

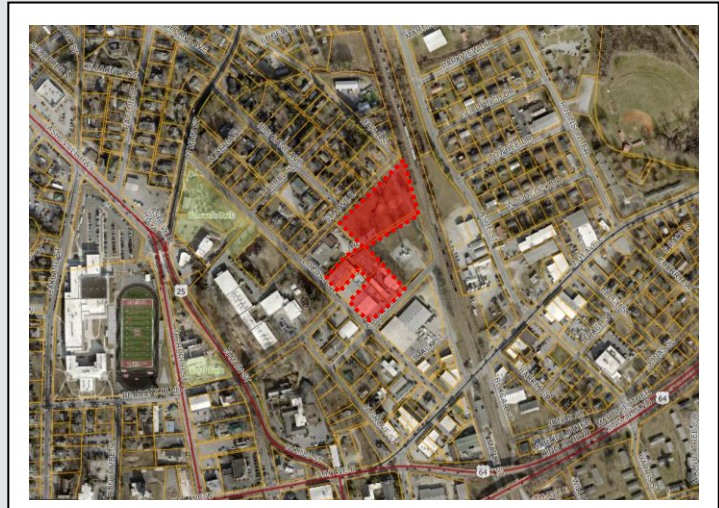
STANDARD REZONING:
LOCUST ST SMALL AREA REZONING - I-1 TO CMU
(25-78-RZO)
CITY OF HENDERSONVILLE - COMMUNITY DEVELOPMENT
STAFF REPORT

PROJECT SUMMARY	2
SITE IMAGES	3
SITE IMAGES	4
EXISTING ZONING & LAND USE	6
FUTURE LAND USE	9
REZONING STANDARDS (ARTICLE II-4)	10
REZONING STANDARDS ANALYSIS & CONDITIONS	13
DRAFT COMPREHENSIVE PLAN CONSISTENCY AND REZONING REASONABLENESS STATEMENT	14



PROJECT SUMMARY

- Project Name & Case #:
 - Locust St Small Area Rezoning (I-1 to CMU)
 - 25-78-RZO
- Applicant & Property Owner:
 - Southern Appalachian Brewing (Cubbins), R Four Holdings (Tolles), Daniel Mock, & Hunting Creek Associates – Condo Owners
 - R Four Holdings (Tolles) – Owners
 - Scott & Dean Miller – Owners
- Property Address or PINS:
 - 822 100 Locust St (9569-80-4214)
 - 822 200 Locust St (9569-80-4214)
 - 822 300 Locust St (9569-80-4214)
 - 822 400 Locust St (9569-80-4214)
 - 824 Locust St Ste 300 (9569-80-2387)
 - 0 Lynn St (9569-80-4629)
- Project Acreage:
 - 3 Acres
- Current Parcel Zoning:
 - I-1 Industrial
- Proposed Zoning District:
 - CMU, Central Mixed Use
- Future Land Use Designation:
 - Downtown



SITE VICINITY MAP

In addition to the properties rezoned last month, the City of Hendersonville is initiating a rezoning for consenting property owners in the Locust St Area to rezone the area from I-1, Industrial to CMU, Central Mixed Use. These additional owners and properties include multiple condo owners at 822 Locust St (PIN: 9569-80-4214), R Four Holdings at 824 Locust St Ste 300 (PIN: 9569-80-2387) and Scott & Dean Miller at 0 Lynn St (PIN: 9569-80-4629).

Planning Staff initially identified the need for a rezoning of the I-1 properties in this area over 4 years ago. Though a 'small area rezoning' did not take place at that time, with the submittal of a rezoning application for CMU, Planning Staff opened up the opportunity for select properties to join in on the rezoning. Per new state laws, property owners must consent to rezonings of this nature. Properties participating in the rezoning will benefit in the following ways:

- 1) CMU Zoning would make non-conforming buildings conforming;*
- 2) CMU Zoning would permit current land uses to continue;*
- 3) CMU Zoning would permit additional desired future land uses that I-1 zoning does not;*
- 4) CMU Zoning would prevent incompatible uses.*

SITE IMAGES



View of subject properties along Locust St that have been identified for potential rezoning



View of Side / Rear of previously rezoned property

SITE IMAGES



View of 415 8th Ave (previously rezoned property)



View of block of subject properties with buildings fronting Locust St that have been identified for potential rezoning

SITE IMAGES



View of rear of vacant parcel on Lynn St potential rezoning candidate



View of cell tower in close vicinity. Property was considered but is NOT included in rezoning request due to non-conformity with CMU uses.

PROPOSED SMALL AREA REZONING BACKGROUND

The evolving nature of urban land uses, particularly within the 7th Ave District, requires that zoning be reevaluated on a recurring basis to determine if it aligns with the needs of today and provides for the visions of tomorrow. In consideration of the public and private investments made in recent years and the future economic opportunities this area presents, all indications are that the current zoning standards (Industrial) need to be updated to better foster a mix of land uses while preserving a walkable, urban neighborhood form. This opportunity has been on Planning Staff's radar for a number of years. However, the submittal for a rezoning application in this block of Locust St has served as a catalyst for initiating a needed "small area rezoning".

Impacts/Rationale: There are three primary reasons why this potential rezoning would have a positive impact to property owners and the city:

1) Bring Existing Structures into Conformity / Secure Character of Area. The setbacks for I-1 are substantial (Front – 30', Sides – 20', Rear – 20'). Any structures that do not currently meet those setbacks are considered "*legal non-conforming structures*", making them subject to certain limitations. All of the structures identified for this rezoning are non-conforming structures. Should any of these non-conforming buildings become substantially damaged for any reason, they would have to be repaired/rebuilt in conformity with the I-1 setbacks. Many of the structures currently have 0' front and side setbacks. If substantially damaged, the buildings would have to be pushed back 30' from the sidewalk and 20' on sides and rear – drastically altering the character of the area. Furthermore, any new additions to these buildings would also be subject to the I-1 setbacks.

Alternatively, the setbacks for CMU are much more relaxed and allow for buildings to utilize the full property with buildings allowed 12' from the curb /generally the edge of the sidewalk and 0' setbacks/common walls on the sides and rear. Rezoning the properties from I-1 to CMU would eliminate the non-conformities and make the existing structures "conforming". This would go a long way towards helping to preserve the special character of the area.

2) Better Alignment of Permitted Uses – While the Industrial zoning allows for 26 more "permitted uses" than CMU, the CMU zoning allows for, amongst other important uses, 'multi-family residential' whereas I-1 zoning does not. Adding multi-family residential to the list of uses that are permitted on these properties creates a significant economic opportunity that better aligns with the emerging trends and desires of the 7th Ave area. In other words, multi-family residential is more likely to be a desired future land use than those currently permitted under I-1. In addition to multi-family, the following uses are allowed in CMU but not in I-1:

I & 2-Family Residential
Offices
Theaters
Coin-operated Laundries

Cultural Art Buildings
Dance & Fitness Facilities
Music & Art Studios

Additionally, CMU zoning also allows: microbreweries, distilleries, cideries and wineries, food trucks, retail stores, restaurants, dry cleaning, construction trades, small-scale manufacturing, telecommunications antennas, and other uses that are already present in the 7th Ave / Locust St area.

Meanwhile, Industrial zoning permits any of the following uses:

Freight terminals	Drive-thru restaurants
Storage Yards	Treatment Plants
Concrete Plants	Vehicle Repair with Outdoor Storage
Vehicle & Heavy Equipment Storage Areas	
And more...	

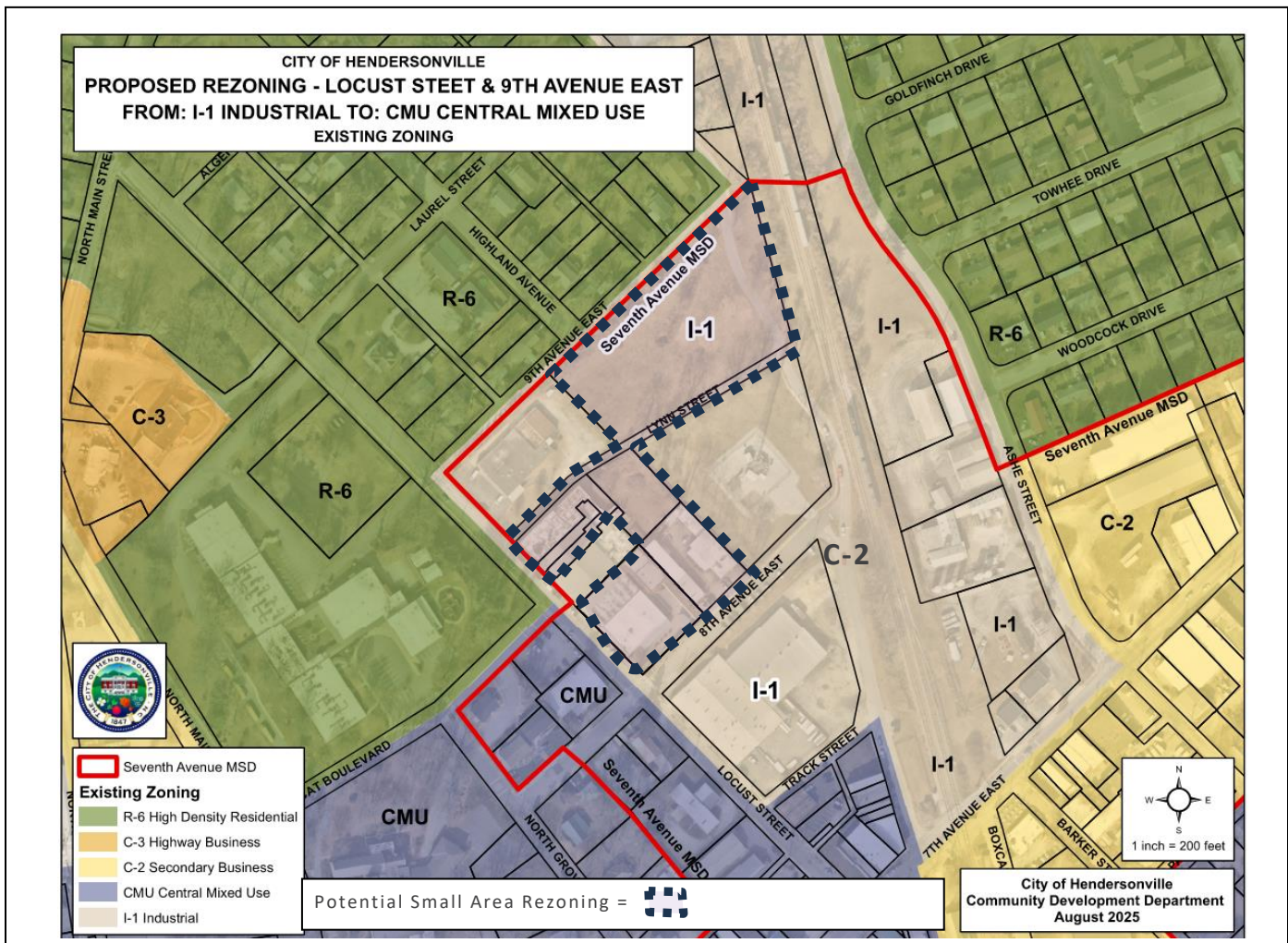
3) Better Alignment with Adopted Vision - CMU better aligns with the shared vision for this area as has been reflected in the recent investments made by both the public and private sectors. The City's *Gen H Comprehensive Plan* (adopted August 2024) designated this area as "Downtown" in the Future Land Use map. These properties are also located within the boundary of the 7th Ave MSD.

These distinctions point towards needing a zoning district that better aligns with urban growth trends and plans rather than towards industrial growth trends – which in today's market are more interstate oriented.

Next Steps: Under recent changes to state law, property owner consent is required for rezonings of this nature. Upon receipt of the initial application, City staff immediately collected contact information for each property owner that could potentially benefit from the "small area rezoning". Staff communicated via numerous emails, letters, phone calls and meetings to help present the rezoning opportunity to property owners and to give them the opportunity to consent to the rezoning.

A very well-attended property owners' meeting was held on August 26th at Southern Appalachian Brewery where questions were asked and discussions were held. Understandably, property owners were skeptical of any change. Staff has done our best to allay concerns and clearly communicate a balanced explanation of the implications of rezoning vs not rezoning. Staff anticipates that additional property owners will consent to rezoning prior to the City Council hearing. As such, staff has provided two motions for approval to Planning Board.

EXISTING ZONING & LAND USE



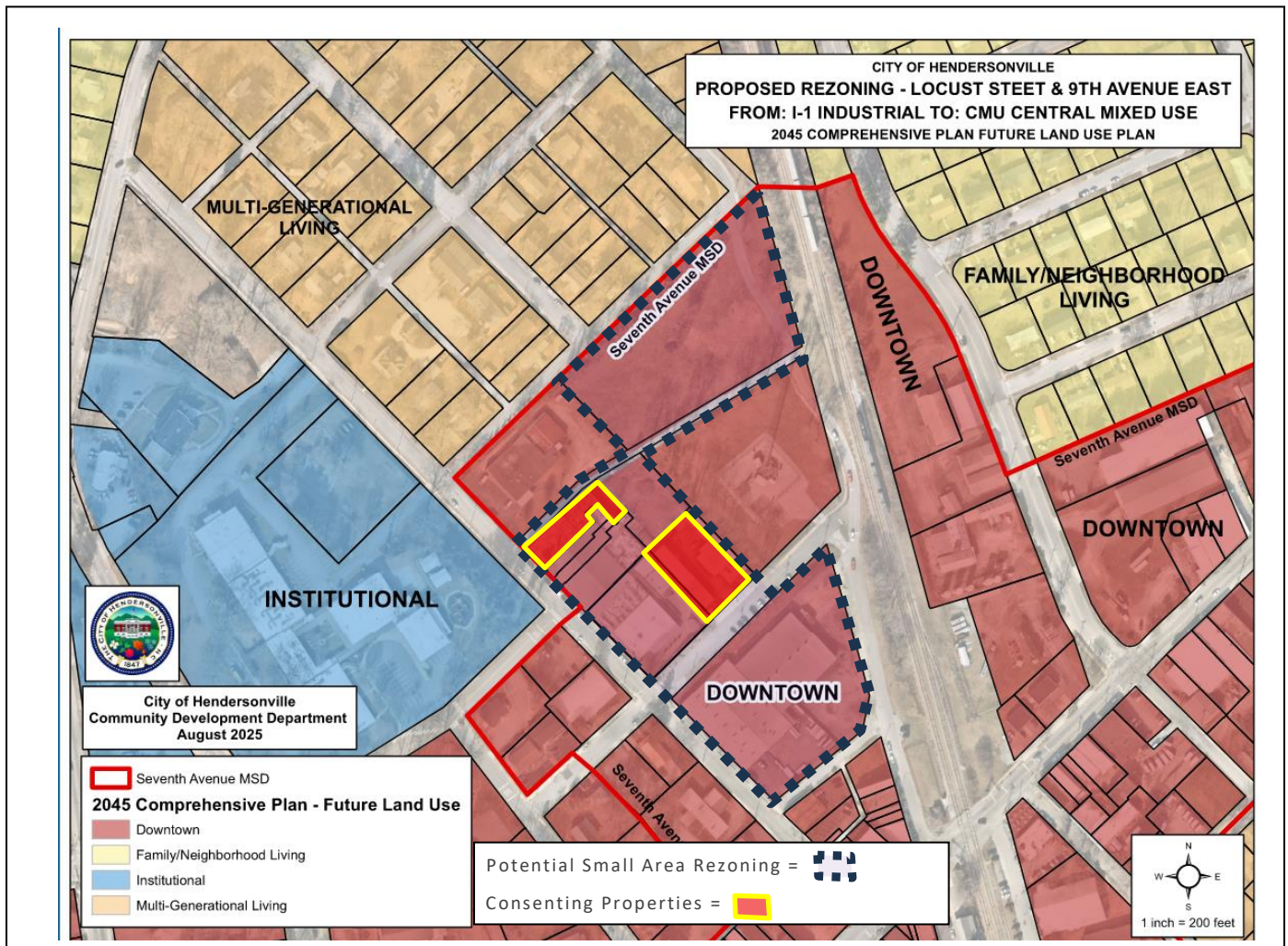
Existing Zoning & Current Land Use Map

The subject properties and proposed properties are all in the corporate limits of the City of Hendersonville and currently zoned I-1, Industrial. Central Mixed Use (CMU) Zoning is located across the street and continues south towards Main St. The properties are located in 7th Ave Municipal Service District (MSD). They are situated in a historic part of town located between the 7th Ave Depot Historic National Register District and the Cold Springs Park National Register Historic District.

The principal property contains a two/three story brick building originally constructed in 1926 as a Coca-Cola plant. The property at 415 8th Ave which has also consented to the rezoning is home to a micro-brewery. Other uses in the block of properties that have yet to consent include: microbrewery, retail, and small-scale manufacturing.

The land uses in this area are typical of an area transitioning from a mid-century railroad-oriented industrial district to a revitalized urban mixed-use node. The evolving character of the area has developed over the last 15 years due to a variety of public and private investments. The future economic opportunities for this area better align with the uses and standards permitted under CMU.

FUTURE LAND USE



Future Land Use & Conservation Map

The City's Gen H 2045 Comprehensive Plan designates the subject property as "Downtown" in the Future Land Use & Conservation Map. The adjacent properties to the south and east are also designated Downtown. To the east, the properties containing Bruce Drysdale, County Veteran Services Building are designated as Institutional. MGL and FNL are in close proximity which makes this location ideal for a walkable, mixed use district. Downtown Character Area Description:

This is the heart of the community and center of civic activities. In addition to governmental uses, it includes a mix of retail, restaurant, service, office, and civic uses. A variety of residential housing types complement the nonresidential uses and ensure a vibrant center with a 24/7 population. The mix of uses can be horizontal or vertical, with changes between floors of the same building. Buildings of two or more stories are common, and streets feature short block lengths and pedestrian facilities. Open spaces include plazas and formal greens.

GENERAL REZONING STANDARDS: COMPREHENSIVE PLAN CONSISTENCY	
1) COMPREHENSIVE PLAN CONSISTENCY	<u>LAND SUPPLY, SUITABILITY & INTENSITY</u> <u>Land Supply</u> - The applicant property was <u>not</u> identified as. Other properties in the potential rezoning area (primarily the vacant properties) were identified as <i>Underutilized</i> in the Land Supply Map. <u>Suitability</u> – These underutilized properties were identified as <i>Moderate to Highly Suitable</i> for all three - Residential, Industrial and Commercial uses. <u>Development Intensity</u> - The subject property is located in an area designated as <i>Highest</i>. <u>Focus Area</u> - The subject property is located in the <i>7th Ave Focus Area</i> and adjacent to the <i>Downtown Edge Focus Area</i>. The existing buildings are shown to be preserved. The vacant lot on Lynn St is shown as townhomes. It states that new uses in the area should be “...a mix of residential and commercial uses. New development should be sensitive to the character and form of the surrounding context.” <u>Focused Intensity Node</u> – Downtown is its own Focused Intensity Node. <u>Downtown Master Plan</u> – The properties are located in the Downtown Master Plan and designated in the <i>7th Ave Downtown Character Area</i>. Locust St is designated as a <i>Downtown</i> street type.
	<u>FUTURE LAND USE & CONSERVATION MAP</u> Character Area Designation: Downtown Character Area Description: Consistent with CMU Downtown Character Area Designation: 7th Ave Downtown Character Area Description: Consistent with CMU Zoning Crosswalk: Consistent with CMU
2) COMPATIBILITY	Whether and the extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject property
	[In addition to a general analysis of the existing conditions, staff has utilized the Gen H Comprehensive Plan as a guide for further evaluating issues related to “compatibility”. The analysis below includes an assessment of how the project aligns with the overall Goals and overarching Guiding Principles found in Chapter IV and Downtown Master Plan found in Chapter V of the Gen H Plan] <u>EXISTING CONDITIONS</u> The subject property and each property proposed for the small area rezoning is currently zoned I-I, Industrial. The subject property is part of a row of buildings fronting Locust St extending from Lynn St to 8th Ave. These buildings were constructed in 1926 and served as the Coca-Cola bottling plant. It was conveyed to staff that the buildings had a spur line connection to the railroad which ran under 8th Ave and was used to deliver and receive goods. The spur line is gone and the nearby railroad is currently only used for the storage of freight cars. This row of zero-lot line buildings is divided into separate units, each of which is owned individually or as part of a condominium association. Some units are vacant while the

others are active with the following uses: small-scale manufacturing, office, retail, and microbrewery. Other neighboring properties considered for the rezoning including two vacant lots on Lynn St, the Guidon Brewing property on 8th Ave and the multi-tenant ProSource plumbing and hardware building at 806 Locust St.

Each of the known current land uses for these properties are permissible under CMU and I-I. However, each of the existing structures on these properties are considered “legal, non-conforming” structures because they are not compliant with the dimensional standards (setbacks, lot size, and min. lot width) for I-I zoning. This makes these properties subject to the Non-conforming Standards in Chapter 6 of the Zoning Code.

Rezoning to CMU would reclassify the structures as conforming and these properties would no longer be subject to Non-conforming Standards. Furthermore, Rezoning to CMU would not create any Non-conforming Uses. The uses that are in place today would be permitted under CMU, including Small-Scale Manufacturing. Furthermore, many uses permitted under I-I would be incompatible with these existing land uses. Meanwhile the uses in CMU that are not permitted in I-I are compatible with the area. Examples of these CMU uses not allowed in I-I include: Multi-Family Residential, Music & Art Studios, Offices (business, professional and public), Theatres, Dance & Fitness Facilities, Cultural Art Buildings, etc.

When considering both the differences between I-I and CMU’s dimensional standards and permitted uses, CMU is more compatible with the Locust St / 7th Ave area.

GEN H COMPREHENSIVE PLAN GOALS (Chapter IV)

Vibrant Neighborhoods: Consistent

Abundant Housing Choices: Consistent

Healthy and Accessible Natural Environment: Consistent

Authentic Community Character: Consistent

Safe Streets and Trails: Consistent

Reliable & Accessible Utility Services: Consistent

Satisfying Work Opportunities: Consistent

Welcoming & Inclusive Community: Consistent

Accessible & Available Community Uses and Services:

Consistent

Resilient Community: Consistent

GEN H COMPREHENSIVE PLAN GUIDING PRINCIPLES

(Chapter IV)

Mix of Uses: Consistent

Compact Development: Consistent

Sense of Place: Consistent

Conserved & Integrated Open Spaces: Consistent

Desirable & Affordable Housing: Consistent

Connectivity: Consistent

Efficient & Accessible Infrastructure: Consistent

DESIGN GUIDELINES ASSESSMENT – The existing buildings on Locust St from Lynn St to 8th Ave are excellent example of historic

	buildings that reflect the type of traditional design that is promoted by the Downtown Design Guidelines. Because no new development is proposed, a full assessment of the building and site design was not performed.
3) Changed Conditions	Whether and the extent to which there are changed conditions, trends or facts that require an amendment -
	The 7 th Ave District, including Locust St, has been one of the most rapidly changing areas in Hendersonville over the last 5-10 years. Both public and private investments have stabilized and celebrated the historical integrity of the district while providing new life in the form of public infrastructure and vibrant economic opportunity. The former industrial roots of the buildings along Locust St are evolving to house a mix of uses that serve a variety of urban needs and appetites. Recent updates to the I-I Zoning District Standards requires that areas of the City that are no longer functioning as Industrial Districts update their zoning designation to accommodate appropriate and compatible uses and dimensional standards.
4) Public Interest	Whether and the extent to which the proposed amendment would result in a logical and orderly development pattern that benefits the surrounding neighborhood, is in the public interest and promotes public health, safety and general welfare -
	Adoption of CMU zoning would have a range of positive impacts for the broader community. 1) CMU would make existing non-conforming buildings conforming. This would help to preserve the existing character of the area - allowing these buildings to be expanded in conformity with existing character and to be rebuilt in the case of a disaster, 2) CMU would prevent incompatible Industrial Land Uses such as: <i>adult entertainment, storage yards, body shops, video gambling, animal boarding, fast food, treatment plants</i> , etc. 3) CMU would allow for new uses that are compatible with the emerging character of the area such as the current uses on Locust St & 7 th Ave and additional uses that are complimentary to those uses (see compatibility above). 4) CMU zoning aligns with the community-led, publicly-informed and Council-adopted growth management vision for the City.
5) Public Facilities	Whether and the extent to which adequate public facilities and services such as water supply, wastewater treatment, fire and police protection and transportation are available to support the proposed amendment
	Rezoning to CMU allows new opportunities for reinvestment in the city core and greater utilization of existing infrastructure.
6) Effect on Natural Environment	Whether and the extent to which the proposed amendment would result in significantly adverse impacts on the natural environment including but not limited to water, air, noise, storm water management, streams, vegetation, wetlands and wildlife -

	There is no immediate development proposed on the subject properties and no predicted impact on the natural environment as a result of this rezoning.
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REZONING STANDARDS ANALYSIS & CONDITIONS

Staff Analysis

- 1) Comprehensive Plan Consistency - Staff finds CMU zoning to be clearly Consistent across the board with the *Gen H Comprehensive Plan* and the *Downtown Character Area Description*
- 2) Compatibility –CMU Zoning is found to be more compatible with the surrounding land uses than the current I-I zoning due to differences in dimensional standards and permitted uses.
- 3) Changed Conditions – Changed conditions include the emerging mixed-use, downtown character of this area that has slowly transformed its industrial roots. Changes to Industrial zoning will induce areas of town to adopt modern zoning when they are no longer functioning as industrial districts.
- 4) Public Interest - Staff finds that the proposed rezoning would be in the public interest for the following reasons: 1) protection of character existing built environment, 2) protection from incompatible industrial uses, 3) opportunity for introduction of new complimentary land uses, and 4) supportive of adopted community vision.
- 5) Public Facilities - CMU zoning allows for more efficient use of existing infrastructure
- 6) Effect on Natural Environment - N/A

DRAFT COMPREHENSIVE PLAN CONSISTENCY AND REZONING REASONABLENESS STATEMENT

The petition is found to be **Consistent** with the City of Hendersonville Gen H Comprehensive Plan based on the information from the staff analysis and the public hearing, and because:

The proposed zoning of CMU aligns with the Gen H 2045 Comprehensive Plan Future Land Use & Conservation Map and the Character Area Description for 'Downtown'.

We **[find/do not find]** this petition to be reasonable and in the public interest based on the information from the staff analysis and the public hearing, and because:

DRAFT [Rationale for Approval]

- *CMU Zoning is more compatible than I-I Zoning due to the differences in dimensional standards and permitted uses.*
- *CMU Zoning would better protect the existing character of the built environment and support recent investments in the emerging economic future of the 7th Ave / Locust St district*
- *CMU would protect against incompatible Industrial uses*

DRAFT [Rational for Denial]

- *CMU Zoning would reduce the number of permitted uses*
- *CMU Zoning would further shift the area from its industrial roots*