

**CWP DUBLIN I, LLC'S NARRATIVE IN SUPPORT OF
REZONING OF 435 Metro Place South, Dublin, OH 43017**

Please consider this narrative in support of CWP DUBLIN I, LLC'S ("CWP") Application for a zoning amendment of an existing extended stay hotel, zoned Planned Unit Development District ("PUD"), with underlying General Commercial Land Use Classification, known as the Sonesta ES Suites Dublin Columbus, into suburban residential district medium density garden-style residential apartments ("Multi-Family Dwellings"), zoned PUD / R-4 , for the approximately 4.077 acre site known and numbered as 435 Metro Place South, Dublin, OH 43017 (the "Property"). The Parcel ID is 273001312. This zoning amendment request is supported by the guiding principles, objectives, and strategies of the City of Dublin Community plan ("Community Plan"), and the City of Columbus' Comprehensive Plan ("Comp Plan"). This application will be in compliance with the procedures set forth in Section § 153 of the Dublin, Ohio Code of Ordinances as it pertains to the Planned Unit Development ("PUD") Process. Specifically, this rezoning would create a safe and walkable property, enhance the neighborhood's character as well as creating a greater diversity of housing stock "without compromising the integrity of Dublin's land use policies". Additionally, the rezoning of the Property would further a vital city objective of "furthering development of more styles of housing within the city [to] help to diversify market options for homebuyers and renters" as well as furthers the City's desire to add housing near the Metro Center Business District that is walkable to office businesses.

The Community Plan and the Comp Plan highlight several key themes that support this modification, including encouraging the "development of a sufficient supply of diverse housing types, sizes, and price ranges in the community". The Comp Plan stressed that "few things

influence the way a community is perceived by its residents and visitors as dramatically as does its housing stock. The type of housing and its location related to employment opportunities and amenities directly affects a community's quality of life". Additionally, Dublin City Planning has confirmed its intentions to revise and create a "unified vision for the Metro Center". The City believes that many employees and residents now desire housing that is walkable to places of employment, retail and recreational amenities and is "encouraging private investments that benefits the entire community". CWP believes that this proposal will be an embodiment of achieving this goal. With the supply imbalance of housing stock in the City of Dublin and the Columbus metro area ever growing, the City needs private sector players to help provide housing that is multi-generational, multi-cultural and available to households at all stages of the life cycle. CWP's proposal will ensure a community of strong, desirable, and safe neighborhoods, and improve Dublin's diversity of housing stock to accommodate the housing needs for several sectors of the City's population, whether it be senior citizens looking to downsize and remain active participants in the community or for the workforce that will be employed by local businesses near the Metro Place business district or other areas in Dublin. The modification of the Property to Multi-Family Dwellings will accomplish this by adding housing stock in close proximity to employment centers, parks, schools, transit, and shopping. Overall, as outlined further below, the modification of this property will enhance the neighborhood's quality, character, and create a greater mix of housing options to ensure households have safe and quality places to live.

Background and Historical Information on the Property

The Property was platted and built in 1991 by the Marriott Corporation envisioning a garden style design community feel for traveling salesmen. The Property is unique because unlike

other hotels the original design called for five separate buildings that look like a garden style apartment complex. All the buildings are two story structures with a total of 106 units. The buildings contain individual dwelling units and an additional main lobby building. The mix of the units are also quite unique relative to modern day hotels with the one-bedroom units measuring about 460 square feet and the two-bedroom units measuring about 770 square feet. The units are outfitted with a full kitchen including full stovetop oven, garbage disposal, a full-sized dishwasher, microwave, and full-sized refrigerator. The external amenities include green space, a gym, BBQ area, outdoor swimming pool and a dual use sports court allowing for both tennis and basketball play. The buildings character, footprint and façade were designed to blend into the urban backdrop of Multi Family dwellings that sit to the north and east of the Property.

In 2023, however, this type of design and property layout does not cater to the tastes or desires of lodging customers. The Property is suffering from functional and economical obsolescence through decreasing vacancy rates that are not solely related to the COVID-19 Pandemic. Both revenue and occupancy are down significantly for the 31-year-old facility. It is struggling not only due to the overly saturated number of hotel rooms available in Dublin and the Columbus metro area, but also from the design of the facility which inhibits demand relative to its competition. Another key contributor to its economic decline has been the change in flag from a Tier 1 brand like Marriott to a lower tier brand: Sonesta. This down-flagging materially impacted the average rate charged and has reduced the quality of the product offering. Finally, in a tight labor market, the difficulty in finding enough labor is exacerbated by the need to work outdoors year-round in a harsh climate and the guest mix associated at the Property. This inhibits the hotel's ability to attract and retain labor, materially impacting operations.

Reducing Utilization of Safety Services

Another item impacting the operations, stems from the overuse of emergency and safety services at the property. National, State, and local crime statistics associated with extended stay hotels suggest adaptive reuse of the Property to Multi-Family Dwellings would be in the best interest of the neighborhood and the City of Dublin as a whole. Extended stay hotels have become the housing choice of last resort because a room can be obtained without a background check—a process typically associated with an apartment. Statistics from the City of Dublin Police Departments show a higher frequency of crime per capita at extended stay hotels when compared to other hotels and Multi-Family residences. This can be observed from the table below, marked Exhibit A. Note the first three listed addresses are nearby Multi-Family Apartment complexes and the next four addresses listed are extended stay hotels near the property, with the Property in highlighted in yellow).

Dublin PD Service Calls Totals

Exhibit A	2021	2022
6146 Perimeter Lakes Dr (189 apartment units)	29	35
219 Perth Dr (80 apartment units)	2	2
5489 Crescent Ridge Dr (352 apartment units)	54	55
435 Metro Pl S (106 hotel units)	31	26
450 Metro Pl S (110 hotel rooms)	54	52
5000 Upper Metro Pl (126 hotel rooms)	20	25
5125 Post Rd (106 hotel rooms)	44	34

In addition to the higher frequency of police usage, statistics from the Washington Township Fire Department which services the City of Dublin, shows higher frequency of EMS

and fire service calls per capita at extended stay hotels when compared to other hotels and Multi-Family residences. This can be observed from the table below, marked Exhibit B, which shows two to three times the number of EMS and fire related service calls to the extended stay properties versus Multi-Family Dwellings per capita. (Note the first three listed addresses are nearby Multi-Family Apartment complexes and the next four addresses listed are extended stay hotels near the Property, with the Property in highlighted in yellow).

Dublin FD and EMS Service Calls Totals

Exhibit B	2021	2022
6146 Perimeter Lakes Dr (189 apartment units)	21	21
219 Perth Dr (80 apartment units)	6	9
5489 Crescent Ridge Dr (352 apartment units)	15	22
435 Metro Pl S (106 hotel rooms)	22	19
450 Metro Pl S (110 hotel rooms)	28	32
5000 Upper Metro Pl (126 hotel rooms)	15	11
5125 Post Rd (106 hotel rooms)	17	15

Crimes related to weapons, drugs, assault, and theft occur with higher frequency at the extended stay hotels as well. With the Property having 41 distinct incidents in 2021 and 2022, the Property and other nearby extended-stay hotels are consuming two to three times the average yearly load for the Police, Fire and EMS Department versus comparable Multi-Family Dwelling complexes. This overuse of emergency service is both a time and cost drain to the city. While CWP does everything it can to limit bad actors from entering its premises, the nature of the product being offered attracts the wrong crowd and requires an over reliance on Emergency Services. The proposal to rezone the Property would have a material impact in reducing the prevalence of these

incidents as CWP would be able to implement more rigorous background checks and credit checks on potential new residents creating a material safeguard to ensure safety and security at the Property. CWP would also implement predominantly twelve (12) month lease agreements with potential new lessees which in turn ensures increased stability and security at the Property. With the data to support the reduction of utilization of safety services at Multi-Family Dwellings relative to extended stay Hotels, CWP believes that rezoning will reduce the cost for City of Dublin taxpayers and allow for safety services to focus on more important and critical emergency responses. With this modification plan, this dual direct and indirect benefit would result in cost savings to the City of Dublin and will create incalculable value to the community.

Modification to Multi-Family is in line with Community Visions and Objectives

Authorizing adaptive reuse by rezoning the Property would be in line with the objectives and strategies of the Community Plan. Specifically, objective number 6 of the Community Plan details a vision of a need for a broader range of housing options. “Dublin’s existing housing stock is predominantly composed of single-family homes, mostly built between 1980 and 2000. As these homes age, and as housing demand changes with demographic shifts, it will be necessary for the community to ensure the continued success of older neighborhoods”. A modification of this Property to Multi-Family Dwellings directly furthers this City objective. With the City of Dublin and CWP collaborating to improve the diversity of Dublin’s housing stock, we can create a strategic plan to support the growth and reinvestment of the core city and neighborhoods, specifically the Metro Center Business District. This rezoning will create a safe and walkable Multi-Family Dwelling, preserve the character of the city, enhance the neighborhood character, and add a greater mix of housing types to ensure households have quality options that are also walkable to places of employment, retail, restaurants and recreation.

Currently, the property is situated around both commercial and residential use. The mixed use and diversity of the properties and public spaces around the Property further supports the modification. Turkey Run Apartments is within 0.2 of a mile walking distance of the property. Additionally, Britton Woods Apartments, Perimeter Lakes Apartments, Tuttle Parke Apartments, and Sycamore Ridge Apartments are each only a short five (5) to eight (8) minute drive from the Property. Additionally, Monterey Park Kids Playground, Smiley Park and the unique Field of Corn Sculpture Park are all within 0.7 miles walking distance of the property. The Property is also 0.5 miles walking distance to Dublin Plaza Shopping Center as well as nearby to a variety of different employment centers. The Community Plan stresses safe and walkable housing being an essential component of quality, strong and resilient neighborhoods. Stable neighborhoods are a core tenet in creating an environment to support growth and reinvestment. Furthermore, it is mutually beneficial to have the Property as Multi-Family residential dwellings as the City finalizes its plan to re-develop the Metro Center “inner ring”. One of the best proponents of increased development in retail and business space is having more density of residential dwellings and people inhabiting the nearby areas. Increasing the amount of people in these areas would in turn show developers that there is a real impetus to make this inner ring development a successful venture for the City. CWP’s plan to modify the Property to Multi-Family Dwellings will not only reduce crime and increase safety, but by having long term tenants invested in the health of the neighborhood and surrounding community it will also bring increased stability to the neighborhood.

If the Property remains a hotel, it will be difficult to obtain financing to improve the facility due to its design and current layout hindering its profitability. The current zoning permits specific uses covered in Section 153 of the City of Dublin Ohio Code of Ordinances. The current configuration of the hotel is obsolete and will be difficult to secure adequate financing to extend

its useful lifespan—estimated at 40 years. A Multi-Family Dwelling under a PUD / R-4 designation is far more likely to obtain financing. All other permitted uses, including a brand-new configured hotel, would require demolition of the existing structures and a complete rebuild. The cost of doing so, combined with the acquisition costs of the Property is prohibitive for any perspective purchaser or lender. Simply put, the land value is not high enough to yield a reasonable rate of return for the permitted uses when one considers the capital and cost required to refresh the Property. As such, the prior owners did not invest any material amounts of capital into the asset and then swapped out of the high-quality Marriott brand to the lower tier Sonesta flag. An additional notable item concerns the brand restrictions to prevent overbuilding. The only franchisor that would allow for a new build would be lower tier brands such as: OYO, Drury Inn, Red Roof Inn, Motel 6, or an independent hotel.

On the other hand, granting a zoning amendment to the Property will extend the useful life of the asset and allow for incremental capital investment. The rezoning is in line with both the goals and objectives of the Community Plan and Comp Plan. By allowing for this strategic modification, CWP will unlock the ability over time to refresh the property. CWP will leave the current layout of the Property as is, including the existing landscaping, ensuring that the physical character of the property will be unchanged.

As indicated above, many of the common amenities or improvements a typical rezoning or modification would entail already exist on site. CWP believes that rezoning the Property to Multi-Family Dwellings will unlock incremental capital to invest at the property which will enhance the character of the neighborhood. Contingent on obtaining financing, CWP will then implement improvements to the Property over time. Said financing will enable CWP to refresh each of the units with new countertops, new appliances, luxury plank flooring, new vanities, cabinets, and

lighting fixtures. The exterior of the building will include improved lighting and security at the Property as well as new landscaping, new paint, fascia repair, new signage and roof and gutter repair as needed. Additionally, CWP plans to redesign the communal space by converting the existing lobby area to a family game room, create coworking space, add a reading area, and convert the existing commercial kitchen area to an area where tenants can have family gatherings. Regarding parking at the property, CWP believes that the current number of parking spaces is more than sufficient given the demographic that it's targeting, however, CWP is certainly amenable to seeking guidance from the Planning and Zoning Commission regarding any feedback on parking layout and configuration.

As further outlined below, it is in the best interest of City of Dublin to amend the zoning of the Property at 435 Metro Place South to "PUD / R-4". CWP will not be changing any of the existing density at the Property and based on the goal of enhancing the community and neighborhood character, adding safe, and walkable rental options for a growing population, reducing the utilization of the county safety services without impacting transportation systems, community facilities and local infrastructure, CWP is respectfully submitting this zoning amendment request.

Growing and Enhancing the Community.

CWP would not impair the essential character of the neighborhood or community but would, in fact, enhance it with this zoning amendment as well as align with the City's ultimate vision for the Metro Center Business District. If this request were approved, it would provide the City of Dublin with needed diversification of housing options for the planned household growth in the area, allow people to upsize or downsize without moving out of their neighborhood or community and enable people to live in safe and walkable apartments to places of employment,

retail, restaurants and recreational spaces. Simply put, not everyone wants a single-family home with a yard, driveway and significant homeowner responsibilities and with an area that is predominantly outlaid in aging single family homes, this proposal would help alleviate a shortage of alternative housing options and would provide more variety of housing for the area's population.

According to the Community Plan, Dublin is projecting is projecting a significant increase in its population and need for residential housing, and specifically multi-family housing. This dual force is going to in turn require an incremental supply of housing. It is only natural for the City of Dublin to lean on redevelopment of existing real estate to meet this demand. CWP's proposed rezoning would encourage alternative housing stock that would support both new households coming to Dublin but also older citizens looking to downsize to a smaller efficient apartment. This rezoning would allow workforce employed locally to live close to places of employment and ensure that older households continue to be a part of the Dublin community and stay near family. With key areas like parks, employment centers, restaurants, and shopping, easily accessible, this modification will help fill a crucial void as the city plans for the next 10 years.

The current trend in demand for rental apartments nationally and in the City of Dublin shows no sign of abating. According to Federal Reserve data, home prices were up 8.9% since last year and up 16% since 2019. With housing prices high and mortgage rates skyrocketing (30-year fixed rate above 6.75%) housing affordability nationally, but particularly in Dublin and the Columbus Metro area, has become far more acute. Coupled with the stagnant wage real growth and the American dream of home ownership once again has slipped out of reach.

Faced with the headwinds indicated above, Americans are rapidly shifting their demand preferences to Multi-Family dwellings. Due to this heightened demand for rental properties, it

benefits the City of Dublin to allow for more rental options. CWP's requested zoning amendment will add a material amount of much needed housing stock to meet the projected demand in household growth and age demographic changes in the future.

Impact on Transportation Systems

CWP notes that the current access point to the Property has been utilized for the past 30+ years. As an extended-stay hotel, that is running on 90% occupancy on a consistent basis, CWP expects that random 24-hour traffic patterns, that a hotel of this type exudes, will transition to stable traffic patterns associated with an apartment complex. As a multi-family dwelling, CWP believes that Metro Place South and Franz Road will be trafficked less with more consistent patterns overtime helping reduce strain on access. Additionally, the Central Ohio Transit Authority (COTA) 33 and 73 bus stop is a two-minute walk from the Property, allowing for easy, low cost and green public transportation access to other points in the City of Dublin.

Impact on Utilities

Given that CWP is only proposing a rezoning with no structural improvements at the asset, there will be no impact on the Utilities.

CONCLUSION

CWP DUBLIN I LLC, has demonstrated that it is in the community's interest to grant the Property a rezoning to Multi-Family use. CWP believes that the narrative provided supports the changed characteristics of the area justifying the request. This rezoning is consistent with the goals set out by the Community Plan and Comp Plan. The mission of promoting alternative housing stock that is safe and walkable, to create strong and resilient communities is met with this plan. As such, CWP DUBLIN I, LLC, respectfully requests the Property at 435 Metro Place South be

granted a zoning amendment into suburban residential district medium density Multi-Family Dwellings, zoned PUD / R-4.

Respectfully submitted,

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