



CITY OF HARRISONBURG COMMUNITY DEVELOPMENT

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July 31, 2023

**TO THE MEMBERS OF CITY COUNCIL
CITY OF HARRISONBURG, VIRGINIA**

SUBJECT:

Consider a request from Box Nine LLC to rezone 231, 251, and 261 South Liberty Street

Consider a request from Box Nine LLC for a special use permit to allow manufacturing, processing, and assembly operations at 231, 251, and 261 South Liberty Street

**EXTRACT FROM MINUTES OF HARRISONBURG PLANNING COMMISSION
MEETING HELD ON: July 12, 2023**

Chair Finnegan read the request and asked staff to review.

Ms. Dang said on December 11, 2019, Planning Commission received a similar request to rezone the subject property to B-1, Central Business District with a special use permit (SUP) request to allow manufacturing, processing, and assembly for the newspaper production facility for the Daily News-Record (DNR). At that time, no proffers were offered by the applicant and the SUP was needed for DNR's operation because if the property was rezoned to B-1, the DNR manufacturing operation would have been no longer permitted by right. Staff recommended denial of both requests while Planning Commission recommended (6-1) to approve the rezoning and recommended (7-0) to approve the SUP with suggested conditions. Staff was primarily concerned with parking demands in the vicinity and the applicant was not comfortable at that time proffering any specific number of off-street parking spaces due to uncertainty regarding future development of the property.

On January 14, 2020, City Council held a public hearing and tabled the items until further review of the Downtown Parking Study. The Downtown Parking Study was completed and presented to City Council on April 13, 2020 (The final report is available here: <https://www.harrisonburgva.gov/downtown-parking-study-2019>). The rezoning and SUP requests were then denied by City Council on August 11, 2020.

Key Issues:

The applicant is requesting to rezone a +/- 2.25-acre parcel zoned M-1, General Industrial District to B-1C, Central Business District Conditional and a special use permit (SUP) per Section 10-3-

85(1) of the Zoning Ordinance (ZO) to allow manufacturing, processing, and assembly operations when not employing more than 15 persons on the premises in a single shift and provided that all storage and activities are conducted within a building within the B-1 district. Unlike the previous rezoning and SUP requests, the applicant is now offering proffers and the SUP is needed for a different manufacturing operation. The property is located downtown along South Liberty Street and currently houses offices for the Daily-News Record (DNR) and houses assembly operations for Lauf Cycling. (Note: During the review of the applications, it came to staff's attention that when the DNR ceased manufacturing operations, technically the office use associated with the DNR should also have ceased operation or the property owner should have sought a SUP per Section 10-3-97 (3) to allow business offices in the M-1 district. Under the M-1 district, the offices were permitted by right because they were in connection with the onsite allowable manufacturing use. If the rezoning herein requested is approved, the DNR office operations become conforming to the B-1 zoning district.)

If the rezoning is approved, the applicant desires to allow commercial uses (retail, office, food service, etc.) as well as residential uses. With regard to residential uses, at this time they plan to renovate the existing building to create two to four dwelling units and then at a later time to somehow accommodate between 80 to 120 residential units. In addition to these planned operations, they are seeking the SUP to continue allowing Lauf Cycling's manufacturing use.

Downtown Parking and Proffers

The Downtown Parking Study, completed in 2020, includes information from a parking occupancy count conducted on a Tuesday in April 2019. Utilization rates reflect the ability of a motorist to find convenient and available parking within a particular area. It is a generally accepted principle that a supply of parking operates at optimum efficiency when peak occupancy is at 85% to 95% of capacity.

Within the Downtown Parking Study, specifically in Appendix C – Total Occupancy, the data shows that the midday count period for the Municipal Lot (identified as ID# 44B and described as "Harrisonburg Farmers Market") has an 80% utilization rate (145 parking spaces occupied out of 181 parking spaces available).

Long-term developments (between six and ten years from 2019/2020) were estimated to introduce more than 30,000 square feet of new commercial or institutional space to Downtown Harrisonburg and introduce demand for 67 additional parking spaces with primary pressure to blocks surrounding Court Square and the core of downtown Harrisonburg. Figure 21 within the study continues to illustrate a peak hour demand with greater than 95% utilization for Block 40, which includes the DNR site which is the subject property for the rezoning and SUP applications. To address staff's concerns about parking demand in this area, the applicant has offered the following proffers (written verbatim):

The minimum required parking for residential uses shall be as follows:

1. Provide 0.5 Parking Spaces per 1-Bedroom Unit
2. Provide 0.75 Parking Spaces per 2-Bedroom Unit
3. Provide 1.0 Parking Space per 3-Bedroom Unit

The applicant explained to staff that if in the long term they constructed 81-120 multiple-family dwelling units (apartments), that they envisioned that the parking spaces provided on-site would be used during the daytime for non-residential uses and in the evening the same parking spaces could become permit parking for residents.

Special Use Permit

Lauf Cycling has been operating at the subject property since February 2023 and currently operates under normal business hours between approximately 8AM and 6PM. Lauf Cycling occupies a +/- 6,367 square foot area in the rear of the existing building. The applicant has described that bicycle parts and components manufactured elsewhere are shipped in boxes to Lauf Cycling at the subject property for assembly. Typically, a few times a week, deliveries are made by step vans and similarly sized vehicles (e.g. FedEx, UPS, USPS) and tractor trailer deliveries are made a couple of times a month.

Staff recommends conditions to restrict the special use permit to only be applicable for a bicycle assembly operation or a substantially similar operation, and for the special use permit to restrict the bicycle assembly operation to no greater than 8,000 square feet of gross floor area. If in the future a bicycle assembly operation wishes to expand the use, then a new special use permit shall be applied for, reviewed and approved. Note that in the future, if Lauf Cycling or other bicycle assembly operation opens a retail store that is related to the manufacturing use, there is no restriction on the size of that component of the operation since it would be a by right retail use in the B-1 district.

Land Use

The Comprehensive Plan designates this site as Mixed Use and states:

The Mixed Use designation includes both existing and proposed areas for mixed use. Mixed Use areas shown on the Land Use Guide map are intended to combine residential and non-residential uses in neighborhoods, where the different uses are finely mixed instead of separated. Mixed Use can take the form of a single building, a single parcel, a city block, or entire neighborhoods. Quality architectural design features and strategic placement of green spaces for large scale developments will ensure development compatibility of a mixed use neighborhood with the surrounding area. These areas are prime candidates for “live-work” and traditional neighborhood developments (TND). Live-work developments combine residential and commercial uses allowing people to both live and work in the same area. The scale and massing of buildings is an important consideration when developing in Mixed Use areas. Commercial uses would be expected to have an intensity equivalent to a Floor Area Ratio of at least 0.4, although the City does not measure commercial intensity in that way.

Downtown is an existing area that exhibits and is planned to continue to contain a mix of land uses. The downtown Mixed Use area often has no maximum residential density, however, development should take into consideration the services and resources that are available (such as off-street parking) and plan accordingly. Residential density in Mixed Use areas outside of downtown should be around 24 dwelling units per acre, and all types of residential units are permitted: single-family detached, single-family attached (duplexes

and townhomes), and multi-family buildings. Large scale developments, which include multi-family buildings are encouraged to include single-family detached and/or attached dwellings.

Staff believes that the proposed uses with appropriate proffers and SUP conditions conforms with the Mixed Use area designation.

Additionally, the proposed rezoning would support the Harrisonburg Downtown 2040 plan's goal to "Grow Downtown as a Neighborhood" and the following two action items:

- #16: Encourage mixed-use and residential development in key clusters
- #17: In the long-term, seek opportunities to add density and improve the urban design at key Downtown sites

The Harrisonburg Downtown 2040 plan describes that "[w]hile the number of housing units and residents have grown Downtown, there is need for more housing to support local businesses."

Additionally, the subject property is within a key cluster area identified as "South Downtown." (The Harrisonburg Downtown 2040 plan is available at:

<https://www.harrisonburgva.gov/downtown-2040>)

Transportation and Traffic

A traffic impact analysis (TIA) was not required for the rezoning and special use permit requests. In a letter dated June 22, 2023, the Department of Public Works provides explanation for this decision. (The letter is attached herein.) In summary, staff evaluated both short-term and long-term proposed uses for the parcel and calculated that the planned non-residential uses and residential development of up to 120 multiple-family dwelling units would generate 106 new trips in the PM peak hour. While this would meet the minimum threshold to require a TIA, this segment of South Liberty Street has recently been studied through the Downtown Small Area Study, which evaluated the traffic impacts of reconfiguring the downtown transportation network. (The final report is available on the Harrisonburg Rockingham Metropolitan Planning Organization website at: <https://www.hrvampo.org/articles/downtown-harrisonburg-operations-analysis>). The Downtown Small Area Study included an assessment of the surrounding transportation needs. Staff believes that the trips generated from this parcel would be consistent with the growth assumptions made for the study and would not have any detrimental effects to South Liberty Street.

Public Water and Sanitary Sewer

Staff has no concerns regarding water and sanitary sewer service availability for the proposed development.

Housing Study

The City's Comprehensive Housing Assessment and Market Study (Housing Study) has this property in a Census block group that is classified as "No Data" according to market types. This block group did not have any housing sales data at the time of the study. The Housing Study identified that there is strong demand for expanding rental housing inventory at the lowest and highest income spectrum because the number of households in the lowest and highest income groups significantly exceed the number of housing units available for and affordable to them.

Public Schools

The student generation attributed to the proposed 120 dwellings is estimated to be 22 students. Based on the School Board's current adopted attendance boundaries, Keister Elementary School, Thomas Harrison Middle School, and Harrisonburg High School would serve the students residing in this development. Harrisonburg City Public Schools (HCPS) staff noted in their review comments that schools are over capacity in many of the schools.

Recommendation

Staff believes that rezoning the property to B-1C conforms with the City's Comprehensive Plan and Downtown 2040 Plan, and that the proposed proffer addresses staff's concerns about parking demand. Staff recommends approving the rezoning. Additionally, staff recommends approval of the SUP with the following conditions:

1. The special use permit shall only be applicable for a bicycle assembly operation or a substantially similar operation.
2. The special use permit shall be restricted to no greater than 8,000 square feet of gross floor area.
3. If in the opinion of Planning Commission or City Council, the use becomes a nuisance, the special use permit can be recalled for further review, which could lead to the need for additional conditions, restrictions, or the revocation of the permit.

Chair Finnegan asked if there any questions for staff.

Vice Mayor Dent said I am just curious about this [cycling company] that is the company from Iceland right? I thought they were going to be established in the north side of the Three Brothers Brewery. Did they move to this instead or are they expanding?

Ms. Dang said I actually do not know the answer to that. Although, I can just say affirmatively that the press releases from last year indicated their other location that I did not have the opportunity to ask about. Maybe the applicant here knows the answer to that question.

Chair Finnegan said who has got a better deal.

Vice Mayor Dent said it might be more space who knows.

Chair Finnegan said when your lease is up. I did have a question about the fully funded bike lane that goes along Liberty, where does that terminate on either end? Does that run in front of this property?

Vice Mayor Dent said yes.

Ms. Dang said it does run in front of this property.

Mr. Fletcher said I think, and I am going by memory, so I know it begins on the north side where the new art structure is to be installed and I think it essentially goes to the World War I Memorial. I can confirm that it does come through here. It is a cycle track.

Vice Mayor Dent said it is the one-way portion of Liberty Street that is technically US 11 going south from Noll Drive down to Grattan Street.

Chair Finnegan asked if there were any more questions for staff. Hearing none, he opened the public hearing and invited the applicant or applicant's representative to speak to their request.

Mike Hendrickson, a Harrisonburg resident and part owner of the property, came forward to speak to this request. We are seeking to rezone this from M-1 to B-1, as we stated in our application. As all properties do, this property has gone through its initial life cycle for a purpose-built use as a DNR production facility. It is now ready for other uses that are not allowed under its current zoning. We are seeking to rezone this property to allow for other commercial uses. Retail office, food service etc., and residential uses. Two to four units initially and then potentially more later. We have interested businesses now who would like to occupy this space but due to the existing zoning, that is not possible. I would be open to answer any questions you have.

Chair Finnegan asked if there were any questions for the applicant.

Chair Finnegan continued and said just about that property in the back, the rear section of the property. Those proffers were for residential, right?

Mr. Hendrickson answered correct.

Ms. Dang said that is any residential on the property they have to provide a minimum number of parking spaces.

Chair Finnegan said whether it is this building or in the back, anywhere on the property.

Mr. Hendrickson said I think the specific last time when we did this years ago, I think the specific reason for that conversation was due to the future expansion. If there is a building that is built there, how would that parking be handled. The existing load is a couple units not many now, so it would not be a real issue, but later 80 to 120 potentially. We do understand that at this point obviously we are willing to put that forward. Last time we were not. We are now ready to do that and hope that again Planning Commission will recommend approval.

Chair Finnegan asked if there were any questions for the applicant. Hearing none, he asked if there was anyone in the room or on the phone wishing to speak to the request.

He then closed the public hearing and opened the matter for discussion.

Vice Chair Byrd asked we have two motions, correct?

Chair Finnegan answered yes. The rezoning comes first. So, we are going to need two motions and two votes.

Chair Finnegan continued I will say, having lived several places downtown, I know that this discussion about parking is kind of ever present, but as we talk about density downtown and walkability and bike-ability and putting how many millions of dollars into a new two-way bike lane. I think we need to consider this and not hold on to the idea that we need...we have parking downtown and we may need to start charging for that parking as things get more dense. As the 2040 plan shows that we are going to have more people living downtown. You may have to let go of the idea that there is parking everywhere all the time for free. That is my soapbox, and I will get off of it now. Do we hear a motion?

Vice Chair Byrd said I was waiting to give people a chance if they had any comments on this. I move to approve the rezoning.

Commissioner Baugh seconded the motion.

Chair Finnegan called for a roll call vote.

Commissioner Armstrong	Aye
Commissioner Baugh	Aye
Vice Chair Byrd	Aye
Vice Mayor Dent	Aye
Commissioner Alsindi	Aye
Commissioner Washington	Aye
Chair Finnegan	Aye

The motion to recommend approval of the rezoning request passed (7-0). The recommendation will move forward to City Council on August 8, 2023

Chair Finnegan said now we are looking for a motion for the special use permit.

Vice Chair Byrd said I move to approve the special use permit with the suggested conditions.

Commissioner Baugh seconded the motion.

Chair Finnegan called for a roll call vote.

Commissioner Armstrong	Aye
Commissioner Baugh	Aye
Vice Chair Byrd	Aye
Vice Mayor Dent	Aye
Commissioner Alsindi	Aye
Commissioner Washington	Aye
Chair Finnegan	Aye

The motion to recommend approval of the special use permit request passed (7-0). The recommendation will move forward to City Council on August 8, 2023.