



## 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:** April 22, 2015

**Subject:** Potential Text Amendments Relating to the Proposed M-3-CU Zoning District

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#### SUMMARY

In the spring of 2013, 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 light manufacturing development to occur in the future. Over the course of the next year and a half, staff worked with the applicant to refine the draft ordinance to better respond to Board and advisory board concerns. The following memorandum provides short history of the evolution of the draft ordinance from its original version, presented to the Board as a request-to-set a public hearing agenda item on October 15, 2013 to its current iteration scheduled as a request-to-set a public hearing item for March 17, 2015. The two main changes to the draft ordinance are: 1) the creation of an entirely new special manufacturing district (M-3) rather than modifying the existing district (M-1), and 2) the shift from a general use district to a conditional use district.

#### BACKGROUND

Runyon Woods of Woodhill, Inc. LLC, submitted a text amendment request on May 28, 2013, to allow additional uses within the M-1 zoning district. If adopted, restaurants and freestanding

ATM tellers could be included in the development proposal for 501 South Greensboro Street (the former Rogers-Triem site), owned by Woodhill, Inc. and under review for a conditional use permit. 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. The request to allow more uses in the M-1 district has the potential to change the character of the district from light manufacturing to a more general commercial classification, which while not precluding light manufacturing from occurring in M-1 districts could discourage it due to the higher rent potential associated with other uses. In addition, if the Town amended the LUO, the new uses would be permitted in all M-1 zoning districts including but not limited to the 501 South Greensboro Street site.

#### October 15, 2013 Regular Meeting

At the October 15, 2013 Board of Aldermen 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.

A revised draft ordinance to allow restaurants and ATM tellers in the M-1 zoning district was presented at the Joint Advisory Board Review Meeting on November 7, 2013 and to the Economic Sustainability Commission on November 13, 2013; the ordinance was also referred to Orange County. Advisory board members 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.)

#### November 19, 2013 Public Hearing

On November 19, 2013, the Board of Aldermen held a public hearing on the draft amendment (dated 10-15-2013), which had been modified during the advisory board review process. During the 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 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 was seeking for its project. The Board requested additional information to help compare the M-1 zoning classification with certain other districts that have similar characteristics, such as the B-4 District and the O/A District.

#### January 14, 2014 Work Session

On January 14, 2014, the Board held a work session item to further discuss the implications of adding new uses to the M-1 zoning district. Prior to the work session, discussions relating to the text amendment focused on different approaches to allow 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 January work session was designed to facilitate a broader discussion of the future of the M-1 zoning classification including potential ways to encourage or even require light manufacturing as a component of a development project in exchange for additional land uses.

After considering alternatives for moving forward, the Board directed staff to modify the draft ordinance (presented at the November 2013 public hearing) to incorporate the recommendations from the advisory boards, in particular requiring site improvements or building elements that would contribute to a more vibrant and successful community for any percentage of additional uses and including a cap to limit the total amount of new uses for any new development. The Board also expressed interest in exploring ways to encourage or require light manufacturing as part of a future agenda item that could involve a more comprehensive analysis of the Town's long-term needs.

#### February 18, 2014 Regular Meeting

On February 18, 2014, staff presented the Board with a revised ordinance, which incorporated the requested changes and included an updated list of building and site elements that would provide essential infrastructure and/or create a more vibrant and successful community. The February 18<sup>th</sup> ordinance also established a sliding scale mechanism whereby the Board could approve a certain percentage of restaurants and freestanding ATMs in exchange for a certain number of site and building improvements. Subsequent to the February 18<sup>th</sup> meeting staff held a conference call with the applicant to discuss the February 18<sup>th</sup> draft ordinance and based on that discussion staff added other items to the list of potential improvements.

Staff presented a further revised ordinance (dated February 28, 2014) at the March 6, 2014 Joint Advisory Board Review Meeting; the Economic Sustainability Commission discussed the

ordinance at its March 12<sup>th</sup> regular meeting. The February 28<sup>th</sup> ordinance included the complete list of building and site improvements, but did not include recommendations for the numbers in the sliding scale in an effort to solicit advisory board input on what those percentages should be. As part of their written comments for distribution at the meeting, the applicants offered recommendations for the sliding scale, which the Planning Board supported in its comments along with other suggestions. The percentages were included in the draft ordinance dated March 18, 2014 and presented at the March 25, 2014 public hearing.

#### March 25, 2014 Public Hearing

During the March 25<sup>th</sup> public hearing, the Board expressed interest in creating a new manufacturing zoning district which would allow the additional uses using the sliding scale system but without extending the availability of the new uses to other existing M-1 districts. The Board asked staff to look at weighing the sliding scale with a point system similar to the Active Recreation Areas and Facilities point system outlined in Section 15-196 using a methodology defined in Appendix G. The Board also asked staff to identify where manufacturing activities are currently occurring within the Town's jurisdiction and to minimize other uses in those zones. The Board directed staff to draft an ordinance that would establish the new manufacturing district with a weighted point system and with incentives and/or requirements to promote manufacturing, and to begin the process of rezoning the property at 501 South Greensboro Street (the former Rogers-Triem property) to that new district

#### March 17, 2015 Regular Meeting

While Board described the potential new zoning district during its March 25, 2014 discussion as M-2, the Town already has an M-2 zoning category, General Manufacturing, described below. Therefore the proposed new special manufacturing district has been tentatively described as M-3. The proposed district has also been framed as a conditional use district rather than a general use district. The conditional use rezoning mechanism, as described in Section 15-141.3, allows the Board to consider the specifics of the associated conditional use permit as part of the rezoning decision and to attach conditions to the CUP. A comparison of the existing two manufacturing districts with the proposed new conditional use district is provided below; the descriptions of the existing districts are taken from the LUO. The description of the proposed M-3-CU district is paraphrased from the draft ordinance.

### **COMPARISON OF MANUFACTURING DISTRICTS FROM ARTICLE IX**

**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.

**PROPOSED M-3-CU SPECIAL LIGHT MANUFACTURING.** As currently proposed M 3-Conditional Use district would include 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.