



City Council

Planning Department Staff Report

Board of Adjustment Meeting:

July 15, 2025

Project No:

VAR2025-002

Project Planner:

Tory Carpenter, AICP, Planning Director

Item Details

Project Name:

Dripping Springs Sports Club

Property Location:

Northwest Corner of Canyonwood Drive and US 290

Legal Description:

10 Acres out of the Headwaters Commercial Tract

Applicant:

Drew Rose, DSSC Equity, LLC

Property Owner:

Oryx Land Holdings, LLC

Request:

A variance to allow a building larger than 100,000 square feet in a the PDD6 Zoning District



VAR2025-002
Dripping Springs
Sports Club

Legend

- Roads
- Subject Property
- City Limits



Planning Department Staff Report

Overview

The applicant, DSSC Equity, LLC, is requesting a variance from the maximum gross floor area permitted for commercial buildings under the Headwaters Planned Development District (PDD 6). Section 2.4.6(a) of the PDD, which was approved in 2016, limits commercial building size to 100,000 square feet. The proposed Dripping Springs Sports Club (DSSC) facility is approximately 150,000 square feet in gross floor area, a 60% increase over the allowed maximum.

The facility includes a mix of uses such as youth sports, fitness amenities, indoor courts, an elevated track, family entertainment, and dining. The building footprint itself is 65,000 square feet, with additional gross area accommodated through two stories and a mezzanine level.

The applicant states that the variance is necessary due to the nature and function of the building. The larger floor area allows the project to deliver its intended multi-purpose services without exceeding the site's design limits in terms of footprint or setbacks. Key points of justification provided by the applicant include:

- ***Economic and Employment Impact:*** *DSSC anticipates over \$8 million in revenue by year 3 and expects to employ approximately 30 full-time and 60-90 part-time staff.*
- ***Significant Setback Compliance:***
 - *Required: 25' from property perimeter / Proposed: 324'*
 - *Required: 50' from Canyonwood Drive residences / Proposed: 151'*
- ***Architectural Enhancements:***
 - *Metal screening features for sun shading and visual articulation*
 - *Full rooftop mechanical screening*
 - *Use of sloped roof design in line with Hill Country aesthetics*
 - *Enhanced articulation on all sides of the building*
- ***Environmental and Design Considerations:***
 - *Turf and drought-tolerant landscaping to reduce water usage*
 - *Parking lot islands exceeding code in number, size, and planting quality*
 - *Natural, subdued color palette integrated with local Hill Country character*

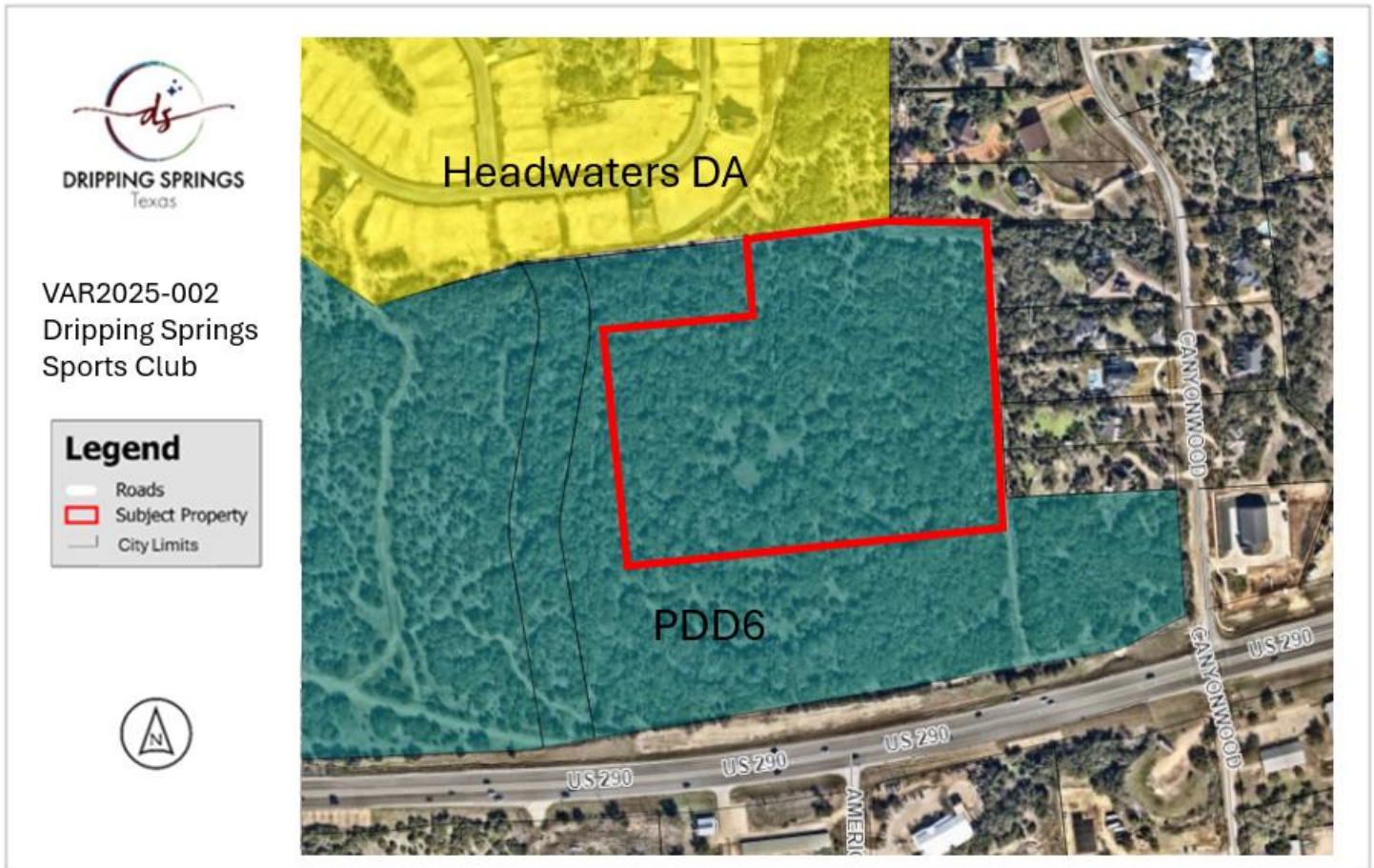
| PDD Requirement | Applicant Request | Difference |
|--------------------------------|---|------------|
| Maximum 100,000 sqft structure | Up to a 150,000 sqft structure with a 65,000 sqft footprint | 50% |

If the requested zoning amendment and variance are approved, the applicant will be required to submit the following permits which are reviewed and approved administratively by staff:

1. Alternative Exterior Design
2. Site Development Permit
3. Building Permit
4. Sign Permits

Planning Department Staff Report

Surrounding Properties



| Direction | Zoning District | Existing Use | Future Land Use |
|-----------|----------------------------------|--------------------------|--|
| North | Headwaters Development Agreement | Single-Family/Open Space | This site is adjacent to the Headwaters “Commercial Activity Center” |
| East | ETJ | Single-Family | |
| South | PDD6 | Proposed Commercial | |
| West | PDD 6 | Proposed Commercial | |

Approval Criteria for Variance (2.22.2-Zoning Ordinance)

| Approval Criteria | Staff Comments |
|---|--|
| 1. there are special circumstances or conditions affecting the land involved such that the literal enforcement of the provisions of this Chapter would deprive the applicant of the reasonable use of the land; and | The dual-purpose nature of the proposed facility—with large indoor courts, a mezzanine track, and community areas—creates special conditions that are not typical of standard commercial buildings. |
| 2. the variance is necessary for the preservation and enjoyment of a substantial property right of the applicant; and by preserving the natural features and topography of the land; and | The proposed use fulfills a unique need in Dripping Springs for a family- and youth-oriented indoor recreational facility. The variance supports the enjoyment of a substantial property right while maintaining |

Planning Department Staff Report

| | |
|---|---|
| | compatibility with the surrounding area through thoughtful design and site layout. |
| 3. the granting of the variance will not be detrimental to the public health, safety or welfare, or injurious to other property within the area; and | The project provides increased building setbacks, mitigates scale through articulation, and aligns with the Hill Country aesthetic. With further coordination on architectural and tree mitigation elements, the variance is not expected to result in adverse impacts to public health or nearby properties. |
| 4. the granting of the variance constitutes a minimal departure from this Chapter; and | While the increase to the gross square footage is 60%, the variance remains a minimal departure in context, given the footprint remains well within setbacks and the bulk of the added area is vertical rather than horizontal expansion. |
| 5. the subject circumstances or conditions giving rise to the alleged hardship are not self-imposed, are not based solely on economic gain or loss, and do not generally affect most properties in the vicinity of the property; and | The need for additional space arises from the specific functional design of the facility rather than economic considerations. This type of mixed-use indoor athletic facility is rare in the area, and the request is not common among surrounding properties. |
| 6. Granting the variance is in harmony with the spirit, general purpose, and intent of this Chapter so that: <ol style="list-style-type: none"> the public health, safety and welfare may be secured; and that substantial justice may be done. | <p>The facility design considers the health and welfare of the community by providing access to recreation and wellness amenities.</p> <p>Substantial justice is served by supporting an appropriate, community-oriented land use in a context-sensitive manner.</p> |

Additional staff analysis:

While the subject property is located within the Headwaters PDD, which is vested to the City's previous tree preservation ordinance, the variance process allows the City to require enhanced tree preservation measures as a condition of approval. Given the scale of the proposed development and its proximity to residential uses, staff finds that additional tree protection and mitigation could provide important buffering and aesthetic benefits that align with the goals of the City's current environmental policies.

Staff finds that the requested need for increased square footage due to the specific functional and community-serving nature of the project is generally justifiable. Additionally, design commitments and substantial setbacks contribute to mitigating the scale of the proposed structure.

The subject property is located within the Headwaters PDD (Planned Development District #6), which includes customized development standards that differ from the City's base zoning regulations. The table below summarizes key differences between current City Code requirements and the standards established in the approved PDD:

| Standard | City Code Requirement | PDD #6 Requirement |
|-------------------|--|---|
| Tree Preservation | Subject to current Tree Preservation Ordinance | Vested to prior ordinance; new tree standards do not apply |
| Lighting | Must comply with current Lighting Ordinance | Must comply with current Lighting Ordinance |
| Building Height | Max 2.5 stories or 40 feet | Max 4 stories or 55 feet |
| Building Size | Max 50,000 sq. ft. | Max 100,000 sq. ft.; buildings over 50,000 sq. ft. require Alternative Exterior Design approval |

Planning Department Staff Report

Other Development Options for the Site

At the previous Board of Adjustment meeting, the Board requested additional information regarding the development options for the site should the variance request not be granted. Any development would need to comply with the standards outlined in the PDD #6 Requirements column of the table above.

The approved PDD establishes Commercial Services (CS) as the base zoning district, which permits a wide range of commercial, retail, office, and service-oriented uses by right. While the PDD retains most CS-permitted uses, it also identifies certain uses as prohibited or requiring a Conditional Use Permit (CUP). Examples of permitted uses include general retail, offices, medical clinics, health clubs, restaurants, and banks. Prohibited uses include auto-related services, storage facilities, sexually oriented businesses, and similar uses not aligned with the district's intended character.

Additionally, the PDD allows multifamily residential development by right up to 410 units, with higher densities requiring a CUP. Any commercial development would also be subject to the PDD's unique standards for building height, setbacks, parking, and site design.

Previous Actions

At their meeting on April 22, the Planning & Zoning Commission voted to postpone the request to the May 27 meeting. The Commission directed the applicant to provide additional information related to tree preservation, building design, screening, and vehicular access.

At their meeting on May 27, 2025, the Planning & Zoning Commission voted 3-2 to recommend approval of the request, with Commissioners Bourguignon and Foster voting in opposition.

At their meeting on June 3, 2025, the Board of Adjustments voted to postpone this item to the July 15 meeting, with direction to the applicant to provide options for screening on the north side of the property, to hold at least one more meeting with the community, and to provide a copy of the Traffic Impact Analysis.

Traffic Impact Analysis

The Board of Adjustment directed the applicant to submit a Traffic Impact Analysis (TIA) prior to the July 15 meeting. The final TIA has not been submitted to City staff. Preparation of the TIA is currently in development by the master developer, Oryx Land Holdings, LLC, and will address the entirety of the Headwaters Planned Development District.

Summary and Recommendation

Since the Board requested a Traffic Impact Analysis for review at their June 3 meeting, staff recommends postponement of this variance request.

Alternatively, if the board acts on the variance request, staff recommends approval with the following conditions:

1. The applicant must provide 8-foot masonry screening in the form of stone or brick, as best determined by the Development Review Committee, along the eastern and northern property boundaries consistent with Section 5.10.1 of the Zoning Ordinance.
2. The applicant shall submit an Alternative Exterior Design application for review and approval prior to submitting a site development application.
3. The gross floor area of the building shall not exceed 150,000 square feet.
4. The building footprint shall not exceed 65,000 square feet.
5. The applicant shall install four six-foot masonry walls with supplemental screening along the northern and eastern boundaries of the outdoor sports courts.

Planning Department Staff Report

6. The applicant shall install timers and blackout shades on mezzanine level windows facing residential areas to shield from sunset to sunrise and shall use fully shielded, downward facing parking lot fixtures with motion sensors and timers.
7. Prior to obtaining a Certificate of Occupancy, the applicant shall establish a Neighborhood Advisory Board with representatives from Headwaters and Sunset Canyon, meeting at least twice annually during construction and first year of operation.
8. A site development permit shall be approved and construction commence on the site within two years of approval of this variance request.

Required Vote Threshold

The concurring vote of at least 75% of the full Board of Adjustments is required to approve a variance request. This supermajority requirement applies to any decision under the Board's review authority.

Public Notification

A legal notice advertising the public hearing was placed in the Dripping Springs Century-News, signs were posted on the-site, notice was placed on the City Website, and all property owners within a 300-foot radius of the site were notified of the Variance request.

Meetings Schedule

April 22, 2025 Planning & Zoning Commission

May 27, 2025 Planning & Zoning Commission Reconsideration

June 3, 2025 Board of Adjustments

June 15, 2025 Board of Adjustments Reconsideration

Attachments

Attachment 1 – Variance Application

Attachment 2 – Application Materials

Attachment 3 – Public Comment

| | |
|----------------------------|---|
| Recommended Action | Recommend approval with the condition referenced above. |
| Alternatives/Options | Recommend denial of the variance or approval with alternate conditions. |
| Budget/Financial impact | N/A |
| Public comments | Staff has received numerous letters and support and opposition of the request which are included in the packet. |
| Enforcement Issues | N/A |
| Comprehensive Plan Element | N/A |