



City of Denton

City Hall
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Denton, Texas
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AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

CM: Todd Hileman

DATE: March 20, 2018

SUBJECT

Receive a report, hold a discussion, and give staff guidance on a proposed amendment to the Denton Development Code to remove a limitation on the square footage and number of truck bays for the Distribution Center/Warehouse, General and Warehouse, Retail uses in the Employment Center Districts.

BACKGROUND

The Employment Center Industrial (EC-I) and Employment Center Commercial (EC-C) Districts are intended to provide locations for a variety of workplaces and complimentary uses. Within these districts a variety of uses are permitted by right, such as offices, restaurants, self-service storage, and more intensive industrial uses, including bakeries, craft alcohol production, light manufacturing, and wholesale sales. A complete list of permitted uses in each district is provided in Exhibits 2 and 3.

Within the EC-I District, distribution centers/general warehouses are permitted only under the parameters established in Limitation 34 as described below:

“L(34) = Permitted with no more than one hundred fifty thousand (150,000) gross square feet and eight (8) truck docks. All docks or loading bays shall be to the rear or side of the structure and not viewable from the street. The buffering standards for outdoor storage shall apply, both to any outdoor storage activity and to the loading docks.”

Limitation 34 has existed since the Denton Development Code (DDC) was adopted in 2002. However, Ordinance 2012-155 amended the industrial land use categories related to distribution center and warehousing activities and expanded the applicability of L(34). The effects of this code amendment on the DDC are summarized in the table below.

Distribution/Warehouse Uses in the Employment Center Districts		
Use	Prior to Ordinance 2012-155	Current DDC
<i>Wholesale Storage and Distribution</i>	EC-I: L(34) applied EC-C: Not Permitted	Use removed by 2012-155
<i>Distribution Center</i>	EC-I: Permitted by Right EC-C: Not Permitted	Use removed by 2012-155
<i>Wholesale Sales</i>	EC-I: Permitted by Right EC-C: Permitted by Right	EC-I: Permitted by Right EC-C: Permitted by Right
<i>Distribution Center/Warehouse, General</i>	Use added by 2012-155	EC-I: L(34) applies EC-C: Not Permitted
<i>Warehouse, Retail</i>	Use added by 2012-155	EC-I: L(34) applies EC-C: L(34) applies

For reference, definitions of the uses currently in the DDC that are referenced throughout this report are listed below.

Referenced Uses:

- **Craft Alcohol Production:** A business that primarily manufactures alcoholic beverages for wholesale distribution, but may also include onsite consumption and/or retail sales.
- **Distribution Center/Warehouse, General:** A facility where goods or products that are manufactured or assembled off-site are received and stored in bulk, and are then distributed to customers.
- **Light Manufacturing:** Industrial operations relying on the assembly of products using parts previously developed from raw material and not classified as a point source of objectionable pollutants.
- **Warehouse, Retail:** A Distribution Center/Warehouse exceeding twenty-five thousand (25,000) square feet of gross floor area, and devoting up to thirty (30) percent of the gross floor area for display and retail sale of merchandise.
- **Wholesale Sales:** A business engaged in the sale of commodities in large quantities for resale purposes.

ANALYSIS

As a result of ordinance 2012-155, distribution centers in the EC-I district and retail warehouses in either of the Employment Center districts are now limited to no more than 150,000 square feet and 8 truck docks per lot.

For size comparison purposes, the Wal-Mart at Rayzor Ranch Marketplace is approximately 167,000 square feet in size, and the Aldi Distribution Center on Westcourt Road is approximately 521,000 square feet. These restrictions are in addition to general regulations applied to all uses in these districts as shown in the table below.

	EC-C	EC-I
<i>Maximum FAR</i>	1.50	0.75
<i>Maximum lot coverage</i>	80%	85%
<i>Minimum landscaped area</i>	20%	15%
<i>Maximum building height</i>	100 feet	65 feet

Floor Area Ratio (FAR) is determined by dividing the total floor area of a structure by the total area of the lot. These regulations, in addition to parking requirements, serve to limit the size of a building based on the land area available. The additional restrictions imposed by L(34) render many larger parcels zoned EC-I and EC-C undesirable for distribution centers or warehouses that would otherwise be able to develop there.

As an example, based on the FAR, lot coverage, and parking requirements (1 space per 1,000 square feet of building) for a 150,000 square foot distribution center to be developed in the EC-I District, the property being developed would have to be at least 5.2 acres in size. A cursory analysis of substantially undeveloped properties currently zoned EC-I determined that there are approximately 24 tracts of land in the City that meet this minimum size requirement and are thus restricted by L(34). These parcels are outlined on the maps provided in Exhibits 4 and 5 and total approximately 429 acres in size.

By applying this same methodology, in order to develop a 150,000 square foot retail warehouse building in the EC-C District a minimum lot area of 5.5 acres is needed. There are approximately 7 tracts of land in the City zoned EC-C District that meet this minimum size requirement and are thus restricted by L(34). These

parcels are outlined on the maps provided in Exhibits 6 and 7. Approximately 148 acres of land zoned EC-C are included in this example.

Additionally, staff surveyed eight cities across the Dallas-Fort Worth metroplex and found only two cities with limitations on distribution center or warehouse type uses:

- Carrollton limits warehouses to be only an accessory use of no more than 3,000 square feet within their Corporate Commercial district, which is a district specifically designed to encourage campus-style office developments.
- McKinney limits warehouses to 20,000 square feet within their Town Center district.

None of the eight cities surveyed placed limitations on the size or number of truck bays for warehouse type uses within an industrial zoning district such as is the case for these uses in the EC-I District.

CONSIDERATIONS

Staff recommends removing Limitation 34 from the “distribution center/warehouse, general” use within the EC-I District and from the “warehouse, retail” use within both the EC-I and EC-C Districts in advance of the overall DDC update because of the highly restrictive nature of this limitation. Particularly, this limitation would render a proposed beer distribution facility undevelopable on a property located at the northwest corner of West University Drive and Masch Branch Road without rezoning the property. In addition to this proposed development, proposals are regularly brought forward for distribution center or warehouse spaces that are in excess of 150,000 square feet. Typically, proposed developments of this type include buildings that are in excess of 200,000 to 300,000 square feet. As it stands today, such uses are permitted by right only in the Industrial Center zoning districts because of the restrictions imposed by L(34).

While this limitation may not apply to that many properties, it does substantially limit the use of those properties since many uses fall within the scope of “distribution center/warehouse, general” or “warehouse, retail”. It should also be noted that these same properties could be developed with a use such light manufacturing or craft alcohol production with no limitations on square footage or the number of truck bays. For example, a craft alcohol production facility could develop in the EC-I District and produce, sell, and distribute alcohol from their facility without size limitations, but a standalone alcohol distribution center would be limited in terms of both size and the number of bays.

In addition to the issues described above for L(34), there is a lack of clarity in the DDC related to the various warehouse use types. For example, “distribution center/warehouse, general,” “warehouse, retail,” and “wholesale sales” uses (see definitions above) often overlap and could all be applicable to a single development. Conflicting language such as this makes it difficult to administer the code and determine what use classification is appropriate for many proposed developments. This issue is beyond the scope of this proposed code amendment but should be considered as the overall development code update moves forward.

RECOMMENDATIONS/CONCLUSIONS

Staff recommends removing Limitation 34 from the distribution center/warehouse, general use and the warehouse, retail use in the EC-I and EC-C Districts. This change could be made by processing a DDC amendment through the zoning amendment, dual public hearing process. If City Council recommends staff proceed with this change, the code amendment would be brought forward to the Planning and Zoning Commission and City Council in April.

EXHIBITS

1. Agenda Information Sheet
2. EC-I Permitted Uses
3. EC-C Permitted Uses
4. EC-I Affected Properties Zoning Map
5. EC-I Affected Properties Location Map

6. EC-C Affected Properties Zoning Map
7. EC-C Affected Properties Location Map
8. Presentation

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