



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. As the County has actively been working with a potential tenant interested in expanding to Arlington, 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.

Since the County Board’s authorization to advertise this zoning ordinance amendment, staff has continued to research the scale, nature and impacts of micro-fulfillment uses. The proposed zoning ordinance amendment presented in Attachment 1 further refines: 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.

Staff proposes use standards, some of which have been adopted by other jurisdictions, deemed appropriate to mitigate the activity on-site which include:

- Limitations on square footage of the use.
- Location of the use and its relationship to active streetfronts and ground floor building space.
- Parking requirements.
- Delivery operations to and from the use.

### **Public Engagement**

Given the limited impact of this proposed use, staff is using tools primarily from the Communicate levels of engagement.

#### *Level of Engagement:* **Communicate**

Staff believes this level of engagement is appropriate.

#### *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 briefed the Planning Commission and the Economic Development Commission on the Commercial Market Resiliency strategy.
- Upon approval of the request to advertise and in advance of this ZOCO meeting, staff has published an overview of this proposal on the County's website.
- Additionally, a Commercial Market Resiliency web page is being established and will include information about this proposal as well as future proposals. Staff contact information will be available, along with a comment feedback form for submitting comments about this and other proposed uses directly to staff.

### **Proposed Schedule**

- September 13, 2022: Zoning Ordinance Committee Meeting (ZOCO)
- October 3, 2022: Planning Commission public hearing and recommendation
- October 15, 2022: County Board public hearing and action

ATTACHMENT 1

In the proposed amendment:

Text proposed to be added is shown with underline and text proposed to be deleted is shown with ~~strikethrough~~.

Where paragraphs have been inserted or deleted, all subsequent paragraphs would be renumbered accordingly, and all references throughout the ACZO and Appendices A and B (FBC and N-FBC) would be updated accordingly.

**Article 7. Commercial/Mixed Use (C) Districts**

**§7.1. Commercial/Mixed Use (C) District Use Tables**

**§7.1.2. Commercial/mixed use (C) districts principal use table**

COMMERCIAL/MIXED USE (C) DISTRICTS PRINCIPAL USE TABLE

Specific Use Types	RA4.8	R-C	RA-H	RA-H-3.2	C-1-R	C-1	MU-VS	C-1-O	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	Use Standards
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KEY: C = requires use permit and site plan approval; P = allowed by-right; U = requires use permit approval; S = requires site plan approval; Blank cell = not permitted

**Retail, Service and Commercial Use Categories (See §12.2.5)**

Retail, Sales (See §12.2.5.G.2(a))	Bakeries	S	S		S	P	P	P		S	S	S	S	P	S	S	P	P	P	P	§12.5.21
	Drug stores	S	S		S	P	P	P		S	S	S	S	P	S	S	P	P	P	P	§12.5.5
	Florist or gift shops	S	S		S		P	P		S	S	S	S	P	S	S	P	P	P	P	§12.5.8
	Grocery stores, convenience	S	S		S	P	P	P		S	S	S	S	P	S	S	P	P	P	P	§12.5.9
	Grocery stores	S	S		S		P	P		S	S	S	S	P	S	S	P	P	P	P	§12.5.10
	Kiosks					U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	§12.5.12
	Meat or fish markets, and delicatessens	S	S		S	P	P	P		S	S	S	S	P	S	S	P	P	P	P	§12.5.21
	<u>Micro-fulfillment center</u>	<u>S</u>	<u>S</u>		<u>S</u>		<u>P</u>	<u>P</u>		<u>S</u>	<u>S</u>	<u>S</u>	<u>S</u>	<u>P</u>	<u>S</u>	<u>S</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>§12.5.14</u>
	Large-format retail						U	U						U			U		U	U	
	Newsstands	S	S		S	P	P	P		S	S	S	S	P	S	S	P	P	P	P	§12.5.21
	Nursery, flower or plant stores	S	S		S			P		S	S	S	S	P	S	S	P	P	P	S	§12.5.15
	Open-air markets	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	§12.5.17
	Secondhand stores	S	S		S		P	P	S	S	S	S	S	P	S	S	P	U	P	P	§12.5.24
	All other retail sales uses	S	S		S		P	S		S	S	S	S	P	S	S	P	P	P	P	§12.5.21

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**Article 8. Industrial (M) Districts**

**§8.1. Industrial (M) District Use Tables**

**§8.1.2. Industrial (M) districts principal use table**

INDUSTRIAL (M) DISTRICTS PRINCIPAL USE TABLE					
Use Category	Specific Use Types	CM	M-1	M-2	Use Standards
KEY: P = allowed by-right; U = requires use permit approval; S = requires site plan approval; Blank cell = not permitted					
Retail, Service and Commercial Use Categories (See §12.2.5)					
Retail Sales (See §12.2.5.G.2(a))	Drug store	P	P	P	§12.5.5
	Florist or gift shop	P	P	P	§12.5.8
	Grocery store	P	P	P	§12.5.10
	Kiosks	U	U	U	§12.5.12
	Large-format retail establishments	U	U	U	
	<b>Micro-fulfillment centers</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>§12.5.14</b>
	Nursery, flower or plant store	P	P	P	§12.5.15
	Open air markets	U	U	U	§12.5.17
	All other retail sales uses	P	P	P	

**Article 11. Overlay and Form Based Code Districts**

**§11.1 CP-FBC, Columbia Pike Form Based Code District**

**§11.1.5 Columbia Pike Form Based Code district principal use table**

The following use table summarizes the principal use regulations of the CP-FBC district.

COLUMBIA PIKE FORM BASED CODE DISTRICT PRINCIPAL USE			
Use Category	Specific Use Types	CP-FBC	Use Standards
KEY: P = allowed by-right; U = requires use permit approval; Blank cell = not permitted			
Retail, Service and Commercial Use Categories (See §12.2.5)			
Retail Sales (See §12.2.5.G.2(a))	Florist or gift shops	P	§12.5.8
	Grocery, fruit or vegetable stores	P	§12.5.10
	<b>Micro-fulfillment centers</b>	<b>P</b>	<b>§12.5.14</b>
	Nursery, flower or plant store	P	§12.5.15
	Open-air markets	U	§12.5.17.
	All other retail sales uses	P	

## Article 12. Use Standards

### §12.2. Use Categories

#### §12.2.5. Retail, service and commercial use categories

##### G. Retail

###### 1. Characteristics

Companies or individuals involved in the sale, lease, or rental of new or used products, or providing personal or repair services to the general public.

###### 2. Examples

###### (a) Sales

Examples of retail sales include kiosks; second-hand stores; open air markets; farm stands; **micro-fulfillment centers**; and stores selling, leasing or renting consumer, home and business goods including alcoholic beverages; appliances; art and antiques; art supplies; auto supplies; baked goods; bicycles; books, stationary, cards; cameras; carpet and floor coverings; crafts; clothing; computers; convenience goods; dry goods; electronic equipment; fabric; flowers; furniture; garden supplies; groceries; hardware; home improvements; household products; jewelry; liquor; meat, fish, produce, beverages and/or specialty foods; medical supplies; musical instruments; pet food and/or pets; pharmaceuticals; picture frames; office supplies and equipment; plants; printed material; sporting goods; stationery; tobacco and related products; and vehicle parts.

### §12.5. Commercial/Mixed Use Standards

#### §12.5.14. Micro-fulfillment centers

- A. The maximum gross square feet for a micro-fulfillment center shall not exceed 10,000 square feet.
- B. Micro-fulfillment center may not operate in locations or spaces that have direct access from the street unless:
  - 1. At least 10% of the floor area is designated for walk-in customers; and
  - 2. The customer space must extend at least 15 feet from the entrance with direct access; and
  - 3. Customers can conduct a transaction on-site.
- C. Parking shall be provided at 1 space per 1,000 sq. ft. of floor area, or one space for each 2 on-site employees, whichever is the greater.
- D. Deliveries of goods:
  - 1. All deliveries of goods to the establishment must occur on-site.
  - 2. Bicycle or pedestrian delivery of goods to off-site customers must account for no less than 10 percent of all deliveries.
  - 3. Vehicular delivery of goods to off-site customers shall only use non-commercial

- 52 vehicles.
- 53 4. A bi-annual audit including, at a minimum, orders and delivery modes shall be
- 54 furnished upon the request of the Zoning Administrator.
- 55 E. All fulfillment and delivery activities shall occur within the building(s) and/or on-site.

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## Article 18. Definitions

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### §18.2. General Terms Defined

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59 Micro-fulfillment center. Any establishment for the receipt, transfer, short-term storage, and

60 dispatching of retail and other similar goods.

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### Commercial Form Based Code (Appendix A)

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## Section III. The Regulating Plans

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66 **Table 3.1**

FORM BASED CODE GROUND STORY USE TABLE				
Use Category	Specific Use Types	Permitted (P) or Use Permit (U)	Restricted on Principal Arterials per III.B.5.D	ACZO Use Standards
Retail, Service and Commercial Use Categories				
Retail, Sales	Drugstore	P		§12.5.5. §12.5.22.
	Grocery store	P		§12.5.10. §12.5.22.
	<u>Micro-fulfillment centers</u>	<u>P</u>		<u>§12.5.14</u>
	All other retail sales uses	P		§12.5.21.

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68 **Neighborhoods Form Based Code (Appendix B)**69 **Part 9. Building Use Standards**70 **901. Building Use Table**

BUILDING USE TABLE			
Use Category	Specific Use Types	Permitted (P) or Use Permit (U)	ACZO (§) and N-FBC (Section) Use Standards
Retail			
Retail, Sales	Grocery stores	P	§12.5.10 §12.5.22
	Kiosks	U	§12.5.12
	Nursery, flower or plant stores	P	§12.5.16 §12.5.22
	Open-air markets	U	§12.5.18
	Florist or gift shops	P	§12.5.8 §12.5.22
	<b>Micro-fulfillment centers</b>	<b>P</b>	<b>§12.5.14</b>
	All other retail sales uses	P	§12.5.22
	Drugstores	P	§12.5.5 §12.5.22

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