

3. SUBTEXT ACQUISITIONS, LLC ZONING MAP AMENDMENT AND HAZEN PROPERTY, MOUNTMULLIN STREET SUBDIVISION, AND J.A.PRALL PROPERTY DEVELOPMENT PLAN

- a. **PLN-MAR-24-00014: SUBTEXT ACQUISITIONS, LLC** – a petition for a zone map amendment from a Single Family Residential (R-1E) zone, a Planned Neighborhood Residential (R-3) zone and a Neighborhood Business (B-1) zone to a Corridor Node (CN) Zone, for 2.13 net (2.80 gross) acres for properties located at 545-549, 553, 563 S. Limestone; 121-123, 127, 129, 131, 133 Prall Street; 118, 120, 124, 128, 134, 138, 140, 142, 146, 150, and 154 Montmullin Street.

COMPREHENSIVE PLAN AND PROPOSED USE

The 2045 Comprehensive Plan, Imagine Lexington, seeks to provide flexible yet focused planning guidance to ensure equitable development of our community's resources and infrastructure that enhances our quality of life, and fosters regional planning and economic development. This will be accomplished while protecting the environment, promoting successful, accessible neighborhoods, and preserving the unique Bluegrass landscape that has made Lexington-Fayette County the Horse Capital of the World.

The petitioner is proposing the Corridor Node zone to establish a high-density mixed-use building. The proposed development consists of a 101-foot tall mixed-use structure, with an integrated 484 space parking structure. The applicant is proposing six stories of multi-family residential units, for a total of 251 units, with 799 bedrooms, and a density of 117.8 dwelling unit per net acre. The request includes 1,700 square-feet of first floor retail space, located along the S. Limestone frontage. A rooftop amenity and pool area is proposed on the top floor of the structure, and courtyard space is proposed within the interior of the structure.

The Zoning Committee Recommended: **No Recommendation**, due to lack of quorum.

The Staff Recommends: **Approval**, for the following reasons:

1. The requested Corridor Node (CN) zone is in agreement with the 2045 Comprehensive Plan's Goals and Objectives, for the following reasons:
 - a. The proposal will address a need for housing, and emphasizes the proposed increase in residential density along a major corridor (Theme A Goal #1.d & 1.d; Theme E, Goal #1.d). S. Limestone and Nicholasville Road are high-volume roadways that connect downtown to major employment and community activity areas.
 - b. The proposed development will be well connected, especially because it is located adjacent to future transit improvements and will improve the pedestrian facilities along Prall Street, Montmullin Street, and S. Limestone (Theme A, Goal #3.b).
 - c. The density and intensity of the proposed development will strengthen demand for transit along the corridor (Theme D, Goal #1.b).
2. The requested Corridor Node (CN) zone is in agreement with the 2045 Comprehensive Plan's Policies, for the following reasons:
 - a. The activation of the first floor with retail, landscaping, and amenity spaces creates a people first/pedestrian friendly design that will create inviting streetscapes. (Design Policy #1, #5, and #6).
 - b. The request responds to the context of the corridor, providing additional density and intensity (Design Policy #4; Density Policy #1 and #2).
 - c. By locating the parking internally, within parking structures, the proposed development enhances walkability and bikeability (Design Policy #7).
 - d. The request will provide additional housing options for this area, which is predominately characterized by student housing in single family structures (Design Policy #8).
 - e. The proposed amenities and open space areas will provide neighborhood-focused open spaces with the interior courtyard and neighborhood-focused retail on the first floor, facing S. Limestone (Design Policy #9 and #12).
3. The justification and corollary development plan are in agreement with the policies and development criteria of the 2045 Comprehensive Plan.
 - a. The proposed rezoning meets the criteria for Land Use, as the request significantly increases the residential density on-site (A-DN-2-1; E-ST8-1), provides for pedestrian-oriented first floor commercial uses along the S. Limestone frontage (A-DN3-1), and helps encourage the success of transit by increasing the residential base near a proposed transit node (E-GR10-1; D-CO3-1).
 - b. The proposed rezoning meets the criteria for Transportation, Connectivity, and Walkability as the request provides connectivity to the adjacent transit stop (A-DS1-2) improves the sidewalk connections along Montmullin and Prall Streets, provides for street trees and commercial uses to create a pedestrian friendly streetscape A-DS5-2), and is transit-oriented (A-EQ5-2).

- c. These proposed rezoning meets the criteria for Environmental Sustainability and Resiliency development criteria, as the site does not impact any environmentally sensitive areas (B-PR2-1), does not remove any significant trees (B-PR7-1), and provides for the addition of street trees along all three street frontages (D-SP10-1).
 - d. The proposal addresses the criteria for Site Design, provides activated first-floor uses and to create an activated streetscape (A-DS5-4), locates the parking within internal parking structures (A-DS7-1), and provides sidewalk connections to the surrounding neighborhood (C-LI8-1).
 - e. The proposed rezoning meets the criteria for Building Form, as it creates a high-density mixed-use development that is in line with the intensification of our corridors called for within the 2045 Imagine Lexington Comprehensive Plan and Imagine Nicholasville Road Corridor Study (A-DS4-2), and creates active first-floor uses along S. Limestone (D-PL2-1; A-DS5-3).
4. This recommendation is made subject to approval and certification of PLN-MJDP-24-00062: Hazen Property, Mountmullin Street Subdivision, and J. A. Prall Property (Verve Lexington) prior to forwarding a recommendation to the Urban County Council. This certification must be accomplished within two weeks of the Planning Commission's approval.
- b. **PLN-MJDP-24-00062: HAZEN PROPERTY, MONTMULLIN STREET SUBDIVISION, & J.A. PRALL PROPERTY (VERVE LEXINGTON)** (11/3/24)* - located at 118-154 (even only) MONTMULLIN STREET, 121-133 (odd only) PRALL STREET, and 553, 563, & 545 S. LIMESTONE, LEXINGTON, KY.

Council District: 3

Project Contact: EA Partners

Note: The purpose of this plan is to depict a mixed-use development with 251 dwelling units and 1,700 square feet of retail space, in support of the requested zone change from a Neighborhood Business (B-1) zone, Single Family Residential (R-1E), and Planned Neighborhood Residential (R-3) zone to a Corridor Node (CN) zone.

The Subdivision Committee Recommends: Postponement. There are questions regarding compliance with meeting the Floor Area Ratio (FAR) requirement for the proposed zone.

Should this plan be approved, the following requirements should be considered:

1. Provided the Urban County Council approves the zone change to CN; otherwise, any Commission action of approval is null and void.
2. Urban County Engineer's acceptance of drainage, and storm and sanitary sewers, and floodplain information.
3. Urban County Traffic Engineer's approval of street cross-sections and access.
4. Correct plan title to match staff report.
5. Addition of record plat information.
6. Addition of tree inventory map.
7. Discuss proposed maximum Floor Area Ratio of 3.6.
8. Clarify 8-foot offset of building along South Limestone.
9. Submit building elevations.
10. Addition of FAR statistics box.
11. Dimension parking garage aisles and parking spaces.
12. Denote parking garage entrances and dimensions.
13. Denote no vehicular access to South Limestone.
14. Denote location of public transit stop or facilities.
15. Discuss Placebuilder criteria.

Staff Presentation – Mr. Daniel Crum presented the staff report and recommendations for the zone change application. He displayed photographs of the subject property and the general area. He stated that the applicant was seeking a zone map amendment from a Single Family Residential (R-1E) zone, a Planned Neighborhood Residential (R-3) zone and a Neighborhood Business (B-1) zone to a Corridor Node (CN) Zone, for 2.13 net (2.80 gross) acres for properties located at 545-549, 553, 563 S. Limestone; 121-123, 127, 129, 131, 133 Prall Street; 118, 120, 124, 128, 134, 138, 140, 142, 146, 150, and 154 Mountmullin Street. Mr. Crum indicated that the applicant is seeking to construct a mixed-use development that is oriented towards student housing. Additionally, Mr. Crum stated that the applicant was selecting the Corridor Place-

* - Denotes date by which Commission must either approve or disapprove request, unless agreed to a longer time by the applicant.

Type and the High Density Non-Residential/Mixed used Development-Type and that Staff found both selections to be appropriate at this location.

Mr. Crum gave some history and context of the area, noting the proximity to the historically African American neighborhood Pralltown, and the changes in character since the 1980's. The area has transitioned towards providing housing for students, owned by various property owners. Additionally, Mr. Crum highlighted the variety of zones, varying from business to residential, as well as the location of the University of Kentucky across S. Limestone from the site.

Mr. Crum gave a preview of the development plan, stating that there would be 799 beds in total, an internal parking garage, with access to Montmullin Street and the ability to circulate onto Prall Street, and an open courtyard that aligns with the University of Kentucky. Additionally, Mr. Crum indicated a number of pedestrian improvements would be installed by the applicant, giving a more pedestrian friendly environment. Mr. Crum also indicated that the first floor would be the amenities and then there would be six floors of residential.

Mr. Crum indicated that the 2045 Comprehensive Plan calls for more density on the corridors into the city and that this application was filling that need. Mr. Crum presented several renderings of the proposed project and noted that the applicant had commissioned a solar study and a traffic study that the applicant would present shortly. Mr. Crum did state that the solar study found that in the winter months there would be significant shade for the properties north on Montmullin. Mr. Crum also noted that the traffic study called for a minimum of a 10-foot sidewalk, the continuation of the "No Turn on Red" signs, pedestrian crossings for ADA compliance on Prall and Montmullin, and to review future signal timings at South Limestone's intersection with Virginia and Prall Street. Mr. Crum indicated that Staff was in agreement with those findings.

Mr. Crum concluded by stating that Staff was recommending approval, and he could answer any questions from the Planning Commission.

Commission Questions – Mr. Michler stated he had concerns about the shade and asked about the discussions about this corridor and how far back it goes into the neighborhood. Mr. Crum explained that the main use of the property would be towards the front of the property near South Limestone and since that was closest to the corridor, Staff was comfortable with the CN zone here. Additionally, Mr. Crum acknowledged the concern with the shade, and indicated that they tried to thread the line on ways to soften the interactions with the remaining houses in the neighborhood.

Mr. Michler stated he also had concerns about the direct impact this development would have on Pralltown in a way that is not rude to the current residents due to the orientation and length of the structure. Mr. Michler asked why Staff was not insisting on the kind of setbacks and step ups that would help the neighborhood get more sunlight. Mr. Crum stated that the Planning Commission has the ability to limit the amount of stories if they think it is too much and that they were welcome to do so if they wished.

Mr. Michler asked for clarification and if Mr. Crum was saying they prioritized density or if that Staff was asking the Planning Commission recommend the building be setback. Mr. Crum repeated his previous assertion and that the solar study did not go into Staff's final determination for approval.

Mr. Wilson asked Mr. Filiatreau about the comment in the traffic study that "traffic impact would be negligible" and asked for elaboration on that comment. Mr. Filiatreau stated that the expected traffic trips that were placed in the model found that a large building like this would not move the needle on the traffic the whole corridor experiences.

Mr. Wilson stated that he had been in that area today and that he was not comfortable with the amount of traffic that was on the corridor and having to turn without a signal.

Ms. Worth asked if pedestrians were considered in traffic studies and Mr. Filiatreau indicated that traditionally it is not focused on.

Mr. Johnathon Davis asked if the traffic study took into account the traffic coming in from the side streets as well as the main corridor. Mr. Filiatreau stated that it is included in the traffic study and it typically calculates using peak hours of highest classified roadway, which is South Limestone.

Development Plan Presentation – Ms. Cheryl Gallt oriented the Planning Commission to the location and characteristics of the subject property. Ms. Gallt indicated that in the revisions, the applicant showed a 15 foot setback off of the adjacent single family residence. Ms. Gallt indicated that their revisions brought down the necessary conditions to sign-offs and to discuss Placebuilder Criteria. Ms. Gallt reminded the Planning Commission that the preliminary development plan acts as though the zoning is in place.

Ms. Gallt concluded by stating that Staff was recommending approval, and he could answer any questions from the Planning Commission.

Applicant Presentation – Nick Nicholson, attorney for the applicant, introduced Mr. Ryan Bumb, who gave a short history of the St. Louis based real estate company. Mr. Bumb indicated that they develop multi-family and student housing and that this project will help meet the critical housing demand in the area and allow more density on a corridor. Additionally, Mr. Bumb indicated that there was a virtual neighborhood meeting on July 29th, and they have had further discussions with neighbors since then and are willing to help address any concerns.

Mr. Nicholson took over the presentation and stated that he had his first at home visit with a resident of Pralltown for about two hours to answer questions. Mr. Nicholson stated that of neighboring sites, 88% are either parking lots or rental dwelling units, which have been confirmed as rentals with the owners' addresses being different from the site. Mr. Nicholson reoriented the Planning Commission to the proposed site and contended that the project is exactly the type of development that is called for in the Comprehensive Plan and would ensure that they can meet the intense demand for student housing in this area. Mr. Nicholson argued that if more developments like the subject application were proposed 40 years ago, there would be more owner-occupied houses still in this area. Mr. Nicholson also noted the inclusion of retail spaces on the first floor of the property.

Mr. Nicholson repeated the numbers presented by Mr. Crum and stated that the property would have 799 beds as opposed to the 60 that are currently available within the site. Mr. Nicholson stated that the applicant wanted to design the entire building with the pedestrian and bicyclist's mindset and that's why the corridor that goes into the first floor of the interior of the building lines up with the pedestrian facilities that lead into the university. Mr. Nicholson pointed out the stacking that made the layout possible and noted that since the committee meetings they have increases the setback from the closest house to allow substantial privacy screening. Additionally, Mr. Nicholson noted the applicant's intention of burying all utilities at this intersection and stated they would work in conjunction with the state and local authorities.

Mr. Nicholson stated that this application provides substantial pedestrian and mass transit infrastructure that is tailor made for what the Comprehensive Plan calls for and ended his presentation by stating they agree with Staff's recommendations and that he could answer any questions for the Planning Commission.

Commission Questions – Ms. Worth asked what businesses that Mr. Nicholson expected to go in the retail space. Mr. Nicholson stated that the types of businesses would be designed for the pedestrians walking along the street and would be similar to other mixed use developments around Lexington.

Ms. Worth stated her concern for students and residents not having access to a grocery store in walking distance, and stated she wished to see a grocery store like that in one of the units. Mr. Nicholson stated that he thought that was a good use for this space.

Mr. Michler thanked Mr. Nicholson for commissioning a solar study after comments from the committee meeting and asked if the applicant had done any simulation on what it would take to get light to those houses in the winter. Mr. Nicholson indicated that their study was directed towards the households directly adjacent to the property and not the houses that Mr. Michler was asking about.

Mr. Johnathon Davis asked if the site allows for the building to be pushed back so that shadow does not affect the houses across the street. Mr. Bump stated that currently the placement of the garage made it, difficult but they had done some setbacks to assist with that problem.

Mr. Johnathon Davis asked if taking off a story of the building would be viable and Mr. Bimb indicated that it would not be.

Public Comment – Bruce Simpson, attorney representing the Pralltown Neighborhood Association, stated his assertion that all the Comprehensive Plans from 1988 to now have had the same language in regard to equity. Mr. Simpson stated that he did not hear Staff or the developer discuss it in relation to the historically African American neighborhood and asserted that this development is another example in the dark history of gentrifying African American communities. Mr. Simpson asked all those who were opposed to this zone and were in support of preserving Pralltown to stand.

Mr. Simpson gave a brief history of the Pralltown neighborhood dating back to the 1850's and stated that this neighborhood has been fighting to not be erased by the University of Kentucky for decades. Mr. Simpson argued that the University of Kentucky has hundreds of acres to put student housing and chooses to rely on private developers going in the neighborhoods around the university. Mr. Simpson stated that the university has been a horrible neighbor to these communities and that gentrification has already taken place in Pralltown due to the transition to rental units in the neighborhood.

Mr. Simpson took issue with the size of the development and asked if the Planning Commission would want this development in their neighborhood and called it "gentrification in plain sight." Mr. Simpson concluded by stating it was time to follow the equitable principles of the Comprehensive Plan and vote to disapprove this development.

Betty Boyd, President of the Pralltown Neighborhood Association, stated that she had lived in Pralltown for more than 70 years and has loved her neighborhood. She stated that she was against this development and asked the members of the Planning Commission if they would want this development in their backyards.

Teresa Forbes-Lopez, 174 Colfax St, stated she was really upset about this zone change and felt that the University of Kentucky should build the housing they need themselves.

Dylan Mears, 545 S Limestone, stated they were against this proposal because it would not be affordable for the potential tenants and would increase the property taxes and rents for those that live close to the development.

Dana Wilber, 939 Jarius Drive, opposed this development because she wants to preserve Pralltown because of its historical significance to the African American community and for her family members that lived in Pralltown.

Rolanda Woolfork, Lexington Historical Black Neighborhood Association, stated she was opposed because a resident stated she was scared she would lose her house and stated this was gentrification.

April Taylor, 709 Bellaire Ave, stated her opposition by accusing, without any evidence, city officials of corruption and stating this was another example of gentrification.

Dr. Austin Zinkle, stated his opposition to this development and his deep concern for the erosion of Pralltown and asked for the Planning Commission to deny the request.

Rabbi Amir Al Khaiat, 152 Woodland Ave, stated their strong opposition to the development because it does not represent the Kentucky values that drew him to the community and accused Planning Staff and the developer of aiding in ethnic cleansing.

Reva Russell English, 1107 N Limestone, stated her opposition to this proposal and asked the Planning Commission to not let an unpleasant present become our entire history.

Tania Whitfield, 671 E Sixth St, stated that she opposed development because according to her, most of the people that live in the neighborhood don't know what the internet is and didn't attend the Zoom meeting. She stated that she did not want the developer to "mess with Pralltown."

Walt Gaffield, 2001 Bamboo Drive, stated his opposition because these units would not be affordable and had concerns about the CN zone and the research that went into it.

Amy Clark, 628 Kastle Road, stated her opposition because the proposed development does not provide varied housing choice and is not in agreement with the Comprehensive Plan.

Duval Headley stated he had concerns about the due diligence of this project and asked who represented the citizens of Lexington in this process.

Applicant Rebuttal – Mr. Nicholson repeated his argument that this kind of development on a major corridor is exactly what the Comprehensive Plan calls for. Mr. Nicholson stated that if there needed to be changes to the site and layout of the building, they would work with the neighborhood to find an appropriate resolution at the time of the final development plan.

Public Rebuttal – Mr. Simpson stated that the missionaries of the Comprehensive Plan had been coming to Pralltown since 1988 and had lead to gentrification. Mr. Simpson stated that the Comprehensive Plan had not been honored because it had not effectively protected the well-being of African American communities like Pralltown. Mr. Simpson stated that it was time for the University of Kentucky to take responsibility for the impact it is creating and to accommodate all their students on their own property.

Staff Presentation – Mr. Crum started by stating that when talking about gentrification, you really look at people being displaced from new developments and not being able to return to those residences. While Pralltown was absolutely founded as an African American community, that is not what it looks like today. With student housing and other factors, this section of the neighborhood is now 76% white, the median age is 22 years old, we are currently looking at properties that have already been re-developed. This section of the neighborhood is student occupied who do not own the property they are living in. Mr. Crum stated that in the affected houses, there is not an African American population that is being displaced with this application. Staff cannot unwind the clock on the development that has already taken place here and will not impact the owner occupied residences that do live in the area. Mr. Crum concluded by stating Staff stands by it's recommendation of approval.

Commission Comments and Questions – Mr. Wilson expressed his appreciation for the members of Pralltown and stated that while it may not be anymore, Pralltown is a historically black neighborhood that was one of the first in Lexington. Additionally, Mr. Wilson explained his experience on a committee about gentrification and how his job as a commissioner is about navigating the different factors, including gentrification, and making a determination based on the information they have. Mr. Wilson also noted finding the balance between what the university needs and what the community is willing to do to help with the university's student housing problem is important too. Mr. Wilson concluded by stating he is very much in support of the community because he understands the impact of gentrification.

Mr. Owens stated that the Planning Commission represented the community and they have to make tough decisions from time to time and take their job very seriously. Mr. Owens stated that Pralltown as it was 45 years ago has changed and the Planning Commission must do what is best for the city.

Ms. Barkdale stated that she liked the idea of preserving communities, no matter how big or small. Ms. Barksdale noted that a lot of developers would throw out the term "affordable housing" but the prices that she saw were not affordable. Ms. Barksdale stated she was conflicted for those reasons.

Ms. Worth stated that she was conflicted as well, and she came here today expecting to vote to approve this application. Ms. Worth stated that she liked the development, but wished that they could place this somewhere else. Additionally, she stated that further down the road she could see residents being priced out of their homes.

Mr. Michler stated he had some of the same thoughts that he had for a development the was close to his neighborhood a few months ago. Mr. Michler stated that he was conflicted with that development and finds the conflict being the historic and cultural fabric of the neighborhood was very important, even if there were not a lot of the original owners left, in his neighborhood, those were his neighbors and they were invaluable. Mr. Michler stated that he thought this development could bring a lot of positive things to the corridor but being respectful and preserving the neighborhood was something he did not think he could ignore. Mr. Michler stated he wanted to see more setbacks so that sunlight could come into the opposing side of the street during the winter time.

Mr. Davis stated that there were aspects of the project he approved of like the interaction with the corner and how it interacts with the university but stated he had concerns about the context, scale, traffic, pedestrian safety and he agreed with the consensus forming.

Applicant Rebuttal – Mr. Nicholson stated that they would be willing to come back to the Planning Commission with more information and continue this application a month so they could meet with the neighborhood a little more.

Commission Comments and Questions – Mr. Zach Davis stated that since this is the first vote regarding a proposed CN zone, he wanted to have all the confidence that this would work and he was not at that point yet.

Ms. Barksdale agreed with Mr. Davis and stated her concerns about how deep the corridor could go and how it would affect the residences here.

Ms. Worth asked for the developers to think of ways that this development could not just serve the university but also serve Pralltown.

Mr. Michler stated that he trusted Mr. Nicholson due to his track record to meet with the neighborhood and stated that he was leaning towards delaying the proposal.

Ms. Tracy Jones stated that a continuation would make sure you would not have to rehash everything that was said today.

Mr. Wilson stated that there had to be clear reasons as to why they are asking for a continuation and his two requests would be for the developer to speak with the neighborhood and work with the people and for the developer to figure out how to serve the full community instead of just the university.

Mr. Wilson asked Mr. Simpson if there were things that the neighborhood would be willing to work with the developer on. Mr. Simpson stated that there would have to be a radical change in the scope and scale for the neighborhood to accept it, but they would be willing to talk.

Mr. Owens stated that he was hearing that the developer was open to making changes and that the Planning Commission should give them that opportunity but stated that he thought that since they approved something similar on Maxwell, he would move for approval of this development.

Action – A motion was made by Mr. Owens to approve PLN-MAR-24-00014: SUBTEXT ACQUISITIONS, LLC but there was no second, so the motion failed.

Action – A motion was made by Mr. Wilson, seconded by Ms. Barksdale and carried 6-0 (Nicol, Penn, J. Davis, and Forester Pohl absent) to continue PLN-MAR-24-00014: SUBTEXT ACQUISITIONS, LLC to the October 24, 2024