



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

Small-Scale Production Establishments Summary of Draft Approach to the Zoning Ordinance Amendment July 11, 2018

The proposed Zoning Ordinance amendment is part of the Zoning Ordinance Modernization (zMOD) review of use categories to better accommodate emerging trends, and is intended to facilitate building repositioning and repurposing. This amendment is being forwarded for discussion in order to complement the timing of the Small-Scale Production, or Made in Fairfax, Initiative by the Office of Community Revitalization (OCR). OCR has contracted with Recast City to explore the potential for small-scale production establishments to enhance the County's commercial areas, and this initiative could result in one or more pilot projects. Staff proposes that public hearings on the Zoning Ordinance amendment take place by the end of 2018.

Emerging Trends

Small-scale production or manufacturing refers to a broad range of businesses that produce tangible goods, such as textiles, woodworking, metalworking, food, beverages, and crops (e.g., from vertical farming). Tools, machinery or 3D printers may be used, and various business models may be incorporated, including makerspaces, shared kitchens or other production facilities, or individual enterprises. The use often includes retail and educational components. Small-scale production businesses typically have one to 30 employees.

Small-scale manufacturing, start-up, incubator and makerspace operations have increased over the past decade, and the trend is anticipated to continue. Technological and economic changes have supported this trend through access to online marketing, the availability of cleaner, quieter and more affordable tools, and consumer preferences for locally made products. Small-scale production businesses represent an opportunity to fill storefronts, offices and other buildings. They support tourism, develop local identity, and generate direct and related employment. Particularly when combined with retail sales, small-scale production establishments that allow consumers to view the manufacturing or farming process can promote pedestrian-friendly revitalization. Modern zoning ordinances typically acknowledge different scales of manufacturing and reduce barriers to the appropriate location of small-scale production businesses.

In light of the need to repurpose vacant office space for other uses in order to promote economic development and community vitality, the Comprehensive Plan was amended on December 5, 2017 and May 1, 2018 to facilitate conversion of office buildings to other uses, including light industrial/manufacturing, vertical farming, industrial/flex, and makerspaces. As a follow-on to the office building repurposing Plan amendments, staff is currently developing a Plan

amendment for the repurposing of non-office commercial buildings, and it is anticipated that public hearings will be held by the end of 2018.

Current Zoning Ordinance Provisions

For zoning use classification, a small-scale production establishment may represent the combination of an establishment for production, processing, assembly, and manufacturing with other accessory uses, such as retail sales, wholesale trade, training and education (considered a private school of special education; see table below). Presently, the Zoning Ordinance restricts production, processing and manufacturing establishments to the I-3 (Light Intensity) through I-6 (Heavy) Industrial Districts, and the PTC (Planned Tysons Corner) District when depicted on an approved development plan. However, under this umbrella use, establishments for printing, and food and beverage production and processing are not permitted in the I-3 District. Wholesale trade as a principal use is permitted by right in the C-8 (Highway Commercial) and I-4 through I-6 Districts; and by special exception in the C-7 (Regional Retail Commercial) and I-3 Districts. A private school of special education is permitted in the commercial and planned districts, and in the I-2 (Industrial Research) through I-5 (General Industrial) Districts. Heavy industrial uses are listed in Article 9 and are only permitted with special exception approval in the I-6 District.

Retail sales are permitted by right as a principal use in the C-5 through C-8 Districts and in the planned districts, and are permitted with special exception approval in the I-4 and I-5 Districts in accordance with Sect. 9-524 of the Zoning Ordinance. In I-4 through I-6, retail sales are allowed in association with an establishment for production, processing, assembly and manufacturing, if the retail component is limited to ten percent of the gross floor area (GFA) of the establishment. In the I-3 District, retail sales are limited to the selling of convenience merchandise as an accessory service use.

Craft beverage production establishments are a type of small-scale production. The Zoning Ordinance was amended in January 2017 to allow these establishments by right, subject to use limitations, in the C-5 through C-8, I-3 through I-6, PDC, PRC, PRM and PTC Districts.

Staff's Proposed Approach to the Amendment

Similar to craft beverage production, staff proposes that small-scale production establishments be permitted by right, subject to use limitations, in certain commercial, industrial and planned districts. Draft text for discussion purposes is included at the end of this memorandum.

Definition

The amendment adds a definition for a small-scale production establishment which accommodates the potential combination of production with accessory retail, wholesale trade and education. The definition indicates that tools and machinery may be shared, as a reference to the possible makerspace or shared kitchen format. The proposed amendment would not impact the previously approved definition or regulations for a craft beverage production establishment.

The Zoning Ordinance does not presently include definitions for manufacturing and related uses. It is anticipated that the revised Ordinance under development as part of zMOD will include categories and definitions for different scales of industrial/manufacturing, and will incorporate the proposed definition for small-scale production. Toward that end, the proposed definition has been coordinated with the County's zMOD consultant, Clarion Associates.

Districts and Use Limitations

A small-scale production establishment would be permitted by right in most commercial, industrial and planned development districts if it conforms to prescribed use limitations. The use limitations would address size, uses, materials, requirement for an enclosed building, retail sales and parking.

Size – A size limit is intended to ensure that a small-scale production establishment fits in with the fabric of the surrounding area, and to limit the impacts of the production activities. A review of other jurisdictions' regulations for "artisan" manufacturing indicates that there is not an established standard for size limitations. Par. 4 of Sect. 4-505 of the Zoning Ordinance limits the size of a separate business establishment in the C-5 District to 6,000 square feet of GFA, except for a drugstore and a food supermarket. This size limitation is intended to preserve the neighborhood retail character of the district. Therefore, staff recommends a maximum of 6,000 square feet as the size threshold for each small-scale production establishment in the C-3 through C-6 Districts. In order to provide for additional flexibility, it is recommended that the maximum size be increased to 10,000 square feet in the more intensive commercial districts, the industrial districts, and the planned districts (C-7, C-8, I-3 through I-6, PDH, PDC, PRM, PRC, and PTC Districts). Production establishments which do not meet the size or other use limitations for a small-scale production establishment would continue to be permitted in the I-3 through I-6 and PTC Districts, in accordance with the current Zoning Ordinance provisions.

Uses/Materials and Enclosed Building – Several use limitations are proposed so that small-scale production establishments do not negatively impact their neighbors in office, retail and mixed-use settings. The use would not allow the bulk storage of flammable materials for resale. Storage of materials and all production activities would be located within a completely enclosed structure that is adequately soundproofed and constructed so that there would be no emission of odor, noise or vibration detrimental to other uses or properties in the area. Uses that are classified as heavy industrial in the Zoning Ordinance would not be permitted. However, it should be noted that some of these uses, when conducted on a small scale, may be determined on an individual basis to not be heavy industrial because they would not result in the noise, vibration, other pollutants or intensive traffic that are characteristic of large manufacturing and other heavy industrial uses as described in the purpose and intent for the I-6 (Heavy Industrial) District. For instance, most handcrafted soap is made with food-quality ingredients and would not be considered heavy industrial.

Retail Sales – Small-scale production businesses often have associated retail sales or another element that supports interaction with the public, such as occasional tours or classes. Although these accessory uses are subordinate to the production use, they are important to cultivating

place-making and pedestrian activity. Therefore, it is recommended that retail sales or another accessory component that provides direct interaction with the public be required in the retail and planned districts (C-5 through C-8, PDH, PDC, PRM, PRC, and PTC). This requirement will encourage a consumer-facing aspect to the business, but in order to provide operational flexibility, no minimum amount of retail sales is recommended. In addition, it is understood that retail sales could occur online, during limited hours, or off-site, such as at a farmer's market. Incidental retail sales in association with a small-scale production establishment would be permitted, but not required, in the office and industrial districts (C-3, C-4 and I-3 through I-6). In the industrial districts, retail sales would be limited to 10 percent of the gross floor area, as currently required for production establishments in the I-4 through I-6 Districts.

Parking – As a type of production, a small-scale production establishment, when located outside of a shopping center, should be parked at the manufacturing rate (1 space per employee on the major shift plus 1 space per company vehicle and piece of mobile equipment). In addition, it is recommended that the rate include a minimum of no less than 1 space/1000 square feet, similar to the minimum for warehousing establishments. When located in a shopping center, the applicable shopping center rate should apply (4.0 – 4.8 spaces/1000 square feet).

Effect of the Amendment

The proposed amendment extends the ability to have a production establishment to most of the commercial and planned districts, but only as defined and limited for a small-scale production establishment. No modifications are proposed for craft beverage production establishments or for production that does not meet the definition or use limitations for a small-scale production establishment. The amendment would add food and beverage production or printing establishments, on a small-scale basis, in the I-3 district. The amendment would also clarify that a small-scale production establishment may include a number of incidental or accessory uses, such as retail and wholesale sales, training, and education.

| Use (as a principal use) | Commercial Districts | Planned Districts* | Industrial Districts |
|--|--|--|--|
| Existing Ordinance | | | |
| Establishments for production, processing, etc. | n/a | PTC | I-3 – I-6 (I-3: no food & beverage; no printing) |
| Craft beverage production | C-5 – C-8 - max 5000 barrels of beer or 5000 gallons of spirits, etc. | PDC, PRM, PRC, PTC - max 5000 barrels of beer or 5000 gallons of spirits, etc. (unless modified by the Board) | I-3 – I-6 - max 20,000 barrels of beer or 36,000 gallons of spirits, etc. |
| Wholesale trade | C-7 (SE); C-8 | n/a | I-3 (SE); I-4 – I-6 |
| Heavy industrial | n/a | n/a | I-6 (SE) |
| School of special education | All | All | I-1 – I-5 |
| Retail sales | C-5 – C-8 | All | I-4 & I-5 (SE – with warehousing, etc.) |
| Proposed Amendment | | | |
| Small-scale production establishment - production with accessory uses | C-3 – C-8 - max 6000 SF C-3 – C-6 - max 10,000 SF C-7 & C-8 | PDC, PRM, PRC, PTC, PDH** - max 10,000 SF (unless modified by the Board) | I-3 – I-6 - max 10,000 SF |

* when shown on an approved development plan

** commercial and industrial areas only

Draft Text for Discussion Purposes

Proposed Definition

Small-Scale Production Establishment:

An establishment where shared or individual tools, equipment or machinery are used to make or grow products on a small scale, including the design, production, processing, printing, assembly, treatment, testing, repair, and packaging, as well as any incidental storage, retail or wholesale sales and distribution of such products. Typical small-scale production establishments include, but are not limited to, vertical farming or the making of electronics, food products, non-alcoholic beverages, prints, household appliances, leather products, jewelry and clothing/apparel, metal work, furniture, glass, ceramic or paper, together with accessory uses such as training or educational programs. Agriculture or a craft beverage production establishment, restaurant, restaurant with drive-through, or carryout restaurant is not a small-scale production establishment.

Proposed Use Limitations

A small-scale production establishment is permitted by right in accordance with the following use limitations.

(The proposed use limitations would apply to the different zoning districts as noted.)

1. *C-3 through C-6 Districts:* The maximum size of an individual small-scale production establishment is 6000 square feet of gross floor area. This maximum does not preclude the location of more than one establishment per lot.

C-7, C-8, I-3 through I-6 Districts: The maximum size of an individual small-scale production establishment is 10,000 square feet of gross floor area. This maximum does not preclude the location of more than one establishment per lot.

PDC, PRM, PRC, PTC, and the commercial or industrial areas of the PDH District: The maximum size of an individual small-scale production establishment is 10,000 square feet of gross floor area, unless modified by the Board in conjunction with the approval of a development plan. This maximum does not preclude the location of more than one establishment per lot.

2. The use may not include the bulk storage of flammable materials for resale.
3. Storage of materials and production activities must be located within a completely enclosed structure that is adequately soundproofed and constructed so that there will be no emission of odor, noise or vibration detrimental to other uses or properties in the area.
4. A small-scale production establishment may not include heavy industrial uses as listed in Par. 13 of Sect. 9-501.

5. *C-5 through C-8, PDH, PDC, PRM, PRC, and PTC Districts:* A small-scale production establishment must include accessory retail sales or another accessory component that provides direct interaction with the public. For food or beverage production, this requirement may be satisfied by an accessory carryout restaurant that is subordinate and incidental to the commercial production, and if the counter, customer waiting and seating areas do not exceed ten percent of the gross floor area of the establishment. This requirement may also be satisfied by a retail sales establishment or a restaurant or carryout restaurant that is established and parked as a separate principal use.

I-3 through I-6 Districts: Retail sales may be permitted as an accessory use, if the associated retail sales area is limited to ten percent of the gross floor area of the establishment.

6. Off-street parking must be provided for small-scale production establishments in accordance with the requirements of Sections 11-104 and 11-105 of the Zoning Ordinance as follows:
 - a. within a shopping center: shopping center rates
 - b. not located in a shopping center: rate for a manufacturing establishment, but with a minimum of one (1) space per 1000 square feet of gross floor area