



May 15, 2019

Lucy Kempf, Executive Director
Metropolitan Nashville Planning Department
800 Second Avenue South
Nashville, Tennessee 37201

Subject: Downtown Code Overall Height Modification Request
Summary of Bonus Height Program Efforts and Exceptional Design
Meriting Height Modification
231 Third Avenue North (the "**231 Building**")
Hotel Indigo Expansion (the "**Project**")
Nashville, Tennessee
Gresham Smith Project No. 42957.00

Dear Ms. Kempf:

Pursuant to your request, we are sending to you, on behalf of applicant TN Annex, LLC, a Delaware limited liability company ("**Applicant**"), a summary of the above-referenced Project, Applicant's efforts to utilize the Bonus Height Program for Project and the Project's exceptional design meriting an overall height modification under the Downtown Code. This letter is submitted concurrent with and as a part of Applicant's Application for Overall Height Modification. Below, we:

- (1) Provide a description of the Project;
- (2) Address Applicant's reasonable efforts to use all appropriate bonuses available under the Bonus Height Program; and
- (3) Detail the Project's exceptional¹ design characteristics, which merit an overall height modification.

Applicant believes that the Project's exceptional¹ design and contribution to urban density merit an overall height modification.

1. DESCRIPTION OF THE PROJECT

The Project includes the proposed construction of a 15-floor addition² to the Building on the real property parcel located at 231 3rd Avenue North in Nashville (the "**Property**"). The Project's purpose is the expansion of the adjacent Hotel Indigo structure, located at 315 Union Street and 235 3rd Avenue North (the "**315/235 Building**"), which is owned by Applicant's affiliate, to add approximately 120-130 new guest rooms, street level event space and a roof top bar. The intent is to also activate the restaurant space into Printers Alley. The historic façade of the 231 Building would be preserved and incorporated into the Project.

The Property is in the T6 Downtown Core Historic Subdistrict. Corner properties in the Core Historic Subdistrict are entitled to 10 stories by right, whereas mid-block

¹ Per DTC I p.14

² Net of demolition of the existing two-story building.

Genuine Ingenuity

222 Second Avenue South
Suite 1400
Nashville, TN 37201
615.770.8100
GreshamSmith.com



properties are entitled to six stories by right.³ It is Applicant's position that, because the Project will be connected to and operated as a single business with the 315/235 Building, it should be considered a corner property entitled to 10 stories by right. Recognizing that the Planning Department may take a different position, Applicant has prepared this correspondence to demonstrate its efforts at achieving available bonuses under the Bonus Height Program.

Regardless of whether the Property is considered a mid-block or corner property, the applicable Bonus Height Maximum in the Core Historic Subdistrict is 10 stories.⁴ Because the planned total height of the Project is 15 stories, Applicant is seeking an overall height modification pursuant to Section I, page 14, of the Downtown Code ("DTC").⁵

2. REASONABLE EFFORTS TO USE ALL APPROPRIATE BONUSES AVAILABLE UNDER THE BONUS HEIGHT PROGRAM

Applicant has made reasonable efforts to use appropriate bonuses under the DTC Bonus Height Program.⁶ Buildings in the Core Historic Subdistrict are entitled to participate in just two of the nine Bonus Height Program categories: inclusionary housing, addressed in subsection (A) below; and historic building preservation, addressed in subsection (B). Each of those programs provides a potential for four stories of Bonus Height, capped at the applicable Bonus Height Maximum. In subsection (C) we address exceptional design features of the Project, which align with other bonuses which are not available in the Core Historic Subdistrict. In subsection (D) we detail unsuccessful efforts to obtain a transfer of unused Bonus Height Program credits from other owners⁷, and, in subsection (E) we discuss the infeasibility of limiting the height of the Project to 10 stories.

A. Inclusionary Housing

The 231 Building Property is being developed as a hotel. Therefore, the provisions of Zoning Code, Section 17.40.780, and the inclusionary housing Bonus Height Program category, are inapplicable.

B. Historic Building Preservation

While the 231 Building will not be preserved in its entirety, Applicant is committed to the preservation of the 231 Building's façade into the Project in a complementary manner. The façade will remain in place and contribute, as it has since approximately 1902, to the 3rd Avenue North streetscape.

In response to feedback from the Historic Zoning Commission ("HZC"),⁸ new vertical construction will be set back six (6) feet from the back of the historic façade. This will accentuate and frame the historic façade streetscape.

See attached architectural renderings and related information (the "**Attachments**") for design details.

C. Design Features Aligning with Other Bonuses

i. Publicly-Accessible Open Space

In addition to bonuses for which the Property is eligible, the Project will include exceptional and unique design features which align with the goals of the Publicly-Accessible Open Space bonus category.

³ DTC, § II, p. 24

⁴ DTC, § IV, p. 99

⁵ Undesignated section and page references are to the DTC. Capitalized terms not otherwise defined in this letter have the meanings given them in the DTC.

⁶ DTC, § IV, p.93, et seq.

⁷ DTC, § IV, p. 93.

⁸ HZC had recommended a thirty (30) foot setback. A setback of that size is not feasible given the Project's other features. However, the smaller setback was implemented in response to HZC's feedback and results in a more prominent exposure for the historic façade.



As demonstrated in the Attachments, the Project will allow Applicant to rework the 315/235 Building's first floor to activate the Printers Alley elevation. Specifically, the Printers Alley side of the 315/235 Building will be improved by installation of new wall-wash lights; expansion of existing windows with retractable doors which open into the alley; installation of up-lights to highlight upper windows; installation of new pavement and planters; and the addition of Printers Alley signage at the Union Street corner. This will activate and create a pedestrian friendly environment at the Union Street end of Printers Alley, including a Printers Alley pedestrian entrance to the hotel restaurant.

As also shown in the Attachments, pre-function event space frontage on 3rd Avenue will engage and improve that streetscape.

ii. Infeasible Bonuses

Due to the nature of the Project, it is not feasible for Applicant to address certain other Bonus Height Program categories in its design. First, because the 231 Building occupies the Property's entire footprint, and due to the infeasibility of implementing a "green roof" on the 231 Building, Applicant was unable to incorporate design features addressed in the Pervious Surface bonus category.

Second, because all portions of the Project will be used as a hotel and associated event space in addition to the fact the property runs from property line to property line, Applicant cannot dedicate a portion of the Project for use as a Civil Support Space. Applicant was also informed by Tom Turner, President and CEO of the Nashville Downtown Partnership, that incorporation of Printers Alley district consolidated waste management facility (e.g., trash or recycling receptacles for the entire length of Printers Alley) into Printers Alley is not a desired or suitable use of the alley. Mr. Turner and the Downtown Partnership want to attract more customers to Printers Alley for food, beverage and entertainment, not develop pest / garbage facilities that might frustrate that plan.

Third, due to the nature of the Project being an addition to an existing hotel, it is not possible to earn enough points to be LEED certified. The design intent is to connect to and share existing systems from the 315/235 Building. A checklist for LEED v4 BC+C: Hospitality is included as an attachment. The LEED checklist achieves only 25 points of the required minimum 40 points.

Finally, the Property does not – and as currently configured cannot – include above or below-ground parking facilities. As such, use of the Public Parking Upper Level Garage Liner and/or Underground Parking bonuses is not possible.

D. Efforts to Transfer Bonus Height Credits from Other Owners

Based on information provided by the Planning Department, Applicant made efforts to purchase Bonus Height credits from a number of owners. Unfortunately, those efforts have been unsuccessful. We note that, based on the Planning Department's records provided to us, no holder of Bonus Height credits has transferred them to any entity other than an affiliate. The contacted owners stated, as if in sync, that they are preserving future development rights for their own projects.

E. Suggestion that Project's Height be Reduced to 10 Stories

The HZC suggested that the Project's total height be reduced from 15 to 10 stories. However, the associated reduction in the number of hotel rooms and therefore in projected room-night revenue, would make the Project economically infeasible.

Additionally, as shown in the attachments, reducing the Project's height to 10 stories greatly reduces the cohesion of the 231 Building's design with that of the 315/235 Building. It would also cause the Project's height to be an outlier on this segment of 3rd Avenue. The Stahlman Building across 3rd Avenue at 211 Union Street (the "**Stahlman Building**") is comparable in height to the 315/235 Building. The same is true of the current state or future plans for other nearby buildings. Applicant understands



that the owner of 217 3rd Avenue North plans to redevelop that property into a mixed-use building featuring residential and retail spaces which would be similar in height to the 231 Building following completion of the 15-story Project⁹. Applicant is also informed that the owner of the 226 3rd Avenue North is seeking to increase the height of that structure. Among these other structures a 10-story building would look out of place.

3. EXCEPTIONAL DESIGN MERITING OVERALL HEIGHT MODIFICATION

Upon the Executive Director's determination that Applicant has made reasonable efforts to use all appropriate bonuses available in the Bonus Height Program, and following the requisite community meeting, the Planning Commission may grant an overall height modification for "exceptional design, including but not limited to unique architecture, exceptionally strong streetscape, and improvement of the project's relationship to contiguous properties that will share hotel amenities."¹⁰ In this section, and the Attachments, we seek to demonstrate that the Project meets these criteria and should be granted an overall height modification.

A. Unique Architecture; Exceptionally Strong Streetscape

As demonstrated in the Attachments, the Project's unique design elements respect historical aspects of the 325/235 Building and the 231 Building façade and activate portions of 3rd Avenue and Printers Alley that, to date, have remained mostly dormant.

The Project will preserve the existing historic façade of the 231 Building. The additional floors will complement the façade as well as the 315/235 Building.¹¹

The Project will include pre-function event space frontage on 3rd Avenue. This will activate a segment of 3rd Avenue which otherwise has limited pedestrian-friendly features and has relatively low traffic volume.¹² The Project will also allow a reconfiguration of the 315/235 Building which activates Printers Alley with retractable doors, improved lighting, and other pedestrian-friendly features.

B. Improvement of the Project's Relationship to Surrounding Properties

The Attachments also demonstrate that, following completion of the Project, the height of the 231 Building will match that of the 315/235 Building and be consistent with the Stahlman Building, and following the redevelopment of 217 3rd Avenue North and 226 3rd Avenue North (discussed above), the buildings on those properties. Moreover, the massing and aesthetic of the addition to the 231 Building are designed to complement the building's existing façade, the 315/235 Building and nearby historic structures.

⁹ To our knowledge, the owner of 217 3rd Avenue North has not yet requested a height modification related to the redevelopment of that property.

¹⁰ DTC, § 1, p. 14.

¹¹ Consisting of 235 3rd Avenue North and 315 Union Street.

¹² The Major Street and Collector Plan, while designating both 3rd Avenue and Union Street as Arterial Boulevards (T6-M-AB2 and T6-M-AB4, respectively), indicates that 3rd Avenue through downtown is "relatively low volume." Anecdotal evidence suggests this is particularly true of 3rd Avenue between Union and Church Streets. As such, this section of 3rd Avenue should be considered to have capacity for additional density.



4. **CONCLUSION**

Based on the foregoing, we request that your office determine by reply correspondence that Applicant has made reasonable efforts to use all appropriate bonuses under the Bonus Height Program and refer the Project to the Planning Commission for consideration of the requested overall height modification.

We appreciate your consideration. Please feel free to contact us with any questions.

Sincerely,

Patrick Gilbert
Principal

Attachments: Downtown Code – Overall Height Modification
 Entitlements Package
 LEED v4 for BD+C: Hospitality: Project Checklist