

**Residences at Grove Park**

425 Hillsborough St.  
Chapel Hill, NC



**Zoning Atlas Amendment Application**  
Statement of Justification

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

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**Introduction**

This is a request for a Zoning Atlas Amendment to rezone a recombined portion of 4 contiguous parcels at 425 and 429 Hillsborough St. and 624 & 626 Martin Luther King Jr. Blvd. to facilitate the construction of the Residences at Grove Park, a 346 unit town home and condominium redevelopment project. The parcels making up the Residences at Grove Park development will be recombined into a single parcel as part of the development process prior to final zoning compliance approval. The remaining portions of the current 425 Hillsborough St. parcel and portions of 624 & 626 Martin Luther King Jr. Blvd. will be combined into a separate approximately 0.5 acre parcel and remain the existing R-6 zoning. (See SUP submittal for map of proposed recombination) The current zoning for this 12.93 acres is predominantly R-4 allowing 10 units per acre with only a small portion of R-6 that does not allow for the highest and best use on the property. Based on the fulfillment of the goals the Council has set for this zoning designation fulfilled by the benefits this project will bring to Chapel Hill's revitalization effort and for its support of long term growth according to the themes of the Comprehensive Plan, we are requesting the parcels be rezoned to the newly revised R-SS-C conditional zoning designation with the modifications described in this SUP application. By rezoning this assemblage to take advantage of this site's unique location adjacent to Downtown, topography, and natural amenities, the Town can provide for the population growth projected by the 2035 Long Range Plan without impacting the charm of existing neighborhoods or the beauty of Chapel Hill's natural vistas.

**Request for Zoning Atlas Amendment**

The proposed Residences at Grove Park development complies with the newly outlined Goals of the Council, 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. which will be recombined into two separate parcels as part of the development process, are predominantly zoned R-4 and R-6 allowing minimal redevelopment opportunity and thus we are requesting this rezoning to the existing R-SS-C zoning 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 are requesting separate modifications rather than further amendments to limit rezonings and dimensional increases to the unique projects that warrant them like Grove Park. 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 dimensional limits to projects on a case by case basis. 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>Current 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

\* Modification requested for this dimension to 90'

Based on the existing R-SS-C zoning description described in our Zoning Text Amendment application, we believe the Grove Park site will best serve a higher density residential use. With its direct connection to major pedestrian and bus connections, beneficial topography and screening from the RCD, location within a ½ mile of the Downtown Commercial Core, and close proximity to increasing retail and office destinations, Grove Park is positioned to positively encourage sustainable transit and the town's revitalization goals. This new plan will require the site to be rezoned to the R-SS-C zoning with a Zoning Atlas Amendment and Zoning Text Amendment.

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 26 affordable residences in a mix of one and two bedroom condominiums and 13 payments in lieu of \$85,000 per unit or \$1.105 M. 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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#### **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 an R-SS-C rezoning for the Grove Park Project with modifications, we submit the following:

- a.)** There is no manifest error in the Chapter that needs to be resolved for 425 Hillsborough St. or the abutting properties, 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 the R-SS-C designation with modifications in order to provide the higher residential use the Long Range Plan envisions to fulfill the themes of the Comprehensive Plan.
- c.)** Justification for the proposed rezoning can best be demonstrated by the proposed development's fulfillment of the seven identified priorities of the revised R-SS-C zoning designation as proposed by the Council and Planning Department as well as fulfillment of the core themes of the Comprehensive Plan.

The newly outlined objectives for R-SS-C approved by the Council require projects seeking this zoning to meet a rigorous series of prerequisite goals as well as address the themes of the Comprehensive Plan. The proposed Residences at Grove Park project complies with or exceeds the individual requirements of all of these priorities.

#### **Objectives of the Council for R-SS-C Rezoning**

- 1.) *Promotion of affordable housing on site and off-site when appropriate.*
  - a. Through extensive negotiations with the Land Trust and the Town's Staff about the needs of the affordable housing community, we have committed to providing 26 on-site affordable housing units in a mix of 1 and 2 bedroom units. Additionally, to address the more immediate needs of the affordable housing program, we have also agreed to provide 13 payments-in-lieu totaling better than \$1.105 million and enact a transfer fee policy of up to 1% of market rate sales to exceed the current affordable housing requirements.

- 2.) *Implementing an energy management and conservation plan.*
  - a. To surpass this requirement, Grove Park has already committed to being 20% more energy efficient than current ASHRAE 90.1 standards, as well as being the first multi-family project in Chapel Hill to commit to sub-metering each unit to further promote water conservation. In addition to the sustainable technologies like energy efficient lighting, high-efficiency HVAC systems, and passive solar design, by designing stacked multifamily units each unit will insulate and therefore minimize the energy used to heat and cool each adjoining unit, insuring that the beneficial density we are providing adjacent to Downtown is the most carbon-conscious type of housing we can provide.
  
- 3.) *Encouraging a balanced private and public transportation system that promotes connectivity and safety.*
  - a. The Grove Park project supports balance in both the public and private transportation systems by committing to \$200,000 in off-site improvements to the public system and an even greater on-site investment to promote safety and connectivity within our site. Direct investments that the whole community will benefit from include a commitment of \$50,000 for a pedestrian haven on Martin Luther King Jr. Blvd., \$10,000 for traffic calming measures to improve safety for the neighborhood on Hillsborough St., and dedication of land for and construction of a new bus pull-off lane on Hillsborough St. with a new bus stop for the whole community to use. On-site we are committed to increasing safety by providing NCDOT approved safety measures and drive aisles at our Martin Luther King Jr. Blvd. entrance and new sidewalks to that entrance to provide real pedestrian and bicycle safety and connectivity where none currently exists. Finally we will also provide bike and pedestrian paths through the heart of our site and connections off-site by dedicating an easement to the Town for use in connecting the Bolin Creek Greenway system to Downtown Chapel Hill.
  
- 4.) *Supporting a healthy Downtown District.*
  - a. The Residences at Grove Park is between less than half a mile from the Downtown core and located directly along 2 major bus, bicycle, and pedestrian corridors connecting it to Downtown. By adding a significant number of sustainable, carbon conscious residences to one of the last significant properties adjacent to Downtown and coupling it with the transportation improvements we have proposed, the Grove Park project will provide a significant boost to both the Town's property tax base as well as the commercial tax base by increasing the patrons who can walk, shop, and enjoy the Downtown district. All this newly sparked commercial activity can take place without any of our new residents having to use their automobile.
  
- 5.) *Promotion of Art (Private or Public)*
  - a. Though the isolated nature of our site from public right of ways makes it an ideal area to locate sustainable residential density, it does not provide much opportunity for readily accessible public art. We could instead offer a contribution of \$25,000 to the Town for art in a more public venue off-site to promote art throughout the community.
  
- 6.) *Protection of adjoining neighborhoods and properties.*
  - a. From the beginning our design process has been focused on preserving the feel of the surrounding neighborhoods and scenic vistas the community enjoys adjacent to the Grove Park site. In response to neighborhood concerns expressed at meetings we sponsored, building heights have been lowered and buffers increased for the nearby Franklin-Hillsborough Historic district. Additionally, townhomes proposed along Hillsborough Street have gone through two redesigns to better incorporate existing architectural

elements and building features and tie our project seamlessly into the fabric of this historic street. Furthermore, we have altered traffic routes during construction and for the future to minimize traffic on Hillsborough and improve safety on Martin Luther King Jr. Blvd. which will improve safety for all the properties surrounding our site. Finally, based on the written opinions of two prominent appraisers from Chapel Hill, our project will increase surrounding property values by replacing run-down primarily student housing in disrepair with new, for sale residences that better reflect the quality and attractiveness of the surrounding properties.

7.) *Protection and restoration of the Natural Environment.*

- a. Restoration of the Natural Environment is where Grove Park makes another beneficial impact for the betterment of this property. In addition to the significant carbon conscious and energy conserving features of our design, the plan for Grove Park will preserve the last major trees and extensively replant new and restored green space throughout this essentially clear cut property. Perhaps even more beneficial our site and the surrounding properties, our plan will implement strategies developed in consultation with the NC Botanical Gardens to remediate the invasive kudzu that has completely overrun our resource conservation district. Our plan will remove the kudzu on our site and replant native species to restore and enhance what can be a true public amenity in the future. Though the required enhancements needed to improve pedestrian and vehicle safety on our currently sub-standard interior drives will require some disturbance in the RCD, our overall restoration plan reduces paving from the two critical lower zones of the RCD and greatly enhances the entire area. To ensure the public as well as our residents can enjoy these significant improvements to the natural environment, we have dedicated an easement for the Town to connect the greenway system to what will become a reborn natural amenity for the community.

8.) *Promotion of green and ecologically sound developments*

- a. Both during construction and later operations, the Residences at Grove Park will promote sustainable green practices. During construction, we are proposing strict environmental best practices measures as well as design that ensure materials are recycled, procured, extracted and produced locally to minimize our initial carbon footprint. After construction, the carbon footprint of our residences will also be greatly minimized by our extensive investment in pedestrian and mass transit connectivity, keeping 75% of the parking below buildings, and providing the most carbon conscious type of housing available with our attached multifamily infill units. Additionally, with our investment in the revitalization of the RCD and dedication of the greenway easement, we hope our project will promote the revitalization of the natural environment as much as it promotes the use of sustainable practices in the built environment.

9.) *Encouragement of a community character that promotes economic vitality, economic protection and social equity*

- a. Based on extensive input from our neighbors, Town Staff, and the Council, we have made numerous design revisions to ensure that the Residences at Grove Park provides the healthy density responsible growth in Chapel Hill needs while preserving the neighborhood feel and scenic green vistas Chapel Hill is known for. Along with the lowering of building heights and alterations of the Hillsborough Street townhomes to better reflect the heritage of the historic district adjacent to them, we have remained receptive and flexible to the needs of Orange Community Housing and Land Trust to ensure that social equity is maintained with an affordable housing solution that ensures current affordability and protects future economic security for our residents. To

economically protect and revitalize Downtown merchants, the healthy density matched to our Downtown connectivity investments will ensure a vibrant, walkable Downtown is well supported by our future residents. To benefit not just Downtown, but the greater Chapel Hill community, this potential increase in sales revenue be joined with a potential annual Town tax base increase of \$387,000 once the project is completed according to a study conducted by the Chapel Hill Carrboro Chamber of Commerce. This is in addition to the regional benefits Orange County can create with an addition of another \$770,000 to the County tax base that Grove Park could provide. These specific design changes and potential benefits ensure that if Grove Park receives the R-SS-C zoning designation, the Town's community character will be well protected and greatly promoted in the fields of economic vitality, economic protection, and social equity.

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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 26 affordable residences in a mix of one and two bedroom condominiums and 13 payments in lieu totaling \$1.105 M 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**

We believe this site will be an ideal location for supporting the University's current campus needs for professional housing, as well as residential support for the planned Carolina North Campus.

### **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 clear-cut 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 proposed rezoning to the amended R-SS-C zoning designation and grant the Special Use Permit and Zoning Atlas Amendment 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.