



**CONSIDER AN APPLICATION FOR LIGHT INDUSTRIAL – CONDITIONAL ZONING DISTRICT – PROJECT TRIUMPH**

**STAFF REPORT**

TOWN OF CHAPEL HILL PLANNING AND DEVELOPMENT SERVICES  
 Ben Hitchings, Director  
 Judy Johnson, Operations Manager  
 Michael Sudol, Planner II

<b>PROPERTY ADDRESS</b> 7300 Millhouse Rd	<b>PUBLIC HEARING DATE</b> June 20, 2018	<b>APPLICANT</b> Coulter Jewell Thames PA on behalf of Project Triumph
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**STAFF RECOMMENDATION**  
 That the Council:

- Adopt the resolution of consistency with the comprehensive plan; and
- Enact the conditional zoning atlas amendment.

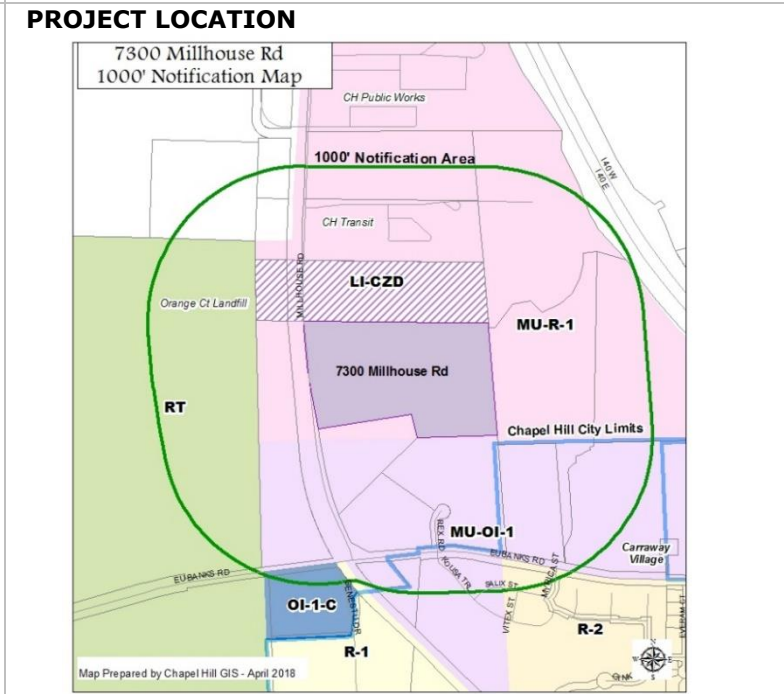
**ZONING REQUEST**  
 The applicant is requesting a rezoning from Mixed Use – Residential – 1 (MU-R-1) to Light Industrial – Conditional Zoning District (LI-CZD). The Zoning Atlas Amendment application would effect a change to the current zoning and permitted types and intensities of land uses.

**PROCESS**  
 The applicant is requesting a rezoning within the Innovative, Light Industrial Opportunity Area, also known as the Millhouse Enterprise Zone, that the [Town Council created on April 5, 2017](#)<sup>1</sup>. Tonight’s request is a conditional zoning.

In Chapel Hill, a rezoning request can proceed as either a general use rezoning, a rezoning paired with a Special Use Permit, or a conditional zoning. A general use rezoning request allows all land uses permitted in the applicable zoning district. A rezoning paired with a Special Use Permit limits the type of development and uses to that authorized by a Special Use Permit. Conditional zoning consists of a rezoning with site-specific conditions.

**DECISION POINTS**  
 Council has discretionary authority to approve or deny a rezoning request. The Land Use Management Ordinance establishes the intent of Zoning Atlas Amendments by stating that “In order to establish and maintain sound, stable, and desirable development within the planning jurisdiction of the Town, it is intended that this chapter shall not be amended except: 1) to correct a manifest error in this 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.”

**PROJECT OVERVIEW**  
 The applicant proposes a rezoning of the approximately 19.2-acre site to Light Industrial – Conditional Zoning District (LI-CZD), with the intent to construct a building for office, research, and light manufacturing uses serving a single tenant. The proposed Project Triumph project includes approximately 110,000 square feet of built space and 275 parking spaces. The proposal will also require demolishing several farm buildings on the site.



<sup>1</sup> [http://chapelhill.granicus.com/MinutesViewer.php?view\\_id=7&clip\\_id=3077&doc\\_id=da17043b-1aec-11e7-ad57-f04da2064c47](http://chapelhill.granicus.com/MinutesViewer.php?view_id=7&clip_id=3077&doc_id=da17043b-1aec-11e7-ad57-f04da2064c47)

<b>ATTACHMENTS</b>	<ol style="list-style-type: none"> <li>1. Draft Staff Presentation</li> <li>2. Resolution of Consistency with the Comprehensive Plan</li> <li>3. Ordinance (Approving the Rezoning)</li> <li>4. Resolution B (Denying the Rezoning)</li> <li>5. Planning Commission Recommendation (TO BE ADDED)</li> <li>6. Summary Table</li> <li>7. Applicant Materials</li> </ol>
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**TECHNICAL REPORT**

April 27, 2018      Rezoning application for Light Industrial – Conditional Zoning District is submitted to the Town.

October 25, 1995      Current lot created from subdivision of the existing parcel.







Est. 1901      Single-family home built on parcel.

**Connections to other Documents:**

Town staff has reviewed this application for compliance with the themes from the [2020 Comprehensive Plan](#)<sup>2</sup>, the standards of the [Land Use Management Ordinance](#)<sup>3</sup>, and the [Town of Chapel Hill, NC : Design Manual and Standard Details](#)<sup>4</sup> and offers the following evaluation:

**Comprehensive Plan Themes:** The following are themes from the 2020 Comprehensive Plan, adopted June 25, 2012:

**Council Goals:**

<input type="checkbox"/>		Create a Place for Everyone	<input checked="" type="checkbox"/>		Develop Good Places, New Spaces
<input checked="" type="checkbox"/>		Support Community Prosperity	<input type="checkbox"/>		Nurture Our Community
<input checked="" type="checkbox"/>		Facilitate Getting Around	<input type="checkbox"/>		Grow Town and Gown Collaboration

Planning staff has reviewed the Project Triumph proposal and finds it compliant with the above themes of the 2020 Comprehensive Plan. For information on how this proposed development addresses these themes and goals of the Comprehensive Plan, please refer to the Rezoning Report below and the attached applicant’s Statement of Justification.

**Land Use Plan:** The [2020 Land Use Plan](#)<sup>5</sup>, a component of the 2020 Comprehensive Plan, designates this site as “Innovative, Light Industrial Opportunity Area.” The conditional zoning atlas amendment to Light Industrial Conditional Zoning District (LI-CZD) is compliant with the land use plan, and it meets the land use plan consistency requirement for LI-CZD in [Section 3.4.3\(b\) of the LUMO](#)<sup>6</sup>.

The Town Council amended the 2020 Land Use Plan on April 5, 2017 to designate this and adjoining parcels as “Innovative, Light Industrial Opportunity Area” as a part of the creation of the Millhouse Enterprise Zone.

<sup>2</sup> <http://www.townofchapelhill.org/home/showdocument?id=15001>

<sup>3</sup> [https://www.municode.com/library/#!/nc/chapel\\_hill/codes/code\\_of\\_ordinances?nodeId=CO\\_APXALOUSMA](https://www.municode.com/library/#!/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALOUSMA)

<sup>4</sup> <http://www.townofchapelhill.org/town-hall/departments-services/public-works/engineering/design-manual-and-standard-details>

<sup>5</sup> <http://www.townofchapelhill.org/home/showdocument?id=1215>

<sup>6</sup> [https://library.municode.com/nc/chapel\\_hill/codes/code\\_of\\_ordinances?nodeId=CO\\_APXALOUSMA\\_ART3ZODIUSDIST\\_3.4CODI](https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=CO_APXALOUSMA_ART3ZODIUSDIST_3.4CODI)

**Northern Area Task Force Report:** This parcel is within the area encompassed by the [Northern Area Task Force Report \(2007\)](#).<sup>7</sup> The applicant is proposing to meet several site design principles from the report (please refer the applicant’s statement of compliance).

**ZONING AND DEVELOPMENT STANDARDS**

**Zoning:** The property is presently zoned Mixed Use–Residential–1 (MU-R-1) which allows low intensity mixed use development with a residential emphasis. The application proposes to rezone to Light Industrial Conditional Zoning District which allows a wide range of innovative, light industrial, flex space, and supporting uses. Please refer to the Rezoning Report below for additional information.

**Intent of standards:** The recently adopted Light Industrial Conditional Zoning District includes a purpose statement with which rezoning applications must demonstrate compliance:

- Support and encourage the creation of space for light industrial uses serving businesses with non-traditional space needs;
- Be located in an “innovative, light industrial opportunity area” on the Land Use Plan;
- Be located in an area within the Town limits.

Please refer to the *Land Use Plan, Zoning, Annexation, and Proposed Principal and Accessory Uses* sub-sections in this report for additional information.

**Compliance with Standards:** Planning staff find that the application complies with all policy requirements. The applicant must demonstrate compliance with detailed construction standards prior to issuance of each Zoning Compliance Permit.

**Annexation** The applicant has agreed to petition for voluntary annexation prior to submittal of the first application for a Zoning Compliance Permit. We have included a condition regarding annexation in Ordinance A.

**Intensity – Lot Size, Floor Area, Setbacks, and Building Heights:**

**Lot Size:** Minimum lot size in Light Industrial Conditional Zoning District (LI-CZD) is 17,000 square feet. This site has 919,125 square feet of gross land area meeting the minimum requirements.

**Floor Area:** The LI-CZD zoning does not have a maximum floor area limitation. The application is proposing 110,000 square feet of floor area.

**Setbacks:**

Property Line	Setback Type	Distance	Compliance
North	Solar	10	Yes
East	Interior	10	Yes
South	Interior	10	Yes
West	Street	15	Yes

**Building Height:** The core height limit for the LI-CZD is 90 feet. The applicant is proposing a maximum height of 90 feet, meeting the height limit.

**LAND USE REPORT**

**Proposed Principal and Accessory Uses:** The application proposes all principal permitted uses that are allowed within the Light Industrial Conditional Zoning District (LI-CZD). If the Council approves the conditional zoning atlas amendment, the applicant must then

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<sup>7</sup> <http://www.townofchapelhill.org/home/showdocument?id=1050>

demonstrate compliance with Land Use Management Ordinance standards and the conditions in Ordinance A prior to issuance of a Zoning Compliance Permit for each phase.

The application also proposes a variety of accessory uses that are permitted by right in the LI-CZD zoning. Accessory uses are limited to a cumulative total of one-third of the total constructed floor area on the property. This ensures that each phase and the project as a whole is consistent with the ordinance and the goals for the Millhouse Enterprise Zone. Please refer to the Rezoning Report below for additional information.

**Proposed Conditional Principal Uses:** The application proposes one conditional use that is not allowable by-right in a Light Industrial Conditional Zoning District. Instead, the Council must decide whether to allow the following use:

1. **Business, General and Business, Office Type.** These uses include a wide range of non-convenience retail business types that could be directly related to light industrial use or provide goods and/or services that support them as well as more traditional office space.

*Staff Comment:* We believe that the Council could find that these uses are consistent with the purposes of the Light Industrial Conditional Zoning District. Please see the applicant's materials for additional information.

### **DESIGN REPORT**

This section includes information on landscaping, tree canopy, building elevations, lighting, utilities, and other impacts.

**Building Elevations:** The Land Use Management Ordinance does not require review of building elevations by the Community Design Commission, and no building elevations were submitted as part of the application.

**Utility Infrastructure:** The parcel has access to all utilities including water, sewer, electric, gas, and telephone/cable.

**Other Impacts:** Light Industrial uses, by definition, do not include uses that have impacts such as smoke, soot, dirt, vibration, and odor from being detectable on the property line. This definition also serves as a requirement that prohibits uses that have detectable external impacts. The uses permitted as a part of this project would not have such external effects that are any different than a typical office park or shopping center.

#### **Compatibility with Adjoining Uses:**

- *North: Vacant.* This lot is zoned LI-CZD and with allowable uses that are comparable to those being proposed.
- *South: UPS Distribution Facility.* This property is within the Millhouse Road Enterprise Zone and eligible for rezoning to LI-CZD.
- *East: Vacant.* This lot is zoned MU-R-1.
- *West: Vacant.* This property is within the Millhouse Road Enterprise Zone and eligible for rezoning to LI-CZD.

### **TRANSPORTATION REPORT**

This section includes information on access, circulation, parking, traffic impact analysis, bus service, and transportation demand management.

**Access:** The applicant proposes one vehicular access to Millhouse Road is proposed for the parcel. A second vehicular access to the parcel adjoining the east property line is also

proposed to serve the developable area on the east side of the stream. The second access would ultimately connect to Carraway Village, but would require an access easement across the adjacent property.

**Cross Access:** The applicant has proposed preliminary locations for vehicular and non-vehicular cross access to the north and east. The applicant is required to record cross access easements prior to issuance of each zoning compliance permit that is constructing a required cross access.

**Vehicular Parking:** The applicant is proposing approximately 275 spaces to accommodate the mix of uses proposed. The rezoning decision would not set the final mix of uses and is intended to provide some flexibility to the applicant to design the site to meet the needs of their end tenants.

To encourage both the growth of businesses within the park and adaptive reuse of space, the ordinance allows for some administrative flexibility with respect to parking minimums and maximums. LUMO allows a 30 percent adjustment to either the parking minimum or maximum based upon substantial evidence such as a parking space use survey or data from comparable businesses.

Planning staff believes the proposed 275 spaces to be reasonable for the proposal. Assuming an even division of floor area between the three proposed uses, the parking minimum would be 237 spaces, and the maximum would be 348. Prior to issuance of a Zoning Compliance Permit, the applicant must submit detailed information to ensure that sufficient parking is provided.

**Bicycle Parking:** Using the preliminary square footages noted above, a minimum of 43 parking spaces would be required for the office and research uses. A minimum of 4 spaces would be required for each building that contains a light industrial use. The applicant must demonstrate compliance with bike parking requirements prior to issuance of each Zoning Compliance Permit.

**Traffic Impact Analysis (TIA):** The Traffic Impact Analysis, conducted by HNTB North Carolina, PC, includes an evaluation the proposal for 110,000 square feet including general office, light manufacturing, and research uses. Given the broad range of uses that are possible with the rezoning of this property, the Town will require the applicant to submit a trip estimate to confirm consistency with the traffic impact analysis. Planning staff will review the submittal and determine whether or not each application would require any mitigation measures to be constructed prior to issuance of a Zoning Compliance Permit.

Based on the preliminary site concept plans and supporting development information provided, there are no specific external transportation-related improvements proposed adjacent to the Millhouse Road Office Building, other than preliminary provisions for potential future vehicular cross-access from the site parcel to adjoining properties and a potential future pedestrian/bicycle access connection to the Eubanks Road Park-and-Ride/Carraway Village area.

Based on traffic capacity analyses for the 2023 design year, and analyses of existing study area turning bay storage lengths and site access, the TIA consultant recommends the following improvements as being necessary for adequate transportation network operations (see Figure ES-3 in the attached Traffic Impact Analysis).

- 1) For the Site Driveway access connection to Millhouse Road, provide a minimum of 100 feet of driveway throat length to any on-site surface parking lot areas and internal roadway circulation connections.

**Millhouse Road Multi-Use Path:** The applicant will be required to construct a ten foot-wide multi-use path consistent with the Town's draft Mobility Plan and the Greenways Master Plan (2013). This path would be part of the future connection between the future regional park proposed by Orange County on Millhouse Road to Carraway Village and the proposed "Horace Williams" greenway to the south. This path is proposed to run from the northeast corner of the site to the southeast corner of the site, completing a connection between existing paths. We have included this requirement as a condition in Ordinance A.

**Easement for Natural Surface Trail Along Old Field Creek:** The applicant has agreed to dedicate an easement for the construction and maintenance of a natural surface trail along Old Field Creek, which is located on the east side of the parcel. The applicant has agreed to extend the easement to the sidewalk network within the developed portion of the site to provide tenants and patrons access to the trails. We have included a condition to this effect in Ordinance A.

**Bus Stop:** Presently, Chapel Hill Transit does not provide bus service along Millhouse Road. The applicant has agreed to a condition that would require them to make a payment-in-lieu of constructing required transit facilities if bus service is provided along Millhouse Road prior to the issuance of the final phase of the project. We have included this condition in Ordinance A.

**Transportation Management Plan:** The applicant has agreed to prepare a Transportation Management Plan designed to decrease the amount of traffic generated by the site by promoting policies that will result in the reduced use of automobiles, particularly single occupant vehicles, and support the Town's efforts to reduce carbon emissions while promoting wellness through use of transit, bicycle and pedestrian movement. A Transportation Management Plan would be required prior to issuance of a Zoning Compliance Permit.

## **ENVIRONMENTAL REPORT**

This section includes information on stream buffers, floodplain, steep slopes, stormwater management, and energy management.

**Stream Buffers:** The parcel contains a portion of Old Field Creek which is a perennial stream with a Jordan Watershed Riparian Buffer and 150-foot-wide Resource Conservation District. The applicant proposes to preserve most of the existing buffer, keeping impervious surfaces such as buildings, parking lots, and driveways entirely out of the buffer. The applicant must demonstrate compliance with the Resource Conservation District and Jordan Watershed Riparian Buffer requirements prior to issuance of a Zoning Compliance Permit.

**Floodplain:** The parcel contains an area of 100-year regulatory floodplain. The applicant does not propose any development activities that would impact the floodplain.

**Steep Slopes:** The parcel contains a small area of slopes that are steeper than 25 percent, entirely within the RCD. The applicant does not propose any development activities that would disturb the steep slopes.

**Stormwater:** The project is required to comply with the stormwater standards of the Light Industrial-Conditional zoning district, which are more stringent than those applicable Town-wide. The applicant must demonstrate compliance with water quality treatment standards as well as runoff volume and flow rate requirements that limit post construction runoff prior to issuance of each Zoning Compliance Permit.

**Energy Management Plan:** A condition is included in Ordinance A requiring an Energy Management Plan prior to issuance of each Zoning Compliance Permit. The Energy

Management Plan must demonstrate that the project would be 20 percent more efficient than ASHRAE as referenced in the 2012 North Carolina Energy Conservation Code standard.

## **REZONING REPORT**

This section includes analysis by Town Staff of the justifications for the proposed rezoning and an analysis that focuses on the six decision criteria for zoning atlas amendments for conditional zoning districts.

### **Analysis of the Rezoning Statement of Justification**

[Article 4.4 of the Land Use Management Ordinance](#)<sup>8</sup> establishes the intent of Zoning Amendments (including both atlas and text amendments to the Ordinance) by stating that:

*"In order to establish and maintain sound, stable, and desirable development within the planning jurisdiction of the Town it is intended that this chapter shall not be amended except:*

- a. to correct a manifest error in the chapter; or*
- b. because of changed or changing conditions in a particular area or in the jurisdiction generally; or*
- c. to achieve the purposes of the Comprehensive Plan."*

Article 4.4 further indicates:

*"It is further intended that, if amended, this chapter be amended only as reasonably necessary to the promotion of the public health, safety, or general welfare, and in conformance with the Comprehensive Plan."*

Following is a staff response to the three required considerations:

#### **A) To correct a manifest error in the appendix:**

*Staff Comment:* No arguments in support or in opposition submitted to date.

#### **B) Because of changed or changing conditions in a particular area or in the jurisdiction generally:**

*Staff Comment:* We believe the following is an accurate summary of the information in the record thus far:

Argument in Support: Based on our review, we believe the Council could make the finding that the proposed text amendment complies with the Comprehensive Plan and achieves its purposes. Relevant goals and objectives in the Comprehensive Plan include, but are not limited to the following information from the applicant's Rezoning Statement of Justification:

*"The rezoning is warranted due to changed conditions in the area. The project site is in an area identified by the Town as a Light Industrial Opportunity Area and the proposed development is intended to follow the applicable recently adopted ordinance sections related to the Light Industrial Conditional Zoning District."*

#### **C) To achieve the purposes of the Comprehensive Plan**

*Staff Comment:* We believe the following is an accurate summary of the information in the record thus far:

Argument in Support: Based on our review, we believe the Council could make the finding that the proposed text amendment complies with the Comprehensive Plan and achieves its

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<sup>8</sup> [chplan.us/LUMO4-4](http://chplan.us/LUMO4-4)

purposes. Relevant goals and objectives in the Comprehensive Plan include, but are not limited to the following:

### **A Place for Everyone**

A community that provides all people with access to opportunities (Goal 4)

The applicant's statement of compliance states:

*"The rezoning would allow for development of a large space for research and light manufacturing, giving small business and established business alike a place to develop and grow outside the confines of traditional built spaces."*

### **Community Prosperity and Engagement**

Add to the Town's revenues (Goal 1)

Foster success of local businesses (Goal 2)

The applicant's statement of compliance states: *"The development would provide a large lab, research and light manufacturing space not currently available in Chapel Hill. The project will apply for Town annexation, thereby adding to the Town's revenue as well as fostering the success of local businesses."*

### **Facilitate Getting Around**

A well-conceived and planned, carefully thought-out, integrated, and balanced transportation system that recognizes the importance of automobiles, but encourages and facilitates the growth and use of other means of transportation such as bicycle, pedestrian, and public transportation options (Goal 1)

A connected community that links neighborhoods, businesses, and schools through the provision of greenways, sidewalks, bike facilities, and public transportation (Goal 2)

The applicant's statement of compliance states: *"It will provide additional pedestrian and bicycle connectivity along Millhouse Road, and add to the Town's Parks and Recreation multimodal and natural surface trail plans. This development will link the Millhouse Road uses with the new mixed use neighborhood under construction to the southeast. And by adding to the development along Millhouse Road will add to the user base to make additional future public transit routes viable."*

### **Good Places, New Spaces**

Future land use, form, and density that strengthen the community, social equity, economic prosperity, and natural environment (Goal 8)

The applicant's statement of compliance states: *"We feel that this location, with underutilized public utilities and excellent transportation connections, is the most suitable location within Chapel Hill to serve this use and provide a new economic development opportunity within Chapel Hill."*

### **Nurturing Our Community**

Maintain and improve air quality and water quality, and manage stormwater to heal local waterways and conserve biological ecosystems within the town boundaries and the Extra Territorial Jurisdiction (Goal 2)



Protect, acquire, and maintain natural/undeveloped open spaces and historic sites in order to protect wildlife corridors, provide recreation, and ensure safe pedestrian and bicycle connections. These spaces could include, among other things, Significant Natural Heritage Areas (SNHA) lands adjacent to and connecting various properties such as riparian lands, etc. (Goal 3)

Support the Parks and Recreation Master Plan and the Greenways Master Plan to provide recreation opportunities and ensure safe pedestrian and bicycle connections (Goal 4)

Protect neighborhoods from the impact of development such as stormwater runoff, light and noise pollution, and traffic (Goal 8)

The applicant's statement of compliance states: "*This development will protect the stream buffers and keep the forest along that stream. New impervious on the property will be mitigated with stormwater management systems, and the development will meet the Town's tree coverage standards, mostly with tree preservation, and electric power lines will be buried to allow for full tree canopy. The development will have open space and will add to the Town's greenway system.*"

Argument in Opposition: No arguments in opposition submitted to date.

### **Analysis of the Conditional Rezoning Decision Criteria**

Article 4.4.3 of the Land Use Management Ordinance, includes six decision criteria for the Town Council to consider when deciding a conditional zoning atlas amendment.

#### **1. Conformity of the application with the applicable provisions of this appendix (the LUMO) and Town Code.**

*Planning staff Comment*: The application meets all submittal requirements, standards, deadlines, and such as put forth in the LUMO. As a result, we believe that the Council could find that the application meets this criterion.

#### **2. The conformity of the application with the comprehensive plan.**

*Planning staff Comment*: We believe that the Council could find that the application meets this criterion, as shown above in section C of the staff analysis regarding the applicant's Statement of Justification. This includes providing access to opportunities, creating a type of space not currently available in Chapel Hill, connecting to the transportation network in a balanced and comprehensive way, encouraging good land uses, form, and density, and maintaining environmental quality.

#### **3. The compatibility of the proposed application with adjoining uses.**

*Planning staff Comment*: The property is located within the Millhouse Enterprise Zone, which was designated by Council to foster this type of development. Additionally, the property immediately adjacent to the north has already been rezoned to LI-CZD. The properties to the south are zoned Mixed Use – Office/Institutional – 1, and the properties to the east and west are zoned Mixed Use - Residential – 1. As such, we believe that the Council could find that the application meets this criterion.

#### **4. The impacts of the proposed application on the surrounding properties and town as whole.**

*Planning staff Comment:* The adjacent properties will have connections to this site, supporting the uses on those properties. Traffic impacts are not anticipated to be substantial enough to warrant offsite road improvements. Town-wide impacts include the potential for increased economic growth as a spinoff from this job-creating use. As such, we believe that the Council could find that the application meets this criterion.

**5. *The relationship of the application to existing and proposed built systems including utility infrastructure, transportation facilities, police and fire coverage, and other public services and facilities.***

*Planning staff Comment:* Multiple existing infrastructure networks are in place, including sidewalks, water, sewer, power, and more. Additionally, the applicant has agreed to petition for voluntary annexation. As such, we believe that the Council could find that the application meets this criterion.

**6. *The relationship of the application to natural systems such as hydrology, topography, and other environmental constraints.***

*Planning staff Comment:* The applicant is proposing that the development envelope avoid stream buffers and minimize tree removal, with the only proposed stream crossing being a 10' pedestrian bridge. As such, we believe that the Council could find that the application meets this criterion.