

Planning & Real Estate Consultants

MEMORANDUM

To: Borough of Highlands Mayor and Council

From: Paul Grygiel, AICP, PP and Diana Marsh, AICP

Date: March 1, 2022

Re: **Overview of Revised CBD Redevelopment Plan**

This memorandum describes changes in the attached updated CBD Redevelopment Plan as compared to the earlier drafts from November 2021 and January 2022. For ease of reading, changes made in the January 2022 Plan are highlighted as follows:

➤ January 2022 changes

The attached Redevelopment Plan is dated 2/28/22, but does not have substantive changes since the January version. The February Redevelopment Plan merely rearranges some existing graphics and adds more photos and other new graphics.

Affordable Housing

The January 2022 Redevelopment Plan added language clarifying that the mandatory set-aside requirements in Section 26-2 of the Borough of Highlands Affordable Housing Ordinance apply to any multifamily residential development of five (5) dwelling units or more, including the residential portion of a mixed-use project.

Flood Zone & Allowable Uses Relative to Base Flood Elevation

Nearly all the parcels in Highlands' CBD zone lie within FEMA's designated AE flood hazard area. In this AE zone for the CBD, the Base Flood Elevation (BFE) is a uniform 11 feet. Borough zoning follows FEMA guidelines and requires that all residential space in new and substantially improved buildings be located above BFE+1, that is, above elevation 12 feet. Non-residential space in such buildings is permitted below the BFE+1, but must be dry-floodproofed. Only parking and storage areas may be located below the BFE+1 without special dry-floodproofing. The elevation of most parcels in the CBD appears to lie between 4 and 9 feet elevation, meaning that the BFE+1 height of 12 feet falls somewhere between 3 and 8 feet above grade for most parcels.

Overlay Areas

This Redevelopment Plan divides the CBD into three Overlay Zones in order to more finely regulate allowable uses and building height.

ALLOWABLE USES BY OVERLAY LOCATION

The November 2021 Redevelopment Plan listed all the permitted land uses for each Overlay Zone, with much resulting repetition between Overlay Zones.

- In the January 2022 version, we streamlined this section by listing the 3 overlay zones' permitted uses in a cumulative fashion, so that everything allowed in Overlay 1 is also allowed in Overlay 2, and everything allowed in 1 and 2 is also allowed in 3.
- In the January 2022 version, we added Bed & Breakfast as a permitted use in Overlay 2, and Hotels as a permitted use in Overlay 3.

BUILDING HEIGHT BY OVERLAY LOCATION IN CBD

The existing zoning permits the same height limit across the whole CBD. The November 2021 Plan changed this to permit different maximum heights in each Overlay Area.

- Compared to the November 2021 plan, the January Redevelopment Plan removed the highest-height Overlay 3 from the western portion of the town. Overlay 3 is now only permitted in the area around Second St & Shore Drive, where parcels are generally larger and wider.

Regulation of Building Height

MAXIMUM BASE HEIGHT

Existing zoning permits for the entire CBD a maximum height of 36 feet, or 38.5 feet if parking is provided inside the ground floor. Maximum height is measured from the Grade Plane, which for parcels in the flood hazard area is the Base Flood Elevation plus one foot ("BFE+1"). Height is measured to the deck level of a flat roof, and to the midpoint between eaves and peak for a sloping roof.

The November 2021 version measured building heights by numerical height as well as by stories.

- The January 2022 Redevelopment Plan continues to govern height by feet, but for clarity and flexibility removed the maximum number of stories. The "base" or as-of-right building height was increased slightly, to 40 feet, as measured relative to the BFE+1.

The November 2021 version proposed to measure building height relative to finished grade, so that all parcels would be subject to the same absolute maximum height above finished grade.

- The January 2022 version returned to the approach used in the current zoning, namely measuring building height relative to BFE+1, in recognition of it being a standard approach used in other towns. The downside of this approach is that the overall building height is therefore not equal for all parcels: buildings on higher ground will have less available building height envelope than buildings on lower ground, because they have less height available below the BFE+1.

HEIGHT EXCEPTIONS

The Redevelopment Plan continues to use the zoning definition for building height exceptions, including allowing an additional 10 feet for mechanical use only. The Plan adds the clarification that parapets are permitted to exceed the maximum building height by up to four (4) feet.

OPTIONAL HEIGHT BONUSES

As stated above, the existing zoning applies the same maximum height across the entire CBD.

The November 2021 Redevelopment Plan allowed 40 feet and three stories over parking / retail space in Overlays 2 and 3. In Overlay 3, it allowed 50 feet and four stories over parking / retail space. There were no height “bonuses” or performance standards associated with these heights; these maximum heights applied to all properties within each Overlay area.

- The January 2022 Redevelopment Plan made two *optional* and mutually-exclusive Height Bonuses available to provide economic incentive for creating floodproofed buildings with active uses at or near the sidewalk:
 - Height Bonus A is permitted in Overlays 2 and 3, and provides a maximum height of 44 feet if certain requirements are met, including an 8-foot front setback and retail or other commercial on the Lowest Floor (which could be the ground floor or more likely the first raised floor).
 - Height Bonus B is only permitted in Overlay 3, and provides a maximum height of 54 feet if certain requirements are met, including a 12-foot front setback, retail or other active use provided on the *ground* floor, and several other items.

GROUND FLOOR RETAIL AND ACTIVE USES ON LOWER FLOORS

The existing zoning does not specifically say that ground-floor retail is required in multi-story buildings in the CBD; it merely says that residential is only permitted above the first floor.

The November 2021 Redevelopment Plan required new buildings fronting Bay Avenue in Overlays 2 and 3 of the CBD to include ground-floor retail or commercial uses, even though this would be an expensive endeavor requiring dry-floodproofing.

Such uses were required to be at least 25 feet deep and occupy the full frontage of the building, except for any entries to upper floors and parking. The November Plan encouraged that such required ground-floor retail should be “Active Uses” in order to create the highest degree of activity and visual interest.

- In order to provide more flexibility in building uses and not impose a requirement for retail in all new development along Bay Avenue, the January 2022 Redevelopment Plan *encourages* ground-floor retail or other active use everywhere, and only *requires* it as part of one of the optional Height Bonuses. With either Height Bonus, retail or other Active Use must be provided on the Lowest Floor. Active Uses include various non-residential uses, primarily retail and dining, but also shared residential support spaces such as lobbies and lounges. Active uses do *not* include parking garages and office space. Specifically:
 - For Height Bonus A, Active Uses must be provided on the “Lowest Floor.” The Lowest Floor is defined in the zoning as either a floor raised above the BFE (such as the second floor of a building) or a dry-floodproofed ground floor. Active uses must be at least 15 feet deep and occupy at least 50 percent of the front facade width.
 - For Bonus Height B, which gives the largest height bonus, Active Uses must be provided at the *ground* floor. Active uses must be at least 25 feet deep and occupy at least 50 percent of the facade width.
- In addition, the January 2022 Redevelopment Plan requires that any raised Lowest Floor Active Uses (as might be built under Height Bonus A) shall be accessed from the sidewalk by stairs leading up to an elevated deck or porch of minimum 5 feet depth and occupying at least 50 percent of the building facade width. This requirement is intended to help strengthen the relationship between the at-grade sidewalk and the raised active use.

GATEWAY PARCELS

The existing zoning does not provide special treatment for any “gateway” parcels in the CBD. The November 2021 Redevelopment Plan identified the general location of gateways into downtown Highlands and *recommended* that buildings in these locations have accent massing such as towers and bay windows, and that parking lots and garage entries not be placed along gateways.

- The January 2022 Plan maps the specific parcels that are considered to be Gateway Parcels. In these locations, new buildings *must* include architectural massing elements and greater detailing to emphasize the gateway. If located within Overlay 2 and 3, these Gateway parcels are also permitted to obtain additional height through compliance with Height Bonus A or B, as appropriate.

Other Bulk Standards

SETBACKS

The existing zoning does not require any front setback in the CBD zone; a zero-foot setback is permitted. A 12-foot rear setback is required in the CBD.

The November 2021 Redevelopment Plan continued these same front and rear setbacks.

- The January 2022 Plan requires a minimum 2-foot deep concrete-paved front setback on all properties, which will help to increase effective sidewalk width, making for a more comfortable pedestrian walking environment. In addition, the Plan requires deeper setbacks if Height Bonuses are pursued: an 8-foot setback with a 44' height (Bonus A), and a 12-foot setback with a 54' height (Bonus B).

STEPBACKS

Current zoning does not require any setbacks of upper floor facades.

The Redevelopment Plan requires front and rear setbacks of minimum 6 feet each for buildings attaining the Height Bonus A (to 44' above BFE+1) and 10 feet for buildings attaining the Height Bonus B (to 54 feet above BFE+1).

FLOOR AREA RATIO

Existing zoning permits a maximum FAR of 0.65. The November 2021 Redevelopment Plan provided a maximum Floor Area Ratio (FAR) of 2.0.

- The January 2022 Redevelopment Plan removed FAR as a regulatory measure in the CBD. Other bulk standards, including height, setbacks, setbacks, and building coverage, are sufficient to guide building size in the CBD.

LOT COVERAGE

Existing zoning for the CBD permits a maximum lot coverage of 80 percent.

The November 2021 Redevelopment Plan continues this as the “base” lot coverage, but permitted an increase in lot coverage from 80 to 88 percent for buildings in Overlay 3 only that attain Height Bonus B. The ground-floor retail / commercial space required in Bonus B will remove some area otherwise used for parking, requiring more of the lot to be improved for parking.

The January 2022 Plan continues this approach.

BUILDING COVERAGE

Existing zoning for the CBD permits a maximum building coverage of 35 percent. The November 2021 Redevelopment Plan increased building coverage to 80 percent throughout the CBD.

OUTDOOR SPACE

Existing zoning requires 100 square feet of private open space per residential unit, as well as 50 square feet per bedroom. The November 2021 Redevelopment Plan continued that approach.

- The January 2022 Plan omits the zoning's additional requirement for 50 square feet per bedroom, in order to be less onerous. The Plan adds language that these spaces must be private, individual to the unit, and connected to the unit. This allows for choice and flexibility to use porches, decks, rooftop terraces, stepback areas, and back yards. Where a building has a generous front plaza as a result of the setback requirement associated with Height Bonus A or B, it is not allowed to count that front plaza space as private open space for a unit.

Green Design

Existing zoning does not require any green design measures such as green roofs or porous paving. The November 2021 Plan encouraged, but did not require, such measures.

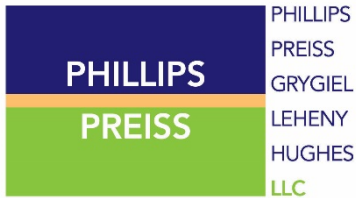
- The January 2022 Redevelopment Plan requires that any front setback areas created through attainment of Bonus A or B shall have porous surfacing such as via porous pavers, grass-crete, rain gardens, and/or landscaping. The goal is to increase the amount of porous surfaces in the downtown and foster infiltration of stormwaters and floodwaters. On the other hand, the minimal 2-foot deep front setback required without the Height Bonuses is not required to have porous surfaces. This was done to simplify construction and lower costs for small projects, and because the 2-foot deep setback is intended to serve as a widening of the sidewalk and should be smooth and walkable.

All versions of the Redevelopment Plan also encourage green roofs and other green design features.

Parking Requirements

Current zoning's parking requirements in the CBD are based on the recent Ordinance O-21-29. The zoning requirements exempt the first 1,000 square feet of non-residential uses from any parking requirements. The November 2021 Redevelopment Plan continued to use the same parking requirements as in current zoning and added a requirement for bicycle parking.

- In recognition that providing off-street parking is usually one of the most expensive aspects of construction, the January 2022 Redevelopment Plan changed the parking approach considerably, and included new parking ratios in the CBD to replace the parking ordinance. These include lower ratios for residential parking, with the lowest ratios possible for multi-family buildings



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having ground floor or Lowest Floor retail or commercial (i.e. those that achieve Height Bonus A or B). The new approach also lowers the parking ratio for non-residential uses in the CBD to 1 space per 600 SF, after the 1,000 SF exemption, and adds clarification that the 1,000 SF exemption may only be used once per building, not once per storefront.

Building Design for Better Frontages

The November 2021 and January 2022 Redevelopment Plans both include specific requirements to soften and screen parking on the ground floor of buildings, since parking will be such a visible part of new construction.

The January 2022 Plan added design requirements for connecting residential, retail and other commercial spaces on a raised Lowest Floor to the public sidewalk, by requiring front porches and staircases, and encouraging terraced, landscaped spaces that draw visitors upwards. This is important since new construction may shift much of the retail and dining activity to the second floor.

Imagery

This latest version of the Redevelopment Plan adds several graphics:

- Height diagrams have been moved up from the Appendix and better annotated in order to avoid reader confusion.
- A new Table 2 has been added, comparing the major requirements of optional Height Bonuses A and B with the as-of-right Base Height.
- Photos of several existing Highlands buildings have been added to the text, annotated with their estimated height and how this height would be measured according to zoning definitions.
- Photos have been added of attractive, inviting mixed-use downtown-style buildings with ground-floor retail or other active uses and landscaped front setbacks with outdoor seating.