

**DEVELOPMENT DEPARTMENT
PLANNING AND ZONING DIVISION
MEMORANDUM NO. PZ 18-057**

STAFF REPORT

TO: Chair and Members
Planning and Development Board

THRU: Ed Breese
Planning and Zoning Administrator

FROM: Hanna Matras, Senior Planner

DATE: September 18, 2018

PROJECT: 1320 S. Federal Highway
LUAR 18-003

REQUEST: Approve 1320 S. Federal Highway Future Land Use Map Amendment from Office Commercial (OC) to Mixed Use Low (MXL) and Rezoning from C-1 Office Professional to MU-1, Mixed Use 1.

PROJECT DESCRIPTION

Property Owner/
Applicant Exsorro One, Inc.

Agent: Christi Tuttle, Miller Land Planning, Inc.

Location: Northeast corner of the intersection of Riviera Drive and Federal Highway (Exhibit "A")

Existing Land Use/
Zoning: Office Commercial (OC) / C-1 Office Professional

Proposed Land Use/
Zoning: Mixed Use Low (MXL) / MU-1 Mixed Use 1 (Exhibits "B" and "C")

Acreage: 0.51 acre

Adjacent Uses:

- North: Developed office condominiums (Colonial Center) classified Office Commercial (OC) and zoned C-1 Office Professional;
- South: Right-of-way of Riviera Drive, then developed residential condominiums (Snug Harbor Gardens) classified High Density Residential (HDR) and zoned R-3 Multi-family Residential;
- East: Right-of-way of Riviera Drive, then common grounds (green space) of the Snug Harbor Garden condominiums; farther east, developed single family homes, classified Low Density Residential (LDR) and zoned R-1-AA Single Family Residential; and
- West: Right-of-way of Federal Highway, then farther west developed commercial property (Dunkin Donuts & convenience store), classified Local Retail Commercial (LRC) and zoned C-3 Community Commercial.

BACKGROUND

The subject 0.51-acre property is located in the Federal Highway Corridor District (South) of the Community Redevelopment Area (CRA). The property has been vacant since the 2005 demolition of the structure which up until then housed an I-HOP restaurant. The same year, a mixed use project with office, retail and eight townhomes was proposed for the site; application was later abandoned in the midst of the real estate collapse. Note that the Mixed Use Low zoning requested in the previous application (a designation no longer on the books) had a maximum density of 40 dwelling units per acre, twice as high as the maximum density of the currently proposed MU-1 designation.

Residential use is not part of the subject request. Instead, the applicant proposes a three-story structure to be predominantly occupied by medical offices (for a total of 8,078 square feet), with 1,920 square feet of retail space on the first floor and a small, 900 square foot art museum.

In addition to the FLU amendment, rezoning and a major site plan modification, the requests include an application for height exception. All applications are being processed concurrently (see respective staff reports.)

REVIEW BASED ON CRITERIA

The following criteria used to review Comprehensive Plan Map amendments and rezonings are listed in the Land Development Regulations, Chapter 2, Article II, Section 2.B and Section 2.D.3:

- a. Demonstration of Need.*** A demonstration of need may be based upon changing

conditions that represent a demand for the proposed land use classification and zoning district. Appropriate data and analysis that adequately substantiates the need for the proposed land use amendment and rezoning must be provided within the application.

The 2016 CRA Community Redevelopment Plan (the Plan) provides site-specific future land use recommendations for the entire CRA area. Consistently with the vision for economic revitalization embedded in the Plan, mixed use FLU categories are recommended for most areas close to downtown as well as for those along the major corridors. They will promote intensification of redevelopment and walkable environments in support of public transit and lead to higher property values.

Even though—in terms of a specific mixed use FLU category—the request under consideration is not fully consistent with the recommendation for the subject property, it nevertheless substantially conforms to the intent of the Plan. (See responses to criteria “b” and “c” for further discussion.)

Furthermore, the use choice of “medical office” for the project supported by the amendments reflects trends in the medical office building sector, as reported by Marcus & Millichap in its Medical Office Research National Report for the second quarter of 2018. The report states:

“The expanding 65 and older population base remains a stalwart demand driver of medical office space. Evolving technology, new practices and a shifting healthcare insurance landscape that favors outpatient services all point to deeper medical office expansion into local communities. (...) A rise in outpatient services and procedures has encouraged medical office development in off-campus locations over the past few years. Hospitals and medical providers seek to place offices in neighborhoods and suburban areas, closer to where people live and work, in order to reduce costs and appeal to patients seeking medical care.”

b. Consistency. *Whether the proposed Future Land Use Map amendment (FLUM) and rezoning would be consistent with the purpose and intent of, and promote, the applicable Comprehensive Plan policies, Redevelopment Plans, and Land Development Regulations.*

The proposed FLU amendment and rezoning are consistent with, and promote, the general intent of the policies of the Comprehensive Plan’s Future Land Use Element, which recognize and support commercial uses as goods/services providers and job generators. Although the requested MXL FLU category permits residential uses, the master plan—an intrinsic part of the rezoning—proposes a mixed use (office/retail) commercial building. The requested MU-1 zoning allows a higher development intensity with the maximum FAR of 1.0, as compared to the maximum FAR of 0.40 allowed in the existing C-1 district.

The proposed FLU amendment and rezoning are also consistent with the “purpose and

intent” of the recommendation of the CRA Plan, even though the requested mixed use category is Mixed Use Low (MXL) and not, as recommended by the Plan, Mixed Use Medium (MXM). (The subject property falls short of the size required for the MU-2, the less intensive of the two zoning designations corresponding to the MXM classification.) Nevertheless, as noted earlier in this report, all mixed use FLU categories aim to promote intensification of redevelopment and walkable environments in support of public transit and lead to higher property values.

Lastly, the proposed future land use amendment and rezoning supports “Strong Local Economy,” one of the objectives of the City’s Strategic Plan.

Consistency with Land Development Regulations (LDR)

As submitted, the proposed master plan/site plan includes a building height that exceeds the 45 ft maximum permitted height for the MU-1 zoning district. The applicant submitted a Height Exception application which is being processed concurrently.

c. Land Use Pattern. *Whether the proposed Future Land Use Map amendment (FLUM) and rezoning would be contrary to the established land use pattern, or would create an isolated zoning district or an isolated land use classification unrelated to adjacent and nearby classifications, or would constitute a grant of special privilege to an individual property owner as contrasted with the protection of the public welfare. This factor is not intended to exclude FLUM reclassifications and rezonings that would result in more desirable and sustainable growth for the community.*

The land use pattern in adjacent and nearby areas is eclectic, already “mixed”: it incorporates commercial uses of office and retail/restaurants along Federal Highway as well as multifamily and single-family residential uses of varying densities, with the nearby Las Ventanas mixed use development built at 40 dwelling units per acre (du/ac) and the Snug Harbor Gardens condominiums to the south of the subject property built at the non-conforming density of 19 du/ac (well above the maximum of 11 du/ac in the R-3 zoning designation). The current FLU and zoning designations reflect this diversity.

Given the existing “mixed” land use patterns, neither the proposed Mixed Use Low (MXL) nor the Plan-recommended Mixed Use Medium (MXM) FLU classifications would likely support projects with use profiles and building scale at odds with the existing and future built environment. (Specifically, the proposed MXL would support development consistent with the land use of properties facing Federal Highway.) The MXL (as well as MXM), if applied to the subject property, would result in an “isolated district”; however, neither land use classification may necessarily meet the criteria of a “spot zoning,” since: (1) as just noted, neither would allow land uses inconsistent with those in the surrounding area; (2) the designations would not confer a special benefit on the owner, since the owners of properties extending north and west of the subject parcel may enjoy similar benefits upon redevelopment, and (3) the MXM classification is consistent with the CRA Plan recommendations while MXL, as argued before, is likewise consistent with the vision and intent of the Plan.

- d. Sustainability.** *Whether the proposed Future Land Use Map amendment (FLUM) and rezoning would support the integration of a mix of land uses consistent with the Smart Growth or sustainability initiatives, with an emphasis on 1) complementary land uses; 2) access to alternative modes of transportation; and 3) interconnectivity within the project and between adjacent properties.*

The project, albeit small, would arguably have some sustainability-supporting characteristics. There is an easy access to public transportation, currently Palm Tran bus service on Federal Highway but also, in the future, the Tri-Rail Coastal Link commuter train with the planned station on Ocean Avenue, less than a mile away. The project would support the latter through job creation, improving the jobs-to-housing ratio in the area close (less than ¼ of a mile) to the Downtown Transit Oriented Development District. Lastly, the office location makes it easily accesible to residents of the adjacent neighborhoods seeking medical services.

- e. Availability of Public Services / Infrastructure.** *All requests for Future Land Use Map amendments shall be reviewed for long-term capacity availability at the maximum intensity permitted under the requested land use classification.*

Water and Sewer. Long-term capacity availability for potable water and sewer for the subject request has been confirmed by the Utilities Department.

Solid Waste. The Palm Beach County Solid Waste Authority determined that sufficient disposal capacity will be available at the existing landfill through approximately the year 2046.

Drainage. Drainage will be reviewed in detail as part of the site plan, land development, and building permit review processes.

Traffic. The property is under the Traffic Concurrency Exception (TCEA) designation and is therefore exempted from the concurrency requirements of the Palm Beach County Traffic Performance Standards Ordinance. (The applicant submitted a traffic statement required for TCEA-designated properties.) The monitoring of the maximum allowable residential uses and square footage of commercial, industrial and other non-residential uses as well as applicable use ratios under the TCEA Planned 2025 Land Use Table indicate that the current (cumulative) numbers remain significantly below the allowable thresholds.

- f. Compatibility.** *The application shall consider the following factors to determine compatibility:*

(1) Whether the proposed Future Land Use Map amendment (FLUM) and rezoning would be compatible with the current and future use of adjacent and nearby properties, or would negatively affect the property values of adjacent and nearby properties; and

(2) Whether the proposed Future Land Use Map amendment (FLUM) and rezoning is of a scale which is reasonably related to the needs of the neighborhood and the City as a whole.

See response to criteria “b” and “c.” The FLU amendment and rezoning would generally be compatible with the current and future use of adjacent and nearby properties and would not negatively affect property values in the surrounding area.

See the response to criterion “d”: through supporting the medical office/commercial project, the amendments could facilitate the neighborhood’s access to medical services, while newly created jobs would be of importance for supporting the planned Tri-Rail Coastal Link commuter service.

With regard to criterion “f”(2): the amendments implement the publicly endorsed redevelopment Plan, with the underlying premise that the implementation will generate benefits locally, CRA-wide and, possibly, also citywide.

g. Direct Economic Development Benefits. For rezoning/FLUM amendments involving rezoning to a planned zoning district, the review shall consider the economic benefits of the proposed amendment, specifically, whether the proposal would:

- (1) Further implementation of the Economic Development (ED) Program;*
- (2) Contribute to the enhancement and diversification of the City’s tax base;*
- (3) Respond to the current market demand or community needs or provide services or retail choices not locally available;*
- (4) Create new employment opportunities for the residents, with pay at or above the county average hourly wage;*
- (5) Represent innovative methods/technologies, especially those promoting sustainability;*
- (6) Be complementary to existing uses, thus fostering synergy effects; and*
- (7) Alleviate blight/economic obsolescence of the subject area.*

As already argued in this report, the impacts of the subject amendment and of the project it supports, while limited in magnitude, adhere to criteria “g1”, “g3” and “g4” (the average pay in a medical office will likely be at or above the county’s average). It will also effect an enhancement of the City’s tax base (criterion “g2”).

h. Commercial and Industrial Land Supply. The review shall consider whether the proposed rezoning/FLUM amendment would reduce the amount of land available for commercial/industrial development. If such determination is made, the approval can be recommended under the following conditions:

(1) The size, shape, and/or location of the property makes it unsuitable for commercial/industrial development; or

(2) The proposed rezoning/FLUM amendment provides substantiated evidence of satisfying at least four of the Direct Economic Development Benefits listed in subparagraph "g" above; and

(3) The proposed rezoning/FLUM amendment would result in comparable or higher employment numbers, building size and valuation than the potential of existing land use designation and/or rezoning.

The requested MXL future land use category at the subject location permits residential-only development and could consequently result in the reduction of the amount of land available for commercial development. However, in the case under consideration, the amendment would support a commercial-only development and, in addition, allow for more intensity than the current C-1 Office Professional zoning district.

*i. **Alternative Sites.** Whether there are adequate sites elsewhere in the City for the proposed use in zoning districts where such use is already allowed.*

There are vacant parcels within the city carrying the zoning districts where such use is allowed. These may not be currently on the market or may not be considered as suitable as the subject property by the applicant.

*j. **Master Plan and Site Plan Compliance with Land Development Regulations.** When master plan and site plan review are required pursuant to Section 2.D.1.e above, both shall comply with the requirements of the respective zoning district regulations of Chapter 3, Article III and the site development standards of Chapter 4.*

For the site plan review, see the corresponding staff report.

CONCLUSION/RECOMMENDATION

As indicated herein, staff has reviewed the proposed FLU amendment and rezoning and determined that they satisfy the review criteria for the subject applications. Therefore, staff recommends approvals of the subject requests.