

MEMORANDUM

TO: Downtown Commission DATE: August 26, 2016

FROM: Todd Okolichany, AICP, LEED AP ND
Planning & Urban Design Director

PREPARED BY: Alan Glines,
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SUBJECT: Staff Recommendations: Downtown Development Review in the Central
Business District

This memo outlines recommendations from staff for Central Business District requirements for development review thresholds, review process for large projects and considerations for hotel applications. This process began in December 2015 with a request by City Council for review of these primary areas of concern. A list of dates for Council and Commission updates and community engagement is provided at the end of this memo. Considerations are focused on the following three main areas:

- Levels of review for projects in the CBD:
 - Level II v. Level III projects- Staff recommends no change to the thresholds for Level II and Level III projects (projects larger than 175,000 square feet or taller than 145 feet are Level III projects). There have not been any projects that have qualified as a Level III project aside for the redevelopment application for the BB&T Building which of course is an existing building. There were a number of public comments both for and against changing the thresholds from the public forum and the online downtown survey.
 - Rationale for the current development review process- The current review threshold was developed during the Downtown Master Plan (DTMP) process completed in 2009 which included extensive community input and engagement and was ultimately adopted by City Council.
 - Are the current development review thresholds appropriate?- The current thresholds represent the upper end of the development scale and were recommended by the DTMP as a compromise for greater building form requirements and new height standards that were adopted with the changes.
 - What would the impacts be if the thresholds were changed?- Projects may remain smaller to avoid a process that includes City Council review. The Central Business District has been described as an area that should receive denser development. Only two new projects have exceeded 130,000 square feet.
- The process for Level III projects in the CBD:
 - Conditional zoning v. conditional use permits. As a refresher, a conditional use permit (CUP) follows a quasi-judicial process with the City Council as the final review step. A developer must prove through testimony and evidence that the seven standards for CUPs are met through the project proposal. Council can't

participate in conversation (no ex parte communication) about the project prior to the public hearing for the review.

- A conditional zoning (CZ) is a rezoning application with a site plan that both Council and the developer must agree to along with all conditions. In some cases, a developer may not know at the beginning what to expect as Council's conditions when they submit an application. However throughout the process they are able to communicate with Council about the proposal. Many community members feel that a conditional zoning process is preferred because of the communication available to Council and the developer.
- Should the city consider expanding conditional zoning within the CBD? Most feedback from community members is to expand the CZ process for Level III projects for the entire CBD. Staff are recommending this expansion to the entire CBD as well.

- Hotels in/around the CBD:

- What is the current review process for hotel proposals- Hotels are reviewed like all other uses in the downtown area and the review process is dependent on the scale of the project as described before in this memo.
- What are the public's concerns?- While there is not consistent feedback about the growth of the hospitality industry in downtown, everyone acknowledges that a number of the larger scale proposals are hotel developments. Since 2010 there have been seven hotel projects in or near the downtown CBD. Two other hotel proposals in the CBD are currently under review. Some of the concerns that have been shared focus on the growth of a single industry sector, concerns about lower wage paying jobs, the need for parking and the sense that the downtown area is benefitting tourists instead of residents of Asheville.
- Should hotels be evaluated differently than other development proposals?- Staff feels that hotels should be reviewed at a different threshold than other uses based on the wide breadth of feedback and to provide some additional balance in downtown land use proposals,. Staff propose that all hotels with 50 or more rooms be reviewed as a Level III conditional zoning and allow final consideration by Council. If this threshold had been in place beginning in 2010, all of the hotel proposals would have been reviewed by Council (as the ordinance stands today, only two were). If the change is made, Council will have the opportunity to consider each proposal individually, consider the potential impacts and communicate with the developer through the review process.

- Additional methods of outreach

During the development review forum held in March, there was concern that citizens were not aware of new development proposals early enough and that they learn of a proposal only when construction begins. During the Open City Hall downtown survey, four notification methods were identified as the most helpful: Posting the site with signs at each stage of the approval process, providing information on a web portal, better notification for the developer's required neighborhood meeting and finally, social media communication. Staff is prepared to work to implement greater outreach through posting the site during different stages of the approval (such as 10 days prior to the developer's neighborhood meeting), and working with the public engagement team to broaden the web portal and social media outreach. The specifics of this type of proposal will still need to be worked out.

Staff held meetings with the following groups to discuss and review the specific topics:

- December 8th, 2015, staff provided a presentation to City Council on CBD related concerns
- January 8th, 2016, the Downtown Commission reviewed priorities including review process and thresholds and recommends additional community feedback to understand community concerns
- January 26th, staff provided additional information to the Planning and Economic Development Committee
- February 12th staff provided an update to the Downtown Commission and reviewed the community meeting for the development review forum
- March 23rd CBD Development Forum held at the Lord Auditorium
- April 7th, staff presented to the Asheville Lodging Association
- April 8th, presented preliminary findings of the CBD Development Forum to the Downtown Commission and solicited input from the commission
- April 19th, staff presented findings of the CBD Development Forum to the Planning & Economic Development Committee and solicit input from the committee
- April 21st, staff presented a meeting summary from the CBD Development Forum to the Planning and Zoning Commission
- April 26th, staff presented findings to City Council who recommended that staff solicit additional community feedback.
- Staff initiated *Open City Hall*, an online survey format for community surveys and the CBD development review thresholds survey is posted from June 13 until July 10 with 139 visits with 50 of those verified as city residents.
- August 12th, staff provided staff's preliminary recommendations to the Downtown Commission, in preparation for a presentation to City Council in September