

STAFF REPORT ON PETITION FOR ZONE MAP AMENDMENT

MAR 2015-3: THISTLE HOLDINGS, LLC

DESCRIPTION

Zone Change: From a Light Industrial (I-1) zone
To a Neighborhood Business (B-1) zone

Acreage: 3.78 net (4.72 gross) acres

Location: 308-310, 322 and 330 Newtown Pike

EXISTING ZONING & LAND USE

<u>Properties</u>	<u>Zoning</u>	<u>Existing Land Use</u>
Subject Properties	I-1	Vacant
To North	I-1, A-U	Auto Repair Shop, Bluegrass Community & Technical College
To East	I-1	Crematory, Railroad, Industrial
To South	I-1	Railroad, Brewery, Offices, Vacant Grain Elevator
To West	I-1	Industrial

URBAN SERVICES REPORT

Roads – Newtown Pike (US 25 & KY 922) borders the subject properties to the west. It is an urban major arterial roadway, which extends from downtown to Scott County. Newtown Pike carries approximately 27,600 vehicles per day. West Fourth Street borders the site to the north. Recent improvements and changes along West Fourth Street include modification from one-way travel to two-way travel, and significant sidewalk upgrades from Newtown Pike to Jefferson Street. The petitioner plans to utilize both Newtown Pike and Fourth street for vehicular access to the proposed project.

Curb/Gutter/Sidewalks – Newtown Pike and Fourth Street both have adequate curbs, gutters, and sidewalks. A shared path is planned to be constructed along the Newtown Pike frontage for connection to the planned Town Branch Trail Project.

Storm Sewers – This site is located in the Town Branch watershed. The Town Branch emerges (flowing north) from underground near Rupp Arena, less than 1/2 of a mile to the southwest of the subject properties. No known flooding problems exist within the immediate vicinity of the subject site. Underground stormwater detention vaults are proposed for the site in order to meet the requirement of the Engineering Stormwater Manuals.

Sanitary Sewers – The subject properties are already served by sanitary sewer. However, improvements to the lines along West Fourth Street and Newtown Pike may need to be upgraded to properly serve this proposed development. The petitioner will need to address any existing deficiency in connecting to the sanitary sewer lines and may need to make improvements for containing grease since one of the proposed uses at this location could be a restaurant. The property is located within the Town Branch sewershed, and is served by the Town Branch Sewage Treatment Facility on Lisle Industrial Avenue.

Refuse – The local government currently serves this portion of the Urban Service Area with collection on Thursdays. Daily service is available within a defined area downtown, but does not include this area. The petitioner may also choose to consider supplemental service from a private refuse hauler.

Police – The nearest police station is the Main Headquarters located on East Main Street, about 3/4 mile to the southwest of the subject properties.

Fire/Ambulance – The nearest fire station (#4) is only about three blocks to the east of the subject property, located on Jefferson Street between West Second and West Third Streets.

Utilities – All utilities, including phone, water, gas, electric, and cable television currently serve the subject properties. All should be able to accommodate the proposed change in land use.

COMPREHENSIVE PLAN AND PROPOSED USE

The 2013 Comprehensive Plan's mission statement is to "provide flexible planning guidance to ensure that development of our community's resources and infrastructure preserves our quality of life, and fosters regional planning and economic development." The mission statement notes that this will be accomplished while protecting the environment, promoting successful, accessible neighborhoods, and preserving the unique Bluegrass landscape that has made Lexington-Fayette County the Horse Capital of the World.

In addition to the Comprehensive Plan mission statement, the Goals and Objectives of the Plan also encourage growing successful neighborhoods (Theme A), and maintaining a balance between planning for urban uses and safeguarding rural land (Theme E).

The subject properties are located within the boundary of the *Downtown Lexington Masterplan* and the *Fourth Street Zoning Study*. Each document suggests further intensification of the subject property for mixed-use development.

The petitioner proposes to rezone the properties to the B-1 zone in order to construct a signature mixed-use building along Newtown Pike and a two-story commercial building along West Fourth Street. The petitioner proposes 202 residential dwelling units, 28,000+ square feet of commercial space, and associated off-street parking. They also propose utilizing the form-based project option of the B-1 zone, which is a recent addition to the Zoning Ordinance.

CASE REVIEW

The petitioner has requested a zone change from a Light Industrial (I-1) zone to a Neighborhood Business (B-1) zone for 3.78 acres of property, located on the east side Newtown Pike, between West Third and West Fourth Streets.

The site is comprised of three parcels that are located near the edge of the downtown area, along the Newtown Pike corridor. Collectively, the site is bounded to the west by Newtown Pike, to the south by railroad tracks and West Third Street, to the southeast by CSX railroad tracks, and the northeast by West Fourth Street and several adjoining industrial properties. This area is characterized primarily by light industrial land uses. However, the land exchange from Eastern State Hospital to Bluegrass Community and Technical College (BCTC) and the subsequent formation of the new BCTC campus have resulted in new redevelopment interest in this portion of the Urban Service Area.

The subject properties are primarily surrounded by Light Industrial (I-1) zoning, with the exception of the BCTC campus, which remains located in an Agricultural Urban (A-U) zone. The site was previously served by a railroad spur, which has been abandoned, and was recently occupied by a lumber company and vehicle storage yard. This site has been issued a notice of violation for this use.

The petitioner wishes to remove the existing structures and proposes to construct two new buildings within a form-based project, as permitted in the Neighborhood Business (B-1) zone. Plans are to construct a signature mixed-use building along Newtown Pike and a two-story commercial building along West Fourth Street. The petitioner proposes 202 residential dwelling units, 28,000+ square feet of commercial space, and associated off-street parking. With their application for a zone change, the petitioner has submitted a detailed "area character and context study," as required in the Zoning Ordinance. The staff has issued a separate report for this submission.

The 2013 Comprehensive Plan has several goals and objectives that are relevant to the proposed request for rezoning and the proposed redevelopment from both Theme A "Growing Successful

Neighborhoods” and Theme E “Maintaining a Balance between Planning for Urban Uses and Safeguarding Rural Land.” The Plan recommends expanding housing choices, with emphasis on mixed-use and higher density development in certain situations to address a variety of community needs (Goals 1b. and 1d.). It also recommends supporting infill and redevelopment as a strategic component of growth, with focus on context sensitive design (Goal 2a.), and providing well-designed neighborhoods through mixed use, multi-modal transportation connections and minimizing disruption of natural features when building new communities (Goals 3a., 3b. and 3c.). The Plan also encourages the utilization of underutilized land (Theme E, Goal 1a.) and building in a compact, contiguous, and/or sustainable manner (Theme E, Goal 1b). The petitioner opines that the zone map amendment request is in compliance with the Comprehensive Plan; in particular, the goals and objective statements cited above.

Although the recommendations are not binding, the *Downtown Lexington Masterplan* and the *Fourth Street Zoning Study* can also inform the Planning Commission’s consideration of the petitioner’s request for rezoning. The subject properties are located within the boundary of the *Downtown Lexington Masterplan*, which identifies the property for mixed use within the Downtown Edge West study precinct (north of the downtown core), noting that “this area has the potential to be a true mixed-use neighborhood with retail, offices, and residential as a signature entryway to the downtown” (page 54). The *Masterplan* more generally recommends maximizing density of vacant sites (Recommendation #6), and celebrating urban entrances (Recommendation #7). The plan indicates the intersection of Newtown Pike and West Third Street, at the northern edge of the subject property, should be enhanced as a neighborhood gateway (page 35). All of these recommendations are relevant to the proposed rezoning.

The *Fourth Street Zoning Study* is a recently completed study for the area in close proximity to the new BCTC campus on Newtown Pike, the area along Jefferson Street, and the West Fourth Street corridor connecting the two areas. The subject property is identified as part of a focus area where an urban mixed-use zone should be created.

Collectively, the plans support the type of mixed-use development now envisioned for the site by the applicant. The B-1 zone offers the most flexible zoning tool (via the form-based neighborhood business project) outside of the downtown business zones. The form-based neighborhood business project, with its required character and context study, allows for the petitioner to achieve the building height and residential density desired at this location. It was determined early in the study process by the petitioner that attempting to request a downtown business zone so far from the downtown core would be a tenuous precedent. Thus, in reviewing the available options, the petitioner determined that creating a form-based neighborhood business project in the B-1 zone would allow the petitioner the flexibility to design a signature mixed-use project at this location.

The petitioner contends that the proposed Neighborhood Business (B-1) zoning and the accompanying form-based neighborhood business project is in agreement with the 2013 Comprehensive Plan. Since the proposed B-1 zone can implement the goals and objectives recommendations of the Comprehensive Plan; because the *Masterplan* and *Fourth Street Zoning Study* both recommend mixed-use development for the subject property; and because the proposed B-1 zone permits residential dwelling units above or to the rear of a principal permitted use, the staff agrees that the proposed zoning is in agreement with the 2013 Comprehensive Plan. In addition, the B-1 zone is appropriate given the changes that are envisioned around BCTC and Transylvania University in the Fourth Street corridor.

A traffic impact study has been submitted with the requested zone change. The Metropolitan Planning Organization (MPO)/Transportation Planning Section is currently reviewing the study and will make known their findings at the Commission’s public hearing.

The Staff Recommends: **Approval**, for the following reasons:

1. The proposed Neighborhood Business (B-1) zone and form-based neighborhood business project are in agreement with the 2013 Comprehensive Plan, for the following reasons:

- a. Theme A “Growing Successful Neighborhoods” recommends expanding housing choices, with emphasis on mixed-use and higher density development to address a variety of community needs (Goals 1b. and 1d.). The Plan recommends supporting infill and redevelopment as a strategic component of growth, with focus on context-sensitive design (Goal 2a.), and providing well-designed neighborhoods through mixed use, multi-modal transportation connections and minimizing disruption of natural features when building new communities (Goals 3a., 3b, and 3c.) The petitioner’s proposed project will provide additional housing options for the Newtown Pike corridor in a context-sensitive manner, while offering multi-modal transportation connections (vehicular, bicycle, pedestrian and transit).
 - b. Theme E “Maintaining a Balance between Planning for Urban Uses and Safeguarding Rural Land” also encourages the infill or redevelopment of underutilized land inside the Urban Service Area (Goal 1a.), and building in a compact, contiguous, and/or sustainable manner (Goal 1b). The petitioner is redeveloping an underutilized industrial site at one of the gateways into Lexington’s downtown in a highly dense manner (53.4 dwelling units per acre), thus fulfilling the intent of the Comprehensive Plan.
2. The subject properties are located within the boundary of the *Downtown Lexington Masterplan* and the more recent *Fourth Street Zoning Study*. The *Masterplan* and the *Zoning Study* both recommend mixed-use development for the site. In addition, the *Masterplan* states that the Downtown Edge West precinct “has the potential to be a true mixed-use neighborhood with retail, offices, and residential as a signature entryway to the downtown.” The petitioner’s form-based neighborhood business project provides that “signature” gateway recommended by the *Masterplan*. The mixed-use project will also complement the new BCTC campus to the north, and will spur further redevelopment in the Fourth Street corridor from industrial land uses.
 3. The proposed B-1 zone permits mixed-use development, and the form-based project option allows flexibility in the zone requirements if a project developer completes the area character and context study requirements. The petitioner has conducted the requisite study, evaluating the nearby area, and creating a project that respects the existing urban environment.
 4. This recommendation is made subject to approval and certification of ZDP 2015-12: Thistle Station, prior to forwarding a recommendation to the Urban County Council. This certification must be accomplished within two weeks of the Planning Commission’s approval.
 5. Under the provisions of Article 6-7 of the Zoning Ordinance, the following uses are recommended to be prohibited on the subject property:
 - a. Automobile repair, service stations, and gasoline pumps.
 - b. Automobile and vehicle refueling stations.
 - c. Animal hospitals or clinics.
 - d. Drive-through facilities.These use prohibitions are appropriate and necessary to ensure that future development will be compatible with the character of the adjoining area by prohibiting certain uses that would be contrary to its urban mixed-use character.