

**STAFF REPORT ON PETITION FOR ZONING ORDINANCE TEXT AMENDMENT**

**ZOTA 2017-8: AMENDMENT TO ARTICLE 12 TO REVISE USES; PARKING STANDARDS; LOT COVERAGE AND FLOOR AREA REQUIREMENTS; TRANSIT FACILITIES; AND DESIGN STANDARDS IN THE COMMERCIAL CENTER (B-6P) ZONE**

REQUESTED BY: URBAN COUNTY PLANNING COMMISSION

PROPOSED TEXT: See attached

(Note: Text underlined indicates an addition to the existing Zoning Ordinance; text ~~dashed through~~ indicates a deletion.)

**STAFF REVIEW:**

At the request of the Division of Planning staff, the Urban County Planning Commission has initiated a text amendment to Article 12 of the Zoning Ordinance, what is currently named the Planned Shopping Center (B-6P) Zone, and which is proposed to be renamed the Commercial Center (B-6P) Zone with this text amendment. With the adoption of the 2018 Comprehensive Plan's Goals and Objectives and the expectation of a very aggressive timeline for major projects from the final Plan, staff has to review the Zoning Ordinance for necessary amendments. While much work has been done through the Infill and Redevelopment Steering Committee to update the Zoning Ordinance to accommodate more dense urban development, little has been done to the more suburban sections, while there has been considerable change to the Lexington real estate market since those articles were originally adopted.

While there are numerous changes proposed with this text amendment, three significant changes are driving this update to the fore. The first is the elimination of minimum parking requirements. The second is the introduction of multi-family residential as a principally permitted use. The third is an emphasis on providing adequate infrastructure for all modes of transportation. The rest of the text changes support those two major policy shifts in the B-6P zone.

The 1983 comprehensive Zoning Ordinance update established new minimum parking standards that have remained largely untouched in our suburban areas. Since that time, there has been a significant shift in retail shopping patterns due to the expansion of online retail sales. Retail store footprints are shrinking and fewer people are visiting physical stores. Lexington is starting to face the reality that many of its shopping centers are becoming substantially underutilized and overparked. Further, these centers have not be able to maximize their buildable areas due to the minimum parking requirements of the B-6P zone. As vacancies increase in these shopping centers, the owner/operators take on ever shrinking tenants, for lower rents until the former anchor space depreciates to a point where tearing it down is finally economically feasible. This process can take a decade or longer. These centers are currently unable to add new viable square footage because it would remove parking that is currently required to serve the vacant square footage.

By eliminating the minimum parking requirements, applicants will be able to make new investments in existing centers that will be able to enhance the former anchor spaces and attract tenants and/or make the center economically viable enough to speed up the process of redeveloping the older portion. By encouraging additional complementary uses to traditional retail, most parking lots will be utilized around the clock rather than just during normal business hours. While Lexington will not be the first to eliminate parking minimums and establish parking maximums, this will certainly put Lexington in a leadership position in what is becoming an emerging trend.

One of the recommendations of the 2018 Comprehensive's Plan Goals and Objectives is to intensify Lexington's major corridors and encourage significant residential growth where our transit system can best

serve those new residents. Increased mass transit efficiency and usage on the corridors will require locating residential development in closer proximity to those primary transit lines. Residential growth on the major corridors is also a critical component to preserving the vast swaths of single-family neighborhoods that are located in between the corridors. Staff believes that the B-6P zone is the most appropriate vehicle to achieve corridor intensification. One of the first steps necessary is to not only allow multi-family residential but to start incentivizing its usage and application. The proposed text encourages residential development, as it would become the most efficient way to be granted additional lot coverage.

In order to further protect existing residential neighborhoods, the proposed text eliminates the option for a new development of between three and ten acres. Staff believes that commercial centers of that size should be regulated under the much more appropriate Neighborhood Business (B-1) or another Mixed Use (MU-1,2) Zones. Breaking out the smaller sized developments should allow the larger sites to be developed more intensely, and also encourages the more neighborhood scaled sites be developed at an appropriate scale.

While the majority of this text amendment could be characterized as a loosening of the existing B-6P zone, there are a couple of areas where the text is stronger. Requirements proposed include the provision of multi-modal infrastructure including transit shelters and seating. For decades the regulations have been automobile oriented at great expense - including using the majority of valuable land for parking as well as the ongoing maintenance of those parking lots. That expense has historically been passed on to all shoppers, whether they drive to the center or not. With a significant reduction in required parking, minimal standards to address the other modes of travel are long overdue. In addition, the proposed text sets a minimum floor area that our community is looking to achieve in order to maximize our land consumption. In exchange for much greater flexibility, the staff believes that there should be an expectation of significant intensification to help Lexington achieve its adopted goals.

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

1. The proposed text amendment will reduce the impact of parking on land consumption, and encourage shared parking across complementary professional office, retail and residential uses.
2. The proposed text amendment will enhance the viability of existing B-6P developments by providing redevelopment opportunities that unlock additional potential to better utilize existing zoned land.
3. The proposed text amendment will encourage walkable developments and accessible transit facilities that have been long neglected in our major corridors.
4. The proposed text amendment will assist in creating a variety of employment, retail and residential opportunities throughout Lexington, improving overall housing affordability.

CT/CW/TLW/dw

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