

Downtown Commission Special Meeting
Minutes of Sept 1, 2016
4:00 pm
1st Floor North Conference Room - City Hall

Present: Chairman Adrian Vassallo, Vice-Chairman Michael McDonough; Mr. Dane Barrager, Mr. Brent Campbell, Ms. Franzi Charen, Mr. Byron Greiner, Councilman Brian Haynes, Mr. Jimi Rentz, Ms. Ruth Summers and Ms. Pamela Winkler

Absent: Mr. Jack Bebbler

Chairman Vassallo called the meeting to order at 4:00 pm.

Todd Okolichany, Director of Planning and Urban Design and Alan Glines, Assistant Director of Planning and Urban Design opened the meeting by explaining the current development review thresholds, review process for large projects and consideration of hotel applications (previously identified by Council as areas of concern). Mr. Glines explained that staff would formally present recommendations at the upcoming Downtown Commission meeting (Sept 9). Explanation was given on the CZ and CUP processes and height zones in the CBD, and some of the recent projects that were reviewed and approved.

Mr. Glines then presented feedback from the Development Forum (held March 23) and from Open City Hall (an online survey open from June 13 through July 10) as well as staff recommendations on each topic.

Mr. Barrager noted the success of BB&T redevelopment, and suggested eliminating the Conditional Use Permit (CUP) process in favor of Conditional Zoning (CZ) so that Council could be involved. Mr. Okolichany and Mr. Glines noted that this is included in staff's recommendations. A discussion took place among members about advantages and disadvantages of the CZ process, and the challenges of reviewing CUP projects without Council engagement considering news sources and citizen contact.

Mr. Glines noted specific concerns on hotel growth, explaining that the review process is based on scale rather than use, and that staff's recommendation is to treat hotels differently by potentially considering a 50-room threshold to be reviewed as a Level III Conditional Zoning.

A discussion took place about additional methods of outreach for hotels and other development projects. Mr. Glines noted that public forums could take place earlier in the process. Mr. Greiner's concern is that people do not know about the meetings. Ms. Winkler noted that immediate neighbors should be the targeted attendees. Mr. Glines discussed opportunities to strengthen the notification process through online sources.

Mr. Greiner expressed concerns for increasing review processes and the impact it may have to slow or deter development. A discussion took place about Council's role vs. the Downtown Commission's role in the review process.

Mr. Okolichany noted that other cities have different issues than ours, and that the trend in benchmark cities is focused on encouraging development in their downtowns.

Commission members agreed that they are not hearing major feedback related to thresholds for development other than hotels.

Ms. Summers suggested that the Commission ask Council to look at current parking requirements in the UDO, and that increasing minimums in the CBD for new development is more important than changing the development review thresholds. Mr. Glines noted that some of this could potentially be addressed in the Downtown Master Plan Update.

Ms. Vrtunski noted previous projects including the Indigo Hotel, which avoided a 100,000 SF threshold by building 99,000 SF. There was agreement that threshold changes would have a major impact on development, and could impede new development. There was some discussion among Commission members on a moratorium for hotel development, possibly for 3-5 years. Sasha Vrtunski noted that Moratoriums are generally imposed when specific changes are being made to development policy. If the Commission wanted to recommend a longer "break" from hotel development, hotels would have to be removed as a permitted use in the Central Business District.

Additional discussion took place about the political nature of development review, and questioning the Downtown Commission's role in making these recommendations.

Ms. Charen discussed the importance of design and culture, and supporting additional review processes, even if it means that development slows.

Chairman Vassallo noted successes of the Aloft and BB&T projects, and the advantages of CZ.

There was a discussion about hotels and how they are reviewed. Several commissioners expressed concerns that if Council reviews all hotels over 50 rooms, that the criteria for being approved wouldn't be consistent from project to project. Mr. Barrager commented that there are specific issues such as living wages, locally owned businesses and affordable housing that seem to be the most needed and most important to the community. Staff reiterated that these cannot be requirements through a zoning process. Developers can offer those up during a Conditional Zoning process, but in North Carolina, they cannot be required. It was noted that there could be specific requirements for hotels in a Conditional Zoning process, like additional landscaping or open space. Staff stated that some potential requirements would have to be vetted through the City Attorney's office.

Mr. McDonough asked the question, if hotel development is limited, will downtown lose more housing units to short-term rentals? A discussion followed about short-term rentals and that there are quite a number of residential units downtown that have been converted. Ms. Winkler commented that we are losing the foundation of our residential community downtown. Mr. Barrager agreed saying he had looked at voter registration in downtown, and it had declined over the last 5 years. There was interest in discussing possible restrictions to short-term rentals in Downtown, but that would not be a part of these recommendations.

After discussion, the Commission agreed that if restrictions or changes are put into place regarding hotels, that Council articulate exactly what they want to see from hotel developers. There was general agreement on this as a recommendation to City Council.

There was a discussion about potential incentives instead of restrictions. Mr. Okolichany spoke about research that staff has conducted looking at other cities. Wilmington has a public benefit matrix whereby if a project meets certain goals, they get additional height. Mr. Okolichany also noted that most of the cities in NC are not experiencing the same demand and tourist type of economy as Asheville is currently experiencing.

As time was getting short, staff polled the Commission on the remaining issues. Members agreed that more notification and publicizing of projects would help the process. The commission also generally agreed that a CZ process for the CBD made sense. Most members also agreed that leaving the thresholds as they are would be their recommendation.

Adjournment

The meeting adjourned by consensus at 5:25 pm.