



**GLEN LENNOX**

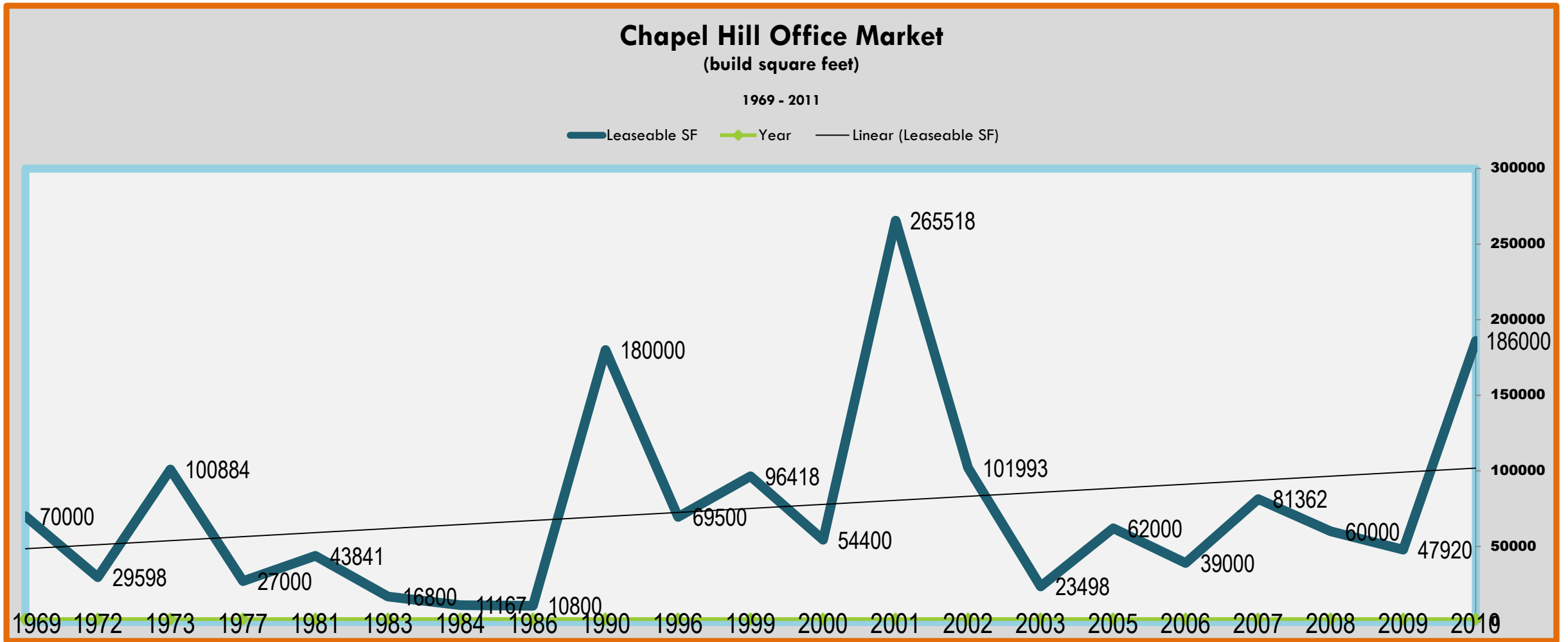
Incentive Ask



# GLEN LENNOX

Desires to move forward with office development, cost are affecting the ability to fund infrastructure up front.

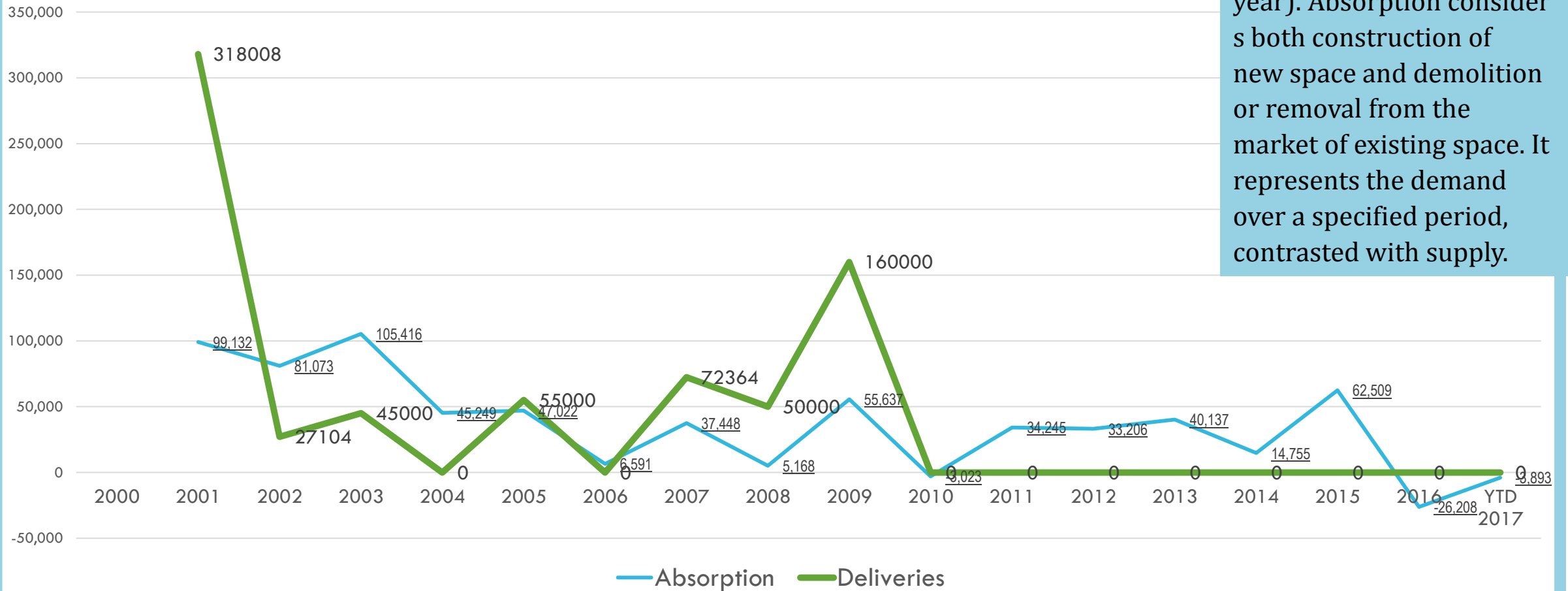
# OFFICE MARKET



# OFFICE MARKET

Absorption is the amount of space or units leased within a market or submarket over a given period of time (usually one year). Absorption considers both construction of new space and demolition or removal from the market of existing space. It represents the demand over a specified period, contrasted with supply.

Chapel Hill/Carrboro Absorption vs. Deliveries





# GLEN LENNOX - ASK

Asking for \$3.4 million over 10+ years

# GLEN LENNOX - BUILDOUT

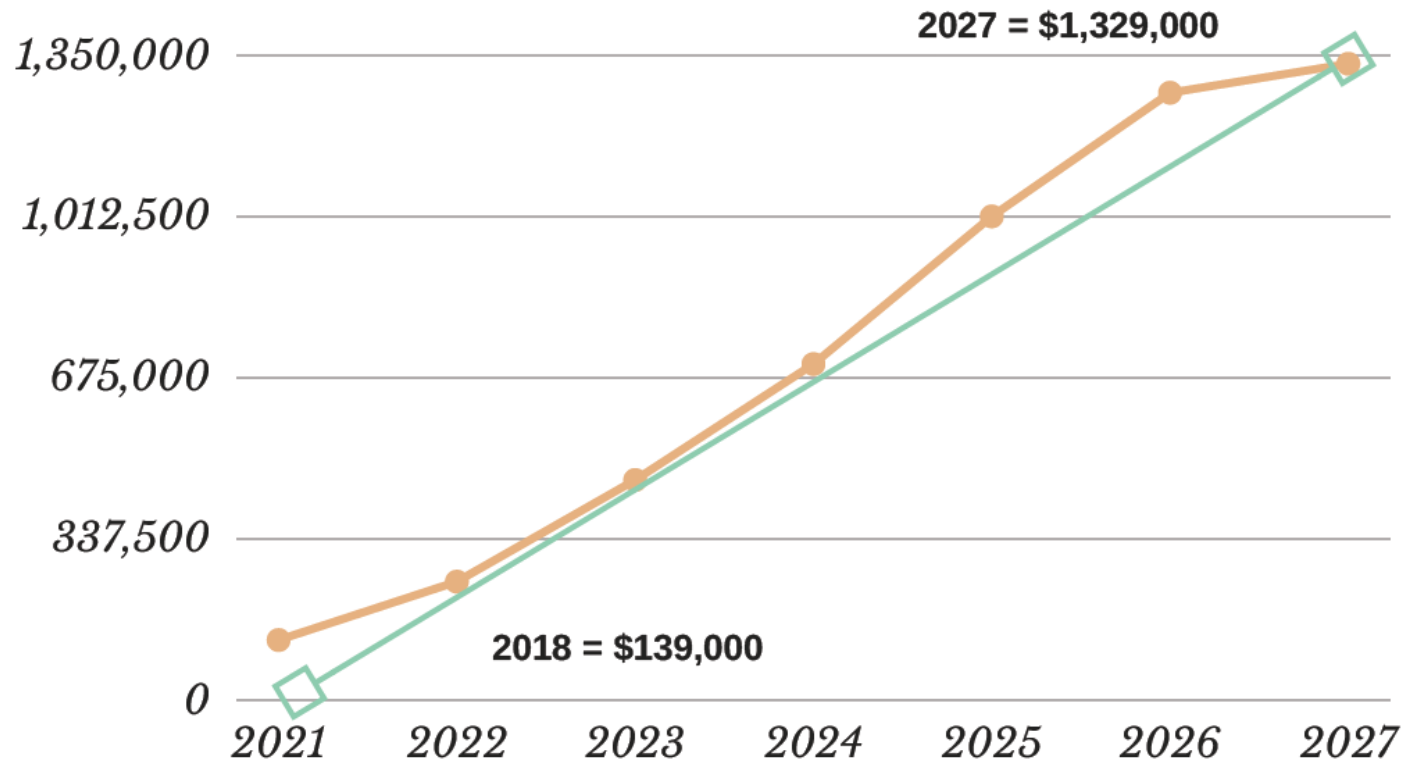
Glen Lennox Projected 10-yr Buildout Schedule: Scenario A				
	<u>New Residential Units</u>	<u>Office SF</u>	<u>Retail SF</u>	<u>Hotel (rooms)</u>
2017				
2018				
2019	177			
2020	44	103,000		
2021	133	135,000		
2022	176	135,000		
2023	188	115,000	53,000	50
2024	337		47,000	50
2025	87			50
2026				
<b>Total</b>	<b>1,142</b>	<b>488,000</b>	<b>100,000</b>	<b>150</b>

# PROJECTIONS

- Asking for \$3.4 million over 10+ years

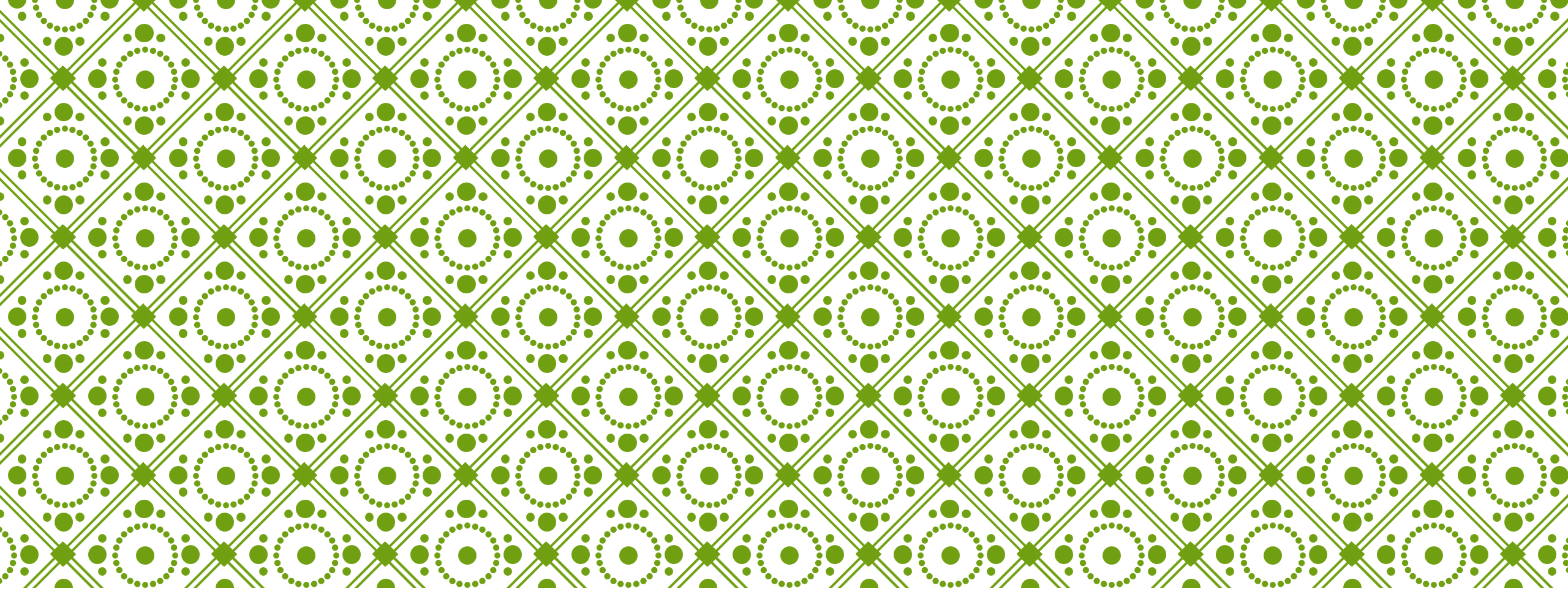
- Based on our Guidelines and internal conservative projections we could see funding \$2.5 (50% of projected tax income) over 7 years

## TOWN TAX BASED ON PROJECTED DEVELOPMENT



7 YEAR CUMULATIVE TOWN TAX PAID ESTIMATED AT \$5,137,900 (DOES NOT INCLUDE SCHOOL OR COUNTY TAX)

INCENTIVE WOULD BE CAPPED AT 50% OF NEW TOWN REVENUE



# GLEN LENNOX

Development Agreement

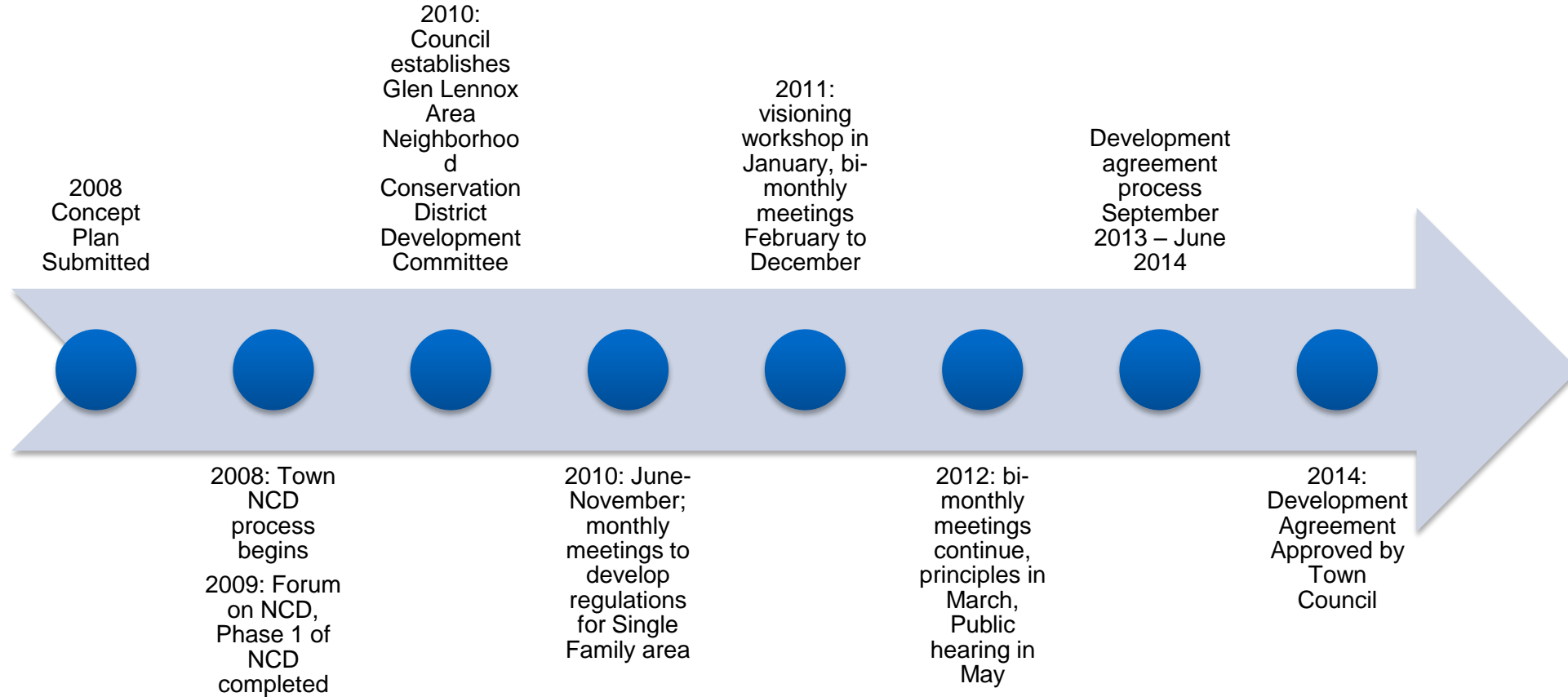




# Glen Lennox Neighborhood Conservation District and Development Agreement



# Glen Lennox History



Additional Background: <http://www.townofchapelhill.org/town-hall/departments-services/planning-and-sustainability/development/development-agreement-projects/glen-lennox-development-agreement/glen-lennox-de>



# The NCD informed the Development Agreement



# Envisioned Mix of Residential and Commercial



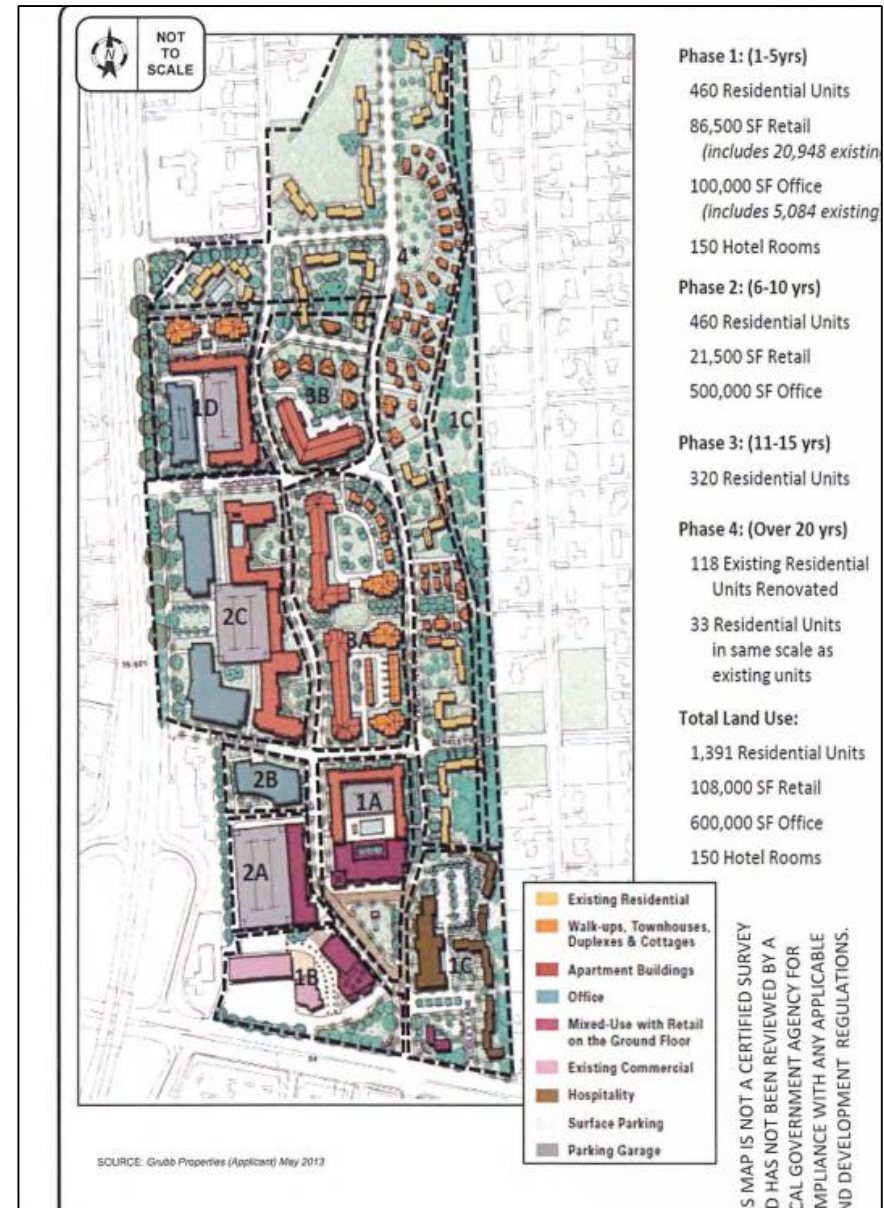
## Guiding Principles

1. Value history of neighborhood
2. Preservation of street network
3. Create & maintain open space
4. Tree preservation
5. Maintain a portion of the buildings
6. Transition and vary density and heights
7. Buffer adjacent residences
8. Preserve church's visibility and accessibility
9. Effective transportation strategy
10. Sustainability
11. Community diversity



# Uses & Densities

- Mix of Land Uses
- 1,391 residential units
- 108k retail
- 600k office
- 150 hotel rooms



# Development Agreement

## Key Points

- Builds on the NCD Plan and includes aspects of the design guidelines
- Lower-density uses along border with existing neighborhoods
- Higher-density mixed uses at 54 and 15/501 frontages
- Includes infrastructure improvements subject to final NC DOT approval



# Current Status

- First Development Agreement Compliance Permit (DACP) issued in September 2017
- 215 apartments at Brandon & Hayes
- Transportation improvements in Glen Lennox neighborhood and to Fordham Blvd
  - Construction of Glen Lennox Drive & improvements to Hayes Road.
  - Construction of protected turn lanes and Fordham Blvd “super street”

# Area Overview





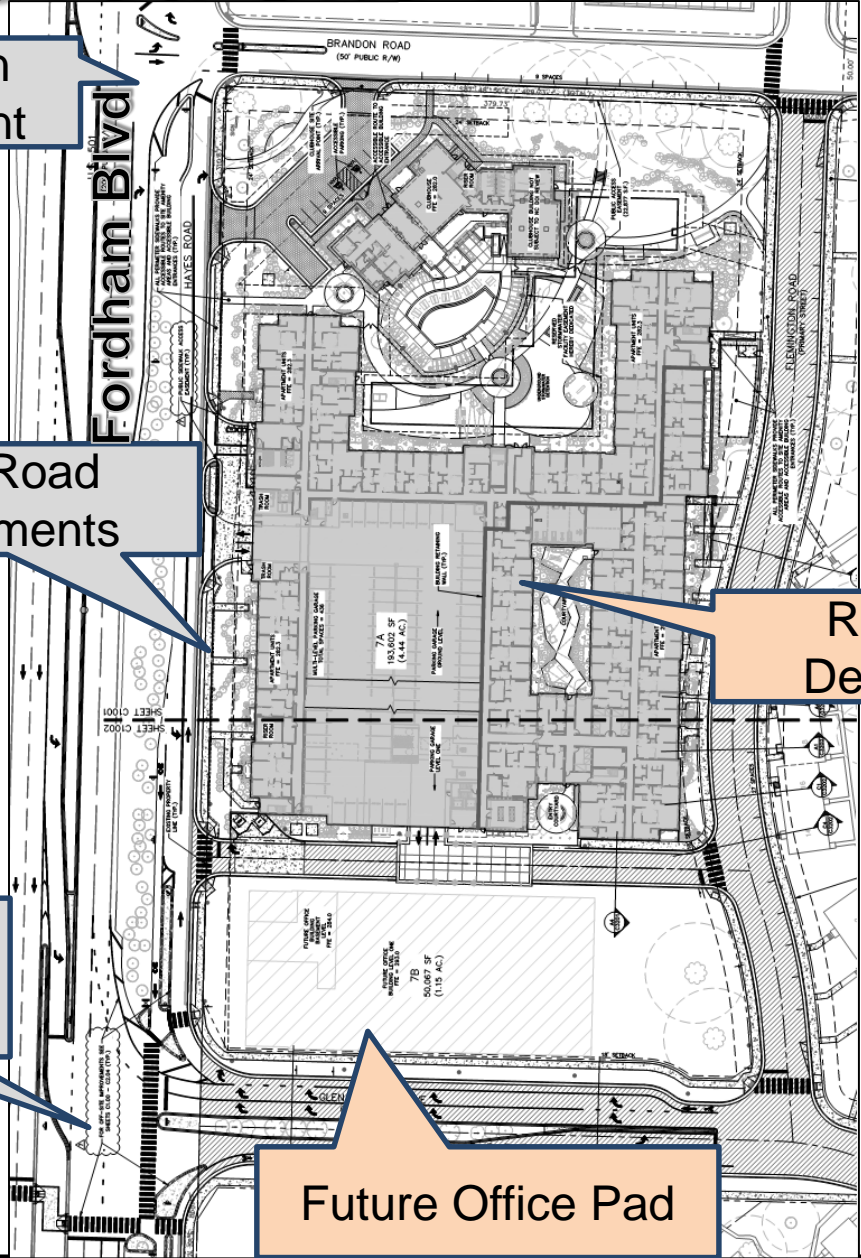
# Approved Site Plan



Intersection Improvement

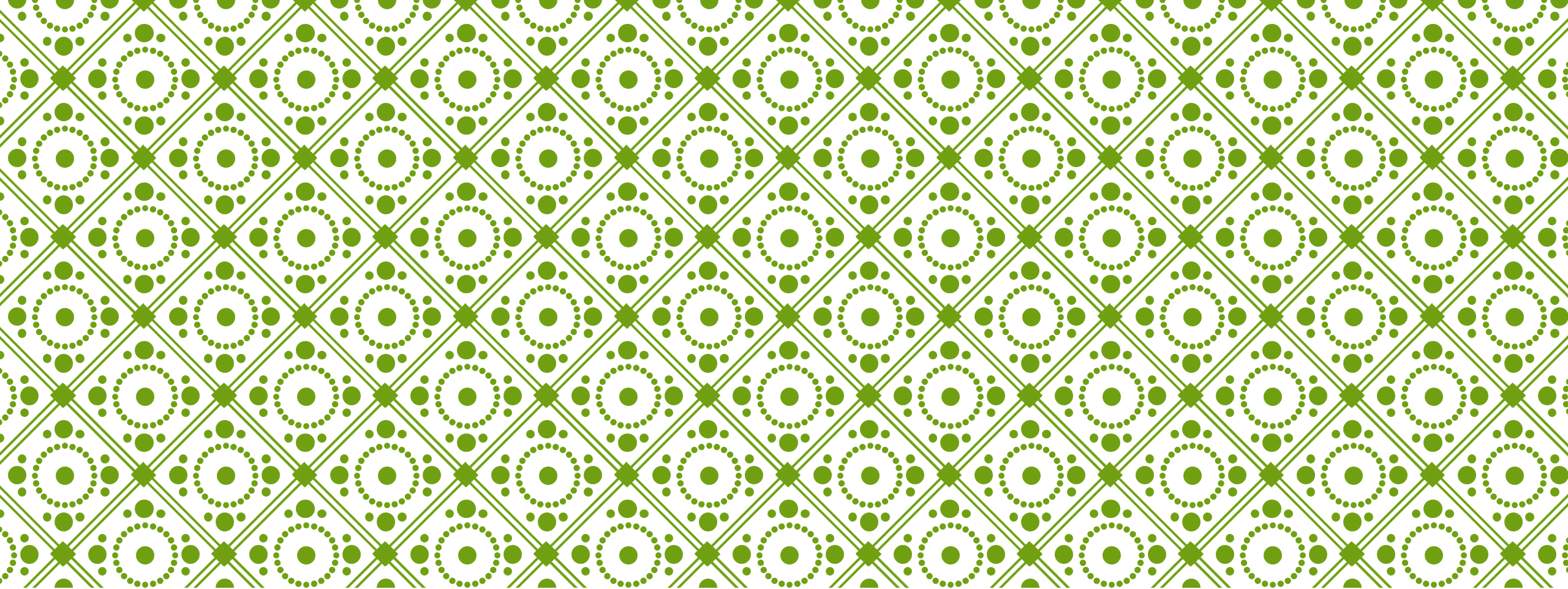
Hayes Road Improvements

New Road, Signal, and Intersection



Residential Development

Future Office Pad



# GLEN LENNOX

Developer presentation





# GLEN LENNOX

**A Community's Vision and Values**

**Friday April 6<sup>th</sup>, 2018**



**GLEN LENNOX**



**GRUBB PROPERTIES**

*People who care. Places that matter.*



# The 11 Guiding Principles

1) Value the history of Glen Lennox

2) Preserve the street network

3) Create and maintain public open space

4) Balance new development with  
preservation of trees and tree canopy

5) Keep a portion of the buildings

6) Transition and vary density and building heights

7) Landscaped buffers for adjacent neighbors

8) Preserve the church's visibility and accessibility

9) Create an effective transportation strategy

10) Encourage community sustainability

11) Encourage and support community diversity

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**TOWN OF CHAPEL HILL**



Join us

# Grubb Properties and Glen Lennox :

Striving to be a Model to Attract and Inspire Like-Minded Investors, Supporters, Commercial Tenants, and Residents

## Grubb Properties Founded in 1963

Originally a single-family home builder in redlined neighborhoods, Grubb Properties created a non-profit financing arm to offer financing that resulted in over 400 families owning their own homes.

## Focused on Housing Affordability

Our Link Apartments strategy is designed to address a component of today's housing affordability crisis.

## Innovation Through Collaboration, Combination, and Compassion

- **More Effective Together:** Our Link Apartments strategy deliberately pairs modern living with office sites and features a shared parking model to simultaneously lower housing costs, drive economic development, and reduce environmental impact.
- **Vested Renters:** Capped rent growth rate at CPI with 5+ year residency.
- **Incenting non-car-based transportation:** \$50/month rent reduction if no car; Cycle Centers inside buildings.
- **Master leasing (new):** Partnering with a local non-profit to provide subsidized housing for lower income workers.



# Link Apartments

is focused on young people that find themselves struggling to afford high-quality, new housing in urban and infill locations. While our communities serve a wide range of residents, we target helping the following:

## Work-Force Residents

- Residents with more modest incomes where it is critical to be in closer proximity to their jobs—such as employees in healthcare and education, first responders, etc.
- Generally defined as households making 80-120% of median income. In the US, that was \$59k per year in 2016, creating a range of \$47k-\$70k of income.
- Based on that income range, allowable housing cost = \$1,300-\$1,945/month.



## Millennial Women

- Value-oriented housing is more important for women, and their propensity to rent is longer—they suffer from a 17% gender pay gap and 12.5% slower wage growth.
- Women today represent 60% of college graduates, account for 85% of all consumer purchases in the U.S., making them more meaningful decision-maker.
- 26% of renters in the US are single females compared to 22% single males.





# Vision: An Authentic, Dynamic, Welcoming Village-Style Neighborhood



CSO/T 2011



# Roughly 4 Phases Over ~15 Years: Guiding Principles & Community Values Come to Life



Phase 1 – Construction begins spring/summer 2018

Link Apartments, Parking, Clubhouse, Office (after apartments)

Phase 2 OR 3 (TBD)

Link Apartments x 2 (orange), Parking, Office x 2 (blue)

Phase 2 OR 3 (TBD)

Mixed-Use Village Center: Retail, Restaurant, Hotel, Etc.; Office/Apartments Above, Etc.


Phase 4

Preserved existing rental cottages; New for-sale single family/town homes, Possible add'l rental units









# GLEN LENNOX

# Thank You





**GLEN LENNOX**

Questions