

Agenda Item: \_\_\_\_\_  
Date: June 12, 2013  
File No. \_\_\_\_\_

## **TOWN COUNCIL AGENDA BILL**

Subject: Joint Town Council / Planning and Economic Development Commission Zoning Code Update Workshop to review the Draft Commercial Zoning District Regulations and Standards

Initiated by: Jessica Morriss, Associate Transportation Planner

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### **BACKGROUND**

This joint workshop is to allow the Planning and Economic Development Commission (PEDC) and Town Council to discuss and provide direction on the following:

- Draft Commercial Zoning District regulations and standards developed by staff and Dyett & Bhatia as part of the Zoning Code Update (ZCU); and
- Community Benefits/Incentive Zoning (CBIZ).

The ZCU was initiated by the Town Council with the goal of incorporating the 2007 General Plan into the Zoning Code, as well as cleaning up and modernizing the Town's zoning regulations in an effort to provide a streamlined and user-friendly set of standards that clearly establish the type of permitted development (and permit process) that will support the Community Vision.

Staff has been actively working on the ZCU since 2010 and has updated nearly 90% of the Code. In 2011, staff developed an initial draft of the Commercial Zoning Chapter (which was reviewed by the PEDC and the Town Council), which included a number of proposed changes to the development standards in order to better implement the objectives of the General Plan and Neighborhood District Plans (NDPs) completed for the Downtown and South Old Mammoth Road.

Since that time, the PEDC, the Council, and the community have often emphasized the need to be "development ready" and that an important component of this is having clear and predictable zoning guidelines and permit processes, particularly for the commercial districts.

To support this objective, in December 2012, the PEDC and Town Council recommended that staff:

1. Form a “Downtown Working Group” (DWG) to coordinate/support the Commercial Zoning Chapter update and the Main Street Project; and
2. Further examine the proposed use regulations, permit process, and physical development standards (including density/intensity) of the Commercial Chapter to ensure that they implement the desired outcomes and support the type of investment/change needed to accomplish the “Downtown Concept.”

The DWG has held six meetings and has provided a number of recommendations that have been used to develop the Draft Commercial Zoning District regulations and standards. Attachment 1 includes a background paper with detailed information regarding the development of the Code, as well as the Draft Code. The group has also discussed the CBIZ policy, including its purpose and need as it relates to the updated Zoning Code, and a potential “Business Incentive Policy” discussed in Agenda Item #3.

## **ANALYSIS/DISCUSSION**

The following represents the key concepts and objectives, changes, and additions to the Commercial Zoning Chapter that will be discussed during the workshop (discussion questions will be provided at the workshop). The workshop PowerPoint is provided in Attachment 2. A table summarizing the changes from the existing Commercial Zoning Chapter is provided in Attachment 3.

### ***Purpose***

Develop commercial zoning standards (use regulations and physical development standards) that will successfully implement the accepted District Planning concepts for the Downtown Core and adjacent commercial areas.

### ***Objectives***

- Create a streamlined, user-friendly set of standards
- Clearly establish the types of permitted development and permit process
- Provide physical design standards to implement the General Plan, NDPs, and Main Street Project
- Provide adequate review to ensure development is compatible with and supportive of the Town’s vision
- Attract high-quality investment

## ***Key Concepts, Changes, and Additions***

### Use Regulations

*Concept: Encourage development of desired uses in desired locations.*

#### *Implementation Strategies:*

- Establish three commercial districts (Downtown, Old Mammoth Road, Mixed Lodging/Residential) and vision/purpose statements for each.
- Identify Designated Active Frontages (primary and secondary)
  - Require active ground-floor uses on Designated Retail Streets.
  - Allow less active uses to be above the ground floor or interior to the site.

*Concept: Create a clear, predictable, and streamlined path for development applications.*

#### *Implementation Strategies:*

- Establish permitted uses for each district and apply appropriate levels of review (Permitted “as of right,” Administrative Permit, Use Permit) to promote desired development. Lower permitting requirements for desired uses.
- Separate land use entitlement process from Design Review (“White box” approach”).

### Physical Development Standards

*Concept: Create design and development standards paired with feet-first transportation principles to achieve district character, site design, and architectural objectives.*

#### *Implementation Strategies:*

- Include requirements for streetwall height, build-to lines (minimum percentage of a building face to be located within a certain distance of the setback line), reduced setbacks, transparency, etc. to provide an appropriately scaled and pedestrian-oriented public realm that encourages activity (outdoor dining, plazas, arcades etc.)
- Require parking areas to be located to the side or rear of buildings and setback from the property line.
- Provide requirements for the articulation of building façades and roof modulation.
- Requirements for the provision public open space for large developments.

*Concept: Provide flexibility in building design and the ability to accommodate changing market conditions, while placing a hard limit on the overall size of a building.*

*Implementation Strategies:*

- Use Floor Area Ratio (FAR) to limit development intensity for lodging and other non-residential uses (commercial, office, etc.). FAR: ratio of the total floor area of buildings to the site area.
  - Continue to utilize density (units/acre) to regulate residential uses.
- Use height limitations and regulations to address mass and bulk of buildings and to maintain a pedestrian-scaled appearance:
  - Set maximum height limits as recommended by the PEDC and Town Council (55 feet in Downtown; 45 feet in Old Mammoth Road & Mixed Lodging/Residential)
  - Implement streetwall (building face), ground floor, and upper-floor height requirements.
  - Implement upper-floor setbacks that help preserve views and solar access, while avoiding a “wedding cake” building design.

***Community Benefits / Incentive Zoning***

General Plan Policy L.3.F. introduces the concept of ensuring that “*appropriate community benefits are provided through district planning and development projects,*” and establishes the following action items (L.3.F.1 - L.3.F.4.), intended to create a framework for granting discretionary incentives to development projects in exchange for community benefits/amenities:

1. Study the experiences of other communities in finding fair and equitable standards and formulas for gaining community benefits.
2. Develop formula-based methods and standards for community benefits applicable to projects of a certain size.
3. Develop and maintain a list of uses, facilities, infrastructure, programs and services for use as community benefits.
4. Develop size, space and program characteristics and criteria for uses and facilities deemed as community benefits.

Between 2008 and 2009, the above action items were further developed into a more detailed policy (CBIZ, Attachment 4) that established guidelines regarding the use of CBIZ, potential community benefits that could be provided, and the possible incentives that could be offered in exchange. Section C.1. of the CBIZ policy describes the following categories of incentives that may be granted:

1. Building envelope: setback, lot coverage, and clustering;

2. Financial incentives (such as rebate of fees); and
3. Height, square footage, and density.

As stated in the Section B.5 of the policy, CBIZ was originally intended to serve as a temporary “bridge” mechanism for evaluating project applications in which development incentives were requested, while the Town completed the NDP and ZCU work efforts:

*"This Community Benefits Incentive Zoning policy is intended as a "bridge" framework; to be applied to all pending project applications and plan documents until the Town has completed Community Planning documents and codified them. Once codified, the Town will have substantially established land use and development policies (including clearly specified limits on height and density) that implement the Town of Mammoth Lakes General Plan.*

The August 5, 2009 Agenda Bill to the Council states the following:

*It is important to note that completion of NDPs and the zoning code update will set the detailed development standards, policies, and expectations of the community and the Town Council. Completion of these efforts is essential to prepare for reinvestment in the community as the economy recovers from this recession. New development will be expected to meet these standards and policies (including CBIZ requirements) reducing the amount and scope of applicants that seek zoning code amendments. In other words, once land use, development standards, building envelope, and density/square footage requirements are set, projects will be expected to meet them."*

Since 2009, the Town has substantially completed district planning for the commercial zones and, through the adoption of the updated Commercial Zoning Chapter, will codify the recommendations of the district plans. It is intended that the new Code will set the appropriate standards and expectations for new development, reducing (or eliminating) requested zoning code amendments and associated “negotiation” processes with applicants. Therefore, it is expected that the CBIZ policy, as it relates to the request for zoning-related concessions, will no longer be necessary.

However; the PEDC and Town Council may wish to maintain the existing CBIZ, revise it to allow for discretionary granting of financial incentives only, or modify or rescind the policy if desired. Agenda Item #3 discusses the development of a “Business Incentive Policy,” which would explore business/development retention and attraction through financial incentives

and other policies/actions. Through this process, the CBIZ policy direction may be further evaluated.

### **OPTIONS ANALYSIS**

This is a workshop item, so no options are provided. However the PEDC and the Town Council should provide comments and direction to staff as necessary (discussion questions will be provided at the workshop).

### **VISION CONSIDERATIONS**

Completion of the ZCU provides changes to the zoning ordinance to ensure the provision of the very highest quality of life for our residents and the highest quality of experience for our visitors while realizing our vision of sustainability and continuity of our unique relationship with the natural environment.

### **STAFFING CONSIDERATIONS**

The Council and the PEDC have directed the completion of the Zoning Code Update as a top priority for the Community and Economic Development Department in the 2012-2013 Fiscal Year.

### **FINANCIAL CONSIDERATIONS**

The Town was awarded \$318,245 from the Strategic Growth Council Sustainable Communities Planning grant program in 2011. Approximately \$165,000 has been expended to date (staff and consultant costs).

### **ENVIRONMENTAL CONSIDERATIONS**

CEQA review is included in the scope of work for the Zoning Code Update.

### **LEGAL CONSIDERATIONS**

None.

### **RECOMMENDATION**

This is a workshop item, so no options are provided. However the PEDC and the Town Council should provide comments and direction to staff as necessary (discussion questions will be provided at the workshop).

Attachments:

- Attachment 1: Draft Commercial Zoning District Regulations and Supporting Standards and Information
- Attachment 2: Workshop PowerPoint
- Attachment 3: Proposed Changes to Existing Standards – Commercial Districts (Table)
- Attachment 4: Community-Benefits Incentive Zoning Policy