



## Item Overview

Public Hearing– 02/20/2017  
Agenda # 2

**Subject:** Open the Public Hearing: Land Use Management Ordinance Text Amendment to Establish a New Innovative, Light Industrial Conditional Zoning District (LI-CZD) and Land Use Plan Amendment to Include an Innovative, Light Industrial Opportunity Area Designation.

**Staff:**

Ben Hitchings, Director of Planning and Development Services  
Gene Poveromo, Current Development Manager  
Jay Heikes, Planner II

**Office:**

Planning and Sustainability

**Overview:** [On June 27, 2016<sup>1</sup>](#), the Town Council authorized the Town Manager to initiate a Land Use Management Ordinance Text Amendment to establish a new zoning classification in order to encourage the creation of new creative jobs that are a good fit for the community consistent with the Town’s adopted Commercial Development Strategy. We propose two separate actions to achieve this goal: 1) a text amendment and 2) a Land Use Plan Amendment. Enactment of the proposed text amendment establishes a new LI-CZD zoning classification, standards, and review process consistent with the Council’s identified interests. Adoption of the proposed Land Use Plan amendment designates the Millhouse Road area as the only area that is eligible for rezoning to the new LI-CZD zoning classification. These two proposed actions would not rezone property; instead, they would give individual property owners within the designated Millhouse Road area the opportunity to submit a rezoning application for Council review and action.



**Recommendations**

That the Council open the public hearing, receive comments, and recess the public hearing to the March 20, 2017 Business Meeting.

**Decision Points**

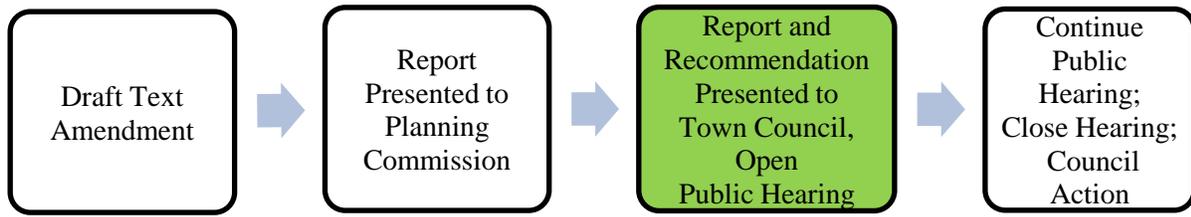
- Do the proposed Land Use Categories match the Council’s interest?
- Are the correct parcels included in the proposed Land Use Plan Amendment?
- Does the proposed Conditional Zoning District Rezoning process match the Council’s interest?
- Do the proposed Rezoning Plan definition and modification thresholds match the Council’s interest?

**Fiscal Impact/Resources:** A fiscal impact analysis of the proposed land use plan amendment is attached. If adopted, the estimated annual impact is revenue neutral to revenue positive and ranges between a lower estimate of \$15,000 and a higher estimate of \$25,000

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<sup>1</sup> [http://chapelhill.granicus.com/MetaViewer.php?view\\_id=7&clip\\_id=2805&meta\\_id=134067](http://chapelhill.granicus.com/MetaViewer.php?view_id=7&clip_id=2805&meta_id=134067)

**Where is this item in its process?**



**Council Goals:**

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input type="checkbox"/>		Develop Good Places, New Spaces
<input checked="" type="checkbox"/>		Support Community Prosperity	<input type="checkbox"/>		Nurture Our Community
<input type="checkbox"/>		Facilitate Getting Around	<input checked="" type="checkbox"/>		Grow Town and Gown Collaboration



**Attachments:**

- Draft Staff Presentation
- Manager’s Memorandum
- Staff Memorandum
- Resolution A – Consistency with the Comprehensive Plan
- Ordinance A – Enacts the Text Amendment
- Resolution B – Denies the Text Amendment
- Resolution C – Amends the Land Use Plan
- Land Use Plan Amendment Map
- Ordinance Summary
- Technical Report
- Approval Process Comparison
- Fiscal Impact Analysis
- Planning Commission Recommendation

# Innovative, Light Industrial District

Proposed LUMO Text Amendment  
and Land Use Plan Amendment

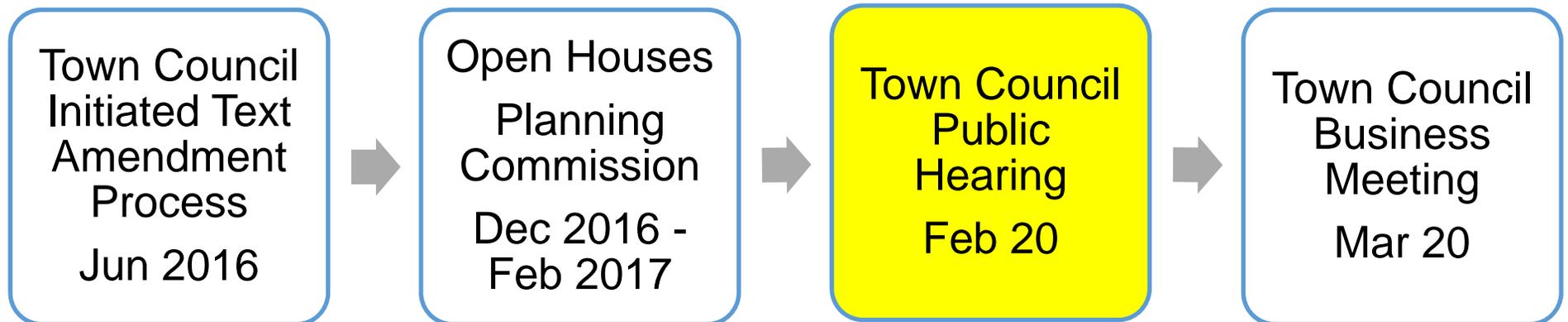
February 20, 2017

Office of Planning & Sustainability



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# Background



# Tonight's Meeting

- Receive Public Comment
- Discuss proposed amendments
- Recess Public Hearing to March 20

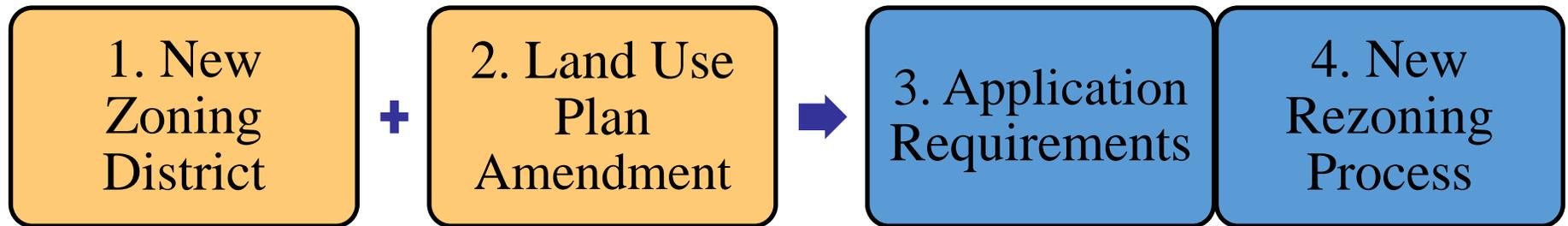
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# Discussion Topics

1. New Zoning District (Text Amendment)
2. Land Use Plan Amendment
3. Application Requirements
4. New Rezoning Process (Conditional Zoning District Rezoning)

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# Discussion Topics

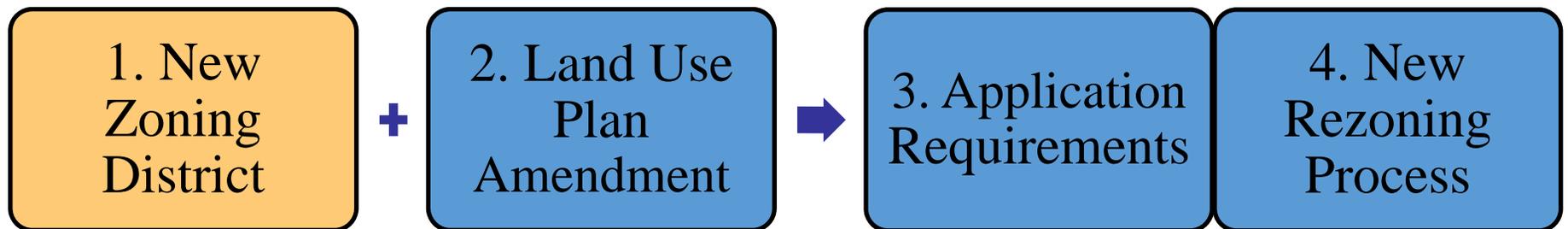


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# New Zoning District



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# New Zoning District

## Uses

- Research Activities
- Light Manufacturing
- Light Food Processing
- Flex Space
- Residential not permitted



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# New Zoning District

## Requirements

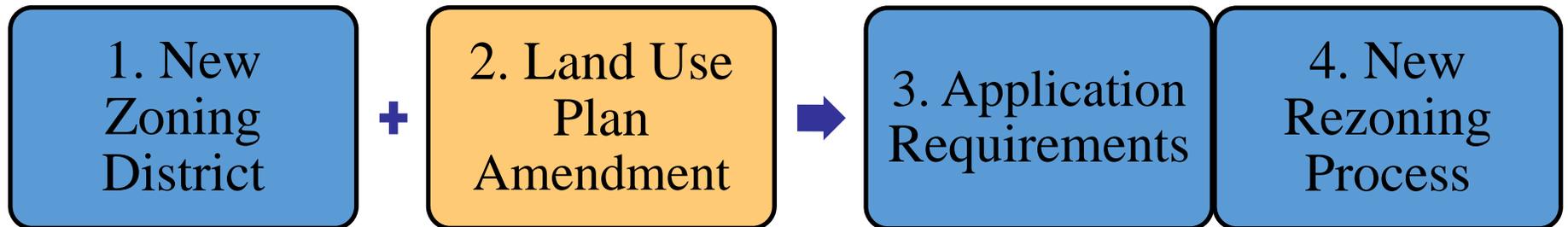
- All operations occur indoors
- External effects not detectable at property line
- Allows exterior loading docks (side or rear)



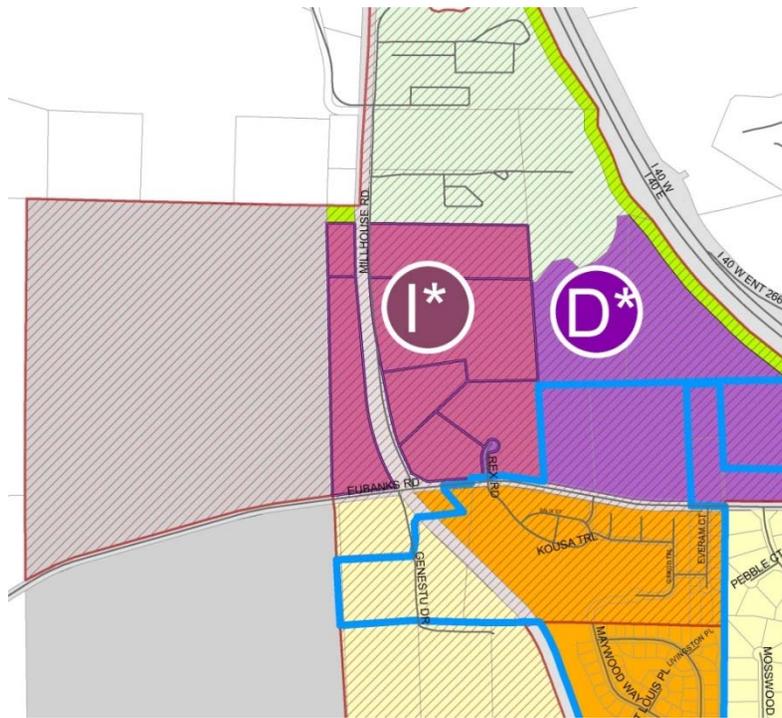
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## 2 Land Use Plan Amendment



# 2 Land Use Plan Amendment



**Legend**

**2020 Land Use Plan**

Commercial	Mixed Use/Office
Development Opportunity Area	Office
High Residential	Parks/Open Space
Institutional	ROW
Landfill	Rural Buffer
ID-1	Rural Residential
ID-5	Town/Village Center
Low Residential	University
Medium Residential	

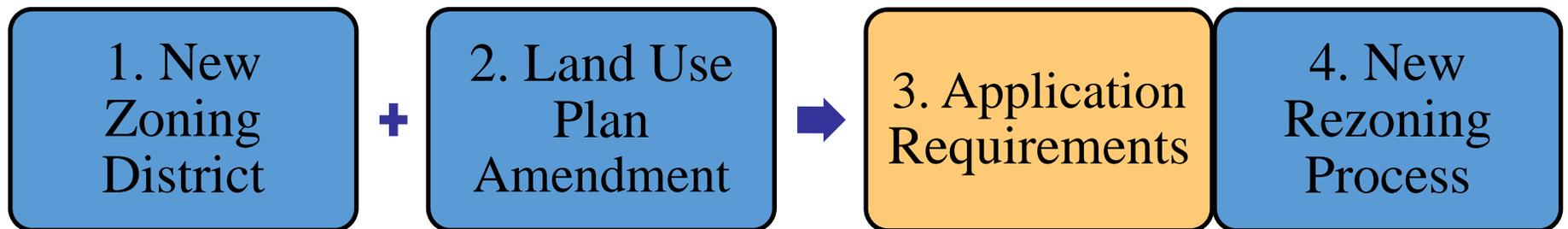
	Proposed Light Industrial Opportunity Area
	Chapel Hill City Limits
	Light Industrial Opportunity Area
	Development Opportunity Area

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# Application Requirements



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## 3

# Application Requirements



## Required Information

- Uses
- floor area
- parking spaces
- Height
- Development Envelope

## 3

# Application Requirements



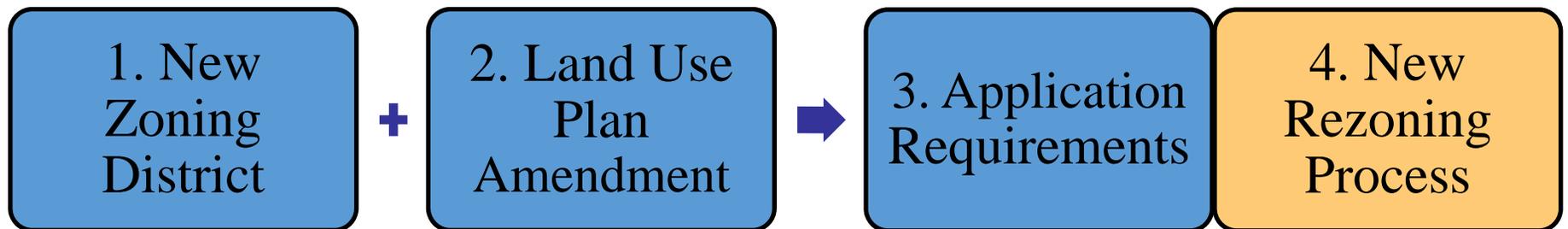
## *Development Envelope*

- Building areas
- Parking / loading areas
- Other Impervious features

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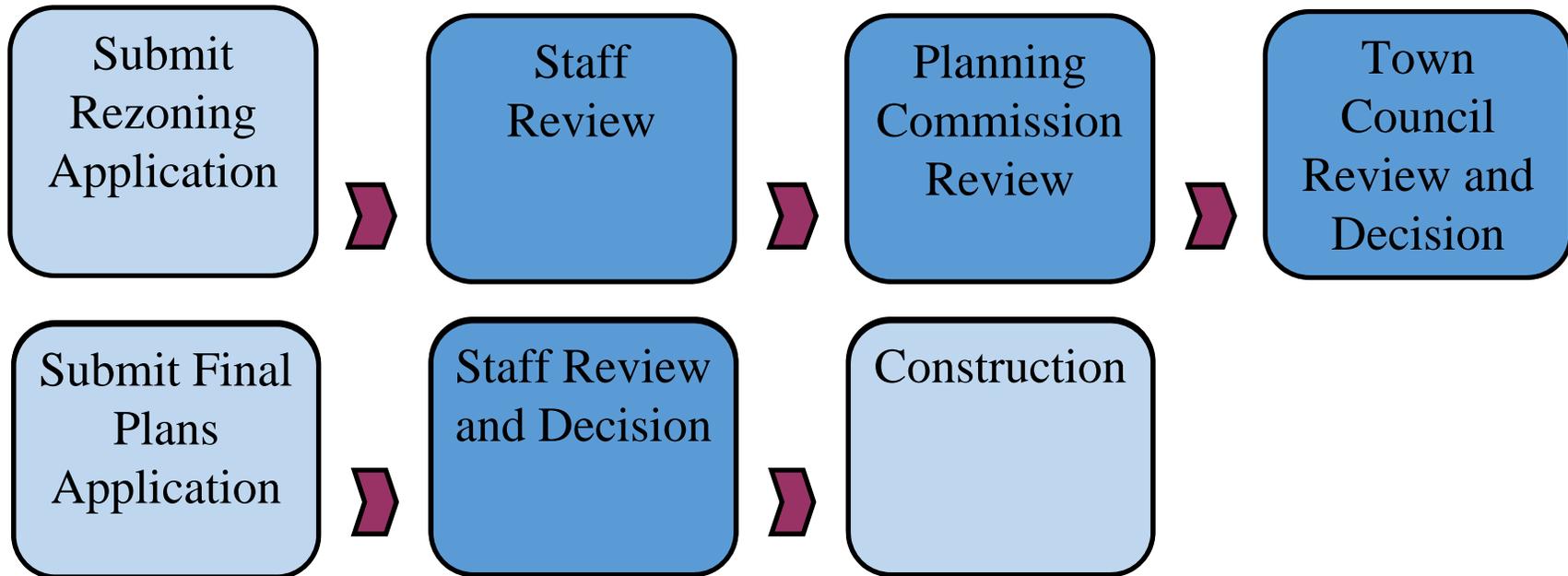
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# New Rezoning Process



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# 4 New Rezoning Process



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# Estimated Fiscal Impact

	Scenario 1	Scenario 2
<b>Property Use:</b> Flex Space / Office / Lab / Storage	300,000 sq. ft.	500,000 sq. ft.
<b>Annual Town Revenue</b>	\$198,679	\$331,141
<b>Annual Town Costs</b>	\$184,126	\$306,535
<b>Annual Financial Impact</b>	\$14,553	\$24,606
<b>One Time Revenue / Cost</b>	--	--

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# Recommendations

**Recommendation Key**  : Approval    **X**: Denial

Body	Recommendation	Notes/Edits
Planning Commission	<input checked="" type="checkbox"/> Resolution A Ordinance A Resolution C	Allow Indoor Storage as <u>accessory</u> use with Council Approval.
Staff	<input checked="" type="checkbox"/> Resolution A Ordinance A Resolution C	Allow Indoor Storage as <u>principal</u> use with Council approval.

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# Tonight's Meeting

- Receive Public Comment
- Discuss proposed amendments
- Recess Public Hearing to March 20

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# Questions



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# Manager's Report

Public Hearing– 02/20/2017

**Overview:** [On June 27, 2016<sup>1</sup>](#), the Town Council authorized the Town Manager to initiate a Land Use Management Ordinance Text Amendment to establish a new zoning classification in order to encourage the creation of new creative jobs that are a good fit for the community consistent with the Town's adopted Commercial Development Strategy. We propose two separate actions to achieve this goal: 1) a text amendment and 2) a Land Use Plan Amendment. Enactment of the proposed text amendment establishes a new LI-CZD zoning classification, standards, and review process consistent with the Council's identified interests. Adoption of the proposed Land Use Plan amendment designates the Millhouse Road area as the only area that is eligible for rezoning to the new LI-CZD zoning classification. These two proposed actions would not rezone property; instead, they would give individual property owners within the designated Millhouse Road area the opportunity to submit a rezoning application for Council review and action.

The Land Use Management Ordinance requires a Manager's recommendation for a Text Amendment to the Land Use Management Ordinance



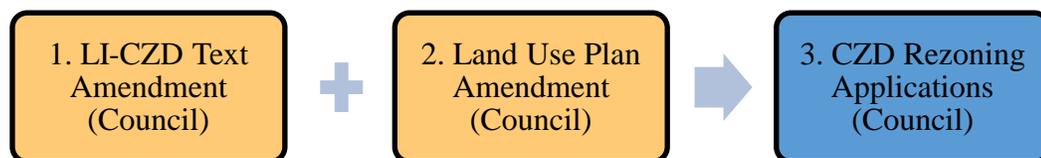
## Manager's Recommendation:

That the Council open the public hearing, receive comments, and recess the public hearing to the March 20, 2017 Business Meeting.

**New Approaches:** We are asking the Council to consider three new approaches in order to attract innovative, light industrial uses to the Millhouse Road area consistent with the adopted Commercial Development Strategy. We are piloting each of these approaches to test and evaluate its effectiveness as a land use tool. The three approaches are as follows:

1. Text Amendment. This amendment would create a new zoning classification to specifically target, and encourage light industrial uses.
2. Land Use Plan Amendment. This amendment would identify a specific area of Town, the Millhouse Road area, as the only location in which this new zoning district may be located. See attached Land Use Plan amendment map for details.
3. Conditional Zoning District (CZD) Rezoning. This would be a new process for the Council to review and decide rezoning applications from individual property owners requesting to be rezoned to the new zoning classification.

Each approach involves an action that the Council would need to take to rezone a property. We are proposing that the Council evaluate actions one and two as a part of tonight's public hearing.



<sup>1</sup> [http://chapelhill.granicus.com/MetaViewer.php?view\\_id=7&clip\\_id=2805&meta\\_id=134067](http://chapelhill.granicus.com/MetaViewer.php?view_id=7&clip_id=2805&meta_id=134067)

# Staff Memorandum

Public Hearing– 02/20/2017



**Overview:** [On June 27, 2016<sup>1</sup>](#), the Town Council authorized the Town Manager to initiate a Land Use Management Ordinance Text Amendment to establish a new zoning classification in order to encourage the creation of new creative jobs that are a good fit for the community consistent with the Town’s adopted Commercial Development Strategy. We propose two separate actions to achieve this goal: 1) a text amendment and 2) a Land Use Plan Amendment. Enactment of the proposed text amendment establishes a new LI-CZD zoning classification, standards, and review process consistent with the Council’s identified interests. Adoption of the proposed Land Use Plan amendment designates the Millhouse Road area as the only area that is eligible for rezoning to the new LI-CZD zoning classification. These two proposed actions would not rezone property; instead, they would give individual property owners within the designated Millhouse Road area the opportunity to submit a rezoning application for Council review and action.

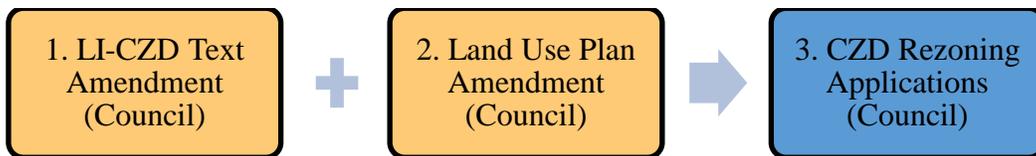


**Recommendations:**

- *Staff Recommendation:* That the Council open the public hearing, receive comments, and recess the public hearing to the March 20, 2017 Business Meeting.
- *Advisory Board/Commission Recommendations:*

Advisory Board/Commission	Recommendation	Notes/Edits
Planning Commission	✓	The Commission’s recommendation is attached.
Community Design Commission	The Land Use Management Ordinance does not require these Boards and Commissions to review or forward a recommendation on text amendments.	
Housing Advisory Board		
Environment & Sustainability Board		
Transportation & Connectivity Board		
Key: ✓: Approval recommended    ✗: Denial recommended     : Comments		

**Introduction:** Three Council actions are required to establish a LI-CZD on a piece of property:



**Text Amendment and Land Use Plan Amendment:** Planning staff is proposing the Council consider steps one and two, which would create a new zoning classification and designate the Millhouse Road area as an Innovative, Light Industrial Opportunity Area with a special “I” designation on the Land Use Plan, as shown on the next page. Only properties within this specifically designated area would be eligible for rezoning to the new Innovative, Light Industrial Conditional Zoning District (LI-CZD).

<sup>1</sup> [http://chapelhill.granicus.com/MetaViewer.php?view\\_id=7&clip\\_id=2805&meta\\_id=134067](http://chapelhill.granicus.com/MetaViewer.php?view_id=7&clip_id=2805&meta_id=134067)

# Staff Memorandum

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***Conditional Zoning District (CZD) rezoning:*** If the Council completes actions one and two, individual property owners within the designated Millhouse Road Innovative, Light Industrial Opportunity Area would have the opportunity to initiate a third Council action by submitting a CZD rezoning application for Council review and decision at a Public Hearing. The proposed LI-CZD text amendment creates a new streamlined, transparent process for the Council to evaluate the key considerations of the rezoning application. If approved, this third action by the Council would result in an individual property being rezoned to LI-CZD.

***Effects:*** We believe that these actions will enable and encourage property owners to develop projects that will support innovative, light industrial uses and provide places for businesses, which currently may be unable to do so, to grow and relocate in Chapel Hill. A fiscal impact analysis, completed by the Chapel Hill Business Management Department, indicates that the Millhouse Road area, if partly built out this type of development, would have an annual revenue neutral to revenue positive impact to the Town of \$15,000 to \$25,000 once costs of providing services are deducted. Refer to the attached fiscal impact analysis for detailed information. Finally, the proposed the text amendment, Land Use Plan amendment, and CZD rezoning process represent opportunities to pilot and evaluate new approaches to land use regulation and development review in Chapel Hill.



# Staff Memorandum

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**Background:** The Council Economic Sustainability Committee initially identified the Millhouse Road area for the creation of new creative jobs that are a good fit for the community consistent with the Town's adopted Commercial Development Strategy. A goal of this strategy is to increase the amount office, retail, and innovative, light industrial uses resulting in additional services, jobs, and non-residential property tax base. The strategy identifies a goal of creating 500,000 square feet of innovative, light industrial uses such as advanced or creative light manufacturing, light food processing activities, flex space, and research activities in the Millhouse Road area. Many of these uses are either not allowable or impractical to build elsewhere in Town because of existing regulations and review procedures. As a result, many businesses are unable to grow or locate in Chapel Hill because the types of space they need are not available.

**Text Amendment Overview:** The proposed text amendment is based on the goals of the Commercial Development Strategy, research on best practices from other municipalities, and feedback from the public and property owners in the Millhouse Road area. The proposed amendment sets a balance between streamlining process and regulations to allow property owners to develop innovative, light industrial uses while ensuring that these projects fit into their surroundings and mitigate their impacts. The following is an overview of the attached Ordinance A. Refer to the Ordinance Summary and Technical Report for additional information.

***Purpose Statement:*** The purpose statement of the LI-CZD in section 4 of the ordinance specifies the goals of creating jobs and providing spaces for creative and innovative businesses to grow and relocate. It specifies that a property owner may only request rezoning to LI-CZD in the area designated on the Land Use Plan. It also specifies that the district should be applied to areas that are within the Town limits to encourage annexation to help grow the tax base.

***Special Zoning District Standards:*** Unless noted otherwise in section 4 of the ordinance, all existing development and design standards of the Land Use Management Ordinance and Town Code would apply including elements such as steep slopes protection, erosion and sediment control, resource conservation district, tree canopy coverage requirement, and lighting. Section 4 of the ordinance strengthens some standards such as stormwater and relaxes others such as landscape buffers adjoining non-residential uses.

***Land Use Matrix:*** Sections 5-7 of the ordinance establish uses that are allowable by-right after Council approval of a rezoning to a LI-CZD as well as other categories of uses that either are allowed under certain conditions or are not allowed. Refer to the Technical Report for additional information.

***Dimensional Matrix:*** Section 8 of the ordinance sets the minimum lot size, setbacks, height, floor area ratio and impervious surface coverage limit for the LI-CZD. The maximum height is set at 90 feet, which is the same limit as the existing zoning in this area. There is no set floor area ratio proposed; instead, the impervious limit of 70% of the lot size, environmental constraints, the height limit, and parking constraints would limit

# Staff Memorandum

Public Hearing– 02/20/2017



maximum density on a site-by-site basis as a part of the Council approval of a CZD rezoning.

***Conditional Zoning District (CZD) Rezoning:*** Section 13 of the ordinance establishes a streamlined, transparent conditional rezoning process that would ensure that rezoning applications and new uses are carefully evaluated and ensure that properties proposed for this use could be annexed into the Town limits. The process provides for a Council decision on key high-level considerations of the rezoning approval such as its intensity, impacts on surrounding properties, and conformity with the comprehensive plan and its various adopted elements. Once a rezoning is approved, the property owner would then be able to submit a detailed final plans application that would be reviewed by staff for compliance with the technical development standards of the Land Use Management Ordinance as well as compliance with the rezoning plan and conditions approved by the Council. Refer to the Technical Report and Approval Process Comparison for additional details.

***Light Industrial Uses:*** Sections 18-19 of the ordinance modify existing use definitions and establish new ones. Light Industrial uses are limited by a requirement that prohibits external effects such as noise, vibrations, or smoke from the activities related to the use from being detectable on the property line. We note that many light industrial users require special permitting from OWASA subject to the Sewer Use Ordinance as well as applicable state and federal agencies with respect to discharges and emissions. Research activities involving the use of animals are also prohibited in the proposed LI-CZD text amendment.

**Analysis of the Proposal:** [Article 4.4 of the Land Use Management Ordinance](#)<sup>2</sup> (Appendix A of the Town Code) establishes the intent of Zoning Amendments (including both atlas and text amendments to the Ordinance) by stating that:

In order to establish and maintain sound, stable, and desirable development within the planning jurisdiction of the Town it is intended that this chapter shall not be amended except:

- a. to correct a manifest error in the chapter; or
- b. because of changed or changing conditions in a particular area or in the jurisdiction generally; or
- c. to achieve the purposes of the Comprehensive Plan.

Article 4.4 further indicates:

It is further intended that, if amended, this chapter be amended only as reasonably necessary to the promotion of the public health, safety, or general welfare, and in conformance with the Comprehensive Plan.

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<sup>2</sup> [chplan.us/LUMO4-4](http://chplan.us/LUMO4-4)

# Staff Memorandum

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Following is a staff response to the three required considerations:

**A) To correct a manifest error in the appendix:**

*Staff Comment:* No arguments in support or in opposition submitted to date.

**B) Because of changed or changing conditions in a particular area or in the jurisdiction generally:**

*Staff Comment:* No arguments in support or in opposition submitted to date.

**C) To achieve the purposes of the Comprehensive Plan**

*Staff Comment:* We believe the following is an accurate summary of the information in the record thus far:

Argument in Support: Based on our preliminary review, we believe the Council could make the finding that the proposed text amendment complies with the Comprehensive Plan and achieves its purposes. Relevant goals and objectives in the Comprehensive Plan include, but are not limited to the following:

*A Place for Everyone*

- A creative place to live, work, and play because of Chapel Hill's arts and culture (Goal PFE.2)

*Community Prosperity and Engagement*

- Balance and sustain finances by increasing revenue and decreasing expenses (Goal CPE.1)
- Foster success of local businesses (CPE.2)

*Good Places and New Spaces*

- A community that welcomes and supports change and creativity (GPNS.6)

*Town and Gown Collaboration*

- Take full advantage of ideas and resources to create a thriving economy and incorporate and utilize the intellectual capital that the University and Town create (TGC.1)

Argument in Opposition: No arguments in opposition submitted to date.

**DRAFT RESOLUTION A**  
(Resolution of Consistency with the Comprehensive Plan)

**A RESOLUTION REGARDING THE CHAPEL HILL LAND USE MANAGEMENT ORDINANCE AMENDMENT TO ESTABLISH A NEW INNOVATIVE, LIGHT INDUSTRIAL CONDITIONAL ZONING DISTRICT (LI-CZD) AND CONSISTENCY WITH THE COMPREHENSIVE PLAN (2017—\_/\_/R- )**

WHEREAS, the Council of the Town of Chapel Hill endorsed the work of the Council Economic Sustainability Committee at the June 27, 2016 business meeting; and

WHEREAS, the Council of the Town of Chapel Hill adopted a resolution at the June 27, 2016 business meeting to initiate a Land Use Management Ordinance Text Amendment to establish a new innovative, light industrial zoning district; and

WHEREAS, the Council of the Town of Chapel Hill adopted a resolution at the December 5, 2016 business meeting calling a public hearing on February 20, 2017 to consider a Land Use Management Ordinance text amendment creating an innovative, Light Industrial Conditional Zoning District (LI-CZD); and

WHEREAS, the Innovative, Light Industrial Conditional Zoning District (LI-CZD) is proposed to encourage a variety of creative, job-creating uses such as research, light manufacturing, light food processing, and flex space; and

WHEREAS, the Planning Commission reviewed the draft text amendment on December 20, 2016, January 3, 2017, January 25, 2017 and February 7, 2017 and recommended that the council enact the text amendment; and

WHEREAS, at the February 20, 2017 public hearing the Council of the Town of Chapel Hill opened a public hearing, received public comment and continued the public hearing to the March 20, 2017 business meeting; and

WHEREAS, the Council of the Town of Chapel Hill has considered the Town-initiated proposal to amend the Land Use Management Ordinance to create a new Innovative, Light Industrial Conditional Zoning District (LI-CZD) and finds that the amendment, if enacted, is reasonable and in the public's interest and is warranted to achieve the purposes of the Comprehensive Plan, as explained by, but not limited to, the following goals of the Comprehensive Plan:

- A creative place to live, work, and play because of Chapel Hill's arts and culture (Goal PFE.2)
- Balance and sustain finances by increasing revenue and decreasing expenses (Goal CPE.1)
- Foster success of local businesses (CPE.2)
- A community that welcomes and supports change and creativity (GPNS.6)
- Take full advantage of ideas and resources to create a thriving economy and incorporate and utilize the intellectual capital that the University and Town create (TGC.1)

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby finds the proposed zoning text amendment to be reasonable and consistent with the Town Comprehensive Plan.

This the [*Day of Council Meeting*] day of [*Month of Council Meeting*], 2017.

**DRAFT ORDINANCE A**  
(Enacting the Land Use Management Ordinance Text Amendment proposal)

**AN ORDINANCE AMENDING THE CHAPEL HILL LAND USE MANAGEMENT ORDINANCE TO ESTABLISH A NEW INNOVATIVE, LIGHT INDUSTRIAL CONDITIONAL ZONING DISTRICT (LI-CZD) (2017-\_\_ - \_\_/O- )**

WHEREAS, the Council of the Town of Chapel Hill has considered the proposed text amendment changes to the Land Use Management Ordinance regarding establishment of a new Innovative, Light Industrial conditional zoning district (LI-CZD) and finds that the amendment is warranted in order to achieve the purposes of the Comprehensive Plan, as it relates the following themes and goals of the Comprehensive Plan:

- A creative place to live, work, and play because of Chapel Hill’s arts and culture (Goal PFE.2)
- Balance and sustain finances by increasing revenue and decreasing expenses (Goal CPE.1)
- Foster success of local businesses (CPE.2)
- A community that welcomes and supports change and creativity (GPNS.6)
- Take full advantage of ideas and resources to create a thriving economy and incorporate and utilize the intellectual capital that the University and Town create (TGC.1)

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Chapel Hill that the Land Use Management Ordinance be amended as follows:

Section 1 – The introductory, unnumbered Section of Article 3. Zoning Districts, Uses, and Dimensional Standards, is hereby amended to read as follows:

**“ARTICLE 3. - ZONING DISTRICTS, USES, AND DIMENSIONAL STANDARDS**

This article establishes zoning districts and describes the various uses permitted within the zoning districts, as well as design regulations. Several types of zoning districts are established.

First, "General Use" districts (section 3.3) divide the town into various residential, commercial and industrial zones. Each district establishes uses that are permitted "as of right," and uses permitted only as "special uses." Special uses require a public hearing in order to assess whether conditions are needed in order to make the use compatible with other uses in the district. The uses permitted in each district are listed in section 3.7.

**“Conditional” Districts (section 3.4) include district-specific conditions agreed upon by the town council and the property owner(s) to ensure that the use or group of uses is compatible with adjoining districts and uses. There are two types of Conditional Districts,**

**each with different application procedures and requirements for establishment by the town council: Conditional Use Districts (sections 3.4.1-2) and Conditional Zoning Districts (section 3.4.3)**

"Special" districts (section 3.5) involve uses which cannot be adequately addressed by the base district regulations. Unlike the overlay districts, these districts are independent of the general use zoning districts. The special districts have separate use and design regulations.

"Overlay" districts are established in section 3.6. Within these districts, the standards of both the general use and overlay districts apply. These districts address special situations such as groundwater recharge, historic preservation, airport hazards, and utility conversions where the base district regulations are not sufficient to protect the public.

One essential function of zoning is to regulate the dimensional aspects of development. Section 3.8 establishes regulations governing the configuration and location of lots, buildings, structures and paved surfaces. This includes lot size, density, intensity, lot width, and setbacks from streets and property lines. These standards are consolidated in a schedule called the Dimensional Matrix (Table 3.8-1). The amount of a lot that may be covered with built or paved surfaces ("impervious surface ratio") is also established in the dimensional matrix.

Section 3.9 establishes incentives in the form of additional density and other regulatory measures in order to encourage redevelopment and enhanced site design. Landowners are permitted through rezoning to transfer densities from environmentally sensitive sites that are inappropriate for development to sites that are suitable for increases in density.

Some uses, while permitted in a zoning district, raise special concerns which require additional regulations. These regulations are established in article 6. They apply regardless of whether the use is permitted as of right or as a special use within the district.”

Section 2 – Article 3. Section 3.1 Establishment and intent of zoning districts is hereby amended to read as follows:

**“3.1. - Establishment and intent of zoning districts.**

The town and its extraterritorial planning jurisdiction are hereby divided into zoning districts as enumerated below. The use regulations and intensity regulations applicable for such zoning districts are designated in sections 3.7 and 3.8 of this article.

**3.1.1 General Use Districts may be established by the town council approval of a general rezoning pursuant to the procedures established in section 4.4.2 of this Appendix. Such approval authorizes the full range of uses in accordance with the standards applicable to the general use district.**

**3.1.2 Conditional Use Districts may be established by the town council approval of a conditional use district rezoning pursuant to the procedures established in section 4.4.2 of this Appendix. Conditional use districts parallel general use districts and require an approval of an accompanying special use permit, which incorporates district-specific site plans and conditions agreed to by the owner(s) of the rezoned land. A special use permit application must be submitted within one (1) year of an approved rezoning pursuant to the procedures established in section 4.5.3 of this Appendix. Such approval authorizes the development of the conditional use district-specific site plan in accordance with the standards applicable to the general use district as modified by the stipulations contained within the special use permit.**

**3.1.3 Conditional Zoning Districts may be established by the town council approval of a conditional zoning district (CZD) rezoning pursuant to the procedures established in section 4.4.3 of this Appendix. Conditional zoning districts incorporate district-specific rezoning plans and conditions agreed to by the owner(s) of the rezoned land. Such approval authorizes development of the conditional zoning district-specific rezoning plan in accordance with the standards applicable to the conditional zoning district, as modified by the conditions contained with the CZD rezoning approval.**

Section 3 – The following Section heading amendments are made to Article 4. Section 3.4:

The title to Section 3.4 is revised to read:

“3.4. Conditional Use Districts.

The current Section 3.4 Conditional Use Districts is renumbered 3.4.1.

The current Section 3.4.1 is renumbered and retitled to read:

“3.4.12 Residential-Special Standards-Conditional Zoning Use Districts.”

Section 4 – Article 3. Section 3.4 Conditional Districts is hereby amended to add a new Section 3.4.3 to read as follows:

**“3.4.3 Innovative, Light Industrial Conditional Zoning District**

**a) Innovative, Light Industrial Conditional Zoning District (LI-CZD) Established**

**The Innovative, Light Industrial conditional zoning district (LI-CZD) is hereby established as a conditional zoning district (CZD). A LI-CZD may be established through the town council’s approval of a CZD rezoning application pursuant to**

section 4.4.3, which incorporates district-specific rezoning plans and conditions agreed to by the owner(s) of the rezoned land. Once a LI-CZD is established, a property owner may submit a Final Plans applications to the town manager for review and approval in accordance with the standards of this Appendix and the conditions and rezoning plan attached to the CZD rezoning approval.

**b) Purpose**

The LI-CZD district is intended to support and encourage job-creating uses that fit Chapel Hill's character and desired brand of being a place for creative, sustainable and entrepreneurial companies to start, grow or relocate. Encouraged uses include research activities; manufacturing, light; food processing, light and flex space, and associated support functions serving both the needs of the community and region. A LI-CZD may only be applied to areas designated as an innovative, light industrial opportunity area on the land use plan as adopted and amended by the town council.

A LI-CZD is intended to be applied to areas within the Town limit so that municipal services can be provided to properties containing innovative, light industrial uses that will need the full range of municipal services such as police, fire, public works, transit, and building inspections. It is further intended to increase the town's non-residential tax base, provide a place for innovative, light industrial businesses to locate, and to promote a healthy and sustainable economy in order to provide the range of services desired by the community and necessary to maintain public health, safety, and welfare.

**c) Standards applicable to development in a LI-CZD**

- 1) Intent: The standard conditions applicable to a LI-CZD are intended to foster an efficient use of land-enabling productive use of limited developable land in Chapel Hill and allowing for enhanced protection of environmentally-sensitive areas that may be present on a lot. Development in a LI-CZD shall be designed in a manner that provides a mix of non-residential uses which area integrated, interrelated, and linked by non-vehicular connections and vehicular connections consistent with the adopted comprehensive plan and its various adopted**

**elements. Development shall be designed in a manner to be congruent with adjacent land uses, and mitigate impacts to surrounding properties to the full extent required by this Appendix**

**2) Standard Conditions:**

- A. **The following standard conditions, contained within subdivisions (c)(3)-(c)(8), apply to development within a LI-CZD and shall be included in a CZD rezoning approval.**
- B. **Where a general standard or provision of this appendix expressly conflicts with a standard established in this division (c) the standards of this division (c) control, otherwise the general standards and provisions of the appendix are applicable to development within a LI-CZD district.**
- C. **The town council, in approving a CZD rezoning may determine that additional and/or alternate standards are appropriate provided that the intent of the LI-CZD standards have been met to an equal or greater degree.**

**3) Stormwater Management Performance Criteria**

- A. **Stormwater Management is required in accordance with section 5.4 of this appendix except as listed below to provide additional protections to ensure that the impacts of innovative, light industrial development are mitigated on surrounding properties and the community as a whole.**
- B. **The stormwater runoff volume leaving the site post development shall exceed the established criteria in section 5.4.6(c) of this appendix for the 25-year 24-hour storm event by ten (10) percent.**
- C. **Notwithstanding section 5.4.6(a) of this appendix the minimum impervious area treated for eighty-five (85) percent average annual TSS removal shall be fifty (50) percent of the post-construction total impervious area**

**4) Landscape Buffer Requirements**

- A. **Landscape Buffers are required in accordance with section 5.6.6 of this appendix except as listed below.**

- B. Proposed development that directly abuts a railroad track, does not require a buffer on that lot line.
- C. Proposed development abutting a non-Interstate, Arterial Street, shall require a Type C buffer on that lot line
- D. Proposed development abutting vacant land zoned MU-R-1 or MU-OI-1 shall require a Type B buffer on that lot line.

**5) Landscape Protection Plan**

- A. Landscape protection plans are required in accordance with section 5.7.3 of this appendix except that specimen trees are not required to be identified on landscape protection plans. Rare trees and significant tree stands are required to be identified and protected in accordance with section 5.7 of this appendix.

**6) Parking and Loading**

- A. Vehicular Parking Minimum and Maximum Ratios: To accommodate and encourage wide variety of innovative, light industrial, research activity, and flex space uses in the LI-CZD, an alternative parking ratio, differing up to thirty (30) percent of the ratios established in section 5.9.7 of this appendix, may be granted by the town manager if, based on substantial evidence, the town manager finds that compliance with the full minimum off-street vehicular parking space requirements of section 5.9.7 of this appendix would not be required by the applicant's proposed use or that compliance with the maximum off-street vehicular parking space requirements would not provide enough parking spaces required by the applicant's proposed use.
- B. Loading docks shall be placed to the rear or side façade of buildings and not on the same side as the primary public entrance.

**C. Placement of parking areas. The applicant is encouraged to limit the amount of parking between the building and the public right-of-way, except where parking is adjacent to a railroad track.**

**7) Accessory Uses**

**A. Accessory Uses, listed as “A” in table 3.7-1 of this appendix, on a cumulative basis shall constitute no more than 1/3 of the built floor area of a given zoning lot at any one time.**

**8) Signage**

**A. Signage shall be allowed in accordance with the requirements for the “I” zoning district pursuant to section 5.14 of this appendix.”**

Section 5– Article 3. Section 3.7 Use Regulations, Table 3.7-1: Use Matrix is hereby amended to add a new column entitled “LI-CZD” to the right of “I” with the letters and symbols noted below

Uses	<u>LI-CZD</u>
Accessory use customarily incidental to a permitted principal or special use	<b>A</b>
Adult day care facility (See also <u>Article 6</u> )	<b>=</b>
Agriculture, Female Chickens	<b>=</b>
Agriculture, livestock	<b>=</b>
Agriculture, non-livestock	<b>=</b>
Automated teller machines (ATM) (Walkup)	<b>A</b>
Automated teller machines (ATM) (Drive-up)	<b>=</b>
Automotive Repair	<b>A</b>
Automotive repair (less collision, service and painting)	<b>A</b>
Automotive, trailer, and farm implement sales or rental	<b>=</b>
Bank	<b>A</b>
Barber shop/beauty salon	<b>A</b>
Business—Convenience	<b>A</b>
Business—General	<b>Z</b>
Business—Wholesale	<b><u>P, A</u></b>
Business, office-type	<b><u>A, Z</u></b>
Car wash (See also Article)	<b>=</b>
Cemetery (See also Article)	<b>=</b>

Child day care facility (See also <u>Article 6</u> )	<b><u>AY</u></b>
Clinic	<b><u>A</u></b>
Club	<b><u>=</u></b>
College or University	<b><u>=</u></b>
Drive-in window (See also <u>Article 6</u> )	<b><u>=</u></b>
Dwelling Units, Single Family	<b><u>=</u></b>
Dwelling units, single-family with accessory apartment	<b><u>=</u></b>
Dwelling units, duplex (See also Article)	<b><u>=</u></b>
Dwelling units, multifamily, 3 to 7 dwelling units	<b><u>=</u></b>
Dwelling units, multifamily, over 7 dwelling units	<b><u>=</u></b>
Essential services	<b><u>P, A</u></b>
Extraction of earth products (See also Article)	<b><u>=</u></b>
Fine arts educational institution (See also Article)	<b><u>A</u></b>
Flex space	<b><u>P, A</u></b>
Food Truck	<b><u>A</u></b>
Fraternity dwelling (See also <u>Article 6</u> )	<b><u>=</u></b>
Funeral home	<b><u>=</u></b>
Group care facility (See also <u>Article 6</u> )	<b><u>=</u></b>
Hangar, medical aircraft	<b><u>=</u></b>
Home occupation	<b><u>=</u></b>
Hospital	<b><u>=</u></b>

Hotel or motel	<u>=</u>
Independent Senior Living Facility (See also <u>Article 6</u> )	<u>=</u>
Kennel	<u>=</u>
Landfill (See also <u>Article 6</u> )	<u>=</u>
Maintenance/storage facility	<u><b>AY</b></u>
Manufactured home park	<u>=</u>
Manufactured home, Class A	<u>=</u>
Manufactured home, Class B	<u>=</u>
Manufacturing, light	<u><b>P, A</b></u>
Outdoor skateboard ramp (See <u>Article 6</u> )	<u>=</u>
Park/ride (See also Article)	<u><b>YZ</b></u>
Parking, off-street	<u><b>AY</b></u>
Personal services	<u><b>A</b></u>
Place of assembly, over 2,000 seating capacity (See also Article)	<u>=</u>
Place of assembly, up to 2,000 seating capacity	<u><b>Z</b></u>
Place of worship (See Article)	<u><b>AY</b></u>
Public cultural facility	<u><b>A</b></u>
Public service facility (See also <u>Article 6</u> )	<u><b>YZ</b></u>
Public use facility	<u><b>Z</b></u>
Publishing and/or printing	<u><b>P, A</b></u>
Radio, television or wireless transmitting and/or receiving antenna (See also Article)	<u><b>YZ</b></u>

Radio, television or wireless transmitting and/or receiving antenna, accessory	<b><u>A</u></b>
Recreation facility: Commercial	<b><u>Z</u></b>
Recreation facility: Non-profit	<b><u>Z</u></b>
Recreation facility: Outdoor commercial	<b><u>=</u></b>
Research activities	<b><u>=</u></b>
<b><u>Research Activities, Light</u></b>	<b><u>P, A</u></b>
Residence hall	<b><u>=</u></b>
Residential support facility	<b><u>=</u></b>
Rooming house	<b><u>=</u></b>
School, elementary or secondary	<b><u>=</u></b>
Service station/convenience store (See also <u>Article 6</u> )	<b><u>=</u></b>
Shelter	<b><u>=</u></b>
<b><u>Storage Facility, Conditioned</u></b>	<b><u>YZ</u></b>
Solid waste management facility	<b><u>Z</u></b>
Supply yard	<b><u>YZ</u></b>
Temporary portable building: Construction-related (See also <u>Article 6</u> )	<b><u>AY</u></b>
Temporary portable building: Not construction-related	<b><u>A</u></b>
Tourist home	<b><u>=</u></b>
Veterinary hospital or clinic	<b><u>A</u></b>
Vocational school	<b><u>A</u></b>
Water and wastewater treatment plan	<b><u>=</u></b>

Section 6. The footnotes at the end of Table 3.7.1 are revised to include the additional language as shown:

"A" Permitted as an accessory use; **In LI-CZD refer to Article 6 of this appendix for standards applicable to accessory uses labeled as “AY”.**

"P" In OI-3, OI-4, **LI-CZD** and MH: Permitted as a principal use;

In all zones except OI-3, OI-4, **LI-CZD**, and MH: For all uses except existing public elementary and secondary schools. Permitted as a principal use if floor area of proposed development is less than twenty thousand (20,000) square feet, and disturbed land is less than forty thousand (40,000) square feet; otherwise permitted as a special use. The floor area threshold of twenty thousand (20,000) square feet for special use does not apply to increasing the floor area in existing buildings in the town center-1, -2, and -3 zoning districts, so long as the redevelopment does not increase the building footprint or height (excluding solar panels, HVAC equipment and screening thereof) and does not significantly alter the building's exterior. For existing public elementary and secondary schools, "P" indicates permitted as a principal use.

Note: The use groups established in the 2nd column of Table 3.7-1 are used to determine whether a site plan is needed for a change in use (see Section 4.7.1(f), and the applicability of buffers (see Section 5.6.6, Schedule of Required Buffers).

**“Y” In LI-CZD, permitted under additional prescribed standards in section 6.22**

**“Z” In LI-CZD, permitted when the town council approves this use as a part of a CZD rezoning application. Additional prescribed standards in section 6.22 apply to a use labeled as “YZ”.**

Section 7. Insert new rows beneath 1) Research activities entitled “Research Activities, Light” and 2) shelter entitled “Storage Facility, Conditioned” in Table 3.7.1 to read as follows:

Uses	Use Group	General Use Zoning District											
		R-LD5	R T	R-LD1	R-1A	R-1	R-2	R-2A	R-3	R-4	R-5	R-6	R-SS-C
<b><u>Research Activities, Light</u></b>	<b><u>C</u></b>	=	=	=	=	=	=	=	=	=	=	=	=
<b><u>Storage Facility, Conditioned</u></b>	<b><u>C</u></b>	=	=	=	=	=	=	=	=	=	=	=	=

TC-1, TC-2, TC-3	CC	N.C.	OI-1	OI-2	OI-3	OI-4	I	LI-CZD	MH
=	=	=	=	=	=	=	=	<b><u>P.A</u></b>	=
=	=	=	=	=	=	=	=	<b><u>YZ</u></b>	=

Planned Development (PD-)						
H	SC(N)	SCI	OI	MU	I	DA-1
=	=	=	=	=	=	=
=	=	=	=	=	=	=

Section 8 – Article 3. Section 3.8.2 Dimensional Regulations, Table 3.8-1: Dimensional Matrix is hereby amended by adding a new row, in its alphabetical location as follows:

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<b>Zoning District</b>	<b>Lot Size</b> (square feet min)	<b>Density</b> (units per acre max)	<b>Frontage</b> (min feet)	<b>Lot Width</b> (min feet)	<b>Building Height, <del>Primary</del> <u>Setback</u></b> (max feet)	<b>Building Height, <u>Secondary Core</u></b> (max feet)
<b><u>LI-CZD</u></b>	<b><u>17,000</u></b>	<b><u>0.0</u></b>	<b><u>64</u></b>	<b><u>80</u></b>	<b><u>N/A</u></b>	<b><u>90</u></b>

(H)	(I)	(J)	(K)	(L)
<b>Street Setback</b> (min feet)	<b>Interior Setback</b> (min feet)	<b>Solar Setback</b> (min feet)	<b>Impervious Surface Ratio</b> (max)*	<b>Floor Area Ratio</b> (max)
<b><u>20</u></b>	<b><u>10</u></b>	<b><u>12</u></b>	<b><u>N/A/.7</u></b>	<b><u>N/A</u></b>

Section 9 – Article 3. Section 3.8.4 Transitional Control Intensity Modifications, is hereby amended as follows:

3.8.4 Transitional Control Intensity Modifications.

(a) In office/institutional—Three (3) districts, all development located within one hundred (100) feet of a residential district shall observe floor area ratios equal to those required for office/institutional—1 districts, as shown in Table 3.8-1.

(b) In all nonresidential zoning districts and planned developments (TC-1, TC-2, TC-3, MU-V, CC, N-C, OI-3, OI-2, OI-1, I, **LI-CZD**, PD-SC, PD-OI and PD-I), the following setback and height regulation modifications shall apply:

(1) Minimum street setback across a street from residentially zoned land shall be equal to the street setback applicable in the residential district across the street. Except when MU-V development is separated from the residential district by an arterial street with a right-of-way of one hundred (100) feet or greater, in which case the setbacks of the underlying zoning district would apply.

(2) Minimum interior setback adjacent to residentially zoned land shall be equal to the interior setback applicable in the adjacent residential district.

(3) Minimum solar setback adjacent to residentially zoned land shall be equal to the solar setback applicable in the adjacent residential district. ~~The primary height limitation applicable at any of the modified setbacks identified in subsections (1) through (3) above shall not exceed thirty-five (35) feet.~~

(4) The primary height limitation applicable at any of the modified setbacks identified in (1)—(3) above shall not exceed thirty-five (35) feet.

Section 10– Article 3. Section 3.9.2 (b), Transfer of Development Rights Receiving districts designated, the “I Industrial” row is hereby amended to read as follows:

<b><u>I, LI-CZD</u></b>	Industrial <b><u>districts</u></b>
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Section 11 – Article 4. Section 4.4.1 (c) is hereby amended by inserting in the first line after the words “a conditional use district” the following phrase:

**“or conditional zoning district”**

Section 12 – The title to Article 4. Section 4.4.2 Procedures is hereby amended to read as follows:

“4.4.2 Procedures – **general rezoning and conditional use district rezoning**”

Section 13 – Article 4. Zoning Amendments is hereby amended to add two new sections as follows:

**“4.4.3 Procedures –conditional zoning district rezoning**

**(a) Application submittal requirements.**

**(1) Applications for amendments to this appendix, as provided in subsection 4.4.1(a), shall be filed with the town manager.**

**(2) The town manager shall prescribe the form(s) on which applications are made. Applications shall include the name and address of the applicant, the name and address of the owner of each zoning lot involved. The town manager shall prescribe any other material that may reasonably be required to determine compliance with this appendix, with sufficient copies for necessary referrals and records.**

**(3) An application for conditional zoning district (CZD) rezoning shall include a rezoning plan in accordance with its definition in this appendix.**

**(4) No application shall be accepted by the town manager unless it complies with such requirements. Applications that are not complete shall be returned to the applicant, with a notation of the deficiencies in the application.**

**(b) Town manager's report to planning commission.**

**When the town manager accepts an application for amendment, the town manager shall cause appropriate officials to determine if it conforms with the intent of this article and upon completion of his/her report shall submit his or her report at the next regularly scheduled meeting of the planning commission.**

**(c) Planning commission review.**

**(1) The planning commission shall review the application and the town manager's report and recommendations, and shall submit a written recommendation to the town council.**

**(2) The planning commission shall prepare its recommendations within thirty (30) days of the meeting at which the town manager's report is submitted to the planning commission and shall forward its recommendations to the town council at the town council's next available public hearing scheduled for amendment applications or within such further time consented to in writing by the applicant or by town council resolution. If the planning commission fails to complete its recommendation to the town council within this time limit, or extensions thereof, the town council may proceed in its consideration without the planning commission's recommendations.**

**(d) Public hearing.**

**(1) After it receives the town manager's report and the planning commission's recommendation or, if applicable, the expiration of the time limit prescribed in subsection 4.4.3.(c)(2), the town council shall hold a hearing on the application at the next available regularly scheduled public hearing in order to receive comments and exhibits pertaining to the application. The town council, by resolution, shall adopt a schedule of public hearings.**

**(2) Notice of the date, time, and place of the public hearing shall be published in a newspaper of general circulation in the planning jurisdiction once a week for two (2) consecutive weeks, with the first notice to be published not less than ten (10) nor more than twenty-five (25) days prior to the date of the hearing.**

**(e) Town council action. The town council shall act on the application after reviewing the application, the planning commission's recommendation and the town manager's report, and the public comment thereon.**

**1) Final action by the town council shall include one of the following:**

- a. Approval of the application;
- b. Approval of the application with conditions; or
- c. Denial of the application.

**2) Final action shall be based on the following:**

- a. The conformity of the application with the applicable provisions of this Appendix and Town Code
- b. The conformity of the application with the Comprehensive Plan
- c. The compatibility of the proposed application with adjoining uses
- d. The impacts of the proposed application on the surrounding properties and Town as a whole
- e. The relationship of the application to existing and proposed built systems including utility infrastructure, transportation facilities, police and fire coverage, and other public services and facilities.
- f. The relationship of the application to natural systems such as hydrology, topography, and other environmental constraints.

**(f) Conditions. In accordance with North Carolina General Statute 160A-382(b) any conditions of approval shall be:**

- 1) Expressly set forth in the approval;**
- 2) Agreed upon by the property owner(s) and town council**
- 3) Limited to conditions deemed necessary to ensure compliance with the requirements and particular standards of this Appendix, including compliance with the adopted comprehensive plan and its adopted elements; and**
- 4) Related in both type and scope to the anticipated impacts of the proposed development.**

**(g) Effect of denial or withdrawal on subsequent applications. When the town council shall have denied an application for amendment or the application shall have been withdrawn, by written notice, after publication of the first public hearing notice required in subsection 4.4.3.(d), the town manager shall not accept another application for the same or similar CZD rezoning affecting the same property or a portion thereof,**

until the expiration of a twelve-month period extending from the date of denial or withdrawal, as appropriate.

(h) Amended applications. If the applicant proposes any substantial changes to the application subsequent to acceptance of the application, an amended application shall be submitted and reviewed as an original application.

(i) Actions subsequent to decision.

(1) The town manager shall cause notice of the disposition of the application to be sent to the applicant and shall cause a copy of the decision to be filed in the office of the planning department.

(2) In the case of approval, any necessary changes to the official zoning atlas shall be entered in accordance with the provisions of article 3.

(3) In the case of approval or approval with conditions, the rezoning plan and conditions are incorporated into the conditional zoning district and are binding on the land.

(4) In the case of approval or approval with conditions, the applicant may subsequently submit final plans to the town manager for approval, in a form and content prescribed by the town manager. Approval of such plans shall be based on compliance with all applicable regulations and requirements, including all conditions and rezoning plan attached to the CZD rezoning approval.

(j) Expiration of Conditional Zoning District Rezoning Approval. If a final plans zoning compliance permit application is not filed with the town manager within twenty-four (24) months of the date of approval, or within such further time stipulated in the approval, the approval shall expire and the conditional zoning district shall be void and the property shall revert to its previous zoning classification. The town manager may grant a single extension of the starting time limit for up to twelve (12) months, unless he/she determines that paramount considerations of health, the general welfare, or public safety require town council re-approval. In such instances or in the instance the town manager has already granted a single extension of the time limit, the town manager shall require the application to be reviewed in accordance with the procedures set forth in subsections 4.4.1 and 4.4.3.

**4.4.4. Minor Changes to Approved Rezoning Plans.**

**The town manager may approve minor changes to rezoning plans attached to an approved CZD rezoning as long as such changes continue to comply with the approving action of the town council and all other applicable requirements or are required specifically by a condition of approval. The town manager shall not have the authority to approve changes to approved rezoning plans that constitute a modification of the rezoning plan. If a modification is proposed, the town manager shall require the filing of an application for approval of the modification. An application for modification of a rezoning plan shall be reviewed in accordance with the procedures established in subsections 4.4.1 and 4.4.3**

- a. All minor changes must be consistent with the approved rezoning plan and comply with all applicable provisions of this Appendix. Consistency means the changes would not significantly negatively alter or increase the development's impervious coverage, demand on public facilities, stormwater runoff, or other characteristic from that indicated by the approved rezoning plan. Where measurable and except where provided otherwise, a 10% change shall be considered significant whether such change is proposed at one (1) time or over an extended period of time.**
- b. Notwithstanding, the following shall constitute a modification to a rezoning plan and require the filing of an application for approval of the modification.**

**1. An increase of twenty (20) percent or more in the floor area approved by the Town Council, whether such addition is proposed at one (1) time or over an extended period of time.**

**2. An increase of twenty (20) percent or more in the number of parking spaces approved by the Town Council, whether such addition is proposed at one (1) time or over an extended period of time.**

**3. Substantial changes in the location of the development envelope on the site. Development envelope means the two-dimensional area, as designated on the approved rezoning plan, containing building footprints, parking areas, loading areas, and other appurtenant impervious features. Not included in the term development envelope are below ground utility lines, stormwater management**

**areas, landscape and natural areas, and other non-impervious features.**

**Substantial changes to the development envelope include but are not limited to:**

**A. An increase in size of the development envelope greater than ten (10) percent, whether such change is proposed at one (1) time or over an extended period of time.**

**B. A change in location that decreases the distance between the development envelope and a lot line that abuts existing residential development, approved residential development, or land that is within a residential (“R-”) zoning district.**

**C. A change in location that decreases the width of a landscape buffer below the minimum applicable buffer width standard.**

**4. Substantial changes in pedestrian and bicycle or vehicular access approved by the Town council.**

**5. A change in a condition of town council approval”**

Section 14 – Article 5. Section 5.6.6. Table 5.6.6-1. Schedule of Required Buffers is hereby amended by adding to the line for I, “LI-CZD” as follows:

Table 5.6.6-1. Schedule of Required Buffers

	<b>Proposed Principal Use</b>				
Adjacent* Existing Principal Use#	Major Subdivision creating lots for single or two- family dwellings or Class A mobile home	Any other principal use in Use Group A, except essential services	Any principal use in Use Group B	Automotive repair, maintenance and/or storage facility, light manufacturing, supply yard	Any principal use in Use Group C other than the above
<b><u>I, LI-CZD</u></b>	D	D	C	B	B

Rules of interpretation for schedule of required buffers:

— No buffer required.

\* Adjacent land uses and vacant land uses and lands across a local street from the proposed use.

# Existing uses includes uses approved as part of development for which a Special Use Permit or Zoning Compliance Permit has been issued.

Section 15 – Article 5. Section 5.7.2 Tree Canopy Coverage Standards, Subdivision is hereby amended as follows:

*5.7.2 Tree Canopy Coverage Standards.*

(a) *Minimum canopy coverage standards.* The town desires to maintain the maximum practical tree canopy cover across all land uses within the town's jurisdiction.

Tree canopy coverage standards are required for applications proposing tree removal that require council approval, including special use permits, ~~and~~ major special use permit modifications, **and conditional zoning district rezonings.**

For residential Neighborhood Conservation Districts, the district may request from the town council that tree protection regulations apply as per section 5.7 using a canopy coverage standard consistent with the existing neighborhood character.

When tree canopy is subject to the provisions of this section, the following minimum tree canopy coverage percentages are required within the zoning lot boundaries exclusive of public right-of-way:

Table 1: Minimum Tree Canopy Coverage Standards

**[Insert new row beneath Mixed Use, Other]**

Land Use	Minimum Canopy Coverage
Multi-Family Residential	30%

Commercial (Use Group C and: Business, Office; Clinic; Funeral Home, and Hotel/Motel)	30%
Institutional (Use Group B)	40%
Mixed Use, Other	40%
<b><u>All Uses in Innovative, Light Industrial Conditional Zoning District (LI-CZD)</u></b>	<b><u>30%</u></b>

Section 16 – Article 5. Section 5.8.1(g) External Circulation is hereby amended by adding in the third sentence, following the words “special use permit modification” the phrase “conditional zoning district rezoning”:

Section 17 – Article 6. Special Regulations for Particular Uses is hereby amended to add a new Section 6.22 as follows:

**“6.22 Prescribed Standards for Uses within an LI-CZD District.**

**The following uses are permitted under prescribed standards within an LI-CZD. In approving a conditional rezoning, the town council may determine that additional and/or alternate standards are appropriate provided that the intent of the LI-CZD standards have been met to an equal or greater degree.**

**a) Maintenance And/or Storage Facility**

- 1). Any areas use for outdoor storage shall be on an all-weather surface that drains to a stormwater management control.**
- 2). Outdoor storage shall be screened in accordance with section 5.6.7 from internal and external streets.**
- 3). In no case shall any personal or private property that is unrelated to and/or not required by an onsite use or activity be stored for any period of time outside of an enclosed building.**

**b) Storage Facility, Conditioned**

- 1). Storage facilities, conditioned may not be located on the ground floor of a building.**
- 2). Storage facilities, conditioned may not make up more than 1/3 of the floor area on a zoning lot.**

**3). In no case shall any storage of any materials, goods, or property associated with a conditioned storage facility occur outdoors.**

**c) Supply Yard**

**1). Any areas use for outdoor storage shall be on an all-weather surface that drains to a stormwater management control.**

**2). Outdoor storage shall be screened in accordance with section 5.6.7 from internal and external streets.**

**3). In no case shall any personal or private property that is unrelated to and/or not required by an onsite use or activity be stored for any period of time outside of an enclosed building.”**

Section 18 – The following definitions in Appendix A are hereby amended as follows:

*Flex Space:* A building designed to accommodate a combination of office, **food processing—light**, wholesale, **retail**, and warehousing functions, the exact proportions of each use being subject to needs over time. ~~Flex space buildings are typically located in business or industrial parks and usually have a footprint exceeding ten thousand (10,000) square feet.~~ They are usually designed with loading docks to the rear and parking in the front. The front façade **and other public street-facing facades are** is often treated with a higher quality of architectural finish than the rear and sides.

*Maintenance and/or storage facility:* Land, building, or structure devoted primarily to the maintenance and/or storage of equipment, and materials **primarily intended for business or governmental purposes.**

*Manufacturing, light:* Manufacturing, processing, creating, renovating, painting, cleaning, assembly of goods, merchandise, **food processing, light** and equipment, or other industrial uses which have all operations and storage within enclosed structures **and provided that that they are operated in a manner the prevents external effects such as, but not limited to, smoke, soot, dirt, vibration, and odor from being detectable on any lot line of the zoning lot.**

*Research activities:* Research, development, and testing **conducted in dry labs, wet labs, or other types of facilities,** related to such fields as chemical, pharmaceutical, medical, electrical, transportation, and engineering, provided such activities are conducted within entirely enclosed buildings and produce no noise, smoke, glare, vibration, or odor detectable outside the buildings.

Section 19 – Appendix A is hereby amended to add new definitions as follows:

**“Food Processing, Light: A facility for the preparation, processing, canning, or packaging of food products, including the production of alcoholic beverages, provided that all food**

**processing, light, activities are completely enclosed and that they are operated in a manner that prevents external effects such as, but not limited to, smoke, soot, dirt, vibration, and odor from being detectable on any lot line of the zoning lot. Light food processing facilities may include areas for accessory uses including retail sales and/or eating and drinking establishments that serve the products processed on site.**

**Research Activities, Light: Research, development, and testing conducted in dry labs, wet labs, or other types of facilities, related to such fields as chemical, pharmaceutical, medical, electrical, transportation, and engineering, provided such activities do not involve animals for research, testing, or any other purpose, and provided such activities are conducted within entirely enclosed buildings and produce no noise, smoke, glare, vibration, or odor detectable outside the buildings.**

**Rezoning Plan: A plan that depicts the general configuration and relationship of the principal elements of the proposed development such as uses, intensity, location and size of parking and loading areas, access and circulation, open space, any areas containing an environmental constraints, a maximum building envelope with massing exhibits and the development envelope. Development envelope means the area, as designated on the approved rezoning plan, containing building footprints, parking areas, loading areas, and other appurtenant impervious features. Not included in the term development envelope are below ground utility lines, above-ground stormwater management areas, landscape and natural areas, and other non-impervious features.**

**Storage Facility, Conditioned: A conditioned building devoted to the storage of personal- or business-related equipment, records, goods, and belongings that contains separate conditioned storage spaces that are designed to be leased or rented individually. All storage shall be within an enclosed building. Storage spaces with individual exterior accesses are not permitted.**

**Storage Facility, Unconditioned: Land, unconditioned building, or structure devoted primarily to the storage of personal equipment, goods, and belongings that contain separate unconditioned storage spaces that are designed to be leased or rented individually. Storage spaces are primarily accessed through individual exterior accesses. This use is explicitly not permitted within the jurisdiction of the Town of Chapel Hill.”**

Section 20: This ordinance is effective the date enacted.

This the [Day of Council Meeting] day of [Month of Council Meeting], [Year] .

**RESOLUTION B**

(Denying the Land Use Management Ordinance Text Amendment proposal)

**A RESOLUTION REGARDING THE CHAPEL HILL LAND USE MANAGEMENT ORDINANCE AMENDMENT TO ESTABLISH A NEW INNOVATIVE, LIGHT INDUSTRIAL CONDITIONAL ZONING DISTRICT (LI-CZD) AND CONSISTENCY WITH THE COMPREHENSIVE PLAN (2017—\_\_-\_/R- )**

WHEREAS, the Council of the Town of Chapel Hill has considered the Town-initiated proposal to amend the Land Use Management Ordinance to create a new Innovative, Light Industrial Conditional Zoning District and fails to find that the amendment:

- a) corrects a manifest error in the chapter; or
- b) is justified because of changed or changing conditions in the area of the rezoning site or the community in general; or
- c) achieves the purposes of the Comprehensive Plan.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby denies the Town-initiated proposal to amend the Land Use Management Ordinance to create a new Innovative, Light Industrial Conditional Zoning District

This the \_\_\_ day of \_\_\_, 2017.

**DRAFT RESOLUTION C**  
(Resolution Amending the Land Use Plan)

**A RESOLUTION AMENDING THE LAND USE MANAGEMENT PLAN OF THE COMPREHENSIVE PLAN TO INCLUDE AN INNOVATIVE, LIGHT INDUSTRIAL OPPORTUNITY AREA DESIGNATION AND APPLYING THIS DESIGNATION TO SIX PARCELS TO THE NORTH OF THE INTERSECTION OF EUBANKS ROAD AND MILLHOUSE ROAD ([*YEAR-MO-DA*]/R-#)**

WHEREAS, the Council of the Town of Chapel Hill endorsed the work of the Council Economic Sustainability Committee at the June 27, 2016 business meeting; and

WHEREAS, the Council of the Town of Chapel Hill adopted a resolution at the June 27, 2016 business meeting to initiate a Land Use Management Ordinance Text Amendment to establish a new innovative, light industrial zoning district; and

WHEREAS, the Council of the Town of Chapel Hill adopted a resolution at the December 5, 2016 business meeting calling a public hearing for February 20, 2017; and

WHEREAS, the Innovative, Light Industrial Conditional Zoning District (LI-CZD) is proposed to encourage a variety of creative, job-creating uses such as research, light manufacturing, light food processing, and flex space; and

WHEREAS, the Council of the Town of Chapel Hill desires to designate a specific area of the jurisdiction of the Town of Chapel Hill as suitable for innovative, light industrial uses

WHEREAS, the Land Use Plan, which is adopted as a part of the Comprehensive Plan and identifies the future land uses within the jurisdiction of the Town of Chapel Hill, may be amended at the discretion of the Council of the Town of Chapel Hill upon preparation of an amendment by the Planning Commission with assistance from the Town Manager; and

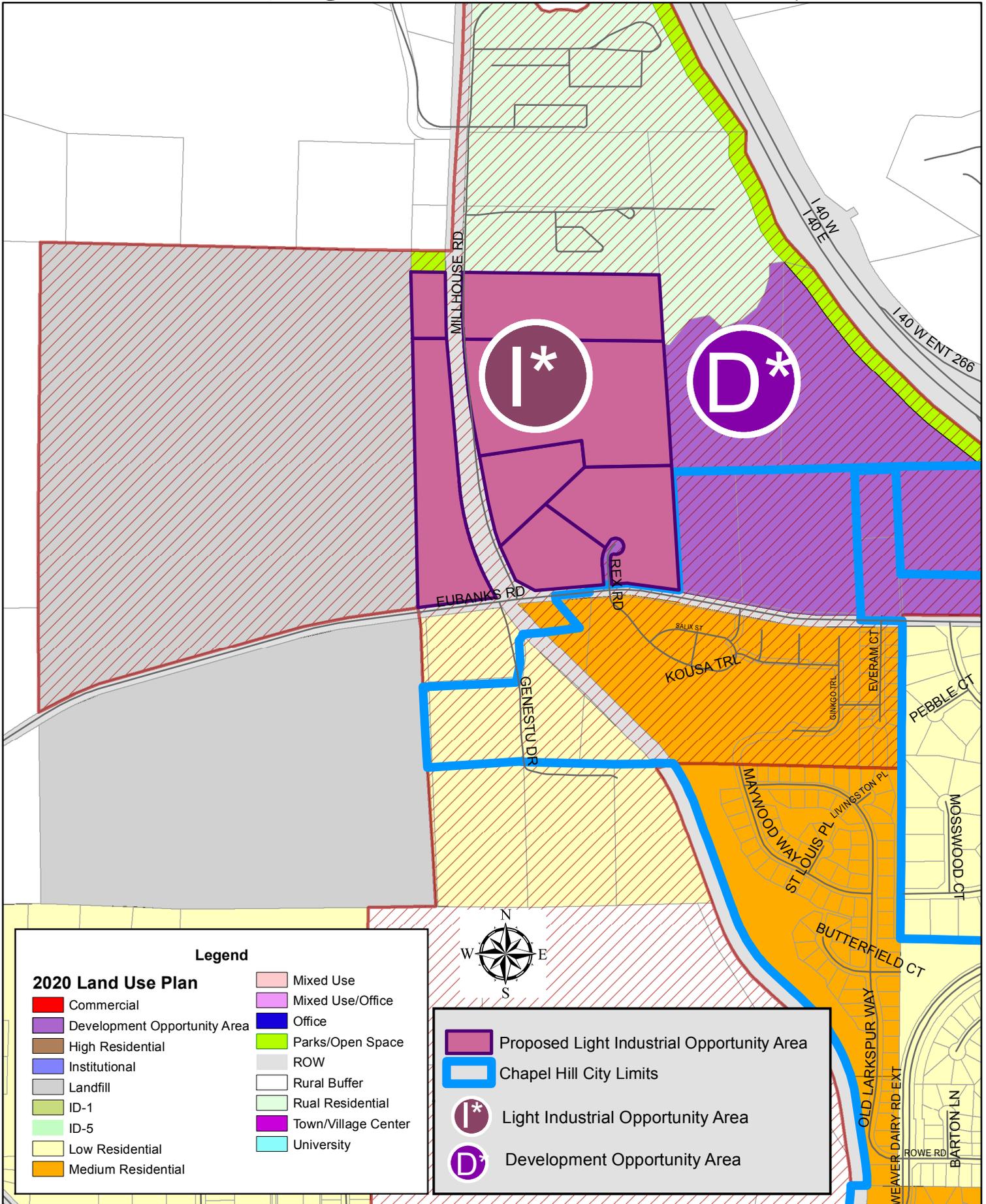
WHEREAS, the Planning Commission prepared the attached Land Use Plan Amendment identifying six parcels to the north of the intersection of Eubanks Road and Millhouse Road as an innovative, light industrial opportunity area on February 7, 2017 and recommended that the Council amend the Land Use Plan; and

WHEREAS, at the February 20, 2017 public hearing the Council of the Town of Chapel Hill opened a public hearing, received public comment and continued the public hearing to the March 20, 2017 business meeting; and

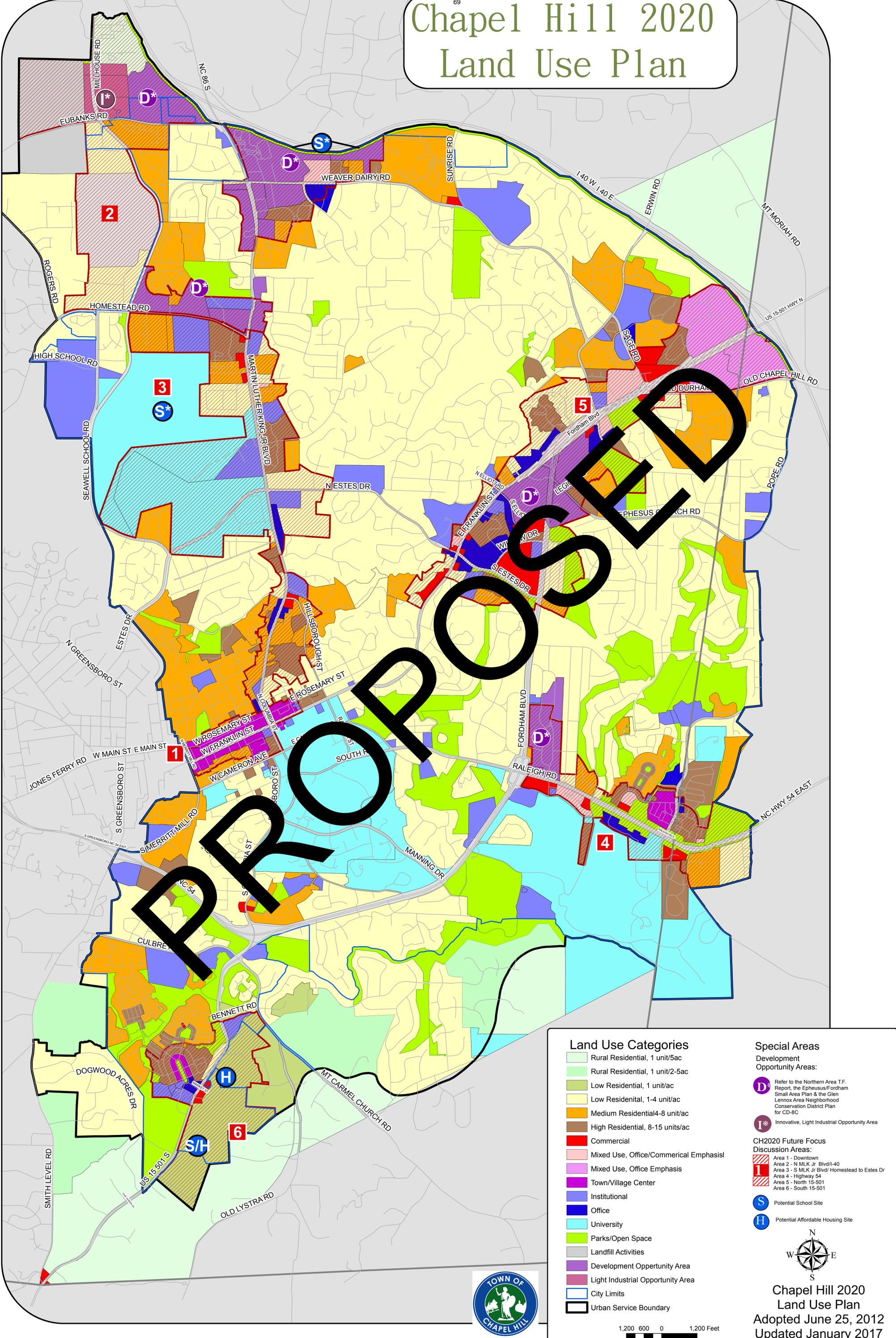
NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council amends the Land Use Plan of the Comprehensive Plan to include an innovative, light industrial opportunity area designation and applying this designation to six parcels to the north of the intersection of Eubanks Road and Millhouse Road as shown in the attached Land Use Plan Amendment.

This the [*Day of Council Meeting*] day of [*Month of Council Meeting*], 2017.

# Proposed Land Use Plan Amendment: Innovative, Light Industrial Opportunity Area



# Chapel Hill 2020 Land Use Plan



- Land Use Categories**
- Rural Residential, 1 unit/5ac
  - Rural Residential, 1 unit/2-5ac
  - Low Residential, 1 unit/ac
  - Low Residential, 1-4 unit/ac
  - Medium Residential 4-8 unit/ac
  - High Residential, 8-15 units/ac
  - Commercial
  - Mixed Use, Office/Commercial Emphasis
  - Mixed Use, Office Emphasis
  - Town/Village Center
  - Institutional
  - Office
  - University
  - Parks/Open Space
  - Landfill Activities
  - Development Opportunity Area
  - Light Industrial Opportunity Area
  - City Limits
  - Urban Service Boundary

- Special Areas**
- Development Opportunity Areas:**
- D\* Refer to the Northern Area T.F. Report, the Epheusus/Fordham Small Area Plan & the Glen Lennox Area Neighborhood Conservation District Plan for CD-8C
  - I\* Innovative, Light Industrial Opportunity Area
- CH2020 Future Focus Discussion Areas:**
- Area 1 - Downtown
  - Area 2 - N MLK Jr Blvd/I-40
  - Area 3 - S MLK Jr Blvd/ Homestead to Estes Dr
  - Area 4 - Highway 54
  - Area 5 - North 15-501
  - Area 6 - South 15-501
- Potential School Site**
- S\*
- Potential Affordable Housing Site**
- H



Chapel Hill 2020 Land Use Plan  
 Adopted June 25, 2012  
 Updated January 2017



1,200 600 0 1,200 Feet

# LI-CZD Text Amendment Ordinance Summary

Public Hearing – February 20, 2017

Ordinance Section (Pg. #)	LUMO Section	Summary of Change	Note
1 (1)	3	Add new section introducing Conditional Districts – these include “Conditional Use Districts” and “Conditional Zoning Districts”.	Previously, Conditional Use districts were not referenced in this introduction. State statute (160A-382) establishes the types of rezonings. It uses similar terms to describe very distinct processes.
2 (3)	3.1	Distinguish the three groups of base zoning districts (general, conditional use, and conditional zoning) that are established and reference the procedures for applying each of these zoning districts.	The addition of this explanatory language helps the user of the ordinance understand the differences between the types of base zoning districts.
3 (3)	3.4, 3.4.1, 3.4.2	<ul style="list-style-type: none"> <li>• Change the title of Chapter 3.4 to “Conditional Districts.”</li> <li>• Renumber existing section 3.4 to a 3.4.1 “Conditional Use Districts”</li> <li>• Rename and renumber former section 3.4.1 to “3.4.2 Residential – Special Standards – Conditional Use District” (R-SS-C)</li> </ul>	<p>This change clarifies that there are multiple types of conditional districts as established in 3.4.1 - 3.4.3</p> <p>R-SS-C was previously identified as a conditional zoning district. It is technically a conditional use district.</p>
4 (3)	3.4.3 (a)	Establish innovative, light industrial conditional zoning district (LI-CZD) and point to approval process in 4.4.3 for conditional rezoning.	Conditional zoning districts (CZD) may be established by the town council through a legislative approval mechanism.
4 (4)	3.4.3 (b)	<p>Purpose Statement:</p> <ul style="list-style-type: none"> <li>• Support job creating uses</li> <li>• Support growth / relocation of local business</li> <li>• Encourage research activities, light manufacturing, food processing – light, and flex space uses</li> <li>• Located in areas specifically designated on the Land Use Plan</li> <li>• Grow tax base – help promote general health, safety and welfare</li> <li>• Intended to be located in Town Limits</li> </ul>	The purpose statement expresses goals and intent of the zoning district to the users of the ordinance– including property owners, applicants, staff, the town council and community members. It is a summary of the regulations in the zoning district and establishes a legislative intent or a “why” for the zoning district.

Ordinance Section (Pg.)	LUMO Section	Summary of Change	Note
4 (4)	3.4.3 (c) and (c)(1)	Standards applicable to development in LI-CZD zoning district. These are standards that 1) limit and mitigate impacts from light industrial development and 2) relax some standard LUMO requirements to encourage this type of development. (c)(1) establishes the intent of these standards	These standards represent tradeoffs in the development process. In some cases rules have been made more stringent to mitigate impacts; in other cases particular standards are relaxed to encourage property owners to create the intended types of development.
4 (5)	3.4.3 (c)(2)	Standards listed in section 3.4.2.(b)(2) supersede the general standards listed in LUMO, otherwise the standard LUMO provision applies. This section also notes the Council may approve additional and/or alternate standards that it determines meet these standards and intent to a greater or equal degree.	This is a typical clause in the LUMO when special rules are proposed to take the place of standard rules.  Conditions and standards tailored to a particular use and property are a key piece of conditional rezonings that add flexibility compared to general rezonings.
4 (5)	3.4.2 (c)(3-8)	Special standards. See Ordinance. <ul style="list-style-type: none"> <li>• (3) Stormwater (treatment and detention)</li> <li>• (4) Landscape Buffers</li> <li>• (5) Tree Survey standards</li> <li>• (6) Parking and Loading</li> <li>• (7) Accessory Uses</li> <li>• (8) Signage</li> </ul>	(3) More stringent. (4) Less stringent for non-residential (5) Less stringent, but no change to tree protection requirements. (6) No change; provision added to allow flexibility based on justification (7) More stringent – limit on amount (8) No change – points to “I” district standards in sign ordinance.
5 (7)	3.7.1	See Permitted Use Table. Encouraged uses include <ul style="list-style-type: none"> <li>• Research Activities, Light</li> <li>• Light Manufacturing,</li> <li>• Food Processing, Light,</li> <li>• Flex Space</li> </ul>	Encouraged uses are the ones noted in the purpose statement and permitted by-right as principal uses once a rezoning is approved.
6 (12)	3.7.1 (footnotes)	There are five categories of uses (2 new) for properties in an LI-CZD: <ul style="list-style-type: none"> <li>• “P” – Principal Use, by right</li> <li>• “A” – Accessory Use, by right</li> <li>• “Y” – Additional standards apply</li> <li>• “Z” – Use allowed only with specific council approval.</li> <li>• “—” – Use not permitted</li> </ul>	Each use is assigned a category defining whether or not it is allowable, and under what circumstances or conditions. “P” uses are allowed by right. “A” uses are limited to 1/3 of the floor area. “Z” uses are ones that the town council may determine are appropriate on a case-by-case basis.
7 (12)	3.7.1	Conditioned storage space added as a use allowable with Council Approval (Z). Research Activities, Light added as an allowed use (P)	Previously, storage uses were not clearly defined.

Ordinance Section (Pg.)	LUMO Section	Summary of Change	Note
8 (13)	3.8.2	See Dimensional Matrix in ordinance	A lower setback height is not proposed instead, the core height is the limit at the setback. A floor area ratio is not proposed. Instead, heights, impervious limits, environmental constraints, and parking ratios will limit the maximum density. A CZD rezoning approval would set a floor area cap for a particular project – similar to the current SUP process.
9 (14)	3.8.4	<ul style="list-style-type: none"> <li>• Apply Transitional Control Intensity Modifications to LI-CZD</li> <li>• Delete typo in 3.8.4(c)</li> </ul>	LUMO 3.8.4 establishes Transitional Control Intensity Modifications that apply to lot lines adjacent to residentially zoned property. Setbacks are increased and height limits are reduced to match those of the adjoining residential zoning district to provide separation between those uses.
10 (15)	3.9.2	Add LI-CZD as a receiving district for transfer of development rights	LUMO 3.9 establishes a process for transferring allowable density from residential to non-residential districts.
11 (15)	4.4.1 (c)	Add language noting that NCGS 160A-382 also applies to CZD rezonings.	
12 (15)	4.4.2	Rename title to clarify that these procedures only apply to general rezonings and conditional use district rezonings.	
13 (15)	4.4.3	<p>New procedure for CZD Rezonings</p> <ul style="list-style-type: none"> <li>• Property owner submits CZD rezoning application</li> <li>• Staff, Planning Commission, and Council Review</li> <li>• Application includes rezoning plan</li> <li>• If Council approves, conditions and rezoning plan become binding</li> <li>• Once rezoned, a property owner may submit a final plans application for staff review</li> </ul>	<p>The CZD rezoning application process is intended to take 4-5 months compared to 12-18 months for the SUP process.</p> <p>If rezoned, a final plans application is required to demonstrate compliance with the detailed technical requirements of the LUMO.</p>
13 (17)	4.4.3 (f)	<p>Conditions may be applied in order to</p> <ul style="list-style-type: none"> <li>• achieve the purposes of the comprehensive plan,</li> <li>• comply with applicable regulations,</li> <li>• mitigate the specific and proportional impacts of development</li> </ul>	As is the case with conditions in special use permits, applicants and the town council must agree to conditions. As noted above, conditions are tailored specifically to the development are a key piece of CZD rezonings.

Ordinance Section (Pg.)	LUMO Section	Summary of Change	Note
13 (19)	4.4.4	This section establishes thresholds for what constitutes a minor change and what requires council approval of an amended application	These thresholds are comparable with other NC municipalities with CZD rezoning processes.
14 (20)	5.6.6	<ul style="list-style-type: none"> <li>• Apply “T” district buffer requirements to LI-CZD</li> <li>• Cross reference: Section 3.4.3(c)(4) establishes reductions in buffers for non-residential uses.</li> </ul>	LUMO 5.6.6 establishes the required landscape buffer classification based on (1) the proposed use and (2) the established use (or zoning district of vacant land). Buffers range in width and planting density.
15 (21)	5.7.2	<ul style="list-style-type: none"> <li>• Apply tree canopy requirement to rezoning plans.</li> <li>• Establish 30% tree canopy requirement for all uses in a LI-CZD zoning district</li> </ul>	LUMO 5.7.2 establishes a tree canopy requirement for development applications. The existing requirement may be met by either preservation of existing tree canopy or replacement plantings.
16 (22)	5.8.1(g)	Apply Traffic Impact Analysis requirement to CZD rezoning applications.	LUMO 5.8.1 establishes a threshold for Traffic Impact Analysis to determine 1) an application’s impact on traffic and 2) strategies for mitigation.
17 (22)	6.22	<p>New section establishing special regulations for particular uses in a LI-CZD</p> <ul style="list-style-type: none"> <li>• Maintenance and/or Storage Facility</li> <li>• Storage Facility, Conditioned</li> <li>• Supply Yard</li> </ul>	The current proposed standards relate to limiting storage uses and requiring screening of outdoor storage areas.
18 (23)	Appendix A	<p>The following definitions are amended</p> <ul style="list-style-type: none"> <li>• Flex Space</li> <li>• Light Manufacturing</li> <li>• Maintenance and/or Storage Facility</li> <li>• Research Activities</li> </ul>	These definitions are amended to clarify and expand what is included in these uses.
19 (23)	Appendix A	<p>The following definitions are added</p> <ul style="list-style-type: none"> <li>• Food Processing, Light</li> <li>• Research Activities, Light</li> <li>• Rezoning Plan</li> <li>• Storage Facility, Conditioned</li> <li>• Storage Facility, Unconditioned</li> </ul>	<p>Research Activities, Light does not permit mammal testing.</p> <p>A definition for Storage Facility, unconditioned is added to specify that is not allowed in any zoning district.</p>

# Technical Report

Public Hearing– 02/20/2017



**Topic Area:** This report describes the details of four key elements of the Innovative, Light Industrial Conditional Zoning District (LI-CZD) text amendment and land use plan amendment. They are as follows:

- 1) **Land Use Matrix.** The proposed Land Use Matrix determines which uses are permitted and which are not permitted on a property once it has been rezoned to LI-CZD by the Town Council.
- 2) **Land Use Plan Amendment.** The Land Use Plan amendment identifies a specific area of Town, the Millhouse Road area, as the only location in which this new zoning district may be located.
- 3) **Conditional Zoning District (CZD) Rezoning process.** The proposed CZD rezoning process is a streamlined Town Council review and approval process that could result in property being rezoned to LI-CZD with project specific conditions and rezoning plan.
- 4) **Rezoning Plan.** A binding rezoning plan is a part of the proposed CZD rezoning process. This plan would provide the Council with high-level site and project information to allow careful consideration of CZD rezoning proposals.

## Key Elements:

1. **Land Use Matrix:** Five categories of uses are included in the proposed Land Use Matrix. The summary table below describes each category and provides examples of each use classification. Refer to section 5 (LUMO 3.7-1, pgs. 8-12) of the text amendment for details and full list of uses. Unless the Council and applicant agree to limit or add uses in the rezoning approval, all uses on a particular property rezoned to LI-CZD would be regulated by table 3.7-1. A change of use after council approval would be permitted provided it is allowed in the zoning district and not restricted by a condition of the CZD rezoning approval.

**Land Use Categories.** The five categories in the proposed Land Use Matrix are as follows:

- a. **“P” – Permitted as a principal use.** Once the council approves the rezoning, uses listed as a P could be established as a principal use of the lot. The 20,000 square feet of floor area and 40,000 square feet of land disturbance threshold would not apply to development within an approved LI-CZD. Setting these uses as principal uses that are allowable by-right after a rezoning approval sends a clear signal that these uses are encouraged in the zoning district.
- b. **“A” – Permitted as an accessory use.** Uses listed as accessory may only accompany a principal use, they may not be established on a zoning lot on their own. In an approved LI-CZD accessory uses may only make up 1/3 of the floor area on a zoning lot. This cap of 1/3 of the floor area is a total of all accessory uses on the zoning lot. This cap is intended to limit uses that do not match purpose and goal of the zoning district.

# Technical Report

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- c. **“Y” – Permitted provided that additional prescribed standards are met.**  
 There are no uses listed only as a Y. Instead they are cross-listed as noted below. See Article 6 for the additional prescribed standards.
- i. A,Y – Permitted as an accessory use provided that additional prescribed standards are met.
  - ii. Y,Z – Permitted with Council approval and provided that additional prescribed standards are met.
- d. **“Z” – Permitted with Council approval.** These uses could only be established with specific Council approval as a part of a decision on a CZD rezoning application. The request for council approval of a use listed as a Z could also be made at a later time as a separate CZD rezoning application. Uses with this designation could be complimentary to the intent of the zoning district. Staff is proposing a mechanism that would allow the council to make a decision on these uses on a case-by-case basis on the merits of the specific project. The council and the applicant could agree on additional site – specific conditions to ensure that the proposed use meets the intent of the LI-CZD.
- e. **“—” -- Not permitted.**

## *Partial Listing of Uses.*

Use Category	Description	Uses
<b>Permitted (P)</b>	Permitted as Principal Use by right	Business, Wholesale Essential Services Flex Space Manufacturing, Light Publishing and/or Printing Research Activities, Light
<b>Accessory (A)</b>	Permitted as Accessory Use by right (no more than 1/3 of floor area on zoning lot)	Accessory Uses (incidental to principal use) Automotive Repair Bank Business, Convenience Child day care facility (A,Y) Clinic Maintenance and/or Storage Facility (A,Y) Vocational school
<b>Permitted with additional standards (Y)</b>	Permitted provided that additional standards for that particular use are met.	<i>All uses with additional prescribed standards are cross-listed with accessory uses (A,Y) or uses permitted with Council Approval (Y,Z)</i>
<b>Permitted with Council Approval (Z)</b>	Permitted only when the Council explicitly includes this use in a CZD rezoning approval. These uses are otherwise not permitted by right.	Business, General Business, Office Type Public Service Facility Recreation facility: Commercial Storage Facility, Conditioned (Y,Z) Supply yard (Y,Z)

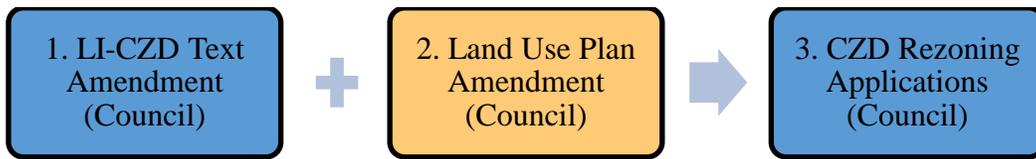
# Technical Report

Public Hearing– 02/20/2017



<b>Not Permitted</b> (-)	Not permitted in this zoning district.	All residential uses
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- Draft Land Use Plan Amendment:** A land use plan amendment provides the Council the ability to designate an specific area of Town that is appropriate for rezoning to a LI-CZD. If the Council choses to enact the text amendment creating the new LI-CZD zoning classification and if it chooses to amend the land use plan, then property owners would have the opportunity to request a rezoning to the LI-CZD district provided that their property is within the Millhouse Road “Innovative Light Industrial Opportunity Area” on the Land Use Plan. Six parcels comprising 60 acres in the vicinity of the intersection of Millhouse Road and Eubanks Rd have been identified as an area to pilot this type of use. No other areas have been identified and only parcels within this special designated area are eligible for rezoning to LI-CZD. A map of the proposed land use plan amendment is included on the next page.



**Land Use Plan Designations:** The Land Use Plan presently indicates some areas as “development opportunity areas;” a similar designation is proposed for the Innovative Light Industrial District. The Millhouse Road area is currently designated as a development opportunity area; we propose to change this designation to an “Innovative Light Industrial Opportunity Area.” The Land Use Plan is a part of the Chapel Hill 2020 Comprehensive Plan. Generally, the Land Use Plan provides for the concentration of new development on major transportation corridors and away from existing predominantly single family residential areas.

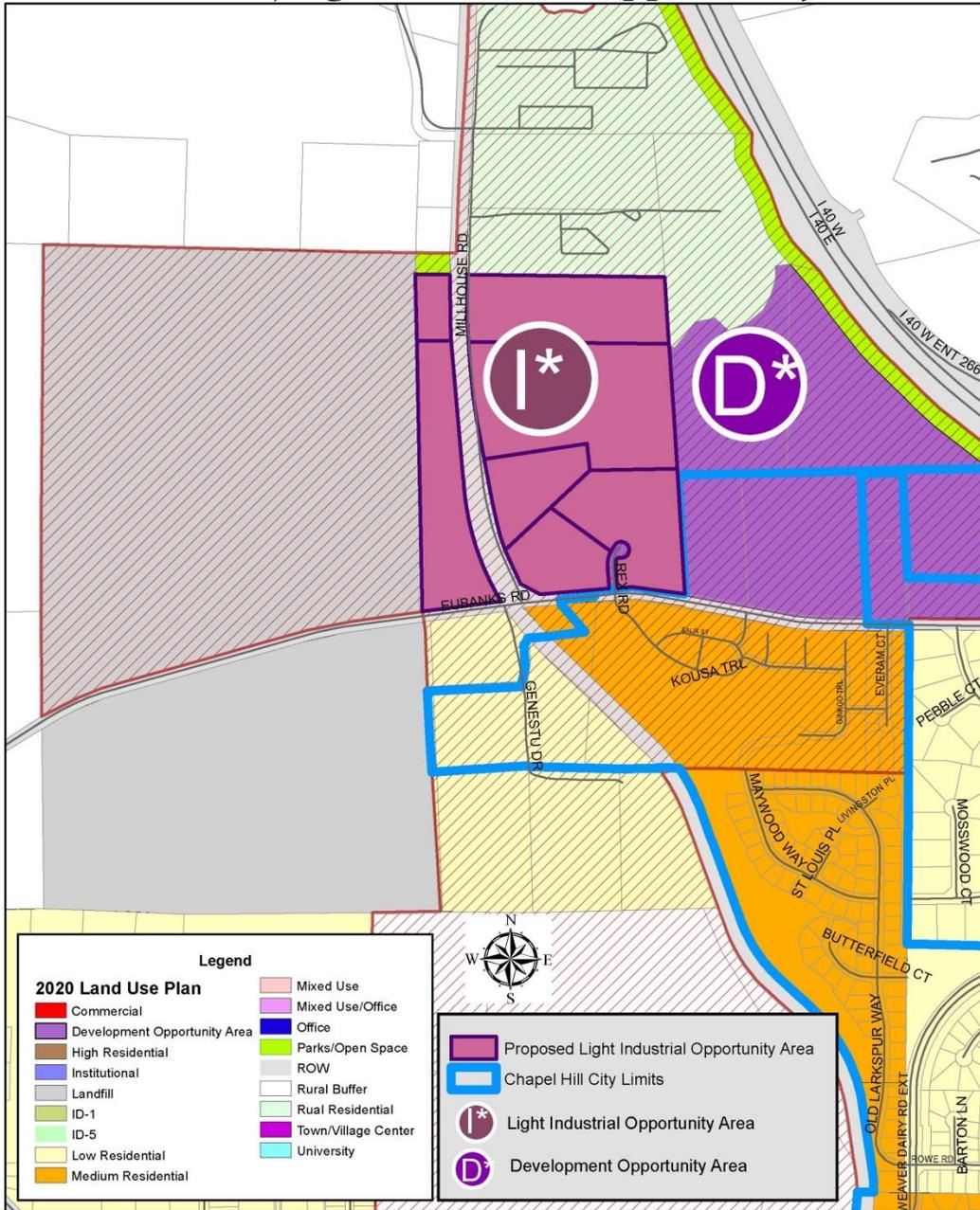
**Annexation:** A Land Use Plan Amendment provides the Council the ability to signal to property owners, prospective businesses, and developers that the Council is interested in establishing innovative, light industrial uses in this area of Town while preserving the Council’s ability to negotiate voluntary annexation as a part of the CZD rezoning process. Pre-zoning of this area would also provide a strong signal; however, we are not proposing this option as it would not preserve the Council’s ability to negotiate voluntary annexation as a part of the development review process.

# Technical Report

Public Hearing- 02/20/2017



## Proposed Land Use Plan Amendment: Innovative, Light Industrial Opportunity Area



# Technical Report

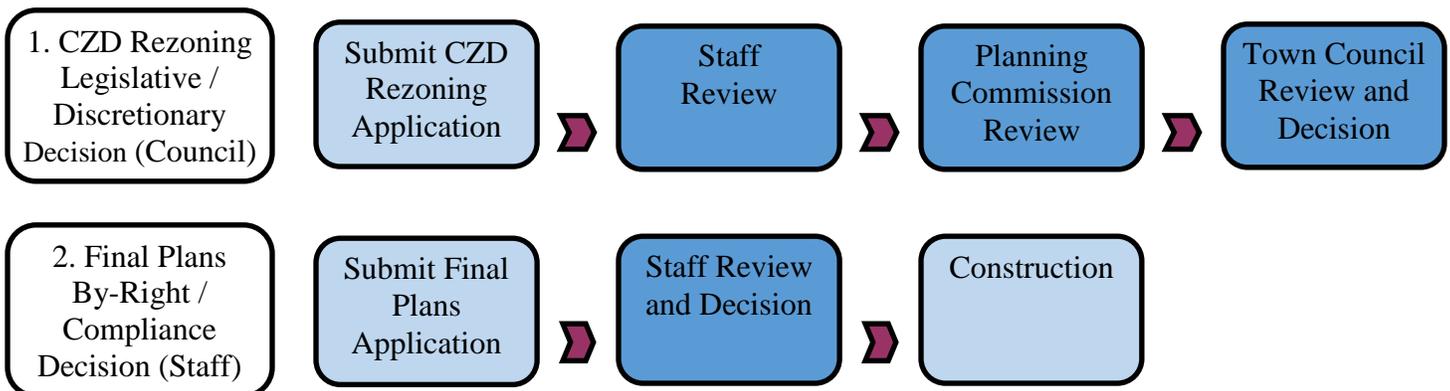
Public Hearing– 02/20/2017



- 3. Conditional Zoning District (CZD) Rezoning:** The proposed text amendment creates an open public process that preserves the Town Council’s ability to discuss and decide on the key issues of rezoning proposal while streamlining the review process so that property owners are better enabled to achieve the goals of the LI-CZD and Commercial Development Strategy. If the Town Council approves a rezoning, the property owner would then submit a detailed final plans application to staff for compliance review with the technical development standards and with the Council CZD rezoning approval.

This process enables the property owner to obtain approval of Council without incurring the time and expense associated with a Special Use Permit, and allows the Town Council to focus on key aspects of the proposal ensuring that the rezoning is carefully considered. The property owner is then able to prepare detailed engineered site and construction plans once they have obtained added certainty of the Council’s rezoning approval. We believe that the LI-CZD is a good opportunity to pilot this streamlined approval process, compare the results to the goals, evaluate whether or not this pilot could be expanded to other types of development review, and consider what changes would be necessary to do so.

**Process:** The proposed CZD rezoning process has two major steps. First, the Town Council makes a legislative decision on the rezoning that incorporates key policy considerations. If a rezoning is approved, staff then makes an administrative, or by-right, decision on the technical compliance of the project with the LUMO and the CZD rezoning approval. The graphic below illustrates the steps in this process.



**Conditions:** The proposed CZD rezoning process provides the Council the ability to negotiate site and project specific conditions as a part of a single decision. Conditions may be negotiated with the applicant to ensure that a project does the following:

- Conforms to the Comprehensive Plan and its various adopted elements such as the Greenways Master Plan
- Conforms with Town Ordinances including the LUMO, as well as design standards such as the Engineering Design Manual
- Includes uses that are suitable in terms of the particular use, activities, and scale

# Technical Report

Public Hearing– 02/20/2017



- Mitigates its proportional impacts on the site, to neighboring properties, and the community as a whole

**Comparison to existing approval processes:** The proposed CZD rezoning process is less cumbersome than the existing special use permit (SUP) process which requires extensive time and effort to be expended by the applicant to obtain an entitlement from the Town Council. However, the proposed CZD process retains the Council's decision ability on a project-by-project basis unlike the existing form district permit (FDP) process in the Ephesus-Fordham District where the council sets entitlements on a area-wide basis. A detailed table comparing the proposed CZD rezoning process with these two existing processes is attached.

4. **Rezoning Plan:** A rezoning plan would be required to be submitted with a CZD rezoning application. If approved, the rezoning plan would become binding on the property. Rezoning plans would depict the general configuration and relationship of the principal elements of the proposed development such as uses, intensity, access and circulation, open space, and any areas containing an environmental constraint. A rezoning plan would allow the property owner flexibility when it comes to the precise location of building foot prints and the location of appurtenant site features such as parking and loading areas provided that those features remain within a development envelope, as defined below, which would set a maximum extent on the developed area of the property.

**Proposed Definition: Rezoning Plan:** A plan that depicts the general configuration and relationship of the principal elements of the proposed development such as uses, intensity, location and size of parking and loading areas, access and circulation, open space, any areas containing an environmental constraints, a maximum building envelope with massing exhibits and the development envelope. Development envelope means the area, as designated on the approved rezoning plan, containing building footprints, parking areas, loading areas, and other appurtenant impervious features. Not included in the term development envelope are below ground utility lines, above-ground stormwater management areas, landscape and natural areas, and other non-impervious features.

**Minor Changes:** In order to provide flexibility to property owners to make minor changes to accommodate specific tenants or adjust their plans in response to a site constraint that arises during detailed engineering post council approval the ordinance includes a process for staff review of minor changes. Once approved, an applicant would be able to make minor changes to a rezoning plan without requiring approval by the Town Council, provided that the change meets the criteria for a minor change similar to the thresholds in place for changes to a special use permit. If the change did not meet the criteria for a minor change then it would require a modification to the rezoning plan requiring approval by the Town Council after review and approval by the Planning Commission.

# Technical Report

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Refer to page 19 of the ordinance, section 4.4.4 “Minor Changes to Approved Rezoning Plans” for a full list of criteria for minor changes. A summary is provided here:

- a. Minor Changes must comply with all applicable provisions of the LUMO and Town code
- b. Minor Changes must be consistent with the approved rezoning plan and cannot increase the negative impacts of a development by more than 10 percent, where measurable
- c. Minor Changes must be an increase of less than 20% of approved floor area or parking
- d. Minor Changes must be an increase of less than 10% of approved development envelope (the developed area and impervious site features, as shown on the rezoning plan); the change may not reduce a buffer adjoining existing or proposed residential development
- e. Minor Changes must keep vehicular and non-vehicular access and circulation in same general locations
- f. Minor Changes must continue to comply with all council conditions of approval

# Approval Process Comparison

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## Approval Information

Topic	Existing SUP Process	Proposed CZD Process	Existing FDP and COA Process
<b>Full Name</b>	Special Use Permit (SUP)	Conditional Zoning District (CZD) Rezoning	Form District Permit (FDP) and Certificate of Appropriateness (COA)
<b>Decision Body</b>	Town Council	Town Council	FDP: Town Manager COA: Community Design Commission (CDC)
<b>Approval Type</b>	Quasi- Judicial – limited discretion	Legislative – broad discretion	FDP: Administrative – no discretion COA: Legislative – discretion limited to architectural appearance
<b>Public Hearing</b>	Required	Required	FDP: Not Required COA: Public Meeting, but not Public Hearing not required
<b>Public Comment at Public Hearing</b>	Sworn testimony and evidence only. Information received outside hearing cannot be considered	Consider public opinion in addition to evidence	NA
<b>Council Correspondence Outside of Public Hearing</b>	Not appropriate – no undisclosed ex parte communication is allowed	Allowed	NA
<b>Mailing &amp; Newspaper notice</b>	Required	Required	FDP: Not Required COA: Required

**Decision Criteria and Conditions**

<b>Primary Decision Criteria</b>	Does the application meet the four findings of fact? <ul style="list-style-type: none"> <li>• Maintain health, safety, welfare</li> <li>• Complies with regulations</li> <li>• Maintain property values</li> <li>• Conformity with comp plan</li> </ul>	Does the application conform with the LUMO and Comp Plan? <ul style="list-style-type: none"> <li>• Regulatory provisions</li> <li>• Comp Plan and Land Use Plan</li> <li>• Impacts to neighbors, Town</li> <li>• Compatability of proposed use with adjoining uses.</li> </ul>	FDP: Does the project comply with the regulations? COA: Is the appearance of the project appropriate?
<b>Can other criteria be considered?</b>	Yes- but only if it relates to the four findings of fact	Yes	No
<b>Can conditions be added?</b>	Yes, provided that they are: <ul style="list-style-type: none"> <li>• Agreed to by Applicant,</li> <li>• limited to four findings of fact,</li> <li>• proportional to project's impact</li> </ul>	Yes, provided that they are: <ul style="list-style-type: none"> <li>• Agreed to by Applicant,</li> <li>• limited to compliance with regulations and comp plan</li> <li>• proportional to project's impact</li> </ul>	Yes, provided that they are limited to compliance with the regulations.

**Effect of Council Approval**

<b>Result of Approval</b>	Binding SUP with site-specific conditions	Rezoning and binding rezoning plan with site-specific conditions	NA
<b>Entitlement Granted (Benefit of Approval)</b>	Right to build the SUP site plan within the time limit set in the approval. Also known as a vested right	Right to submit a "by-right" Final Plans application for staff review within the time limit set in the approval	NA – Entitlement is based on zoning district
<b>Is The Council Approval a Vested Right?</b>	Yes, SUP plans contain sufficient detail to convey a vested right	No, A vested right is conveyed when Final Plans are approved	NA – A vested right is conveyed when the Form District Permit is approved
<b>Effect of rule changes on Council Approval</b>	None, provided that project is built within time limit, or extensions thereof	Final Plans application must comply with rules in place at time of application submittal	NA – Form District Permit application must comply with rules in place at time of application submittal

**Application Review Timeline**

<b>Council Timeline</b>	12-18 months	4-5 months	NA
<b>Final Plan Timeline</b>	4-6 months	4-6 months	4-6 months
<b>Total Timeline</b>	16-24 months	8 – 10 months	4 – 6 months
<b>Advisory Boards</b>	Community Design Commission Environmental Stewardship Board Housing Advisory Board (Residential Only) Planning Commission Transportation and Connectivity Board	Planning Commission	FDP: NA COA: Community Design Commission

**Required Plans**

<b>Council Required Plans</b>	Detailed, Engineered site plans (typically 10-20 plan sheets)	High-level rezoning plan showing general site layout (typically <5 plan sheets)	NA
<b>Final Plans</b>	Required for zoning compliance review and approval by staff	Required for zoning compliance review and approval. Approval conveys a vested right to build the plans within a set time limit	Form District Permit application is equivalent to a Final Plans application and demonstrates zoning compliance
<b>Concept Plan Required</b>	Yes	No	NA

# Fiscal Impact Analysis

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## Millhouse Road Innovative, Light Industrial Opportunity Area Financial Impact Analysis

Adoption of the proposed land use plan amendment to the Millhouse Road Area and enactment of the accompanying text amendment would enable individual property owners to submit rezoning applications to the Council for review and decision. Annexation would be agreed upon as a part of the rezoning process to the proposed light industrial conditional zoning district (LI-CZD).

This analysis provides estimated financial impact numbers for two scenarios, both of which assume annexation into the Town limits. Scenario 1 assumes the proposed Carolina Flex Park Concept Plan Application, which was reviewed by Council in November of 2016 and is within the Millhouse Road Innovative, Light Industrial Opportunity Area and includes 300,000 square feet of light industrial development. Scenario 2 assumes an additional 200,000 square feet of similar development, for a total of 500,000 square feet.

Property Use	Scenario 1	Scenario 2
Flex Space / Office / Lab / Storage	300,000 sq. ft.	500,000 sq. ft.

All of the revenue and cost estimates shown below are based on current dollars.

### Projected Revenues

In order to estimate revenues certain assumptions need to be made regarding future property values (annual revenue) and revenue generated from construction (one-time revenue). These estimates are made based on information currently available and therefore subject to change as conditions change over time. All estimates shown below are based on full build-out. Efforts have been made to be conservative in projecting these revenues.

Revenues	Scenario 1 (300,000 SF)	Scenario 2 (500,000 SF)
<b>Governmental Revenues</b>		
Property Taxes (General Fund & Debt)	\$ 169,688	\$ 282,813
Vehicle Taxes & Fees	-	-
Sales Taxes	-	-
<b>Total Governmental Revenue</b>	<b>169,688</b>	<b>282,813</b>
<b>Enterprise Revenues</b>		
Transit Tax	18,296	30,494
Stormwater Utility Fees	10,695	17,834
<b>Total Enterprise Revenue</b>	<b>28,991</b>	<b>48,328</b>
<b>One-Time Revenues</b>		
Building Permit Fees	154,640	254,640
<b>Total One-Time Revenue</b>	<b>\$ 154,640</b>	<b>\$ 254,640</b>
<b>Total Annual Revenues</b>	<b>\$ 198,679</b>	<b>\$ 331,141</b>
<b>Total One-Time Revenues</b>	<b>\$ 154,640</b>	<b>\$ 254,640</b>

# Fiscal Impact Analysis

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Revenues are divided by how the Town will use them, differentiating between general government revenues and enterprise revenues (Transit & Stormwater). General government revenues are available to support the core services of the Town while enterprise revenues can only be used to support the operations of the functions for which they are collected.

## Projected Costs

In order to estimate the cost of extending services to a future development certain assumptions need to be made concerning the factors that drive the cost of Town services. In some cases, such as Parks and Recreation and Library services, costs are highly correlated with the size of the population being served and these costs can be estimated on a per-capita basis. For other functions a less direct method of projecting cost is used. For instance, Police protection services are based on estimated calls for service, which can be highly variable depending on a number of factors. While we have attempted to capture the cost of extending services, ultimately what the Town spends on providing services and what services levels are provided are decisions made by the Town Council.

The following estimates are for annual recurring costs of extending services. Enterprise fund costs are shown as an off-set to revenues. That is, it is assumed that due to the self-funding nature of Enterprise functions that the incremental cost of providing services to this development will be offset by enterprise revenue paid by the development. Actual costs will depend on future decisions regarding the method and level of service delivery.

# Fiscal Impact Analysis

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<b>Costs</b>	<b>Scenario 1 (300,000 SF)</b>	<b>Scenario 2 (500,000 SF)</b>
<b>Governmental Costs</b>		
Public Works	\$ 14,509	\$ 24,156
Parks & Recreation	5,412	8,972
Library Services	2,319	3,845
Police Services	21,314	35,336
Fire Services	73,052	121,753
Planning/Inspections	3,842	6,404
General Government	18,037	30,025
Capital - Debt Service	16,649	27,715
<b>Total Governmental Costs</b>	<b>155,135</b>	<b>258,207</b>
<b>Enterprise Costs</b>		
Transit Tax	18,296	30,494
Stormwater Utility Fees	10,695	17,834
<b>Total Enterprise Costs</b>	<b>28,991</b>	<b>48,328</b>
<b>One-Time Costs</b>		
Inspections	154,640	254,640
<b>Total One-Time Costs</b>	<b>\$ 154,640</b>	<b>\$ 254,640</b>
<b>Total Annual Costs</b>	<b>\$ 184,126</b>	<b>\$ 306,535</b>
<b>Total One-Time Costs</b>	<b>\$ 154,640</b>	<b>\$ 254,640</b>

## Net Financial Impact

The following table shows the estimated net annual impact of the proposed development on Town finances. Because enterprise fund costs are offset by enterprise revenues the projected amounts shown below represent impact on the Town's General Fund.

<b>Annual Financial Impact (Revenue/Costs)</b>	<b>Scenario 1 (300,000 SF)</b>	<b>Scenario 2 (500,000 SF)</b>
	\$ 14,553	\$ 24,606
<b>One-Time Financial Impact (Revenues/Costs)</b>	\$ -	\$ -

# Planning Commission Recommendation

Public Hearing– 02/20/2017



## PLANNING COMMISSION

*The charge of the Planning Commission is to assist the Council in achieving the Town's Comprehensive Plan for orderly growth and development by analyzing, evaluating, and recommending responsible town policies, ordinances, and planning standards that manage land use and involving the community in long-range planning.*

### RECOMMENDATION OF A RESOLUTION REGARDING THE CHAPEL HILL LAND USE MANAGEMENT ORDINANCE TO ESTABLISH A NEW INNOVATIVE, LIGHT INDUSTRIAL CONDITIONAL ZONING DISTRICT (LI-CZD) AND CONSISTENCY WITH THE COMPREHENSIVE PLAN

February 7, 2017

**Recommendation:** Approval  Approval with Conditions  Denial

**Motion:** Melissa McCullough moved and Buffie Weber seconded a motion to recommend the adoption of the Resolution of Consistency with the 2020 Comprehensive Plan.

**Vote:** 5 – 0

**Ayes:** Neal Bench (Vice-Chair), Melissa McCullough, John Rees, Whit Rummel, Buffie Webber.

**Nays:** None

Prepared by: Neal Bench, Vice-Chair, Planning Commission  
Jay Heikes, Planning and Sustainability Staff

# Planning Commission Recommendation

Public Hearing– 02/20/2017



## PLANNING COMMISSION

*The charge of the Planning Commission is to assist the Council in achieving the Town's Comprehensive Plan for orderly growth and development by analyzing, evaluating, and recommending responsible town policies, ordinances, and planning standards that manage land use and involving the community in long-range planning.*

**RECOMMENDATION OF THE ENACTMENT OF THE LUMO TEXT AMENDMENT  
TO ESTABLISH A NEW INNOVATIVE, LIGHT INDUSTRIAL CONDITIONAL  
ZONING DISTRICT  
February 7, 2017**

**Recommendation:**    **Approval**        **Approval with Conditions**        **Denial**   

**Motion:**        Melissa McCullough moved and John Reese seconded a motion to recommend the enactment of the LUMO Text Amendment to establish a new innovative, light industrial conditional zoning district (LI-CZD)

**Condition:**    That “storage facility, conditioned” only be permitted as a “Z” use requiring special Council approval when it is an accessory or secondary use to an allowed principal use. That the current proposed standard prohibiting storage units within a “storage facility, conditioned” from being located on the first floor be removed, allowing storage units on the ground floor.

**Vote:**            5 – 0

**Ayes:**            Neal Bench (Vice-Chair), Melissa McCullough, John Rees, Whit Rummel, Buffie Webber.

**Nays:**            None

Prepared by:    Neal Bench, Vice-Chair, Planning Commission  
Jay Heikes, Planning and Sustainability Staff

# Planning Commission Recommendation

Public Hearing– 02/20/2017



## PLANNING COMMISSION

*The charge of the Planning Commission is to assist the Council in achieving the Town's Comprehensive Plan for orderly growth and development by analyzing, evaluating, and recommending responsible town policies, ordinances, and planning standards that manage land use and involving the community in long-range planning.*

**RECOMMENDATION OF A RESOLUTION AMENDING THE LAND USE PLAN OF  
THE COMPREHENSIVE PLAN TO INCLUDE AN INNOVATIVE, LIGHT  
INDUSTRIAL OPPORTUNITY AREA DESIGNATION AND APPLYING THIS  
DESIGNATION TO SIX PARCELS TO THE NORTH OF THE INTERSECTION OF  
EUBANKS ROAD AND MILLHOUSE ROAD**

**February 7, 2017**

**Recommendation:** Approval  Approval with Conditions  Denial

**Motion:** Melissa McCullough moved and Whit Rummel seconded a motion to recommend the adoption of the resolution amending the land use plan.

**Vote:** 5 – 0

**Ayes:** Neal Bench (Vice-Chair), Melissa McCullough, John Rees, Whit Rummel, Buffie Webber.

**Nays:** None

**Prepared by:** Neal Bench, Vice-Chair, Planning Commission  
Jay Heikes, Planning and Sustainability Staff