Courthouse Plaza Shopping Center Special Exception Requests Statement of Support November 9, 2023 Revised May 17, 2024 Revised December 20, 2024 Revised May 15, 2025

Combined Properties, Incorporated, on behalf of Combined Courthouse LLC (the "Applicant") is the owner of Courthouse Plaza Shopping Center, which is located at 10300 Willard Way and further identified as tax parcel 57-2-20-004D (the "Property", "Courthouse"). Located in the heart of Fairfax City (the "City"), the Property is just north of Main Street with access from both University Drive and Blenheim Boulevard. Developed nearly two generations ago as a single-story retail shopping center, the Property is ripe for a dynamic redevelopment with an infusion of multifamily housing at its core, in line with the City's and Applicant's vision. As described in greater detail below, the Applicant is submitting a bold, yet scaled and Fairfax-appropriate proposal (the "Project") to revitalize the Property into that desired, vibrant and thriving mixed-use community.

Applicant Overview

Combined Properties is and plans to remain a longtime property owner in Fairfax City with four major properties, each strategically located along a main corridor: Pickett Shopping Center, Turnpike Shopping Center, Scout® on the Circle and Courthouse Plaza. Over the past decade, the Applicant has made significant improvements to both its Pickett and Turnpike centers, completing full façade renovations and successfully re-tenanting many of the spaces to re-create commercial centers with desired and complementary retailers. With Scout on the Circle, the Applicant replaced an outdated shopping center with the City's first integrated, mixed-use buildings, anchored by a Giant grocery store and supported by structured parking. The revisions to all three properties made high-quality, lasting improvements, demonstrating the Applicant's commitment and wherewithal to work closely with the City and community to create successful developments.

Building on the success of those three projects in the City, the Applicant is turning its attention to Courthouse to respond and adapt to the market's evolving landscape and the City's small area plan goals for the Property, all while working within lease and market constraints. As a retail center, redevelopment is constrained by tenant leases and affected by market conditions. This leads the Applicant to take a long-term, conservative approach to its real estate ownership and development and requires the Applicant to creatively adapt and work within and around those leases. As detailed below, the Courthouse redevelopment respects lease requirements, infuses the property with the needed, and called for, residential uses, and will provide overarching façade updates to help attract retailers and restaurants to the Property.

Property Background and Description

The Property is currently improved with a single-story retail center of 83,000 square feet. It occupies approximately 8.73 acres of land bound by Blenheim Boulevard to the east and University Drive to the west; each road provides both a signalized and unsignalized entrance into the Property. The shopping center was constructed 44 years ago consistent with the auto-oriented, parking lot-intensive, retail strip centers of the 1970s. Despite being anchored with a Safeway grocery store and zoned for commercial-retail uses, the Property's layout and single-use format is no longer consistent with the City's vision. Therefore, the Applicant seeks to remove a

portion of the retail square footage and replace it with the desired residential uses in a mixed-use building to create a synergized, mixed-use community. The Project is focused within the western portion of the Property and will utilize a Special Exception review to allow development on the western 3.85 acres (the "Building Area") as shown in the accompanying development plan. The remaining building and retail uses within the Property will remain in place while benefitting from façade upgrades, of a similar expanse that were completed at Combined's Pickett and Turnpike shopping centers.

The surrounding neighborhood is comprised mostly of commercial, institutional and lower density office uses, but change has started to take hold, most recently with the replacement of an outdated, low-rise office building and associated surface parking to the north into Capstone: The Flats on University, a student-oriented multifamily housing building to support George Mason University, which is located less than two (2) miles from the Property.

Zoning

The Property is zoned Commercial Retail ("CR"), the City's primary commercial zoning district that governs the majority of properties along both Fairfax Boulevard and within Old Town Fairfax. The CR district is designed to "provide area for office and general business and retail establishments and uses accessory or complementary thereto." Within Old Town Fairfax, there are overlay districts that establish additional zoning regulations on several of the properties, including Courthouse, which is sited within the Old Town Fairfax Transition Overlay District ("TOD"). The TOD was established to "encourage a compatible mixture of residential, retail, and office uses within the designated transition area in a manner which complements the scale, siting and design of the Old Town Fairfax Historic Overlay District," which exists south of the Property. In support of the TOD and as explained further below, the City has identified the Property – through the Old Town Small Area Plan ("SAP" or "Small Area Plan") – as appropriate for an infusion of residential uses. The TOD allows for certain upper story residential/mixed use buildings by-right, although certain Special Exception approvals are necessary for the Project.

Proposal

The Applicant has prepared a thoughtful, mixed-use project to respond and adapt to the market's evolving landscape and the City's small area plan goals for the Property. Building upon the successful Capstone project to the north, the Project will introduce an upper story residential/mixed-use building along University Drive, which will extend the urban street edge and pedestrian experience into Old Town. The new building will replace the surface parking that now aligns University Drive and the retailers to the west of Safeway, adding up to 315 residential units, approximately 12,000 square feet of ground-floor retail and the associated vibrancy to an area that is now largely devoid of activity. Six percent of the units at the Project, consistent with City policy, will be rented as affordable units.

The Applicant will create two new streets to frame the building, beginning to achieve the interconnected goals identified in the Small Area Plan, and support the new development with structured parking, freeing up valuable land for coveted green or public space. The Applicant will lay the framework for the desired street and pedestrian network with an expansive promenade along University Drive of more than 25 feet in width. Importantly, this wider streetscape along University Drive is permitted by Sec. 3.7.3.C.3.b.(2), which allows front yard setbacks greater than 10 feet to accommodate such things as pedestrian plazas and accessways, sidewalks and landscaping, all of which the Applicant has proposed. And, the greater setbacks are permitted to continue along Blenheim as it is an existing condition.

The proposed streetscape along University extends the pedestrian experience provided

in front of the recently completed The Flats on University, to more uniformly lead those residents, and residents north, into the City's urban core. The Applicant will also provide important contributions of green space with the introduction of a public park to bridge the new mixed-use building with the existing retail and a new pedestrian plaza that will be created on the eastern side of the retail center to activate the Blenheim Boulevard side of the property.

To complement the mixed-use building, the Applicant has plans to thoughtfully upgrade the existing Safeway's exterior façade, along with the retail facades to the east, to correspond to the newly implemented and modernized design of the mixed-use building. The exact design, materials and architectural elements of the mixed-use building will be refined throughout this special exception process with separate applications being submitted to the City's Board of Architectural Review requesting its important insight and approvals. The Applicant will agree to a condition of approval that it shall design, obtain the required City approvals and make those façade updates prior to occupancy of the mixed-use building. The design intent and focus for the Property includes appropriately bridging the historic core with more modern expressions. The enlivened retail will utilize the existing surface parking outside the Building Area, without needing to add additional surface parking along University Drive. With the focus on adding residential, it will allow the Applicant to right size the retail at the Property.

Requested Special Exceptions

With complex redevelopment projects, there are often certain zoning requirements that cannot be strictly adhered. This project seeks relief from the following standards:

1. <u>Section 3.5.1.D.1(b): Special Exception to allow more than 25% of the ground floor to be residential uses and/or residential accessory uses.</u>

Recognizing the tenets of the Small Area Plan to add residential to Old Town Fairfax and with a keen awareness of the retail market and significant retail that exists at the Property today, the Applicant is requesting this Special Exception to allow more ground-floor residential uses than a strict adherence to the Ordinance would allow. The Proposal incorporates ground-floor retail in several locations within the mixed-use building, creating a strong retail and activated amenity experience along new Streets 1 and 2. With this redesign and the extension of Street 2 through the Property, the Applicant is now able to provide approximately 12,000 square feet of ground floor retail, which accounts for 38 percent of the frontage of Street 1 and 56 percent of the frontage of Street 2. When the lobby and amenity spaces are incorporated into those street frontages, the portion of the mixed-use building that is activated is 64 percent of Street 1 and 73 percent of Street 2. Within the area shown on the GDP as Retail along University Drive, the Applicant requests the ability to locate leasing or amenity space in that area as an alternative. If that alternative is implemented, additional retail space will be located along Street 2 in lieu of the Amenity/Leasing space currently shown on that street. The Small Area Plan does not call for retail along University Drive, nor along Democracy Lane, so this special exception brings the building into conformance with the Small Area Plan goals for retail concentrated along Streets 1 and 2. It's also important to note that the Applicant is retaining and improving with architectural upgrades 58,000 square feet of retail within the existing shopping center, thus maintaining a mixed-use environment across the Property with a total of 70,000 square feet of retail space.

2. Section 3.6.2: Special Exception to allow for greater than 24 dwelling units per acre.

Within the CR zoning district, Section 3.6.2 allows a maximum density of 24 dwelling units per acre for projects that include Affordable Dwelling Units. The Applicant proposes to exceed this density to allow for 36 dwelling units per acre, totaling 315 dwelling units at the Property. The Property is designated as an Activity Center on the 2035 Comprehensive Plan Future Land Use

Map; the Activity Center Place Type applies to locations in the City where pedestrian-oriented, mixed-use development is strongly encouraged, and this special exception request seeks to accomplish this. While the number of units proposed may exceed that permitted in the CR zoning district, the proposed density is consistent with the goals of the Old Town Small Area Plan, which envisions up to a six-story mixed-use building on the Property, which the Applicant is proposing. This Property is ideally suited to support the anticipated growth in the City given its proximity to existing public services, infrastructure, and a mixture of uses in Old Town that reduce auto dependency for transportation.

3. Section 3.7.3.C.2. Special Exception to allow maximum height greater than 48' in TOD

To facilitate the redevelopment that is desired within Old Town North, the SAP calls for buildings of six floors, for which this proposal is consistent. However, to meet those Small Area Plan objectives, the Applicant must request a special exception to exceed the 48-foot maximum height for properties within the TOD. In conformance with Sec. 6.17.1.B.3, the Applicant requests a special exception to exceed the 60-foot maximum building height in CR and the 48-foot maximum building height in the TOD to allow the proposed mixed-use building that is 71 feet in height at its highest point. This request is necessary to meet the larger objectives of the SAP that call for infusing this portion of Old Town with mixed-use development in a denser, more urban framework.

4. <u>Section 3.7.3.D. Special Exception to allow sidewalks narrower than 10 feet in certain areas of the project</u>

The Applicant has worked very diligently to improve the pedestrian experience through the shopping center and is now providing strong pedestrian paths around the new building, albeit a bit narrower in some instances than the TOD would call for and only adjacent to the new building. The Applicant has balanced the streetscape goals of the TOD with this plan, and along Street 1 is providing, from the back of curb, a minimum 5-foot wide landscaping panel, 7-foot wide sidewalk and 3-foot wide foundational plantings, creating a 15-foot wide street section. Similar focus was paid to Street 2 and the Applicant is providing a 10-foot wide sidewalk, complete with tree grates adjacent to the building. Along Democracy Lane, the Applicant is providing five and a half-foot wide sidewalks, supported by a 5-foot wide landscaping panel. As such, the Applicant is seeking a special exception from Sec. 3.7.3.D to allow the seven-foot wide sidewalk along the north side of Street 1 and the five-foot wide sidewalk along Democracy, all as shown on Sheet 6, instead of the 10-foot requirement.

5. Section 4.4.1.A. Special Exception to not install sidewalks along both sides of new streets.

Because of the grade change between the Applicant's property and the parcel to the south, staff and the Applicant agreed that topography and setting precluded the addition of a sidewalk along the southern side of Street 1. Therefore, the Applicant requests a special exception to waive the requirement for a sidewalk along the south side of Street 1 and instead focus the pedestrian experience along the building side (the northern side) of Street 1.

Similarly, the Applicant requests permission to waive the requirement for a sidewalk along the east side of Street 2. The east side of that street will need a retaining wall to account for the grade change between the new development and the existing surface parking lot that will remain. The retaining wall and the landscaping that will screen the parking will take precedence in this location, which is appropriate given all of the activity will be occurring on the west side of the street and the substantive streetscape in that section of the project. Farther north along Street 2, the Applicant, again in working with staff, has focused the space on creating open space and an outdoor gathering area and so requests to waive the sidewalk from that location as well. As noted above, the sidewalks, landscaping and streetscape experiences are shown on Sheet 6.

6. <u>Sec. 4.5.6.B. Special Exception to allow street trees to be located farther than 15 feet from the back of curb along University Drive.</u>

Along University Drive, the only public street adjacent to the Building Area, the Applicant is proposing trees approximately every 35 feet, consistent with the 50-foot maximum spacing. As such, the desired amount of trees will be planted along University Drive. However, because of the existing utility poles and underground utilities, the trees will be approximately 18 feet from the back of curb, which exceeds the 15-foot setback for street trees. This expanded distance for the planting of the street trees avoids existing utility conflicts and establishes the trees at a similar relationship to the street as the trees planted directly north within the Capstone project. Those trees are planted approximately 19 feet from the back of curb, closer to the building than the curb, just as the trees are proposed to be planted here.

7. Section 3.7.3.C.4. Special Exception to allow lot coverage to remain above 90 percent.

A special exception is requested to allow a slight increase in imperviousness above what the Zoning Ordinance would allow. Today, the existing site is 91.7 percent impervious. The Applicant, with its redevelopment, has decreased the amount of imperviousness, such that the total imperviousness will be 90.5 percent, a half percent more than what the Zoning Ordinance would allow. The need for this special exception (to maintain an existing nonconformity) harkens to how tight of a redevelopment the site is and the balance the Applicant has struck to meet or nearly meet the City's various policies.

8. <u>Section 3.5.1.D.3(a)(1) Special Exception to allow upper level floors to have a clear height less than 12 feet.</u>

The Applicant is using wood frame construction for the Upper Story Residential/Mixed Use building. As such, the maximum height of those beams is 11 feet 11 inches, which fall just shy of the 12-foot minimum required. Recognizing the building material that is being used, the Applicant requests a special exception to allow a clear interior height of 11 feet 11 inches, rather than the 12-feet this section of the Zoning Ordinance would expect.

9. <u>Section 4.3.3B Special Exception to not require an off-site connection to parcel 57-2-22-CG00.</u>

Given the grade change from the Applicant's property to the property directly to its south (parcel 57-2-22-CG00) and the askew alignment that a connection would require, the Applicant is unable to construct an off-site connection as part of this development. Additionally, the Applicant cannot legally modify or interrupt the business operations of adjacent parcels. As such, the Applicant is requesting a special exception to not provide this connection but rather its design would enable this connection, should the adjacent property owner which to make it in the future. Importantly, the Applicant pre-emptively created an off-site connection between the two parcels it owns directly east of where staff is requesting, which has increased the vehicular connections in this area.

Requested waivers from the PFM

In addition to the above-referenced special exceptions, the Applicant seeks relief from three separate sections of the City's Public Facilities Manual (PFM) to recognize existing conditions and the integrated nature of the project.

1. Section 401-01 waiver to allow the sidewalk to be placed in a public access easement adjacent to Blenheim Boulevard, which has a right of way less than 100 feet.

- 2. Section 401-01 waiver to allow local residential streets to be less than 36 feet in width.
- 3. Section 404-06 waiver to allow the entrance to Street 1 to be less than 12 feet from the property line.

The above three waivers are all requested to allow the development as shown on the special exception plan.

Comprehensive Plan Conformance

The City refined its vision for the Property and the larger Old Town planning district in drafting the Old Town Fairfax Small Area Plan. The SAP is the blueprint for the Applicant's proposal, and along with the City's overarching Comprehensive Plan, the redevelopment largely conforms to the goals and recommendations in both.

Comprehensive Plan Adherence and Benefits of the Special Exceptions

Importantly, the Applicant's proposal is consistent with the Comprehensive Plan's overall strategies and objectives. Located within Area 3 – the Old Town Fairfax Activity Center – new development should provide the following benefits: a) a mix of uses within the development site, b) contributions toward a connected street grid, c) usable open space, and d) high quality design. The reimagining of Courthouse Plaza provides all desired benefits, achieving the City's observed goals of an activity center.

This Project will provide approximately 315 units, well within the City's goals for 1,250 units in the area by 2035, and will invigorate the site with refreshed retail. The Applicant will construct two new, private streets to facilitate the desired internal street grid and enhance the pedestrian experience through and around the Property with improved pedestrian and vehicular connections and a new promenade along University Drive. The Applicant will provide important contributions to open space with a new park, interior courtyard amenities for the future residents and a new pedestrian plaza This significant green space will heavily amenitize an area that today is wholly paved. New plazas and enhanced pedestrian realms have also been added to both sides of the property with an entrance plaza at the University Drive/Street 1 entrance and the modification of the abandoned bank drive thru into a 3,000 square foot pedestrian plaza on the eastern side of Additionally, the remaining 1970s-designed and constructed center will be the project. thoughtfully updated and modernized to provide visual interest to the Property while successfully transitioning to surrounding uses, consistent with Action Item CCAC2.1.4 of the Comprehensive Plan to "encourage redevelopment of privately-owned, underutilized sites north and south of Old Town Fairfax, such as the Courthouse Plaza shopping center ... as mixed-use developments."

The Property is designated as an Activity Center on the 2035 Comprehensive Plan Future Land Use Map; the Activity Center Place Type applies to locations in the City where pedestrian-oriented, mixed-use development is strongly encouraged. This is precisely the type of development that is proposed with the Project. The Comprehensive Plan notes that current housing shortages could include multifamily rentals and condominiums, and the Project achieves Outcome H1.1 to develop housing types that are underrepresented in the City's existing stock of housing units and Outcome H2.1 to add affordable housing.

The Comprehensive Plan envisions new development in Activity Centers to support a connected street network as recommended in the Multimodal Transportation Chapter; to provide an improved streetscape and pedestrian connections to surrounding uses, including links to the existing pedestrian network; and introduce inviting public and/or private open spaces. Buildings should be oriented toward streets or open spaces with direct pedestrian access to these areas and parking should be provided in structured or below-grade facilities where reasonable. All of

these Comprehensive Plan goals are achieved with this redevelopment.

As detailed above, the Project will provide new street connections, inviting open spaces, a new building oriented toward University Drive to continue the urban built environment established with The Flats on University, and enhanced pedestrian connections to facilitate enjoyable pedestrian access to and from Old Town. Parking will be structured, in accordance with Comprehensive Plan guidance and the overall update to an outdated commercial center into a modern mixed-use development will achieve the desired design goals identified above and in Actions CCAC2.3.2 and CCAC2.3.3 of the Comprehensive Plan.

The Comprehensive Plan is aware that new residential development could displace commercial uses in Activity Centers and directs such new development to older commercial sites. The Courthouse Shopping Center has been a targeted redevelopment site of the City's for years and the Applicant is pleased to be able to bring forward this project in satisfaction of Actions CCAC1.1.1, CCAC1.1.2, and CCAC2.1.4 of the Comprehensive Plan.

Small Area Plan.

The Application is specifically guided by the goals and recommendations of the Small Area Plan that was adopted in 2020. The Small Area Plan recognizes the limitations on the quality and location of retail frontage (the City as a whole is over-retailed) and states that residential uses are "key to supporting new developments in the Activity Centers" emphasizing that expanding residential choices can help nurture a well-balanced sustainable community. The SAP calls for integrating residential uses to better balance the mix of uses in today's retail-centric areas. The Small Area Plan establishes the following detail and expectations for the Property:

- Six (6) story height limit;
- Grocery store anchor recommended;
- New publicly accessible open space;
- Above grade structured and underground parking to be integrated with site development;
- Retail frontage oriented toward new street and public open space.

The Applicant's redevelopment achieves the above, important goals -- adding residential and new retail oriented toward new streets, structured parking, replacing surface parking, introducing public open space to an area completely devoid of it and adding and reactivating retail conveniently located to the public.

As such, the to-be-created Streets 1 and 2 will be residential streets and are designed in conformance with the standards identified for Typical Active Residential streets in the SAP. Travel lanes are proposed at 10 feet with an 8-foot lane for parallel parking on one side of the street. The streetscape – street trees and the sidewalk - is a minimum of 15 feet along Street 1, 12.5 feet along Street 2 and 10.5 feet along Democracy.

Transportation

A stand-alone shopping center of more than 80,000 square feet is a significant traffic generator with little ability for internal trip capture as all the uses are retail. Per ITE, a shopping center like Courthouse would generate 8,482 daily trips. The Applicant's proposal to remove approximately 13,000 square feet of net retail (25,000 square feet of existing retail would be removed and replaced with 12,000 square feet of new, ground-floor retail) and add approximately 315 units will reduce daily trips by approximately 200 trips, as detailed in the TIA. This is attributed to both the fact that residential units generate fewer trips than retail uses and the internal trip capture that occurs

when a single site integrates a mix of uses. The Project will establish new east-west and north-south streets around the mixed-use building, consistent with the SAP guidance. The existing connections to Blenheim Boulevard will remain in place while the existing connection to University Drive will shift slightly south.

Conclusion

The Applicant understands and respects the responsibility of serving as a long-term member of the Fairfax City community and is looking forward to working in tandem with the City to provide high-quality retail and residential amenities at this important property. The existing auto-oriented and underutilized center is not aligned with the City's and Applicant's goals for the community nor Property, and with the leases to the west of Safeway appropriately aligned, the time is right to introduce the desired residential uses and the Applicant is eager to begin this transformation. If the Applicant misses this window, it will need to re-lease those spaces, thus delaying any meaningful redevelopment at the Property for years to come.

Recognizing the east portion of the property is not being redeveloped, the current proposal does not hinder future redevelopment of the property or neighboring properties in a manner that is consistent with the goals of the SAP. Also, it is important to note that market conditions today do not support the redevelopment of the property. Furthermore, the existing leases on the eastern portion of the property preclude redevelopment for at least ~10 years.

Based on their experience at Pickett, Turnpike and Scout on the Circle, the Applicant believes the proposed project is an appropriate size and scale that can be executed successfully. The Applicant commits to evaluating the redevelopment of the east portion of the site as the lease expirations approach and more information is known about future supply, demand and market conditions.

The Applicant believes a transition to a vibrant, mixed-use development is important for the future success of the community and has laid out a plan consistent with the SAP and respectful of the market and the leases that apply to the Property. The Project will provide necessary improvements to the aging single-story retail center by redeveloping the shopping center into a pedestrian-oriented, mixed-use development providing public open space, affordable and market- rate multifamily housing and thoughtfully activated retail, which will all work in concert to engage the community and provide important resources for the neighborhood and Fairfax City as a whole.

Approval Considerations

(Pursuant to Section 6.17.7.A of the Zoning Ordinance)

1. Ensure the same general level of land use compatibility as the otherwise applicable standards;

The use and building massing proposed with this Application implement the Old Town Small Area Plan and specifically the goals for Area 3 of the Old Town Fairfax Activity Center, which envisions a mix of uses within the development site, contributions toward a connected street grid, usable open space, and high-quality design. The Special Exception requests relating to height and density are the product of an incongruency between the existing CR zoning district and the intention of the SAP, which allows for up to six stories, of which the Applicant proposes and through the appropriate level of density proposed will contribute toward the walkability and vibrancy desired. The Special Exception for ground floor residential uses still proposes some ground floor retail in the proposed building, the retention of extensive retail in the existing shopping

center, and architectural features in non-retail areas to contribute towards the vibrant and mixeduse property proposed. The Special Exception requests relating to tree canopy and street trees are the product of the challenges of infill development, but the end product still results in an increase in tree canopy from what currently exists.

Several Special Exception requests are included to reflect the continuation of existing conditions in locations that are outside of the Building Area but within the Property. These Special Exception requests do not change the level of land use compatibility because there is no development activity proposed in these locations. The end result from the totality of these Special Exception requests is a new community that advances the City's goals for a walkable, urban environment.

2. Not materially and adversely affect adjacent land uses and the physical character of uses in the immediate vicinity of the proposed development because of inadequate transitioning, screening, setbacks and other land use considerations;

The Property is located adjacent to a variety of commercial and institutional uses in an area that is planned for revitalization in accordance with the Old Town Small Area Plan. The development of residential uses at the scale proposed will be compatible with the adjacent multifamily building to the north and supportive of the proximate commercial uses by providing much-needed residential units to economically support the surrounding uses and the vibrancy of Old Town. Several Special Exception requests are included to facilitate this redevelopment project which will introduce the mixed-use building into a built environment. These Special Exception requests will not materially and adversely affect adjacent land uses or the physical character of uses in the immediate vicinity of the proposed development because they are requested to allow a seamless integration of the new building with the built environment. The Project will not adversely affect adjacent land uses but rather contribute to the walkable, mixed-use environment envisioned by the comprehensive plan for the Property and surrounding properties.

3. Be generally consistent with the purposes and intent of this chapter and the comprehensive plan;

The Property is located within the Old Town Small Area Plan and specifically within Area 3 of the Old Town Fairfax Activity Center, which envisions a mix of uses within the development site, contributions toward a connected street grid, usable open space, and high-quality design. The Small Area Plan identifies new buildings and streets on the Property as shown on the Development on Page 7, and this Project advances this vision by providing a new building, street improvements, and the resulting improvements in walkability and vibrancy.

The Property is located within an Activity Center on the 2035 Comprehensive Plan Future Land Use Map; the Activity Center Place Type applies to locations in the City where pedestrian-oriented, mixed-use development is strongly encouraged. This is precisely the type of development that is proposed with the Project. The Comprehensive Plan notes that current housing shortages could include multifamily rentals and condominiums, and the Project achieves Outcome H1.1 to develop housing types that are underrepresented in the City's existing stock of housing units and Outcome H2.1 to add affordable housing.

The Comprehensive Plan envisions new development in Activity Centers to support a connected street network as recommended in the Multimodal Transportation Chapter of the Comprehensive Plan; provide an improved streetscape and pedestrian connections to surrounding uses, including links to the existing pedestrian network; and include inviting public and/or private open spaces. Buildings should be oriented toward streets or open spaces with direct pedestrian access to these areas and parking should be provided in structured or below-grade facilities where reasonable. The Project will provide new street connections along with inviting open spaces within the

Property. The new building will be oriented towards University Drive, continuing the urban built environment that exists with older buildings and the new Flats on University alike, and pedestrian connections and a wide promenade will be created to facilitate enjoyable pedestrian access to and from Old Town. Parking will be located in a structure in order to efficiently use space, in accordance with Comprehensive Plan guidance. The redesign of an outdated commercial center into a modern mixed-use development will achieve the desired design goals identified above and in Actions CCAC2.3.2 and CCAC2.3.3 of the Comprehensive Plan.

The Comprehensive Plan is aware that new residential development could possibly displace commercial uses in Activity Centers and directs new residential development to first focus on lower value commercial sites. The Property contains older commercial uses that are in need of reinvestment and will provide new commercial uses in conjunction with the residential use proposed. This approach to revitalize an outdated commercial use satisfies Actions CCAC1.1.1, CCAC1.1.2, and CCAC2.1.4 of the Comprehensive Plan.

4. Be based on the physical constraints and land use specifics, rather than on economic hardship of the applicant.

The Special Exception requests to provide excess height and density than that allowed by the zoning ordinance represents an incongruency between the zoning ordinance and Small Area Plan and is specific to the land uses proposed on the Property. The Property is in the Old Town Small Area Plan and is designated as an Activity Center in the Comprehensive Plan Future Land Use Map, of which both policy documents envision the Property being used at levels of greater intensity and within the height proposed to advance the City's vision to be more walkable, vibrant, and pedestrian-oriented. The Special Exception regarding ground floor residential acknowledges the tepidity of the market for new retail and seeks to reinvest in the existing retail that will be retained rather than design empty storefronts. The building will remain 'active', as anticipated for mixed-use buildings, through providing some ground floor retail accompanied by thoughtful design in non-retail areas.

Special Exceptions are requested that recognize the challenges of infill development and desires to implement the Comprehensive Plan. The Property consists of almost entirely impervious surface and has existing utilities along the perimeter, creating challenges in achieving the street tree setbacks and lot coverage. While this represents a slight deviation from the zoning ordinance requirements, the end product will improve existing conditions.