

September 1, 2018

Mr. Maurice Jones
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 2017-2018

Dear Mr. Jones,

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, 2017, and June 30, 2018. It demonstrates good faith compliance with the terms of the Development Agreement through June 30, 2018.

In summary, the time frame for this year's annual report saw continued design, planning, and collaboration with Town staff. We did receive our first Development Agreement Compliance Permit (DACP) in September of 2017. This DACP encompasses a community clubhouse and a 215-unit apartment building that wraps a parking deck. It will be located in the northwest corner of the property, bounded by Brandon, Flemington, and Hayes Roads. Demolition of existing units was completed in May, and construction is expected to begin in mid or late September of this year.

Additionally, this first phase of development was the subject of a minor subdivision, approved in July of 2017, as well as a major subdivision, recently review by staff and approved in August.

Related to the overall 70 acres, a Master Sign Plan for the full Glen Lennox property was crafted in conjunction with Town staff. It was approved by Council in June of 2018.

Grubb and Town staff team members have been working together throughout 2017 and 2018 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 joint efforts and collaboration needed throughout the entire process to realize the vision of the Development Agreement.

Sincerely,

Tim Jezisek
Vice President, Development
Grubb Properties

Glen Lennox Development Agreement 2017- 2018 Annual Report

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

There have been no changes to the floor area of the approved DACP plans.

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

A Development Agreement Compliance Permit (DACP) was issued in September of 2017.

3. Infrastructure installed (Section 4.12)

There has been no infrastructure installed as of the date of this report.

Installation will begin later in 2018 and will be documented in next year's report.

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 new public infrastructure installed as of the date of this report. However, extensive public infrastructure upgrades are planned as part of this first phase of work. This includes road improvements, stormwater management upgrades, roads and sidewalks, new street lighting, publicly-accessible park space, and new/relocated underground utilities, among other things. Discussion with the Council about potential Town participation, facilitated by Dwight Bassett, on this matter have occurred regularly since fall 2017 and continue to occur.

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, a right of way abandonment was approved by Council. Once the new section is complete, it will be dedicated to the Town.

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

- Construction for the Phase 1 apartments, clubhouse, and parking deck, is scheduled to begin in mid or late September after HUD loan closing.
- Phase 1 work for this first DACP includes 215 new apartments wrapping a parking deck and a separate club house building. 2018 will feature mainly site, foundation, and underground infrastructure work, with 2019 seeing some portions of the buildings coming out of the ground, beginning with the parking deck (to be wrapped by the apartments).
- Road work along Hayes Rd and 15-501 (NCDOT jurisdiction) including the construction of the new Glen Lennox Drive entrance from 15-501, is expected to begin in late 2018 or early 2019.
- A DACP application for a first potential office building in the Phase 1 area was submitted in August. Having this zoning compliance permit will facilitate needed financing and pre-leasing

efforts for the office. Whether and when it will be constructed remains undetermined. Presuming all financing and other support, including potential Town and/or County support, can be confirmed, construction could begin in 2019.

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

For-Sale Affordable Housing	7/1/17-6/30/18
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	7/1/17-6/30/18
Total New Units	0
Cumulative Total	396
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.

Of note is a new pilot program being developed voluntarily in conjunction with Community Home Trust (CHT). CHT and the Chamber approached Grubb last year with a proposal to bring more affordable housing online more quickly. Grubb Properties readily agreed and has committed to leasing a number of units (exact number TBD with Council, County, and CHT) through a master leasing program managed by CHT. CHT will master lease a collection of units, then rent those units at a subsidized income-based rate to individuals qualified and selected by CHT. This will allow more low income and very low income individuals and families to live closer to jobs, services, and public transportation. CHT is currently working with both the Town and County as well as Justice United on this program. CHT estimates it will begin the program with the first limited numbers of units in 2019. As the program succeeds and grows; so, would the number of available master leased units.

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	6/30/18	New	Total
Residential -For Sale (units)	-	-	-
Residential - For Rent (units)	396	-	396
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. However, the first part of Phase 1 development has seen the demolition of 44 units. Consequently, trip generations have actually decreased temporarily by roughly 400 daily trips (per the trip generation table in the Oct 2013 TIS). This will last until 2020, 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 7/1/17-6/30/18	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))

Subdivisions

- A minor subdivision was reviewed by staff and signed by the Town Manager in July of 2017. It was recorded in October of 2017.
- In August of 2018, staff reviewed and Roger Stancil signed the approval for a major subdivision. It has not been recorded as of the date of this report.

Master Sign Plan: The Development Agreement contemplates the creation of Master Sign Plan for the entire ~70 acres of the Glen Lennox property. The intent is to create a comprehensive and coordinated signage plan that reflects the vision and needs of uses contemplated by the Development Agreement. Town staff and Grubb collaborated on this over eight months in 2017 and 2018. Town Council approved it in June of 2018.