

**Item 5C  
Attachment 11**



TOWN OF  
**HILLSBOROUGH**  
NORTH CAROLINA

February 22, 2024

Eric Chupp  
Capkov Ventures, Inc.  
PO Box 16815  
Chapel Hill, NC 27516

**Via E-mail**  
[ericbchupp@bellsouth.net](mailto:ericbchupp@bellsouth.net)

**RE: Waterstone South Rezoning & Annexation**

Dear Mr. Chupp:

On January 22, 2024, the Town of Hillsborough received the submittal for the following project:

Project & Submittal Details	
<b>Project Name</b>	Waterstone South
<b>Project Type</b>	Rezoning and annexation request
<b>Parcel ID Numbers</b>	<ul style="list-style-type: none"><li>• 9873-42-2375      • 9873-41-5972      • 9873-50-2573</li><li>• 9873-42-5271      • 9873-41-6716      • 9873-50-4152</li><li>• 9873-42-5076      • 9873-51-0737      • 9872-49-0872</li></ul>
<b>Location</b>	East of I-40, west of NC 86 S (new), and south of Waterstone Drive
<b>Proposal</b>	Rezone/annex approximately 99.14 acres from R1 (County), EDH-2 (County), and ESU to a Planned Development (PD) district for apartment homes, townhomes, medical outpatient/office, and neighborhood commercial

The town's Technical Review Committee (TRC) members have reviewed the submittal, and their comments are included on the following pages. Submit your revisions (PDF and one paper copy) to Molly Boyle, Planner II. The submittal deadlines for the next two TRC meetings are:

TRC Submittal Deadlines	
Submittal Deadline (Noon)	Meeting Date
March 18, 2024	April 2, 2024
April 22, 2024	May 7, 2024

## Technical Review Committee Comments

### 1. Planning and Economic Development (Hillsborough)

Contact: Shannan Campbell ([shannan.campbell@hillsboroughnc.gov](mailto:shannan.campbell@hillsboroughnc.gov)) and Molly Boyle (919-296-9473 or [molly.boyle@hillsboroughnc.gov](mailto:molly.boyle@hillsboroughnc.gov))

#### A. General Comment

- i. UDO Section 5.2.39(1)(e) *Planned Development – Density Allowances* states that the overall maximum residential density in planned developments is “13 persons per acre of gross residential and associated commercial areas.” The section also lays out the factors for computing density.

The submittal proposes an overall density of 14.25 people per acre, which exceeds the maximum:

$$(450 \text{ apartments} \times 2) + (205 \text{ townhomes} \times 2.5) / 99.14 \text{ acres} = \mathbf{14.25}$$

#### B. Annexation

- i. Staff will need an annexation plat (similar to the map prepared) for recording with the annexation ordinance if/when the annexation is approved. The plat must be prepared by a professional land surveyor.
- ii. On the second page of the submitted annexation application, one party (Eric Chupp) is listed in print but two parties have signed the application. Who is the other signatory?
- iii. See the enclosed PDF for specific comments on the annexation map.

#### C. Project Summary and Narrative

- i. Proofread for typos, grammatical errors, and mis-quotes. Also, anytime the Comprehensive Sustainability Plan is quoted or paraphrased, be sure to cite the page number.
- ii. Under #1, it says the property stops “at the Rural Buffer just north of Scarlett Mountain Road.” However, the submittal proposes to annex a portion of the Rural Buffer into town, so the property extends into the Rural Buffer.
- iii. Under #2A, the project site is in the Mixed Residential Neighborhood category (not Mixed-Use Community).
- iv. Under #2E, it says that the proposed tax base will be 41% commercial, “which is way above the commercial component included in most mixed-use communities.” I recommend including a statistic here on residential versus

non-residential tax base (e.g., the town’s current tax base; tax bases for comparable local projects).

- v. The narrative says “15% of the market rate units” will be affordable units (i.e., affordable to those making an average of 80% of the median income). Please express this percentage as the number of market rate units as well. For example, for Block B1, 15% of 225 units would be approximately 34 units.
- vi. Please elaborate on “80% of the median income.” Specifically:
  - Provide the current median income for the Hillsborough area (per the US Department of Housing and Urban Development);
  - Explain how that number may change over time; and
  - Clarify if the developer is committing to 80% of median income as of 2024 or 80% of median income at the time of construction.
- vii. In #3.3, the chapter in the Comprehensive Sustainability Plan is called “Economic Development and Tourism” (not Planning and Economic Development).
- viii. Under #4 and #5, specify the requested building height maximum(s) in feet as opposed to just stories.
- ix. For #4 - #6, include the block numbers from the master plan for each land use (e.g., office/medical office = Blocks G and H; apartments = Blocks B1 and B2).
- x. Under the “Office/medical office” category in #4 - #6, it mentions “general office.” However, the master plan indicates only medical office and outpatient services (and a child care facility).
- xi. For #4 - #6, use matrix tables for the data like the one included on Sheet C1.1 of the master plan. Organizing by block would be helpful, so the reader does not need to flip back to the master plan map as often. See the example below.

	A	B1	B2	C	D	...
Land Use						
Min. Total Dwellings						
Max. Total Dwellings						
Min. Non-residential SF						
Max. Non-residential SF						
...						

- xii. The response in #7 shows three phases, but the fiscal analyses show only two phases.

- xiii. The narrative includes phasing information for the residential components but does not include/recommend phasing for the non-residential components. Based on commissioner comments on previous mixed-use projects, staff expects that the commissioners will request more detail on the non-residential timeline. If you do not wish to amend your submittal, then just keep that in mind for your board presentations.

#### D. Fiscal Analysis

- i. There are two different fiscal analyses included, one from September 2022 and one from October 2023. Were these both included to show how the impacts have changed? It may be confusing for the commissioners and the public to include both.

#### E. Neighborhood Information Meeting Report

- i. Include a list of all residents to whom you sent meeting notification letters and the date the letters were sent.
- ii. Include the meeting time.
- iii. If you made changes to the proposal based on feedback from the meeting, please list those changes.

#### F. Master Development Plan

- i. Include a phasing plan sheet.
- ii. See enclosed mark-up for specific comments on the submitted master development plan.
- iii. Several submittal requirements for the master plan on the *Planned Development Master Plan Checklist* have not been met, either because information was omitted or not enough detail was provided, specifically:

- **Requirement:** *“Location and size of floodplains, wetlands, and other natural resource areas for which preservation measures have been adopted and the location and size of these...”*

**Staff comment:** Streams are not shown consistent with the submitted stream determinations from Stormwater and Environmental Services, and riparian buffers are not shown.

- **Requirement:** *“Enough information on land areas adjacent to the proposed development to show the relationships between the proposed development and adjacent areas, including land uses, zoning classifications...”*

**Staff comment:** Include zoning classifications and land uses (e.g., single-family dwelling, church, undeveloped) for all adjacent properties, including properties directly across street rights-of-way.

- **Requirement:** *“Projects Six or More Acres in Area: Land-use categories/designations for each distinct use or pod within and adjacent to the proposed development.”*

**Staff comment:** Information not provided for all adjacent properties.

- **Requirement:** *“Floor area and height of all dwelling units, non-residential buildings, and structures; architectural drawings and sketches illustrating the design and character of proposed buildings and structures.”*

**Staff comment:** Information not provided. For dwelling unit height, list in feet instead of stories.

- **Requirement:** *“Public circulation system, including street classifications and cross sections, pedestrian paths, and bikeways.”*

**Staff comment:** Only basic traffic flow shown. Provide the rest of the detail required.

- **Requirement:** *“Preliminary public infrastructure plan, including drainage, sewer, water, power, and telecommunication utilities.”*

**Staff comment:** Include as a separate sheet in the master plan set.

- **Requirement:** *“Proposed treatment of the perimeter of the development, including land use restrictions, setbacks, landscaping, and other measures, such as screens, fences, and walls.”*

**Staff comment:** Open space is shown, but no other details are provided. Setback/screening information will be particularly important for the portions of the development adjacent to the Overman and Stephens properties (PINs 9873-41-2713 and 9873-41-8757).

## 2. Planning and Inspections (Orange County)

Contacts: Cy Stober (919-245-2592 or [cstober@orangecountync.gov](mailto:cstober@orangecountync.gov)) and Taylor Perschau ([tperschau@orangecountync.gov](mailto:tperschau@orangecountync.gov))

- A. The special use permit (SUP) for Woodsedge Mobile Home Park will need to be revised or otherwise addressed prior to zoning action for Waterstone South by the town.

### 3. Erosion Control (Orange County):

Contact: Nathan Jacobsen ([njacobsen@orangecountync.gov](mailto:njacobsen@orangecountync.gov) or 919-245-2580)

- A. Based on the provided project summary, a Land Disturbing Permit will be required if/when development plans are being submitted. Please contact Orange County Erosion Control directly to submit plans for review.
- B. As the project is greater than an acre, Notice of Intent will need to be filed through the state Erosion Control program. Obtaining and complying with NCG01 permitting will also be required.
- C. Any stream crossings for access may require 401/404 permitting through DEQ/Army Corps of Engineers.

### 4. NC Department of Transportation

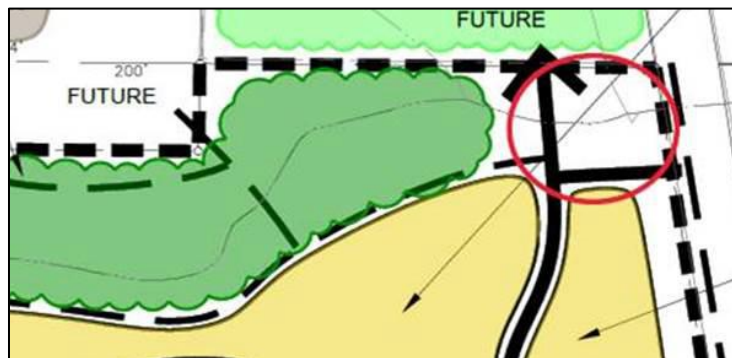
Contacts: Chuck Edwards or DeAngelo Jones (336-570-6833 or [cnedwards@ncdot.gov](mailto:cnedwards@ncdot.gov); [djjones1@ncdot.gov](mailto:djjones1@ncdot.gov))

- A. NCDOT has previously reviewed the submitted TIA and provided the attached correspondence.
- B. The applicant will need to obtain the necessary driveway permits and encroachment agreements prior to performing work in the NCDOT right-of-way.
- C. Prior to issuance of permits and encroachments, the applicant will need to submit complete plans per NCDOT and town requirements for review and approval.

### 5. Stormwater and Environmental Services (Hillsborough)

Contact: Heather Fisher (919-296-9622 or [heather.fisher@hillsboroughnc.gov](mailto:heather.fisher@hillsboroughnc.gov))

- A. On the master plan, why is the area, circled in red below, not shown as containing undisturbed area? This area contains protected riparian buffers and jurisdictional streams.



- B. Regarding any proposed impacts to the riparian buffer within the Town's jurisdiction, the proposed use must fall under permitted uses in Section 6.20.16.7 of the UDO. In order for a permitted use to be authorized, a buffer impact authorization request and

“no practical alternatives” letter is required to be submitted to our division during the construction drawing review.

- C. When the project is ready for site plan review, please include the items listed on page 3 of our stormwater standards:

<https://assets.hillsboroughnc.gov/media/documents/public/stormwater-standards-for-new-development-and-re-development-projects.pdf>

- D. Once the first site plan, including these items, is submitted, we will calculate the stormwater review fee and communicate that in our comments. The review schedule is on page 2 of the stormwater standards document. A detailed review will be provided once the review fee is paid and construction plans are submitted (see page 4 of the stormwater standards for the construction plan checklist).

## 6. Utilities & Public Works (Hillsborough)

Contacts: Bryant Green (919-296-9630 or [bryant.green@hillsboroughnc.gov](mailto:bryant.green@hillsboroughnc.gov)), Tyler Freeman (919-296-9632 or [tyler.freeman@hillsboroughnc.gov](mailto:tyler.freeman@hillsboroughnc.gov)), and Dustin Hill (919-296-9602 or [dustin.hill@hillsboroughnc.gov](mailto:dustin.hill@hillsboroughnc.gov))

- A. The receiving sewer system does not have capacity for the proposed project. A Water and Sewer Extension Agreement (WSEC) for this project is required that will include downstream sewer improvements to ensure capacity is available. The WSEC must be included in the annexation package, or the development plan proposed for this development must include the terms referenced below.
- B. The proposed project must abandon two existing pumping stations into a new pumping station as part of the first phase of development. The WSEC will include requirements to this effect. The new pump station must be constructed on fee simple property dedicated to the Town as part of the first phase of development (the existing Nazarene PS site is too small). The fee simple site needs to be closer to the existing stream feature to reduce pump station depth and improve the station's ability to serve future development in the area. Provide proposed discharge location of the proposed force main from the new pumping station.
- C. The looping waterline connection to UNC Hospitals must be constructed in the first phase of the project, and the WSEC will include language to this effect. A connection to the existing waterline in NC 86 is also required in the first phase of the project.
- D. The existing waterline in Phoebe Drive must be connected to proposed waterlines in Block G to ensure looping.
- E. Block G public sewer must extend from Waterstone Drive to Phoebe Drive in the proposed ROW. Provide additional information on where the Block G sewer is proposed to connect. The existing Timbers Front PS may not have capacity.
- F. Clearly identify if the proposed streets are proposed as public or private on the development plan. Private streets will require private utilities and master metered

- connections at both water connection points. Public streets must be constructed to NC DOT Subdivision standards including ROW width, stormwater design, turning radius, and all other applicable NC DOT subdivision design standards.
- G.** Provide additional information on the proposed interchange with Phoebe Drive.
  - H.** Either public or private streets must have intersections designed to NC DOT subdivision standards including appropriate site distance, storm drainage, etc. The proposed driveway on Waterstone should align with the existing median cut.
  - I.** Hillsborough has adopted Appendix B to the NC Fire Code. All onsite utilities must be designed to provide fire protection that meets this standard without using private fire storage tanks.
  - J.** Public gravity sewer must be extended to the western, northern, and southern edges of the property along natural drainage features to ensure compliance with the Town's current frontage requirements.
  - K.** The TIA proposed to reduce the level of service in Waterstone Drive to an "F". The proposed interchange at Waterstone and NC 86 would not meet current NC DOT standards and would therefore not meet current Town standards for levels of service associated with new developments.
  - L.** Based on the above comments, additional comments are likely on the next submittal.

#### TRC Members with No Comments

The following department representatives did not have comments on your submittal. You may contact them directly with any questions under their purview.

- **Fire Marshal (Orange County)**  
Contact: Elizabeth Farnan ([efarnan@orangecountync.gov](mailto:efarnan@orangecountync.gov) or 919-245-6153)
- **Orange Rural Fire Department – Hillsborough:**  
Contact: Jeff Cabe ([jeff.cabe@orfd.net](mailto:jeff.cabe@orfd.net) or 919-732-7911)
- **Police Department (Hillsborough):**  
Contact: Duane Hampton ([duane.hampton@hillsboroughnc.gov](mailto:duane.hampton@hillsboroughnc.gov) or 919-296-9521)
- **Public Space and Sustainability (Hillsborough)**  
Contact: Stephanie Trueblood ([stephanie.trueblood@hillsboroughnc.gov](mailto:stephanie.trueblood@hillsboroughnc.gov) or 919-296-9481)
- **Solid Waste Management (Orange County):**  
Contact: Josh Moose ([jmoose@orangecountync.gov](mailto:jmoose@orangecountync.gov) or 919-918-4918)



Sincerely,

A handwritten signature in black ink that reads "M. Boyle". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

Molly Boyle, CZO

Planner II

[molly.boyle@hillsboroughnc.gov](mailto:molly.boyle@hillsboroughnc.gov)

cc: Shannan Campbell, Planning and Economic Development Manager (Hillsborough)  
Tom King, Senior Planner (Hillsborough)  
File – Technical Review Committee (February 2024)

Enclosed: Annexation map with comments  
Master plan map with comments  
NCDOT letter on TIA  
Planned Development Master Plan Checklist



TOWN OF  
**HILLSBOROUGH**  
NORTH CAROLINA

April 10, 2024

Eric Chupp  
Capkov Ventures, Inc.  
PO Box 16815  
Chapel Hill, NC 27516

**Via E-mail**  
[ericchupp@bellsouth.net](mailto:ericchupp@bellsouth.net)

**RE: Waterstone South Annexation and Rezoning – 2<sup>nd</sup> Submittal**

Dear Mr. Chupp:

The Town of Hillsborough received your second submittal for the following project:

Project & Submittal Details	
<b>Project Name</b>	Waterstone South
<b>Project Type</b>	Annexation and rezoning request
<b>Parcel ID Numbers</b>	<ul style="list-style-type: none"> <li style="width: 33%;">• 9873-42-2375</li> <li style="width: 33%;">• 9873-41-5972</li> <li style="width: 33%;">• 9873-50-2573</li> <li style="width: 33%;">• 9873-42-5271</li> <li style="width: 33%;">• 9873-41-6716</li> <li style="width: 33%;">• 9873-50-4152</li> <li style="width: 33%;">• 9873-42-5076</li> <li style="width: 33%;">• 9873-51-0737</li> <li style="width: 33%;">• 9872-49-0872</li> </ul>
<b>Location</b>	East of I-40, west of NC 86 S, and south of Waterstone Drive
<b>Proposal</b>	Annex/rezone approximately 99.14 acres for a mixed-use planned development

The town’s Technical Review Committee (TRC) members have reviewed the submittal, and their comments are on the following pages. Please submit your revisions (PDF and one paper copy) to Molly Boyle, Planner II. The submittal deadlines for the next two TRC meetings are:

TRC Submittal Deadlines	
Submittal Deadline (Noon)	Meeting Date
April 22, 2024	May 7, 2024
May 20, 2024	June 4, 2024

### Technical Review Committee Comments

- **Planning and Economic Development (Hillsborough)**

Contact: Shannan Campbell ([shannan.campbell@hillsboroughnc.gov](mailto:shannan.campbell@hillsboroughnc.gov)) and Molly Boyle (919-296-9473 or [molly.boyle@hillsboroughnc.gov](mailto:molly.boyle@hillsboroughnc.gov))

#### A. General Comments

- i. You can disregard our previous comment about maximum density. The Planning Manager discovered the maximum density requirement for planned development districts (13 persons per acre) was included in the UDO in error. She is working on a text amendment to remove that language from the UDO.
- ii. Note that UDO Section 5.2.39.1.f *Development at Perimeter of PD* requires you to employ one of three options where the PD abuts residentially zoned property. See the provision from the UDO below. I have denoted a few areas on the master plan where this requirement applies. The simplest option would probably be C, but you can choose any one.

**5.2.39.1.f Development at Perimeter of PD:** Where a PD district is 25 acres or more and adjoins a residential district without an intervening street or permanent open space:

- (a) Densities and intensities within 200 feet of the perimeter of the development shall be stepped down 20% from the average density and intensity of the PD; or
- (b) An area of 200 feet in width shall be planned and developed only for uses compatible with the adjoining residential district and in accordance with the lot area, width, setbacks/yards, and height requirements of that district; or
- (c) Open space with a depth of at least 50 feet shall be provided, and no intensive recreational use or off-street parking permitted within 100 feet of the district boundary.

- iii. Part of the project area on the southwestern side is outside the town's Potential Growth Area and Urban Services Boundary (current and recommended). I've included a snip of Figure 4.4 *Potential Growth Areas* from the Comprehensive Sustainability Plan. The red arrow shows the project area in question.



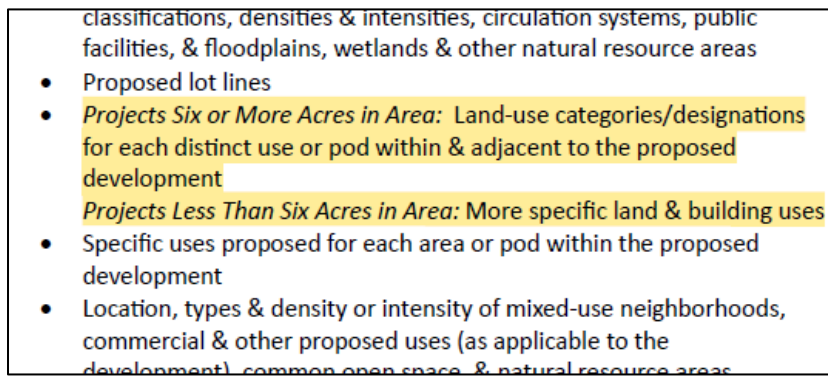
The narrative mentions the entire project site being within the potential growth area/USB. In my mark-ups (see attached), I've recommended changing those references to say, "predominantly within." Shannan will discuss how best to navigate this at our meeting on April 11<sup>th</sup>.

- iv. In my last letter, I made the following comment, and you requested some clarification on how specific your revision needed to be:

*Under the “Office/medical office” category in #4 - #6, it mentions “general office.” However, the master plan indicates only medical office and outpatient services (and a child care facility).*

The master plan and narrative need to match. If you want to leave the door open to non-medical office in the northern portion, you need to change the master plan to say, “medical office/outpatient services/general office” (or something similar). Based on your narrative, I think the intent for that area is clear. However, if there’s a chance of wanting/needng a non-medical tenant there, you want to leave that opportunity open.

- v. In your response to first round comments, you said it was your understanding that the *Planned Development Master Plan Checklist* required certain items only for projects less than six acres in area. Here is a screenshot of the portion of the checklist in question:



The area highlighted above is one bullet on the checklist. The text that says “Projects Less than Six Acres in Area” is not a header for the remaining bullets on the page. Rather, it’s part of one bullet that discusses specificity requirements based on project acreage. Please make the corrections previously requested. I have included them again below.

- **Requirement:** *“Floor area and height of all dwelling units, non-residential buildings, and structures; architectural drawings and sketches illustrating the design and character of proposed buildings and structures.”*

**Staff comment:** Information not provided. For dwelling unit height, list in feet instead of stories.

- **Requirement:** *“Public circulation system, including street classifications and cross sections, pedestrian paths, and bikeways.”*

**Staff comment:** Only basic traffic flow shown. Provide the rest of the detail required.

- **Requirement:** *“Preliminary public infrastructure plan, including drainage, sewer, water, power, and telecommunication utilities.”*

**Staff comment:** Include as a separate sheet in the master plan set.

- **Requirement:** *“Proposed treatment of the perimeter of the development, including land use restrictions, setbacks, landscaping, and other measures, such as screens, fences, and walls.”*

**Staff comment:** Open space is shown, but no other details are provided. Setback/screening information will be particularly important for the portions of the development adjacent to the Overman and Stephens properties (PINs 9873-41-2713 and 9873-41-8757).

## B. Specific Comments

- For this review, I put all my specific comments (*e.g.*, master plan, narrative, phasing plan) directly in the documents and attached them with this letter. That may help make the revision process easier.

- **Utilities & Public Works (Hillsborough)**

Contacts: Bryant Green (919-296-9630 or [bryant.green@hillsboroughnc.gov](mailto:bryant.green@hillsboroughnc.gov)), Tyler Freeman (919-296-9632 or [tyler.freeman@hillsboroughnc.gov](mailto:tyler.freeman@hillsboroughnc.gov)), and Dustin Hill (919-296-9602 or [dustin.hill@hillsboroughnc.gov](mailto:dustin.hill@hillsboroughnc.gov))

- No new comments at this juncture. More comments may follow after our scheduled meeting on April 11, 2024.

### TRC Members with No New Comments

The following department representatives did not have any new comments since the first submittal. If you have any questions, you may contact them directly using the information below.

- **Erosion Control (Orange County):**

Contact: Nathan Jacobsen ([njacobsen@orangecountync.gov](mailto:njacobsen@orangecountync.gov) or 919-245-2580)

- **Fire Marshal (Orange County)**

Contact: Elizabeth Farnan ([efarnan@orangecountync.gov](mailto:efarnan@orangecountync.gov) or 919-245-6153)

- **NC Department of Transportation**

Contacts: Chuck Edwards or David Genwright (336-570-6833 or [cnedwards@ncdot.gov](mailto:cnedwards@ncdot.gov); [digenwright@ncdot.gov](mailto:digenwright@ncdot.gov))

- **Orange Rural Fire Department – Hillsborough**  
Contact: Jeff Cabe ([jeff.cabe@orfd.net](mailto:jeff.cabe@orfd.net) or 919-732-7911)
- **Planning and Inspections (Orange County)**  
Contacts: Cy Stober (919-245-2592 or [cstober@orangecountync.gov](mailto:cstober@orangecountync.gov)) and Taylor Perschau ([tperschau@orangecountync.gov](mailto:tperschau@orangecountync.gov))
- **Police Department (Hillsborough)**  
Contact: Duane Hampton ([duane.hampton@hillsboroughnc.gov](mailto:duane.hampton@hillsboroughnc.gov) or 919-296-9521)
- **Public Space and Sustainability (Hillsborough)**  
Contact: Stephanie Trueblood ([stephanie.trueblood@hillsboroughnc.gov](mailto:stephanie.trueblood@hillsboroughnc.gov) or 919-296-9481)
- **Solid Waste Management (Orange County):**  
Contact: Matt Taylor ([mtaylor@orangecountync.gov](mailto:mtaylor@orangecountync.gov) or 919-918-4905)
- **Stormwater and Environmental Services (Hillsborough)**  
Contact: Heather Fisher (919-296-9622 or [heather.fisher@hillsboroughnc.gov](mailto:heather.fisher@hillsboroughnc.gov))

Sincerely,



Molly Boyle, CZO  
Planner II  
[molly.boyle@hillsboroughnc.gov](mailto:molly.boyle@hillsboroughnc.gov)

cc: Shannan Campbell, Planning and Economic Development Manager (Hillsborough)  
Tom King, Senior Planner (Hillsborough)  
File – Technical Review Committee (April 2024)

Enclosed: Attachment 1 – Master Plan Comments  
Attachment 2 – Phasing Plan Comments  
Attachment 3 – Summary/Narrative Comments  
Attachment 4 – Findings of Fact Comments  
Attachment 5 – WASMPBA Agreement and Map  
Attachment 6 – Development Agreement Summary Comments