

1. **ZOTA 2014-7: AMENDMENT TO ARTICLE 22 TO ESTABLISH A PLANNED UNIT DEVELOPMENT-2 (PUD-2) ZONE** – petition for a Zoning Ordinance text amendment to establish the LuigART Planned Unit Development-2 (PUD-2) zone in a new Appendix 22B.

REQUESTED BY: North Limestone Community Development Corporation (NoLi CDC)

PROPOSED TEXT: *(Available upon request, and at:
<http://www.lexingtonky.gov/Modules/ShowDocument.aspx?documentid=28615>)*

The Zoning Committee made no recommendation on this request.

The Staff Recommends: Approval of the Staff Alternative, for the following reasons:

1. The current Zoning Ordinance is able to accomplish the task of creating a unique zoning tool through the use of Article 22, where a Planned Unit Development can be designed to allow for innovation that may not be accomplished using traditional zoning techniques.
2. The proposed text amendment to establish the LuigART Planned Unit Development-2 (PUD-2) zone will permit a mixed-use district near the North Limestone and Loudon Avenue intersection that will encourage homeownership and equity programs, an artist-in-residence program, visiting artist housing, a business incubator and gallery space.
3. The proposed PUD-2 zone will allow an innovative program that supports the 2013 Comprehensive Plan and the 2009 Central Sector Small Area Plan. The following Themes of the 2013 Comprehensive Plan are supported by the proposed text amendment: Protecting the Environment (Theme B), Improving a Desirable Community (Theme D), Maintaining a Balance Between Planning for Urban Uses and Safeguarding Rural Land (Theme E), and Implementing the Plan for Lexington-Fayette County and the Bluegrass (Theme F).

Staff Presentation: Ms. Wade presented the staff report, explaining that the proposed text amendment would create a new PUD-2 zone in Article 22 of the Zoning Ordinance. She distributed the existing text of Article 22 to the Commission members, along with seven letters received by the staff in support of this request.

Ms. Wade stated that the applicant proposed to add Appendix 22-B to the Zoning Ordinance in order to create the LuigART PUD-2 zone for a three-block area bounded by North Limestone Street; Maple Street; West Seventh Street; and the R.J. Corman railroad line. The LuigART Makers Space project is proposed as an "innovative live/work zone" designed to invest in the near-downtown neighborhood located within the project area. Article 22 is intended as a tool to allow for unique, innovative projects that might not be accomplished under the Zoning Ordinance's more traditional zoning categories. When the petitioner submitted their sustainability plan for review, the staff suggested a PUD zone could be drafted according to the petitioner's needs for uses and proposed restrictions. The PUD zone is intended to provide for flexibility; make more efficient use of the land; result in minimization of land use conflicts; and provide furtherance of the implementation of the Comprehensive Plan.

The petitioner contends that the existing zoning does not provide the flexibility needed to accommodate the LuigART project. The subject properties are currently zoned B-1 along North Limestone Street; Light Industrial (I-1) along the LuigART Court area and the railroad track; and R-3 for the remainder of the properties.

Ms. Wade stated that the applicant's sustainability plan emphasized home ownership and equity programs, as well as an artist-in-residence component and spaces for visiting artist housing; gallery space; and areas for makers to work together. The petitioner is proposing to remove the typical zoning barriers in the area, in order to encourage redevelopment and rehabilitation. They propose a new and unique set of uses for the PUD-2 zone, along with a two-step approach to design standards. Under their proposal, Planning Commission review of a development plan would be required only when certain design standards were exceeded. All applications would be reviewed by Planning and Building Inspection staff, but proposals that exceeded the design standards would need to file a development plan that would go before the Planning Commission for further review.

Ms. Wade explained that the proposed text for the LuigART PUD-2 zone included eight new definitions, which are not currently defined in Article 1 of the Zoning Ordinance. They would be applicable only on the LuigART PUD-2 area. The petitioner also offered a different approach to parking requirements. Normally, each use would have a designated parking standard or requirement, usually based on number of employees or amount of square footage. In this case, the petitioner is proposing no established off-street parking requirement; rather, they are suggesting a maximum vehicular use area (coverage) limit. That would limit surface parking for any lot, which, the petitioner contends, would help to maintain the character of the established neighborhood. Ms. Wade noted that on-street parking is already available in the area, since most of the streets are one-way, and alternative modes of transportation are also available. Off-street parking is available from nearby churches and other businesses for any special event parking, as necessary.

Ms. Wade stated that, when the petitioner files a zone map amendment request for the LuigART project, it will include a site inventory and analysis, along with standards, rather than a typical development plan. Any future development plans for the property would be evaluated against those standards, in order to keep the character of the area contextually appropriate. The

proposed text would also require that any development plan be submitted by an architect who is registered in Kentucky, as well as one other design professional.

Ms. Wade said that the staff reviewed the proposed text and recommended some changes prior to the Zoning Committee meeting. The petitioner considered those recommendations, and included them in a revised version of the text, which was submitted to the staff prior to this hearing and discussed by the Commission at two work sessions. The staff is recommending approval of the petitioner's revised text, which includes the recommended staff alternative, and which also provides some changes that address the concerns expressed at their work session by the Planning Commission, for the reasons as listed in the staff report and on the agenda.

Petitioner Representation: Brandon Coan, attorney, was present representing the North Limestone Community Development Corporation (NoLi CDC). He stated that the NoLi CDC currently owns 17 of the 171 properties in the subject area, along with partners who own 22 additional properties. Their intent is to file a zone change for those 39 properties in the initial round of map amendments for the project, following approval of this ZOTA. Ultimately, NoLi CDC hopes to acquire 40 properties in Phase I of the project, for a total of 36% of the properties in the subject area.

Mr. Coan stated that many community groups had submitted letters of support on the petitioner's behalf, including: the Bluegrass Community Foundation; Commerce Lexington; the Fayette Alliance; LexArts; the Lexington Downtown Development Authority; the North Limestone Neighborhood Association; and Seedleaf.

Richard Young, Executive Director of NoLi CDC, stated that the organization is a 501(c)3 nonprofit that focuses on livability in four categories: accessibility to the neighborhood; affordability; sustainability; and vibrancy. The organization executes those goals through offering affordable housing; coordinating cultural programming; enhancing public spaces in the neighborhood; helping for-profit organizations grow the retail nodes of the corridor; increasing access to social services that already exist in the neighborhood; and addressing threats to neighborhood resources.

Mr. Young said that, in addition to the LuigART Makers Spaces project, NoLi CDC also operates the Night Market, which is a monthly street festival that focuses on economic development and local business support. In each three-hour session, the Night Market is expected to bring in close to \$200,000 for the North Limestone neighborhood vendors. NoLi CDC also worked with the North Limestone Neighborhood Association to execute their sustainability plan, which was developed in 2011 in partnership with LFUCG. NoLi CDC has a partnership with Seedleaf to operate the North Pole Garden, which is a free, "you-pick" community garden in the neighborhood. The organization is also working with Kentucky American Water and the Bluegrass Community Foundation in developing one of the largest community butterfly gardens in Lexington on York Street, creating more greenspace and public space for neighborhood residents. Mr. Young stated that NoLi CDC operates a partnership with Central Kentucky Youth Orchestra called North Limestone Music Works, which provides free, daily after-school music instruction to students from Arlington Elementary School through high school graduation. In addition, NoLi CDC participated in creating the North Limestone Vibrancy Map, as well as allotting micro-grants to any individual who lives or works in the community through a partnership with Magic Beans Coffee Roasters. NoLi CDC is also working on a cultural plan for the neighborhood, which will guide public space development; arts and cultural access; and public art. Mr. Young stated that, in participating in all of those programs, the goal of NoLi CDC is to take a holistic approach to the development of the neighborhood in an equitable and sustainable way.

Kris Nonn, project manager for LuigART Maker Spaces, stated that this project is grounded in the concept of "creative place-making," a term which addresses the issue of using the artistic community as a vehicle for reinvigorating an area. He said that one of the reasons for the location of the project in the North Limestone neighborhood is that the area has a lower percentage of owner-occupied homes; a higher percentage of renters; and high vacancy rates. The goal of the project is to rehabilitate 40 historic houses into a live/work model, thereby stabilizing the neighborhood and creating a new cultural district. The PUD-2 zone is necessary in order to achieve the flexibility that will allow artists to support themselves from their homes, rather than maintaining separate places of business. Mr. Nonn stated that the 39 properties that are committed for the first round of zone changes are predicted to equal a \$2.5 million economic impact to the community, aside from the residual impact that revitalization will have on the surrounding neighborhood.

Mr. Coan stated that another way to look at the proposed LuigART PUD-2 zone is as a live/work district. He said that Lexington-Fayette County does not have a live/work zoning classification that would fully meet the needs of the project, so NoLi CDC is attempting to designate an area on the map for use as a live/work district. In developing the proposed text, they considered national best practice examples in cities such as Philadelphia, Baltimore, Wilmington, Oakland, and San Francisco, as well as areas in Louisville and the Lower Town Arts District in Paducah. NoLi CDC principals worked with Planning staff to develop the proposed text, incorporating the staff alternative and Commission comments into the text as currently proposed.

Citizen Comments: Marty Clifford, president of the North Limestone Neighborhood Association, stated that he has lived on North Limestone Street since 1996. He said that one of the goals of his neighborhood is to be more pedestrian-friendly.

With regard to Mr. Young's comments about the Night Market, Mr. Clifford stated that, despite an average of over 3,000 people in attendance, there has never been an altercation during the event.

Mr. Clifford said that all of the properties proposed for inclusion in the LuigART project are substandard housing, most of which were purchased from "slum lords." He opined that the proposed project would not only eliminate existing problems, but also add value to the area. Neighborhood residents have been trying to attract investors to the area for decades, but have not been able to do so due to concerns about crime and infrastructure. NoLi CDC is the first group to indicate an interest in working to make a difference in their community, and is partnering well with residents and other community agencies.

Mr. Clifford said that neighborhood surveys conducted in recent years indicated that residents value diversity, greenspace, and public art. He opined that the proposed project would promote all of those concepts, while honoring the existing residents of the community and working with its residents.

Laurel Dixon, Seedleaf, stated that that organization has an interest in a property along York Street that is proposed to be part of the LuigART PUD. Seedleaf would like to use that property as a home base, as it would allow them to expand their capacity to train urban youth in urban agricultural entrepreneurship opportunities. The PUD zone would allow Seedleaf to support youth in the area as they worked to address "nutritional justice" issues in their neighborhood. Ms. Dixon said that Seedleaf has been working in the Lexington area for the past seven summers, and has created several successful community gardens. She asked that the Planning Commission help to further that work by recommending approval of the proposed text amendment.

Knox Van Nagell, Fayette Alliance, was present in support of the proposed text amendment. She said that NoLi CDC is presenting the community with "the rare opportunity to have a destination development in the urban core." She asked that the Planning Commission do their part in approving the proposed text amendment.

Commission Discussion: Mr. Brewer stated that he would like to applaud the NoLi CDC team for their work, particularly their willingness to address the concerns of the staff and the Planning Commission.

Action: A motion was made by Mr. Brewer, seconded by Ms. Richardson, and carried 10-0 (Penn absent) to approve ZOTA 2014-7, for the reasons provided by staff.

