



Agenda Abstract

PLANNING BOARD

Meeting Date: June 26, 2025
Department: Planning & Economic Development Division
Agenda Section: Old business
Public hearing: Yes
Date of public hearing: May 15, 2025

PRESENTER/INFORMATION CONTACT

Molly Boyle, Planner II

ITEM TO BE CONSIDERED

Subject: Rezoning and development agreement requests from WP East Acquisitions LLC for 1001 Corporate Drive (PIN 9874-61-2327)

Attachments:

1. Rezoning application, including applicant's reasoning
2. Vicinity, Zoning, and Future Land Use Maps
3. Draft development agreement

Summary:

1001 Corporate Drive - Request Details	
Applicant:	WP East Acquisitions LLC
Property owner:	Duke University Health System Inc.
Acreage:	+/- 11.10 acres
Current zoning:	Office Institutional (OI)
Proposed zoning:	Multi-Family (MF)
Future Land Use category:	Suburban Office
Intended land use:	<p>The applicant is requesting Multi-Family zoning to build Altera, a multi-family development of up to 333 units, at least 10% of which would be affordable. Of those affordable units:</p> <ul style="list-style-type: none">• Half would be affordable to households making 60% AMI (Area Median Income); and• Half would be affordable to households making 80% AMI. <p>The applicant is also proposing to enter into a development agreement with the town pursuant to NC GS § 160D Article 10. Details of the agreement are on the following pages, and the draft agreement is attached.</p>

Comprehensive Sustainability Plan goals:

Land Use & 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: Develop and adopt plans that contribute to meeting preferred future land use and growth patterns.
- Action: Analyze additional opportunities for infill and redevelopment and increased density in existing neighborhoods, focusing on the provision of water and sewer and other infrastructure and services.

Financial impacts:

If the property is rezoned and developed as proposed, the town would collect property tax on the development and provide municipal services to it (*e.g.*, water, sewer, garbage collection, emergency services).

In addition to paying the required System Development Fees (SDFs)¹, the applicant is proposing to make a financial contribution for design and construction costs for improvements to the Cates Creek Sewer Outfall. This is covered in Section 11 in the draft development agreement. The Cates Creek Sewer Outfall improvements are in the town's Capital Improvement Plan but are currently unfunded.

The applicant's financial contribution will be based on a cost estimate for design and construction costs. The cost estimate is in progress and will be ready before the Town Board votes on this item. Once ready, the cost estimate will be included as Exhibit B in the development agreement.

Staff recommendation and comments:

Multi-Family zoning

The applicant is requesting to rezone the property to Multi-Family (MF). UDO Section 4.1.3, High Intensity Residential Districts defines this zoning district as follows:

"The purpose of the MF District is to provide locations for residential development that allow housing options at a higher density than typical detached single-family developments...Prominent uses within this district include single-family attached units, townhouses, condominiums, apartments, and other multi-family dwelling units...[This district] will usually be applied where the following conditions exist:

- Water and sewer lines exist at the site or are to be installed as part of the development process.
- There is direct vehicular access to a public street classified as either collector or arterial.
- Other necessary urban services exist nearby or are proposed at the time of the development."

Future Land Use Map designation

Rezoning this property to Multi-Family would not be consistent with the current Future Land Use Map. The Future Land Use Map categorizes this property as Suburban Office, which is defined as follows:

"[Intended] for office and employment enterprises [that] do not rely on walk-in customers or have a manufacturing component. Businesses may be large or small but will generally arrange themselves in a campus setting with limited walkability and supporting services. Developments of this type should be kept small in nature to limit the peak transportation impact and limited vitality.

[Compatible] Zoning Districts: Limited Office; Office Institutional; Business Park; Economic Development District; Entranceway Special Use; Special Design Special Use"

¹ System Development Fees are fees assessed by local governments on new developments. The fees help fund construction and maintenance of the local government's water/wastewater systems.

The Town Board can determine that a rezoning request is inconsistent with its Comprehensive Plan and still approve it. NC GS § 160D-605 (a), Governing board statement – Plan Consistency states, “if a zoning map amendment is adopted and the action was deemed inconsistent with the adopted plan, the zoning amendment has the effect of also amending any future land-use map in the approved plan, and no additional request or application for a plan amendment is required.”

- Future Land Use Map link: <https://hillsboroughnc.maps.arcgis.com/apps/webappviewer/index.html?id=ecef3ace1e944deda71c4a2e4da1f00a>
- Comprehensive Sustainability Plan link: hillsboroughnc.gov/home/showpublisheddocument/572/638556087250230000

Water and sewer availability

Staff anticipates being able to serve the project under the terms proposed in the development agreement (see attached).

Development Agreement

A development agreement is a contract between a developer and a local government regarding a multi-year project. The agreement sets the development standards for the project, so they remain consistent throughout the development period. This gives the developer more assurance before taking on significant financial risk. The agreement will generally include commitments from the developer as well, such as financial contributions for water and wastewater infrastructure. Both parties must mutually agree to the terms of the agreement.

The statutory requirements for development agreements are under NC GS § 160D Article 10, Development Agreements. Staff has vetted the proposed development agreement with the applicant and finds the terms acceptable. Note that revisions may be made to the agreement between the public hearing and the Town Board vote.

Staff recommendation

Staff supports approval of the proposed rezoning based on consistency with the Comprehensive Sustainability Plan.

Action requested:

Make a recommendation on the proposal to the town board.