

# BOARD OF ALDERMEN

ITEM NO. D(5)

## AGENDA ITEM ABSTRACT

MEETING DATE: May 16, 2006

**TITLE: Discussion of Rezoning Proposal for R-2 District/Establishment and Placement of OR-MU Zoning District**

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| <b>DEPARTMENT: Planning</b>  | <b>PUBLIC HEARING: YES or NO <input type="checkbox"/></b>       |
| <b>ATTACHMENTS:</b><br>A. Draft Ordinance and Map<br>B. Excerpt of minutes, March 28 public hearing and April 25 continued public hearing<br>C. Memo from James Thomas<br>D. Memo from Dale McKeel<br>E. Memo from Todd Spencer<br>F. OWASA's policy on assessments for water and sewer extensions<br>G. CDBG Program materials<br>H. Sidewalk prioritization chronology and background materials.<br>I. Memo from Beth Flora and information on Carr Court Sidewalks<br>J. Memoranda from Town Attorney<br>K. Approval template for plan/policy consistency findings<br>L. Denial template for plan/policy consistency findings | <b>FOR INFORMATION CONTACT:</b><br>Patricia McGuire -- 918-7327 |

### PURPOSE

The Board of Aldermen held a public hearing on March 28<sup>th</sup> and April 25 on a rezoning proposal for the R-2 district. The Board requested additional information to consider in deciding on the proposed zoning change.

### INFORMATION

After hearing from a number of citizens, the Board of Aldermen closed the public hearing on April 25<sup>th</sup> and requested additional information from staff. Minutes from the March 28 and April 25 hearings are attached (*Attachment B*). The requested follow-up actions, accompanied by a staff response (in italic text) included:

1. Report on operating hours and noise levels from cement plant. *A memo has been prepared by Zoning staff member, James Thomas, and is attached (Attachment C).*
2. Details of railroad crossing signal. *Dale McKeel, Transportation Planner, has prepared a memo on the status of the new railroad crossing signal at Brewer Lane (Attachment D).*

3. Ask OWASA if / when 8" line will be available to Carr Court neighborhood. *Todd Spencer, Engineering Manager at OWASA, provided information on the configuration of the sewer line that would need to be installed to provide gravity flow sewer service to the four properties at the south end of Hargraves Street (Attachment E). Mr. Spencer's memo noted the cost per linear foot of sewer line. Sewer service extensions are not planned by OWASA. The extension of sewer lines is made in response to property owner requests or in conjunction with new development or re-development. In addition to the service configuration that Mr. Spencer sketched, it may be possible for the Hargraves lots to be served via the redevelopment of the concrete plant remainder site. Under the current development proposal, a sewer connection to Crest Street is shown. Based on the topography, this configuration seems to have limited utility to the Hargraves lots.*
4. Ask OWASA if there were any policy changes to reduce sewer line hookup costs following 3/9/99 Board of Aldermen request. *A copy of OWASA's policy on assessments for sewer and water service extensions, as amended on May 27, 1999, is attached (Attachment F).*
5. Check on availability of Community Development Block Grant or other state or federal funds to help defray cost of sewer line hookups. *Staff has added the four properties at the end of Hargraves Street to the HOME program's Housing Rehabilitation list. Property owners whose properties are included on the list may apply for Housing Rehabilitation funds to support a variety of projects, including utility extensions. Funds are provided on the basis of the income of owners or renters. Information on CDBG funding programs that may be considered for additional support is attached (Attachment G).*
6. Bring back criteria for sidewalk prioritization for Board of Aldermen review. *A chronology of the Board's actions related to the prioritization of sidewalk improvements that was determined in association with the 2003 bond referendum has been prepared and is attached, as is a copy of the final sidewalk prioritization (Attachment H).*
7. Put up "No Outlet" sign past railroad tracks going into the Carr Court neighborhood on Brewer Lane. *There is a sign already in place in this location. Public Works staff has trimmed the vegetation to improve its visibility.*
8. Contact Hispanic families to see if they have thoughts about rezoning proposal. *A strategy for contacting these families is underway and a report will be provided following its implementation.*
9. Contact John Smith regarding likelihood of property values changing following proposed rezoning. *Planning staff has been in contact with Mr. Smith regarding this question. Mr. Smith has indicated that he does not expect the value of adjoining property to increase directly as a result of a change in zoning of portion of the R-2 district under consideration. A rezoning of property will affect the value of that property only. Mr. Smith noted that typically value of property will increase as density and infrastructure increase and that property values in Carrboro have been increasing even where these changes have not occurred. Any residual effect on adjacent properties would take place in conjunction with the next valuation of property, scheduled for January 1, 2009.*

### Other Information

Beth Flora, resident of Eugene Street, has submitted a memo several neighborhood issues. A memo prepared by Dale McKeel for the April 25<sup>th</sup> hearing on pending sidewalks improvements that was previously prepared is provided (*Attachment I*).

Mike Brough, Town Attorney, has prepared memoranda in follow-up to the April 25<sup>th</sup> public hearing. The first responds to a proposal made by Alderman Coleman regarding a possible modification to the Planing Board's recommendation for providing additional residential density in return for including a percentage of affordable housing. The second provides some information on a meeting held between the STGL LLC owners and Mr. Brough and Mayor Chilton (*Attachment J*). In light of this information, staff is recommending that the Board of Aldermen postpone a decision on the rezoning proposal, pending receipt of an alternative development plan for the STGL property and vicinity.

### **FISCAL IMPACT**

The draft ordinance, if adopted, establishes a foundation for mixed use development that is considered desirable in this area. The opportunity should result in an increase in the underlying property values, contributing to increased tax revenue. Development of affected properties that seek to utilize the mixed use provisions should result in further increases in property values from both residential and non-residential sectors and would be expected to have a positive impact on the town's tax base. As with any development, there will be the need to provide appropriate town services in proportion to the development.

Ownership or development plans that would result in the designation of a large portion of the downtown as exempt from property taxes is expected to have a negative impact on tax revenue, although the specific magnitude of such an impact has not been quantified.

### **STAFF RECOMMENDATION**

The staff recommends that the Board of Aldermen postpone any action on the revised draft ordinance (*Attachment A*), to allow time for alternative development plans for portions of the R-2 district to be prepared. Any action on *Attachments K and L*, the plan/policy consistency findings for a zoning amendment, should also be postponed.