BC Community Housing, LLC

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Memo

To: Scott Gustin, Senior Planner

From: Eric Farrell

Date: May 10, 2016

Re: 329 – 375 North Avenue

In support of our Sketch Plan application submitted on Friday, April 29, 2016, I thought it would be informative for you and the DAB and DRB, if I provided some background and context for our project.

The Parties

Burlington College is a the post-secondary school located at the project site.

BC Community Housing, LLC (BCCH) is a limited liability company formed by EF Farrell, LLC, General Member and various Investor Members.

375 North Avenue, LLC (375) is a limited liability company formed by EF Farrell, LLC, General Member and various Investor Members.

Property Ownership Timeline

On February 2, 2015, BC Community Housing, LLC closed on the purchase of 27.65 acres of land from Burlington College. The purchase included the "Stone House" at 311 North Avenue and so-called Texaco Beach. The College retained ownership of a 6-acre parcel, along North Avenue, including two existing and connected buildings; the 5-story (c 1880) Orphanage building, measuring 59,100 sf, and the 3-story (c 1940) classroom building, measuring 29,500 sf.

On December 31, 2016, Burlington College submitted its retained parcel and buildings to a condominium regime form of ownership, wherein the Orphanage building was designated as Unit #1, at 375 North Avenue and the classroom building was designated as Unit #2, at 351 North Avenue. The name of the condominium association is "351-375 North Avenue Owners Association, Inc."

Also, on December 31, 2015, 375 closed on the purchase of the Orphanage building (Unit #1) along with certain appurtenant development rights and the College retained ownership of the classroom building (Unit #2) along with certain appurtenant development rights.

On February 18, 2016, BCCH closed on the sale of 12 of the 27.65 acres, including Texaco Beach, to VLTBTV Parkland, LLC (Vermont Land Trust and City of Burlington).

BCCH presently owns the remaining 15.65 acres, which is slated to be developed, along with the 6-acre College Parcel.

Public Outreach Process

In the Fall of 2014, BCCH initiated discussions with the City of Burlington, the Vermont Land Trust and Champlain Housing Trust (the "Interested Parties") with the goal of engaging in a collaborative planning process for the purpose of exploring possible site designs for the property.

These discussions resulted in the execution by the Parties of a non-binding Memorandum of Understanding on February 21, 2015.

Memorandum of Understanding

The MOU addressed eight important goals:

1. include diverse and inclusive housing
2. provide public access to open space and the beach
3. protection of important vistas
4. preservation and conservation
5. allow neighborhood mixed-uses
6. enhance revitalization along North Avenue
7. support alternative transportation methods
8. incorporate sustainability features

The MOU guided a public outreach process that lasted nearly a year, including two public meetings, culminating in the execution by the Parties of a binding Development Agreement on January 7, 2016.

Development Agreement

The Development Agreement establishes many conditions and standards regarding the future of the property, wherein each of the Parties secured certain rights and obligations, as follows:

1. Property Use and Development - BCCH has the right to develop up to 770 residential units on the 15.65 acres it retained (the "Development Parcel") and the 6 acres retained by the College (the "College Parcel"), (the "Projects").

2. CHT will develop up to 160 units of affordable rental housing for family and seniors on a portion of the Development Parcel, known as the "CHT Parcel", which units will serve to satisfy the Inclusionary Zoning requirements of all of the rental housing developed on the property. The City has the right to fulfill CHT's obligation, should CHT not do so within 9 years.

3. The Manager of the City's Housing Trust Fund will issue Certificates of Housing Compliance, when and as required, confirming CHT's satisfaction of BCCH's Inclusionary Zoning requirements.

4. BCCH will endeavor to include a component of work-force housing, both for sale and for rent, within the development.

5. In addition to housing and non-residential neighborhood uses, BCCH will develop, at its expense, a new public street and other site infrastructure improvements to serve the Development Parcel and the College Parcel.

6. BCCH will endeavor to design all aspects of the project, both buildings and site infrastructure improvements, so as to achieve a "sustainable neighborhood", including the management of storm water on the property.

7. The City and BCCH will execute a Purchase and Sale Agreement, wherein the City will purchase 12 acres of the property, including the Stone House, the "bluffs" and Texaco Beach, for use as public open space.

8. The new Public Open Space will be designated by the City as part of its Urban Wilds category.

9. The City, through its City Council, will amend its Comprehensive Development Ordinance, as required, to facilitate BCCH's development Plan for the property.

10. All of the Parties agree to cooperate with and support BCCH's efforts to secure permits for the project.

Sustainability

The Parties to the Development Agreement (BC Community Housing, LLC, City of Burlington, Vermont Land Trust and Champlain Housing Trust) are committed to achieving a sustainable neighborhood that builds on Burlington's legacy as *"America's Most Sustainable City"*

This commitment is articulated in a non-binding outline of principles, set forth in a document entitled "Standard for Achieving a Sustainable Neighborhood", to be attached to the Development Agreement.

Purchase and Sale Agreement

The City and BCCH executed the Purchase and Sale Agreement on February 18, 2016, which contains certain rights reserved by BCCH that survive the closing, as follows:

1. the right to locate certain utility infrastructure improvements on the property to the extent that such improvements cannot be reasonably contained on the Development Parcel (15.65 acres) and/or the College Parcel (6 acres).

2. A construction easement to the extent required by BCCH to access the City's property during the development and build out of the Projects.

Repurchase Agreement

The sale of the 12 acres to the City and VLT provided BCCH with the right to repurchase the Public Open Space (12 acres), in the event that two conditions are not met, as follows:

1. If the City does not approve the requisite zoning changes for the Projects, as outlined in the Development Agreement; and

2. If the DRB fails to accept the Certificate of Inclusionary Housing Compliance and/or otherwise fails to accept CHT's right to develop affordable housing (qualifying IZ) units on the CHT Parcel as approved as part of the PUD (which includes the College Parcel and the Development Parcel), as representing the full satisfaction of BCCH's inclusionary zoning requirements for the Development Parcel and the College Parcel for the portion of the Projects developed as multi-family rental units.

The Development Plan

Our Sketch Plan Application (herein revised since submittal) reflects a total of 672 residential units, 63,500 sf of non-residential space, including the existing College Building (351 North Avenue), but not including the Stone House (311 North Avenue).

The residential areas are summarized, as follows:

1. Affordable Rental Senior Housing (Building K): 70 units – to be developed by Cathedral Square Corporation

2. Affordable Rental Family Housing (Building L): 76 units – to be developed by Champlain Housing Trust

3. Market-Rate Rental Housing (Buildings A, C, E, F, H & I): 359 units – to be developed by BCCH

4. Market-Rate For-Sale Housing (Buildings M, N, O, P & Q): 167 units – to be developed by BCCH

The non-residential areas are summarized, as follows:

1. Institutional, Retail, Office and Other Commercial Uses (Building B): 38,500 sf

2. Retail, Office and Other Commercial Uses (Building C): 5,000 sf

3. Fitness Center (Building I): 17,000 sf

4. Greenhouse (Building J): 3,000 sf

Subdivision Plan

The project site is comprised of 33.65 acres, subdivided into three lots, as follows:

1. Lot A (6.00 acres): Land and buildings owned by "351-375 North Avenue, A Condominium."

2. Lot B (15.65 acres): Vacant land owned by "BCCH"

3. Lot C (12.00 acres): Land and buildings owned by "VLTBTV Parkland, LLC".

Lots A and B will be subdivided into six individual lots, plus a new public street.

Inclusionary Housing

Rental Housing: There will be 435 rental housing units, more or less, (not counting Senior Housing), on Lots 1 and 2, requiring 109 "Inclusionary Units" (at 25%). This requirement will be satisfied by the units developed by Champlain Housing Trust and Cathedral Square Corporation on Lot 2, pursuant to the Development Agreement.

For-Sale Housing: There will also be 167 For-Sale housing units, more or less, on Lots 3, 4 and 6, requiring 42 "Inclusionary Units" (at 25%). This requirement will be satisfied by BCCH on Lot 3 (and possibly Lot 4), pursuant to the Development Agreement.

Work Force Housing

BCCH is committed, but not required by the Development Agreement, to develop some "work force housing", so-called, meaning housing that is affordable to families whose household income is at 80%, 100% and 120% of the median income for the Burlington-South Burlington Statistical Metropolitan Area.

These units would be blended into Buildings M & N (Lot 3) and Buildings O & P (Lot 4), along with inclusionary housing units and market-rate units.

Parking

The plan reflects a total of 1,100 parking spaces. In the spirit of the negotiations that culminated in the execution of the Development Agreement, a substantial component of the parking is being developed beneath the buildings and in garages, as follows:

1. Understory: 750 (68%)
2. Surface: 274 (25%)
3. Street: 76 (7%)

Lot Coverage

When you consider only the Development Parcel (15.35 acres) and the College Parcel (6.00 acres), the overall lot coverage is 55%.

When you consider the Development Parcel (15.35 acres), the College Parcel (6.00 acres) and the Public Open Space Parcel (12.00 acres), the overall lot coverage is 36%.

Building Height

An important aspect of the negotiations that culminated in the execution of the Development Agreement was the consideration of building height.

In order to accommodate the purchase of 12 acres of Public Open Space by VLTBTV Parkland, LLC on behalf of the City, proposed development needed to be concentrated on the Development Parcel (15.65 acres) and the College Parcel (6.0 acres).

The existing Orphanage Building, so-called, on the College Parcel establishes the maximum building height for that parcel.

The maximum allowed building height on the Development Parcel and the Public Open Space parcel is currently 45′, except that below elevation 180′ (westerly to the lakeshore), the building height increases to 60′.

In order to accommodate the amount of development supported by the Development Agreement, building are contemplated to be 6-story in height above one or two levels of structured parking, requiring overall building heights of 80′.

Burlington Bike Path Connection and Trail Upgrades

As referenced in the Development Agreement, it is our intention to connect our new neighborhood to the Burlington Bike Path in a manner that is fully accessible.

Our plan depicts just such connection is a schematic format. The final design is subject to the review and approval of the Parks & Recreation Department with whom we have been in discussions for several weeks. A portion of the new connection will be permitted by the Parks & Recreation, as part of its continuing upgrade of the existing Bike Path.

Fitness Center

It is BCCH's goal to establish a centralized Health and Fitness Center to serve the entire neighborhood, including the existing homes on the east side of North Avenue.

This facility will offer year-round, climate-controlled opportunities for individual and group exercise programs and access to professional health and fitness training and conditioning personnel for all age groups.

Alternative Modes Of Transportation

1. Bike Wash, Repair & Indoor Storage Facilities: BCCH is committed to the use of bicycles as an alternative form of transportation. In this regard, we are providing facilities in each building that support and encourage the use and enjoyment of bicycles. The neighborhood will have a direct, paved recreation path connection to the existing Building Bike Path, providing easy access to Burlington's Beaches, Waterfront and Downtown.

2. Car Sharing: BCCH has contacted and intends to engage CarShare Vermont about locating one or more vehicles within the neighborhood for use by renters and owners alike. This initiative will serve to reduce the demand on parking and the carbon footprint of the project.

3. Transportation Demand Management Plan: BCCH has contacted CATMA and intends to engage its services and leadership with the goal of formulating a strategic transportation policy for the neighborhood to reduce the demand on parking and foster better land use with lower environmental impacts.

Greenhouse & Community Gardens

In addition to the expanded community gardens planned by the City on its recently acquired Public Open Space, BCCH intends to include greenhouse and community garden opportunities to all of its tenants.

Summary

BCCH intends to develop a new **urban** neighborhood on the shores of Lake Champlain, adjacent to the Burlington Bike Path, close to the Church Street Marketplace and Waterfront Park. It promises to be a **vibrant** community that promotes health and community interaction through on-site recreational activities, including fitness facilities, community gardens and **picturesque** grounds. It will be a neighborhood of intentional design supporting spaces created to foster sustainable living and a strong connection to the land for all members of the community.

attachments