

# COMMUNITY DEVELOPMENT

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To: Eric Campbell, City Manager

From: Adam Fletcher, Director – Department of Community Development and Harrisonburg Planning

Commission

Date: January 14, 2020 (Regular Meeting)

Re: Rezoning – 231, 251, 261 South Liberty Street (M-1 to B-1) and Special Use Permit – 231, 251,

261 South Liberty Street (To Allow Manufacturing, Processing, and Assembly Operations in B-

1)

#### **Summary:**

Public hearings to consider a request from Rockingham Properties, LLC with representative Matchbox Realty to rezone a +/- 2.2-acre parcel zoned M-1, General Industrial District to B-1, Central Business District and for a special use permit per Section 10-3-85(1) of the Zoning Ordinance to allow manufacturing, processing, and assembly operations when employing not 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, Central Business District. The property is addressed as 231, 251, and 261 South Liberty Street and is identified as tax map parcel number 25-F-3.

#### **Background:**

The Comprehensive Plan designates this site as Mixed Use. 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.

The following land uses are located on and adjacent to the property:

Site: Offices and newspaper production facility for the Daily News-Record, zoned M-1

North: Multi-family dwellings, restaurants, and retail uses, zoned B-1

<u>East:</u> Across North Liberty Street, Municipal parking lot and City Hall, zoned B-1 and R-3

South: Multi-family dwellings, zoned R-3

West: C&W Railroad and industrial uses, zoned M-1

#### **Key Issues:**

The applicant is requesting to rezone a +/- 2.2-acre parcel zoned M-1, General Industrial District to B-1, Central Business District and for a special use permit (SUP) per Section 10-3-85(1) of the Zoning Ordinance to allow manufacturing, processing, and assembly operations when employing not 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. The property is located downtown along South Liberty Street and currently houses the offices and the newspaper production facility for the Daily News-Record.

If the requests are approved, Matchbox Realty plans to continue leasing space to the Daily News-Record and to lease spaces within the existing building to others. Matchbox describes that they are pursuing a rezoning to B-1 to conform with the City's Comprehensive Plan, which was updated in 2018, and to "provide more opportunities for expanded commercial uses at a property located in the heart of Harrisonburg's Central Business District."

A traffic impact analysis (TIA) was not required for the rezoning and special use permit request. In a letter dated December 7, 2019, the Department of Public Works provides explanation for their decision. (The letter is attached herein.) In summary, Public Works describes that the peak hour volume is below capacity for this segment of South Liberty Street and merging and diverging traffic on this low-speed street is not a concern. Additionally, since the applicant had disclosed that it may be six to ten years before redevelopment of the property would occur, a TIA study would be outdated and null by the time redevelopment occurs.

A downtown parking study by the City is currently underway. Public/public parking is described by the study consultants as "a facility owned by a public agency and accessible to all members of the general public" and nearby examples include the Municipal Lot (surrounding the Farmers Market Pavilion) and the Water Street Parking Deck. The parking lot in front of City Hall is identified as public/private which is described as "a facility owned by a public agency, but is accessible only to a select group of users." The City Hall parking lot is intended for visitors to City Hall and is restricted as 2-hour parking between 7am-7pm, Monday-Saturday. There is no restriction outside of these hours.

The closest public/public parking lot to the subject property is the Municipal Lot. Preliminary information from the parking study includes information from a parking occupancy count conducted on a Tuesday in April 2019. The midday count period showed that the Municipal Lot has an 80% utilization rate (145 parking spaces occupied out of 181 parking spaces available). The parking spaces making up

the Municipal Lot included parking spaces to the north of the Farmers Market Pavilion that are available to the public, as well as, parking spaces to the south of the Pavilion that are reserved for city staff during the midday count period.

Utilization rates reflect the ability of a motorist to find convenient and available parking within a particular area. Rates between 75-85% signify a nearing of practical capacity; the opportunity to find parking is reasonable and turnover rates remain healthy. Exceeding the 85% threshold, means that the demand cannot be satisfied and as the consultants describe, "[i]f there are blocks where the entire effective parking supply is being utilized, this may mean that the demand cannot be satisfied [and] is pushed to other blocks nearby or that potential visitors and patrons of downtown businesses could be going elsewhere due to lack of parking."

Given that the parking demand in the Municipal Lot is nearing optimal utilization during midday and public concerns continue to be received about parking in downtown and in this area, staff has emphasized these concerns to the applicant. Additionally, the newest 38 Ice House apartments were not yet occupied in April 2019 when parking counts were conducted. Since there are no minimum off-street parking requirements in the B-1 district, if the City approves any B-1 rezoning request, the City is also accepting the responsibility of the parking demand that such properties place on the downtown area. While there are currently around 82 marked parking spaces on this property, the building could be enlarged, or the property redeveloped, eliminating parking spaces already on the property, and then operate uses that are more parking intensive. The applicant understood staff's concern, however, in an email dated December 3, 2019, the applicant states:

"At this time, the applicant does not feel comfortable proffering any number of off-street parking spaces on the subject site due to uncertainty regarding the design of a potential new development as well as the uses contained therein. While we certainly want to accommodate clients and customers on-site, we feel more comfortable pursuing the City's B-1 designation, and all the rights contained therein, in accordance with the 2018 Comprehensive Plan."

While rezoning to B-1 is generally thought to be consistent with the Mixed Use designation of the Land Use Guide, the Land Use Guide also describes that "development [in Mixed Use areas] should take into consideration the services and resources that are available (such as off-street parking) and plan accordingly." For example, the applicant for a rezoning request being considered concurrently at 129 West Water Street has proffered a minimum of ten parking spaces to be located on the property. Others who have rezoned to B-1C have proffered one parking space either for each residential unit or for each bedroom, plus an additional number of parking spaces for non-residential uses on their properties.

As described by the applicant in meetings with staff, their short term-plans for the property include maintaining newspaper production operations and office space for the Daily-News Record and to also consider leasing remaining office spaces to others. Such opportunity to add business and professional offices is allowed in the M-1 zoning district with an approved SUP per Section 10-3-97(3). If the applicant were to choose this route and obtain the SUP, they could operate in the short-term while also addressing staff concerns for off-street parking demands because the Zoning Ordinance's minimum off-street parking regulations would apply to the M-1 zoned property.

Although staff believes the Land Use Guide's support for mixed use (both residential and non-residential uses) is the goal that the City should be working toward for the subject property, at this time, staff believes that rezoning the site to B-1 without known plans for accommodating the necessary parking demand for the many other B-1 uses that could operate on this site, including potential residential units, is not in the best interest for this section of the downtown. At this time, staff recommends denial of the rezoning request.

As described above, along with the rezoning request, the applicant is applying for a SUP per Section 10-3-85(1) to allow manufacturing, processing, and assembly operations when employing not 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. The purpose of the SUP is to allow the Daily News-Record to continue to operate at this location if the property is rezoned to B-1. The newspaper printing and production operations of the Daily News-Record is considered a manufacturing, processing, and assembly use and is not allowed by right in the B-1 district. The applicant has described that the manufacturing operation includes printing via printing press, assembly of the physical paper, and coordination of the paper for distribution purposes. Operations typically take place between 8am-8pm. Truck traffic at the property is limited to the delivery of printing materials, which usually occurs between 5pm-8pm two to three times per month, and the collection of the finished paper for distribution, which generally occurs in the overnight/early morning hours and involves about 50 trucks in total each week. Although the Daily News-Record typically has no more than five employees working in the manufacturing process on any given shift, if the SUP is approved, staff would be comfortable allowing the applicant the flexibility to have the maximum number permitted by the special use.

While staff has recommended denial of the rezoning request, if the rezoning request is approved, staff believes that the proposed newspaper production operations are known to this area as it has been operating for many years and at this location is consistent with good zoning practice and will have no more adverse effect on the health, safety, or comfort of persons living and working in the area and will be no more injurious, economically or otherwise, to property or improvements in the surrounding area, and would therefore recommend approval of the SUP with the following conditions:

- 1. The special use permit shall only be applicable for a newspaper production facility or a substantially similar operation.
- 2. 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.

#### **Environmental Impact:**

N/A

#### **Fiscal Impact:**

N/A

#### **Prior Actions:**

N/A

#### **Alternatives:**

- (a) Recommend approval of the rezoning and special use permit request as submitted;
- (b) Recommend approval of the rezoning and special use permit with conditions;
- (c) Recommend approval of the rezoning and recommend denial of the special use permit;
- (d) Recommend denial of the rezoning request, but if the rezoning is approved, recommend approval of the special use permit with conditions; or
- (e) Recommend denial of both the rezoning and special use permit.

#### **Community Engagement:**

As required, the requests were published in the local newspaper twice advertising for Planning Commission's public hearing and twice advertising for City Council's public hearing. The advertisements were published as shown below:

#### Rezoning – 231, 251, 261 South Liberty Street (M-1 to B-1)

Public hearing to consider a request from Rockingham Properties, LLC with representative Matchbox Realty to rezone a +/- 2.2-acre parcel zoned M-1, General Industrial District to B-1, Central Business District. The M-1, General Industrial District is intended primarily for manufacturing, processing, storage, and distribution activities, which are not properly associated with, nor compatible with, residential and institutional development. The B-1, Central Business District is intended as an urban and regional center for the conduct of commercial, financial, professional and governmental activities to which the public requires direct and frequent access. No minimum lot size or setback restrictions exist in the B-1, Central Business District. The Comprehensive Plan designates this site as Mixed Use. Mixed Use areas are intended to combine residential and non-residential uses in neighborhoods, where the different uses are finely mixed instead of separated. 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. The property is addressed as 231, 251, and 261 South Liberty Street and is identified as tax map parcel number 25-F-3.

## Special Use Permit – 231, 251, 261 South Liberty Street (To Allow Manufacturing, Processing, and Assembly Operations in B-1)

Public hearing to consider a request from Rockingham Properties, LLC with representative Matchbox Realty for a special use permit per Section 10-3-85(1) of the Zoning Ordinance to allow manufacturing, processing, and assembly operations when employing not 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, Central Business District. The +/- 2.2-acre property is addressed as 231, 251, and 261 South Liberty Street and is identified as tax map parcel number 25-F-3.

In addition, adjoining property owners were notified of the public hearing; the property was posted with signage advertising the request; and a notice was provided on the City's website at <a href="https://www.harrisonburgva.gov/public-hearings">https://www.harrisonburgva.gov/public-hearings</a>.

#### **Recommendation:**

Staff recommends alternative (d) denial of the rezoning request, but if the rezoning is approved, staff recommends approval of the special use permit with conditions.

#### **Attachments:**

1. Planning Commission Extract

- 2. Site maps
- 3. Application, applicant letter, and supporting documents
- 4. Letter from Department of Public Works to Matchbox Realty, November 7, 2019

### **Review:**

Planning Commission recommended (6-1) to approve the rezoning request as submitted and recommended (7-0) to approve the special use permit with the suggested conditions.