



@ S Columbia Street (15-501) across from Southern Village

1. Written Narrative
2. Statement of Justification
3. Statement of Consistency with Comprehensive Plan
4. Response to Town Council and Design Commission Concept Plan comments
5. Affordable Housing Proposal
6. Description of Public Art Proposal
7. Energy Management Plan

1. Written Narrative

Introduction

This request is for Conditional Rezoning of the South Creek Mixed-Use proposal on an approximately 120.99 acre property located on the east side of US 15-501 across the street from Southern Village and the Southern Community Park. The Proposal would preserve the majority of the Site (+/- 80 acres) pursuant to a conservation easement on the eastern part of the property and cluster development on the approximately 40 acres on the west side of the property. The proposed development will include for-sale residential homes, a small component of rental units, and a mix of complementary land uses including retail, office, public trails, and affordable housing. The proposal embraces the adopted vision of the Town’s South 15-501 Plan which calls for meeting the evolving needs of the community with “clustered, compact development that maximizes open space preservation.” It would also help to address a number of the housing challenges highlighted in the recent Chapel Hill Housing Need Analysis commissioned by the Town by offering multiple different housing types suitable for a wide range of stages in life and income levels and address the increasing “missing middle” as well as a significant number of homes in compliance with the Town’s Affordable Housing requirements. Furthermore, the project team has worked closely with Town staff to ensure that the new development would appropriately integrate multimodal transportation methods, specifically a future BRT station along 15-501.

Project Background

The Town and the previous property owner entered into a development agreement for the property in 2015. The development agreement contemplated a dense mixed-use commercial development of up to 1.6 million square feet known as “Obey Creek.” Following the execution of the development agreement, the property was rezoned DA-1, which is the Town’s zoning designation that is applied to properties subject to an approved development agreement.

The Obey Creek development agreement contemplated a mixed-use development made up of primarily commercial uses. However, market conditions are not suitable to support the level of commercial development called for by the Obey Creek development agreement and no development activities have been commenced.

Based on a formal administrative determination from the Town in June 2021, the DA-1 zoning district permits all uses which are listed as “permitted” in Use Matrix, found in Table 3.7-1 of the Land Use Management Ordinance. This means that the property could be developed “by right” with single family dwellings, duplexes, townhomes and other multifamily dwelling units on all 120 acres spanning both sides of the creek. The entire site, as opposed to the limited portion that Beechwood now proposes to develop, could yield approximately sixty (60) +/- one-acre lots.

The new project sponsor, Beechwood, proposes to terminate the existing development agreement, pursuant to the termination provisions outlined therein, and to petition the Town to rezone the Obey Creek property. Our proposal includes the re-zoning and conveyance of a 2.19-acre tract owned by the Town within the site, to the same conditional zoning. This course of action will allow Beechwood and the Town to negotiate appropriate development standards without being constrained by the existing development agreement which was drafted for a different use profile, different demographics and is no longer feasible under current market conditions. Beechwood believes that the newly proposed development far better addresses the Town’s Comprehensive Plan and its current housing needs than either the current development agreement or the alternative “by right” one acre lot single family zoning.

General Site Layout and Building Orientation

The property is approximately 120.99 acres and is located on the east side of US 15-501 at the southern end of Chapel Hill across from Southern Village. Wilson Creek divides the property into easterly and westerly portions. The area on the eastern side of Wilson Creek is intended to be preserved as a natural space for recreational use. The area on the western side of Wilson Creek is intended to be developed. With the sloping condition of the site, Beechwood intends to bench the townhome and condominium buildings into the grade to optimize parking opportunities and preserve the natural topography and sightline. These areas partially below grade will be used for parking garages and some walk-out ingress and egress. The stepping of the buildings into the grade will afford residents and visitors views out to the nature preserve further enhancing the community’s connection to nature and open space.

Site Access and Circulation

The site will be configured so that there will be two primary access points directly across from Sumac Road and Market Street creating direct links to the Southern Community Park and Park and Ride lot. These access points are desired to be signalized, full movements pending NC DOT approval and Town of Chapel Hill coordination. It is understood that NC DOT would need to review their median spacing guidelines to allow Sumac Road to become a full-movement intersection. That process is ongoing with NC DOT and Town staff. There is also a right-in, right-out for the northernmost section of the project proposed to assist with northbound traffic desiring access to the property.

The South Creek development will only generate 20-30% of the traffic from what was expected to be generated by the underlying approved Obey Creek site plan. However, despite the lower amount of traffic expected to be generated by South Creek, internal stem lengths have been updated from the concept plan and are shown on the plans for this Conditional Zoning application. A primary north-south internal street will provide connectivity between the two primary access points with secondary streets and alleys to assist with vehicular circulation. South Creek will have on-street parking as well as parking integrated into the condo and mixed-use buildings.

In addition, the proposed community will have a strong emphasis on walkability with the incorporation of a pedestrian trail surrounding the community with access points to the internal road network and scenic overlooks. We intend to incorporate electric vehicle charging stations throughout the community to encourage clean and renewable transportation modes.

Site Conditions

Wilson Creek, the most notable physical feature bisecting the property meanders northward to join with Morgan Creek. Land on both sides of the creek is characterized by moderate to steep slopes (12% - 30%) within the stream buffers and adjacent to the alluvial zone. Incorporating this grade change into building footprints will create an immense amount of character as the grade is transitioned. Soil types that persist over much of the area include Appling sandy loam, Louisburg sandy loam and Wedowee sandy loam which pose only moderate constraints for development. Vegetation includes a mixture of hardwoods and pines with younger growth pines throughout the area west of Wilson Creek. Larger hardwoods occur along the stream buffer and to the east of Wilson Creek. With the exception of several houses (vacant) and the abandoned quarry located east of Wilson Creek the site is undeveloped.

Natural Features, Environment, Landscaping and Cultural Significance

Vegetation includes a mixture of hardwoods and pines with younger growth pines throughout the area west of Wilson Creek. Larger hardwoods occur along the stream buffer and to the east of Wilson Creek. Except for several vacant houses and the abandoned quarry located east of Wilson Creek, the site is undeveloped. The eastern +/- 80 acres (almost 70% of the property) is intended to be preserved as natural space with recreational opportunities open to the public.

A portion of the property had previously been the site of the Watts Restaurant and Motel, one of the last segregated businesses in Chapel Hill and the site of numerous civil rights protests in the 1960s. The project sponsor intends to include historical markers and informational material to emphasize this site's important significance in the struggle for racial and social justice.

Developer Background

The Beechwood Organization is ranked at the forefront of privately-owned residential developers nationwide and on the East Coast. It is one of the largest developers of single-family homes, multi-family homes and sophisticated lifestyle communities in New York State and listed #58 of 245 U.S Housing Giants by Professional Builder. Since 1985, Beechwood has built more than 7,500 homes in 60 communities, averaging 3.9 million square feet in new developments annually since 2017 with new projects on the map from New York to the Carolinas.

Beechwood founder and chief executive Michael Dubb, with son and principal Steven Dubb, are renowned for their innovative and forward thinking in "not just selling a home, but a lifestyle" with signature quality construction and design for how sophisticated buyers and renters want to live today. Their company is known for its commitment to thoughtful land planning and design, repurposing disused land, building in harmony with nature and creating a benefit for all residents.

In 2022, Beechwood carries these values forward to the North Carolina market. With thoughtful proposals for new residential developments, starting in Charlotte and Chapel Hill, Beechwood's vision

for the Carolinas is to enhance quality of life for both residents and the distinguished communities in which it develops.

2. STATEMENT OF JUSTIFICATION

Beechwood believes that the goals and objectives of this development proposal are in positive alignment with the goals and objectives of the Town's Comprehensive Plan and South 15-501 Focus Area Plan and do much more to address the Town's need for housing diversity than either the development agreement currently in place, or the by-right zoning that would allow for one-acre single family homes to be built. The revised land uses and lower intensity would require a rezoning of the property. Beechwood formally requests a mixed-use category (MU-V-CZD), which accommodates a broad mix of uses, for this Conditional Zoning application.

Final action by Town Council on Conditional Zoning application is to be based on the following:

- a. The conformity of the application with the applicable provisions of the Town Code.
- b. The conformity of the proposed application with the Comprehensive Plan.
- c. The compatibility of the application with adjoining uses.
- d. The impacts of the proposed application on the surrounding properties and Town as a whole.
- e. The relationship of the application and proposed built systems including utility infrastructure, transportation facilities, police and fire coverage, and other public services and facilities.
- f. The relationship of the application to natural systems such as hydrology, topography, and other environmental constraints.

As provided with the application materials and associated plans, compliance with each of the findings has been demonstrated. The proposed development embraces the key components of the Town's Comprehensive Plan and South 15-501 Small Area Plan, while also addressing the urgent housing needs and desires highlighted in recent analysis conducted by the Town regarding its housing stock. South Creek intends to be a transit-friendly development that welcomes and integrates with the Town's Bus Rapid Transit (BRT) system and enhances its operation on the southern end of Town while providing quick non-car commutes to job centers at UNC and UNC Hospitals. Moreover, the application proposes clustered, compact development to maximize open space preservation. Finally, Beechwood's goal is to create a place that celebrates the area's unique qualities and makes South Creek a neighborhood known for its diverse offering of homes and residents.

3. STATEMENT OF CONSISTENCY WITH COMPREHENSIVE PLAN

The South Creek application is proposed in accordance with the CH2020 Comprehensive Plan and the South 15-501 Focus Area Plan, an element of the Town's Comprehensive Plan. This statement of compliance is provided with regard to general concepts in CH2020 as well as the guiding principles of the South 15-501 Focus Area Plan. Several key concepts from South 15-501 Focus Area Plan will be highlighted in the South Creek development in addition to the six primary planning themes established by the CH2020 Plan.

A Place to Live

South Creek will provide the community with diverse choices regarding where to live, work, and play in Chapel Hill and will attract those working in Chapel Hill during the day to remain and become residents.

In particular, South Creek seeks to provide housing opportunities for many of those almost 20,000 commuters who cannot afford to live in Chapel Hill. These choices will be achieved in a development that will offer new outdoor amenities and gathering spaces, small-scale retail and work places in a manner that will serve as a unique gateway into Chapel Hill. Our hope is to address the crisis of the “missing middle” in Chapel Hill by providing a truly diverse range of housing types which are affordable at varying income levels.

Community Prosperity and Engagement

The South Creek development will increase revenues for the town by creating employment opportunities, increasing the real estate tax valuation, and by enticing those who work in Town to become a resident. It will also complement the Southern Village development across 15-501 by providing additional retail opportunities and public amenities to Southern Village residents, and by providing additional consumers for the Southern Village retail shops.

Getting Around

A diverse residential development such as South Creek will support optimum use of the BRT for the Town and enhance the live-work experience to attract those UNC and UNC Hospital workers that live outside of Town to move to Chapel Hill, thereby helping to address the fact that 90% of Chapel Hills employees live outside of Chapel Hill. The finalized TIA will inform the Town of additional improvements needed to ensure a development design that minimizes traffic impacts and does not subtract from the quality of life of existing neighbors and future residents.

Good Places, New Spaces

The proposed development provides new housing options to the South 15-501 Focus Area, while promoting architectural diversity and quality. The streetscape in South Creek will provide a pedestrian friendly and vibrant space for residents and visitors including spaces to gather and socialize outdoors. Beechwood also intends to celebrate an element of the land’s cultural heritage by honoring the significance the Watts Motel played in the US Civil Rights movement of the 1960s. Collaboration with local organizations will be conducted to best determine how to formally integrate a historical marker regarding the Watts Motel as well as commemorating an open space into the development plan.

Nurturing Our Community

By clustering development on the ~40 acres to the west of Wilson Creek and leaving the remaining ~80 acres to the east of the creek undeveloped as open space, this project will protect and maintain environmentally [sensitive areas on the eastern side of the property. Providing connectivity and access to trails will promote active transportation via walking and biking to reduce vehicle use and emissions, therefore reducing carbon footprint and improving air quality. In addition, we intend to include electric vehicle charging stations in various locations in the community.

Town and Gown Collaboration

By contributing to the range of housing options that will primarily target the Missing Middle, not only will a wider range of people be able to live in Chapel Hill, but the diverse offering of housing in South Creek will give many of the employees of UNC and UNC Hospitals the opportunity to live nearby.

4. RESPONSE TO COMMUNITY DESIGN COMMISSION AND TOWN COUNCIL CONCEPT PLAN COMMENTS

CDC Review of Concept Plan (12/16/21)

- a. Appreciated the thoughtful approach to topography and terracing the grade; but concerned about relationship of the buildings to 15-501 (i.e., grade separation and differential)
Applicant Response: Confirmed. Please refer to the proposed plans and associated building elevations and setbacks
- b. Continued conversation about 15-501 and proposed intersections and believes the project makes a compelling approach; but encourages meaningful conversations with NC DOT so that the road functions better for pedestrian connectivity and improves/enhances bus transit along the corridor.
Applicant Response: Agree. While residents are already crossing 15-501 at the northern Southern Village entrance to access the bus get to campus, we are dedicated to working with the Town and NC DOT to improve and enhance movements for connectivity to Southern Village and Sumac and Market streets at grade. Multiple meetings with Town staff and DOT have occurred since the review of the Concept Plan and we are awaiting DOT confirmation on a spacing variance to allow Sumac to be a full movement intersection as well as allowable crossing details at grade.
- c. Does the southern section where the townhomes are located need all that road?
Applicant Response: Confirmed. Goal was to prioritize the pedestrian experience with access for owners along the alley and guest access/parking along the public street.
- d. Supports the townhome streetscape with alley and “front” public road but big question is 15-501. Seems like there is a trail and landscape buffer but would prefer no fence and bolstered landscaping. Also, a concern about noise from 15-501 for the townhomes.
Applicant Response: Confirmed. Please refer to the attached plans for proposed landscaping to serve as a visual buffer as well as to assist with some noise reduction. Also, there is no fence proposed along this trail/15-501 section.
- e. Appears to have condos over parking decks; concern about the character of the ground plane and location of driveways and how people will enter buildings.
Applicant Response: Please refer to the proposed plans and associated building elevations for updated designs. Pedestrian flow into/out of the buildings along with guest parking and streetscape considerations were incorporated into plans as well as updated grading thoughts about optimal ways to access the parking decks.
- f. With parking decks, looks like you have some seven (7) story buildings. How does that height relate to the area?
Applicant Response: Please refer to proposed plans and associated building elevations for updated designs. With the overall grading approach for site, the stepping of the grade down from 15-501 to Wilson Creek will allow the parking decks to be optimally integrated into the condo buildings. The resulting visual impact ensures that the community will have a low-rise aesthetic. Moreover, the Hyatt Place hotel on the other side of 15-501 from our site will sit up much higher than any of our buildings.
- g. What are the lengths and widths of the buildings?
Applicant Response: Please refer to the proposed plans and associated building elevations
- h. Likes the look and feel of buildings in renderings but concerned about the targeted price point and ability to keep them attainable.
Applicant Response: Additional market studies have been performed since the review of the Concept Plan specifically focusing on the relevant condo projects in the Durham and Raleigh submarkets. Thoughtful consideration has been given to potential unit square footages in order to focus price points from the \$300Ks to the \$700Ks and to address the need for “missing middle” housing.

- i. Don't see a lot of park space on the plans; still feels like an adult development; what about small kids? The open space across from the proposed Sumac intersection has an opportunity to be expanded and be a unique focal point.

Applicant Response: Agree; an amenity study was performed to determine how to best provide programmed amenities within the building footprints (e.g., fitness, clubroom, scenic overlooks, community gathering centers, etc). There are two primary open space nodes that will be programmed for a variety of user demographics. A local, but nationally recognized landscape architecture firm has been engaged to assist with this design. Furthermore, we are excited about the opportunity to collaborate with local organizations to best determine how to properly interpret the former Watts Hotel/Restaurant site into our open space development plan.

- j. From the public (a resident of Founders Ridge Road, an adjoining neighborhood): Concerned about pedestrian connectivity to Southern Village

Applicant Response: Understood. While residents are already crossing 15-501 at the northern Southern Village entrance to access the bus get to campus, we are dedicated to working with the Town and NC DOT to improve and enhance movements for connectivity to Southern Village and Sumac and Market streets at grade. Multiple meetings with Town staff and DOT have occurred since the review of the Concept Plan and we are awaiting DOT confirmation on a spacing variance to allow Sumac to be a full movement intersection as well as allowable crossing details at grade.

Town Council Review of Concept Plan (1/12/22)

- a. Grateful for different ideas and thoughtful approach; however, please make sure to review the work done by the Compass Committee on the previous approved project

Applicant Response: Confirmed

- b. Please work with Urban Designer regarding placemaking opportunities

Applicant Response: Confirmed and we have had several productive discussions with the Urban Designer to adapt and adjust the site plan accordingly.

- c. Request to try to stay out of the RCD

Applicant Response: Extensive review in analyzing the RCD including a site visit with the Town stormwater staff was performed. Due to some of its current condition, it was agreed that some of our proposed encroachment could enhance the perpetual state of that condition.

- d. Consider the Town's Climate Action Integration Plan

Applicant Response: Confirmed

- e. Concern about street widths being too narrow and building heights too high

Applicant Response: Understand, and we will balance it with the objective to provide a streetscape that is more pedestrian and human scale while meeting the necessary street width standards.

- f. Desires to see as many price points below \$700K as possible.

Applicant Response: Understood. Our updated thoughts on a unit segmentation strategy should provide for a majority of the units to be below \$700K assuming normal economic conditions

- g. Consider intermixing some of the townhomes with the condos so that there does not appear to be two separate developments

Applicant Response: Confirmed. Our revised site plan added a mixed-used building and open space to an area where there were townhomes to provide a varied and organic feel to the community.

- h. Consider mixing proposed retail locations so it is not clustered in one spot.

Applicant Response: Understood. Our revised site plan adjusted the retail areas based on overall plan modifications while balancing the demand for a neighborhood retail environment. Included in the proposal is an amount of retail/mixed-use for this project to serve its residents and surrounding community.

- i. Is the nature preserve area going to be put in a conservation easement?

Applicant Response: The proposal provides for working with a local conservancy group to hold the +/- 80 preserve area in conservation easement.

- j. Desires to see affordable housing integrated within the site plan.

Applicant Response: Confirmed. Please refer to the Affordable Housing Plan for more details.

- k. Would like to see housing opportunities for those earning below 60% AMI

Applicant Response: Understood. Please refer to the Affordable Housing Plan for more details.

- l. Likes the thought to have an affordable housing developer work with a supportive housing group like HOPE

Applicant Response: Understood. Please refer to the Affordable Housing Plan for more details.

- m. Question about who maintains the stream buffer

Applicant Response: The underlying owner of the land—which could be the property owners’ association, a conservancy group, or Beechwood—would be responsible for the maintenance of stream buffer based on how the conservation/mitigation plans are finalized. Construction plans would include any necessary maintenance programs for the stream buffer and/or stormwater management devices.

- n. Consideration for connectivity to internal spaces and external (i.e. Southern Village) especially for pedestrians

Applicant Response: Understood. While residents are already crossing 15-501 at the northern Southern Village entrance to access the bus get to campus, we are dedicated to working with the Town and NC DOT to improve and enhance movements for connectivity to Southern Village and Sumac and Market streets at grade. Multiple meetings with Town staff and DOT have occurred since the review of the Concept Plan and we are awaiting DOT confirmation on a spacing variance to allow Sumac to be a full movement intersection as well as allowable crossing details at grade.

- o. From the public: Concern about potential noise from open spaces

Applicant Response: Any of our programmed spaces will comply with the appropriate Town ordinances.

- p. From the public: Concern about density

Applicant Response: We understand that the previously approved development plan called for much more density and intensity of uses. While we will not be building to the same density or scale, our revised proposal will incorporate many of the best features from those guidelines as well as consideration of design successes from other projects along the 15-501 corridor in order to appropriately position South Creek as a southern gateway to Town that is welcoming and uniquely Chapel Hill.

- q. From the public: Concern about stormwater runoff and stream buffers

Applicant Response: The Town imposes rigorous stormwater regulations and we have committed to meeting those requirements.

- r. Concern about preserve area to be used as amenity for local residents and public

Applicant Response: Discussions with the entity that will ultimately own and manage the preserve area will cover potential maintenance and nuisance items (e.g., trash).

- s. Appreciated the thoughtful approach and desires for supportive housing to be a part of this development

5. AFFORDABLE HOUSING PROPOSAL

Beechwood understands the Town of Chapel Hill’s objectives for providing affordable housing and is committed to developing the appropriate mix of offerings that meet the intent of the Town’s Inclusionary Zoning Ordinance.

Background

Beechwood and its team have had a variety of discussions with several local affordable housing providers since the Concept Plan review to offer a plan that attempts to align with the Town’s objectives. There have also been discussions with town officials and community members to consider

how our proposed residential development in the southern part of Chapel Hill could creatively assist with a variety of workforce, supportive and affordable housing needs for the community. The South Creek development proposes to have an extremely diverse mix of housing types totaling 688 units. These units are divided into the following categories: 526 for-sale condominiums consisting of a variety of sizes (e.g., studios, 1 BD, 2 BD, and 3BD); 60 rental apartment units consisting of the same variety as the condos, and 102 for-sale townhomes (consisting of 2, 3, and 4 BD units).

Proposal Terms

Beechwood proposes to provide a combination of condo, apartment and townhome units in order to supply the Town with 103 affordable housing units, an amount up to fifteen percent (15%) of the total housing units proposed for South Creek depending upon the needs of the Town. Recognizing the significant quantity of units, Beechwood is willing to work with the right affordable housing developers to provide the appropriate mix of needs. One potential allocation of the units could be:

For those earning 65% AMI or less - 15 of the apartment units; 35 of the condo units

For those earning 80% AMI or less – 14 Townhouse units ; 35 condo units

This totals 99 housing units. In speaking with one of the local affordable housing developers, a need for office space in the southern part of Chapel Hill was expressed. Accordingly, Beechwood could provide the +/-2000 SF of office space in lieu of four (4) affordable housing units.]

The affordable housing units will be provided as the market rate units come on-line. They will be floating (i.e., not a fixed location) and indistinguishable from the market rate units (in terms exterior materials, location within the community and access to community amenities). Upon Beechwood's selection of the affordable housing developer(s), Beechwood will update the Town of Chapel Hill Planning Department, including any additional details of the proposal

6. DESCRIPTION OF PUBLIC ART PROPOSAL

Beechwood has engaged a local and nationally renowned landscape architect to assist with its open space planning. As shown on the submitted plans, there are two proposed locations for public art and will be incorporated into the overall design of the spaces. Beechwood will update the Town of Chapel Hill and all appropriate boards, commissions, staff as deemed appropriate as we progress through the process. Beechwood deems the public art plan as a collaborative process with the community, Town, and design team.

7. ENERGY MANAGEMENT PLAN

Beechwood has engaged an energy management partner to utilize energy modeling tools and green building expertise for the South Creek development. Some of the tools South Creek could employ include a design assistance program by Duke Energy to have whole building energy modeling done to analyze energy saving opportunities for its buildings. The modeling would assist with design decisions and automating multiple baselines—including American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) 90.1 standards – to allow South Creek's energy efficiency measures to hit targeted goals. Additionally, South Creek intends to evaluate 3rd party insulation and air sealing inspections on its units along with sample testing of unit infiltration (blower door)

and HVAC air leakage testing to confirm units achieve 20% increased efficiency over the ASHRAE 90.1 baseline.

South Creek will evaluate building strategies and materials for each building type in the community to support healthy indoor environments. Strategies include but are not limited to low voc paints and finishes, CRI Indoor air quality certified carpets, and fresh air ventilation for occupants. Condo unit design will incorporate consideration to maximize natural lighting opportunities in balance with energy efficient construction. Furthermore, South Creek plans to perform a solar feasibility study for the community, identifying best fit opportunities for photovoltaic installations, production estimates, considerations for metering and installation of electric utilities with relationship to solar, and related incentives to support a cost / benefit analysis for utilization of renewable energy systems.