

# **STAFF REPORT**

PC Meeting Date:	June 2, 2021
Agenda Title:	Zoning Text Amendment #DPA2017-00018, Distribution and Fulfillment Centers
District Impact:	County Wide
Requested Action:	Recommend Approval of Zoning Text Amendment #DPA2017-00018, Distribution and Fulfillment Centers
Department:	Planning
Case Planner:	Alex Stanley

#### **EXECUTIVE SUMMARY**

This is a request to create new definitions related to distribution and fulfillments uses, establish design standards, and create a new overlay district to promote areas of the County that can best handle the impacts related to these new uses. The new uses (distribution and fulfillments centers and neighborhood retail and fulfillment centers) are part of an emerging and evolving industry that are included as a targeted industry in the adopted Target Industry Plan under advanced logistics. These changes will support the goals of the County's Zoning Ordinance, Comprehensive Plan, and Strategic Plan.

It is the recommendation of staff that the Planning Commission recommends approval of Zoning Text Amendment #DPA2017-00018, Distribution and Fulfillment Centers.

#### BACKGROUND

- A. <u>Purpose of the Zoning Ordinance</u> Section 15.2-2283 of the Code of Virginia states that zoning ordinances shall be for the general purpose of promoting the health, safety, or general welfare of the public.
- B. <u>Current Zoning Ordinance Language</u> Part 100 of the Prince William County Zoning Ordinance does not currently include a definition or use type for distribution and fulfillment centers. The zoning ordinance has an existing definition, *package, telecommunication, and courier services*, that partially covers the proposed neighborhood retail and fulfillment uses but does not address all of the components intended as part of this proposal.

Advanced logistics is a Targeted Sector in the County's Strategic Economic Development Plan. Changes in the sector have given rise to distribution and fulfillment centers and neighborhood retail and fulfillment centers to meet consumer demand for same day or one day delivery service.

C. <u>Current Language Impacts</u> – Absent a definition of distribution and fulfillment centers and zoning district siting regulations for them, proposals for these types of facilities are reviewed on a case-by-case basis and are then classified as warehousing or truck terminal and are subject to the guiding regulations for those uses.

Package telecommunication and courier services accounts for some existing uses in the County but the proposed amendment provides additional flexibility for this emerging industry.

D. <u>Proposed Remedy</u> – The proposed text adds a definition for distribution and fulfillment center; adds performance standards for distribution and fulfillment centers that exceed 150,000 square feet, creates the E-Commerce Overlay District, adds distribution and fulfillment centers as a permitted use in the M-1, M-2, M/T, PBD, and PMD zoning districts up to 80,000 square feet outside of the overlay district, and allows for increased maximum square footage inside of the overlay district.

The proposed text replaces the package telecommunication and courier services with neighborhood retail and fulfillment center; adds performance standards; and limits the size of by-right facilities, while keeping this use by-right in all zoning districts that currently allow package telecommunication and courier services.

- E. <u>Zoning Text Amendment Initiated</u> On March 21, 2017, the Board of County Supervisors (BOCS) initiated a zoning text amendment to address Chapter 32, the Prince William County Zoning Ordinance, to create a use type and definition for distribution and fulfillment centers and include the distribution and fulfillment center use type in zoning districts, as appropriate.
- F. <u>Previous Planning Effort</u> In 2018, the Planning Office took this zoning text amendment to Development Ordinance Review Advisory Committee (DORAC), held a public meeting, a

Planning Commission work session, and a Planning Commission public hearing. At that time, the Planning Commission recommended approval. Staff received additional feedback from industry as well as the public and determined that additional work would be necessary prior to a public hearing with the Board of County Supervisors.

- G. <u>Development Ordinance Review Advisory Committee (DORAC)</u> DORAC reviewed the proposed Zoning Text Amendment on December 11, 2020. DORAC committee members had serval concerns with the draft proposal including impacts on existing facilities, over restriction and regulation, and general clarity of the proposed changes. Staff's revision has addressed the majority of the concerns raised during the December 11 meeting and brought the revised proposal back to DORAC on April 30, 2021. No additional comments were made.
- H. <u>Public Information Meeting</u> The Planning Office held a public information meeting on December 10, 2020. The meeting had eight attendees. The primary comments received during this meeting related to the overlay boundary rather than the proposed text. Suggestions were evaluated and incorporated where possible.
- Planning Commission Work Session The proposed Zoning Text Amendment was presented to the Planning Commission for discussion during work sessions on February 17, 2021 and April 21, 2021. During the work session in April staff presented two alternatives for this ZTA. The Planning Commission expressed interest in Alternative 2. The proposed text is a refined version of Alternative 2.

#### STAFF RECOMMENDATION

The Planning Office recommends approval of Zoning Text Amendment #DPA2017-00018, Distribution and Fulfillment Centers, for the following reasons:

- The proposed text establishes uses and regulations to account for new and emerging industries related to Advanced Logistics.
- The nature of the retail shopping industry has drastically changed in recent years, with a substantial increase in online shopping and demand for direct shipment to end users.
- Differentiating the uses by definition and allowable zoning districts will provide clarity to staff and industry/applicants.
- These changes will support the goals of the County's Zoning Ordinance, Comprehensive Plan, and Strategic Plan.

#### Community Input

As required by § 15.2-2204, Code of Virginia, notice of the Zoning Text Amendment has been advertised and the proposed amendment has been published on the Prince William County government web site and has been available in the Planning Office. Community input over the life of this Zoning Text Amendment has be generally positive and constructive. Comments received were

generally related to the overlay boundary, design guidelines, and size limitations. Staff also received comments related to allowing industrial use near or in retail and office developments. Staff believes those concerns were adequately addressed in the proposed Zoning Text Amendment.

#### Legal Issues

Legal issues are appropriately addressed by the County Attorney's Office.

#### **Timing**

The Planning Commission has until August 31, 2021, 90 days from the first public hearing, to take action on this proposal. A recommendation to adopt the Zoning Text Amendment would meet the 90-day requirement.

#### **STAFF CONTACT INFORMATION**

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#### ATTACHMENTS

Proposed Language Overlay District Map BOCS Initiating Resolution

#### **PART 100. – DEFINITIONS**

Distribution and fulfillment center shall mean a facility where goods or products are stored onsite temporarily, for the purpose of delivery to a neighborhood retail and fulfillment center or residential property. Such facilities may include automated systems, office space, and a pick and pack area to be used by employees for sorting and packaging goods and products for delivery from available, on-site inventory. Distribution and fulfillment center may include Warehousing and shall not be defined as Retail uses with an accessory delivery component.

Neighborhood retail and fulfillment center shall mean a facility which contains both a retail and a fulfillment component. Both components must be operated by the same user. Neighborhood retail and fulfillment centers may include the dispatching, coordination, preparation, routing of package pick-up and delivery, and parking of vehicles associated with the delivery of goods. Neighborhood retail and fulfillment is not defined as Warehousing, Distribution and fulfillment center, or Retail uses with an accessory delivery component.

*Package, telecommunications, and courier service* shall mean retail service facility for the dispatching, coordination, preparation and routing of package pick-up and delivery (items weighing under 100 pounds), or telephone message system.

*Truck terminal* shall mean any structure or land devoted principally to the servicing, fueling, repair, storage, sales and leasing of trucks as defined in Code of Virginia, § 46.2-100, or any of the above; or any structure or land devoted principally to any activity involving a substantial and routine traffic consisting of trucks or passenger buses, such as a gasoline or fuel oil distributor, a freight or shipping business, a bus depot, a moving business, or similar activities, but not including other principal uses specified in the zoning district(s) where a truck terminal is allowed. <u>Truck terminal is not defined as Warehousing, Distribution and fulfillment center, or Neighborhood retail and fulfillment center.</u>

*Warehousing* shall mean an operation from a structure, or part of a structure, for storing goods, wares, commodities, and merchandise, whether for the owner thereof or for others, and whether it is a public or private warehousing operation but excluding self-storage centers. <u>Warehousing shall include shipping to non-residential uses.</u>

#### ARTICLE IV. – COMMERCIAL, OFFICE AND INDUSTRIAL DISTRICTS

#### PART 400. - GENERAL REGULATIONS

<u>Sec. 32-400.27. – General provisions for distribution and fulfillment centers and neighborhood</u> <u>retail and fulfillment centers.</u>

- Distribution and fulfillment centers, outside of the E-Commerce Overlay District, shall meet the design standards of the E-Commerce Overlay District, except when located in a M/T, Industrial/Transportation District.
- 2. <u>Neighborhood retail and fulfillment centers shall meet the following design standards:</u>

a. <u>A minimum percent of the gross floor area of the use shall be devoted to the on-site display of goods for sale, or the rendering of on-site personal services, for use or consumption by the immediate purchaser.</u>

<u>Total Gross Floor Area</u> (Square Feet)	<u>Minimum Gross Floor Area</u> <u>Retail Component</u>
<u>10,000 or less</u>	<u>25%</u>
10,001 - 20,000	<u>20%</u>
<u> 20,001 – 30,000</u>	<u>15%</u>
<u>30,001 or more</u>	<u>10%</u>

- b. Neighborhood Retail and Fulfillment Centers over 30,000 square feet, except when located in an Industrial district, Part 403, shall consider the following as part of any rezoning or special use permit:
  - i. <u>Placement and screening of the parking area for delivery vehicles associated</u> with a neighborhood retail and fulfillment center. Placement and screening should minimize visual impacts along public roadways and surrounding residential, commercial, and office uses.
  - ii. Architectural and design feature consistency.
- Distribution and fulfillment centers and neighborhood retail and fulfillment centers, regardless of size, may be permitted through a rezoning or special use permit in any applicable district, with approval of the Board of County Supervisors, provided it is identified as a permitted use in the requested zoning district, when meeting one or both of the following criteria:
  - a. <u>Any distribution and fulfillment center or neighborhood retail and fulfillment center</u> <u>specifically identified in the proffers, on the master zoning plan, or on the</u> <u>generalized development plan of a rezoning; or</u>
  - b. <u>Any distribution and fulfillment center or neighborhood retail and fulfillment center</u> <u>specifically identified in the special use permit conditions or on a special use permit plan.</u>

#### PART 401. – COMMERCIAL DISTRICTS

#### Sec. 32-401.11. – Uses permitted by right.

The following uses shall be permitted by right in the B-1 District:

<u>36. Neighborhood retail and fulfillment center, less than 30,000 square feet.</u>

<u>37.</u>36. Nursing or convalescent care facility.

<u>38.<mark>37.</mark> Office.</u>

<u>39.</u>**38.** Office equipment sales, lease, and service.

<u>40.</u><u>39.</u> Optical and eye care facility.

40. Package, telecommunications, and courier service.

#### Sec. 32-401.13. – Special uses.

27. <u>Neighborhood retail and fulfillment center, greater than 30,000 square feet, in</u> accordance with county code sec. 32-400.27.

... [Uses renumbered]

#### Sec. 32-401.21. – Uses permitted by right.

The following uses shall be permitted by right in the B-2 District:

27. Neighborhood retail and fulfillment center, less than 30,000 square feet.
28.27. Nursing and convalescent care facility.
29.28. Office.
30.29. Office equipment service.
31.30. Optical and eye care facility.
31. Package, telecommunications, and courier service.

#### Sec. 32-401.23. – Special uses.

The following uses shall be permitted in the B-2 District with a Special Use Permit:

12. <u>Neighborhood retail and fulfillment center, greater than 30,000 square feet, in</u> <u>accordance with county code sec. 32-400.27.</u> ... [Uses renumbered]

#### PART 402. - OFFICE DISTRICTS

#### Sec. 32-402.11. – Uses permitted by right.

The following uses shall be permitted by right in the O(L) District:

14. <u>Neighborhood retail and fulfillment center, less than 30,000 square feet.</u>
<u>15.14.</u> Office.
<u>15. Package, telecommunications, and courier service.</u>

#### Sec. 32-402.13. – Special uses.

The following uses shall be permitted in the O(L) District with a Special Use Permit:

- 7. Neighborhood retail and fulfillment center, greater than 30,000 square feet, in accordance with county code sec. 32-400.27.
- ... [Uses renumbered]

#### Sec. 32-402.21. - Uses permitted by right.

The following uses shall be permitted by right in the O(H) District:

15. Neighborhood retail and fulfillment center, less than 30,000 square feet. <u>16.</u>15. Office. 16. Package, telecommunications, and courier service.

#### Sec. 32-402.23. – Special uses.

The following uses shall be permitted in the O(H) District with a Special Use Permit:

6. <u>Neighborhood retail and fulfillment center, greater than 30,000 square feet, in accordance</u> with county code sec. 32-400.27.

... [Uses renumbered]

#### Sec. 32-402.31. - Uses permitted by right.

The following uses shall be permitted by right in the O(M) District:

14. Neighborhood retail and fulfillment center, less than 30,000 square feet. 15.<mark>14.</mark> Office. 15. Package, telecommunications, and courier service.

#### Sec. 32-402.33. – Special uses.

The following uses shall be permitted in the O(M) District with a Special Use Permit:

7. Neighborhood retail and fulfillment center, greater than 30,000 square feet, in accordance with county code sec. 32-400.27.

... [Uses renumbered]

#### Sec. 32-402.41. – Uses permitted by right.

The following uses shall be permitted by right in the O(F) District:

16. Neighborhood retail and fulfillment center, less than 30,000 square feet. <u>17.</u>16. Office.

17. Package, telecommunications, and courier services.

#### Sec. 32-402.43. – Special uses.

The following uses shall be permitted in the O(F) District with a Special Use Permit:

12. <u>Neighborhood retail and fulfillment center, greater than 30,000 square feet, in</u> <u>accordance with county code sec. 32-400.27.</u> ... [Uses renumbered]

#### PART 403. - INDUSTRIAL DISTRICTS

#### Sec. 32-403.11. - Uses permitted by right.

The following uses shall be permitted by right in the M-1 District:

21. Distribution and fulfillment center, less than 80,000 square feet in gross floor area, outside of the E-Commerce Overlay District
22. Distribution and fulfillment center, less than 500,000 square feet in gross floor area, within the E-Commerce Overlay District.
... [Uses renumbered]
51. Neighborhood retail and fulfillment center.
52.49. Office.
50. Package, telecommunication, and courier service (unlimited storage of equipment, supplies and vehicles).
... [Uses renumbered]

#### Sec. 32-403.13. – Special uses.

The following uses shall be permitted in the M-1 District with a Special Use Permit, including any other manufacturing, processing, or wholesaling use not otherwise permitted by this chapter, including any use involving the storage of petroleum, propane, or natural gas products or hazardous materials.

<u>5. Distribution and fulfillment center, greater than 80,000 square feet in gross floor area, outside of the E-Commerce Overlay District</u>

<u>6. Distribution and fulfillment center, greater than 500,000 square feet in gross floor area, within the E-Commerce Overlay District.</u>

... [Following uses renumbered]

#### Sec. 32-403.21. – Uses permitted by right.

The following uses shall be permitted by right in the M-2 District:

<u>15. Distribution and fulfillment center, less than 80,000 square feet in gross floor area, outside of the E-Commerce Overlay District</u>
<u>16. Distribution and fulfillment center, less than 250,000 square feet in gross floor area, within the E-Commerce Overlay District.</u>

... [Uses renumbered]

26. Neighborhood retail and fulfillment center.

<u>27.<mark>24.</mark> Office.</u>

25. Package, telecommunications, and courier service.

... [Uses renumbered]

#### Sec. 32-403.23. – Special uses.

The following uses shall be permitted in the M-2 District with a Special Use Permit.

<u>4. Distribution and fulfillment center, greater than 80,000 square feet in gross floor area, outside of the E-Commerce Overlay District</u>
5. Distribution and fulfillment center, greater than 250,000 square feet in gross floor area,

<u>5. Distribution and fulfillment center, greater than 250,000 square feet in gross floor area,</u> within the E-Commerce Overlay District.

... [Following uses renumbered]

#### Sec. 32-403.31. - Uses permitted by right.

The following uses shall be permitted by right in the M/T District:

23. Distribution and fulfillment center.
... [Uses renumbered]
53. Neighborhood retail and fulfillment center.
54.52. Office.
53. Package, telecommunication, and courier service.
... [Uses renumbered]

#### PART 511. – E-COMMERCE OVERLAY DISTRICT

#### Sec. 32-511.01. - Purpose and intent.

The E-Commerce Overlay District was created for the purpose of promoting development of last mile distribution and fulfillment centers within areas of the County where there is existing infrastructure that adequately supports the use. This overlay district continues the County's efforts to attract and advance specialized logistics and supply chain companies while limiting negative impacts on surrounding communities.

#### Sec. 32-511.02. - Establishment of E-Commerce Overlay District.

- An E-Commerce Overlay District may be established by the Board of County Supervisors, on appropriate land(s), including but not limited to, land(s) in proximity to roads classified as a major collector street or higher functional class. Functional street classifications shall be in accordance with Section 600 of the Design and Construction Standards Manual.
- 2. <u>An E-Commerce Overlay District, including the text and map, shall be created, and</u> <u>amended by ordinance by the Board of County Supervisors. The boundaries shall be set</u> <u>using a map. Amendments to the text or map may only be initiated by the Board of</u> <u>County Supervisors.</u>

3. <u>The E-Commence Overlay District shall overlay the existing underlying zoning district.</u> <u>The regulations and requirements of the underlying zoning district and the E-Commerce</u> <u>Overlay District shall both apply, provided however, that when the regulations applicable</u> <u>to the E-Commerce Overlay District conflict with the regulations of an underlying zoning</u> <u>district, the E-Commerce Overlay District regulations shall apply.</u>

#### Sec. 32-511.03. - Distribution and Fulfillment Center Design Standards.

Distribution and fulfillment centers within buildings of 150,000 square feet or more in gross floor area shall be subject to the following provisions, except when located in a M/T, Industrial/Transportation District:

- A 50-foot-wide buffer area shall be provided adjacent to each public street frontage. The buffer area shall allow for the location of vehicular access points in accordance with Section 600 of the Design and Construction Standards Manual ("DCSM"). The buffer area shall be planted in accordance with Section 800 of the Design and Construction Standards Manual.
- The visibility of loading docks shall be screened from all adjacent streets categorized as a major collector street or higher functional class. Functional street class categorizations shall be in accordance with Section 600 of the Design and Construction Standards Manual. Screening shall be in accordance with Section 800 of the Design and Construction Standards Manual.
- 3. <u>Principal building façades shall include all building façades that face adjacent major</u> arterials or interstates. When a building has more than one principal façade, such principal building façades shall be consistent in terms of design, materials, details, and treatment. Principal building façades associated with new construction shall meet the following standards:
  - a. <u>Principal building façades shall avoid the use of undifferentiated surfaces by</u> <u>including at least two of the following design elements:</u>
    - i. <u>change in building height.</u>
    - ii. <u>building step-backs or recesses.</u>
    - iii. <u>fenestration.</u>
    - iv. change in building material, pattern, texture, and color; or
    - v. <u>use of accent materials.</u>
  - <u>Building façades facing Manassas Battlefield Park, that are visible from viewshed</u> anchors as identified in the Manassas Battlefields Viewshed Preservation Study, shall <u>be non-reflective and dark green or dark brown in color. The Planning Director or</u> their designee may approve other colors provided the colors are demonstrated to be earth tones that will help the building façade blend into the tree line.
- 4. <u>A buffer yard is required in order to screen the distribution and fulfillment center from</u> <u>adjacent residentially zoned or planned properties. In lieu of buffer yard requirements in</u> <u>DCSM Section 800, any side/rear yard abutting property planned or developed with</u>

residential uses shall include a buffer required plantings installed on an earthen berm that has a minimum height of six (6) feet and a slope not steeper than 2:1, planted to a type C DCSM buffer standard. The buffer yard plantings shall be installed in accordance with the requirements of the DCSM.

- a. Notwithstanding the requirements of this section, use of natural topography and preservation of existing vegetation, supplemented by new vegetation, if needed, or on the outside of a six-foot-tall solid fence, may be substituted for the above requirements when the Planning Director or their designee determines that it provides visual screening from adjacent land uses at the density, depth, and height equivalent to the buffer yard with earthen berm.
- 5. Fencing of the property is permitted, provided that fencing along public or private streets is not chain-link, with or without slatted inserts, and does not include barbed wire or other similarly visibly intrusive deterrence device. Chain-link fencing or barbed wire fencing are prohibited along public or private street frontages. This fencing allowance does not relieve a property owner from complying with all fire and access code requirements. The Planning Director or their designee may allow for alternative compliance with this requirement, provided the applicant demonstrates that the fencing visibility is reduced, through the use of landscaping and other methods to reduce visibility.

#### Sec. 32-511.04. - Uses permitted by right.

- 1. <u>All uses permitted by right in the underlying zoning district shall be permitted in the E-</u> <u>Commerce Overlay District.</u>
- Distribution and fulfillment centers shall be permitted by right in the E-Commerce Overlay District, in M-1, Heavy Industrial, M-2, Light Industrial, and M/T, Industrial/Transportation, Zoning Districts and in designated industrial land bays in the PBD, Planned Business, and PMD, Planned Mixed Use, Zoning Districts, subject to applicable square footage limitations.

#### Sec. 32-511.05. - Secondary uses.

<u>All permitted secondary uses in the underlying zoning district shall be permitted in the E-</u> <u>Commerce Overlay District.</u>

#### Sec. 32-511.06. - Uses permitted by Special Use Permit.

<u>All permitted special uses in the underlying zoning district shall be permitted by special use</u> <u>permit in the E-Commerce Overlay District.</u>

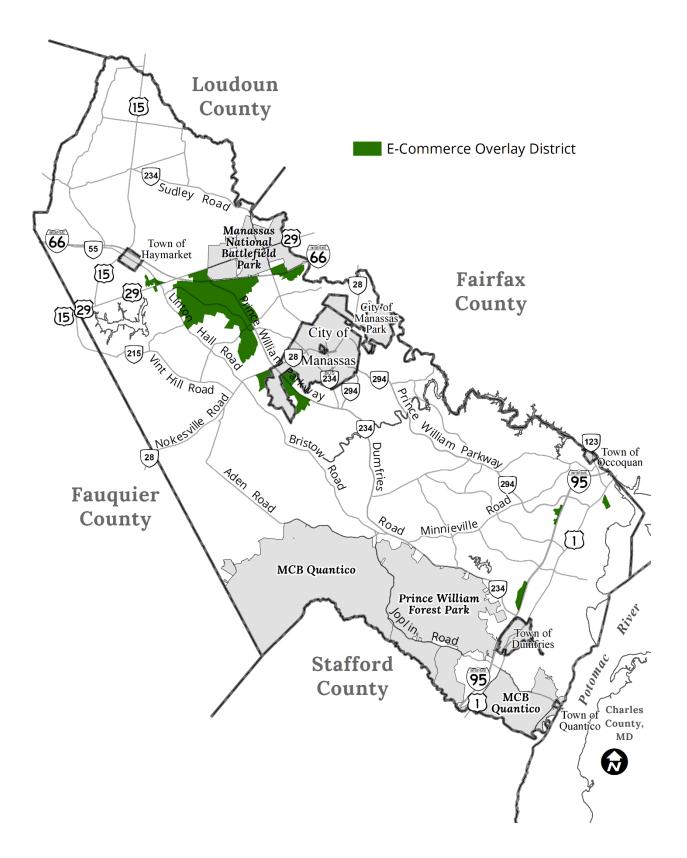
#### Sec. 32-511.07. - Prohibited Zoning Districts.

Distribution and fulfillment centers shall be prohibited in all agricultural, residential (including Parts 302, 303, 304, 305, 350, and 351 of the Zoning Ordinance), commercial, and office (including

Parts 401, and 402 of the Zoning Ordinance) zoning districts, as well as designated residential, office, commercial or mixed-use land bays in the planned zoning districts.

#### Sec. 32-511.08. - Waivers and modifications within the E-Commerce Overlay District.

 <u>The Board of County Supervisors may waive or modify any provision within Part 511 of</u> <u>county code chapter 32 pursuant to an approved special use permit or rezoning.</u> <u>Requests to waive or modify any provision of Part 511 of this chapter must be submitted</u> <u>and justified as part of a special use permit or rezoning application.</u>



#### **BOCS Initiation Resolution**

MOTION:	LAWSON
MOTION.	LAN

March 21, 2017 Regular Meeting Res. No. 17-129

SECOND: CANDLAND

## RE: INITIATE A ZONING TEXT AMENDMENT FOR DISTRIBUTION AND FULFILLMENT CENTERS – COUNTYWIDE

#### ACTION: APPROVED

WHEREAS, in accordance with Virginia Code Sections 15.2-2285 and 15.2-2286, the Board of County Supervisors may amend the Zoning Ordinance whenever it determines that public necessity, convenience, general welfare, and good zoning practices require such change; and

WHEREAS, Chapter 32, the Prince William County Zoning Ordinance does not currently include a definition or use type for distribution and fulfillment centers; and

WHEREAS, on February 7, 2017, Supervisor Lawson (DIR 17-05) requested that staff prepare, for Board of County Supervisors' consideration, an initiation for a zoning text amendment to add a definition of distribution and fulfillment centers; and

WHEREAS, this will authorize staff time and resources necessary for research, analysis, and to conduct public hearings with the Planning Commission and the Board of County Supervisors; and

WHEREAS, the Prince William Board of County Supervisors finds that public necessity, convenience, general welfare, and good zoning practices require the initiation of this zoning text amendment;

**NOW, THEREFORE, BE IT RESOLVED** that the Prince William Board of County Supervisors does hereby initiate a Zoning Text Amendment to the Prince William County Zoning Ordinance to add a use type and definition for distribution and fulfillment centers and include the distribution and fulfillment center use type in zoning districts, as appropriate.

Votes:

Ayes: Anderson, Candland, Jenkins, Lawson, Nohe, Principi, Stewart Nays: None Absent from Vote: None Absent from Meeting: Caddigan

#### For Information:

ATTEST:

Planning Director County Attorney

Clerk to the Board