

GENERAL INFORMATION

Applicant: City of Bloomington

Request: Discuss Update of Industrial Zoning Districts and Standards

At the study meeting, staff will solicit feedback on guiding principles for the industrial update, a new and revised use matrix, draft standards pertaining to exterior storage and self-storage, and live/work uses within industrial districts.

CHRONOLOGY

Planning Commission Study Session:	09/15/16
City Council Study Session:	10/03/16
Planning Commission Study Session:	05/17/18

BACKGROUND

As part of a multi-year project, the City is comprehensively updating the Bloomington Zoning Code. Many of the existing zoning districts were drafted in the 1950s, updated in the 1970s and do not fully support City goals and objectives.

Staff previously met with the Planning Commission and City Council to review existing industrial districts, factors contributing to industrial obsolescence, draft zoning strategies, and exterior storage performance standards.

Following feedback from the 2016 meetings:

- An industrial use matrix was created taking into account input received on desired and undesired uses within industrial areas;
- Existing and needed standards were reviewed and drafted (for example, standards that relate to floor area ratio and structure setback);
- Exterior storage areas were mapped and more restrictive standards drafted;
- Updates were made to the zoning strategies map as requested;
- Further research into industrial standards in peer cities was conducted; and
- Staff met with brokers to receive feedback on standards and new uses.

Meeting minutes from the 5/17/18 Planning Commission study session are provided as an attachment.

OVERVIEW

Staff developed a set of guiding principles that highlight the goals of this update, and provide a decision-making framework:

1. **Preserve the Industrial Base in the City**

Bloomington prides itself on its strong land use balance. All land use types are well represented. The Comprehensive Plan sets forward preservation of land use balance as a goal. Land use balance serves the City well by providing varying employment opportunities for residents. It also creates economic and tax base diversity that can help weather downturns in any one sector. Age old wisdom instructs us “not to place all our eggs in one basket”.

As the sector with the lowest land values, the industrial land use sector is the most vulnerable to erosion. Throughout the region, industrial uses are under pressure to transition to quasi-commercial uses. This change dilutes the already struggling retail sector and erodes the remaining traditional industrial uses in the City.

Some uses, such as exterior storage lots and self-storage buildings, are increasingly popular, but offer inefficient uses of land in terms of employment, wages, product, and service to the community. Compared to Bloomington, many neighboring cities strictly limit these uses resulting in a disproportionate number of exterior storage lots and self-storage structures that end up in Bloomington, but have a service area well beyond Bloomington residents.

With its location in the regional market, the City of Bloomington offers prime areas for industrial development that supports significant employment. These opportunities are worthy of protection. The update includes a zoning strategies map to be included in the Comprehensive Plan that labels protected industrial areas, transitional industrial areas, and industrial areas to proactively rezone.

2. **Limit Erosion of the City’s Commercial Nodes**

With the rise of big box retail in the past and the rise of internet based retail in the present, Bloomington’s commercial nodes have been under strong recent pressure. In many cases, commercial rents are too low to justify upgrades and modernization that residents call for. Retail and commercial service users seeking to minimize rent levels often desire to relocate to lower rent industrial areas. In addition to preserving the City’s industrial base, limiting retail and commercial service uses in industrial areas helps to maintain demand and limit vacancy in commercial nodes.

3. **Address new and evolving uses**

Land uses are constantly evolving. New uses are materializing that can assist in revitalizing Bloomington’s older industrial buildings. Code amendments will propose adding new and evolving uses such as artisan/maker spaces, business incubators, breweries and taprooms, and live/work uses.

4. Improve user experience of the code

With all zoning ordinance updates, the City seeks to make the language easy to understand and navigate while minimizing interpretation ambiguities. The remaining industrial districts and standards will be moved from Chapter 19 to Chapter 21 in the Code. To easily find and interpret uses, a use matrix has been created similar to the matrices found in the residential and commercial code sections. Staff proposes to fully remove the FD-1 district by rezoning parcels that are currently FD-1 to commercial districts or to FD-2. Several new definitions are proposed so all uses within the matrix have a definition. Other definitions and performance standards are being updated and inconsistencies are being corrected.

INDUSTRIAL CODE UPDATE

The industrial zoning code update includes:

- Review of uses and standards within the existing industrial districts
- Consolidation of Freeway Development Districts
- Research and creation of industrial live/work standards
- Rezoning of properties as outlined on the zoning strategy map
- Creation of an industrial use matrix
- Update and creation of use definitions
- Creation of industrial district development intensity and structure placement standards
- Review and update of the following performance standards:
 - Exterior storage
 - Self-storage
 - Refuse, solid waste, and recyclable materials handling and storage facilities
 - Screening of roof-mounted equipment
 - Solid waste transfer stations, solid waste weigh stations, household hazardous waste and permanent recycling collection facilities, and temporary recycling events
 - Self-storage facilities
- Creation of new performance standards for:
 - Junk car disposal businesses
 - Day care facilities
 - Breweries, brewpubs, distilleries, taprooms, cocktail rooms, wineries
 - Live/work
 - Retail and showrooms

ITEMS FOR REVIEW

At the study meeting, staff will provide updates and would like feedback on the following items from the above list.

- Project guiding principles
- Industrial use matrix
 - Review borderline industrial uses (permitted/not permitted)

- Industrial zoning strategies map
- Self-storage standards
- Exterior storage standards
- Work/live standards

OUTREACH

Staff organized a focus group meeting with industrial brokers and received feedback on industrial trends, market demands, and regulatory hurdles in the existing Code.

During the focus group meeting, staff learned there is interest in a live/work component within industrial areas, especially in smaller buildings. One broker expressed that this might entail 1/3 area living space and 2/3 area working space. This use is not common throughout in the region, and Bloomington could provide a unique role in supplying the live/work niche market. Standards would be needed to ensure units are live/work and not traditional rental units.

Staff proposes additional focus group meetings with representation from industrial property owners, the Chamber of Commerce, and NAIOP (Commercial Real Estate Development Association) to discuss and provide feedback on the industrial zoning update.

Staff also plans an informational meeting for all industrial owners prior to the public hearings

QUESTIONS

- Thoughts on the draft use table & permitted/not permitted uses
 - Are there any changes you have concerns about?
 - Are any uses missing, or should any of the following uses be revised in the table?
 - Place of assembly
 - Health club & Sports Training Facilities
 - Indoor agriculture
 - Breweries & taprooms
 - Showrooms
- Preservation/Rezoning strategies
 - Do you see the need for changes to this map?
- Self-Storage
 - Is this a desired use?
 - To what extent should we limit?
 - Min FAR 1.25?
- Exterior Storage
 - Should we continue to permit this as a standalone use in the City?
 - To what extent should we limit?
 - No greater than 50-100% of site building coverage?

- Work/Live
 - Should this use be supported?

Requested Action

Provide input on the industrial zoning update.

Attachments

Draft Use Matrix
Draft Development Standards
Draft Zoning Strategies Map
Draft Exterior Storage Standards
Draft Self-Storage Standards
5/17/2018 Planning Commission study session minutes