



Agenda Abstract

JOINT PUBLIC HEARING

Meeting Date: May 16, 2024
Department: Planning and Economic Development Division
Agenda Section: Public Hearing Items
Public hearing: Yes
Date of public hearings: April 18, 2024 and May 16, 2024

PRESENTER/INFORMATION CONTACT

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

ITEM TO BE CONSIDERED

Subject: Annexation and rezoning request for "Waterstone South"

Attachments:

1. Submitted applications
2. Plan set (annexation map, master plan, utility plan, and phasing plan)
3. Project narrative & "findings of fact"
4. Proposed conditions from applicant
5. Traffic impact analysis – executive summary & NCDOT review letter
6. Fiscal benefits & economic impacts
7. Net fiscal impact analysis
8. Neighborhood Information Meeting summary
9. 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 property and proposal are as follows:

Proposed Annexation and Rezoning Details – Waterstone South	
Property Owner	Capkov Ventures, Inc.
Property Location	East of I-40, west of NC 86 S, and south of Waterstone Drive
Parcel ID Numbers	<div>• 9873-42-2375 • 9873-41-5972 • 9873-50-2573</div> <div>• 9873-42-5271 • 9873-41-6716 • 9873-50-4152</div> <div>• 9873-42-5076 • 9873-51-0737 • 9872-49-0872</div>
Proposal	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 2 and 3** 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 4**. 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.

Note that this proposal is for annexation and rezoning (*i.e.*, land use). The Town Board of Commissioners will ultimately decide whether to a) annex the Waterstone South project area into the town limits and b) rezone it to allow the requested land uses. Applications for construction drawings and permits are not submitted at this stage. The applicant will submit those for approval if/when the town approves the annexation and rezoning requests.

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.

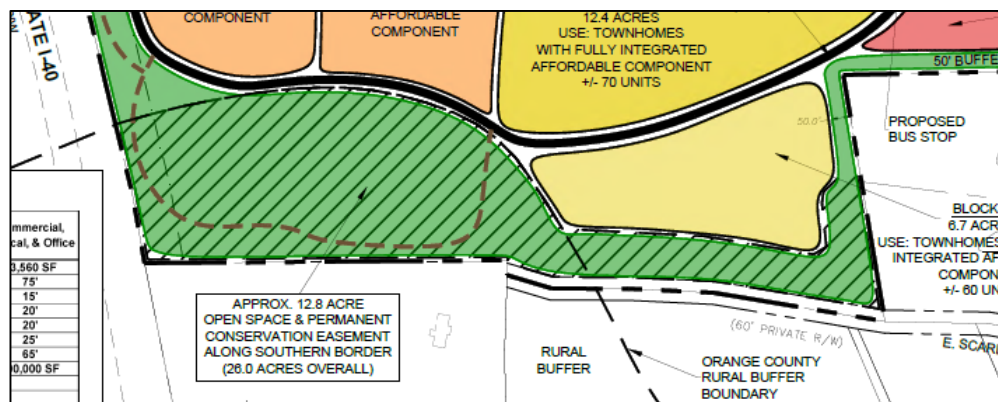
Financial impacts:

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.

Staff comments:

- Part of the project area for Waterstone South is required open space for The Woods/Woodsedge Mobile Home Park development, which is in Orange County's planning jurisdiction. On May 8, 2024, the Orange County Board of Adjustment approved modifications to its two Special Use Permits for The Woods/Woodsedge. The modifications reconfigured the required open space, making it consistent with what is shown on the proposed Waterstone South master plan.

If the town annexes and rezones the Waterstone South project area, the applicant will need to keep said area as open space. Otherwise, the mobile home park development will be in violation of its Special Use Permits. Also, the Orange County Board of Adjustment put a condition on the Special Use Permits that approximately 12.8 acres of open space along the southern boundary (shown with hatch lines below) must be put into a conservation easement.



- 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.
- This public hearing was continued from April 18, 2024, in open session, so further notice of the hearing was not required under NC GS § 143-318.12 (b) (1) *Public notice of official meetings*.

Staff recommendation:

- Staff recommends holding the public hearing to accept public comment and ask questions.
- Staff also recommends the boards consider adding the following conditions (to which the applicant would need to agree). Please note that the Utilities and Public Works divisions will also have recommended conditions, which they will share at the public hearing.

Affordable Housing

- ____% of the total number of residential units in the development shall be affordable housing units and shall be located on the site of the development.
- The average floor area of the affordable units must be ____% of the average floor area of all the market-rate units up to _____ square feet of floor area.
- The bedroom mix of the affordable units shall be in the same ratio as the bedroom mix of the market-rate units.
- Floor plans for buildings containing affordable rate units must be submitted for review with zoning compliance permit applications. This condition will require an agreement on what “similar” means (e.g., % of gross floor area).
- The applicant’s development agreement with the town shall include a detailed inclusionary housing plan and be recorded with the Orange County Register of Deeds.

Conservation Easement

- The area of the development to be placed under a conservation easement, as approved by the Orange County Board of Adjustment on May 8, 2024, shall apply to the project if annexed and approved. The easement must be held in perpetuity by a governmental agency or land conservancy.

Development Milestones

- Before the town will issue a zoning compliance permit for the 10th (tenth) dwelling unit in Phase 2, the developer shall complete, certify, and make submittals for town acceptance of all public sidewalks, streets, trails/greenways, and utility infrastructure, and shall install all landscaping, street trees, and stormwater conveyances in Phase 1.
- Before the town will issue a zoning compliance permit for the 10th (tenth) dwelling unit in Phase 3, the developer shall complete, certify, and make submittals for town acceptance of all public sidewalks, streets, trails/greenways, and utility infrastructure, and shall install all landscaping, street trees, and stormwater conveyances in Phase 2.

- Before the town will issue a zoning compliance permit for the final 10 (ten) dwelling units in Phase 3, the developer shall complete, certify, and make submittals for town acceptance of all public sidewalks, streets, trails/greenways, and utility infrastructure, and shall install all landscaping, street trees, and stormwater conveyances in all sections and phases.

Recreation

- The developer shall record a public access easement and private maintenance agreement for all trails labeled “WALKING & BICYCLE TRAIL” on the master plan.
- The developer shall request permission from UNC Hospitals to record a public access easement and a private maintenance agreement from the water tower access road to the shared property line and extend the “WALKING & BICYCLE TRAIL” to the water tower access road.
- The developer shall pave all trails labeled “WALKING & BICYCLE TRAIL” on the master plan.

Traffic

- The applicant shall install a crosswalk at E. Scarlett Mountain Road and Storey Lane if allowed and approved by the North Carolina Department of Transportation.

Action requested:

Hold the public hearing, close the public hearing, and send the item to the Planning Board meeting on June 20, 2024.