

1753-Z

PUBLIC HEARING Case 1753-Z/AMLI Addison. Public hearing, discussion, and take action on a recommendation regarding an ordinance rezoning the 5 acre property located at 5015 Spectrum Drive, from C-1 (Commercial-1) to a PD (Planned Development) District, in order to provide a maximum of 349 multi-family residential units and approximately 5,500 square feet of future retail space, and approving related development plans.

LOCATION MAP





January 13, 2017

STAFF REPORT

RE: Case 1753-Z/AMLI Addison

LOCATION: 5015 Spectrum Drive

REQUEST: Approval of an ordinance rezoning the property from C-1, Commercial-1, to a new PD (Planned Development) for a maximum of 349 multi-family residential units and approximately 5,500 square feet of future retail space, and approving related development plans.

APPLICANT: AMLI Residential Partners, LLC, represented by Mr. Taylor Bowen.

DISCUSSION:

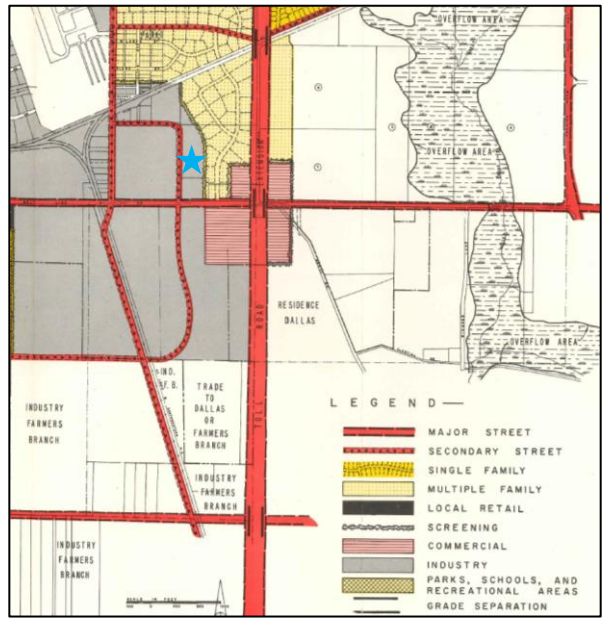
Background: Historically, this 5 acre site was used for industrial operations associated with Dow Chemical prior to the construction of Quorum Drive. Due to the past industrial activities, the Texas Commission on Environmental Quality (TCEQ) prohibited residential use on the site for a time. In 2014, the property owner conducted a series of environmental tests that showed the site met all environmental standards for residential use and that such restrictions were no longer necessary. The TCEQ subsequently reviewed the findings and agreed to remove its residential use restrictions.

The site is currently owned by the Intercontinental Hotel and is used for occasional overflow parking. The Intercontinental is no longer interested in holding the property and has made arrangements with the office buildings adjacent to the hotel to use their parking garages as needed.

Planning and Zoning History: Staff has researched the Town's intent for this property through a review of previously approved planning documents and zoning cases. In the Town's 1965 Comprehensive Development Plan, the future land use plan shows this property as maintaining an industrial use with the properties immediately to the north and east shown as future multi-family residential. This plan is shown on the next page with a blue star noting the approximate location of the site.

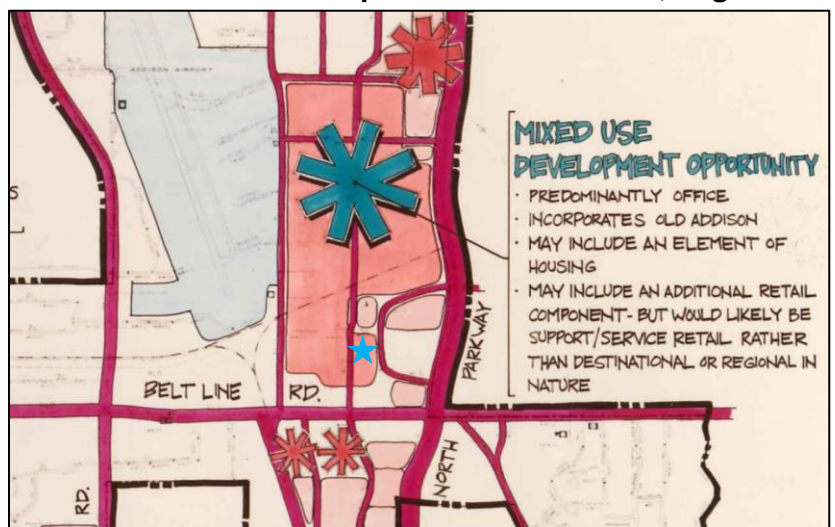
In 1977, the Town rezoned 64.5 acres of land, including this property from Residential-1 to Commercial-1. The Town's records do not provide the impetus behind this change. Most of that acreage was subsequently rezoned again to accommodate other developments.

Town of Addison Comprehensive Plan 1965, Page 56



In 1991, the Town approved a new Comprehensive Land Use Plan. In discussing future land uses, the following exhibit shows the Town's desire for a mixed-use development bounded by Keller Springs Road to the north, Addison Road to the west, Dallas North Parkway to the east, and almost to Belt Line Road to the south. The site being considered for rezoning is indicated by the blue star and is shown to be part of the area considered as part of the "Mixed Use Development Opportunity."

Town of Addison Comprehensive Plan 1991, Page 36



The 1991 Plan describes this “Mixed Use Development Opportunity” as being predominately office that may include an element of housing with limited retail opportunities. A portion of this area encompasses what eventually became Addison Circle. It was always anticipated that Addison Circle would grow beyond the original 90 acres to encompass additional properties to the north, south, and west – including, potentially, this site.

Most recently, the Town approved a new Comprehensive Plan in 2013. Since the Town was primarily built out, the 2013 Plan did not include the typical guidance on future land uses seen in most Comprehensive Plans. Instead, the Plan assesses each parcel based on seven attributes of success. The Plan ranks this parcel as “Green”, as currently zoned, under the attributes of success matrix without giving more in-depth analysis or guidance as to its future.

Proposed Plan: AMLI Residential Partners, LLC is proposing to construct a four story building with the potential to be mixed-use. Initially, the building would be comprised of only multi-family units, but would be designed with the ability for retail to be added on the ground floor should market conditions warrant additional retail in the future. This building would hold a maximum of 349 units and up to 5,500 square feet of retail space.

Given the level of retail vacancy in Addison Circle, staff believes that forcing new developments to bring additional retail space to the market would not benefit new developments or the existing properties in Addison Circle. Instead, the applicant is proposing to create “retail-ready” spaces that would begin as ground level apartments, but that could easily be converted to retail if there is ever demand for additional retail spaces in the future. The “retail-ready” area comprises of approximately 5,500 square feet fronting on Quorum Drive. This area has been designed with 12 foot clearances to better accommodate retail. The applicant has also designed the upper floors above the retail to include space for a shaft for a roof vent providing flexibility for the space to easily be a restaurant in the future.

In working with the applicant, staff has approached this project as an extension of Addison Circle. Accordingly, the site plan, landscape plan, and building elevations have been designed to comply with Urban Center (UC) zoning district standards, which are the same as in Addison Circle. Staff, however, is proposing to rezone the property to a Planned Development (PD) based in part on the UC standards. The PD would also allow the streetscapes to be designed in accordance with the recently adopted Master Transportation Plan and would include additional standards for multi-family development that the City Council recently included for multi-family projects. These are as follows:

- The entire multi-family building and parking garage shall be LEED certified
- There shall be no linoleum or Formica surfaces in the units
- All units shall be equipped with energy efficient appliances
- All countertops shall be granite, stone or better material

The proposed building would wrap and conceal a 6 level parking garage (5 levels above grade). There would also be two large interior courtyards with pools and other outdoor amenities for the residents.

The applicant proposes units ranging in size from efficiency units of 548 square feet to two-bedroom units of up to 1,220 square feet. The average unit size is 880 square feet. The breakdown of units proposed is as follows:

Unit Type	Square Footage	Number of Units
Efficiency	548-634 square feet	25
1-Bedroom	725-990 square feet	227
2-Bedroom	1,137-1,220 square feet	97
Total Units		349

The ground level units on the north, west, and south provide stoops and street level access directly to the units that will further enhance the street level activity. Elevation changes limit the ability to achieve this on the east along Spectrum Drive.

Additionally, the development plans show a leasing office, amenity, and fitness center at the northwest corner of the building totaling approximately 5,600 square feet.

Building Elevations: The plans show that the building materials for the exterior facades include stone, brick veneer, and stucco with steel accents. Urban Center standards require building facades to be a minimum of 90% brick or stone. The proposed building provides 90% or 95% brick and stone per side.

Parking: The plan provides a total of 559 parking spaces. 536 of these would be in the parking structure. 23 spaces will be provided within the public right-of-way as on-street parking along Quorum Drive and Edwin Lewis Drive. The Urban Center standards require that 1 parking space be provided per bedroom. Retail would require between 1 space per 70 square feet and 1 space per 200 square feet. Given the number of bedrooms proposed, the building would require 446 spaces. If retail is added, then a maximum of 72 additional spaces would be required. Therefore, under the most intense use scenario, the property would still be 41 spaces above the Town's requirements.

There are also two areas reserved for loading and unloading zones.

Landscaping: The landscape plan shows that the developer is proposing to mimic the requirements found in the UC zoning district for Addison Circle along Quorum Drive and Edwin Lewis Drive with street trees in planting beds and a 10 foot minimum front yard with landscaping.

Additionally, the developer is proposing to upgrade the landscape within the Quorum Drive median.

Open Space: There is no open space dedication proposed with this project. However, the project

is providing additional pedestrian infrastructure in the form of dedicating pedestrian trails in the Quorum Art Walk Plan. The Urban Center zoning standards require that open space be provided at a certain acreage per resident. Using this ratio, there is currently a surplus of Open Space provided in Addison Circle. AMLI would use a portion of this surplus, leaving a remaining surplus of just over 7 acres. See calculation below:

Addison Circle Open Space Required (Existing):	6.733 acres
Additional Open Space Required for AMLI:	0.785 acres
Total Open Space Required in with AMLI:	7.518 acres
Addison Circle Open Space Provided:	14.74 acres
Surplus Open Space Remaining in Addison Circle:	7.222 acres

Streetscapes: In 2014, the Town developed a conceptual plan to enhance the pedestrian experience between Addison Circle and the office buildings south of Belt Line Road. The Quorum Art Walk focused on improving Quorum Drive with wider sidewalks and pedestrian lighting, moving to a more urban design standard with street trees and smaller building setbacks, providing east/west trails to get pedestrians to Quorum, and providing spaces for enhanced bus shelters and public art. The concepts were included in the recently adopted Master Transportation Plan (MTP).

The MTP established streetscape standards for the various street types. Quorum Drive and Spectrum Drive are both Minor Arterials and Edwin Lewis Drive is a Commercial Collector. The applicant is proposing to construct Quorum and Edwin Lewis to the Urban Pedestrian standard which includes on-street parking, landscape beds with street trees and an 8 foot wide sidewalk. Spectrum Drive would be constructed to the Enhanced Pedestrian standard with a landscape buffer and 8 foot sidewalks, but no on-street parking.

Additionally, AMLI is proposing to dedicate an easement and construct a midblock pedestrian trail along the southern edge of the property connecting the office buildings and Intercontinental Hotel to Quorum Drive. This trail would align with a future midblock crossing. Additionally, AMLI has provided space for an enhanced bus shelter and two areas for public art. Each of these elements are detailed on Page CLP.2 in the proposed plans and are all pulled from the Quorum Art Walk conceptual plan and Master Transportation Plan.

Traffic Impact Analysis: The Town required the applicant to complete a traffic impact analysis to determine what effect the proposed development would have on the roadway network in the near-term (2018) and long-term (2035). Staff asked them to also measure the impact of an office development on the site. Traffic Impact Analyses are based on an industry standard set by the *Trip Generation Manual* published by the Institute of Transportation Engineers. The Manual combines multiple studies of actual traffic counts from different uses to establish the average number of one way trips that similar uses can be expected to generate in a day, as well as in the AM peak hour and the PM peak hour. The table below compares the proposed development to a similarly sized office building.

Use	Size	Daily One Way Trips	AM Peak Hour One-Way Trips			PM Peak Hour One-Way Trips		
			In	Out	Total	In	Out	Total
Multi-Family Residential	349 units	2,321	36	142	178	140	76	216
Office Building	300,000 sq ft	3,309	412	56	468	76	371	447

When compared to a hypothetical office development, the analysis concludes that the residential development would produce 30% less traffic daily, 38% less traffic during the AM peak hour, and 48% less traffic during the PM peak hour. Additionally, the analysis notes that office-generated trips would primarily join the dominant commuter direction, so that each additional office trip would have a greater impact by adding to already congested travel patterns. Residential traffic would predominately travel in the opposite direction from the office commuters, so the impact of each additional trip is less as they fill in the unused capacity on the opposite side of the street.

The analysis concludes that the multi-family development could be successfully incorporated into the surrounding roadway network without significant negative impact to intersection or roadway operations in either 2018 or 2035. The analysis also indicates that there would be no reductions in the level of service at any signalized intersections in the area due to this development.

This analysis was conducted by Kimley-Horn and Associates. This group provides traffic engineering services to the Town including, most recently, developing of the Town's Master Transportation Plan. The analysis was reviewed by Town staff and traffic engineers at Cobb-Fendley, another national engineering firm. Based on their review, Cobb-Fendley determined that Kimley-Horn's assessment was accurate.

Utility Study: The applicant has conducted a study of capacities for the sewer lines serving both this property and other vacant tracts of land along Arapaho Road and the Dallas North Tollway. The study found that portions of these lines are currently over capacity and would have to be upsized to accommodate any development on these properties. The Town can only require AMLI to fund these improvements based on the percentage of flow they will add to the line. However, AMLI has offered to fund 100% of the costs to upsize these lines. This will expedite the development of AMLI's project, but also enable the development of the other parcels served by this line.

2013 Comprehensive Plan: The Comprehensive Plan is silent on the future of this particular property. The Plan establishes seven attributes of success that should be considered when evaluating current and proposed land uses to determine what is "highest and best" for a particular site. As detailed later in this report, staff believes that the proposed development ranks highly when using the Comprehensive Plan's seven attributes of success.

While no specific guidance is given, the Comprehensive Plan does provide general guidance regarding multi-family development. It states that the Town "continues to believe in high-density,

mixed-use development for both owner-occupied and rental housing” (page 21). The Plan also informs that beginning with the 2020 Vision process, “while every suburb in the area was fighting against multi-family projects and insisting on lower densities, Addison would embrace them and insist on higher densities” (page 45). The Plan lists the benefits of higher density housing explaining that density promotes the efficient use of land, combining green space into more meaningful places, enabling better quality construction with longer lasting buildings, concentrating population to make mass transit feasible, promoting healthier lifestyles and creating more opportunities for people to live in Addison, providing more consumers for retailers and restaurants as well as more local employees for the business community (page 50). The Plan states that “the mixed use direction (as seen in Addison Circle and Vitruvian Park) continues to make sense for the Town” because the Millennial generation does not want to purchase homes and prefers living in mixed-use communities that include multi-family uses that are close to work. The Plan explains that Addison “seeks to attract the Millennials because they bring energy and creativity to a community” adding also that “vibrant mixed-use neighborhoods can be a great recruiting tool for attracting new tenants for office and commercial space” (page 101).

On page 51, the Comprehensive Plan instructs that any new multi-family development be built within neighborhoods that are supported with public facilities. It goes on to state that the Town should support renter-occupied units with neighborhood amenities, such as parks and trails, and that the Town should require developers of future multi-family developments to provide recreational space and amenities for their residents.

Staff believes that the proposed plan is in keeping with the goals and objectives established in the Comprehensive Plan. As mentioned previously, Addison Circle was intended to grow and this project represents a logical expansion of that neighborhood. Addison Circle includes public facilities that would support this development. The project provides amenities for its residents with the resident’s club, fitness center, and two outdoor courtyards. Furthermore, this project will improve the pedestrian network in the area by better tying together Addison Circle, the adjacent commercial developments, hotels, and retail uses through high quality pedestrian trails and sidewalks to and along Quorum Drive.

With regards to retail in this area, the Comprehensive Plan points out that “all operators complain about a lack of visibility and lack of traffic in Addison Circle during the evenings...The retailers in the area must be supported by residents and pedestrian traffic...The hope is that as Addison Circle continues to grow and expand, additional residents in the area will be able to better support retail uses” (pages 59-60).

Based on this acknowledgement and the continued struggles with retail in Addison Circle, it would be detrimental to require additional retail at this time. However, it is important that buildings be designed for the long-term with maximum flexibility. The proposed building could easily be converted to add retail in the future if conditions warrant. Conversely, this development would add an estimated 524 more residents to Addison Circle that should increase support for the existing retail uses in the Circle and elsewhere along Belt Line Road.

Lastly, the Comprehensive Plan discusses future office development and provides that four tracts along the Tollway corridor should be reserved for “high-density” office buildings, specifically warning that those tracts not be used for multi-family uses (page 80). The plan gives no similar direction for other commercially zoned tracts such as this.

Housing Policy: In order to help guide future housing decisions, the City Council adopted a housing policy in 2015 and amended it in early 2017. The applicable sections are discussed below.

- Where feasible and appropriate, new housing should increase the proportion of fee-simple ownership in Addison’s housing mix. Apartment-only rezoning is unlikely to be approved, as currently the ratio of rental to ownership properties is higher than desired.

Staff believes that lower-density, owner-occupied housing, such as single-family homes or townhomes, is not feasible in this location due to the high development costs and necessary infrastructure upgrades. The Urban Center zoning standards do not allow single-family detaches homes. Such low density development would not be in keeping with these standards or the adjacent development. While the policy gives general direction that apartments are unlikely to be approved, it states that special consideration may be given to exceptional projects.

- A proposal should offer a “best fit” mix of uses and housing choices within the context of the surrounding Addison community.
- New housing should create or enhance neighborhoods of urban character rather than locate on a stand-alone, nonintegrated property and should continue the high quality design and walkability that make Addison’s existing neighborhoods distinctive.

Due to its proximity to retail, restaurants, and office uses, a residential use in this location adds a mixed-use element to development in the immediate vicinity and expands the boundaries of the Addison Circle neighborhood. The density afforded by multi-family development enables this project to have similar urban characteristics and high development standards. The addition of quality pedestrian amenities will improve the walkability of that area and better connect Addison Circle to the uses further south.

- The City Council acknowledges that there may be exceptional projects that do not comply with elements of this policy. The Council encourages developers and staff to pursue projects that represent the highest and best use of each property and that advance portions of this policy or other Town goals.

Staff believes that this project warrants special consideration as it represents the highest and best use of this particular property, while also promoting several elements of the housing policy and other Town goals in that it:

- Advances the Quorum Art Walk Pedestrian Connectivity Plan by completing a significant amount of the contemplated improvements with no public participation.
- Maintains the urban character desired for Quorum Drive and provides a use that is active not only during the day, but also during nights and weekends.
- Makes improvements in line with the Master Transportation Plan and address Council's goal to pursue excellence in transportation systems.
- Enables development of other vacant properties, thus advancing the Town's broader economic development goals.

RECOMMENDATION: **APPROVAL**

In determining a recommendation, staff first reviewed alternative uses and weighed their relative likelihood, whether or not they would represent the highest and best use for this site and how they would impact the surrounding properties.

Office development is unlikely on the site because it is not on the Tollway, and therefore would not warrant as high rental rates. If an office developer was interested, they would likely desire lower standards with surface parking in order to minimize development costs. This would not be in keeping with the urban form prevalent in Addison Circle or the adjacent office developments. Additionally, an office use would likely not maximize revenue potential for the Town, nor create the walkable, active environment as contemplated in the Quorum Art Walk Pedestrian Connectivity Plan, nor provide additional night and weekend customers to Addison's retailers and restaurants. As noted in the traffic impact analysis, office uses could also burden the transportation network surrounding this site.

There is little demand for additional retail in Addison. Demand is even lower for sites off of Belt Line Road. Retail use would not produce the density this site warrants or be developed to an urban standard. Any additional retail at this location would likely add to the difficulties of the retailers in Addison Circle.

The potential for hotel use is low for several reasons. First, the property is deed restricted from being a hotel. Additionally, this property is currently bordered by four hotels, with three more in the immediate vicinity. Furthermore, the Town recently changed how it defines a hotel in order to limit future hotel development to more full-service concepts. Addison has three full-service hotels along with others in the area, thus making the market appear saturated.

This is not an appropriate site for industrial uses and such uses would not advance any Town goals.

Having analyzed all other uses, staff believes that this site has the most potential as a residential site. As discussed above, single-family homes and townhomes are likely not feasible and would be out of character from the surrounding development. Condominiums would meet the Town's goals, but developers have expressed that there is little demand for them and they are difficult to finance, construct, and sell. From a land use perspective, there is no difference between

condominium and multi-family apartment development. Therefore, a multi-family apartment development at this location represents the most likely and highest and best use.

Multi-family is a complementary use to the adjacent uses that will provide additional housing for the office uses and expand the mixed-use setting of Addison Circle, which could help attract and retain quality office tenants. The Quorum North Business Association has protective covenants on all properties within their area that require the support of two-thirds of the property owners before a new use is approved. This plan has been presented to the Quorum North Business Association, and has received their unanimous endorsement.

Additionally, multi-family apartments would add customers for the restaurants and retailers in the area, especially on nights and weekends when many struggle.

AML I is a reputable multi-family residential developer. The development will add vibrancy along Quorum Drive and the high quality design features included in the proposal greatly improve the pedestrian experience in this corridor, and for the first time create welcoming connections between Addison Circle, the Hotel Intercontinental, and the restaurants and businesses along Belt Line Road.

Staff believes that this is an excellent development opportunity that is in keeping with the Comprehensive Plan, and that advances several elements of the housing policy and other Town goals. Therefore, staff recommends approval of the request.

Land Use Analysis

Attributes of Success Matrix

AMLII Addison, 5015 Spectrum Drive

1753-Z

Attribute	Comment	Score
Competitive	The proposed development will enhance the competitiveness of this property and represents the both the most likely development solution for this site and the highest and best use.	
Safe	The project will be safe. Increasing the number of residents in the area with “eyes on the street” , better pedestrian accommodations and lighting will improve safety.	
Functional	The site is very functional and will improve pedestrian access and add parking in the area. The traffic impact analysis shows that there will be no significant impact to traffic operations due to this project.	
Visually Appealing	The facades exceed the masonry requirements for the Town and the design will be visually appealing.	
Supported with Amenities	The site is in a very amenity-rich area with easy access to both Addison Circle and the uses along Belt Line.	
Environmentally Responsible	AMLII is committed to sustainable design and will include several sustainability features including recycling and LEED certification.	
Walkable	The project is extremely walkable and advances progress towards achieving the vision established in the Quorum Art Walk Pedestrian Connectivity Plan.	
Overall Assessment	This is a quality development that represents the highest and best use of the site. The project advances several Town goals and be a benefit to the community and the adjacent properties.	





Case 1753-Z/AMLI Addison
January 17, 2017

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on January 17, 2017, voted to recommend approval of an ordinance rezoning the property located at 5015 Spectrum Drive, from C-1, Commercial-1, to a PD, Planned Development, in order to provide a maximum of 349 multi-family units and approximately 5,500 square feet of future retail space, and approving related development plans, subject to no conditions.

Voting Aye: Braun, Griggs, Meleky, Wheeler
Voting Nay: Morgan, Robinson, Schaeffer
Absent: none

SPEAKERS AT THE PUBLIC HEARING:

For: Jason Simon, Apartment Association of Greater Dallas, 5729 LBJ Frwy
Phil Griggs, 14596 Poe Court
Jonathan Clarke, 14900 Landmark Blvd #100
On: none
Against: Mary Carpenter, 4006 Winter Park Lane
Karen Gassett, 4010 Winter Park Lane
Randy Smith, 14933 Havenshire Place

POSITION OF THOSE PRESENT BUT NOT SPEAKING AT THE PUBLIC HEARING:

For: Nicholas Dodd, Restaurants of Addison, 14350 Dallas Parkway #2042
Louise Lehrmann, 14592 Poe Court
On: none
Against: none