



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** December 13, 2021

SUBJECT: ZC21-0015, Ordinance No. 3721, Public hearing and consideration of a request from Rollup LLC for a zoning change from C-2 (Commercial) to NR-PD (Nonresidential Planned Development) at 7601 Boulevard 26, being 6.2 acres described as Lot 3, Block 1, Richland Terrace Addition.

PRESENTER: Clayton Comstock, Planning Director

SUMMARY:

On behalf of ZS Associates LLC, Rollup LLC is requesting a zoning change from C-2 (Commercial) to NR-PD (Nonresidential Planned Development) on 6.2 acres located at 7601 Boulevard 26.

GENERAL DESCRIPTION:

The property under consideration is located on the northwest side of Boulevard 26 between City Point Drive and Rodger Line Drive, across the street from the City Point development. The 76,850-square-foot building fronts Boulevard 26, and also has street frontage on City Point Drive at the rear of the property. The property was originally developed in 1984 for a Home Depot store and is currently 78% vacant. Most recently occupied by Laser Quest and Cutting Edge Fencing Center, the only tenant is a baseball club with indoor batting cages. The property does not include the Half-of-Half Name Brand Clothing and Covenant Life Church building.

The applicant is requesting a zoning change to NR-PD (Nonresidential Planned Development) to accommodate a new business called Warespace. This business is a type of co-working operation that equips small businesses with space for e-commerce retail, wholesale, warehousing, and business logistics. This particular business describes themselves as “space to work, store, ship and create.” The applicant proposes to renovate and remodel the building to include varying sizes of small warehouse/business spaces, common meeting/conference rooms, kitchen and breakroom space, common shipping/receiving or loading dock areas, and other amenities. Information about this specific business is available online at www.warespace.com, which includes descriptions of the operation and photos of existing facilities. To better understand the proposed use, a thorough review of their website is recommended. Another similar business concept and land use to review is saltbox.com.

The proposed conditions of approval for this NR-PD district are attached. The proposed NR-PD would continue to allow most of the uses allowed by-right on the property today under the current C-2 Commercial zoning district, but also adds uses that would otherwise



not be permitted or requires Special Use Permit approval. The NR-PD standards limit certain uses on the property to a maximum floor area. This ensures the intent of Rollup to provide a diverse set of building uses is maintained. Outside storage is prohibited from the property, business fleet vehicles are limited to the northwest side of the building, and a list of building and property improvements are included in the NR-PD standards as well.

Applications for rezoning to the NR-PD district provide an opportunity to address the distinct nature of the proposed land use and to establish specific site development and building design standards for the project. These conditions are based on the applicant's proposed development of the property and recommendations from the Development Review Committee. These conditions may be modified throughout the public hearing process, but they are subject to final approval by City Council.

Due to short contractual timelines, exhibits have not been provided by the applicant at the time of staff report publication. However, the applicant is preparing additional information to present to City Council at the meeting.

VISION2030 STRATEGIC PLAN: This area is designated on the Land Use Plan as Retail Commercial. This designation provides sites for community and regional shopping centers, commercial establishments, and employment centers. These sites are typically located on highways and major thoroughfares at key intersections. In addition, the Vision2030 Strategic Plan acknowledges the changing retail market and offers the following regarding older existing big-box centers that are vacant or underutilized:

Changing retail market. North Richland Hills is not immune to the evolving retail market where internet-based retail is shifting the philosophical approach to brick-and-mortar stores. Big box stores and grocers that once anchored and attracted additional commercial sites have gone dark, downsized, or reoccupied with other uses. The community should recruit uses to fill these vacancies and add to the convenience and quality of life as well as nonresidential tax base in North Richland Hills. Entertainment uses or retail businesses that have a strong online presence with a warehouse and a local showroom/store component may be appropriate alternative uses in these instances.

CURRENT ZONING: The property is zoned C-2 (Commercial). This district is intended to provide for the development of retail and general business uses primarily to serve the community and region. Uses include a wide variety of business activities and may involve limited outside storage, service, or display. The C-2 district should be located away from low and medium density residential development and should be used as a buffer between retail and industrial uses. The district is also appropriate along business corridors as indicated on the land use plan.

PROPOSED ZONING: The proposed zoning is NR-PD Nonresidential Planned Development following the C-2 (Commercial) district land uses and development standards. The proposed change is intended to permit the proposed development on the site and establish building and site development standards for the property.



SURROUNDING ZONING | LAND USE:

DIRECTION	ZONING	LAND USE PLAN	EXISTING LAND USE
NORTH	C-2 (Commercial)	Retail Commercial	Retail uses
WEST	C-2 (Commercial)	Retail Commercial	Retail uses
SOUTH	C-1 (Commercial)	Urban Village	Restaurant uses
EAST	C-2 (Commercial)	Retail Commercial	Retail and service uses

PLAT STATUS: The property is platted as Lot 3, Block 1, Richland Terrace Addition.

STAFF REVIEW: In its review of the application, the Development Review Committee saw this proposal as a possible adaptive reuse of the property that may satisfy a space need for small e-commerce business incubation and growth while positively enhancing the built environment and city image with incremental property improvements. It addresses the “changing retail market” concerns expressed by the Vision2030 Strategic Plan and provides additional daytime traffic and population in the greater City Point area where new retail and restaurant growth is desired.

According to the Bureau of Labor Statistics, Americans are submitting roughly 111,000 new business applications per week since June 2020, three times the national rate before the COVID-19 pandemic. The city is home to approximately 1,200 brick and mortar businesses that hold a certificate of occupancy. The city is also home to another 300 home based businesses, some of which will eventually or are currently in need of a more formal space in which to operate. A common small business hurdle is the need for flexible space and lease terms that allow for scalable growth. While the city’s share of home based business is typical for most suburban communities, it has been growing rapidly due to changes in career paths, physical workspace needs, and the rise of e-commerce.

PLANNING AND ZONING COMMISSION: The Planning and Zoning Commission conducted a public hearing and considered this item at the December 2, 2021, meeting and voted 5-0 to recommend approval.

RECOMMENDATION:

Approve Ordinance No. 3721.