STAFF EVALUATION

To: Planning Commission   **Prepared By**: Donald Whipple   728-5235

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                                         Bonnie Brown

Case No.: Rezoning Application No. 18-00002   **Date**: July 19, 2018

General Information

Applicant	Peninsula Plaza Partners, LLC
Property Owners	Peninsula Plaza Partners, LLC
Site Location	1815 W. Mercury Blvd [LRSN 13004430]

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Requested Action	To rezone a 9.53 $\pm$ acre portion of an 11.84$\pm$ acre parcel from Limited Commercial [C-2] District to Multiple Dwelling (MD-4) District with proffered conditions.
Description of Proposal	The development as described in the application includes five (5) residential buildings and associated parking, for a total of 283 apartment units arranged around a central green open space that include a clubhouse/pool and fitness center. Other amenities include a dog park and walking trails.
Existing Land Use	Vacant
Zoning	Limited Commercial (C-2) District.

Surrounding Land Use and Zoning	**North:** Limited Commercial (C-2) District; vacant, across Mercury Boulevard: mixed commercial retail & restaurants, and hotel **South:** Limited Commercial (C-2) District; office & hotel **East:** Limited Commercial (C-2) District; hotels **West:** Limited Commercial (C-2) District; I-64, across I-64: mixed commercial retail & restaurants Surrounding Zoning Map:
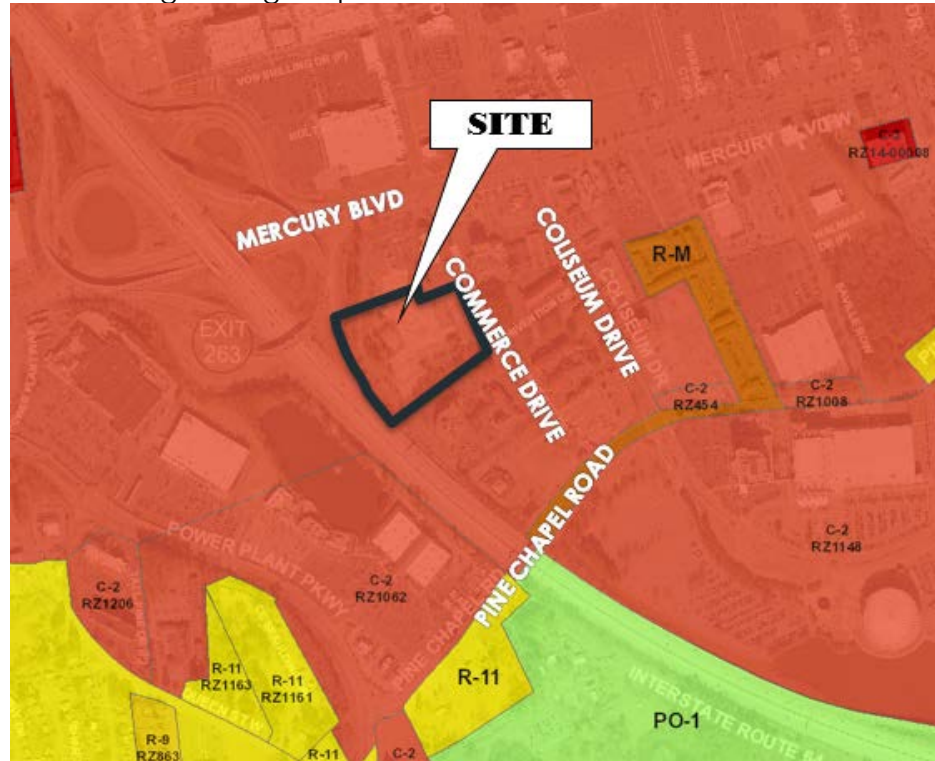
Public Policy	The <u>Hampton Community Plan</u> (2006, as amended) is adopted as the guiding policy document for the City of Hampton. The <u>Hampton Community Plan</u> includes the following policy recommendations pertinent to this case: ***Land Use and Community Design Policies*** **Land Use and Community Design Objective 1:** Promote the efficient use of land. Recognize land as a limited resource. **Land Use and Community Design Objective 3:** Promote compatibility and synergy among different land uses. **Land Use and Community Design Objective 4:** Be responsive to market and demographic trends and opportunities. **LU-CD Policy 3:** Encourage and maintain a diverse mix of housing types and values.

LU-CD Policy 10: Encourage compact, high density/mixed-use development where appropriate to create walkable communities and promote increased physical activity.

LU-CD Policy 28: Treat residential streets as both public rights-of-way and neighborhood amenities. Provide sidewalks, street trees, and other amenities that favor pedestrians.

Housing and Neighborhood Policies
Housing and Neighborhood Objective 9: Promote a diverse mix of housing values, types, and choices to meet the needs of different income groups, ages, and household types and sizes.

**HN Policy 7:** Encourage the development of higher value housing.

Economic Development Policies
Economic Development Objective 11: Maintain a coordinated approach to economic development including jobs, retail, convention and tourism, and housing.

Future Land Use:
The Hampton Community Plan (2006, as amended) designates this area as mixed-use to support the business growth of this area through the addition of commercial retail, office, and residential to promote the live, work, play aspect of the City's central business district.

Future Land Use Map:
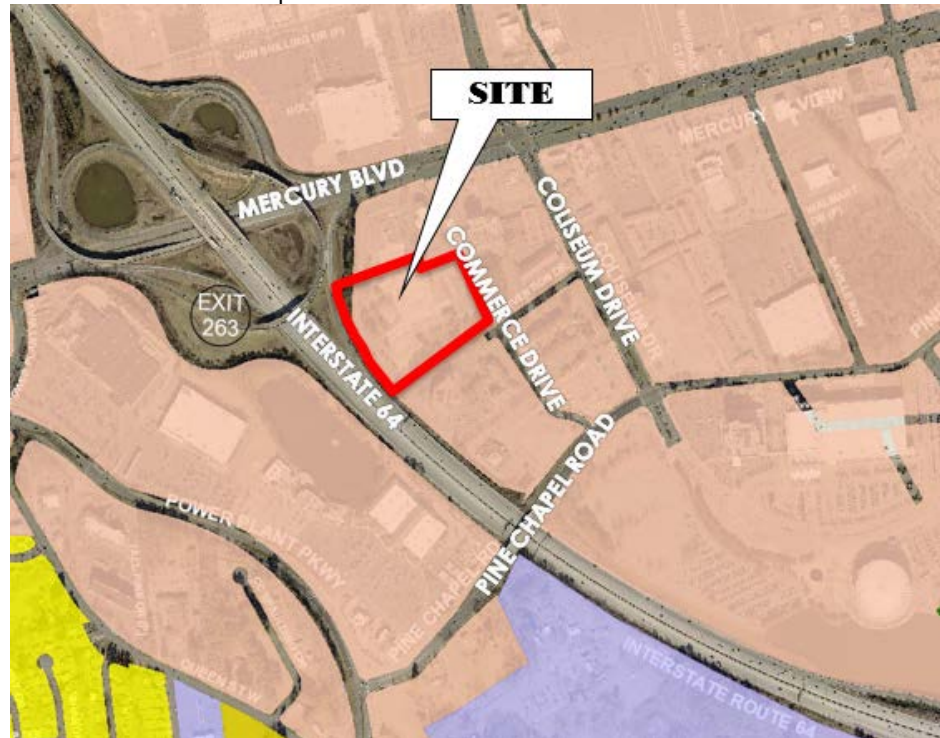
The subject site also lies within the Coliseum South Initiative area of the Coliseum Central Master Plan (2015, as amended). New hotel

	development and reinvestment of existing hotel properties to support the Convention Center and sports tourism within the City are the primary function of this area; however, the Plan reflects two options for this parcel depending on the market at the time of redevelopment: mixed-use with an emphasis on office or mixed-use with an emphasis on high-density residential. The market study completed for the Plan recommends the development of upscale rental properties with a diverse mix of unit types with an emphasis on two-bedroom units. The more units located within walkable distance to key activity nodes the better, which will help induce other developments such as restaurants, retail, and office that serve as links between developments.
Zoning History	As the Coliseum Central District was growing into the City's central business district between the 1960's-1980's, Limited Commercial (C-2) District was the primary base district identified for this area when the zoning ordinance was instituted. Since then, there have been a few nearby rezoning applications, including the Power Plant of Hampton Roads and Coliseum Crossroads sites, further positioning Coliseum Central as the City's premier business district. The Coliseum Crossroads rezoning envisioned a mixed-use development containing a convention center, hotels, retail, restaurants, entertainment venues, public spaces, and recreation uses.
Traffic Impacts	Staff has reviewed the proposal for potential traffic impacts to W. Mercury Blvd. and surrounding streets and has determined that the proposed multi-family residential development would not negatively impact traffic. Adequate access to the project site is dependent upon the construction of the Commerce Drive extension, which will provide a new street connection between W. Mercury Blvd. and Convention Drive. The new intersection at W. Mercury Blvd. will consists of "right in" and "right out" turning movements only.
Environmental	The former hotel foundations and parking areas currently remain on the site and the new development will result in a new gain of green area and reduced storm water runoff. However, state storm water standards, adopted by the City, are intended to limit post-development peak discharge to predevelopment levels and reduce the amount of water leaving the site. These standards will be applied and reviewed during the site development plan review processes.
Community Meeting	As the immediate surrounding area is dominated by commercial businesses, the applicant opted to present the development proposal to the Coliseum Central Business Improvement District (CCBID) Board for comment in lieu of the traditional community meeting. The CCBID Board endorses the project and that letter of support is included as an attachment to the review package

Analysis

Rezoning Application No.18-00002 is a request to rezone a 9.53+ acres portion of a 11.84+ acres parcel at 1815 W. Mercury Blvd. [LRSN: 13004430] from Limited Commercial [C-2] District to Multiple Dwelling (MD-4) District with proffered conditions.

The future land use recommendation of the <u>Hampton Community Plan</u> designates the subject property as mixed-use, which is consistent with the recommendations of the *Coliseum Central Master Plan*, (2015 as amended). The current Limited Commercial (C-2) District, limits residential densities at 20 units per acre. At approximately 30 units per acre, the proposed development necessitates rezoning to the Multiple Dwelling (MD-4) District. The Master Plan supports higher residential densities with a diverse mix of unit types. The applicant is proposing a mix of Efficiency (27%), Studio (37%), 1-bedroom (20%), 2-bedroom (14%), and 3-bedroom (2%) units. The 2015 market study from the updated Master Plan recommends 1, 2, and 3-bedroom with an emphasis on 2-bedroom units; however, the applicant's proposed unit mix is derived from more recent market studies they had prepared specific to the subject site. The proposal skews higher toward studios, efficiencies, and 1-bedroom units as opposed to 2 and 3-bedroom units. This trend has been evident in other recent apartment projects in development and under construction within the Coliseum Central area. To ensure a higher density than current by-right development, the applicant has proffered a minimum of 260 units; however, due to the applicant's financing strategy and potential market shifts the unit mix is not being proffered. Additional proffers include a conceptual site plan, building elevations, and development quality consistent with the Coliseum Central Design Guidelines.

Furthermore, the Plan in general supports new high quality residential developments within walkable mixed-use districts that create a live, work, play environment. Current development within this area is dominated by hotels, with a few restaurants and an office building. The former development at the subject site was an aging, underperforming hotel property that was razed for new development. The proposed apartment project would provide additional residential units closer to the center of the Coliseum Central District and the first residences within this block. This supports one of the Master Plan's fundamental policies of encouraging residential development in proximity to larger-scale commercial retail uses and at a denser scale.

The submitted conceptual development plan and accompanying elevations appear to be consistent with above-mentioned Master Plan policies as well as several overall policies from the Community Plan. The proposal is a dense multi-family neighborhood composed of 283 units dispersed throughout five residential buildings (2 three-story buildings and 3 four-story buildings). All five (5) buildings are arranged around a central green/common area that includes community amenities such as a clubhouse, pool, and fitness facility. The development also proposes pedestrian connections internal to the site between the building entrances, street sidewalks (Commerce Drive), as well as connections to the existing office building (Pinewood Plaza) and hotel (Holiday Inn Express) (LU-CD 28), creating greater pedestrian and neighborhood connectivity. Based on the developer's anticipated leasing rates for the units, the project represents both a diverse housing type for the City and higher value housing (LU-CD 3, 10, HN 7). Other community amenities include a dog park.

The applicant presented the proposed development to the Coliseum Central BID Physical Improvement Committee and CCBID Board for review and comment. Overall, the Board is pleased with the proposal and officially endorsed the project at its June 26, 2018 meeting (see attached letter of support).

Staff recommends **APPROVAL** of Rezoning Application No. 18-00002 with 10 proffered conditions.