



## TOWN OF CARRBORO

NORTH CAROLINA

### TRANSMITTAL PLANNING DEPARTMENT

DELIVERED VIA:  HAND  MAIL  FAX  EMAIL

**To:** David Andrews, Town Manager  
Mayor & Board of Aldermen

**From:** Tina Moon, Planning Administrator

**Date:** January 8, 2014

**Subject:** Potential Text Amendments Relating to the M-1 Zoning District

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#### SUMMARY

Runyon Woods of Woodhill, Inc. LLC, submitted a request for a text amendment to the Land use Ordinance to allow additional uses in the M-1 zoning district subject to a conditional use permit. Such "higher return" uses were intended to help offset some of the infrastructure costs related to a development proposal requiring significant stormwater management improvements. Staff prepared a draft ordinance designed to balance the costs associated with substantial infrastructure improvements that offered public benefit with the opportunity for additional land uses, while retaining the possibility for some light manufacturing development to occur in the future. Suggestions for modifying the draft ordinance were presented during the request to set a public hearing agenda item, at joint advisory board review and again during the public hearing. At the close of the public hearing, the Board of Aldermen voted to postpone its decision on the draft ordinance to provide time for additional refinements. The following staff analysis includes a brief history of the text amendment, additional points for consideration and possible suggestions for moving forward. Relevant excerpts from the Land Use Ordinance, including a modified Permissible Use Table (Attachment B) are also provided.

#### BACKGROUND

In May of 2013, Runyon Woods of Woodhill, Inc. LLC, submitted a text amendment request to allow three additional land uses to the M-1 zoning district: restaurants, banks with drive-thru windows, and freestanding ATM tellers. Woodhill, Inc. has since submitted a development proposal for 501 South Greensboro Street (the former Rogers-Triem site) for a conditional use permit. Zoned M-1, the existing conditions at the South Greensboro Street property presents a number of challenges

for redevelopment, among them are necessary upgrades to the stormwater management system offsite. Mr. Woods submits that the potential to include tenants able to pay higher rents than those typically associated with manufacturing uses offers the necessary return to make the project feasible. If adopted, the new uses would be permitted in all M-1 zoning districts including but not limited to the 501 South Greensboro Street site.

Section 15-321(c)(1) of the Land Use Ordinance (LUO) indicates that staff may proceed with the preparation of an ordinance that makes a requested change to the LUO if it believes the change to have significant merit and would benefit the general public. At the October 15<sup>th</sup> regular meeting, staff presented the Board with a draft ordinance crafted to balance the Town's interests in retaining the potential for light manufacturing in M-1 districts, while offering the development of some higher return land uses in exchange for site improvements and/or building elements that would provide essential public infrastructure and create a more vibrant and successful community. The Town adopted similar performance standard language as part of the establishment of the B-1(g) conditional zoning district (Section 15-141.4) in 2011. In its motion to set the public hearing for the proposed amendment, the Board removed use 3.230, Banks with Drive-in windows, from the list of potential new uses for the M-1 district. At the subsequent meeting, on October 22<sup>nd</sup>, the Board requested that staff to prepare an ordinance which would remove drive-in and drive-thru windows as a future permitted use from all zoning districts. A work session item on this topic has been scheduled for February 11, 2014.

The revised draft ordinance to allow restaurants and ATM tellers in the M-1 zoning district was presented at Joint Review on November 7<sup>th</sup> and to the Economic Sustainability Commission on November 13<sup>th</sup>; the ordinance was also referred to Orange County. Advisory boards offered a number of comments on the proposed amendment, such as the need to impose a cap on the amount of developable area available for the new uses.

#### **Advisory Board Comments on Draft Amendment dated 10-15-2013**

(The TAB did not recommend any modifications to the ordinance)

- Eliminate the provision of public art and/or provision of outdoor amenities for public use in new Section 15-176.6 and (8) provision of public art and/or outdoor amenities for public use as a condition to allow the additional uses. **(PB & ESC)**
- Include a clear reference to use 8.100, restaurants with none of the features listed in the use classification below as its primary activity. **(PB)**
- Include use 8.700 mobile prepared food vendors. **(PB)**
- Consider taking a more comprehensive look at the M-1 district to ensure they can better and more flexibly support the Town's vision for a diverse economic base. **(PB)**
- Ensure the status of potential Brownfield sites. **(ESC)**
- Consider establishing a cap on the amount that a development project can incorporate the new land uses. (Not included in the ESC's formal comments but discussed extensively during its review of the proposed amendment.)

#### **Public Hearing Comments on Draft Amendment dated 10-15-2013**

During the November 19, 2013 public hearing, the Board of Aldermen asked a number of questions relating to the long-term implications of the proposed amendment. Discussion included a

comparison of the M-1 Zoning District to the B-4 District and whether rezoning the 501 South Greensboro site to the B-4 classification would offer a preferred solution to the Town and the developer, even if additional text amendments were needed to allow all of the land uses the developer is seeking for its project. The Board requested additional information to help compare the M-1 zoning classification with certain other districts that have similarities, such as the B-4 District and the O/A District.

**CHARACTERIZATION OF M-1 DISTRICT DESCRIPTION AND SIMILAR DISTRICTS**

The following excerpts from the Article IX of the LUO, Zoning Districts and Zoning Map, include the zoning district description for the M-1 District and similar districts. A modified version of the Permissible Use Table showing the same districts is provided as Attachment B.

**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.

**CT CORPORATE TOWN.** This district is designed to create a visually attractive, commercial use district with flexible space. The district is intended to provide space for assemblage and research and development type enterprises. Any structure in this district which is proposed for non-residential use shall be located a minimum distance of 50 feet from any residential dwelling unit in the district that was in existence on July 1, 1985. In order to encourage the creation of flexible space, an average minimum building height of 18 feet for any principal structure is required. The continued use of existing residential dwelling units along North Greensboro Street is encouraged. **(AMENDED 06/20/06).**

**O/A OFFICE/ASSEMBLY.** This district is intended to provide for office, administrative, professional, research, and specialized manufacturing (such as light assembly and processing) activities in close proximity to an arterial street. This district is intended to provide employment near residential areas; therefore, the required development standards are intended to be compatible to adjacent residential uses and provide a park-like setting for employment. It is strongly encouraged that development in the Office/Assembly zoning district be designed so that employees may easily utilize alternative forms of transportation (such riding buses, cycling or walking) to commute to their place of employment. Any development within the Office/Assembly (O/A) district shall comply with the following requirements: **(AMENDED 05/25/99; 5/28/02)**

- a. No area less than five contiguous acres may be zoned as an Office/Assembly district;
- b. The performance standards (Article XI, Part I) applicable to 4.000 classification uses in business zones shall govern uses in an Office/Assembly zone;

- c. As shown in Section 15-308, Table of Screening Requirements, screening will be required between non-residential uses in the Office/Assembly district and adjacent residential properties;
- d. Manufacturer's specifications for proposed outdoor lighting fixtures (including candlepower distribution) must be included in the submitted plans and maximum illumination areas must be delineated on the site plan. Light sources (light bulbs or tubes) shall be shielded to reflect down onto the ground and not out onto neighboring properties. **(AMENDED 04/16/91)**
- e. Not more than 25 percent of the total building gross floor constructed within the proposed district may be used for uses permissible within this district that fall within the 2.000 classification.

**B-4 OUTLYING CONCENTRATED BUSINESS.** This zone is designed to accommodate a variety of commercial enterprises that provide goods and services to a larger market area than those businesses permitted in the neighborhood business district. Development regulations also permit higher buildings and increased density over that allowed in the B-3 zone. This zone is intended to create an attractive, concentrated business district in areas that are outside the town's central business district but that are served by the town's major thoroughfares. Examples of permitted uses include shopping centers, professional offices and motels. Uses that are not permitted include outside storage and drive-in theaters.

**PID PLANNED INDUSTRIAL DEVELOPMENT.** There is also established a Planned Industrial Development (PID) zoning district. The purpose of this district is to provide for the possibility of well planned and tightly controlled industrial development in areas that are suitable for such development but that are not deemed appropriate for M-1 or M-2 zoning because of the less restricted types of development that may occur in such zones. **(AMENDED 6/22/82; 12/7/83)**

- (1) No area less than twenty contiguous acres may be zoned as a Planned Industrial Development district, and then only upon a request submitted by or on behalf of the owner or owners of all the property intended to be covered by such zone.
- (2) As indicated in the Table of Permissible Uses (Section 15-146) a planned industrial development (use classification 30.000) is the only permissible use in a PID zone.
- (3) Subject to subdivision (2) of this subsection, and consistent with the restrictions contained in the definition of a planned industrial development [see Subdivision 15-15(60)], land within a PID zone may be used in a manner that would be permissible if the land were zoned M-1, except that (i) the only permissible uses are those described in the 2.130 and 4.100 classifications and (ii) the performance standards (Article XI, Part I) applicable to 4.100 uses in business zones shall govern uses in a planned industrial development.

## **ANALYSIS**

Discussions on this item to date have focused on preparing an amendment that would allow additional uses in the M-1 zoning district without eliminating the potential for light manufacturing in the future. The draft amendment (10-15-2013) presented at the November public hearing identified performance standards related to public improvements which a developer could fulfill in

exchange for additional land uses. The intent of the ordinance was to encourage developers to use this approach gain sufficient revenues at a site, and to allow for the inclusion of some light manufacturing as part of the project. However, as advisory board members noted without any sort of maximum or cap, a developer could design a project whereby the entire site consisted of restaurants and ATM tellers without any manufacturing or any of the other uses currently allowed in M-1 districts. The draft ordinance neither precluded future manufacturing on the site nor did it encourage, or require it--an important distinction. Should the Town wish to encourage light manufacturing another more incentive-based approach may prove more effective in that effort.

### **Potential Options/Next Steps**

Staff has identified three potential approaches toward moving forward with the request to add land uses to the M-1 zoning district, subject to a conditional use permit.

Option 1. Continue with the proposed amendment with a few minor revisions: omit the public art element, consider capping the amount of developable area of the site dedicated to the new uses to a certain amount—such as 25-35%, and require the developer to meet the public infrastructure improvement test for allowing any of the new uses.

Option 2. Revisit the incentives in order to generate a real opportunity for light manufacturing to occur on M-1 sites, either as part of a current proposal or as part of a future phase of a phased project. Work with Economic and Community Development staff to identify land uses that offer high returns and allow some percentage of those uses to occur in exchange for requiring some lower return uses--such as manufacturing. Research what may be involved in future manufacturing and what would be appropriate for the existing M-1 locations—downtown and within walking distance of downtown. Encourage operations that want a connection to the downtown based on the type of widget they produce—clean/renewable—the number of employees they plan to hire, etc. and cater to businesses interested in community involvement. Encourage each project to become a successful manufacturing operation with land uses traditionally associated with manufacturing such as the assembly space, warehouse space, retail space for direct sales, a restaurant for workers, bank, and perhaps housing.

Option 3. Consider if another zoning district is more appropriate for the 501 South Greensboro site and delay the decision of amending the M-1 district for a larger discussion as part of a potential small area plan or comprehensive plan. This option may have merit if Woodhill, Inc. pursues a car-oriented design geared toward patrons arriving from NC 54 rather than from downtown Carrboro--a project which is more suitable to another zoning district such as the B-4. Such a change in zoning would allow a future M-1 district amendment to focus on the remaining M-1 districts which are located closer to the downtown area and tend to be more pedestrian friendly. However, removing the South Greensboro site from the M-1 zoning classification would substantially reduce the possibility of light manufacturing occurring at the site in the future.

### **SUMMARY**

Each of the three options offers opportunities and challenges and part of the discussion may revolve around the Town's long-term vision and the inclusion of light-manufacturing as part of that vision. Carrboro's history as a mill town may or may not impact future interests in keeping industry

as a potential employer in the Town's jurisdiction and potentially in the downtown core. Should the Town wish to retain that heritage, partnerships may be needed to find and/or grow such businesses in Carrboro. In light of the policy aspects of such changes in relation to the long term vision, staff is seeking direction from the Board for moving forward.