are built specifically to provide connectivity to Downtown and encourage its revitalization. Along with the Downtown connections and our RCD improvements, we are dedicating a greenway easement to improve connectivity to the Bolin Creek Greenway system and other established pathways for the Town.

**11. Provide quality community facilities and services**

From the well-lit subterranean parking decks to the expansive green spaces and active recreation areas enjoyed by all our residences, the Grove Park project will improve the RCD and the currently cleared site to make it a model community for sustainable infill and renewal.

**12. Develop strategies to address fiscal issues**

By generating substantial new property tax revenue per annum for the region as well as additional sales taxes from nearby Downtown retailers, Grove Park gives Chapel Hill additional funding to address future fiscal issues without requiring additional infrastructure and service investments from the Town.

**Request**

For its support of all the major themes of the Comprehensive Plan as well as the Town's goals for Downtown revitalization, we request that the Council support the Special Use Permit, Zoning Atlas Amendment, and this Zoning Text Amendment to designate the R-SS-C zoning for the Residences at Grove Park. With your approval, we will develop and construct this sustainable infill redevelopment and deliver to Chapel Hill a model project to welcome in its new era of growth, while protecting the rich history and stunning vistas it has always enjoyed in the past.