



OPEN THE PUBLIC HEARING FOR LAND USE MANAGEMENT ORDINANCE TEXT AMENDMENTS - PROPOSED CHANGES TO SECTION 3.7 AND APPENDIX A PERMITTING FLEX OFFICE IN TOWN CENTER ZONING DISTRICTS AND EXPANDING DEFINITIONS OF RETAIL

STAFF REPORT

TOWN OF CHAPEL HILL PLANNING DEPARTMENT
 Judy Johnson, Interim Director
 Anya Grahn, Senior Planner

AMENDMENT REQUEST	DATE
Amend Section 3.7.2 Use Matrix and Appendix A Definitions of the Land Use Management Ordinance to permit Flex Office in the Town Center Zoning Districts and revise definitions for General Business, personal services, and Commercial Recreation Facility and adding definitions for retail sales, retail services, personal instruction and health clubs.	June 10, 2020

STAFF'S RECOMMENDATION

That the Council open the public hearing, receive comment on the proposed Zoning Atlas Amendment. (Under the recently enacted legislation authorizing public hearings at remote meetings, public comment may continue to be submitted in the hearing record for 24 hours after the June 10 public hearing.)

That the Council then adopt a motion to schedule the proposed Zoning Atlas Amendment for possible decision on June 24, 2020.

PROCESS

The item before the Council is for approval of a Land Use Management Ordinance Text Amendment. The Council must consider whether one or more of the **three findings** for enactment of the Land Use Management Ordinance Text Amendment applies:

1. To correct a manifest error in the chapter; or
2. Because of changed or changing conditions in a particular area or in the jurisdiction generally; or
3. To achieve the purposes of the Comprehensive Plan.

OVERVIEW & BACKGROUND

- February 19, 2020: Mayor Hemminger submitted a [petition](#)¹ to the Town Council to expand existing land use types to include Experiential Retail.
- [April 7, 2020](#)²: Planning Commission reviewed the proposed text amendments and forwarded a recommendation to the Town Council for approval of Ordinance A.
- The text amendments will amend Table 3.7-2: Use Matrix to allow Flex Office as a permitted use in the Town Center (TC-) zoning districts. Additional amendments will be made to Appendix A to expand and clarify definitions related to types of retail.

DECISION POINTS

Tonight's proposal includes amendments to the Use Matrix table (Table 3.7-1: Use Matrix under Section 3.7) and Definitions (Appendix A) of the Land Use Management Ordinance including the following changes:

- Revising the Use Matrix table in Section 3.7 to permit Flex Office in the Town Center (TC-) zoning districts. The Town Center (TC-) districts are intended to be a concentration of business, administrative, financial, governmental, and support functions serving the community. Adding this use would provide greater flexibility by allowing properties in the Town Center (TC-) zoning districts to address the changing needs of businesses in this zone.
- The nature of retail is changing, and the current LUMO definitions do not reflect new forms and changes in the retail industry. The simplified definition of Business General, which addresses all retail sales and services would include "Experiential retail use". This would allow experiential retail in those zones that currently permit Business General such as the Town Center (TC-), Community Commercial (CC), and Neighborhood Commercial (NC) zoning districts. Experiential retail applies to those places that offer the shopper an experience, such as escape rooms or paint-and-wine studios, over an object or service.
- The text amendments would also update the Appendix A Definitions of the Land Use Management Ordinance to revise the definitions for General Business and Indoor Commercial Recreation Facility, as well as add new definitions for retail sales, retail services, personal services, personal instruction, and health clubs. The revised definitions are intended to be updated to reflect contemporary uses, such as salons and spas. Additionally, some terms used within the definitions, such as barber shops, are already defined in the LUMO, but the definition serves as a category of use.

¹ <https://chapelhill.legistar.com/View.ashx?M=F&ID=8082562&GUID=7526FFA6-0BF4-45A4-88DC-BE8E0966DCA7>

² <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=4410716&GUID=AE19BDF3-1D86-423A-8802-88CA7D7D4240>

ATTACHMENTS

1. Text Amendment Summary
2. Draft Staff Presentation
3. Resolution of Consistency (For proposed Land Use Management Ordinance amendment)
4. Ordinance A (Enactment of Land Use Management Ordinance Text Amendment Proposal)
5. Resolution B (Deny Land Use Management Ordinance Text Amendment Proposal)
6. Planning Commission Recommendation



PROPOSED CHANGES: TEXT AMENDMENTS TO THE LAND USE MANAGEMENT ORDINANCE ARTICLES 3 AND APPENDIX A

The following is a summary of the proposed text amendments to amend the LUMO to reflect the changing nature of the retail industry.

1. Section 3.7.2 Use Matrix

- Adds "Flex Office" in the Use Matrix table as a permitted use in the Town Center (TC-) zoning districts.

2. Appendix A Definitions

- The following definitions will be amended to read:
 - ~~*Business, general:* Commercial establishments that, in addition to serving day-to-day commercial needs of a community, also supply the more durable and permanent needs of a whole community, including supermarkets, department stores, discount stores, variety stores, hardware and garden supply stores, apparel and footwear stores, florists, gift shops, jewelry stores, book and stationery stores, specialty shops, sporting goods stores, furniture and home furnishing stores, automotive supply stores, and appliance stores provide retail sales and services. All associated activities, noise, odors, and vibrations shall be contained entirely within an enclosed building or tenant space, except as otherwise provided for in this Code.~~
 - ~~*Recreation facility, commercial indoor:* A private profit-making facility providing recreational activities enclosed within buildings, including commercially operated indoor swimming pools and tennis courts, health clubs, gymnasiums, amusement arcades, bowling alleys, indoor skating rinks, and pool halls.~~
 - ~~*Personal services:* An establishment that primarily provides services generally involving the care of a person or his/her apparel, such as seamstress shops, shoe repair shops, dry cleaning and laundry pickup facilities, and coin-operated laundry and dry cleaning facilities, but not including barber shops and beauty salons. Establishments primarily engaged in providing individual services generally related to personal needs. Typical uses include, but are not limited to spas, massage facilities, dry cleaners, tailors, and tattoo parlors.~~
- New definitions will be incorporated to read:
 - *Health club:* Establishments over 10,000 square feet for the conduct of indoor sports and exercise activities, along with related locker and shower rooms, offices and classrooms.
 - *Personal instruction:* Establishments that principally offer instruction in performing and culinary arts, martial arts, physical exercise, yoga, crafts, social customs and activities, and similar uses. Typical uses include, but are not limited to dance instruction centers, cooking schools, exercise studios, craft and art instructional studios, and martial arts studios.
 - *Retail sales:* Establishments engaged in selling of goods or merchandise to the general public for personal or household consumption and rendering services incidental to the sale of such goods.
 - *Retail services:* Establishments providing services or entertainment, as opposed to goods or merchandise, to the general public for personal or household use including personal services and instruction. This term does not include places of assembly.