

MINUTES OF THE TOWN OF WAYNESVILLE TOWN COUNCIL
Special Called Meeting-Joint meeting with Town Council and Planning Board
April 28, 2023

THE WAYNESVILLE TOWN COUNCIL held a special called meeting on Friday, April 28, 2023, at 11:30am, in the Public Works Training Room located at 129 Legion Drive, Waynesville, NC.

1. CALL TO ORDER

Mayor Gary Caldwell called the meeting to order at 11:40 am with the following members present:

- Mayor Gary Caldwell
- Councilmember Julia Freeman
- Councilmember Chuck Dickson
- Councilmember Jon Feichter
- Councilmember Anthony Sutton
- Susan Teas Smith (Chairman)
- Ginger Hain (Vice Chairman)
- John Baus
- Stuart Bass
- Peggy Hannah
- Jan Grossman
- Barbara Thomas
- Tommy Thomas

The following members were absent:

- Michael Blackburn

The following staff members were present:

- Rob Hites, Town Manager
- Jesse Fowler, Assistant Town Manager
- Candace Poolton, Town Clerk
- Elizabeth Teague, Planning Director
- Olga Grooman, Land Use Administrator
- Byron Hickox, Land Use Administrator
- Ron Sneed, Planning Board Attorney
- Martha Bradley, Town Attorney

Members of the media:

- Becky Johnson, The Mountaineer

Others present:

- Jake Petrosky, Stuart Engineering

2. WELCOME/INTRODUCTIONS

Mayor Gary Caldwell and Director of Development, Elizabeth Teague, welcomed everyone, and thanked the Planning Board for their time and dedication.

3. PRESENTATION

- Director of Development, Elizabeth Teague, and Jake Petrosky of Stuart Engineering

-Comprehensive Plan Overview:

Elizabeth Teague, Director of Development, reported that between 2018 and 2020, the Development staff developed a comprehensive plan. It was adopted in 2020. The current plan is based on the previous 2020 Comprehensive Plan. Ms. Teague stated that a Comprehensive Land Use Plan is legally required in North Carolina. She added that a Board appointed Steering Committee worked on the Comprehensive Plan, along with nine months of public involvement (survey, workshops, focus groups, and public hearings). Ms. Teague said that what was most discussed when developing the Plan were jobs, housing, affordability, environmental protection, infill and redevelopment, and maintaining Town character. Survey data showed that the most pressing issues facing Waynesville were growth management, redevelopment, affordable housing, and agricultural land. She said that housing seemed to underpin every discussion. When developing the new plan, Smart Growth Principles were carried over from the 2020 Plan. Ms. Teague defined smart growth as an approach to development that encourages a mix of building types and uses in walkable centers and prioritizes infill over urban sprawl to avoid negative impacts on natural systems.

-Trends / Recent Developments:

Ms. Teague reviewed 2020 census data:

Waynesville was below the national and state average for growth.

Median Household Income in 2020 was \$40,911, average home price was \$301,606.

Prices for homes increased, inventory has gone down, but the desire to move to Waynesville has continued to increase.

Interest rates decreased significantly in 2021, so the Town saw a huge influx in applications. Ms. Teague highlighted some of the projects that were approved:

2021:

1. 84-unit multi-family development site plan off Howell Mill Rd. (RC-NR)
2. Corporate manufacturing expansion, conditional district amendment at 75 Giles Place (CI)
3. 60-unit multi-family development conditional district at 104 Locust Drive (PC-NR)
4. 8-unit cottage development conditional district/ demo of hotel at Waynesville Country Club (CC-RL)
5. 115 single family homes major subdivision off Sunnyside Road-at Queen's Farm (RC-NR)
6. 14-unit townhome development at Richland and Church Street (MS-NR)
7. 150-unit multi-family development SUP at 1426 Howell Mill Road (HM-UR)

2022:

1. 60-unit multi-family development off Preservation Way (WS-NR)
2. 59-unit townhome units at Allison Acres (EW-UR)
3. Shining Rock Classical Academy 3-story building expansion and 2 additional parking lots D-RM

Planning Board Vice Chair Ginger Hain asked if only new residents moved into the new housing recently built, what would the estimated increase in population be? Ms. Teague responded that the Town may see an increase in population of about 1500 new residents. To review, Ms. Teague reminded the Council and Board that the Comprehensive Land Use Plan is the Town's aspirational goals, guidelines for looking to the future, and how and where the Town should grow and develop. Land Development Standards (often referred to as the Zoning Ordinance) are the development regulations for a builder's application.

Ms. Teague reviewed some goals to be considered at this meeting:

Goal 1: Continue to promote smart growth principles in land use planning and zoning.

Goal 2: Create a range of housing opportunities and choices.

Goal 3: Protect and enhance Waynesville's natural resources.

As these goals were analyzed, Ms. Teague said they should keep the following in mind:

- Protect steep slopes, mountains, and floodplain;
- Limit extent of water and sewer service; (Urban Services Boundary)
- Designate growth areas near existing infrastructure (railroad corridor, major roadways, redevelopment of existing sites, residential infill);
- Update and clarify Land Development Standards
- Housing development within allowable zoning

Ms. Teague wanted to clarify a misconception that when the Town adopted the Comprehensive Plan, no ones' property was re-zoned, zoning stayed the same unless individual applicants came in and applied for re-zoning.

-Zoning Framework and Recent UDO Changes:

Ms. Teague reviewed the regulatory changes that occurred since the Comprehensive Plan Adoption:

- Land Development Standards updated for 160D compliance
- Lowered TIA requirement
- Added buffer requirements for major subdivisions
- Updated roadway and driveway standards
- Updated stormwater requirements (more coming soon)
- Cottage and Conservation options introduced
- Civic space requirements increased
- Required neighborhood meetings

Ms. Teague said that one of the recommendations of the Comprehensive Plan was to look at the Railroad Corridor and see what the barriers were to those property owners along the corridor (a work group is currently working on that). She also said they are looking at short term rentals and discrepancies in the Future Land Use Map and the current zoning.

-Future Land Use Recommendations:

Jake Petrosky with Stuart Engineering reported that the Future Land Use Map looks 10-20 years into the future, shows how we want to grow as a Town, and accommodates existing zoning. The goal is to encourage infill and re-development of the right areas. He said that growth should occur in the Downtown Core

(Downtown, Frog Level, and Hazelwood). He added that the plan also included a Residential Conservation Area (lower density) where steep slopes, floodplains, and other areas are kept safe from any negative impacts.

-Future Land Use / Zoning Comparison:

Mr. Petrosky first reviewed the Density Recommendations according to the Future Land Use Map:

- The Residential Conservation area is a low-density residential development that is clustered or of a conservation design. The DUA (Dwelling Units per Acre) are not specified in the adopted plan, but the initial draft of the plan recommended less than 2 units an acre.
- The Residential Low to Medium Density areas provide single family uses with a 3-4 DUA allowed, with occasional small-scale attached housing.
- The Residential Medium to High Density areas are located on lands suitable for higher density residential developments that are readily accessible and where utilities are available. The DUA allowed are 5-10 units.

Mr. Petrosky reviewed the density regulations allowed by the zoning framework:

- RL district (lowest density category) allows for 6 units/acre (12 with a Special-Use Permit); the minimum lot size must be .5 acre, which allows for multi-family units.
- RM 8 units/acre (12 w/SUP); min .25 acre
- NR 10 units/acre (16 w/SUP); min .16 acre
- UR 16 units/acre (24 w/SUP); min .16 acre
- No density maximums or min acreage in Commercial or Industrial areas
- Multi-family allowed, except for RL (only townhomes allowed), HM-RM, SS-NR,
- Civic / Recreation Space requirements have been increased
- Cluster / Conservation Option (allows flexibility in standards for the preservation of open space).
- LDS Approval process and regulations

Councilmember Feichter asked how those numbers and figures were created. Ms. Teague said that the Land Development Standards were based on existing zoning ordinances. Byron Hickox, Land Use Administrator, said that they were transferred over from the LDS that dated back from 2004.

Mr. Petrosky then compared the Future Land Use Map and Zoning. He said there are some differences between allowable density in the existing zoning, and Comprehensive Land Use Plan recommendations in parts of Raccoon Creek, Allen's Creek, and Chestnut Park. For example, Neighborhood Residential Zoning allows 10-16 units/acre, Residential Low-density Zoning allows 6 units/acre, but the Comprehensive Plan Future Land Use Map recommends residential conservation of low to medium (3-4 units/acre), and Chestnut Park (RM) extends past the Urban Services Boundary.

Mr. Petrosky overviewed what the goals were for Residential Conservation Areas. He said that those areas are encouraged to have conservation design in areas with steep slopes, high quality wildlife habitat, views and vistas (i.e. upper parts of Eagles Nest, Allens Creek Area (west of Allens Creek)). Residential Conservation Areas should more accurately reflect development constraints (i.e., steep slopes) and areas where clustering new development could help preserve natural assets. He added that many areas that are classified as Low to Medium or Medium to High Density in zoning, the actual density should be lower when looking at Residential Conservation Areas. Mr. Petrosky said that according to LU-3, page 30 of the Comprehensive Plan,

Conservation design should reduce cut and fill slopes, follow the natural contours of the land, apply low-impact stormwater design, and preserve open space or sensitive habitats. He said that it also states that an update to the Land Development Standards allows for flexibility in density, setbacks, and unit types to preserve views and agricultural lands on the edges of town. This should allow new development to meet current low-density designations while creating open space by clustering structures.

Mr. Petrosky presented the following potential options to the Planning Board and Town Council regarding density, building type, and cluster standards:

1. Do Nothing
2. Density Changes: Lower allowable density to existing districts (NR and/or RL)
3. New District: Create and apply to Low-Med Density areas on FLU map, max density of 2-4 dwelling units per acre (DUA). The new district could incorporate site design standards or incentives.
4. Multi-family Allowances: Could be allowed only with conservation design in NR/RL Districts.
5. Civic/Open Space requirements: Increase open space requirements in NR and RL. Could adjust the balance between passive open space and active recreation space, less active space could be required in more undeveloped areas, and make areas with less than 2 DUA exempt from civic space requirements.
6. Cluster Standards: Adjust the existing structure or require cluster standards in certain areas, or increase incentives (i.e., MF).

Planning Board Chair Susan Teas Smith said that something that needs to be discussed is that with proposed changes, does zoning make things potentially unattractive to a developer, and is the Town addressing housing needs for the younger generation?

Town Attorney Martha Bradley reminded everyone that by limiting units per acre, that could be depriving owners of the property of economic and real property right. She said that while the thought process may be about protecting the Town from overdevelopment, low zoning could be violating a constitutional right by restricting owner's use of their property. Planning Board Vice Chair Ginger Hain said that low density incentives offer property owners something in return. Planning Board Member John Baus said that high densities are appropriate for some areas, but not all, so he wants a formula that looks at the area and sets the density appropriately.

4. DISCUSSION

Planning Board Member Jan Grossman said that residents say that it's too much development, but when looking at the numbers, they say that Waynesville is developing at a much lower rate. He asked if that means the density numbers are perhaps too high. He suggested that the Town lowers the density numbers and keep the SUP numbers the same. Town Attorney Martha Bradley said that by-right density could be capped, but overall density could be the same, and the upper end would be special use permit-which are quasi-judicial proceedings. She said that quasi-judicial meetings are complicated and would create a huge burden on staff, as well as increase litigation risks for the Town (which has been seen with the City of Asheville). Ms. Bradley said that zoning standards should be clear and uniform so there is little discretion/ambiguity. She added that Waynesville wants to be a small business community.

Planning Board Vice Chair Ginger Hain asked the Council if they would appoint a working committee, that would include some Councilmembers, to nail down specifics regarding today's objectives. Councilmember

Anthony Sutton and Councilmember Jon Feichter volunteered to sit on the work group. Planning Board Chair Smith and Planning Board Vice Chair Hain also volunteered to serve on work group.

Councilmember Chuck Dickson said he liked the idea of multifamily dwellings with conservation design, cluster dwellings, and open space. He said that there are a small group of people that have moved to the area and want to close the door behind them. He said that to not raise taxes and for the Town to provide decent services, the Town has to grow, therefore he supports smart growth. Councilmember Dickson said heights of structures are a concern in the community. He also said that more development should be allowed in low density areas-meaning increasing the number of houses allowed per acre. He added that he does not want gated communities because the Town should feel inclusive.

Planning Board Chair Susan Teas Smith mentioned that a lot of the lower density areas are under HOAs.

Planning Board Member Baus recommended that the Town looks into additional parking and other infrastructure. He said parking and traffic is becoming a problem downtown. Mayor Gary Caldwell said they are working on securing a parking lot by Church Street.

Land Use Administrator Byron Hickox mentioned that when there are 1500 units being built, it does not necessarily mean new residents are moving into this area, it could be residents moving from one location to another.

Planning Board Vice Chair Hain said that North Carolina could see an influx of residents who are fleeing worsening climates out west.

Councilmember Feichter requested information on where the numbers are derived (regarding zoning densities). He added that a formula based on data would be helpful.

Councilmember Sutton reminded Council and Board that people may have made land purchases based on rights that they were counting on 25 years ago, so any changes need to be very thoughtful.

Planning Board Member Peggy Hannah reminded the Board and Council to take the current residents into consideration with every decision made. Councilmember Sutton said that Board and Councilmembers are residents of Waynesville too, so every decision is heartfelt and thoughtful to the residents. Ms. Bradley said neighborhood meetings are vital.

Councilmember Dickson asked if there is a way to encourage affordable housing through the zoning process? Mr. Petrosky said yes and Councilmember Feichter suggested charging an affordable housing fee to developers, then that fee attached to those permits could go into an affordable housing fund.

Councilmember Dickson said the Town used to encourage development, but now he feels that the Town doesn't need to do that anymore and should be more discerning. Ms. Teague said that zoning is one tool we have, as well as where the Town runs its utilities (Growth Boundary). Councilmember Feichter asked if there are policies in place to provide guidance in accepting annexations. Ms. Teague said not at this time, but as of now, all annexations have been properties that were in the ETJ. She said that if the property is in the Urban Services Boundary, they could be annexed if they apply to be. Town Manager Rob Hites said the Town does

not offer incentives for water or sewer unless it meets the Economic Incentive policy or Affordable Housing policy. He clarified that the Town does not subsidize anything.

Councilmember Feichter asked Mr. Petrosky if he knew how much developable land is in Waynesville, and Mr. Petrosky said the work group could work on finding out.

5. PUBLIC COMMENT

There was no public comment.

6. NEXT STEPS

Throughout the meeting, Ms. Teague recorded several areas the Planning Board would like to discuss:

1. Building Height
2. Downtown Parking
3. Analysis of density numbers used in zoning ordinance and where they came from. We can:
 - Compare with other Towns our size
 - Research when were they incorporated into the ordinance (2004, 2011) and reasons
4. Where and how can we “maneuver” within density guidelines?
 - lower base density but keep SUP max the same, pushing to a quasi-judicial proceeding?
 - Rezone or split off portions of NR and RL – where is existing density working? Where is it too much or too little?
 - create a conservation overlay district that keeps existing density but requires conservation design?
 - create a new zoning district appropriate to the RC and AC areas?
5. How do we keep affordable housing in the zoning process? Incentives? Requirements (Inclusionary zoning)? Housing trust fund?
6. Policy regarding extension of water and sewer infrastructure
7. Run analysis of available land and growth potential areas – update data from Comp Plan

7. OTHER BUSINESS

There was no other business.

8. ADJOURN

Mayor Gary Caldwell adjourned the meeting at 2:04pm.

ATTEST:

Gary Caldwell, Mayor

Robert W. Hites, Jr. Town Manager

Candace Poolton, Town Clerk