



**REQUEST  
PROJECT**

Concept, Modification, and OHM Review  
Paseo Tower 2

**Council District  
Requested by**

19 – O’Connell  
Ryan Terrell, ESa, applicant; Andrew Donchez,  
SomeraRoad Inc., owner.

**Staff Reviewer**

Islas

**Staff Recommendation**

Approve with conditions and defer without all conditions

**Applicant Request**

A request to approve a concept plan and modifications to step-back and overall height for property located at 0 8<sup>th</sup> Avenue South and 701 7<sup>th</sup> Avenue South, zoned DTC (0.85 acres), and within the Gulch South Subdistrict of the DTC.

**Project Overview**

The project proposes a 30-story hotel/condo building consisting of 112 residential condo units, 180 hotel keys, 4,500 square feet of retail space, and 393 parking spaces across five underground levels.

Paseo Tower 2 is located northeast of the intersection of 8th Avenue South and Division Street, directly behind the Historic Voorhees Building. This proposal comes on the same site as an OHM approved by MPC and considered by the DTC DRC in March of 2021 – Voorhees Tower 2. The new proposal, Paseo Tower 2, builds and expands on the previous plan.

The broader Paseo South Gulch project proposes a pedestrian-oriented, campus-like setting that includes two renovated historic structures and several new mixed-use towers. The towers are at various stages in the review process:

- Paseo Tower 1 – a 16-story residential tower approved by-right in February of 2022; modifications were approved by the DTC DRC in March of 2021.
- Paseo Tower 2 – a 30-story hotel/condo tower seeking an OHM as part of this application.
- Paseo Tower 3 – a 30-story residential tower that will be seeking an OHM later.
- Paseo Tower 4 – a 22-story office tower that is joined to Tower 3 at the podium.

**Plan Details**

Paseo Tower 2’s only frontage is on a portion of 7th Avenue South, a tertiary street per the DTC, that currently terminates at the CSX railroad lines adjacent to the property. Due to this, the eastern façade is generally thought of as the back of the building. Tower 2’s only vehicular entrance is off Fogg Street, which was abandoned in 2019, and is now a private drive. The building’s primary pedestrian entrances are on Fogg Street (the lobbies for the hotel and residential condos) and the pedestrian-only passage between the Historic Voorhees Building and Tower 2 (a restaurant and a vestibule for public garage elevators). Service and loading are proposed to occur from an access point on 7<sup>th</sup> Avenue South. Ride-share and hotel drop-off will occur along Fogg Street.

Most of Tower 2’s southern façade will directly abut the podium of Paseo Towers 3 and 4. The southwestern corner of Tower 2 will abut a new pocket park associated with Paseo Towers 3 and 4.



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### MODIFICATION REVIEW

#### 1. Step-back Modification

- Required: A 15' step-back, between the 4<sup>th</sup> and 8<sup>th</sup> stories, is required for all buildings 8 stories or greater fronting public streets.
- Request: Eliminate the step-back requirements along 7<sup>th</sup> Avenue South due to low pedestrian foot traffic.
- Analysis: While the required step-back does not occur along the entire length of the 7<sup>th</sup> Avenue frontage, a step-back does occur at the 4<sup>th</sup> story for the southern portion of the structure. This separates the building's podium from its tower. Additionally, with 7<sup>th</sup> Avenue being the rear of the building, less pedestrian activity is expected. Thus, staff is supportive of the proposed modification request to the step-back requirement.

#### 2. MCSP Modification

- Required: Dedicate 8' of ROW on the west side of the 7<sup>th</sup> Avenue South centerline, and provide an 8' wide pedestrian zone and 4' wide green zone. The final streetscape width would be 56' and would include on-street parking on the west side of the street.
- Request: Dedicate 1.2' of ROW on the west side of the 7<sup>th</sup> Avenue South centerline, and provide a 9' wide pedestrian zone and eliminate the required green zone and on-street parking on the west side of the street.
- Analysis: When the MCSP requirements were put in place, 7<sup>th</sup> Avenue still bridged over the CSX railroad and was a direct connection between Lafayette Street and Division Street. With the bridge demolished and the connection lost, it is reasonable to expect less activity at this location. However, with 7<sup>th</sup> Avenue's proposed connection to Fogg Street, there will still be vehicular and pedestrian through movement. NDOT and Planning Staff are supportive of eliminating the proposed on-street parking along the west side of 7<sup>th</sup> Avenue South. This reduces the final streetscape width from 56' to 48', meaning this project is only responsible for dedicating 4' of ROW. NDOT and Planning are not supportive of adjusting the pedestrian zone and/or green zone requirements outlined in the MCSP. A condition has been added to the staff recommendation that will require the applicant to continue working through this with NDOT and Planning.

#### 3. Overall Height Modification

- Required: 10 stories are permitted by-right, in the Gulch South subdistrict. An additional six stories can be earned using the Bonus Height Program for a total of 16 stories.
- Request: 30 stories.

The process for an Overall Height Modification is outlined in the DTC as follows:

- 1) *The Executive Director of the Planning Department shall determine whether the development has made reasonable efforts to pursue all appropriate bonuses available in the Bonus Height Program.*
- 2) *The applicant shall hold a community meeting providing notices to all property owners within 300 feet.*



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- 3) *The Planning Commission shall review the modification request and may grant additional height for exceptional design, including but not limited to unique architecture, exceptionally strong streetscape, contribution to the skyline, improvement of the project's relationship to surrounding properties, and improvement to the character of the neighborhood. In some instances, consideration may be given where a project results in implementation of significant community improvements (e.g. quality open space, upgrading public infrastructure, or others determined by the policies of Metro departments) and/or contributes to the implementation of community improvements determined by the policies of Metro departments.*
- **Bonus Height Program:** A Determination Letter, signed by the Executive Director of the Planning Department, is attached to this staff report, and states the development has made reasonable efforts to use all appropriate bonuses available in the Bonus Height Program. The Historic Building Preservation bonus has been used to add Historic Landmark Overlays to the Historic Antiques Mall and the Historic Voorhees Building and transfer unused entitlements to Paseo Tower 2. Additional bonuses being utilized include Underground Parking, Public Parking, and Pervious Surfaces.
  - **Community Meeting:** The applicant held a community meeting on Tuesday, May 3 at 5:30 P.M. and sent notices to property owners within 300 feet. Details of the community meeting will be provided at the DTC DRC meeting on May 5.
  - **Exceptional Design Analysis:** The architecture of Tower 2 presents alternating modules of glass and metal on the upper levels create a visually dynamic texture in the skyline. Meanwhile, the masonry podium grounds the building at a similar pedestrian scale to that of the Historic Voorhees building and provides a contemporary interpretation of its industrial character in the form of materials, façade articulation and division.

The preservation and renovation of the Antiques Mall and Voorhees Building as Historic Landmarks brings new purpose to these buildings. Furthermore, the inclusion of them as part of the broader Paseo South Gulch project, contributes to the Gulch neighborhood's character that blends old and new together.

A series of connected pedestrian-only outdoor areas and passages have been proposed throughout the Paseo South Gulch project site. Together, along with the sidewalks on Fogg Street, 8<sup>th</sup> Avenue South, and 7<sup>th</sup> Avenue South, a cohesive atmosphere has been created. Pedestrians can use these passages to access various retail and lobby entries that front them. Spaces for outdoor dining, street trees and other landscaping throughout contribute to a vibrant and active streetscape.

The Paseo Tower 2 site is also set to include a new connection between Fogg Street (private) and 7<sup>th</sup> Avenue South, which will improve connectivity by linking two dead-end streets. The specific details of this street connection and design are key to the functionality of the overall site. Additionally, a HAWK signal and crosswalk, to



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be installed across 8th Avenue South, will further connect the Paseo South Gulch project site to the rest of the Gulch neighborhood, and provide a necessary pedestrian crossing of 8th Avenue.

Tower 2 includes several key attributes that positively impact the surrounding neighborhood. First, by including entirely underground parking, the project uses all its proposed building height for active uses. And finally, the applicant has agreed to a deed restriction to prohibit the conversion of their residential condo units to short term rental (STR), which guarantees the new housing units remain in perpetuity.

- Supplemental Policy Considerations: In addition to these considerations, this property is part of the Division Street Supplemental Policy within the Downtown Community Plan. This supplemental policy that was put in place after the construction of the Division Street Viaduct reads as follows:

*Properties along the Division Street Extension may be considered for high-rise building height (20 stories and taller) in exchange for public benefits provided by the development, including, but not limited to, affordable and workforce housing, the Downtown Code's Bonus Height Program, modification processes, or rezoning to a Specific Plan. Building design should also result in a unique architecture that seeks to improve the public realm and city skyline.*

Paseo Tower 2 has maximized the DTC Bonus Height Program available to the site, and results in unique architecture that adds to the city skyline. The proposed building height of 30 stories falls within the range that the supplemental policy deems acceptable for this site.

### **STAFF RECOMMENDATION**

The project aligns with the goals and objectives of the Downtown Code. Staff recommends approval with the following conditions and deferral without all conditions:

1. All bonus height actions identified in this application, including those that require a deed or restrictive covenant, must be approved prior to building permit approval.
2. The applicant shall coordinate with NDOT on any proposed traffic improvements that result from the project TIS.
3. If implementation of final TIS recommendations has a substantial effect on the building or site design, revisions to these plans shall be reviewed by the DTC DRC.
4. All overhead lines along the site's frontages shall be buried.
5. The proposed residential condo units shall not be converted to a short-term rental use, memorialized by a deed restriction or covenant, as reviewed by Metro Legal.
6. The applicant will continue to work with NDOT and Planning Staff to refine the connection between Fogg Street (a private drive) and 7<sup>th</sup> Avenue South (public ROW), and the related MCSP and ROW requirements on 7<sup>th</sup> Avenue, to ensure a safe and easily navigable experience for pedestrians, and vehicles, including in the location where Tower 2 extends over the streetscape.



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7. Prior to Final Site Plan review, the applicant will provide elevations and sections that explain the relationship between the south-facing façade of the Tower 2 and the abutting north-facing façade of Towers 3 and 4 to ensure that the condition does not have a negative impact on the proposed pocket park.