

Zoning Text Amendment **Industrial Conditional Zoning District** **(P21-76-ZTA)**

CITY OF HENDERSONVILLE - COMMUNITY DEVELOPMENT STAFF REPORT

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SUMMARY OF TEXT AMENDMENT

Community Development staff initiated a conversation about allowing certain I-1 uses which exceed 50,000 square feet to proceed without requiring rezoning to I-1CZD following a series of discussions with economic development stakeholders in Hendersonville and previous project experiences. Staff took the proposed text amendment to the Planning Board Legislative Committee for review and recommendation. The Legislative Committee did not formally provide a recommendation but did provide feedback on the proposal. The proposed changes to the I-1 Industrial and I-1 Industrial CZD districts are the result of those conversations and previous experiences.

I-1 Industrial allows for a broad spectrum of uses; each with varying levels of intensity. Our current zoning ordinance requires that any development or redevelopment involving more than 50,000 square feet of floor area shall go through the conditional rezoning process. The requirement for any I-1 use to go through the CZD process when exceeding 50,000 square feet hinders the City's ability to compete with other locations for large scale economic development projects. For this reason, Staff is proposing that some of the uses that are currently permitted by right in I-1 be exempted from the 50,000 square foot trigger to better align our processes with the current realities of industrial recruitment. However, due to the nature of the I-1 District, Staff are not proposing that all uses be exempted from the 50,000 square foot trigger. This reflects the targeting of uses that are likely to be associated with economic development projects and job creation for exemption from the 50,000 square foot trigger.

An exhaustive list of uses that will and will not be exempted are included in your packet. Below are excerpts from each category for a quick reference.

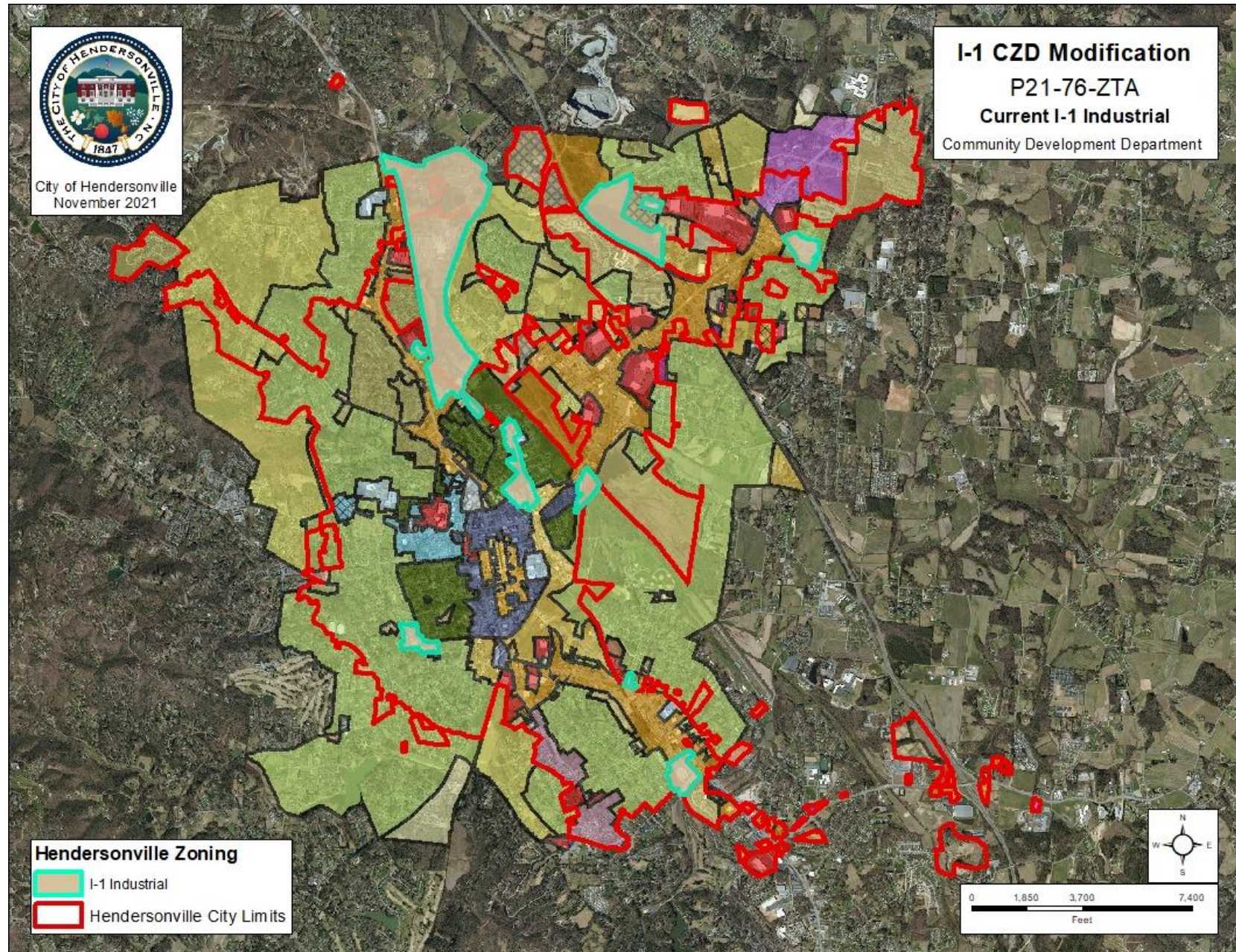
Sample of I-1 uses exempt from the 50,000 square foot CZD trigger:

- *Bottling Plants*
- *Food processing; bakery products*
- *Textile Mill Products*
- *Printing, publishing & allied industries*

Sample of I-1 uses not exempt from the 50,000 square foot CZD trigger

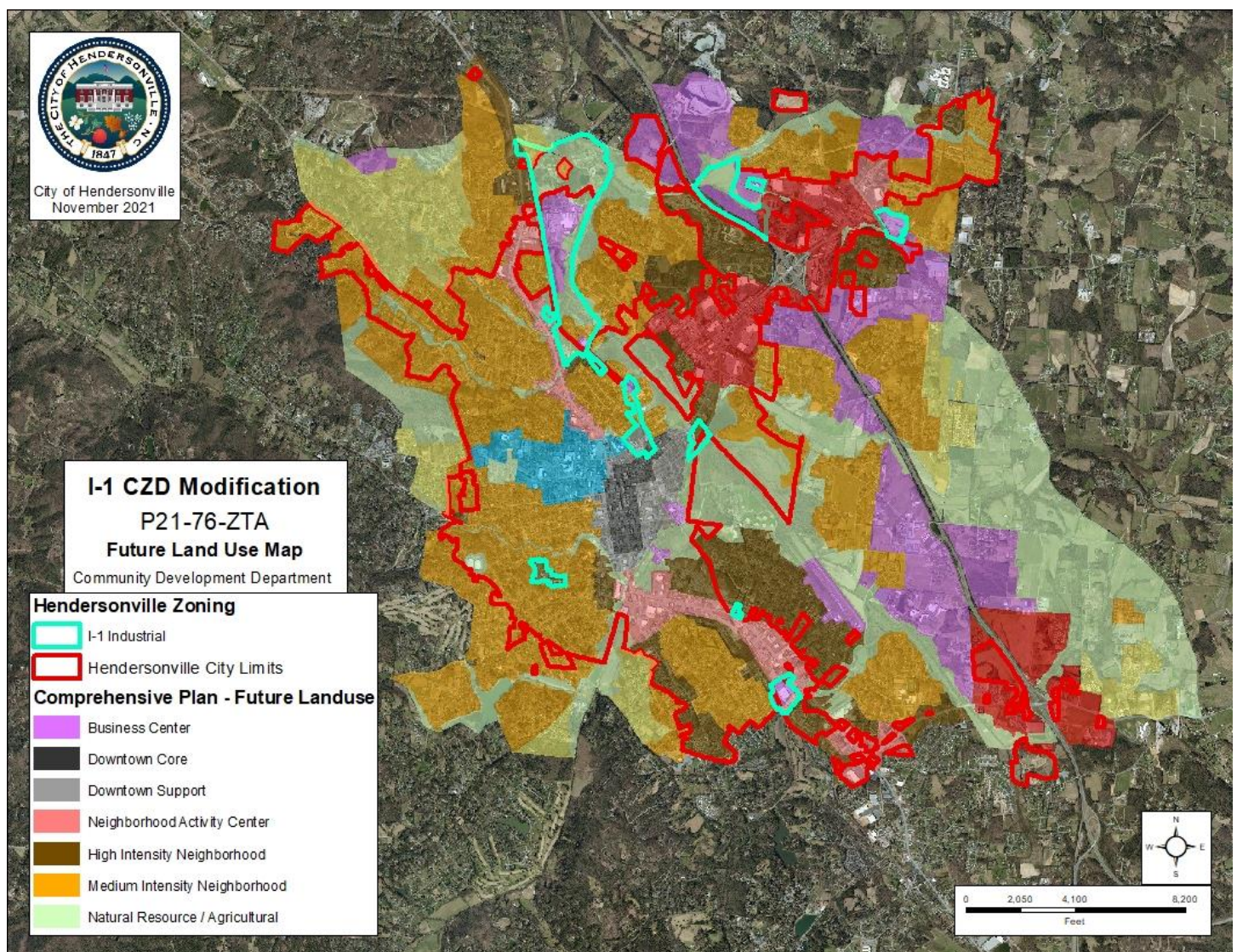
- *Concrete plants*
- *Automobile paint & body work*
- *Civic centers*
- *Freight terminals*
- *Recycling centers*

ZONING MAP: Areas highlighted where I-1 Industrial exist today



COMPREHENSIVE PLAN CONSISTENCY ASSESSMENT AND STATEMENT:

The Comprehensive Plan does not have a dedicated chapter on economic development. As such staff looked to understand more broadly the intent of various future land use categories that would be impacted by the proposed Zoning Text Amendment. Future Land Uses that will be impacted by the proposed text amendment include Business Center, Downtown Core, Downtown Support, Neighborhood Activity Center, High Intensity Neighborhood, Medium Intensity Neighborhood and Natural Resource/ Agricultural. Although some of the future land use designations mentioned do not reflect compatibility with all traditional industrial uses, they do provide the groundwork for redevelopment of existing buildings (usually in disrepair) in or abutting existing neighborhoods. The majority of the existing I-1 districts are classified as Business Center. The goal of the Business Center Classification is to “Create an employment corridor along I-26 that supports the growth of Hendersonville as a business destination. Create a campus-like, mixed-use environment that includes office, research and low-impact industrial uses, as well as supportive retail amenities.”



Chapter 8 states in LU-13.5 that the City should “Work with partners to attract businesses to Planned business Center Locations”. The actions for this strategy are:

- Action LU-13.5.1: Work with the Henderson County Partnership for Economic Development and other economic development organizations to market Hendersonville as a business destination
- Action LU-13.5.2: As Business Center areas are annexed into the City of Hendersonville, develop an economic development policy that governs the use of tax incentives. Utilize incentives only for projects that clearly further the goals and strategies of the Comprehensive Plan and whose benefits clearly outweigh the costs of the incentives.
- Action LU-13.5.3: Work with the Henderson County Partnership for Economic Development and other economic development organizations in packaging incentives and overcoming development obstacles for economic development projects that meet the City’s Comprehensive Plan goals.

The zoning text amendment will allow the City of Hendersonville to be more competitive in the pursuit of economic development projects that meet the City Comprehensive Plan goals. The text amendment more closely aligns our review and approval process for manufacturing with that of Henderson County, thereby strengthening the City’s relationship with the Henderson County Partnership for Economic Development by eliminating differences in regulatory processes when promoting sites within the County and City.

Chapter 8 also states under Strategy LU-1.1 to “Encourage infill development and redevelopment in areas planned for high intensity development, as indicated by the “Priority Infill Areas” on Map 8.3a. Furthermore LU-1.1.1 state that “Review zoning standards in High-Intensity Neighborhood, Neighborhood Activity Center, Regional Activity Center, Downtown Core, Downtown Support and Urban Institutional areas and revise as necessary to enable compatible infill projects.” The majority of the future land use classifications mentioned above directly reflect where I-1 Industrial is existing today.

Chapter 7 establishes a strategy (TC-1.1) intended to reduce vehicle miles driven that “Encourage mixed-use, pedestrian friendly development that reduces the need to drive between land uses. As a job creator, economic development projects can contribute to viable employment within the mixed-use areas highlighted throughout the comprehensive plan.

CONSISTENCY STATEMENT:

The proposed zoning text amendment for “I-1 Conditional Zoning District (P21-76-ZTA)” is consistent with Comprehensive Plan because it:

- 1) Encourages infill development and redevelopment in areas planned for high intensity development.
- 2) Fosters the City to better work with partners to attract businesses to planned Business Center Locations.

- 3) Allows the City to better work with the Henderson County Partnership for Economic Development and other economic development organizations in overcoming development obstacles for economic development projects that meet the City's Comprehensive Plan goals.

REASONABLENESS STATEMENT:

The text amendment is reasonable and in the public's interest because:

- 1) It will promote additional diversity of job opportunities within the City of Hendersonville.
- 2) It encourages reinvestment in existing infrastructure and commercial real estate within the City of Hendersonville, supporting a sustainable tax base.
- 3) It reflects the commitment by the City to attract more economic development projects.

PUBLIC COMMENT:

The proposed text amendment has been reviewed Planning Board Legislative Committee on November 16th, 2021. No one from the general public spoke on this text amendment proposal.

PLANNING BOARD LEGISLATIVE COMMITTEE- SUMMARY OF ACTION:

Summary of Planning Board Legislative Committee Discussion

Mr. Johnson inquired whether changing the 50,000 sq ft requirement to 100,000 sq ft would change anything – basically instead of creating the list of uses to just change the number. Both staff and committee members discussed that direction.

Mr. Manley looked up the square footage of some existing larger manufacturers in the City and they were well over 100,000 sq ft.

Mr. Holloway stated that staff is still working on the language but wanted to see if anything jumped out at the committee members as far as the proposed permitted uses.

Planning Board Legislative Committee Motion

No recommendation or motion was made, only a discussion.

PLANNING BOARD - SUMMARY OF ACTION

Summary of Planning Board Recommendations

- Mr. Blatt asked about the marked off section in 5-12-1 (B) and asked if that was being removed. Mr. Morrow stated yes. Mr. Blatt stated it is not clear how the choices were made. Mr. Holloway explained how they were competing with other communities and how these industrial type businesses are built on the needs of local conditions and requires a competitive edge to selling products all over the world. He discussed the project on Upward Road and lessons were learned from that. He discussed the advantages to this text amendment. He stated this was based on aligning with the county.
- Ms. Cromar asked about the apartments in the area. Mr. Morrow stated you don't find I-1 abutting residential. In that one case they are closer, but you don't normally see residential and industrial side by side
- Chair stated this text amendment was to entice someone to bring jobs here and a stumbling block is having to go through the CZD process on some of the industrial uses. Mr. Jones stated this would make it more enticing.

Planning Board Motion

Mr. Jones moved the Planning Board recommend City Council approve an ordinance amending the official zoning ordinance of the City of Hendersonville, Article V – Zoning Districts Classification, Section 5-12-4 I-1CZD Industrial Conditional Zoning District as presented. Finding that the zoning text amendment is consistent with the Comprehensive Plan Chapter 8, Strategy LU-13.5, Action LU-13.5.3 and that the zoning text amendment is reasonable and in the public interest for the following reasons: It encourages reinvestment in commercial real estate within the City of Hendersonville, supporting a sustainable tax base, It positions the City to support the Henderson County Partnership for Economic Development in overcoming development obstacles associated with industrial/manufacturing recruitment, It reflects adaptation by the City to changing market trends in industrial recruitment, it aligns development review steps across local government entities to promote predictable and comparable development processes, optimally positioning the city for success in recruitment of industry to existing Industrial sites. Mr. Brown seconded the motion. The vote was 5 in favor and 1 opposed. Motion passed.