

STAFF REPORT SUMMARY

Proposed Map Amendment to the M-3-CZ District at 100, 101, 110, and 120 Two Hills Drive and Associated Text Amendments



Woodhill NC LLC, owner of the South Green development, has submitted a petition to modify the M-3-CZ (Special Light Manufacturing, Conditional) zoning district at South Green in order to replace the commercial building that was approved for the back lot with a mixed-use building including 57-63 residential units. Residential uses are not currently permitted in the M-3-CZ district. In order to add residential uses to the development, the following steps are needed: a text amendment to add the new use classification to list of uses permitted in the M-3 district; a zoning map amendment to include residential as a permissible use in the existing three-lot M-3-CZ district at South Green; and, if approved, a major modification to the existing special use permit-A. The modification to the SUP-A would involve a separate public hearing. The owners are also seeking text amendments to replace the open space and recreational facility requirements associated with residential uses with urban amenities, and to increase the maximum height for residential buildings from three to four stories. All of the other conditions associated with the original 2015 development would remain in place.

Before making a decision on a map or text amendment the Town Council must hold a public hearing. The consideration of an amendment is a legislative decision; the Town Council is free to engage in conversations with the applicants and members of the public about the proposal.

Town Council must adopt a statement as to whether the proposed amendment is consistent or inconsistent with the Carrboro 2022-2042 Comprehensive Plan, and whether it advances the public health, safety or welfare.

Public hearings on the proposed map and text amendments have been set for Tuesday, May 23, 2023 in the Town Hall Board Room, beginning at 7:00 PM or as soon thereafter as it can be heard. The Town Council will consider the text amendments first, followed by the map amendment. If both are approved, the applicant would follow with an application for the special use permit modification.



TOWN OF CARRBORO

NORTH CAROLINA

TRANSMITTAL

PLANNING DEPARTMENT

DELIVERED VIA: ☐ HAND ☐ MAIL ☐ FAX ☒ EMAIL

To: Richard White, Town Manager
Mayor and Town Council

From: Tina Moon, Planning Administrator

Date: May 18, 2023

Subject: Request for Map Amendment to M-3-CZ District 100, 101, 110, and 120 Two Hills Drive (South Green) and Associated Text Amendments

SUMMARY

Mark Moshier of Legacy Real Property Group and Woodhill NC LLC, owner of South Green, have submitted amendment requests to modify the existing M-3-CZ (Special Light Manufacturing, Conditional) district to allow certain multi-family residential uses in the South Green development. A text amendment is needed to add residential uses to the M-3 District, and a map amendment is needed to add the residential uses as a permissible use in the existing three-lot M-3-CZ district at South Green. The Town Council has set two separate public hearings to consider these requests, one for the text amendment and the other for the map amendment. Approval of the text amendment to add residential uses to the district is a necessary step to advance the map amendment. Should the Town Council approve the text and map amendments, the applicants would follow with an application for a major modification to the special use permit-A. The special use permit modification would involve a separate public hearing.

PROJECT BACKGROUND

In 2015, Woodhill NC LLC, received a conditional use rezoning to rezone three parcels at 501 South Greensboro Street for the purpose of developing a commercial complex including a combination of retail, office and restaurant uses. The project involved the adoption of a text amendment to create a new zoning district, M-3-CU (special light manufacturing) which was based on the existing M-1 (light manufacturing) district with the addition of freestanding ATMs and certain restaurant uses. The inclusion of restaurants was linked to applicant providing a certain percentage of green building/site features within the project based on a sliding scale. (For additional information on the 2015 proposal please see the April 28, 2015 public hearing materials on the text amendment and rezoning at the following link: <https://carrboro.legistar.com/MeetingDetail.aspx?ID=388577&GUID=32878F10-D803-4716-BABE-2C963F3422DC&Options=&Search=>) The subsequent adoption of N.C.G.S. Chapter 160D automatically converted the conditional use district to a conditional district (M-3-CZ).

The change from a conditional use district to a conditional district affects the process for considering amendments.

In 2022, Mark Moshier of Legacy Real Property Group reached out to the Town to explore options for including a mixed-use component for Lot 2 instead of the commercial building approved as part of the original project. Residential uses are not currently permitted in the M-3-CZ district. In order to add residential uses to the project, three steps are needed: a text amendment to add the new use to the M-3 district; a map amendment to add residential as a permissible use in the existing three-lot M-3-CZ district at South Green; and a modification to the existing special use permit-A. (The adoption of 160D also converted adopted conditional use permits to special use permits so the applicant would be seeking a major modification to the existing special use permit-A.)

The Town has received a petition to amend the three-lot M-3-CZ district at South Green (100, 101, 110, and 120 Two Hills Drive (*Attachments E-1 through E-4*). The applicants have also submitted requests for three text amendments: the first to add certain multi-family uses to the M-3-CZ district at South Green, the second to replace the open space and recreational facilities requirements associated with residential uses with downtown livability areas and amenities, and the third to increase the maximum building height for residential uses in the M-3-CZ district from three stories to four stories to accommodate the proposed buildings for the multi-family units. (For additional information about the text amendment requests please see agenda item 23-270.)

A draft zoning map amendment has been prepared, that includes a list of draft conditions; it is anticipated that the conditions may be further modified during the public hearing process (*Attachment B*). The final list of conditions must be mutually agreed upon by the Town and the applicants. Of note, all of the conditions approved as part of the 2015 permit approval remain binding and will be incorporated into the final ordinance for the map amendment.

The applicants held a neighborhood information meeting on the proposal on May 20, 2022, and presented a concept plan to advisory boards on June 2, 2022. The formal application for the text amendment and the petition for change of zoning for the map amendment were presented to the joint advisory board on May 4, 2023, and discussed again at the Economic Sustainability Commission (ESC) meeting on May 10th and the Affordable Housing Advisory Commission (AHAC) meeting on May 17th. A summary of the NIM is included in the applicant materials. Advisory board comments are also provided (*Attachment G*). Staff has received inquiries from three members of the public on the proposed amendments. Of those, comments relating to the requested change to the recreation facilities were also conveyed to the Council. Questions regarding the process for participating in a public hearing were handled by the Town Clerk. Inquiries about the existing development were discussed in a meeting with the applicant and staff.

PROJECT DESCRIPTION

The proposed development involves the construction of three, four-story multi-family residential buildings on the undeveloped lot located in the eastern portion of the site, along with an area of downtown livability amenities designed to serve the residents. It is anticipated that the buildings will contain 63 units, approximately 6 units would be intended to serve commercial units, but would be constructed such that they could be converted to residential uses, for a maximum density of 63 dwelling units. Most units would be one-or two bedrooms; approximately 12 units would be just under 1300 square feet in size and approximately 36 units would be less than 1100 square feet in size. These dimensions are in line with the description of small homes in the Section 15-188 of the LUO.

The overall street network for the South Green site remains the same, however, the specific circulation pattern changes for Lot 2, most notably the two entrance points have been reduced to one. The northern entrance point has been modified for bike/ped travel, and the pedestrian network is extended around the new building complex, providing access to the outdoor amenities.

The proposal increases the total number of parking spaces from 180 to 184, but continues the shared parking plan of the original plan and includes a number of EV charging stations and infrastructure for future EV charging stations. The request for a parking reduction, if applicable, will be considered as part of the subsequent special use permit process.

MAP AMENDMENT OVERVIEW

The process for amending the official Carrboro Zoning Map is described in Article XX of the Land Use Ordinance (LUO). The request would be considered a minor map amendment, in that it involves fewer than five parcels and less than fifty acres. The petition form includes four key questions for the applicant to answer: A) how is the proposed zoning map amendment consistent with Town plans and policies, B) in what way is the subject property particularly suited for the potential uses of the new district, C) how will the purposed map amendment affect the value of nearby buildings, and D) in what way does the amendment encourage the most appropriate use of the land?

More specific information relating to conditional zoning is discussed in Article IX, Section 15-141.4, of the LUO. As part of the application to rezone property to a conditional district or to amend an existing conditional district (Section 15-141.4(d)) the applicant must submit a list of proposed conditions which may be in the form of written statements, graphic illustrations, or any combinations thereof, to be incorporated into the ordinance that amends the zoning district for the property.

PETITIONERS/OWNERS

The petitioner for the requested map amendment is Gary Hill, of Woodhill NC, LLC, PO Box 4022, Chapel Hill, North Carolina.

Mark Moshier with of Legacy Real Property Group, has applied for the text amendments.

DESCRIPTION OF THE AREA

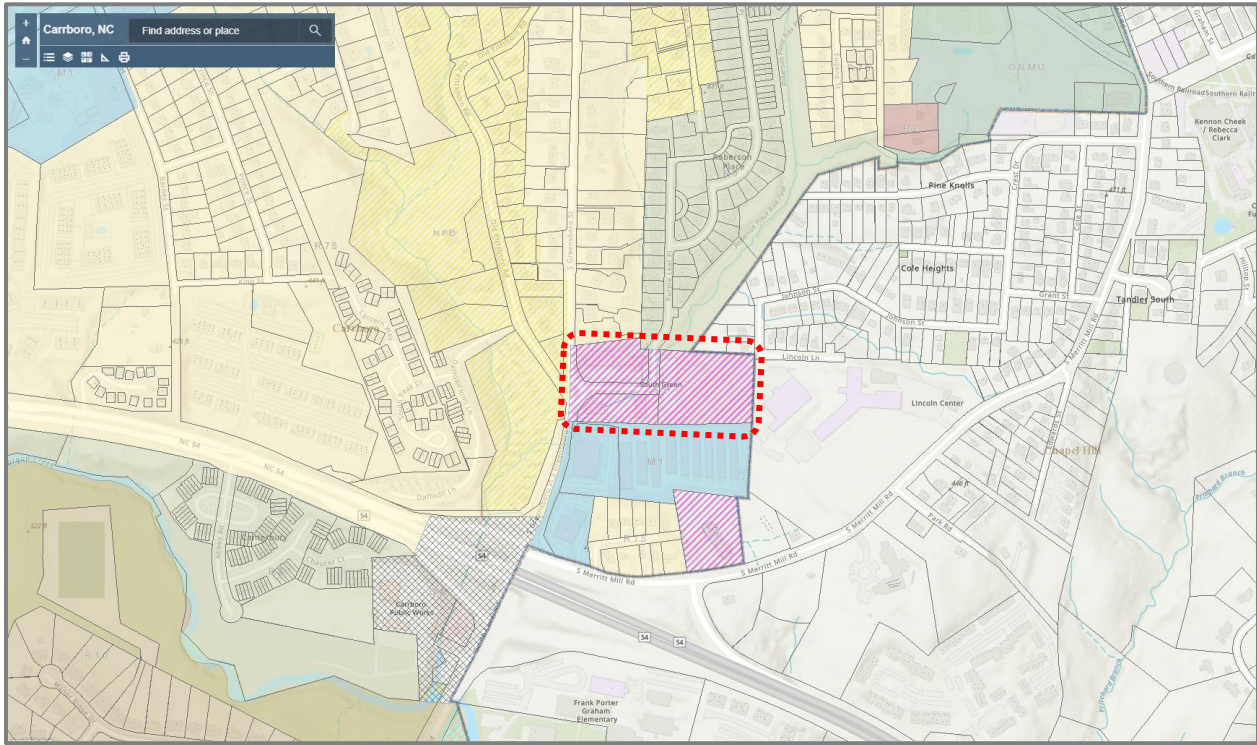
Known as the South Green development, the subject property is located at the base of South Greensboro Street, along the east quadrant of the South Greensboro Street roundabout, between the south end the intersection with Old Pittsboro Road and the intersection with Merritt Mill Road. Two of the three lots at South Green are developed. Lot 2, located in the eastern portion of the site remains undeveloped, and is the anticipated site for the residential uses.

| Lot # | Address | PIN | Zoning | Acres |
|--------------|-------------------------|--------------|---------------|--------------|
| Lot 1 | 101 Two Hills Dr. | 9778-83-7930 | M-3-CZ | 1.25 |
| Lot 2 | 120 Two Hills Dr. | 9778-93-1738 | M-3-CZ | 2.99 |
| Lot 3 | 100 & 110 Two Hills Dr. | 9778-83-7669 | M-3-CZ | 0.97 |

ADJACENT ZONING & LAND USES

The subject property is located south of the Roberson Place residential subdivision and Park Slope, a series of exempt subdivisions. Other surrounding land uses include residential uses to the north along South Greensboro Street, zoned R-7.5 (Residential, 7500 sq. ft. per dwelling unit), and office

uses directly adjacent to the south and a storage facility nearby, zoned M-1 (Light Manufacturing). The Maple Avenue neighborhood and Old Pittsboro neighborhood are neighborhood preservation districts. There is a mobile home park on the west side of the roundabout, also R-7.5. The Perry Place residential development facing Merritt Mill Road is zoned R-2-CZ (Residential, 2000 sq. ft. per dwelling unit, conditional). The boundary line with the Town of Chapel Hill is located just to the east, which includes additional residential uses and the Lincoln Center administrative complex for the Chapel Hill-Carrboro School System.



Vicinity map showing the subject property, outlined in red within the surrounding neighborhood. The Chapel Hill-Carrboro jurisdiction boundary is shown with the gray line.

COMPARISON OF ZONES

Zoning provides a planning mechanism that allows certain land uses to occur in defined areas or districts. The Table of Permissible Uses, found in Article X, Section 15-146, of the LUO, lists the land uses that are allowed in each zoning district along with permitting requirements (i.e. special use permit-A, special use permit-B, zoning permit). The Table of Permissible Uses can be found online at <http://www.townofcarrboro.org/DocumentCenter/View/691/Article-X-Permissible-Uses-PDF-with-table>

Article IX of the LUO describes the different zoning districts for Carrboro's planning jurisdiction, including four manufacturing districts: M-1, M-2, M-3 and WM-3. Watershed Light Industrial (WM-3), was established for existing manufacturing uses in the University Lake Watershed; the district cannot be expanded, nor can any new WM-3 areas be designated. The descriptions for the other three districts are provided below.

M-1 LIGHT MANUFACTURING. This zone is designed to accommodate a limited range of industrial activities and a wide range of commercial uses including wholesaling, storage, mail-order, auto related, and office and retail in conjunction with industrial or wholesaling uses. Permitted industrial uses include enterprises engaged in manufacturing, processing, creating, repairing, renovating,

painting, cleaning and assembly where all operations are contained inside a fully enclosed building. The performance standards for the M-1 zone located in Part I of Article XI are more restrictive than those in the M-2 district.

M-2 GENERAL MANUFACTURING. This district is designed to accommodate the widest range of industrial uses. Business operations may be conducted within and outside a fully enclosed building. The performance standards for this zone are less restrictive than those in the M-1 district.

M-3 SPECIAL LIGHT MANUFACTURING. The M-3 district includes the same wide range of commercial and industrial uses the M-1 with the addition of freestanding ATMs. Some restaurant uses may also be permitted if the proposed development contains site and building elements that will create a more vibrant and successful community and provide essential public infrastructure. The M-3 district was established in 2015 as part of the application for the South Green development. There is currently only one M-3 district in Carrboro, the M-3-CZ district encompassing the three parcels at South Green.

ANALYSIS

The conditional zoning mechanism allows for the approval of a site specific development plan and conditions tailored to the individual project. The conditions, including the site plan, become binding to the conditional district and subsequent permit. For the South Green development, the overall layout was determined as part of the 2015 approval. The general location and size of buildings, internal circulation pattern, stormwater management features, on-site parking spaces, etc., were shown on original site plan, and unless specifically modified as part of the illustrative site plan for the map amendment, remain binding to the district.

The applicants are seeking to add certain multi-family residential uses to the M-3 conditional district. The provisions set out in the draft text amendment, if adopted, would allow residential uses (1.310, 1.321, 1.322, 1.331, 1.332) proportional to the inclusion of certain green building and site features that provide essential public benefit; this is the same sliding scale framework that was established for the inclusion of restaurant uses in 2015 (8.100, 8.200, 8.500, 8.600, and 8.700). The Town Council would have discretion to determine if the development contains sufficient green building and site features to grant these additional uses as part of the consideration of a special use permit-A.

The proposed mixed-use component for the project will be located on Lot 2, in the eastern portion of the site. It is anticipated that the site will include 57 multi-family units; a proposed condition would limit the maximum number of dwelling units to 63. Conditions for conditional zonings are linked to the rezoning, must be mutually accepted by the Town and the applicant, and will be binding. The proposed list of conditions, included in the draft map amendment ordinance may be further refined during the public hearing process. The subsequent permit application will require a greater level of detail than the map amendment exhibit, but the overall design must remain consistent with the illustrative site plan approved as part of the rezoning.

Consistency with Adopted Plans/Policies

The Carrboro 2022-2042 Comprehensive Plan, *Carrboro Connects*, provides goals, strategies, and projects that are expected to guide the Town's growth and development. In the Petition for Change of Zoning the petitioners have provided responses to support their assertion that the proposed zoning map amendment is consistent with the Town's adopted plans and policies. Staff has identified the following sections of the Comprehensive Plan that appear to be relevant to the request.

Carrboro Connects

Affordable Housing

- The applicant has identified a commitment to provide some small homes that may contribute toward missing middle housing. Whether the residential units will for purchase or for rent has not yet been determined, but it is anticipated that units will be available for purchase. Units will be designed to be energy efficient with a possibility of renewable energy such as solar panels. Homes will be in high transit area in close proximity to downtown, and suitable for walking and biking. Applicable strategy: 4.4.

Climate Action

- Inclusion of renewables, for residential units and inclusion of green building and site plan elements as part of original rezoning for South Green, including permeable pavement and other stormwater measures, strategy 3.1A.

Economic Development

- Strengthening business districts and commercial areas in Carrboro's neighborhoods, strategy 2.2.

Transportation & Mobility

- Strategies to identify sidewalks along development and design/construct, such as project 2.2

Land Use

- Encourage higher density along priority corridors such as Greensboro Street, strategy 4.1

CONSIDERATIONS/SUMMARY COMMENTS

- Adopted policies support the establishment of conditional districts.
- The conditional district process (legislative action for a map amendment) is expected to mitigate the associated impacts of the additional density requested as part of this development.
- Town policies acknowledge an interest and need for increased residential density along priority corridors, with diverse housing options.
- Approximately 75-percent of the residential units meet the Town's definition of small homes described in Section 15-188: approximately 12 units are shown as less than 1350 sq. ft. in size and approximately 36 units less than 1100 sq. ft. in size. Final dimensions to be determined as part of the special use permit-A/construction plan process.
- The site's location provides connections to surrounding neighborhoods within reasonable distances for walking, biking and access to transit.
- The applicant identified policy provisions appear to be consistent with the request.

ACTION REQUESTED

Staff requests that the Town Council receive public comment and consider the request to amend M-3-CZ zoning district for South Green at 100, 101, 110, and 120 Two Hills Drive.

RELEVANT ORDINANCE PROVISIONS

The LUO describes the steps for the Council when adopting or rejecting any zoning map or text amendment, as noted in the excerpt below from Section 15-324.

The Council shall adopt a statement describing whether the action is consistent or inconsistent with an adopted comprehensive plan.

If the amendment is adopted and the action was deemed inconsistent with the adopted plan, the zoning amendment shall have the effect of also amending any future land use map in the approved plan, and no additional request or application for a plan amendment shall be required.

A plan amendment and zoning amendment may be considered concurrently.

When adopting or rejecting any petition for a zoning map amendment the Council shall adopt a statement explaining the reasonableness of the proposed rezoning. The statement of reasonableness may consider, among other factors: (i) the size, physical conditions, and other attributes of any area proposed to be rezoned; (ii) the benefits and detriments to the landowners, the neighbors, and the surrounding community; (iii) the relationship between the current actual and permissible development and the development permissible under the proposed amendment, (iv) why the action taken is in the public interest; and (v) any changed conditions warranting the amendment.

Section 15-325 of the LUO specifies that when considering an amendment, the central issue before the Town Council is “whether the proposed amendment advances the public health, safety or welfare.” The Council is obligated to disregard advantages or disadvantages to the individual requesting the change and must consider the impact of the proposed change on the public at large.

Please also note the expanded conflict of interest provisions adopted as part of 160D, which extends the conflict of interest to include familial, business, or other associational relationships.

Relevant excerpts from the Land Use Ordinance, articles IX and XX are provided in Attachment H.