

REZONING: CONDITIONAL REZONING – OSCEOLA LAKE INN
REDEVELOPMENT (25-102-CZD)

CITY OF HENDERSONVILLE - COMMUNITY DEVELOPMENT STAFF REPORT

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PROJECT SUMMARY

- Project Name & Case #:
 - Osceola Lake Inn Redevelopment
 - 25-102-CZD

- Applicant & Property Owner:
 - Green Horizons Property Group, LLC [Owner]
 - Joey Burnett and Fiona McColley [Applicants]

- Property Address:
 - 159 Osceola Road

- Project Acreage:
 - 3.49 acres

- Parcel Identification (PIN):
 - 9568-31-5964

- Current Parcel Zoning:
 - R-15 CZD Medium Density Residential Conditional Zoning District

- Requested Zoning:
 - R-10 CZD Medium Density Residential Conditional Zoning District

- Future Land Use Designation:
 - Family Neighborhood Living

- Neighborhood Compatibility Meeting:
 - December 9th, 2025

- Planning Board Meeting:
 - March 12th, 2026
 - Unanimously Approved



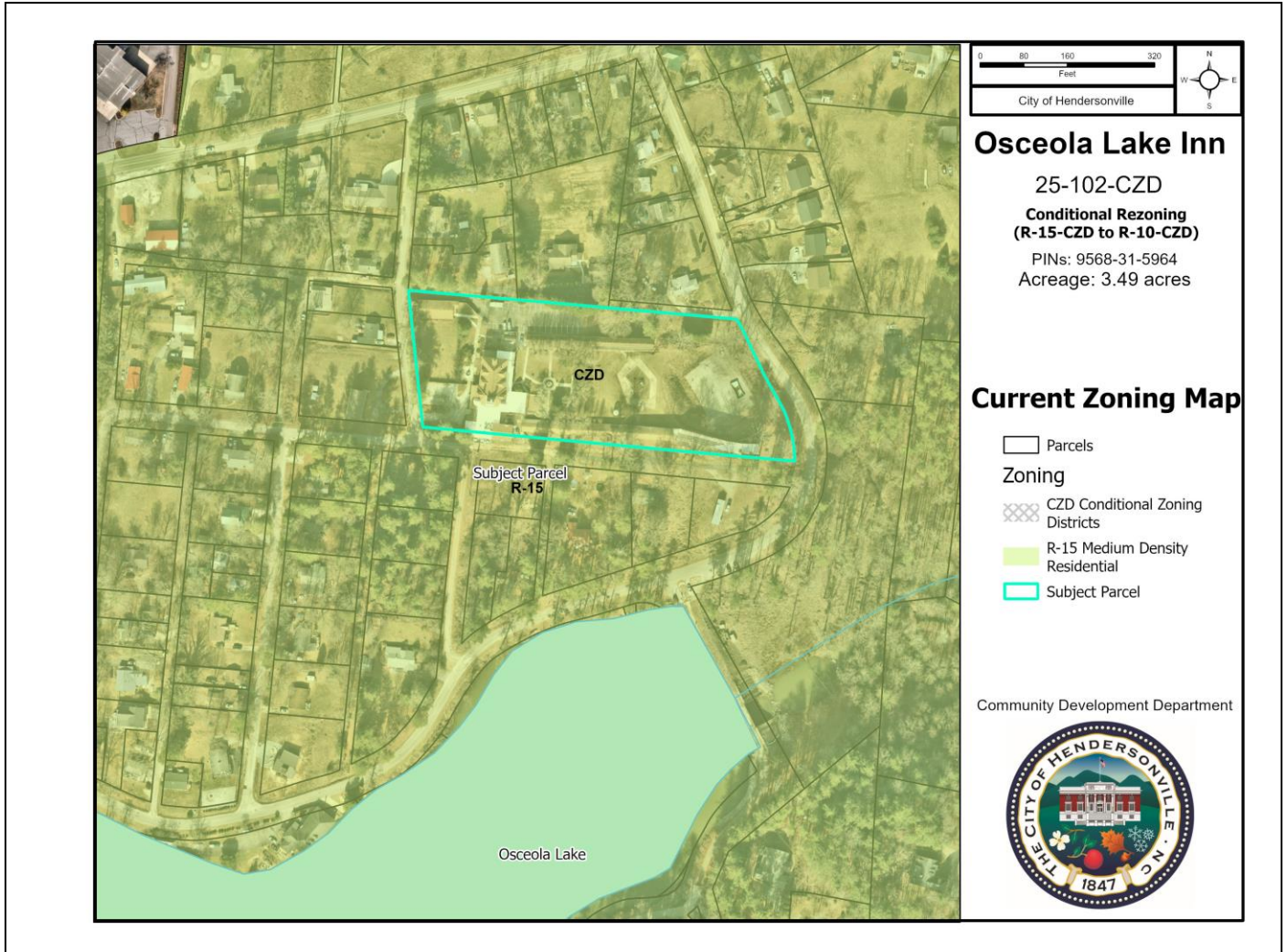
SITE VICINITY MAP

The City of Hendersonville has received an application for a Conditional Zoning District from Joey Burnett and Fiona McColley for the property located at 159 Osceola Road (PIN: 9568-31-5964). The property is currently zoned as Medium Density Residential Conditional Zoning District (R-15 CZD), and the applicant is requesting a rezoning to R-10 CZD.

The project is planned in three phases, with the first phase being an adaptive reuse of the historic inn, which dates to the early 20th century. The second phase is to construct the accessory structures associated with the adaptive reuse use in the historic inn. Phase III would be to construct 14 housing units and a clubhouse on the eastern portion of the site.

The applicant is proposing several uses, including hotel, restaurant, wellness center, and 14 housing units.

EXISTING ZONING & LAND USE



City of Hendersonville Current Zoning & Land Use Map

The subject property is currently zoned Medium Density Residential Conditional Zoning District (R-15 CZD). The property was rezoned in 2023, and the approved uses included hotel with 20 guest rooms, a café, event and conference space, and residential units. All of the parcels in the immediate vicinity are R-15. Most of the parcels have residential housing on them. There are several parcels in the vicinity that have businesses located on them.

SITE IMAGES



View of subject property from Osceola Road. The Historic Inn dates to the early 20th century. The original structure is the 3 ½ story building on the left. There was a later addition constructed to the right of the existing structure.



View of addition. This will serve as the proposed restaurant.

SITE IMAGES



View of current parking lot to the north of the historic inn. The parking lot is being proposed to be expanded to meet parking requirements for the site.



Center of property looking east. The building to the left will be adaptively reused as art studios.

SITE IMAGES

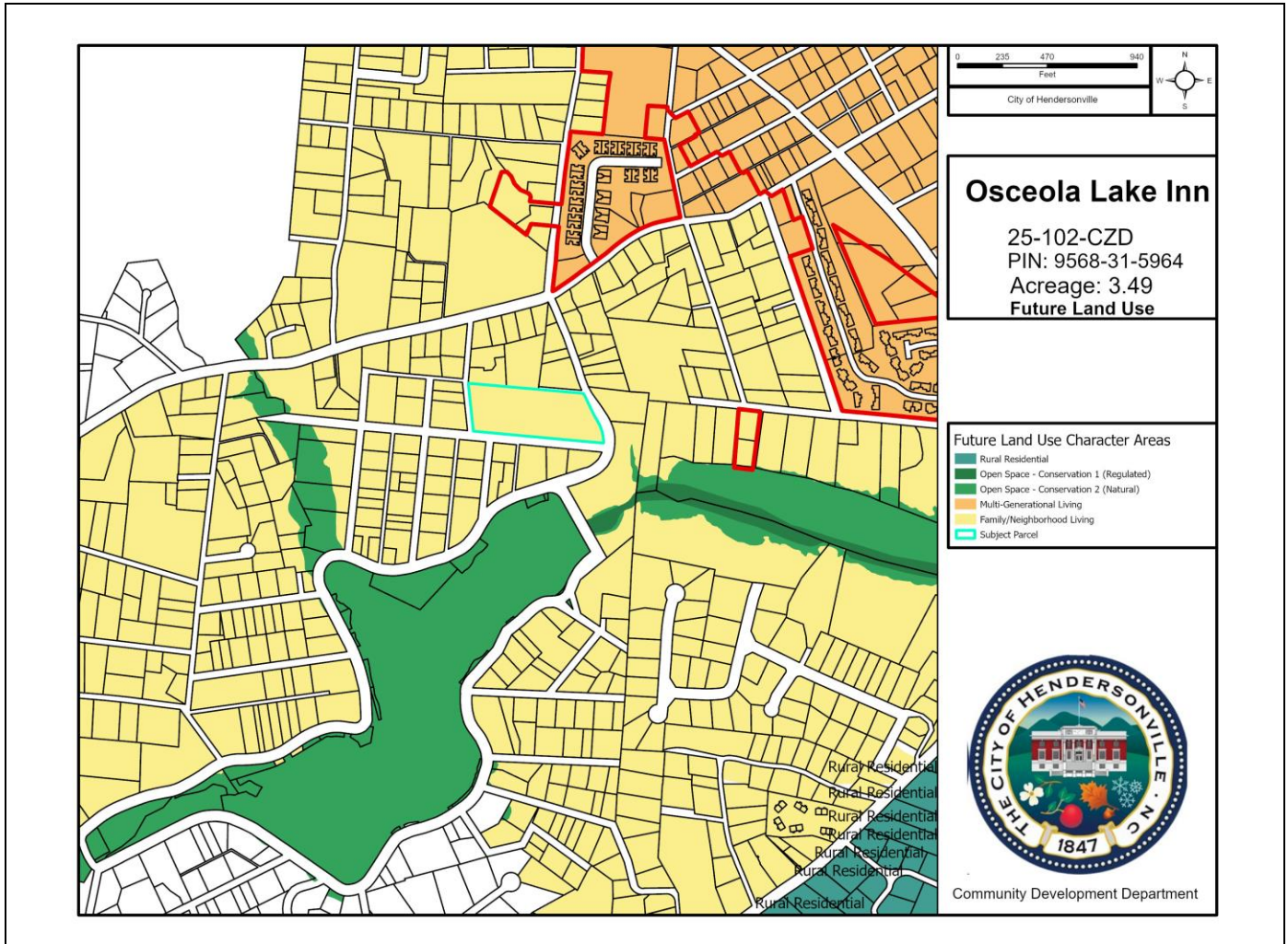


View of private drive that will be improved. Parking will be provided on the left side of the drive.



View from the easternmost part of the property looking west. The building to the left is proposed to be demolished.

FUTURE LAND USE



City of Hendersonville Future Land Use

The subject property is designated as Family/Neighborhood Living in the Gen H comprehensive plan. The surrounding properties area mostly designated as this, or as open space. To the north within city limits, properties are identified as Multi-Generational Living.

Family/Neighborhood Living Description:

This area is characterized by moderate-density residential development. It is comprised of single-family detached homes on lots typically ranging from 1/3 acre to 1/8 acre. Improved open spaces in the form of pocket and neighborhood parks are interspersed, and greenway trails within are located to connect such parks as well as provide links to trails and walkways in neighboring development. Conservation design, which includes more open space in exchange for smaller minimum lot sizes, may be a preferred approach to residential development, especially if higher gross densities can be achieved.

PROPOSED REQUEST DETAILS

Site Plan Summary:

- Proposed Use: Adaptive Reuse, residential
- Total Dwelling Units: 14 total. 9 utilizing the ½ unit calculation for units under 1,200 square feet.
- Proposed hotel rooms: 10 total
- Proposed art studios: 15 total
- Site: 3.49 acres
- Residential Density: 4 Units / Acre
- Buildings:
 - Total Footprint – 39,355 square feet
 - Existing – 24,145 square feet
 - Demolition – 4,100 square feet
 - New – 19,310 square feet
- Open Space: 1.2 acres
- Common Open Space: .48 acres
- Transportation:
 - The site currently has two access points on Osceola Road.
 - The applicant is proposing to improve the private right of way to the south of the site and add parking. This road will loop to North Lakeside Drive where it will exit.
 - All driveway entrances will need to be approved by NCDOT.
- Sidewalks:
 - A 5’ sidewalk is required on both Osceola Road and North Lakeside Drive. The applicant is showing the sidewalk on Osceola Road, and they will request a fee-in-lieu for the sidewalk on North Lakeside Drive.
- Lighting:
 - All site lighting will be required to conform to the City’s lighting standards. The lighting plan is a component of the final site plan review.
- Parking:
 - Off-Street Parking Requirements
 - Hotel – 10 (1 per guest room and 1 per 600 sf of public meeting area and restaurant area)
 - Art Studio – 24 (1 per 150 square feet)
 - Personal Services – 22 (1 per 200 square feet)
 - Residential – 15 (1 per dwelling unit with 1-2 bedrooms, 1.5 per dwelling unit with 3+ bedrooms)
 - Off-Street Parking provided
 - 105 parking spaces (meets requirements)
- Landscaping:
 - This development will be required to plant:
 - Vehicular Use Landscaping
 - Interior parking lot plantings (Sec. 15-9a)
 - Street Trees (Sec. 15-15)
 - Common space plantings (Sec. 15-13)

- Open Space plantings (Section 15-14)
- A detailed Landscaping Plan will be provided at final site plan

OUTSTANDING ISSUES & CITY-PROPOSED CONDITIONS:

COMMUNITY DEVELOPMENT:

Site Plan Comments:

- The site plan accompanying this petition meets the standards established by the Zoning Ordinance for R-10 CZD (minus any developer proposed conditions).
 - Comments that will be reviewed/addressed during final site plan review process and do not need to be addressed during the preliminary site plan review process:
 - Landscaping:
 - All final landscaping comments will be addressed as part of the final site plan approval between City staff and the project designer in accordance with the City’s ordinances.

Proposed City-Initiated Conditions:

1. The project must be compliant with all applicable fire, utility, NCDOT, and stormwater standards upon final site plan approval.
2. The renovation of the historic inn should be done in the spirit of the Secretary of Interior Standards for Rehabilitation.
3. The resiliency hub shall be constructed as part of the residential construction phase of the plan.

DEVELOPMENT REVIEW COMMITTEE COMMENTS:

The Development Review Committee consist of the following Departments/Divisions and Agencies: Engineering, Water/Sewer, Fire Marshal, Stormwater Administration, Floodplain Administration, Public Works, NCDOT, Henderson County Soil & Erosion Control and the City’s Traffic Consultant. While all pertinent members of the DRC reviewed this project, staff has provided only the relevant/outstanding comments / conditions below:

PUBLIC WORKS:

Preliminary Site Plan Comments:

Proposed City-Initiated Conditions:

1. None

UTILITIES:

Preliminary Site Plan comments:

1. Annexation required for new construction to be connected to sewer. (Resolve prior to Final Site Plan)
2. Need for a more thorough review of the current water/sewer system to determine if there is a need to upgrade any of the infrastructure. (Resolve at

Final Site Plan)

FIRE

Preliminary Site Plan Comments:

1. Need for more thorough fire review to determine if buildings will need fire access or will need to have a sprinkler system installed. (Resolve at Final Site Plan)
2. Need to review the layout of drives to determine if there is sufficient access to fire trucks. (Resolve at Final Site Plan)

NCDOT

Preliminary Site Plan Comments:

1. NCDOT requires a screening document to determine needs for the site. (Resolve at Final Site Plan)
2. Possibility of requiring a TIA. (Resolve at Final Site Plan)
3. Has concerns with the current driveway access and will need to discuss this with the applicant. (Resolve at Final Site Plan)

STORMWATER

Preliminary Site Plan Comments:

1. Need for a comprehensive stormwater plan for all three phases of the Development. (Resolve at Final Site Plan)

Developer Proposed Conditions

1. Allow accessory buildings to be set in front of the principal structure.
2. Allow for the additional structures to serve as accessory uses to the primary adaptive re-use, thereby waiving section 16-4-2 (c).

GENERAL REZONING STANDARDS: COMPREHENSIVE PLAN CONSISTENCY	
1) COMPREHENSIVE PLAN CONSISTENCY	<p><u>LAND SUPPLY, SUITABILITY & INTENSITY</u> The subject property was excluded from the <u>Land Supply Map</u> analysis. The subject property was excluded from the <u>Suitability Assessment</u> analysis. The subject property is considered consistent with the <u>Development Intensity Map</u>.</p>
	<p><u>FUTURE LAND USE & CONSERVATION MAP</u> Character Area Designation: Family/Neighborhood Living Character Area Description: Consistent Zoning Crosswalk: Consistent Focus Area Map: N/A</p>
2) COMPATIBILITY	<p><i>Whether and the extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject property</i></p>
	<p>The proposal has several elements which are somewhat compatible with the surrounding neighborhood. The residential component is slightly higher density than what is allowed in the R-15 zoning district surrounding the property. The adaptive re-use of the hotel site adds some intensity to the site, however, it previously served as a hotel.</p>
	<p><u>EXISTING CONDITIONS</u> The subject property currently has a 3 ½ story Inn which includes an existing restaurant space, two additional structures with guests rooms in them, a former dance hall that serves a residence, and several paved and gravel parking areas. The previous conditional rezoning authorized the inn to be adaptively reused as a hotel with 20 guest rooms, a café, and an event and conference space.</p>
	<p><u>GEN H COMPREHENSIVE PLAN GOALS</u> (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: N/A Welcoming & Inclusive Community: Consistent Accessible & Available Community Uses and Services: Consistent Resilient Community: N/A</p>

	<p>GEN H COMPREHENSIVE PLAN GUIDING PRINCIPLES (Chapter IV)</p> <p>Mix of Uses: Consistent</p> <p>Compact Development: Consistent</p> <p>Sense of Place: Consistent</p> <p>Conserved & Integrated Open Spaces: Consistent</p> <p>Desirable & Affordable Housing: Consistent</p> <p>Connectivity: Consistent</p> <p>Efficient & Accessible Infrastructure: Consistent</p>
3) Changed Conditions	<p>Whether and the extent to which there are changed conditions, trends or facts that require an amendment -</p> <p>The applicant's business model has evolved resulting in the need for more uses to be allowed on the site, as well as a new construction housing element.</p>
4) Public Interest	<p>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 -</p> <p>The redevelopment of this site would activate a large parcel in the City's ETJ that has a large existing structure and existing infrastructure. The small increase in density from R-15 to R-10 is a logical progression, especially given the adaptive re-use of the site.</p>
5) Public Facilities	<p>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</p> <p>The subject property will be required to petition to annex to receive sewer connection for the new construction on the site. The existing structures have access to sewer already through a previous agreement with the city.</p>
6) Effect on Natural Environment	<p>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 -</p> <p>The project does not trigger tree canopy preservation, though the applicant has elected to preserve a large number of mature trees along the northern boundary.</p> <p>The applicant is proposing a number of sustainable development practices that will assist with stormwater retention and other environmental impacts.</p>

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 petition is consistent with a range of Goals, Guiding Principles, and the Future Land Use Designation of Family/Neighborhood Living as defined in Chapter IV of the Gen H Comprehensive Plan.

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]:

- The petition proposes to adaptively reuse an important historic structure.
- The petition provides needed additional housing on a portion of the property.
- The petition provides a number of sustainability features that align with the goals identified in the comprehensive plan.
- The petition seeks to revitalize an outdated commercial area.

DRAFT [Rational for Denial]

- The petitions proposed density is greater than what the area can accommodate.
- The petition would generate excessive traffic and noise in an existing residential neighborhood.
- The petition would have a negative impact on the surrounding properties due to the intensity of the use.