

2. 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 (11/3/24)*** – 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.

Note: The Planning Commission continued this application at the September 26, 2024 meeting.

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

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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 reintroduced the Planning Commission to the specifics of the proposed development and noted the updates proposed by the applicant since the continuance. Mr. Crum indicated that the applicant has proposed an increase from 15 to 30 feet of buffer area from the nearest residential home, they have reduced the height of the building from six to five floors, and increased the amount of commercial space. Additionally, the applicant committed to improve the neighborhood by giving \$1.5 million dollars to the Lexington Affordable Housing Trust Fund or adding 16 affordable housing units to the

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development, and giving \$150,000 to improve the nearby Lou Johnson Park. In addition to those concessions, Mr. Crum indicated that the development plan reflected a change that included the applicant's improvements to pedestrian safety.

Mr. Crum concluded by reiterating that Staff is still recommending approval and could answer any questions from the Planning Commission.

Commission Questions – Mr. Nicol asked for confirmation on if the applicant was proposing \$1.5 million dollars or 16 affordable housing units. Mr. Crum indicated that that was the case.

Applicant Presentation – Mr. Nick Nicholson, attorney for the applicant, handed over the presentation to Mr. Mitchell Korte who gave a brief overview of what they are proposing along with an update on their neighborhood engagement. Mr. Korte stated that they went back to drawing board and meet with the neighborhood two more times to get to the “ambitious” and “impactful” resolution that they are bringing forward today.

Mr. Korte indicated that the changes included increased setbacks, reduced heights, more retail space, parking and smart alternatives, and either 16 affordable housing units on the property or a \$1.5 million dollar contribution to the Lexington Affordable Housing Trust Fund, as well as \$150,000 updates to the neighborhood park, and walk out units with stoops on Montmullin Street.

Mr. Korte concluded by stating that he was happy to answer questions from the Planning Commission.

Commission Questions – Mr. Pohl asked what the outside of the building would be comprised of and Mr. Korte indicated that it was early, but right now it is a mix of brick, fiber cement and metal paneling.

Mr. Wilson asked who manages the Affordable Housing Trust Fund that the applicant mentioned and would that be earmarked for Pralltown. Mr. Korte stated that it was the City of Lexington's fund and that the funds could be potentially earmarked, because it's more about the availability of a site then a specific neighborhood.

Ms. Worth asked if there was a discussion about placing solar panels on the roof of this building. Mr. Nicholson stated that there was not, because they are using green infrastructure on the roof that would conflict with doing solar.

Mr. Penn asked Mr. Korte who the four bedroom units would be marketed for. Mr. Korte stated that there were a variety of types of apartments, but the four bedroom/four bathroom units would be marketed to students, but there was some opportunity to market the four bedroom/two bathroom to families. Mr. Korte continued by stating they had various types of apartments, even though he did think it would ultimately be predominantly students.

Public Comment – Bruce Simpson, attorney representing the Pralltown Neighborhood Association, began by having all the members of the audience who were against this development to stand and a majority of the room stood in opposition. Mr. Simpson stated that he was not disputing that the development was handsome and nice, but the neighborhood has a problem with the location. Mr. Simpson made the assertion that the University of Kentucky did not want to build student housing so they rely on private developers to make up the difference. Mr. Simpson argued that Pralltown is a target rich environment, and allowing this development to come, means that it is only a matter of time before there will be similar developments on Montmullin and Prall Street. Mr. Simpson stated that this case sets a dangerous precedent and that the donation to the Affordable Housing Fund was legally impermissible. Additionally, Mr. Simpson stated that the parking concerns by the neighborhood had not been dealt with.

Mr. Simpson concluded by stating that this development was “gentrification on steroids” and by approving this, the Planning Commission is assisting in Pralltown's extinction.

Applicant Rebuttal – Mr. Nick Nicholson stated that they are not displacing anyone and are taking what is already student housing and expanding it. Additionally, Mr. Nicholson stated that this corridor was specifically identified in the Comprehensive Plan and a private developer saw that and proposed this development. Speaking on the donation to the Affordable Housing Trust Fund, Mr. Nicholson argued that it happens all the time and disagrees with Mr. Simpson assertion that it was legally impermissible. Mr. Nicholson stated that times change and the way people commute changes, and the research shows that this generation just does not drive as much. Mr. Nicholson stated that this development makes significant improvements to pedestrian

facilities and articulated the many changes they had made after talking with the neighborhood. Mr. Nicholson concluded by stating he could answer any questions from the Planning Commission.

Public Comment – Teresa Forbes-Lopez, 174 Colfax St, stated her opposition and that the community does not agree with the changes due to the lack of equity and that the University of Kentucky should deal with their student housing problem on university land.

Duval Headley, stated he had concerns about the due diligence of this project and the parking. Noting that he's had six cars parked in his yard by people who should not be there.

Eric Burton, 513 Lin-Wal Road, stated his opposition because he's been a part of Pralltown for four generations and begged the Planning Commission to disapprove the application.

Larry Price, 133 Montmullin St, stated he did not mind progress, but the price for this is at the expense of Pralltown.

Dylan Mears, 545 S Limestone, re-affirmed their opposition to the development and noted that people their age do not have cars because they cannot afford them.

Mary Finn, stated her opposition because she thought that this development would destroy the neighborhood and noted her family's ties to Pralltown going back 140 years.

Walt Gaffield, 2001 Bamboo Drive, stated his opposition because Lexington has a history of eliminating African American neighborhoods, and this would do just that.

Richard Moloney, former councilmember, stated his opposition because it does not fit with the context of the neighborhood and took issue with the \$1.5 million dollar donation.

Timothy Mitchell, 1087 Oakwood Drive, asked the Planning Commission to reject this proposal because the people of Pralltown would not be able to afford the affordable housing, and took issue with the developer not knowing how much a unit would cost.

Jacques Wigginton, 442 Elm St, stated his opposition and compared developers to piranhas who will exploit African-American communities.

Margaret Ann Harris, Colfax Street, stated her opposition because she has seen projects displace families and is afraid that this will happen if this development is built.

Rolanda Woolfork, Lexington Historical Black Neighborhood Association, stated her opposition because she was displaced and that the money proposed would not be used for Pralltown.

Commission Questions – Ms. Barksdale stated that she appreciated hearing from the neighborhood and she understood the significance of Pralltown. She stated they have been tasked with a difficult choice and asked what they can do to protect homeownership in Pralltown and how do we stop more from coming into the neighborhood.

Mr. Nicol stated he agreed with Ms. Barksdale and commended the passionate neighbors for coming to the meeting and stating their case. Additionally, Mr. Nicol stated that he did not think that this development would encroach on the neighborhood, but stated he had concerns about the parking for the neighbors.

Mr. Wilson stated that the Comprehensive Plan called for the protection of communities and for that and other reasons he was going to stand with the people of Pralltown and vote against this development and that the people of Pralltown are doing the right thing.

Mr. Michler stated that this was a difficult decision and hearing all the neighbors here was a testament to that community. Mr. Michler stated that this property is at a turning point and that the Comprehensive Plan is truly trying to make more equitable, safe, and walkable neighborhoods, and no matter how he votes, he will have regrets either way. Additionally, Mr. Michler stated he appreciated the changes made by the applicant and he valued the opportunity for new people to be able to live in this community, if approved.

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Mr. Pohl stated that he agreed with Mr. Michler and that this was one of the most difficult proposals he's ever dealt with. Mr. Pohl stated that he wished that the developer had looked at Pralltown as an amenity and worked with them as closely as they did with the University of Kentucky. Mr. Pohl stated that he thought the proposal today was closer to what he would have liked, the development would not penetrate into the neighborhood, and the development is perfectly aligned with the CN zone.

Mr. Owens stated that he thought that the changes made by the applicant and that they were better for the neighborhood. Mr. Owens stated that Pralltown may not look the same as it did 50 years ago, but the history there will be there forever. Additionally, Mr. Owens stated that he thought it was in line with the Comprehensive Plan for all of Lexington and a similar property was just approved on Maxwell Street.

Ms. Worth stated that the Comprehensive Plan talks a lot about equity, but the city government has not passed an ordinance to protect rural hamlets and other communities. She stated that she is torn because she values what this community has, but stated she was going to have vote no on this application because it is in the wrong place.

Mr. Penn stated that at some point the city has to look at the University of Kentucky and say enough is enough and that it is up to the university to build their own housing. Mr. Penn indicated that he would be voting against this development.

Mr. Pohl stated there was a reason for our housing shortage and it is because we make it so difficult to build housing nationwide.

Action – A motion was made by Mr. Owens, seconded by Nicol and failed 4-5 (Z. Davis and J. Davis absent) to approve PLN-MAR-24-00014: SUBTEXT ACQUISITIONS, LLC for reasons provided by Staff.

Action – A motion was made by Mr. Wilson, seconded by Ms. Barksdale and carried 6-3 (Z. Davis and J. Davis absent) to disapprove PLN-MAR-24-00014: SUBTEXT ACQUISITIONS, LLC because the requested Corridor Node (CN) zone does not agree with the 2045 Comprehensive Plan's Theme A, Goal 2, Objective B because it does not respect the context and design of the area's surrounding development project. The requested Corridor Node (CN) zone does not protect existing housing affordability for all and expand low and middle income housing across the city, and specifically in this surrounding neighborhood. The requested Corridor Node (CN) zone increases density far past the major corridor negatively impacting density within the existing residential neighborhood. (Theme A, Goal 1, Objective B).