

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: J.B. Culpepper, Planning Director
Gene Poveromo, Development Manager
Phil Mason, Principal Planner

SUBJECT: Public Hearing: Land Use Management Ordinance Text Amendments – Medical Office, Office-Type Business, and Clinic Definitions

DATE: January 20, 2010

INTRODUCTION

Tonight's public hearing has been called to consider proposed Land Use Management Ordinance (LUMO) text amendments that would adjust the definitions in the LUMO and add a new Medical Office category. The proposed amendments would adjust two land use definitions in the LUMO: office-type business, and clinic. We recommend that the Council open the public hearing and receive comment regarding the proposed Land Use Management Ordinance text amendments.

BACKGROUND

On [October 12, 2009](#) the Council received a memorandum from the Town Manager that recommended consideration of a text amendment to respond to an increased real estate demand for medical office floor area. In response, the Council directed the staff to initiate a Land Use Management Ordinance text amendment to add medical office as a land use category in the ordinance.

CURRENT LAND USE MANAGEMENT ORDINANCE

Appendix A of the Land Use Management Ordinance (LUMO) defines Office-type Business, and Clinic as indicated below:

“Business, Office-type: Quasi-commercial uses that generally accommodate occupations such as administrative, executive, legal, accounting, writing, clerical, stenographic, and drafting occupations, and including offices of charitable, philanthropic, religious, or educational nature.”

“Clinic: An establishment used for the care, diagnosis, therapy, or counseling of sick, ailing, inform, or injured persons or non-medical therapy and counseling on an out-patient basis.”

The definition of “business, office-type” does not reference medical office or clinic uses.

DISCUSSION

The intent of the proposed Land Use Management Ordinance text amendments is to allow medical office use within office developments. Current LUMO regulations do not allow medical office use in many office developments unless clinic use has been explicitly authorized in the development’s Special Use Permit. The addition of medical office as a land use definition would allow medical offices in approved office developments. We believe that adding medical office to the office type development definition would: 1) respond to the current increased market demand for medical office floor area; 2) decrease the office floor area vacancy rate; and 3) would not significantly increase trip generation rates.

Trip Generation Rates: In order to differentiate medical office and clinic uses, we believe it is important to consider Trip Generation Rates as recognized by the Institute of Transportation Engineers (ITE), and the relative size of the uses, as determined by floor area. We believe that medical office use of 10,000 square feet, or less, would generate vehicle trip numbers comparable to general office type uses.

The Institute of Transportation Engineers (ITE) Trip Generation Rates show that per 1,000 square feet of floor area, the following average trip generation rates apply to determine the traffic impact of different uses:

- General Office-Type: 1.49 trips/peak pm weekday hour
- Medical Office: 3.46 trips/peak pm weekday hour
- Clinic: 5.18 trips/peak pm weekday hour

We think allowing medical office use in developments that authorize general office type uses would be reasonable. We think the potential traffic impacts associated with this use would be mitigated by limiting the medical office floor area to 10,000 square feet per building. We therefore recommend that the Land Use Management Ordinance be amended to introduce a new use, medical office, with a limit on floor area per building.

In order to help distinguish the traffic impacts of medical office use from clinic use, we also recommend amending the clinic definition to differentiate it from medical office use.

PROPOSED LAND USE MANAGEMENT ORDINANCE TEXT AMENDMENTS

The proposed text amendments would introduce a new term, “medical office” while amending two definitions, “business, office-type,” and “clinic,” in Appendix A of the Land Use Management Ordinance (LUMO), as follows:

“Medical Office: Facilities that provide diagnoses and outpatient care on a routine basis but are unable to provide prolonged in-house medical and surgical care and occupy 10,000 square feet of floor area, or less, per building.”

“Business, Office-type: Quasi-commercial uses that generally accommodate occupations such as administrative, executive, legal, accounting, **design, communications, medical office, writing, clerical, stenographic, and drafting occupations,** and including institutional offices of a charitable, philanthropic, religious, or educational nature.”

“Clinic: An establishment used for the care, diagnosis, therapy, or counseling of sick, ailing, inform, or injured persons or non-medical therapy and counseling on an out-patient basis, **as distinct from a medical office, as defined in Appendix A of the Land Use Management Ordinance.**”

We also recommend updating the terminology for office-type business to more broadly represent “writing, clerical, stenographic, and drafting occupations,” as noted above.

ZONING AMENDMENTS

Article 4.4 of the Land Use Management Ordinance establishes the intent of Zoning Amendments (including both atlas and text amendments to the Ordinance) by stating that, “In order to establish and maintain sound, stable, and desirable development within the planning jurisdiction of the Town it is intended that this chapter shall not be amended except:

- a) to correct a manifest error in the chapter; or
- b) because of changed or changing conditions in a particular area or in the jurisdiction generally; or
- c) to achieve the purposes of the Comprehensive Plan.

Article 4.4 further indicates:

It is further intended that, if amended, this chapter be amended only as reasonably necessary to the promotion of the public health, safety, or general welfare, and in conformance with the Comprehensive Plan.

A) An amendment to the Land Use Management Ordinance (text amendment) is necessary to correct a manifest error in the chapter.

Staff Comment: We believe the information in the record to date can be summarized as follows:

Argument in Support: We believe that a manifest error in the Land Use Management Ordinance unnecessarily constrained the variety of medical office uses by not distinguishing these types of uses.

Argument in Opposition: To date no arguments in opposition have been submitted.

B) An amendment to the Land Use Management Ordinance (text amendment) is necessary because of changed or changing conditions in a particular area or in the jurisdiction generally.

Staff Comment: We believe the information in the record thus far can be summarized as follows:

Argument in Support: We are unable to identify any arguments in support of changed conditions.

Argument in Opposition: To date no arguments in opposition have been submitted.

C) An amendment to the Land Use Management Ordinance (text amendment) is justified to achieve the purposes of the Comprehensive Plan.

Staff Comment: We believe the information in the record thus far can be summarized as follows:

Argument in Support: We believe that the proposed text amendments can be justified to achieve the purposes of the following goals and objectives from the Comprehensive Plan and Town Economic Development Strategy:

- ***Encourage desirable forms of non-residential development.*** Maintaining a mix of private, non-residential uses (e.g., office, retail, and service establishments) is important to the future health and economic vitality of the community. In addition to augmenting the tax base, appropriate forms of non-residential development can help achieve such objectives as making it easier for people to live and work in Chapel Hill, increasing local shopping opportunities, and supporting mixed-use development forms.
- ***Economic Diversity:*** Promote diversification of the Town’s economy and employment opportunities for residents, consistent with supporting a high quality of life.
- Develop and maintain commercial uses that are compatible with the character and scale of Chapel Hill.
- Grow the non-residential tax base consistent with the principles of the Town’s Comprehensive Plan.
 - a) Analyze the retail market to identify opportunities and capacity
 - b) Involve stakeholders in identifying locations and objectives for non-residential development
 - c) Continue to seek new opportunities for downtown redevelopment

Argument in Opposition: To date no arguments in opposition have been submitted.

RECOMMENDATIONS

Planning Board Recommendation: The Board voted 6-0 to recommend enactment of the Land Use Management Ordinance text amendment with the following suggested revision (underlined in bold type):

“*Clinic:* An establishment used for the care, diagnosis, therapy, or counseling of sick, ailing, inform, or injured persons or non-medical therapy and counseling on an

out-patient basis, **not including as distinct from a medical office, as defined in Appendix A of the Land Use Management Ordinance.**

Comment: We concur with the Planning Board’s recommendation and have included it in our preliminary recommended Draft Ordinance. We have made further amendments, as indicated below, to remove a recommended reference to the ITE manual. We recommend addressing traffic concerns with a reference to the allowable size of the business.

Staff Preliminary Recommendation: The following text has been amended in the Draft Ordinance, following Advisory Board review, as indicated by bold text.

“Medical Office: Facilities that provide diagnoses and outpatient care on a routine basis but are unable to provide prolonged in-house medical and surgical care and occupy 10,000 square feet of floor area, or less, per building.”

“Business, Office-type: Quasi-commercial uses that generally accommodate occupations such as administrative, executive, legal, accounting, **design, communications, medical office, writing, clerical, stenographic, and drafting occupations,** and including institutional offices of a charitable, philanthropic, religious, or educational nature.”

We recommend that the Council open the public hearing to receive comment on the proposal to enact the Ordinance to amend the Land Use Management Ordinance to include a new definition, “medical office” as well as amendments to office-type business and clinic in Appendix A of the Land Use Management Ordinance.

ATTACHMENTS

1. Draft Ordinance (p. 6).
2. Planning Board Summary of Action (p. 7).