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August 1, 2016

Mr. Mike Owens, Chairman
Lexington-Fayette Urban County Planning Commission
200 East Main Street
Lexington, Kentucky 40507

RE: Zone Change Application from I-1 to B-1/B-2A
556, 561, 563, 565, and 576 E Third Street; 225, 261, and 265 Midland Ave;
and 250 Lewis Street

Dear Chairman Owens:

Please be advised that we represent Community Ventures Corporation ("Community Ventures"), which is the owner of 556, 561, 563, 565, and 576 E Third Street; 225, 261, and 265 Midland Ave; and 250 Lewis Street on the east end of Lexington. My client desires to rezone the above-mentioned parcels from their current industrial zoning categories to the Neighborhood Business Zone (B-1) (for 563, 565, 567 E Third Street) and Downtown Frame Business Zone (B-2A) (for the remaining parcels). We believe these parcels can be redeveloped to more effectively serve the surrounding neighborhood in accord with the goals and objectives of the 2013 Comprehensive Plan.

This project is significant in both its scope and potential impact on the community. The East End neighborhood, according to the East End Small Area Plan, originally grew as a result of the American Civil War, and became a hub for Lexington's African-American community. In the age of segregation, the East End provided offices, businesses, and residences for the African-American community. However, in the 1960s, as segregation drew to a close and the age of the suburbs arose, many businesses and individuals relocated from the East End area and left vacant homes, businesses, and parcels.

This is not to say that Lexington has forgotten about the East End, however. Since the first Comprehensive Plan, adopted in 1931, and several times subsequently, the East End has been studied and recommendations made regarding redevelopment and revitalization of this area. In fact, in 1983, the East End Neighborhood Development Plan was developed, emphasizing the need for quality housing choices, improving public facilities, providing for transportation improvements, and improving the character of commercial areas. In 2009, the East End Small Area Plan was completed and adopted, again focusing on similar themes. Notwithstanding the focus on this area, and some notable improvements, redevelopment and revitalization in this area has been slow.

The East End is a neighborhood with many difficulties, but also, with opportunity. The average household income in the East End is about half of Lexington's city wide average. The unemployment rate in this area is the highest in the city. Further, over 600 housing units have been lost in the past decade, and there is only a 21% home ownership rate in the area. The existing environment consists of many vacant lots, lower density development, and unused or underutilized buildings. With a lack of adequate housing and a lack of commercial opportunities (for both purchase of goods and employment opportunities), it is clear the East End is crying out for housing choice and economic opportunity.

Recognizing the need and opportunity in the East End area, Community Ventures has crafted the proposal that is the subject of this application. Community Ventures is an organization premised on strengthening communities by helping people achieve greater economic opportunities. It is dedicated to helping individuals own homes and start businesses. Since its founding in 1982, Community Ventures has helped start or expand over 5,000 businesses, created over 10,000 jobs, and helped more than 600 individuals purchase a home. The East End is precisely the type of neighborhood that Community Ventures seeks to serve. In fact, Community Ventures has had facilities in the East End since 2003.

This rezoning proposal will allow Community Ventures to craft a development that meets many needs of the East End community. The proposal is in accord with not only the principles articulated in the East End Small Area Plan, but also with the 2013 Comprehensive Plan. The proposal provides for mixed use buildings, comprised of both commercial and residential space. The residential space will provide for a mix of market rate and affordable housing. Due to the preliminary nature of the project at this time, particular tenants for the commercial spaces are difficult to identify with certainty, but it is anticipated that the commercial tenants will provide goods and services needed for the community. Additionally, it provides for an opportunity to create a more desirable entrance to the downtown core, as Midland Avenue is one of the gateways utilized by Lexington residents and visitors alike to visit the downtown core.

For ease of discussion, there are two principal sites involved in this application. The "Third Street" site (563, 565, 567 E Third Street) is proposed as one, three-story, mixed-use building, providing for retail on the first floor with residential units above. This site is proposed to be zoned B-1, and includes an application for a height variance. This variance is not to increase residential density, but in fact to allow for a roof feature that can help make the building appear more like the existing neighborhood, notwithstanding its larger size. The "Triangle Site," consisting of the remaining properties, provides for multiple mixed-use structures of varying heights, providing for a mix of residential and retail space. It also calls for the installation of a greenhouse to provide locally grown food, and for community space for area senior citizens. Additionally, underground parking will be provided at this location. The Triangle Site is proposed for B-2A zoning.

In sum, we believe this is an exciting and needed project for the East End of Lexington. We believe this development, coupled with the Town Branch Trail project currently underway by the LFUCG, could begin a rebirth of the East End. This project endeavors to improve the quality of life of residents of the East End while simultaneously providing for the type of entry level employment opportunities and affordable housing opportunities so vitally necessary in this neighborhood. We are extremely excited about this project, and are very proud and honored to bring it forward to the Planning Commission for its consideration. We would respectfully request your approval of this proposal, and we look forward to discussing it with you as we move through the zone change process.

Our conclusion that this rezoning request is in agreement with the 2013 Comprehensive Plan (hereinafter “Comp Plan”) and 2009 East End Small Area Plan (hereinafter “East End Plan”) is based on the following:

Comprehensive Plan

Growing Successful Neighborhoods

Theme A of the Comp Plan embraces several goals regarding residential life in Fayette County. We believe this redevelopment proposal embraces all three Goals articulated in Theme A of the Comp Plan.

Expand housing choices. The objectives of this goal call for housing that addresses “all market needs” for Lexington-Fayette County, including safe, affordable housing for seniors and disadvantaged citizens. This proposal seems to be exactly what this goal of the Comp Plan was seeking (see, e.g., Comp Plan, p. 40). The proposal will provide needed housing stock in both the market rate and affordable categories. It provides the opportunity to reside near the urban core, where there are many job opportunities. It also provides for the opportunity to “live where you work” for individuals that may find employment in the commercial space in the development. Finally, it provides for a variety of housing choices. The East End’s residential selection is primarily, currently, single family houses. This project will provide the additional choice of apartment living.

Support infill and redevelopment throughout the Urban Service Area as a strategic component of growth. This goal is accomplished by identifying areas of opportunity for infill, redevelopment and adaptive reuse that respect the area’s context and design features whenever possible. This project would add necessary residential and commercial space to support the existing neighborhood, as well as provide for growth. As you are no doubt aware, 95% of Fayette County’s population resides within the Urban Services Area (“USA”), and this number is expected to rise by nearly 35,000 people by 2020 (Comp Plan, p. 13). It is anticipated that the USA will reach its capacity within the next 12 to 17 years. Thus, redevelopment is needed to provide housing and services to the ever increasing population within the USA. The Comp Plan calls for quality connections with parks, schools, and stores, and pedestrian friendly streets and amenities (Comp Plan, p. 39). The mixed use

nature of this project is designed to serve both residents of the project and residents of the neighborhood. Additionally, it is in close proximity to Charles Young Park.

Provide well designed neighborhoods and communities. The Comp Plan calls not only for well-designed new developments, but to provide enhancements to existing neighborhoods to increase their desirability (Comp Plan, p. 38). Our proposed development will add needed residential commercial space that is convenient project and East End residents, as well as individuals travelling to or from downtown. The East End currently has a low rate of automobile ownership, so this development can serve those without reliable automobile transportation. However, it will also allow for the opportunity for commuters to patronize development businesses as they traverse this downtown entryway corridor, which will infuse outside capital to the East End. Additionally, this site is served by LexTran Route #10, which will allow residents access to public transportation.

Creating Jobs and Prosperity

Theme C of the Comp Plan embraces goals related to continued economic prosperity in Fayette County. We believe this redevelopment proposal embraces elements of Theme C of the Comp Plan.

Support and showcase local assets to further the creation of a variety of jobs. The Comp Plan notes that a variety of employment is necessary to lead to prosperity for all Lexington residents. Further, the Comp Plan emphasizes the importance of living near your workplace (Comp Plan, p. 74). This proposal will allow new employment opportunities for neighborhood residents that will enable them to walk or ride to work (or, perhaps, just to walk downstairs). In fact, the Comp Plan includes the following passage:

“Adaptive reuse, infill, and redevelopment are not only about preserving farms and important buildings and making better use of existing infrastructure. They are also about putting jobs where people live. Many of Lexington’s businesses – large and small – can thrive as neighbors in and near neighborhoods. Land use regulations should enable opportunities to live where you work” (Comp Plan, p. 74).

As noted above, the East End has lagged behind in employment opportunities. This project will provide commercial space, with a goal of employing area residents.

Attract the world’s finest jobs, encourage entrepreneurial spirit, and enhance our ability to recruit and retain a talented, creative workforce by establishing opportunities that embrace diversity with inclusion in our community. One way to attract new jobs and young professionals to Lexington is by providing entertainment and other quality of life opportunities that will bring a workforce of all ages and talents to the city. The proposed development will allow members of the working community to patronize businesses and obtain needed products or services near

their residences, for those already residing downtown and/or in the East End. This, in turn, will enhance the convenience of living in these neighborhoods, making Lexington a more desirable place to live. Further, it provides for an extremely convenience arrangements for those individuals that will choose to live in or near the development itself. This site is immediately adjacent to the Isaac Murphy Memorial Garden, which is the proposed trailhead for both the Town Branch and Legacy Trail. It is envisioned that this development can provide commercial opportunity not only for development and East End residents, but to those who might be using Lexington's trail system as well.

Improving a Desirable Community

Theme D of the Comp Plan embraces goals related to improving the quality of life.

Provide for accessible community facilities and services to meet the health, safety, and quality of life needs of Lexington-Fayette County's residents and visitors. Among the many amenities contemplated as part of this development is a community space for area senior citizens. Lexington has recently decided to relocate the Senior Center, providing for a new facility better served to meet the needs of Lexington's seniors. This facility, however, is in the area of the former Turfland Mall, which is 4 ½ miles from the East End. As senior citizens, particularly in the East End, may have difficulty travelling this distance given the low percentage of car ownership in the neighborhood, this amenity provides the opportunity to have a gathering place much closer to home. Likewise, there are few gathering places for the general public in the East End. This development contemplates large plaza areas, where residents and customers can congregate.

Maintaining a Balance Between Planning for Urban Uses and Safeguarding Rural Land

Theme E of the Comp Plan embraces goals related to preserving rural land while encouraging growth. We believe this redevelopment proposal embraces elements of Theme E of the Comp Plan.

Uphold the Urban Services Area concept. This goal requires close monitoring of the absorption of vacant or under-utilized land in the Urban Service Area as well as encouraging the compact, contiguous, and/or mixed-use sustainable development within the Urban Service Area to accommodate future growth needs. This project will allow more support of an existing neighborhood, including the provision of additional housing stock, making it more desirable, and thus reducing the demand for new housing and an expansion of the USA.

The Comp Plan also encourages maintenance of this balance by encouraging infill, redevelopment, and adaptive reuse. The project discussed here would involve both infill and redevelopment concepts. The Comp Plan provides guidelines in what it calls "context-sensitive design." This allows for a project to approach the development with an eye towards the exterior and architectural features that reflect, relate to, or are in proportion to

the surrounding neighborhood (Comp Plan, p. 98). Context-sensitive design can quell many of the fears expressed by neighborhood residence when presented with an infill project (Comp Plan, p. 101). Infill and redevelopment are geared towards improvement, reinvigoration, and development of the quality neighborhoods that create compact development, livable neighborhoods, and viable neighborhood commercial centers (Comp Plan, p. 98). The Comp Plan admits that to successfully achieve infill and redevelopment, regulatory change to the Zoning Ordinance must be reviewed on a regular basis (Comp Plan, p. 99). Of course, we are committed to a context-sensitive development. Though the change contemplated is significant for the subject site, this location is located very near the urban core and thus, larger buildings should not significantly impact the neighborhood. Furthermore, the development is almost precisely the type of development called for under the East End Plan.

East End Small Area Plan

The East End Plan was completed in 2009 and provides a vision for the revitalization of the East End neighborhood. The East End Plan articulates thirteen (13) goals for the neighborhood (East End Plan, p. 42). Among the goals addressed by this project are the following:

- *Create housing that is affordable, accessible, and attractive to a diverse range of people.* The mixed income nature of the housing units proposed addresses this goal.
- *Promote new commercial development to create a mix of uses that respects and enhances the residential neighborhoods of the East End.* This project provides for commercial space that is badly lacking in the East End, that can both provide employment and goods and services for East End and development residents.
- *Create a neighborhood where daily needs can be met by walking, cycling, or transit.* The development will include both commercial and residential space, in close proximity to many East End residents. Further, it is located on a LexTran route.
- *Enhance and enliven the streetscape with landscaping, art, and signage.* This project will take underutilized and vacant land and replace it with attractive buildings with appropriate landscaping and signage.
- *Ensure compatibility and encourage a complimentary relationship between adjacent land uses through strong urban design.* The development, though large in scale and size, is located on a primary route to downtown Lexington and on the edge of the East End neighborhood. It is compatible with many of the adjacent commercial uses, and the uses proposed should complement the neighborhood and its needs.
- *Protect and enhance personal health and the environment.* Because of its location in the East End, the development will be walkable for many area residents. This both encourages personal health and decreases reliance on personal automobiles or public transit. Additionally, among many features, the development calls for a greenhouse to provide for locally grown food.
- *Grow a locally based economy that offers opportunities to all residents.* The development will provide for entry level commercial jobs in an area with high unemployment.

This is merely an example of the numerous ways this proposed development comports with the East End Plan. The Development Framework/Preferred Land Use Map in the document calls for mixed-use at these sites (East End Plan, p. 59-60) – precisely what has been proposed. A close reading of the Plan reveals that this is among the variety of projects contemplated, and indeed, encouraged by the Plan.

VariANCES Requested

As is common with most significant projects near the urban core, a few minor variances will be required to create a commercially viable, attractive development that functions internally and with the neighborhood. The following variances are requested:

Third Street Site – proposed B-1 zoning

Height Variance – from 35 feet to 50 feet. This variance is necessitated for a roof feature. It is not contemplated to add additional residential density, but rather, to provide for a pitched roof that resembles roofs of existing buildings in the neighborhood. It also provides for taller ceilings in the commercial space, which make the spaces more marketable. This variance will not impact the public health, safety, or welfare, and is requested in order to integrate with the neighborhood's current character. It is not an unreasonable circumvention of the Zoning Ordinance as it does not provide for any additional density. The urban character of the area, as well as the East End Small Area Plan, contemplate taller buildings at these locations, thus making this unique from general B-1 land. Strict application of the height requirements would be detrimental to the marketability of the commercial spaces. This variance has been requested prior to construction, and thus is not a willful violation of any zoning regulation.

Front Yard Variance – from 10 feet to 5 feet along Withrow Way. This variance is necessitated due to the size of the site. This site actually has three separate street frontages, with Withrow Way functioning more as an alley than a significant thoroughfare. It is narrower than the adjacent streets, and does not provide direct access to any properties that border it. Furthermore, if this frontage was considered a side yard, as the building is oriented towards Third Street, there would be no minimum yard required. This will not have any impact on the health, safety, or welfare of neighborhood residents, nor will it negatively impact the character of the neighborhood. Instead, it is a reasonable request designed to maximize available space for the economic success of the development. Strict application of the Zoning Ordinance may make development of this site infeasible for the purposes contemplated in the East End Small Area Plan. This variance has been requested prior to construction, and thus is not a willful violation of any zoning regulation.

Parking Variance – from 28 spaces to 16 spaces. This variance is necessitated due to the size of the site. It is anticipated that this development will serve area residents, thus decreasing reliance on automobile traffic. Further, the adjacent triangle site has a surplus of

available parking (more than 150 spaces beyond legal requirements). This also does not account for the street parking available in the area. Because of the available parking on the triangle site, as well as street parking, and the desire to serve area residents, this will not have an adverse impact on the health, safety, or welfare of area residents, and will not impact the neighborhood's character negatively. Strict application of the Zoning Ordinance would make the project infeasible financially, and between the two sites, there are more than sufficient spaces to satisfy the legal parking requirements. This variance has been requested prior to construction, and thus is not a willful violation of any zoning regulation.

Triangle Site – proposed B-2A zoning

Front Yard Setback – from 10 feet to 0 feet for both buildings. This variance is requested in order to create a more urban style development for the Triangle site. This variance is appropriate because of the Town Branch Commons/Town Branch Trail project, which is anticipated to utilize space in the right of way along Midland Avenue. This, coupled with open plaza areas for public congregation, demonstrates that functionally, the loss of front yard space will not be noticed by patrons or residents of the development. Furthermore, the Town Branch Trail/Town Branch Commons areas along Midland will also offset the impact of this variance. This variance will not negatively impact the public health, safety, or welfare, nor will it impact the general character of the area. As above, the urban environment, coupled with the recommendations from the East End Small Area Plan, contemplate an urban streetscape. It is not an unreasonable circumvention of the Zoning Ordinance, and in fact, the Town Branch Trail/Town Branch Commons project can effectively serve as the project's "front yard" as it concerns setback from the public street (Midland Avenue). This variance has been requested prior to construction, and thus is not a willful violation of any zoning regulation.

Conclusion

As you can see, this proposal comports with many of the applicable goals and objectives of the Comp Plan and East End Plan. We believe this project is an important first step towards a potential East End revitalization. This development is precisely the sort of development we think should be encouraged in urban neighborhoods like the East End – providing for mixed income housing options while simultaneously providing for commercial space that is badly lacking in the East End – both from the perspective of those seeking employment and those seeking to obtain goods and services closer to their home. With the Town Branch and Legacy Trails both having trail heads in the neighborhood, this is a prudent time to begin investing in this long neglected neighborhood. In short, this project complies with the goals and objectives of the 2013 Comprehensive Plan and 2009 East End Small Area Plan.

[MCBRAYER]

Based on the foregoing, we respectfully request approval of our application as submitted. We look forward to presenting this application to you and discussing it with you. Thank you for your consideration of this request.

Sincerely,



Jacob C. Walbourn
Counsel for Community Ventures

JCW/klm
Enclosures

4841-6791-5828, v. 3