

Project Narrative

Grubb Properties proposes to construct an apartment building under the company's Link Apartments® brand with approximately 150 units. The apartment building will be constructed on the site of the existing vacant PNC Building located at 101 E. Rosemary Street. The 0.64-acre site is located in downtown Chapel Hill adjacent to the Town's planned municipal parking deck project at 125 E. Rosemary Street on the east, commercial buildings are located directly north of the site, the former Town Hall building is located across Columbia Street to the west, and a surface parking lot owned by the Town is across Rosemary Street to the south.

The apartment building will be designed to accommodate the existing grade from Rosemary Street down to the north with a building being height of 7 stories.

The property's current zoning designation Town Center 2 allows for several uses, including multifamily. TC-2 zoning limits building height to 4 stories, which accommodates only 75 multifamily units. To achieve a higher density, Conditional Zoning for Town Center 3 zoning will be required. At 7 stories, the building can support approximately 150 multifamily units.

In order to activate the street frontage on E. Rosemary, the plan includes a ground-floor Commercial Space, Leasing Center, Cycle Center, a Clubhouse, and a Fitness Center together with a pool in the Courtyard. The plan includes no onsite parking, the intent being the project's parking would be served in the Town's municipal parking deck project at 125 E. Rosemary Street.

Stormwater management for the project will be handled through a combination of reducing impervious cover from existing conditions and the use of permeable pavements and/or underground stormwater facilities

Statement of Justification

This is a statement of justification to support the request for Conditional Zoning for 101 East Rosemary Street. In order to establish and maintain sound, stable, and desirable development within the planning jurisdiction of the Town, it is intended that the Land Use Management Ordinance (as stated in Section 4.4) shall not be amended except:

1. To correct a manifest error in the chapter; or
2. Because of changed or changing conditions in a particular area or in the jurisdiction generally; or
3. To achieve the purposes of the Comprehensive Plan.

Below is the applicant's evaluation of this application based on these three findings.

- 1. Finding #1:** The proposed zoning amendment is necessary to correct a manifest error.

Response: We do not believe there is error in the Town's Zoning Atlas Amendment related to the project site.

2. **Finding #2:** The proposed zoning amendment is necessary because of changed or changing conditions in a particular area or in the jurisdiction generally.

Response: We believe that the conditions have changed in the following respect: In recent years downtown Chapel Hill has undergone a loss of jobs and businesses which has adversely affected the economic vitality of Chapel Hill. As part of the continued redevelopment and revitalization of East Rosemary Street, this project addresses the need to bring essential housing to downtown in addition to the office and lab space planned for this area. This is consistent with the Future Land Use Map (FLUM) adopted by the Town.

3. **Finding #3:** The proposed zoning amendment is necessary to achieve the purposes of the comprehensive plan.

Response: The proposed rezoning would contribute to the following elements of the Comprehensive Plan:

Theme 1: A Place for Everyone

- Grubb Properties seeks to provide a modern design with a balance between simplicity and sophistication. Grubb Properties approaches Link Apartments® and urban living in a manner that creates and enhances connections to the community. Our residences are designed for first-time renters and urban professionals who appreciate and enjoy close proximity to major employment centers such as hospitals and universities as well as entertainment offerings.

Theme 3: Getting Around

- Grubb Properties builds Link Apartments® in urban areas near employers, universities, retail, restaurants and greenways. We build active communities, emphasizing walkable design and connectivity, with easy access to alternative modes of transportation. Grubb Properties is a leader in transit-oriented design, seeking out locations near major transit hubs or greenways to limit the need for parking, and/or creating shared parking models between the residential and commercial components of developments. This allows for increased density with less environmental impact.

Theme 4: Good Places, New Spaces

- Link Apartments® communities are also designed with an eye toward environmental stewardship. We seek to incorporate the use of sustainable materials wherever possible. Our efficient floorplans limit wasted space and allow for more compact mechanical, electrical, and plumbing systems. This decreases construction and maintenance costs and results in less wasted energy and lower utility bills. All Link Apartments® buildings are National Green Building Standard certified. We measure build energy, water, waste, and emissions within our control, and are identifying long-term reduction targets. This helps us create value for our residents by building a more affordable apartment product.

Theme 6: Town and Gown Collaboration

- Grubb Properties designs our Link Apartments® brand based on the local character of each neighborhood in which we invest. We seek to cultivate authentic, healthy relationships with and between our residents, allowing them to create their own unique sense of community in each project we build. Our long-term resident program caps rent increases for residents of 5+ years. As of January

2021, 341 residents - more than 8% of our portfolio - were participating in the program. This helps foster and promote a feeling of ownership and camaraderie for our residents.

Response to Community Design Commission and Town Council Concept Plan

The proposed elevations and site plan attached in this application have been updated in response to the comments received from the Community Design Commission and Town Council. A commercial flex space has been added on the ground floor and will activate the street level by providing a coffee and/or art space for both residents and the public to use.

Affordable Housing Proposal

The United States is facing one the biggest housing crises ever seen, and much of that shortfall is in the moderately priced rental housing segment. This gap in essential housing is caused by both a demand issue, resulting from a long-lasting shift in demographics, and a constraint in supply caused by the rapidly rising costs to build housing. At Grubb, we define essential housing as product for households earning more than 60% of an area's median income (AMI), putting them above the cutoff for a public housing subsidy, but less than 140% of that AMI, putting them below the threshold to afford luxury housing. Essential housing should serve about 41 million households in the United States, offering working professionals an affordable, quality housing option in urban markets. Grubb's Link Apartments® brand focuses on providing Essential housing through intelligent design and resident amenities to provide a lower cost, urban infill living opportunity. Our Link Apartments® brand has six highly efficient floor plans ranging from 360-1150 square feet and offer tailored amenity programs carefully curated toward young professional values and experiences. Link Apartments® brand provides housing for an underserved demographic, young professionals 24-35 years old earning 60%-140% of area median income.

Statement of Compliance with Town Design Guidelines

The project will be built in compliance with the Town's Design Guidelines.

The apartment building will be architecturally integrated with E. Rosemary Street with the commercial space, leasing office, and cycle center activating the street front. The project does not include onsite parking therefore lessening the environmental impact while allowing for higher density.

Landscape buffers will be designed using the Town's design manual and will include year-round landscape plant material, site furnishings, and special lighting.

Stormwater management facilities, water, sewer, and other utilities will be provided in accordance with the applicable guidelines, standards, and regulations.

Energy Management Plan

Link Apartments® communities utilize an integrative design process, ensuring that the building's energy performance exceeds minimum code standards, by partnering with third-party energy consultants and certifying our properties under the National Green Building Standard (NGBS) program.

In support of and in addition to NGBS requirements, our design includes: electric vehicle chargers, ongoing building performance benchmarking, ongoing energy efficiency commissioning and capital improvements, ENERGY Star® appliances and LED lighting, highest grade insulation installation, and duct/blower door testing. Where feasible, on-site renewable energy generation is also considered.

More info on NGBS: <https://www.ngbs.com/the-ngbs-green-promise>

This project's specific NGBS and energy efficiency implementations can be provided upon request.