



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of July 16, 2022

DATE: July 8, 2022

SUBJECT: Request to authorize advertisement of public hearings by the Planning Commission and County Board to consider proposed amendments to the Arlington County Zoning Ordinance (ACZO), including Appendix A (Columbia Pike Special Revitalization District Form Based Code) and Appendix B (Columbia Pike Neighborhoods Special Revitalization District Form Based Code), to allow micro-fulfillment centers subject to use standards in the RA4.8, R-C, RA-H-3.2, C-1, MU-VS, C-O-1.0, C-O-1.5, C-O-2.5, C-O, C-O-A, C-O Rosslyn, C-O Crystal City, C-2, C-TH, C-3, C-R, CP-FBC, CPN-FBC, CM, M-1 and M-2 districts, and to categorize and define micro-fulfillment center.

C. M. RECOMMENDATION:

Adopt the attached resolution to authorize advertisement of public hearings by the Planning Commission on October 3, 2022, and by the County Board on October 15, 2022, to consider proposed amendments to the Arlington County Zoning Ordinance (ACZO), including Appendix A (Columbia Pike Special Revitalization District Form Based Code) and Appendix B (Columbia Pike Neighborhoods Special Revitalization District Form Based Code), to allow micro-fulfillment centers subject to use standards in the RA4.8, R-C, RA-H-3.2, C-1, MU-VS, C-O-1.0, C-O-1.5, C-O-2.5, C-O, C-O-A, C-O Rosslyn, C-O Crystal City, C-2, C-TH, C-3, C-R, CP-FBC, CPN-FBC, CM, M-1 and M-2 districts, and to categorize and define micro-fulfillment center.

ISSUES: This is a request to authorize advertisement of public hearings to consider amending the ACZO to allow micro-fulfillment centers in several zoning districts. No issues have been identified as of the date of this report.

SUMMARY: The consideration of a zoning ordinance amendment that would allow for the inclusion of micro-fulfillment centers in a range of mixed-use, commercial, and industrial zoning districts is the first application of the County Manager's strategy to ensure commercial market resiliency in Arlington. Micro-fulfillment uses allow for quick delivery of goods to consumers in defined and discrete trade areas thus providing residents greater consumer choice and access to

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goods. The concept is often referred to as the “last mile” of the customer fulfillment process requiring a much smaller scale than the larger, more typical warehouse facilities. Convenient and fast access to goods via phone applications is quickly becoming a standard expectation of consumers, and the lack of such uses in our commercial and mixed-use areas places Arlington at a competitive disadvantage regionally and nationally.

From this request to advertise until County Board consideration of a zoning ordinance amendment in October, staff would continue its technical research and conduct an online engagement process that may result in proposed use standards to mitigate any anticipated impacts of this use on mixed-use neighborhoods. At that time, the appropriateness of the use for each of the zoning districts listed in the advertisement would also be discussed.

BACKGROUND: On April 26, 2022, the County Manager presented a strategy to the County Board for fostering a resilient commercial market base. This strategy will be a targeted effort to support: 1) a robust commercial real estate market, particularly a continuation of our focus on reducing the County’s commercial vacancy rate; 2) a balanced fiscal outlook, where commercial real estate continues to contribute significantly to total County revenues; 3) a strong and growing business community by encouraging and advancing private sector innovation and entrepreneurship; 4) consumer choice that supports a strong and dynamic housing and tourism market; and 5) the maintaining and building of great, sustainable places.

A key aspect of the Commercial Market Resiliency strategy is to provide a new, quicker process for the establishment of commercial uses that are not clearly defined in the ACZO today. The pace of economic change and innovation that affects land use has quickened dramatically over the past several years. This includes significant shifts in where and how we work, consumer behaviors and expectations, and business practice innovations. These shifts and changes have reduced the depth of demand for conventional activities within commercial spaces. Further, this has challenged our understanding of what were once well-defined land uses and where and how these types of activities occur within our commercial and mixed-use buildings. As the economic model has changed, and will continue to change, more dynamic planning and zoning strategies are needed for Arlington to compete regionally and nationally.

The Commercial Market Resiliency strategy introduced a new process for considering zoning strategies for new uses. For proposed new or amended uses that are determined by staff to have a scale or type of activity that has limited impacts on the surrounding area, a quicker, more efficient process was presented that allowed for an initial period of staff analysis, a broadly scoped Request to Advertise, a streamlined engagement process and continued analysis, a descriptive summary of the proposed action included in legally required advertisement, and then County Board consideration of the zoning ordinance amendment. The goal of applying this different approach for new or amended uses is to have them ready for County Board consideration more quickly than other typical zoning studies. The micro-fulfillment center use consideration was presented to the County Board as the first application of this new approach.

DISCUSSION: Micro-fulfillment uses provide a “last mile” solution to delivery of goods to consumers. Unlike larger fulfillment centers associated with traditional ecommerce, these uses are of a smaller scale and focus on meeting the demand of consumers in a defined and discrete

geographic area for goods that can be delivered within minutes of the ecommerce purchase. To provide this “right now” delivery option, these uses must locate proximate to its consumers. Thus, various businesses operating in this emerging sector are actively seeking space in Arlington’s mixed-use neighborhoods to access the dense clusters of desirable customers more readily.

Currently, without a specific definition in the ACZO, a micro-fulfillment center would likely be viewed as most approximate to warehouse and freight movement – a use only permitted in Arlington’s industrial districts. Such districts are limited and are far from market and Arlington’s high-density mixed-use corridors and planned growth areas. Therefore, the importance of more broadly allowing for a micro-fulfillment use in other parts of Arlington is twofold. First, these uses will provide occupancy opportunities for commercial spaces that are in challenging locations for conventional retail. Second, the existence of this use will support Arlington’s competitive market positioning for residents, workers and visitors who will come to expect these types of services and the convenience they offer.

Upon the County Board’s authorization to advertise the zoning ordinance amendment, staff would continue to research the scale, nature and impacts of micro-fulfillment uses. There would also be an online engagement portal to provide an opportunity for public comments and questions. After this period of additional analysis and engagement, the proposed zoning ordinance amendment would include a definition, likely similar to definitions adopted by other jurisdictions such as, “any establishment for the receipt, transfer, short-term storage, and dispatching of retail and other similar goods,” and the amendment would further refine: 1) the appropriateness of the use relative to each of the zoning districts under consideration, and 2) any use standards that are deemed relevant to mitigating any identified negative impacts. Such use standards, some of which have been adopted by other jurisdictions, may be appropriate and include, but are not limited to:

- Limitations on square footage of the use.
- Location of the use and its relationship to active streetfronts and ground floor building space.
- Delivery operations to the use (e.g., limits on truck size, hours of delivery, loading dock operations, etc.).
- Delivery operations from the use (modality of delivery, restrictions on use of right-of-way).

PUBLIC ENGAGEMENT: This is a request to advertise the proposed amendments.

Level of Engagement: **Communicate**

Staff believes this level of engagement is appropriate. This is a request to authorize advertisement that will be followed by a targeted engagement effort prior to County Board consideration.

Outreach Methods:

Public notice will be given in accordance with the Code of Virginia §15.2-2204. Notices of the Planning Commission and County Board public hearings for this zoning ordinance amendment will be placed in the September 20, 2022, and the September 27, 2022, issues of the Washington Times for the October 3, 2022, Planning Commission and October 15, 2022, County Board Meetings. In addition to the above legal requirements:

- In July, staff is scheduled to brief the Planning Commission and the Economic Development Commission on the Commercial Market Resiliency strategy.
- Upon approval of the request to advertise, staff would publish an overview of the study's scope, goals, and project schedule on the County's website. Staff contact information would be available on the website, along with a comment feedback form for submitting comments directly to staff.
- Based on further staff analysis and input received through community engagement, staff will include a descriptive summary of the proposed action in a legally required advertisement prior to the October public hearings by the Planning Commission and County Board. This descriptive summary would detail the proposed zoning ordinance amendments, which would be the subject of staff reports presented in October to the Planning Commission and County Board for their consideration.

FISCAL IMPACT: This request to authorize advertisement has no fiscal impact.

CONCLUSION: Staff recommends that the County Board adopt the resolution to advertise public hearings for the proposed amendment.

RESOLUTION TO AUTHORIZE ADVERTISEMENT OF PUBLIC HEARINGS BY THE PLANNING COMMISSION ON OCTOBER 3, 2022, AND THE COUNTY BOARD ON OCTOBER 15, 2022, TO CONSIDER AMENDING, REENACTING, AND RECODIFYING THE ARLINGTON COUNTY ZONING ORDINANCE (ACZO), INCLUDING APPENDIX A (COLUMBIA PIKE SPECIAL REVITALIZATION DISTRICT FORM BASED CODE) AND APPENDIX B (COLUMBIA PIKE NEIGHBORHOODS SPECIAL REVITALIZATION DISTRICT FORM BASED CODE), TO ALLOW MICRO-FULFILLMENT CENTERS SUBJECT TO USE STANDARDS IN THE RA4.8, RC, RA-H-3.2, C-1, MU-VS, C-O-1.0, C-O-1.5, C-O-2.5, C-O, C-O-A, C-O ROSSLYN, C-O CRYSTAL CITY, C-2, C-TH, C-3, C-R, CP-FBC, CPN-FBC, CM, M-1 AND M-2 DISTRICTS, TO CATEGORIZE AND DEFINE MICRO-FULFILLMENT CENTER, AND FOR OTHER REASONS REQUIRED BY PUBLIC NECESSITY, CONVENIENCE, GENERAL WELFARE, AND GOOD ZONING PRACTICE.

The County Board of Arlington County hereby resolves to authorize advertisement of public hearings by the Planning Commission on October 3, 2022, and the County Board on October 15, 2022, to consider amending, reenacting, and recodifying the Arlington County Zoning Ordinance, including Appendix A (Columbia Pike Special Revitalization District Form Based Code) and Appendix B (Columbia Pike Neighborhoods Special Revitalization District Form Based Code), to allow micro-fulfillment centers subject to use standards in the RA4.8, RC, RA-H-3.2, C-1, MU-VS, C-O-1.0, C-O-1.5, C-O-2.5, C-O, C-O-A, C-O Rosslyn, C-O Crystal City, C-2, C-TH, C-3, C-R, CP-FBC, CPN-FBC, CM, M-1 and M-2 districts, to categorize and define micro-fulfillment center, and for other reasons required by public necessity, convenience, general welfare, and good zoning practice.