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Medical Realty Advisors, LLC 1925 Eastchester Drive

Thomas E. Terrell, Jr.

Overview

- Request for conditional zoning to allow one purpose only
- This GB District does NOT “accommodate a wide range of general retail, business and service uses” – it accommodates ONE use
- Currently is a *non*-office use allowed by city council in 1993 that vastly “under-parked” a fully built-out showroom building
- No office demand for decades on Eastchester



Overview

- Has less than half needed parking spaces for full office use
- Property was marketing aggressively beginning in March of 2018
- Per selling broker, more than 25 parties (buyers, brokers, EDC) toured building – *nobody* could make it work for office
- If not repurposed it will sit vacant
- Internal self-storage is only viable use and therefore highest and best use





Typical Mental Image



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Current View



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Future View



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Three Visible Differences

- **A different sign (subject to Corridor regulations)**
- **Fewer cars in parking lot**
- **Much improved landscaping against Lake Point Condos**







Zoning Analysis



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“GB” Does Not Mean “*Commercial Use*”

- **Confusing zoning district name with land use function**
- **Churches, cemeteries, offices, and restaurants are allowed in heavy industrial zoning . . . But we don’t analyze them as “industrial uses.”**
- **Internal access self-storage definitely not a “retail” use**
- **Very low impact use**
- **Modern category is personal use or lifestyle use**



Historical Analysis



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Historical Analysis

- **1989** – North Carolina passed Water Supply Watershed Protection Act
- **1992** – in accordance with state law, High Point imposed restrictive watershed Tiers 1 and 2 on this site
- **1993** – City Council allowed Drexel Heritage to rezone for a showroom, whose parking standards were 1 space per 2,000 sq. ft. versus 8 spaces per 2,000 sq. ft. for office
- **2019** – Site is now 100% built out with no room for additional parking (actual ratio is 2.7 spaces per 1,000 sq. ft.)



Land Use Plan Analysis



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Land Use Plan Analysis

- Current plan adopted in 2000 (19 years ago)
 - Core concepts of current plan were adopted in 1980's (30+ years ago)
 - Plan is only for broad vision and goals – not carved into stone
- **City council departed from plan for this site in 1993 when it said “this site does not need to be for office use”
- Proposal protects and advances Eastchester Corridor by protecting aesthetics and function of busy thoroughfare



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Land Use Plan Analysis

- Land use plans used to justify sending our retail to Oak Hollow Mall and Palladium
- Land use plans used to justify sending office developments closer to Greensboro and airport
- Since first land use map in mid-1980s, almost NO office development in this section of Eastchester
- Land use plan is far behind the thousands of hours and tens of millions of dollars we're spending to rebuild a downtown



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Land Use Plan Analysis

- Land use plans evolve as cities evolve.
- We're evolving faster in real time than our planning guides
- We should now be directing office use to downtown core
- Eastchester Corridor can still be protected
- This use is not dissimilar to what plan first envisioned



Planning & Zoning Commission Analysis



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5-1 In Favor Of Rezoning



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Planning & Zoning Comments

- Will become white elephant if not repurposed
- We must be flexible
- Repurposing is better than allowing it to decay
- Makes the most sense
- Building is already there, and could be empty for 30 years
- Low impact
- Impact is mitigated
- Obviously can't make it office because of parking deficiency



Market Analysis

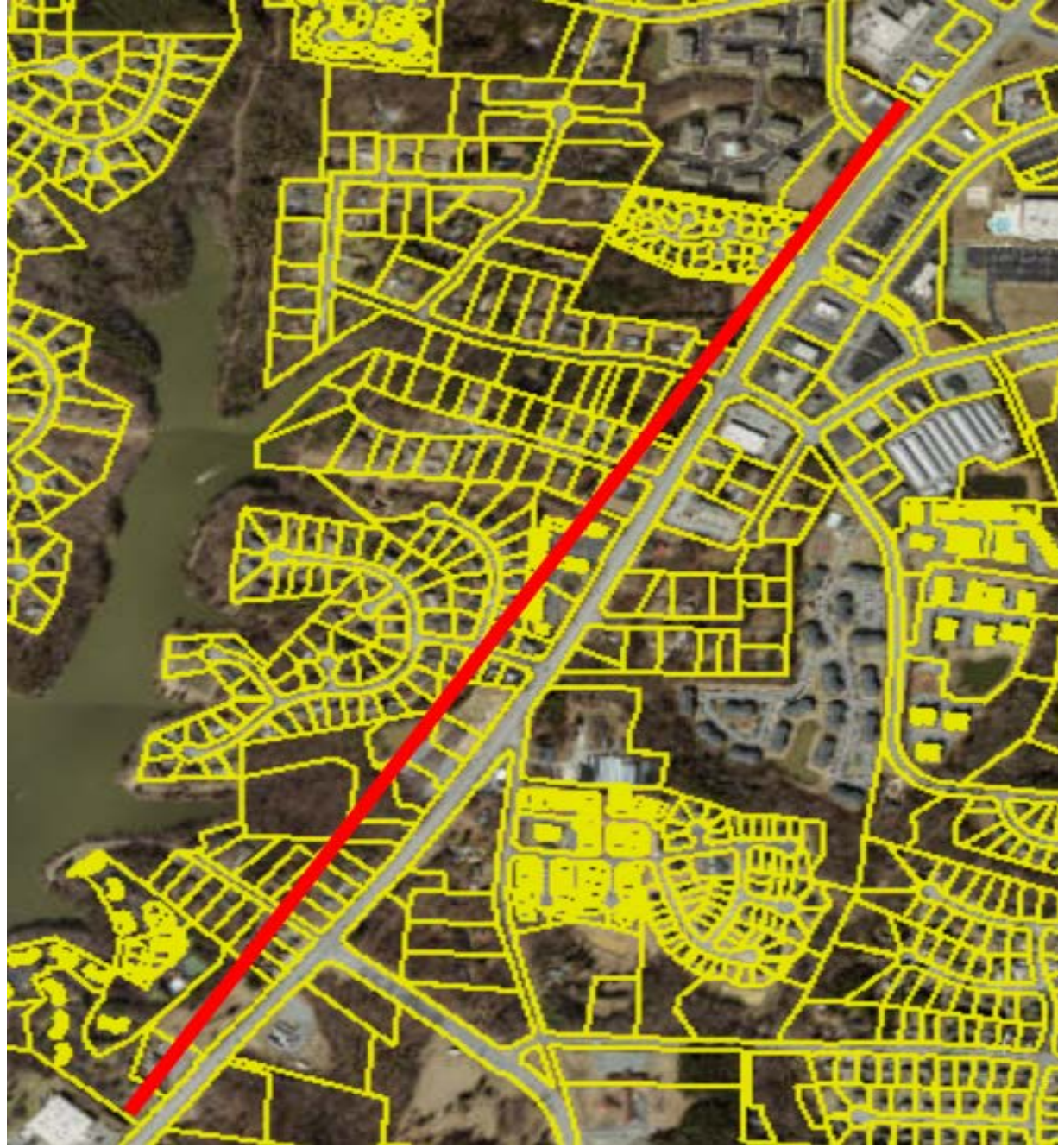


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What Market?



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What Market??



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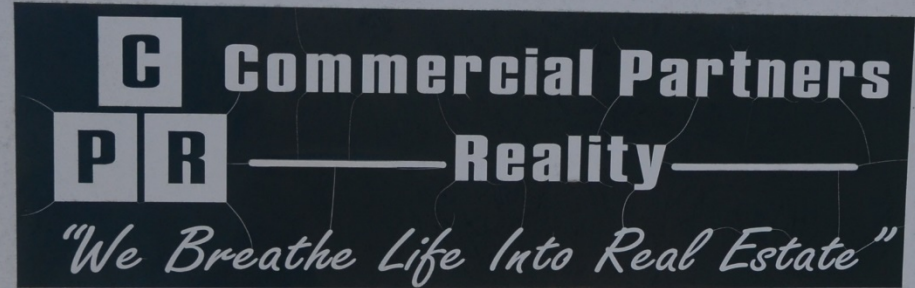
What Market?

| | | | |
|-------------------------------|-----------|-----------|------|
| Henry M. Veach | | | 1949 |
| J. F. Paschal Associates Inc. | (216.00) | 3588-417 | 1988 |
| Bach/Eastchester Associates | (405.00) | 3644-619 | 1989 |
| Add. Land | (444.50) | 3651-1576 | 1989 |
| K Q C II | (1000.00) | 4033-26 | 1993 |
| Natuzzi Americas, Inc. | (1900.00) | 4294-728 | 1996 |



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FOR SALE



29.4 ACRES

JIM BRADY
336-884-8185





Future Analysis



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Future Analysis

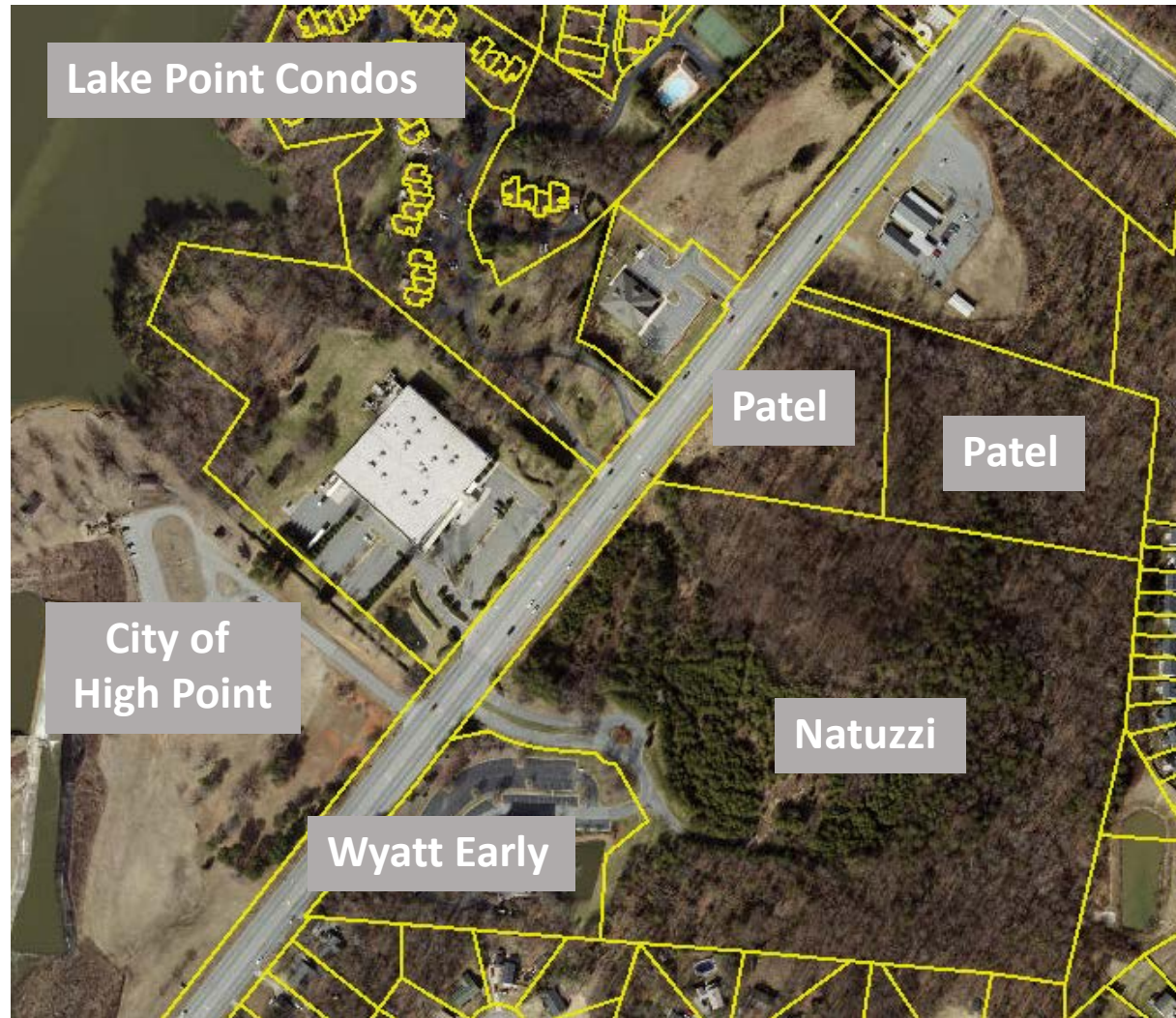
- **Owner in bankruptcy**
- **Applicant only has it under contract**
- **If city *insists* upon office use, property will lie vacant for *years* with no one to maintain appearance or landscaping**



Neighborhood Opposition Analysis



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Lake Point Condos – In favor



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Natuzzi / Patel – No expressed opposition



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City of High Point – City Council rezoned tract to non-office in 1993



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Wyatt Early – Not opposed and concerned about additional traffic



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WYATT EARLY HARRIS WHEELER
ATTORNEYS AND COUNSELLORS AT LAW

February 13, 2019

DAVID B. ASHCRAFT
KIM W. GALLINGORE
KIM R. BAUMAN
R. BRUCE LANEY
FREDERICK G. SAWYER
JAMES R. HUNDLEY
EDGAR S. LEVY, III
JOHN D. BRYSON
STANLEY F. HAMNER
SCOTT F. WYATT
BRINN P. GAVIGAN
MATTHEW C. JOSE
ARLENE M. ZIPP
CORY A. RAYBORN
LEIGH ANNE KASIAS
LEE C. HANLEY

R. ANDREW HARRIS
NATHAN A. CHRISAWN
EMILY A. GALLAGHER
DONAVAN J. HYLANDER
JONATHAN D. KEELER
KATHARINE Y. BARNES
BRIAN M. KUPPELWEISER
AARON R. DAVIS
KRISTIN S. CROWE

OF COUNSEL:
WILLIAM E. WHEELER
A. DOYLE EARLY, JR.
FRANK BURNHEAD WYATT (RET.)
WILLIAM P. HARRIS (RET.)

WRITER'S E-MAIL AND
DIRECT NUMBER
DEARLY@WEHWLAW.COM
336-884-6046
WEBSITE: WEHWLAW.COM

The Honorable Jay W. Wagner, Mayor of High Point
and Members of the High Point City Council
211 S Hamilton
P.O. Box 230
High Point, NC 27261

Re: 1925 Eastchester Dr., High Point, NC 27265

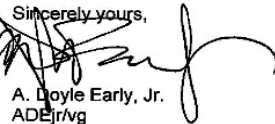
Dear Mayor Wagner and Members of the City Council,

Wyatt Early Harris Wheeler LLP is located on Eastchester at 1912 Eastchester Drive across the street from the Heritage Home Building, 1925 Eastchester Drive. We understand that the new owners of 1925 Eastchester Drive have petitioned for a re-zoning of this property. While we neither object to nor advocate for the re-zoning petition, our concerns are two-fold:

1. The first concern is for the safety of the travelling public, our clients, our staff, and tenants as they access and leave our premises and travel along Eastchester Drive in front of both of these buildings. The driveway located at 1925 Eastchester Drive is diagonally opposed to the driveway at 1912 Eastchester Drive with no traffic signal. In addition, the driveway to the Oak Hollow overview is also diagonally opposed (on the other side) to the driveway at 1912 Eastchester Drive with no traffic signal. These 3 driveways thus have a real potential to create a serious traffic hazard for anyone exiting our driveway and turning left to go west on Eastchester. It is also possible that increased traffic out of their driveway could increase the traffic hazard.
2. Our second concern relates to the exterior of 1925 Eastchester Drive. We would hope that the aesthetics and size and type of signage of the current building would remain essentially the same so that Eastchester Drive, one of the main accesses to our City, will remain an attractive entrance and create a positive first impression to domestic and foreign visitors to our City.

Thank you for your consideration.

Sincerely yours,



A. Doyle Early, Jr.
ADEjr/vg

Wyatt Early Harris Wheeler Letter

Wyatt Early Harris Wheeler LLP is located on Eastchester at 1912 Eastchester Drive across the street from the Heritage Home Building, 1925 Eastchester Drive. We understand that the new owners of 1925 Eastchester Drive have petitioned for a re-zoning of this property. While **we neither object to nor advocate for the re-zoning petition**, our concerns are two-fold:

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Safety Analysis



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Offset Driveways



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Offset Driveways



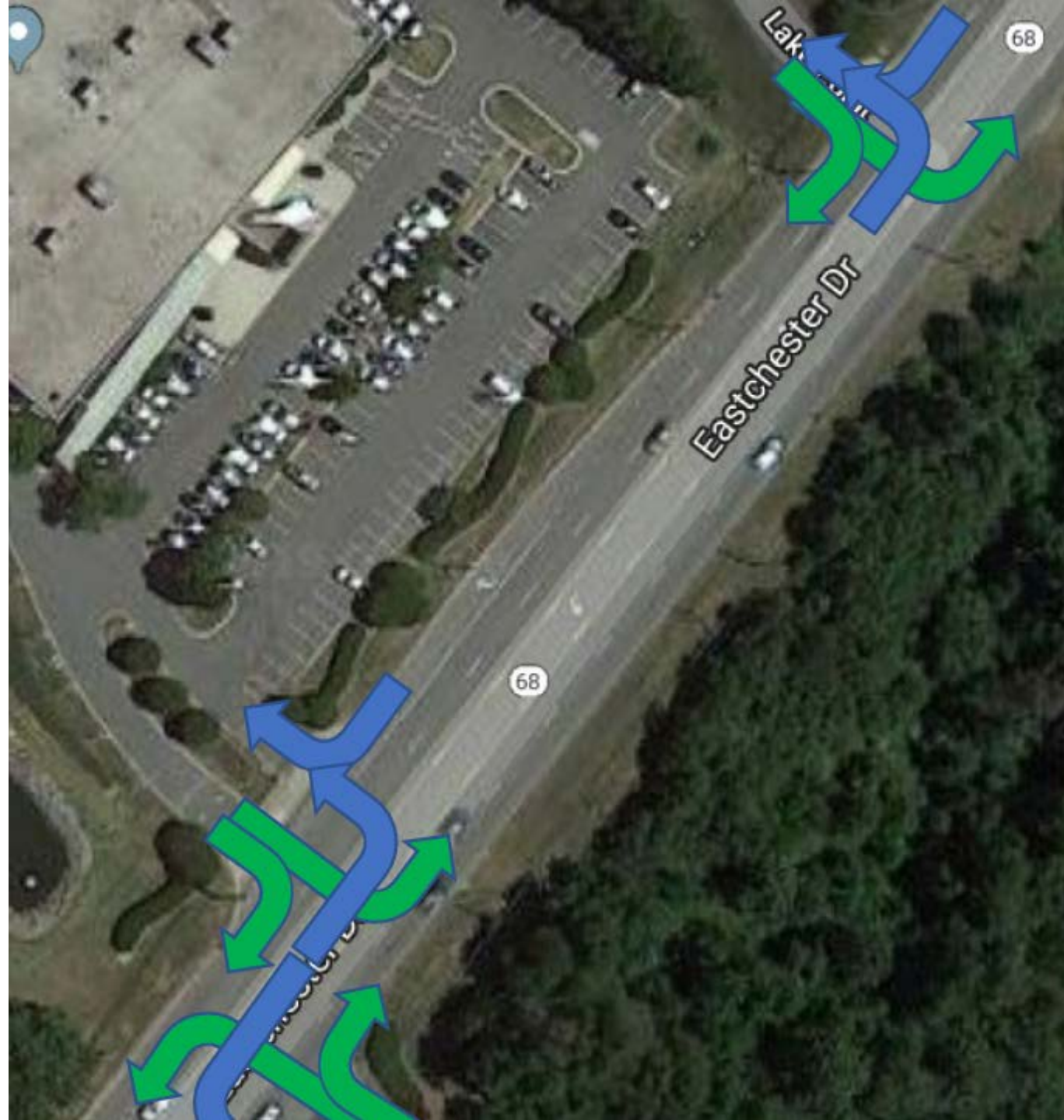
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Offset Driveways



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Safety Analysis

**Forty.
Thousand.
Cars. Per. Day.**



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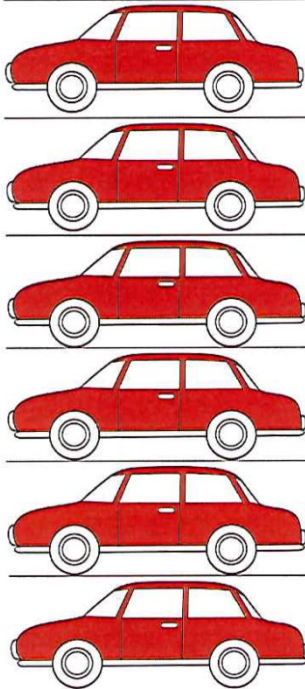
REDUCTION IN TRAFFIC GENERATION

APPROVED LAND USE



+ 95,000 SF OFFICE

141.5 DAILY TRIPS



**SOURCE: INSTITUTE OF TRANSPORTATION ENGINEERS
COMMON TRIP GENERATION RATES (PM Peak Hour), 8TH ED**

CODE 710 (GENERAL OFFICE) / CODE 151 (MINI WAREHOUSE)

PROPOSED LAND USE

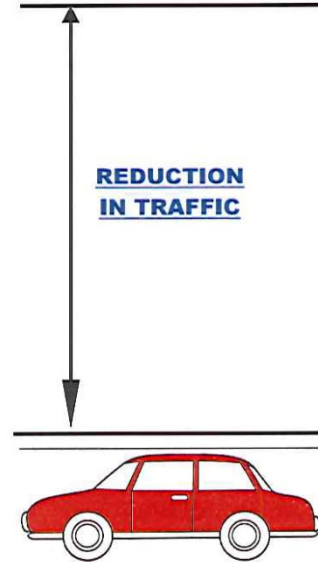


95,000 SF STORAGE

24.7 DAILY TRIPS

82 %

**REDUCTION
IN PEAK
HOUR TRIPS**



Highest and Best Use Analysis



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February 13, 2019



3600 Country Club Road, Suite 201
Winston-Salem, NC 27104

NovantHealth.org

Mr. John E Reece II
Managing Partner
Medical Realty Advisors, LLC
Commercial Realty Advisors, LLC
751 West Fourth Street, Suite 310
Winston- Salem, NC 27101

RE: 1925 Eastchester Road
High Point, North Carolina

Dear John:

We appreciate your introducing 1925 Eastchester Drive to Novant Health as a potential Medical Office Building in October, 2018. As you are aware, Novant Health requires a minimum of a five (5) per 1,000 square feet parking ratio for all clinical office space requirements. This parking requirement is not unique to Novant Health but is an industry standard. In fact, recent research has shown we need as many as seven (7) per 1,000 square feet parking for clinical use. Even for our office requirements, we need 4 1/2/per 1,000 square feet. The occupancy density has substantially come up in the last twenty years so the old parking codes just aren't working for the new user requirements.

I wish I had better "parking" news for your High Point project. Good luck.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. G. Park'.

David G. Park
Sr. Vice President
Real Estate and Construction



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Novant Health Letter

“We appreciate your introducing 1925 Eastchester Drive to Novant Health as a potential Medical Office Building in October, 2018. As you are aware, Novant Health requires a minimum of five (5) per 1,000 square feet parking ratio for all clinical office space requirements. The parking requirement is not unique to Novant Health but is an industry standard. In fact, recent research has shown we need as many as seven (7) per 1,000 square feet parking for clinical use. Even for our office requirements, we need 4 1/2/per 1,000 square feet. The occupancy density has substantially come up in the last twenty years so the old parking codes just aren’t working for the new user requirements.”



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February 13, 2019

Mr. John Reece
Commercial Realty Advisors
751 West Fourth Street, Suite 300
Winston-Salem, NC 27101

Re: Parking Count
1925 Eastchester Drive
High Point, NC

Dear Mr. Reece,

It is my understanding that the subject building at 1925 Eastchester Drive in High Point has a parking ratio of 3 spaces/1,000 SF. While this may work functionally for showroom, retail, storage or even some manufacturing it will generally not work for office and certainly will not work for healthcare. Depending on office layout (closed offices, workstations, call center, etc.) the requirement for office users can range from 4-8 spaces/1,000 SF. Healthcare can be much the same but typically wants to be in the 6-8 spaces range depending on the specialty. For example I am presently working on an 11,000 SF clinic with 22 exam rooms and 9 specialty/procedure rooms. With patient overlap and staff we need 90+ spaces which is 8+ spaces/1,000 SF. It is my opinion that the 1925 Eastchester building with 3 spaces/1,000 SF is not suitable for general office or healthcare uses. Hopefully this answers your question about Please do not hesitate to call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Sohmer', with a long, sweeping horizontal line extending to the right.

Mark Sohmer, AIA
Vice President

“It is my understanding that the subject building at 1925 Eastchester Drive in High Point has a parking ratio of 3 spaces/1,000 SF. While this may work functionally for showroom, retail, storage or even some manufacturing it will generally not work for office and certainly will not work for healthcare.”



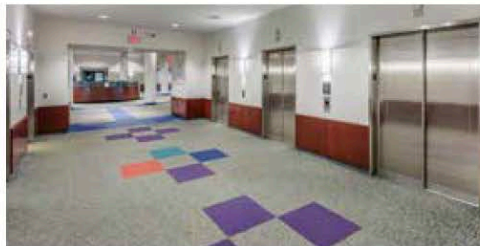
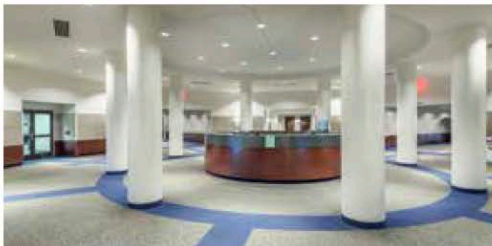
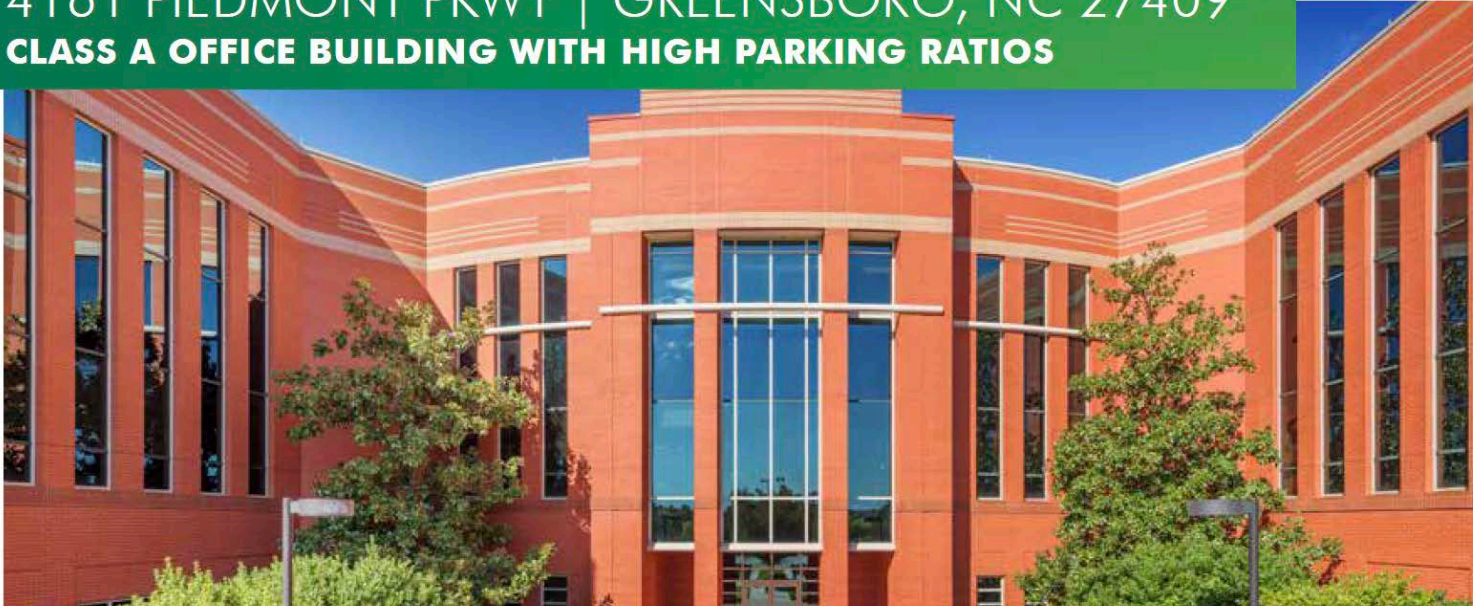
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FOR LEASE

TRIAD CENTER

4161 PIEDMONT PKWY | GREENSBORO, NC 27409

CLASS A OFFICE BUILDING WITH HIGH PARKING RATIOS



BUILDING OVERVIEW

CLASS A OFFICE BUILDING | 380,000 SF

Three Story Class A Office Building Located in the Heart of the Airport Submarket.

- + Available Space: 4,000 - 60,000± RSF
- + Rental Rate: \$16.50/SF (Full Service)
- + Parking Ratio: 5.5 spaces per 1,000 SF
- + State-of-the-Art Technology Infrastructure
- + Located near Intersection of I-40 & Highway 68
- + Easy Access to PTI Airport



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FOR LEASE

AETNA BUILDING

4050 PIEDMONT PARKWAY

MENDENHALL OAKS BUSINESS PARK :: HIGH POINT, NC



PROPERTY OVERVIEW

CLASS A OFFICE BUILDING | 220,562 SF

Three story office building located in Mendenhall Oaks Business Park. Amenities include on-site fitness center, conference/training rooms, paved walking paths, scenic lake views, bike sharing program & rotating food trucks.

- + Available Space:
 - 1st Floor: 7,241 - 48,734 SF
 - 2nd Floor: 19,900 SF
 - 3rd Floor: 6,679 - 16,127 SF
- + Rental Rate: \$17.50/SF (Full Service)
- + Parking Ratio: 6.80/1,000 SF



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1925 Eastchester Parking Ratio

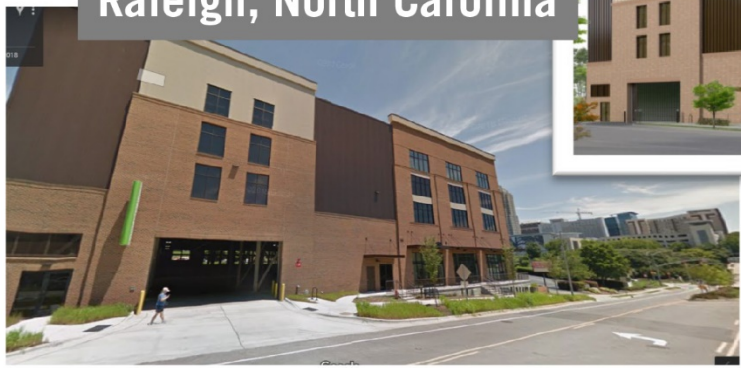
268 spaces and 99,000 sq. ft

$$268 \div 99 = 2.7$$



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410 W South Street
Raleigh, North Carolina



204 East Market Street
Louisville, KY



161 Varick Street
New York, NY



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1501 Mission St
San Francisco, California



1265 N Milwaukee Ave
Chicago, Illinois



590 NW 137th Ave
Miami, FL



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**Your support is
respectfully requested**



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Thomas E. Terrell, Jr.
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