



## Agenda Abstract

### JOINT PUBLIC HEARING

Meeting Date: April 18, 2024  
 Department: Planning and Economic Development Division  
 Agenda Section: Public Hearing Items  
 Public hearing: Yes  
 Date of public hearing: April 18, 2024

#### PRESENTER/INFORMATION CONTACT

Molly Boyle, Planner II  
 Tom King, Senior Planner  
 Shannan Campbell, Planning and Economic Development Manager

#### ITEM TO BE CONSIDERED

**Subject:** Annexation and rezoning request for “Waterstone South”

**Attachments:**

- |   |   |
|---|---|
| 1. Submitted applications                 | 7. Traffic impact analysis – executive summary & NCDOT review letter    |
| 2. Annexation map                         | 8. Fiscal benefits & economic impacts                                   |
| 3. Draft master plan set                  | 9. Net fiscal impact analysis   |
| 4. Phasing plan                           | 10. Neighborhood Information Meeting summary                            |
| 5. Project narrative & “findings of fact” | 11. Staff comment letters (1 <sup>st</sup> and 2 <sup>nd</sup> reviews) |
| 6. Proposed conditions from applicant     | 12. UDO requirements – Planned Developments                             |

**Proposal:**

The applicant, Capkov Ventures, Inc., is requesting the annexation and rezoning of 99.14 acres to create a mixed-use planned development in south Hillsborough. Basic details of the subject property and proposal are as follows:

Proposed Annexation and Rezoning Details – Waterstone South	
<b>Property Owner</b>	Capkov Ventures, Inc.
<b>Property Location</b>	East of I-40, west of NC 86 S, and south of Waterstone Drive
<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>Proposal</b>	Annex/rezone approximately 99.14 acres from R1 (County), EDH-2 (County), and ESU (Town) to a Planned Development (PD) district for apartments, townhomes, medical outpatient/office, and neighborhood commercial uses

More specifically, the applicant is proposing the following land uses to be developed in three phases (see **Attachments 5 and 6** for phasing):

- 450 apartment units;
- 205 townhomes;
- 200,000 sq. ft. of medical office/outpatient services/general office; and
- 40,000 sq. ft. of neighborhood commercial (e.g., day care; coffee shop; restaurant).

The proposal states 15% of the market rate units (both apartments and townhomes) will be affordable to those making 80% of the median income.

Since this is a planned development rezoning request, the town and developer may agree to various conditions as part of the project. The developer's proposed conditions are included as **Attachment 6**. Assuming the town agrees to them, these conditions will be included in a formal development agreement, which will be presented for review before the Town Board of Commissioners votes on the project.

**Technical Review Committee comments:**

Staff sent the second set of Technical Review Committee comments to the applicant on April 10, 2024, so they are in the process of addressing the requested changes. The applicant wants to open the public hearing with the understanding the boards may continue the hearing to May 16, 2024 since revisions are pending.

For the boards' reference, staff has included its first and second comment letters as **Attachment 11**. In its second round of comments, staff requested information on perimeter screening/buffering from adjacent, residentially zoned lots, as well as more specific development standards (*e.g.*, floor area and building height; typical cross-sections for proposed streets).

**Comprehensive Sustainability Plan goals:**

- Land Use and Development Goal 1:  
Ensure that future growth and development, including infill and redevelopment, are aligned with smart growth principles and consider infrastructure constraints such as water and wastewater system capacity.
- Strategy:  
Ensure that land use/development regulations are aligned with preferred future land use/growth patterns.

**Financial impacts:**

Management, Finance, and Utilities staff are still evaluating the financial impacts, as well as the town's ability to provide water and sewer service for the project under the developer's phasing timeline.

**Planning staff notes and recommendation:**

- Part of the land area for this project is subject to two special use permits with Orange County. The permits are for the Woodsedge/Woods Mobile Home Park development. The applicant is working with Orange County to make required modifications to these special use permits. The modifications will need to be approved by Orange County's Board of Adjustment before the Town Board of Commissioners can vote on the proposed annexation and rezoning.
- The developer plans to make the southern portion of the project (Phases I, II, III) contiguous with town limits via a land acquisition section along I-40 to the UNC Hospital property. The developer will have to legally obtain this section of land before the annexation can be approved and recorded.
- Staff published, mailed, and posted notice of the public hearing for this item consistent with UDO Section 3.7.8 *Unified Development Ordinance and Map Amendments – Public Hearing*.
- Staff recommends holding the public hearing. The boards may continue the public hearing to May 16, 2024, to receive more information on the project and further discuss conditions.

**Action requested:**

Hold the public hearing, after which either a) close the hearing, or b) continue the hearing to May 16, 2024.