



NICK NICHOLSON
DIRECT DIAL: (859) 231-3950
DIRECT FAX: (859) 246-3649
Nick.Nicholson@skofirm.com

300 WEST VINE STREET
SUITE 2100
LEXINGTON, KY 40507-1801
MAIN: (859) 231-3000
FAX: (859) 253-1093

September 14, 2018

Lexington Fayette Urban County Planning Commission
Lexington Fayette Urban County Government
101 East Vine Street
Lexington, KY 40507

Re: Application for B-4 Zoning for 1033 N. Locust Hill Drive

Dear Members of the Planning Commission:

We represent Citadel Storage Partners II LP and on its behalf have filed a zone change request for the property located at 133 N. Locust Hill Drive (the "Property"). The Property is 3.88 net (4.10 gross) acres and is currently zoned Planned Shopping Center (B-6P) zone. The request is to rezone to Wholesale and Warehouse Business (B-4) zone in order to accommodate a 2-story, 872 unit storage facility, with a majority of the units being entirely indoor.

Citadel Storage may be a new name, but its sister organization Andover Management Group should not be a stranger to Lexingtonians. Andover and Citadel are both owned by John Knapp and Allen Schubert, who have been developing real estate all over Lexington since the 1980's. Andover's development experience covers all types of uses. While examples of its multi-family complexes and condominiums can be found here in town at locations like Beaumont Farms, Lakewood Park, and Shadeland; it also is heavily involved in student housing, retail, self-storage, and office space throughout the country, with Citadel Storage operating its warehousing and self-storage branch. Andover's involvement in Lexington continues today as they expect to begin work soon on Phase 2 of The Harbour at Lakewood condominiums.

Citadel is proposing a 2-story indoor storage complex featuring approximately 128,400 square feet of indoor self-storage and 1,600 square feet of office and retail use. Citadel's well-designed facilities have proven very successful in Louisville, Nashville, and Cincinnati. With this proven track record, this Lexington company is looking to bring its model home. Multi-story, indoor storage is not an entirely new concept in Lexington. There is an existing three-story facility on Bryant Road that is also adjacent to residential developments. Citadel's proposed project will allow for the redevelopment of a vacant business parcel with a different business use all while respecting its neighbors with landscaping buffers and stepdown in intensity as a B-4 zoned property with the proposed use is a better transition between the surrounding B-6P property along Locust Hill Drive and the adjacent Stoney Brooke and Raintree apartment complexes to the north and east of the Property.

This request is in agreement with the Comprehensive Plan as the proposed project meets the Goals and Objectives of the Comprehensive Plan as outlined below:

THEME A: GROWING SUCCESSFUL NEIGHBORHOODS

Goal 2: Support Infill and Redevelopment Throughout the Urban Services Area as a Strategic Component Of Growth.

Objectives:

a. Identify areas of opportunity for infill, redevelopment and adaptive reuse that respect the area's context and design features whenever possible.

Goal 3: Provide Well Designed Neighborhoods and Communities.

Objectives:

b. Strive for positive and safe interactions in neighborhoods, including, but not limited to, neighborhoods that are connected for pedestrians and various modes of transportation.

THEME E: MAINTAINING A BALANCE BETWEEN PLANNING FOR URBAN USES AND SAFEGUARDING RURAL LAND

Goal 1: Uphold the Urban Services Area Concept.

Objectives:

a. Continue to monitor the absorption of vacant and underutilized land within the Urban Services Area.

b. Encourage compact, contiguous, and/or mixed-use sustainable development within the Urban Services Area, as guided by market demand, to accommodate future growth needs.

Goal 3: Maintain the Current Boundaries of the Boundaries of the Urban Services Area and Rural Activity Centers; and Create No New Rural Activity Centers.

The proposal is also consistent with the Comprehensive Plan's Land Use Change Consideration:

1. The change will address a community need...
2. The proposed land use enhances, and is compatible with, adjacent land uses.
8. The existing utility and transportation networks will accommodate the new land use.
9. Underutilized land should be promoted for greater utility, function and/or residential density.
13. The land use should maximize opportunities to accommodate future growth within the Urban Services Area, include land that is underutilized, vacant or planned for a reuse.

Further, the proposal meets several of the key additional considerations for land located outside of the downtown area in the Urban Service Area:

1. A greater intensity of land use should be concentrated along minor and major arterial roadways, and to appropriate quadrants of collector street intersections.
2. Where residential density, and existing infrastructure are adequate to support the use, and the adjacent uses are compatible, the development should create more walkable neighborhoods, neighborhood-oriented businesses and neighborhood amenities.
4. An effective buffer or transition between different intensities of adjacent land uses should be provided.
5. The use shall provide a service deemed beneficial for the immediate area.
6. Developments that improve the livability of existing neighborhoods by adding compatible uses and compatible urban design should be encouraged.
8. Underutilized business land uses should be considered for a possible change to alternative business use...or other neighborhood needs.

This last point gets at the heart of our justification. This site has been underutilized for a long time. Even when the latest tenant, Movie Tavern, was in business – most of the site was vacant parking area. We are proposing a business that is designed to enhance the lives of its neighbors through providing additional space to store items that are not needed on a daily basis. With the significant amount of multi-family and senior living facilities in the immediate vicinity (approximately 2,000,000 square feet of just apartment space is within 2 miles of the Property), self-storage is a clear neighborhood need. While it may not be the use that one thinks about when contemplating ‘neighborhood-oriented businesses,’ this is exactly what the use is at its core: Providing space for the surrounding residents to store possessions that will increase their livable space at home. This is especially true with the senior living facility just down the street. With the recent change in the B-6P ordinance to allow for residential development, it is quite possible that this section Richmond Road corridor will only see an increase in multi-family residential that will increase the demand for this very use. Self-storage will also aid local businesses in addition to the residential users as a typical facility leases around 20-40% of space to local small businesses.

The Applicant also submits that this zone change is justified as the existing B-6P zone for this particular parcel is inappropriate and the proposed B-4 zone is appropriate, especially considering the proposed use and proposed restriction of prohibited uses. The Richmond Road corridor between New Circle and Man o’War is loaded with B-6P and B-3 zones with great visibility and substantial access. These corridor sites primarily target big-box and small-box retail, out-parcels restaurants, and some limited office space. The current owners of the Property, MOW Place, LLC which is operated by Steve and Bret Caller, also own the adjacent Locust Hill shopping center, the Kroger-anchored shopping center across N. Locust Hill, and the adjacent Burlington Coat factory-anchored shopping center. On behalf of the Callers, Equity Management Group indicated that there simply isn’t demand for additional B-6P uses such as retail, entertainment, or office space square footage in the surrounding market – especially on this parcel. The Kroger shopping center has 45,000 square feet of vacant space available to lease. Walmart is about to vacate an additional 125,000 square feet of retail space directly across

Richmond Road on S Locust Hill, with many of the connected small-box tenants expected to follow suit. The reality is that the nearby Hamburg area dominates any and all retail and especially entertainment uses looking to enter the market. Combine this with the fact that there is approximately 300,000 square feet of existing vacant office space just across Man o'War – it is no wonder that the only new development of the surrounding Richmond Road corridor is single tenant out-parcel restaurants & some small box retail beside a strong anchor. These uses are simply not a feasible use for this parcel.

This abundance of alternative locations with vacancies highlights the inappropriateness of B-6P with this particular parcel. It is an incredibly deep parcel with limited visibility, flanked with utility easements, and only a small amount of road frontage – especially in comparison to the other retail focused business zones in the vicinity. This likely is one of the main reasons that Equity Management has only received three calls (one of which was the Applicant) inquiring about the Property in the 5 years that the Property has been available for lease. While the Movie Tavern vacated in the Property in 2015, it had indicated previously that it would not be renewing the 25 year ground lease at its expiration. As such, the Property has been actively marketed for at least 5 years with no response. To contrast the lack of demand for the B-6P uses, the Applicant determined that there is a need for 250,000-300,000 additional square feet of demand for storage space that is unmet by the current market offerings.

Finally, self-storage is an excellent neighbor for residential neighborhoods. There is a very low traffic generation associated with storage. Typically, facilities of this size only have around 20-30 total car trips a day, which represents a significant reduction from the average B-6P use. There is also a noted reduction in noise pollution with indoor storage units. There are no late night deliver trucks or a mass exodus of cars after a late movie lets out. This low intensity is likely why many of the existing self-storage uses, such as the nearby Stor-All facility, are adjacent to or in very close proximity to residential uses. After all, convenience for the customer is always a top priority for any new business. The facilities proposed by the Applicant also enhance the neighborhood friendly nature of this use. The multi-story, indoor storage eliminates any noises associated with outdoor storage, is able to provide a significant amount of the demand for this use without requiring a substantial amount of acreage. Simply put, self-storage is one of the few uses that can work on this site-restricted parcel to successfully impact needed density in this small of acreage with little to no detrimental impact on the surrounding residential uses.

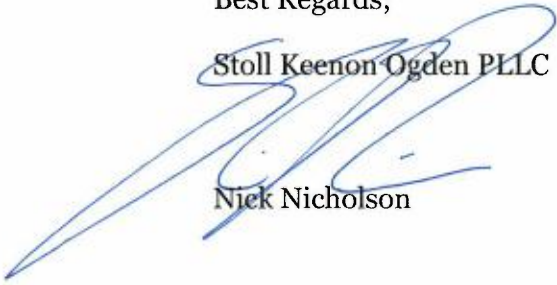
While some uses in the Wholesale and Warehouse zone can be difficult neighbors, indoor self-storage is an ideal use in this location. The Applicant is proposing to conditionally restrict the types of uses on the Property similar to other B-4 zone changes driven by self-storage operations to prevent any uses allowed in the B-4 zone that might be ill suited for the Property due to the proximity to the adjacent residential uses. I've attached a proposed list to this letter.

We will be at the September public hearing in order to make a complete presentation of this application and request your favorable consideration.

Lexington Fayette Urban County Planning Commission
September 14, 2018
Page 5

Best Regards;

Stoll Keenon Ogden PLLC

A handwritten signature in blue ink, appearing to read 'Nick Nicholson', is written over the printed name. The signature is stylized and fluid.

Nick Nicholson