

EXHIBIT NO. 1

10
9-14-02

Docket Item #16
SPECIAL USE PERMIT #2002-0008

Planning Commission Meeting
September 3, 2002

ISSUE: Consideration of a request for a special use permit to change the ownership of a nursing home.

APPLICANT: HR Acquisition 1 Corporation/Capstone Capital Corporation
by Donald L. Husi and John McGranahan, attorney

LOCATION: 900 Virginia Avenue

ZONE: R-8/Residential

PLANNING COMMISSION ACTION, SEPTEMBER 3, 2002: On a motion by Mr. Komoroske, seconded by Mr. Dunn, the Planning Commission voted to recommend approval of the request, subject to compliance with all applicable codes, ordinances and staff recommendations and to amend conditions #17 and #32. The motion carried on a vote of 6 to 0. Mr. Robinson was absent.

Reason: The Planning Commission agreed with the staff analysis.

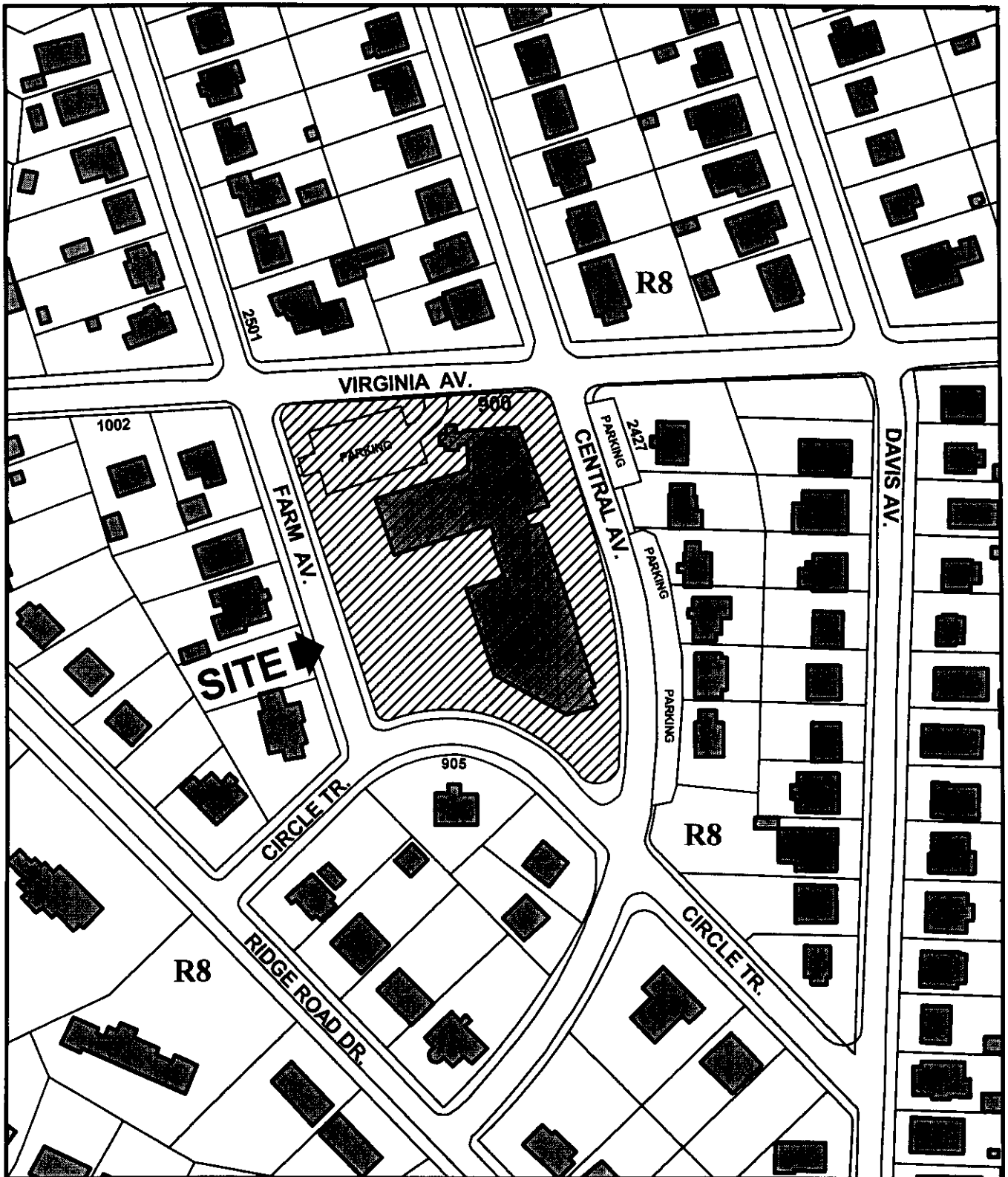
Speakers:

John McGranahan, applicant's attorney, spoke and discussed the constructive dialogue that has taken place over the past several months between the residents surrounding the nursing facility, North Ridge Citizens' Association representatives, City staff, and the applicant. He noted that there is a condition in the staff report requiring regular meetings between the area residents, owners, and operators so that productive dialogue can continue.

Warren Lutz, North Ridge Citizens' Association, gave a conditional endorsement of the application, commending the cooperative effort of the applicant, residents, and staff, and discussed how the staff report was a good summary of the case.

Sunny Yoder, resident on Farm Road, did not oppose the application, but discussed the continuous problem with the maintenance of the landscaping and requested that condition #17 be changed to require removal of extraneous landscaping.

Sean Gallagher, resident at 1000 Virginia Avenue, spoke in support.



SUP #2002-0008

09/03/02



STAFF RECOMMENDATION:

Staff recommends **approval** subject to compliance with all applicable codes and ordinances and the following conditions:

[Several conditions have been deleted because the requirements are contained in the approved final site plan.]

1. **CONDITION AMENDED BY STAFF:** The maximum number of beds permitted shall be 113, or such lower number to coincide with available parking at a ratio of one space for each two resident beds in the facility. ~~, the number currently in use at the nursing home.~~ (P&Z) (SUP #2775)

CONDITIONS #2 through #9 DELETED BY STAFF:

2. ~~Show dimensions from property line to walls of oxygen storage facility on final site plan; minimum setback of 30 feet required. (P&Z) (SUP #2775)~~
3. ~~Screen berm around oxygen tank storage area with landscaping to the satisfaction of the City Landscape Architect. (P&Z) (PR&CA) (SUP #2775)~~
4. ~~Screen proposed recycling area to satisfaction of the Director of Planning and Community Development. (P&Z) (SUP #2775)~~
5. ~~Screen retaining wall along Central Avenue to the satisfaction of the Director of P&CD and the City Landscape Architect. (P&Z) (SUP #2775)~~
6. ~~Show sanitary lateral servicing the existing building. (T&ES) (SUP #2775)~~
7. ~~Submit detail and calculations for the 7- 3/8' high screen wall for the liquid oxygen storage area. (T&ES) (SUP #2775)~~
8. ~~Applicant shall upgrade three existing 3300LMV to 8000L HPSV (poles N°. EK-14, 820A and 820F); add 8000L HPSV light to pole N°. 820F on Farm Road. (T&ES) (SUP #2775)~~
9. ~~Submit storm water quality Best Management Practices calculations and design with the final site plan. Demonstrate no net increase in pollutants in storm water runoff as required by Article XIII of the zoning ordinance. (T&ES) (SUP #2775)~~

10. **CONDITION AMENDED BY STAFF:** ~~Consult crime prevention unit of Alexandria Police Department concerning security hardware for building addition as well as existing building and on personal safety program for all employees given by Crime Prevention Unit of Alexandria Police Department. (Police) (SUP #2775)~~ The applicant shall contact the Crime Prevention Unit of the Alexandria Police Department for a security survey for the business before the business opens. (Police)
11. Provide minimum maintained lighting of 2.0 foot candles for parking areas. (Police) (SUP #2775)
12. Provide tree protection to the satisfaction of the City Arborist. (PR&CA) (SUP #2775)
13. **CONDITION AMENDED BY STAFF:** ~~The special use permit shall be granted to the applicant and Integrated Health Services Inc. only, or to any business or entity in which the applicant has a controlling interest, including one by which the applicant or Integrated Health Services Inc. acts as manager for or lessee of the facility. (Agreement) (PC) (SUP #2775)~~ The special use permit shall be limited to the applicant or to any business or entity in which the applicant has a controlling interest. In addition, the applicant shall submit the name of each and every proposed operator of the facility (including IHS if no other operator is selected within one year of this approval) to the Director of Planning and Zoning for review and approval, provided however that the matter of the new operator shall be docketed for public hearing and special use permit approval before the Planning Commission and City Council if, as determined by the Director, (1) there have been any substantiated violations of this permit that have not been reasonably resolved, or (2) any change to the operation of the facility is proposed. (P&Z)
14. **CONDITION DELETED BY STAFF:** ~~Landscaping in accordance with the landscaping plan shall be installed prior to the applicant's serving oxygen to patients from the bulk oxygen storage system; provided, however, that if (i) applicant's existing temporary oxygen permit is not extended through the period of installation of the bulk oxygen storage system; or (ii) sound planting practices, as determined by the City Arborist, so warrant, such installation shall occur as promptly as practicable following applicant's serving oxygen-dependent patients from the bulk oxygen storage system, but in no event shall such landscaping be installed later than December 31, 1994. (Agreement) (SUP #2775)~~

15. The subject property is approved for use as a nursing home, consistent with the applicant's existing license. It may not be used as a hospital and the applicant shall submit annually on the anniversary of this approval a letter to the Department of Planning and Zoning verifying that it has engaged in none of the following activities during the past year: (i) acute care services such as intensive care, emergency room, obstetrical, invasive surgical diagnostic procedures (other than endoscopic, bronchoscopic or colonoscopic procedures) or operating room procedures; (ii) outpatient services other than up to three months of follow-up care for former inpatients; (iii) substance abuse treatment services; (iv) x-ray, pharmacy, or laboratory services other than to serve the facilities inpatients; or (v) the submission of any application to a licensing authority seeking status as a hospital. (Agreement) (SUP #2775) (P&Z)
16. Condition deleted. (SUP #2775)
17. **CONDITION AMENDED BY PLANNING COMMISSION:** All landscaping specified in the site plan shall be maintained; plants, trees, and shrubs that die shall be replaced with comparable stock. Extraneous plants, trees, and shrubs shall be removed. ~~(Agreement)~~ (SUP #2775) (PC)
18. Except as expressly approved by this special use permit, applicant shall not make any change to the exterior of the facility which:
 - (a) increases the exterior dimensions or changes the location of the structures on the property;
 - (b) increases the extent of the paved areas (parking, sidewalks, walkways, etc.) associated with the facility;
 - (c) affects the location, height, or materials of walls within or surrounding the property; or
 - (d) diminishes the extent of vegetated open space on the facility's grounds. (Agreement) (SUP #2775)
19. Applicant shall screen all new rooftop equipment, including the cooling tower, with materials which complement the building's exterior trim. (Agreement) (PC) (SUP #2775)

20. **CONDITION AMENDED BY STAFF:** Except for mail, parcel, or pharmacy-related deliveries, all truck deliveries (including, without limitation, oxygen deliveries) to the facility, and all trash and similar pickups from the facility, shall be accomplished between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. The operator of the facility shall notify all vendors of the permissible hours (i.e., 8:00 a.m. to 5:00 p.m.) during which vendors may make non-emergency deliveries to the facility. (Agreement) (SUP #2775) (P&Z)
21. The areas of the facility which are visible from the street, including but not limited to all structures, paved areas, sidewalks, and grass areas, shall be maintained in good condition. (Agreement) (SUP #2775)
22. **CONDITION AMENDED BY STAFF:** ~~The applicant shall keep the parking area on the east side of Central Avenue free of trash and debris.~~ (Agreement) (SUP #2775) The applicant shall keep the property, and the area surrounding the property including both sides of the four streets (i.e., Virginia Avenue, Farm Road, Circle Terrace Avenue and Central Avenue) adjacent to the facility, free of litter and debris. (P&Z)
23. Staffing for the facility shall be limited as follows: (i) The total number of full time employees or full-time equivalent employees (including any contract labor), as reported to the Virginia Health Services Cost Review Council annually, shall not exceed 160; and (ii) the bedside nursing hours for any calendar year shall not exceed 196,500. The applicant shall submit annually a letter to the Department of Planning and ~~Community Development~~ Zoning verifying compliance with this condition. (Agreement) (SUP #2775)
24. Oxygen deliveries shall be made by the smallest truck available, but in no event by a truck larger than 45 feet long. (PC) (SUP #2775)
25. Applicant shall enforce restrictions on its employees' on-street parking to both sides of Central Avenue and Virginia Avenue adjacent to the subject property. (PC) (SUP #2775)
26. **CONDITION DELETED BY STAFF:** ~~On or before December 31, 1994, applicant shall complete exterior painting and window installation on the Central Avenue side of the facility, and complete window installation on the Virginia Avenue side of the facility.~~ (PC) (SUP #2775)

27. **CONDITION DELETED BY STAFF:** ~~On or before December 31, 1995 applicant shall replace the cooling tower on top of the building. (PC) (SUP #2775)~~
28. **CONDITION ADDED BY STAFF:** The operator shall schedule quarterly meetings with the surrounding neighbors to review site operations and neighborhood concerns. At least annually, an appropriate individual from the corporate office of both the owner and the operator shall attend such meetings. (P&Z)
29. **CONDITION ADDED BY STAFF:** The operator shall conduct employee training sessions on an ongoing basis, including as part of any employee orientation process, to discuss all SUP provisions and requirements affecting employees and to communicate, at a minimum, (a) the unique aspects of operating the facility within a residential neighborhood and (b) the operator's related expectations of the employees. Among issues to be addressed in employee sessions shall be limitations on employee noise (i.e., during shift changes and other outdoor activities in which noise may carry beyond the facility site) and proper behavior towards facility neighbors. (P&Z)
30. **CONDITION ADDED BY STAFF:** The operator shall communicate with facility patients and their families those aspects of the SUP affecting them. (P&Z)
31. **CONDITION ADDED BY STAFF:** The owner and operator shall provide to the City and shall post at the facility entrance contact information for both the owner and operator and shall provide updated information as needed so that neighbors can contact those individuals responsible for the facility to express concerns regarding facility operations. (P&Z)
32. **CONDITION AMENDED BY PLANNING COMMISSION:** The applicant shall implement, within 60 days of SUP approval, a facility employee parking program whereby employee parking stickers will be issued to employees who shall be required to display the stickers on all vehicles they park at the facility to enable monitoring of the location of employee parking. The applicant shall also paint or otherwise designate at least ~~12~~ 18 parking spaces on the east side of Central Avenue for ~~employee~~ facility parking pursuant to a plan approved by the Director of Planning and Zoning. In addition, the applicant will conduct a further traffic/parking study to develop data for purposes of assessing facility parking needs and the impact of reducing the present parking spaces on Central Avenue on the neighborhood. Further, the applicant will install two additional parking spaces for employees along the facility border with Central Avenue and create curb area for additional on-street parking spaces. (P&Z) (PC)

33. **CONDITION ADDED BY STAFF:** The applicant shall agree to meet in December 2002 and later with the neighbors surrounding the facility for purposes of reviewing the parking program and further parking study for purposes of continuing to examine parking options at the facility, including the potential reconfiguration of Central Avenue parking. (P&Z)
34. **CONDITION ADDED BY STAFF:** The applicant shall submit for administrative approval an amendment to the approved site plan to effect the following changes to the site: (a) improve an existing landscaped area along the west side of Central Avenue with new plantings to provide enhanced screening and beautification; (b) provide an irrigation program for convenient watering for the facility's most heavily planted areas; (c) create a new parking area for two offstreet parking spaces and three on street spaces on the west side of Central Avenue at the southern end of the existing private driveway area; (d) create a new landscaped area with plantings at the point of the new parking area described in (c) above; and (e) create an outdoor gathering area for patients and/or employees within the interior of the site. The proposed changes shall be designed to the satisfaction of the Directors of Planning and Zoning, Recreation, Parks and Cultural Activities, and Transportation and Environmental Services and shall be implemented within 60 days of the date of this approval. (P&Z)
35. **CONDITION ADDED BY STAFF:** The applicant shall include the requirements of the special use permit in the lease agreement with the operator of the facility as requirements of the lessee specifying that the operator shall be responsible for maintaining full compliance with the SUP. Further, such agreements shall contain provisions whereby the operator shall agree to payment of fines to the applicant of not less that \$250 per day and not greater than \$2,000 per day until verified violations are corrected. If requested by the City of Alexandria, the applicant and/or the operator shall make available for inspection and copying a record of all such violations and fines and evidence of payment of such fines. (P&Z)
36. **CONDITION ADDED BY STAFF:** On both the one year and the two year anniversaries of this approval, the Director of Planning and Zoning shall review the special use permit and shall docket the matter for consideration by the Planning Commission and City Council if (a) there have been documented violations of the permit conditions, (b) the director has received a request from any person to docket the permit for review as a result of a complaint that rises to the level of a violation, or (c) the director has determined that there are problems with the operation of the use and that new or revised conditions are needed. (P&Z)

DISCUSSION:

1. The applicant, HR Acquisition I Corporation/Capstone Capital Corporation, a wholly owned subsidiary of Healthcare Realty Trust ("HCRT"), by Donald L. Husi, Vice President of HCRT, requests special use permit approval to change the ownership of the nursing facility located at 900 Virginia Avenue.
2. The subject property is a full block of land bordered by Virginia Avenue, Central Avenue, Farm Road and Circle Terrace Avenue. The 1.58 acre site, zoned R-8, is developed with a nursing facility and parking lot. The building contains 26,263 net square feet (0.38 FAR) of floor area. The nursing home is surrounded by single family residential development in the North Ridge neighborhood.
3. The nursing home operates under a special use permit, most recently approved in 1994 (SUP #2775). The SUP was granted to the operator of the facility, Integrated Health Services Inc. ("IHS"), with a requirement for a new SUP if the ownership changed. Since early 2000, IHS has been a debtor in bankruptcy proceedings, although it continues to operate the nursing home. The current application seeks to change the SUP applicant to reflect the current owner of the property. If the SUP is approved, HCRT plans to replace IHS with a new operator.

Neither an expansion of the operation nor enlargement of the building are being proposed as part of this application. However, because of the history of special use permit violations at the property, the SUP request was docketed by staff for review and approval by the Planning Commission and City Council.

4. IHS offers both skilled nursing and subacute care to the elderly. Skilled nursing provides care to patients who require assistance with more than three activities of daily life (such as feeding, washing or dressing) and who may need medication and may be bedbound. Subacute care consists of patients whose personal care and health care needs are higher than those cared for under skilled nursing. Patients in subacute care are bedbound, need to be fed, and may require oxygen. The facility is licensed for 111 beds, but has only 104 beds at this time. The existing SUP permits a total of 113 resident beds. The majority of the patients at IHS are under skilled nursing care.
5. The nursing home has a long history of city approvals and controversies. Originally developed as the Circle Terrace Hospital, a series of land use approvals were required in the mid 1960s when the hospital sought to expand. (See SUPs #547, #549, #630, #631, Site Plan #66-017 and BZA #809). Issues at the time included, among others, the design and size of the building, the nature and intensity of the use, the amount of open space on the site, and

the sufficiency of parking. Litigation with adjoining homeowners was settled, resulting in an agreement with numerous requirements.

As a result of the litigation and land use approvals, the hospital was permitted to expand its building, an FAR variance was approved by the BZA, and an arrangement to create additional parking on Central Avenue was required. Under that arrangement, the hospital was required to acquire an easement over the front yards of the homes on the east side of Central Avenue and develop the land with 33 diagonal parking spaces for both the hospital and the owners of the adjacent homes to use. At that time the adjacent houses were owned by the hospital and used as homes for its professional staff.

In June 1994, IHS sought SUP and site plan approval in order to make a number of improvements to the exterior of the building and to the site. Most significant of the proposed changes was the addition of an oxygen storage facility constructed on the southwest corner of the block. The oxygen facility, necessary to address the evolving needs and improvements in nursing home care, removed open space area from the facilities grounds. Significant additional landscaping and site improvements were required by the City and as a result of negotiations with neighbors at the time. (See SUP #2775 and Site Plan #94-003)

6. The nursing home facility is classified as a noncomplying use as a zoning matter, since it is no longer allowed in the R-8 zone. Prior to the adoption of the 1992 zoning ordinance the use was permitted in the R-8 zone with a special use permit.
7. There have been a series of SUP violations over the last several years and both staff and several neighbors have attempted to work with IHS to correct them. Staff has held a number of meetings with successive management representatives of the facility, conducted a number of site inspections, and issued zoning citations in an attempt to address the continuing violations. Neighboring residents have been diligent in communicating issues and violations to staff. IHS responded to some of the issues; however, the problems have persisted. Thirteen tickets have been issued to IHS for the following violations of parking, landscaping and delivery requirements. (See attached list of citations)

Parking. In 1999, one of the homes along the east side of Central Avenue, no longer owned by the nursing home, was transferred to new owners at a foreclosure sale. The new owners then removed five of the diagonal parking spaces along Central Avenue and a portion of the sidewalk within the nursing home easement area and installed grass, landscaping, and a driveway in front of their home for their own use. Because IHS is required to maintain 33 parking spaces along Central Avenue under City approvals, staff cited IHS and required that the parking spaces be restored.

HCRT advises staff that it is attempting to restore its easement rights but that the new homeowner claims that the easement was wiped out by the purchase in foreclosure. Because of the bankruptcy complication and the legal issues involved, staff and IHS agreed that the number of beds allowed in the facility would be reduced from 113 to 104 to match the reduced number of parking spaces. IHS currently has 52 parking spaces and 104 beds, which complies with the parking requirement in the zoning ordinance.

In addition, neighbors frequently complain that employees of IHS are parking on residential streets in the area which are prohibited parking areas under Condition #25.

Landscaping. The most persistent problem at the facility over the last eight years has been with regard to required landscaping. Beginning in 1998, and continuing through this summer, IHS has been cited for its failure to maintain the landscaping it was required to plant as part of the landscaping plan approved in 1994. On repeated inspections staff documented the missing species, improper planting, or unhealthy state of the plants. A common observation was the lack of routine watering. IHS has over time replaced dead and damaged plants only to receive subsequent citations when the replacement plantings also died. Currently, the facility is in compliance with the required landscaping plan.

Deliveries. SUP #2775 limits the size of the vehicle making deliveries, the type of delivery, and the times at which deliveries to the facility may occur. Nevertheless, neighbors have reported deliveries occurring in violation of those rules and three affidavits submitted to staff resulted in tickets being issued to IHS.

8. Given the history of this facility, and the community involvement in prior approvals, staff suggested that the applicant engage the North Ridge Citizens' Association (NRCA) and residents who live adjacent to the facility in order to identify and discuss issues. In a series of meetings from April through August this year, the applicant, staff, citizens and NRCA representatives have met to discuss the problems and to design potential solutions, each of which is discussed in more detail below.

STAFF ANALYSIS:

Staff recommends approval of the special use permit application, although it does so with some serious concerns about the history of problems at the site. The applicant maintains that the future will be different, and indeed its participation over the last six months working with the neighborhood suggests a level of seriousness and sensitivity that may well lead to a change in operations. To a great extent, the facility's location, directly adjacent to single family residential uses, creates an inevitable conflict, with the reality of employees, visitors, deliveries and patients coming to and from

the site, and the natural noise and parking problems created by that activity. In the past, a small, quiet hospital would be purposely sited in a residential environment. Today's modern facility must be conducted with a high degree of care and concern in order to coexist with residential neighbors without conflict.

The community meetings that have occurred over the last several months with neighbors of the facility, planning staff and the NRCA are a model of open dialogue and consensus building. In those sessions, the applicant has been willing to listen to neighbors' concerns and commit to a series of steps which it believes will resolve prior neighborhood problems. NCRA has taken a leadership role in attempting to find and articulate consensus. And the neighbors of the facility, who are not unanimous in their concerns or goals, have shown respect for each other and the applicant, and appear willing to let the new owners prove themselves.

The following issues are of concern to staff and the neighborhood and need to be addressed in this SUP. Each of the issues has been the subject of a commitment by the applicant (see Hunton and Williams letter of August 16, 2002) and a condition proposed by NRCA (see attached NRCA letter), and is the subject of conditions recommended by staff to become part of this SUP.

Identity of Applicant.

The existing SUP was granted to IHS, the operator of the facility. The proposed permittee is not the operator; it is the owner of the land on which the facility is located. In fact, the applicant includes HR Acquisition 1 Corporation/Capstone Capital Corporation, a landholding entity, and a subsidiary of HCRT, which is the company on whose behalf Mr. Husi has discussed the future operations with the neighbors. HCRT will in the future lease the property to a new operator. This corporate complexity and the lack of an actual on-site operator raises concerns for staff and neighbors because of the need to have identifiable persons with whom to work on problems in the future. By the same token, the history of compliance in the recent past, with an on-site operator, is not good. Therefore, staff is willing to go forward with the arrangement proposed by the applicant, especially given the additional formal commitments made by the applicant.

Under Condition #13, staff proposes that the owner will have the same restrictions as any other applicant; the SUP will be restricted to it and a change will require SUP review. In addition, the applicant has agreed to submit its proposed operator, and any change of operator in the future, to review by staff under conditions similar to those attending a change of ownership application. Specifically, if there have been any documented violations of the SUP without reasonable resolution or if any significant changes to the operation are proposed, then staff can require that the SUP be docketed for review by the Planning Commission and Council. (See Condition #13; see also Condition #35 and discussion under Enforcement below.)

Community dialogue

The success of the recent effort suggests that continued communication can lead to shared understanding and resolution of issues. The applicant has agreed to a continuing dialogue with the neighbors. Specifically, it has agreed that the operator will hold quarterly meetings and that a representative of the owner will attend an annual meeting, all to review site operations and neighborhood concerns with the neighbors. (See Condition #28.)

Noise

There are several sources of noise that are bothersome to neighbors, but most are associated with employees talking loudly during shift changes and employee break periods, as well as music from their vehicles or other disturbing behavior during late hours when employees are outside the building. Another source of noise is from delivery vehicles during evening or late night hours. While there is the occasional need for late night emergency deliveries, including arrival of patients, other regular deliveries should be achieved during normal daytime work hours as required by this SUP. Many of the other issues discussed were related to employee behavior.

One specific suggestion is the need for an outside area where patients and employees may go to rest or socialize. Currently, the front entrance of the building along Virginia Avenue is routinely used for this purpose and the frequent congregation there is disruptive to neighbors. The applicant has agreed to construct an area internal to the site as a location for patients and/or employees to gather outside the building. (See Condition #34)

The community also discussed how raising employee awareness generally about neighborhood issues may address many of the concerns associated with noise, trash, and parking. The applicant has committed to employee training in order to stress the need for employees to be courteous to nearby residents. It has also agreed to communicate similar information to patients and their families. (See Conditions #29 and #30.)

In addition, the applicant agreed to instruct vendors about appropriate times for deliveries. (See Condition #20)

Trash and litter

Residents complained about the litter found on the site and surrounding streets, either from visitors or employees, that should be more frequently picked up. The applicant has committed to maintain the area of all four blocks bordering the facility, including both sides of the street. (See Condition #22)

Landscaping

Much of the landscaping on the site is mature and attractive. However, there are areas that need improvement, such as along the west side of Central Avenue. In addition, steps must be taken to ensure that all of the landscaping is properly maintained. The applicant is working with City staff to design an improved landscaped screening area along Central Avenue, and has committed to an irrigation system to make watering the different areas of the site more convenient. Finally, as part of the applicant's commitment with regard to parking, a new landscaped area will be created along the southern part of the west side of Central Avenue and a plan for the planting in that area will be required and approved by the City. (See Conditions #17 and #34)

Parking

There are two issues that were raised about parking and they are related. First, IHS employees have been seen parking on Farm Road even though employee parking is prohibited there. Parking is expressly limited to both sides of the road along Central Avenue and Virginia Avenue on the one block adjacent to the facility under Condition #25. Secondly, the residents along Central Avenue would like to have their yards reconstructed and driveways installed. Planning staff agrees that the attractiveness of Central Avenue would be greatly improved if the front lawns of the adjacent homes could be restored. However, any reconfiguration of the east side of Central Avenue would involve a reduction in the number of required spaces there, although there would be room for some parallel parking on a redesigned Central Avenue. The zoning ordinance requires one parking space for each two beds in the facility and that ratio is a requirement of the special use permit. The facility now meets that requirement.

The applicant is not pursuing a redesign of Central Avenue at this time because there is no consensus in the neighborhood that it is desirable and because the applicant has not shown data to support a reduction in the required number of parking spaces. The applicant has agreed to continue to meet with neighbors to determine if a consensus can be reached and to undertake certain parking improvements in the interim.

Specifically, the applicant has committed to implementing a parking management program for employees, issuing stickers for employee cars, restricting some parking spaces within the Central Avenue easement area for employees and monitoring employee parking use. The applicant has also identified an area on its site along the western side of Central Avenue that can be redesigned to accommodate two additional on-site parking spaces, and three on-street spaces. Finally, with the aid of a parking consultant, the applicant is willing to study the need for parking for the facility and to report to the neighborhood late this year as to the results. In the future, if there is a desire to reduce the number of required parking spaces at the facility, an amendment to this special use permit will be required. (See Conditions #32 and #34)

Enforcement

Of continuing concern to staff and the neighbors is the ability to enforce the conditions of the special use permit, especially with an off-site corporate entity located in Tennessee as the SUP applicant. While zoning citations and the change of ownership requirement have been useful tools in this case, both the applicant and the neighborhood believe that their ability to deal directly with each other about nuisance activity is a better solution for the long run. The applicant has made a series of commitments to address this concern, and staff has incorporated each of them as conditions of this permit.

Specifically, the applicant will provide and post contact names for neighbors to use if there are problems; it will hold quarterly meetings with interested neighbors at which they may voice concerns; and it will instruct its employees about respecting the neighborhood in training sessions. In addition, and significantly, the applicant has agreed to incorporate the conditions of the special use permit as a requirement of its lease with any new operator and to exact specific monetary penalties for noncompliance as part of the lease. (See Conditions #31 and #35)

Conclusion

With these conditions and understandings, staff recommends approval of this special use permit, and looks forward to working with the applicant and the neighbors toward correction of past problems and a future free of new ones.

STAFF: Eileen P. Fogarty, Director, Department of Planning and Zoning;
Barbara Ross, Deputy Director.
Valerie Peterson, Urban Planner.

CITY DEPARTMENT COMMENTS

Legend: C - code requirement R - recommendation S - suggestion F - finding

Transportation & Environmental Services:

F-1 No objections or recommendations.

Code Enforcement:

F-1 No comments.

Health Department:

- C-1 An Alexandria Health Department Permit is required for all regulated facilities.
- C-2 Permits are non-transferable.
- C-3 This facility must meet current Alexandria City Code requirements for food establishments. Contact Environmental Health at 703-838-4400 Ext. 255 to arrange for a "change of ownership" inspection.
- C-4 If changes to the facility are to be done, five sets of plans must be submitted to and approved by this department prior to construction. Plans must comply with Alexandria City Code, Title 11, Chapter 2, Food and Food Establishments. There is a \$135.00 fee for review of plans for food facilities.
- C-5 Permits must be obtained prior to operation.
- C-6 The facility must comply with the Alexandria City Code, Title 11, Chapter 10, Smoking Prohibition.
- C-7 Certified Food Managers must be on duty during all hours of operation.
- C-8 Restrooms, including those in common areas, serving the restaurant, are to meet Alexandria City Code, Title 11, Chapter 2, requirements.

- C-9 This facility is currently operating as Integrated Health Services of Northern Virginia. Under permit #16F-305-1, issued to Integrated Health Services at Alexandria, Inc.
- C-10 Provide a menu or list of foods to be handled at this facility to the Health Department prior to opening.

Police Department:

- F-1 No objections.

APPLICATION for SPECIAL USE PERMIT # 2002-0008

[must use black ink or type]

PROPERTY LOCATION: 900 Virginia AvenueTAX MAP REFERENCE: 33.00-02-14 ZONE: R-8APPLICANT Name: HR Acquisition 1 Corporation/
Capstone Capital CorporationAddress: 3310 West End Avenue, Suite 700
Nashville, TN 37203PROPERTY OWNER Name: Capstone Capital CorporationAddress: 3310 West End Avenue, Suite 700
Nashville, TN 37203PROPOSED USE: Nursing home/sub-acute care facility

THE UNDERSIGNED hereby applies for a Special Use Permit in accordance with the provisions of Article XI, Section 11-500 of the 1992 Zoning Ordinance of the City of Alexandria, Virginia.

THE UNDERSIGNED, having obtained permission from the property owner, hereby grants permission to the City of Alexandria to post placard notice on the property for which this application is requested, pursuant to Article XI, Section 11-301(B) of the 1992 Zoning Ordinance of the City of Alexandria, Virginia.

THE UNDERSIGNED hereby attests that all of the information herein provided and specifically including all surveys, drawings, etc., required to be furnished by the applicant are true, correct and accurate to the best of their knowledge and belief. The applicant is hereby notified that any written materials, drawings or illustrations submitted in support of this application and any specific oral representations made to the Planning Commission or City Council in the course of public hearings on this application will be binding on the applicant unless those materials or representations are clearly stated to be non-binding or illustrative of general plans and intentions, subject to substantial revision, pursuant to Article XI, Section 11-207(A)(10), of the 1992 Zoning Ordinance of the City of Alexandria, Virginia.

Donald L. Husi
Print Name of Applicant or Agent

Donald L. Husi
Signature

3310 West End Avenue, Suite 700
Mailing/Street Address

(615) 269-8238 (615) 269-8260
Telephone # Fax #

Nashville, TN 37203
City and State Zip Code

January 22, 2002
Date

DO NOT WRITE BELOW THIS LINE - OFFICE USE ONLY

Application Received: _____ Date & Fee Paid: _____ \$ _____

ACTION - PLANNING COMMISSION: _____

ACTION - CITY COUNCIL: _____

All applicants must complete this form. Supplemental forms are required for child care facilities, restaurants, automobile oriented uses and freestanding signs requiring special use permit approval.

1. The applicant is (check one) ☒ the Owner ☐ Contract Purchaser
☐ Lessee or ☐ Other: _____ of the subject property.

State the name, address and percent of ownership of any person or entity owning an interest in the applicant, unless the entity is a corporation or partnership in which case identify each owner of more than ten percent.

The applicant is 100% owned by Healthcare Realty Trust, 3310 West End Avenue,
Suite 700, Nashville, TN 37203. Healthcare Realty Trust is a publicly
traded entity with no shareholder having more than 10%.

If property owner or applicant is being represented by an authorized agent such as an attorney, realtor, or other person for which there is some form of compensation, does this agent or the business in which the agent is employed have a business license to operate in the City of Alexandria, Virginia?

☐ Yes. Provide proof of current City business license

☒ No. The agent shall obtain a business license prior to filing application, if required by the City Code.

Attorney not required to have license.

2. Submit a floor plan and a plot plan with parking layout of the proposed use. One copy of the plan is required for plans that are 8½" x 14" or smaller. Twenty-four copies are required for larger plans or if the plans cannot be easily reproduced. The planning director may waive requirements for plan submission upon receipt of a written request which adequately justifies a waiver. This requirement does not apply if a Site Plan Package is required.

NARRATIVE DESCRIPTION

3. The applicant shall describe below the nature of the request in detail so that the Planning Commission and City Council can understand the nature of the operation and the use, including such items as the nature of the activity, the number and type of patrons, the number of employees, the hours, how parking is to be provided for employees and patrons, and whether the use will generate any noise. (Attach additional sheets if necessary)

Narrative Statement

An approved nursing/sub-acute care facility exists on the subject property and is permitted by Special Use Permit ("SUP") #2775. This application is filed solely to allow a change in the operator of the facility.

The City Council approved SUP #2775 on June 18, 1994 for a 113-bed "Sub-Acute Care Facility." The 1.58-acre site is zoned R-8 and approved for 32,070 gross square feet of floor area at a maximum 0.38 floor area ratio. The City Council approved SUP #2775 subject to 26 conditions. These conditions specifically governed the use of the site, including size, intensity, appearance, screening, utilities, crime prevention, tree preservation and landscaping, activities, deliveries, trash, parking and other requirements. The number of full-time (or equivalent) employees is restricted not to exceed 160.

Condition R-13 of SUP #2775 states that the SUP "shall be granted to the applicant and Integrated Health Services, Inc. only, or to any business or entity in which the applicant has a controlling interest, including one by which the applicant or Integrated Health Services, Inc. acts as manager for or lessee of the facility." Capstone Capital Corporation ("Capstone") owned the property when SUP #2775 was approved. In 1998, HR Acquisition 1 Corporation ("HR") merged with Capstone, and Capstone became a wholly-owned subsidiary of HR. Integrated Health Services, Inc. ("IHS") has operated and continues to operate the facility pursuant to a lease agreement with Capstone. HR and Capstone has experienced financial defaults by IHS, and IHS has recently filed for bankruptcy protection. As a result of the bankruptcy, HR and Capstone desires to identify a new operator, which can operate the facility efficiently and properly in compliance with the conditions of SUP #2775.

No other change in conditions, expansion, or intensification of use from that previously approved is requested in this application. In conjunction with this application, HR and Capstone have resubmitted the previously approved special use permit plat and landscape plan and will agree to reaffirm all of the other conditions imposed with SUP #2775.

USE CHARACTERISTICS

4. The proposed special use permit request is for: *(check one)*

- ☐ a new use requiring a special use permit,
☐ a development special use permit,
☐ an expansion or change to an existing use without a special use permit,
☐ expansion or change to an existing use with a special use permit,
☒ other. Please describe: Change in approved SUP conditions.

5. Please describe the capacity of the proposed use:

A. How many patrons, clients, pupils and other such users do you expect? Specify time period (i.e., day, hour, or shift).

Maximum of 113 beds

B. How many employees, staff and other personnel do you expect? Specify time period (i.e., day, hour, or shift).

Maximum 160 full-time

6. Please describe the proposed hours and days of operation of the proposed use:

Day:

Hours:

Monday through Sunday

24 hours per day*

*Maximum bedside nursing hours per calendar year: 196,500

7. Please describe any potential noise emanating from the proposed use:

A. Describe the noise levels anticipated from all mechanical equipment and patrons.

Normal noise associated with nursing home/sub-acute care facility,
and in compliance with approved SUP conditions.

B. How will the noise from patrons be controlled?

In compliance with approved SUP conditions.

8. Describe any potential odors emanating from the proposed use and plans to control them:

No odors are anticipated to be generated by this use.

9. Please provide information regarding trash and litter generated by the use:

A. What type of trash and garbage will be generated by the use?

That normally associated with a nursing home/sub-acute care facility
such as paper products, food-related products and medical waste, consistent
with the prior and current use.

B. How much trash and garbage will be generated by the use?

The same amount as is generally associated with a 113-bed nursing home,
consistent with the prior and current use.

C. How often will trash be collected?

Anticipate twice weekly trash collection, and in compliance with
approved SUP conditions.

D. How will you prevent littering on the property, streets and nearby properties?

Area will be monitored by employees to ensure it is kept clear of
litter and debris, and in compliance with approved SUP conditions.

10. Will any hazardous materials, as defined by the state or federal government, be handled, stored, or generated on the property?

☒ Yes. ☐ No.

If yes, provide the name, monthly quantity, and specific disposal method below:

Liquid oxygen and medical waste, which will be stored and disposed of in conformance with strict federal and state guidelines for nursing home facilities. The facility is surveyed at least annually by federal, state and local inspectors and surveyors to ensure compliance.

11. Will any organic compounds, for example paint, ink, lacquer thinner, or cleaning or degreasing solvent, be handled, stored, or generated on the property?

☒ Yes. ☐ No.

If yes, provide the name, monthly quantity, and specific disposal method below:

Paint, lacquer thinner, cleaning and degreasing solvents, which will be stored and disposed of in conformance with strict federal and state guidelines for nursing home facilities. The facility is surveyed at least annually by federal, state and local inspectors and surveyors to ensure compliance.

12. What methods are proposed to ensure the safety of residents, employees and patrons?

All employees receive training regarding their safety and the safety of the residents. The facility is staffed 24 hours per day. Doors are locked overnight. There is outdoor lighting on the site.

ALCOHOL SALES

13. Will the proposed use include the sale of beer, wine, or mixed drinks?

☐ Yes. ☒ No.

If yes, describe alcohol sales below, including if the ABC license will include on-premises and/or off-premises sales. Existing uses must describe their existing alcohol sales and/or service and identify any proposed changes in that aspect of the operation.

PARKING AND ACCESS REQUIREMENTS

14. Please provide information regarding the availability of off-street parking:

- A. How many parking spaces are required for the proposed use pursuant to section 8-200 (A) of the zoning ordinance?

57

- B. How many parking spaces of each type are provided for the proposed use:

42 Standard spaces

13 Compact spaces

2 Handicapped accessible spaces.

 Other.

- C. Where is required parking located? ☒ on-site ☐ off-site (*check one*)

If the required parking will be located off-site, where will it be located:

Pursuant to section 8-200 (C) of the zoning ordinance, commercial and industrial uses may provide off-site parking within 500 feet of the proposed use, provided that the off-site parking is located on land zoned for commercial or industrial uses. All other uses must provide parking on-site, except that off-street parking may be provided within 300 feet of the use with a special use permit.

- D. If a reduction in the required parking is requested, pursuant to section 8-100 (A) (4) or (5) of the zoning ordinance, complete the PARKING REDUCTION SUPPLEMENTAL APPLICATION.

15. Please provide information regarding loading and unloading facilities for the use:

- A. How many loading spaces are required for the use, per section 8-200 (B) of the zoning ordinance? 2

- B. How many loading spaces are available for the use? 2

- C. Where are off-street loading facilities located? On east side of building
as depicted on the plat.

D. During what hours of the day do you expect loading/unloading operations to occur?

In compliance with the approved SUP conditions.

E. How frequently are loading/unloading operations expected to occur, per day or per week, as appropriate?

In compliance with the approved SUP conditions.

16. Is street access to the subject property adequate or are any street improvements, such as a new turning lane, necessary to minimize impacts on traffic flow?

Street access is adequate -- no change is proposed.

SITE CHARACTERISTICS

17. Will the proposed uses be located in an existing building? ☒ Yes ☐ No

Do you propose to construct an addition to the building? ☐ Yes ☒ No

How large will the addition be? 0 square feet.

18. What will the total area occupied by the proposed use be?

32,070 g.f.a.sq. ft. (existing) + 0 sq. ft. (addition if any) = 32,070 sq. ft. (total) g.f.a.

19. The proposed use is located in: (check one)

☒ a stand alone building ☐ a house located in a residential zone ☐ a warehouse

☐ a shopping center. Please provide name of the center: _____

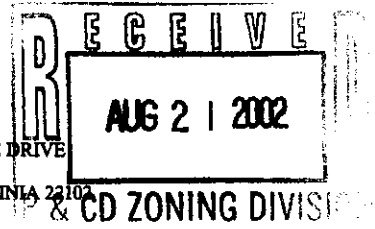
☐ an office building. Please provide name of the building: _____

☐ other, please describe: _____

SUP 2002-0008



1751 PINNACLE DRIVE
SUITE 1700
MCLEAN, VIRGINIA 22102



TEL 703 • 714 • 7400
FAX 703 • 714 • 7410

JOHN C. MCGRANAHAN, JR.
DIRECT DIAL: 703-714-7464
EMAIL: jmcgranahan@hunton.com

FILE NO: 49743.7

August 16, 2002

BY FACSIMILE AND REGULAR MAIL

Ms. Barbara Ross
Department of Planning and Zoning
City of Alexandria
301 King Street
Room 2100
Alexandria, Virginia 22314

SUP 2002-0008
HR Acquisition 1 Corporation/Capstone Capital Corporation
900 Virginia Avenue – Tax Map Reference 030-00-02-14

Dear Barbara:

First, thank you and Valerie again for your time and participation in the numerous meetings you attended over the course of this summer regarding the referenced application.

The purpose of this letter is to supplement the application with the commitments the Applicant has made working with the North Ridge Citizens' Association and the neighbors of the subject facility (the "Facility"). The original request was simply to revise existing Condition R-13 to make the property owner (the "Owner") the permittee under the special use permit ("SUP") and to permit the operator of the Facility (the "Operator") to be approved through an administrative process subject to certain conditions. Attached as Exhibit A is the revised language we proposed for Condition R-13. The Applicant requested no other revisions to the existing SUP conditions.

As a result of the dialogue with the neighbors, the Applicant made the following commitments in addition to the commitments set forth in the existing SUP conditions:

1. The Operator shall schedule quarterly meetings with the surrounding neighbors to review site operations and neighborhood concerns. At least annually, an appropriate individual from the corporate office of both the Owner and the Operator shall attend such meetings.



Ms. Barbara Ross
August 16, 2002
Page 2

2. The Operator shall include in the employee orientation process discussion of all SUP provisions affecting employees and shall communicate (a) the unique aspects of operating the Facility within a residential neighborhood, and (b) the Operator's related expectations of the employees. Among issues to be addressed in employee orientation shall be limitations on employee noise (i.e., shift change and other outdoor activities in which noise may carry beyond the Facility site) and proper behavior towards Facility neighbors.
3. The Operator shall include in the new resident and family orientation process discussion of all SUP provisions affecting patients and their families.
4. The Owner and the Operator shall provide to the City and shall post at the Facility entrance contact information for both the Owner and the Operator so neighbors can contact those individuals responsible for the Facility to express concerns regarding Facility operations.
5. The Owner shall incorporate the SUP conditions into its agreements with the Operator.
6. The Owner shall incorporate into its agreements with the Operator that such Operator shall be responsible for maintaining full compliance with the SUP conditions. Further, such agreements shall contain provisions whereby the Operator shall agree to payment of fines to the Owner of not less than \$250 per day and not greater than \$2,000 per day until verified violations are corrected. If requested by the City, the Owner and/or the Operator shall make available for inspection and copying a record of all such fines and evidence of payment of such fines.
7. The Owner agrees to a review of its SUP by the City on the first and second anniversary of its approval.
8. The Owner shall include in its agreement with the Operator that the Operator shall notify all vendors of the permitted hours (i.e., 8:00 a.m. to 5:00 p.m.) during which vendors may make non-emergency deliveries to the Facility.



Ms. Barbara Ross
August 16, 2002
Page 3

9. SUP Condition R-22 shall be revised to read: "The Applicant shall keep the property and both sides of the four streets adjacent to the facility free of trash, litter and debris."
10. The Owner agrees to establish an appropriate area for the Facility residents and employees to smoke or enjoy the outdoors without detracting from the appearance of the Facility.
11. The Owner and Operator shall implement, within sixty (60) days of SUP approval, a Facility employee parking program whereby portable employee parking stickers will be issued to employees to enable monitoring of the location of employee parking. Further, the Owner and Operator shall paint or otherwise designate certain reserved parking spaces on the east side of Central Avenue for Facility use only. In addition, the Owner and Operator will conduct a further traffic/parking study to develop data for purposes of assessing Facility parking needs and the impact of any reduction of the present parking spaces on Central Avenue upon other parking spaces available surrounding the Facility. Further, the Owner and Operator will install two additional parking spaces for employees along the Facility border with Central Avenue.
12. The Owner agrees to meet in December 2002 and later with the neighbors surrounding the Facility to review the parking program and further parking study for purposes of continuing to examine parking options, including the potential reconfiguration of Central Avenue parking.
13. The Owner agrees to prepare and implement a plan acceptable to the City regarding an improved landscaping plan, to include an irrigation program for convenient watering for the Facility's most heavily planted areas, and to change the species of various existing plantings along Central Avenue to achieve a hardier plant environment. The Applicant's landscape architect, Bob Lamborn at Patton, Harris, Rust & Associates, has been discussing the details of the proposed plan with Aimee Vosper. A copy of the latest draft of that plan is enclosed as Exhibit B.

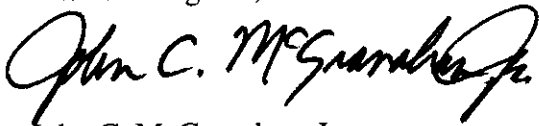
SUP 2002-0008

HUNTON
&
WILLIAMS

Ms. Barbara Ross
August 16, 2002
Page 4

If you have any questions regarding the Applicant's commitments or how they might be incorporated into the pending SUP, please call or email.

With best regards,

A handwritten signature in black ink, reading "John C. McGranahan, Jr." with a stylized flourish at the end.

John C. McGranahan, Jr.

cc: Warren C. Lutz, Esquire
Mr. Donald L. Husi
Neighborhood Meeting Participants

EXHIBIT A**Healthcare Realty Trust/Special Use Permit Amendment
Proposed Revision to Development Condition R-13**

- R-13 The special use permit shall be granted to the property owner (the "Owner"), HR Acquisition I Corporation, a wholly owned subsidiary of Health Care Realty Trust ("HCRT") located at 3310 West End Avenue, Suite 700, Nashville, Tennessee 37203, or to any business or entity in which the Owner or HCRT has a controlling interest, or any successor corporation to Owner or HCRT by merger, in accordance with the following terms and conditions. Any future change in the name of the Owner shall be in accordance with Paragraph F of Section 11-503 of the Zoning Ordinance and any change in the operator who manages the facility (the "Operator") shall be subject to administrative approval by the City Director of Planning and Zoning, or his or her designee. Said administrative approval of a new Operator may be granted only if there have been no substantiated violations of the special use permit conditions, or in the alternative no approval shall be forthcoming until such violations have been corrected, and there are no substantial changes proposed or anticipated in the operation of the use. The Owner shall be required to maintain posted in the lobby of the nursing facility for public view a current list of the name, title, address and direct phone number of a member of the senior management for both the Owner and the Operator who shall serve as the contact person with the knowledge and authority to address all matters related to the special use permit. Such names shall also be updated as required in the annual letter to the City required by Condition R-15 of the special use permit.

Citations Issued to IHS, 900 Virginia Avenue

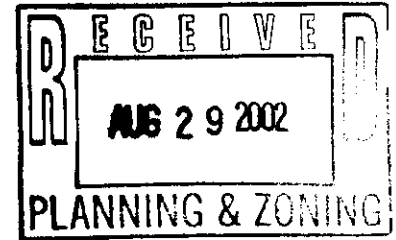
#1115	1/14/98	Received oxygen before 8:00 a.m. (R-20)
1122	1/28/98	Not maintaining landscaping (Condition #17)
1306	10/16/98	Same violation as #1122
1592	6/8/99	Same violation as #1122
1583	7/2/99	Same violation as #1122
1616	9/24/99	Deliveries occurring before 8:00 a.m. (R-20)
1656	10/15/99	Same violation as #1122
1667	10/19/99	Removal of required parking
1869	5/9/00	Removal of required parking and failure to replace and maintain the landscaping
1884	5/19/00	Same violations as #1869
1904	6/13/00	Removal of required parking
2500	3/29/2002	Proactive inspection, same violation as #1122
2627	7/11/2002	Dead shrubs--complaint

The North Ridge Citizens' Association

A Non-Profit Organization

PO BOX 3242

ALEXANDRIA, VA 22302-0242



August 26, 2002

Alexandria Planning Commission
Alexandria City Council
301 King Street
Alexandria, Virginia 22314

Re: Application for Special Use Permit
Applicant: HR Acquisition 1 Corporation/Capstone Capital Corp.

Property Location: 900 Virginia Avenue and Area bounded by
Virginia Avenue, Central Avenue, Farm Road and Circle Terrace
Avenue

Tax Map Reference: 33.00-02-14

Dear Mr. Chairman and Commissioners:

The North Ridge Citizens' Association ("NRCA") has reviewed the application filed by HR Acquisition 1 Corporation/Capstone Capital Corp. ("HR"), which seeks to change the named applicant of the SUP pertaining to the nursing/sub-acute care facility located at 900 Virginia Avenue, Alexandria, Virginia ("facility"). I write to express the NRCA's conditional endorsement of this application.

Background

In May 2002, HR informed the NRCA of its SUP application. In May and June 2002, HR appeared before the NRCA Executive Board to outline the bases for its application, and to seek the NRCA's endorsement. Thereafter, the NRCA formed a committee from among its Executive Board members to study the proposal and report to the Board.

Throughout June, July and August 2002, the NRCA committee conducted numerous meetings with HR, the Alexandria Department of Planning and Zoning, residents surrounding the facility, and other North Ridge citizens to consider the matter in detail. Various concerns were expressed by the facility's neighboring residents regarding the operation of the facility. In particular, concerns were raised regarding facility noise (e.g. delivery vehicles and employee behavior during shift changes), accumulation of trash and litter around the facility, landscaping, including irrigation of site plantings,

facility employee conduct in proximity of facility (e.g. noise and reported rudeness), facility patient and employee utilization of outdoor public space and facility parking. The most difficult and unresolved issue concerns parking. Specifically, there have been numerous reports of facility employee parking in unauthorized areas surrounding the facility. Further, proposals to replace current diagonal parking along Central Avenue with parallel parking or modified parallel parking (to increase the size of the front yards of houses along Central Avenue) generated no consensus among the majority of residents surrounding the facility.

In view of the concerns raised, the NRCA met with HR, the interim operator of the facility, the City Department of Planning and Zoning, and numerous residents surrounding the facility. These meetings explored in detail the concerns raised, HR's proposals to address these concerns, areas of neighborhood consensus as to proposed solutions, and plans to continue further review of the parking matter on which no consensus has yet been reached.

The NRCA is pleased to report that during the course of these meetings consensus was reached between HR and the neighboring residents on the vast majority of areas of concern. This consensus was reached following considerable discussion and good faith efforts by all concerned. During these meetings HR acknowledged that the operations of the facility could be improved, and that HR was committed to establishing various mechanisms to facilitate such improvement. Specifically, HR made the following commitments should its SUP application be approved:

1. HR will conduct quarterly meetings of the facility operator and facility neighbors, and at least one annual meeting also involving HR, to review site operations and neighborhood concerns.
2. HR will require that the facility operator shall include in the facility employee orientation process a discussion of all SUP provisions affecting employees, and shall communicate the unique aspects of operating the facility within a residential neighborhood and the related expectations of the employees. Among other issues to be addressed in employee orientation shall be limitations on employee noise (e.g. shift change and other outdoor activities in which noise may carry beyond the facility site) and proper conduct towards surrounding neighbors.
3. HR will require the facility operator to communicate with facility patients and their families those aspects of the SUP affecting them.
4. HR will establish readily available information for purposes of enabling issues of concern among facility neighbors or others to readily contact the facility operator and HR to express concerns to facilitate appropriate response.

5. HR will incorporate the SUP provisions into its agreements with the facility operator.
6. HR will incorporate into its agreements with the facility operator that such operator shall be responsible for maintaining full compliance with the SUP. Further, such agreements shall contain provisions whereby the operator shall agree to payment of fines to HR of not less than \$250 per day and not greater than \$2,000 per day until verified violations are corrected.
7. HR will agree to a one-year and two-year review of its SUP by the City.
8. HR will include into its agreement with the facility operator that the latter shall notify all vendors of the permissible hours (i.e. 8:00 a.m. to 5:00 p.m.) during which vendors may make deliveries to the facility.
9. HR will agree to replace SUP Section R-22 with the following: "The applicant shall keep the property, and the area surrounding the property, generally defined as both sides of the four streets (i.e., Virginia Avenue, Farm Road, Circle Terrace Avenue and Central Avenue) adjacent to the facility, free of litter and debris.
10. HR will agree to establish an appropriate area for facility residents and employees to smoke or enjoy the outdoors without detracting from the appearance of the facility.
11. HR will implement, within sixty (60) days of SUP approval, if not earlier, a facility employee parking program whereby employee parking stickers will be issued to enable monitoring of the location of employee parking. Further, HR shall paint or otherwise designate certain reserved HR parking spaces on the east side of Central Avenue. In addition, HR will conduct a further traffic/parking study to develop data for purposes of assessing facility parking needs and the impact of any reduction of the present parking spaces on Central Avenue upon other parking spaces available surrounding the facility. Further, HR will install two additional parking spaces for employees along the facility border with Central Avenue.
12. HR will agree to meet in December 2002 and later with the neighbors surrounding the facility for purposes of reviewing the parking program and further parking study for purposes of continuing to examine parking options, including the potential reconfiguration of Central Avenue parking.
13. HR will prepare and implement a plan acceptable to the City regarding an improved landscaping plan, to include an irrigation program for

convenient watering for the facility's most heavily planted areas, and to change the species of various existing plantings along Central Avenue to achieve a more hearty plant environment.

During the NRCA meetings with HR and the facility neighbors, consensus was not achieved on the issue of reconfiguring the existing diagonal parking along Central Avenue. One segment of facility neighbors, particularly those residing on Virginia Avenue and Farm Road, currently opposes any parking changes that may result in an increase in facility employee parking on these two streets. Another segment of the neighbors, particularly those along Central Avenue, desires to replace the Central Avenue diagonal parking with either parallel parking, or a modified parallel parking plan which would include driveways and larger front yards for these residents.

As noted above, HR has agreed, pending SUP approval, to implement certain additional parking requirements for the facility employees, and to conduct further parking study by outside consultants in an effort to reach overall neighborhood consensus as to potential methods of altering the current Central Avenue diagonal parking without displacing employee vehicles to Farm Avenue and Circle Terrace Avenue. HR has further agreed to conduct quarterly meetings with the facility neighbors to review not only the overall operations of the facility, but also to further explore the parking issue. The NRCA has also agreed to participate in these ongoing discussions and efforts to reach overall consensus to address the parking situation and site operation compliance with HR's commitments that were made in connection with its SUP application.

NRCA Decision

On August 12, 2002, HR, the Department of Planning and Zoning, and various facility neighbors appeared before a Special Meeting of the NRCA Executive Board to further discuss the SUP application. Following discussion by all concerned, the NRCA Executive Board conducted further discussion and debate. Based upon extensive review of the proposal, the views expressed by Board members and other citizens, and the commitments made by HR as noted above, the NRCA Board voted unanimously to endorse the SUP application, subject to the following conditions:

Condition 1: HR shall conduct quarterly meetings of the facility operator and facility neighbors, and at least one annual meeting also involving HR, to review site operations and neighborhood concerns.

Condition 2: HR shall require that the facility operator shall include in the facility employee orientation process a discussion of all SUP provisions affecting employees, and shall communicate the unique aspects of operating the facility within a residential neighborhood and the related expectations of the employees. Among other issues to be addressed in employee orientation shall be limitations on employee noise (e.g. shift change and

other outdoor activities in which noise may carry beyond the facility site) and proper behavior towards facility neighbors.

Condition 3: HR shall require the facility operator to communicate with facility patients and their families those aspects of the SUP affecting them.

Condition 4: HR shall establish readily available information for purposes of enabling facility neighbors to contact the facility operator and HR to express concerns regarding facility operations.

Condition 5: HR shall incorporate the SUP provisions into its agreements with the facility operator.

Condition 6: HR shall incorporate into its agreements with the facility operator that such operator shall be responsible for maintaining full compliance with the SUP. Further, such agreements shall contain provisions whereby the operator shall agree to payment of fines to HR of not less than \$250 per day and not greater than \$2,000 per day until verified violations are corrected. If requested by the City of Alexandria, HR and/or the operator shall make available for inspection and copying a record of all such fines and evidence of payment of such fines.

Condition 7: HR shall agree to a one-year and two-year review of its SUP by the City of Alexandria. The NRCA requests that the City Staff inform the NRCA of each review so that it may offer its comments at such time.

Condition 8: HR shall include into its agreement with the facility operator that the latter shall notify all vendors of the permissible hours (i.e. 8:00 a.m. to 5:00 p.m.) during which vendors may make non-emergency deliveries to the facility.

Condition 9: HR shall agree to replace SUP Section R-22 with the following: "The applicant shall keep the property, and the area surrounding the property, generally defined as both sides of the four streets (i.e., Virginia Avenue, Farm Road, Circle Terrace Avenue and Central Avenue) adjacent to the facility, free of litter and debris.

Condition 10: HR shall agree to establish an appropriate area for facility residents and employees to smoke or enjoy the outdoors without detracting from the appearance of the facility.

Condition 11: HR shall implement, within sixty (60) days of SUP approval, a facility employee parking program whereby employee parking stickers will be issued to employees who shall be required to display the stickers on all vehicles they park at the facility to enable monitoring of the location of employee parking. Further, HR shall paint or otherwise designate certain

reserved HR parking spaces on the east side of Central Avenue. In addition, HR will conduct a further traffic/parking study to develop data for purposes of assessing facility parking needs and the impact of any reduction of the present parking spaces on Central Avenue upon other parking spaces available surrounding the facility. Further, HR will install two additional parking spaces for employees along the facility border with Central Avenue.

Condition 12: HR shall agree to meet in December 2002 and later with the neighbors surrounding the facility for purposes of reviewing the parking program and further parking study for purposes of continuing to examine parking options, including the potential reconfiguration of Central Avenue parking.

Condition 13: HR shall prepare and implement a plan acceptable to the City regarding an improved landscaping plan, to include an irrigation program for convenient watering for the facility's most heavily planted areas, and to change the species of various existing plantings along Central Avenue to achieve a more hardy plant environment.

The NRCA's decision at this time is based on the expectation that the Planning Commission will hear this matter on September 3, 2002. If for any reason this matter is not heard until after our next Board meeting, September 9, 2002, the NRCA would welcome the opportunity to consider and provide further written views, particularly with respect to any unresolved issues or concerns that the Department of Planning and Zoning may express about the applications in the interim. Indeed, our failure to address any staff concerns that may emerge should not be viewed as indifference to such concerns. If the matter is not postponed, an NRCA representative will be at the Planning Commission hearing to provide appropriate supplementary comments on any differences between staff recommendations and the foregoing.

The NRCA wishes to express its appreciation to the applicant and the facility neighbors for the manner in which they worked to resolve these issues to date. Further, the NRCA wishes to acknowledge the considerable time and input to this matter provided by the Alexandria Department of Planning and Zoning, whose assistance has been invaluable.

Thank you for the opportunity to provide our views. We look forward to providing any additional assistance that we can.

Very truly yours,



Joseph N. Bowman
President



jrice@CFTC.gov

09/13/02 05:20 PM

To: Beverly I Jett@Alex

Subject: Re: Item #10 - September 14, 2002

> Open Statement To The Alexandria City Council
> September 14th, 2002
> Re: Item #10
> Property Address: 900 Virginia Avenue
> > > Dear Council Members:
> > I am writing to voice my concern as to the process and resulting direction
> an application for a Special Use Permit (SUP) currently on your agenda is
> being handled. I am unfortunately unable to attend this mornings
> proceedings, nor was I able to attend a previous meeting of The Alexandria
> Planning Commission, held on September 3rd, 2002, but this is no way
> should be construed as anything other than a scheduling issue, and most
> definitely not an indication as to my concern in the matter. I am
> extremely concerned.
> > The cause of my concern is the process these proceedings have taken.
> Health Care Realty Trust (HCRT) is applying for a SUP. It is my opinion
> that this act should take the SUP process to a new application. This is
> an application for a SUP and should therefore receive the same level of
> review and scrutiny as any other application. The fact of the matter is
> that little or no real debate has taken place on the issue of granting a
> SUP application. This SUP is being applied for, not simply re-issued with
> altered stipulations. > > There was, I concede, a previous SUP in place, but in that document it
was
> seen fit to place a clause for re-application at a change in ownership.
> That is how the document was written and that should be how the process
> progresses.
> > I ask one simply question of this Council. Would you issue this SUP today
> if there were not one already on the books? I am confident that your
> answer would be no. > > In addition, the previously held SUP has seen constant violation of
permit
> regulations. The neighborhood has consistently complained to both the
> City and staff. This adds more wait to the argument for total review. > > Considering this, I
ask again. Would you issue this SUP today if one were
> not already on the books, knowing that compliance will not occur? I am
> again confident that your answer would be no. > > The Planning Commission made its decision
at 12:45 am, September 4th,
> 2002, hardly a time at which to be discussing residential issues. The
> role of the Council must be to guard against proceedings like this. A
> full and detailed study of the value that such a facility provides the
> community is needed. Alternative sites should be looked at. Previous
> history should be considered. Etc.
> > The first discussion should be focused on whether the hospital should be
> permitted to continue operations, not how parking spaces are assigned. > > I ask this Council
to send this process back to The Planning Commission
> and have them review this SUP. This facility is a business located in a
> residential community. It has constantly failed to abide to its
> obligations as laid down by this authority in the past. And this will NOT
> change with simply a change of owner/operator.
> > There is no recourse for a community such as ours to resolve this
> unacceptable situation other than in front of this body. Now is our only
> chance. Please help us make our community better.

> > Thank you
> > > John Rice
> 2423 Central Avenue
> Alexandria, VA 22302
> 703-548-3133
> john_rice@hotmail.com
>

APPLICATION for SPECIAL USE PERMIT # 2002-0008

[must use black ink or type]

PROPERTY LOCATION: 900 Virginia Avenue

TAX MAP REFERENCE: 33.00-02-14 ZONE: R-8

APPLICANT Name: HR Acquisition I Corporation/
Capstone Capital Corporation

Address: 3310 West End Avenue, Suite 700
Nashville, TN 37203

PROPERTY OWNER Name: Capstone Capital Corporation

Address: 3310 West End Avenue, Suite 700
Nashville, TN 37203

PROPOSED USE: Nursing home/sub-acute care facility

THE UNDERSIGNED hereby applies for a Special Use Permit in accordance with the provisions of Article XI, Section 11-500 of the 1992 Zoning Ordinance of the City of Alexandria, Virginia.

THE UNDERSIGNED, having obtained permission from the property owner, hereby grants permission to the City of Alexandria to post placard notice on the property for which this application is requested, pursuant to Article XI, Section 11-301(B) of the 1992 Zoning Ordinance of the City of Alexandria, Virginia.

THE UNDERSIGNED hereby attests that all of the information herein provided and specifically including all surveys, drawings, etc., required to be furnished by the applicant are true, correct and accurate to the best of their knowledge and belief. The applicant is hereby notified that any written materials, drawings or illustrations submitted in support of this application and any specific oral representations made to the Planning Commission or City Council in the course of public hearings on this application will be binding on the applicant unless those materials or representations are clearly stated to be non-binding or illustrative of general plans and intentions, subject to substantial revision, pursuant to Article XI, Section 11-207(A)(10), of the 1992 Zoning Ordinance of the City of Alexandria, Virginia.

Donald L. Husi
Print Name of Applicant or Agent

Donald L. Husi
Signature

3310 West End Avenue, Suite 700
Mailing/Street Address

(615) 269-8238 (615) 269-8260
Telephone # Fax #

Nashville, TN 37203
City and State Zip Code

January 22, 2002
Date

DO NOT WRITE BELOW THIS LINE - OFFICE USE ONLY

Application Received: _____ Date & Fee Paid: _____ \$ _____

ACTION - PLANNING COMMISSION: 9/3/02 RECOMMEND APPROVAL 6-G

ACTION - CITY COUNCIL: 9/14/02PH-- SEE ATTACHED

REPORTS OF BOARDS, COMMISSIONS AND COMMITTEES (continued)

ACTION CONSENT CALENDAR (continued)

Planning Commission (continued)

5. Councilman Speck requested staff to correct language in condition #3 to make it consistent with all our language regarding parking.

City Council approved the Planning Commission recommendation.

6. City Council approved the Planning Commission recommendation.

7. City Council approved the Planning Commission recommendation.

8. City Council approved the Planning Commission recommendation.

9. Councilman Euille commented that St. Mary's School and VDOT had discussions underway for more than a year now in terms of reaching a negotiated settlement on the impacts of the Woodrow Wilson Bridge project on the school. He understands that those discussions have somehow gotten off track. Mr. Euille encouraged the City staff to do whatever it can to assist both parties to getting back to the table and hopefully seeking some type of reasonable solution to their discussions. The closing of this street will certainly have an impact not only on the entire neighborhood, but also St. Mary's School.

City Council approved the Planning Commission recommendation and authorized the appointment of viewers. Judy Lowe, chair, and Lee Roy Steel and Bill Brandon were appointed as viewers. **(Separate Motion)**

~~10~~ Councilman Speck noted condition #29 where it goes into some detailed language about employee training sessions. He was impressed with the way they have laid out some of the importance of educating the people that work there on the conditions and the significance of those conditions to the neighborhood and recognizing that this is a particularly important use. It's one with a long record of existing in that residential neighborhood. He thinks that some of the intent of that could easily be incorporated into a lot of our other special use permits, and he wanted to note that and ask if that is something that we can look at for other ones. It makes a lot of sense.

Planning and Zoning Deputy Ross stated that the language of that particular condition was worked out by the applicant, the North Ridge Civic Association, individual neighbors and staff. She agreed with Councilman Speck and thinks it's good. She thinks that staff can take the flavor and intent of it, capsule it, and use it in other reports.

Councilman Speck thought it was good staff work and something it can discuss with Planning Commission to include with some of the applications received for restaurants, for example.

City Council approved the Planning Commission recommendation.

END OF ACTION CONSENT CALENDAR

Council Action: _____