



GRUBB PROPERTIES

People who care. Places that matter.

September 1, 2017

Mr. Roger Stancil
Town Manager
Town of Chapel Hill
405 Martin Luther King, Jr. Blvd.
Chapel Hill, NC 27514
919-969-2063 (fax)
manager@townofchapelhill.org

Re: Glen Lennox Development Agreement Annual Report for 2016-2017

Dear Mr. Stancil,

Please find attached the annual report for Glen Lennox as stipulated by Sections 4.12 and 5.20 of the Glen Lennox Development Agreement. This report presents data on activities that occurred between July 1, 2016, and June 30, 2017. It demonstrates good faith compliance with the terms of the Development Agreement through June 30, 2017.

In summary, the time frame for this year's annual report saw continued design, planning, and collaboration with Town staff. No construction has occurred or will occur by the end of this year. However, we do anticipate receiving our first Development Agreement Compliance Permit (DACP) in mid-September for the first apartment building, a parking deck, and community clubhouse. This separate community clubhouse and a 215-unit apartment building that wraps the parking deck will be located in the northwest corner of the property, bounded by Brandon, Flemington, and Hayes Roads.

This first phase of development will also be the subject of the first subdivision of the property, currently under review by Town staff.

Grubb and Town staff team members have been working together throughout 2017 to ensure that both the Development Agreement and the vision for Glen Lennox are being implemented to the best of our abilities. We expect and look forward to the ongoing collaboration that will be required throughout the entire process.

Sincerely,

Tim Jezisek
Vice President, Development
Grubb Properties

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Glen Lennox Development Agreement 2016- 2017 Annual Report

1. One time change in floor area of 1,000 square feet or fewer (Section 4.9(b)(9))

There have been no changes to the floor area.

2. Individual Development Agreement Compliance Permits issued (Section 4.12)

A Development Agreement Compliance Permit (DACP) will have been issued by the end of September 2017. While that time frame is beyond the annual report's end date, both staff and Grubb team members thought it would be helpful to know for this report.

3. Infrastructure installed (Section 4.12)

There has been no infrastructure installed.

Installation will begin in 2018 and will be documented in next year's report. This will include stormwater management, road and sidewalk, and other infrastructure installation and upgrades. At the appropriate time, Duke Power will also relocate power lines for the site underground.

4. Status of participation by the Town, Developer Owners, Representative and the Parcel Owners in the provision of or financing of public infrastructure for the Development (Section 4.12)

There has been no financing of public infrastructure.

5. Dedications and acquisitions of infrastructure by the Town, Developer Owners, Representative and Parcel Owners (Section 4.12)

- There has been no dedication or acquisition of infrastructure to date.
- Due to the future realignment of a portion of Flemington Road, there will be a right of way abandonment followed by a dedication to the Town of the new realigned portion of the road. Town staff will determine the appropriate timing. This will be discussed in future reports.

6. The projected schedule for Development of the Property in the forthcoming year (Section 4.12)

- Master planning, financing, and pricing will continue through 2017.
- Property staff have been working all year with residents in units being affected by this phase of development to manage their leases and/or find them new apartments within Glen Lennox. All affected units will be vacated by December 31, 2017.
- Site work/construction is anticipated to begin in early 2018 for Phase 1. The specific time depends on HUD approvals, but site work will begin some time in Q1 2018.
- Phase 1 work for this first DACP includes 215 new apartments wrapping a parking deck and a separate club house building. These will be located in the northwest portion of the property. 2018 will feature mainly site, foundation, and underground infrastructure work.
- Pending final NCDOT approval, road work along Hayes and 15-501, including the construction of the new Glen Lennox Drive entrance from 15-501, is expected to begin in 2018.

7. For-sale affordable housing monitoring system, income levels, and new units built (Section 5.2.d)

For-Sale Affordable Housing	7/1/16-6/30/17
Total New Units	0
Cumulative Total	0
Affordable Units	0
% Affordable	0%

No for-sale affordable housing has been developed this past year. When for-sale housing is planned, a monitoring system will be created for the affordable units.

8. For-rent affordable housing monitoring system, income levels, and new units built (Section 5.2.d)

For-Rent Affordable Housing	7/1/16-6/30/17
Total New Units	0
Cumulative Total	440
Vested Renters	37
% Vested	9%
Avg. Vested Renter Rent / Unit	\$942

All apartment resident lease information is entered into Yardi Software. The move-in dates and the rental amounts are tracked. A notice is automatically sent out to every resident 90 days before their lease renewal notifying them of their upcoming rent renewal rate. Residents who have lived in Glen Lennox for more than 5 years are only allowed a rent increase equal to Consumer Price Index with a floor of 2% and a ceiling of 5%. On a monthly basis, management uses Yardi Software to verify the current number of long term residents. Current residents' income data will be gathered for future rental housing development. Town staff and Grubb team members also collaborated to create a postcard notification from the Town to remind residents of the Vested Renter program and benefits.

9. A trip generation table showing the following (Section 5.4(b)(ii))

A. Land use type built and a location map of the buildings

N/A. No development has occurred.

Land Use	6/30/17	New	Total
Residential -For Sale (units)	-	-	-
Residential - For Rent (units)	440	-	440
Commercial/Retail (sf)	21,276	-	21,276
Office (sf)	5,084	-	5,084
Medical Office (sf)	-	-	-
Hotel (rooms)	-	-	-
Group Care Facility (beds)	-	-	-
Place of Assembly (count)	-	-	-

B. Number of trips generated for each land use type

No development has occurred; so, there has been no new trip generation. The first part of Phase 1 development will see the demolition of 44 units. Consequently, trip generations will actually decrease temporarily until late 2019 when leasing of the new apartments is anticipated to begin.

C. Comparison of trip generation table with the vehicle trips generated in the October 2013 TIS

Total External Daily Vehicle Trips (EVT) Added to Adjacent Streets	
Total New Daily EVT Projected by TIS Oct 2013 (Table ES-3)	16,557
Max New Daily EVT Allowed by DA	17,557
New Daily EVT Generated 7/1/16-6/30/17	0
Total New Daily EVT Generated by Development	0

10. Tax status of any Development or change in tax status of any property in the prior year (Sec 5.5)

There has been no change in tax status for any portion of the property.

11. Related Information of Note (Section 5.20(c))

Minor Modification: A Minor Modification to the Development Agreement clarifying the authorization of staff to administratively review proposed subdivisions within Glen Lennox was approved by the Town Manager on June 29th.

Subdivision: As of September 1st, the first subdivision of the property for Phase 1 is under review by staff. Approval is anticipated by the end of September.