

BOARD OF ALDERMEN

ITEM NO. D(2)

AGENDA ITEM ABSTRACT

MEETING DATE: March 21, 2006

TITLE: Report on Alternative Solutions for Permitting Requirements in Downtown Development

DEPARTMENT: PLANNING	PUBLIC HEARING: YES ___ NO <u>X</u>
ATTACHMENTS: A. Resolution B. Excerpt Implementation Techniques C. NC State School of Design Brochure D. Chapel Hill Concept Plan Process	FOR INFORMATION CONTACT: Patricia McGuire – 918-7327

PURPOSE

In October 2005, the Board of Aldermen amended the Land Use Ordinance to require conditional use permit approval for new downtown buildings over two stories or 35 feet in height. The Board expressed an interest in pursuing other alternative permitting threshold mechanisms to ensure that new downtown development receives an appropriate level of review. A report on this matter has been prepared and a resolution is provided.

INFORMATION

In June 2005, the Board of Aldermen received a staff report on permitting thresholds for downtown development. The Board accepted the report and requested changes to the Town's permitting requirements so that buildings over a certain size, gateway entrance locations or heights would trigger the requirement for a conditional use permit. An amendment that established a conditional use permit requirements for new downtown buildings over two stories or 35 feet in height was adopted in October 2005. Some possible alternative approaches that respond to the Board's request include the following:

- 1) Establish overlay zones for downtown gateway or entranceway locations. The land use permit requirement for these locations could be based on the intensity of use. A single use of small size and/or very low intensity of traffic generation could be permitted with a zoning permit. Any greater intensity or combination of uses could be permitted subject to issuance of a conditional use permit. Additional criteria could be used to refine the determination of intensity of use for each of the gateway locations, such as a proposal to include parking within a structure.
- 2) Specify the desired design for downtown locations and establish a zoning permit requirement if a project meets the design criteria. The desired designs could be codified in a "form-based code." *Attachment B* illustrates in summary fashion how a form-based code is developed. The Town could consider seeking the assistance of design professionals to evaluate the downtown and develop the code. The North Carolina State School of Design Extension and Engagement program may provide such an opportunity. (*Attachment C*).
- 3) Modify the existing structure of permit requirements so that conditional use permits are required for all buildings exceeding 5,000 square feet of gross floor area. Five thousand square feet is the approximate size of the footprint of an existing building in the downtown. The downtown commercial zoning districts are made up of approximately 268 parcels of land, the average size of

which is 23,822 square feet or just over a half acre. Approximately 220 buildings of more than 150 square feet are located on these properties. The average size of these buildings at the first floor is 4,674 square feet and the largest footprint totals approximately 46,000 square feet. The majority of these structures are one story-buildings. Approximately forty buildings are two stories tall and five buildings are greater than two stories.

- 4) Establish a mandatory concept plan review process for all downtown development. This process could focus on the manner in which a project meets the 'harmony' finding included within Section 15-54.1 of the Carrboro Land Use Ordinance, included below:

Will be in harmony with the area in which it is to be located. The manner in which a project is designed to accommodate additional building height including, but not limited to, scale, architectural detailing, compatibility with the existing built environment and with adopted policy statements in support of vibrant and economically successful and sustainable, mixed-use, core commercial districts shall be among the issues that may be considered to make a finding that a project is or is not in harmony with the area in which it is to be located. The applicant may use a variety of graphic and descriptive means to illustrate these findings.

The Town of Chapel Hill Land Use Management Ordinance includes a requirement for concept plan review for certain projects (*Attachment D*) prior to the submittal of a formal application.

Consideration of changes to permitting thresholds and/or the development review process

Changes to the permitting thresholds can affect development costs and the cost of review and approval. In recent years, the Board of Aldermen has adopted, and is considering the adoption of, a number of changes to the development parameters for the downtown. Other changes to land use regulations are under development as part of the comprehensive review of the Land Use Ordinance. That project is responding to several factors, including 1) a realization that after 20 years, the LUO has lost some of its internal consistency, 2) changes in the policy context, and 3) changes in state and federal regulations with which Carrboro's land use regulations must comply. In addition, a consultant, Regional Technology Strategies, is working with the Town to evaluate the existing economic development context and to identify barriers and opportunities for future economic growth. In and of themselves, these activities create uncertainty for property owners, prospective developers, and residents in and near the downtown.

All of the alternative solutions described above will require a commitment of time and resources to accomplish. The principal goals of the comprehensive review of the LUO are to update and clarify, and therefore improve the document and facilitate its use. Within the current regulatory framework, most of the changes described above would likely complicate the process of growth and change in the downtown. Development of a form-based code would likely require the greatest amount of time and resources. The result of this effort would be a template for downtown development, with the expectation that development projects meeting those template requirements would be subject to a less stringent review of their applications.

The inherent conflict between some adopted policies means that implementation usually seeks a balance - to achieve benefits while limiting negative affects of new or changed procedures or options. Particular changes, such as establishing a new, lower threshold at which a conditional use permit is required can always have unintended consequences. Applicants may choose to reduce the size of a project to avoid the requirement. Others may choose to move forward, knowing that the additional review may lengthen the time it takes to receive approval. Such an increase in time can also lengthen the time it takes to measure both increases in downtown commercial development and associated tax revenues. In light of the ongoing

work to assess the town's economic sustainability, the Board of Aldermen may wish to refer this report to Regional Technology Strategies prior to taking any action.

FISCAL IMPACT

More stringent development standards and/or increases in the level of scrutiny afforded a development proposal typically result in an increase in the cost of development. Further assessment of potential fiscal impact is to be determined if any of the alternatives are selected for further consideration.

RECOMMENDATION

The staff recommends that the Board of Aldermen adopt the attached resolution (*Attachment A*) that accepts this report.