To: Michael Malecek, Town of Mills River

From: Chad Meadows, CodeWright

Date: 10.29.25

CC: File, Karen Mallo, Jake Petrosky

RE: Imagine Mills River

Task 3, Annotated Outline Trip Notes



MESSAGE

These are the meeting notes from the Imagine Mills River new UDO project Task 3 Annotated Outline trip conducted in Mills River on 9/24/25 through 9/26/25. These notes document the activities conducted during the trip and summarize the discussion. Copies of presentation slides are also included.

Imagine Mills River is an effort to consolidate and update the Town's development regulations into its first unified development ordinance (or "UDO"). The new UDO is proposed to implement *Making Mills River*, the Town's new Comprehensive Plan (adopted in 2021). In addition, the new UDO will establish a comprehensive set of development application review procedures, new review criteria, measurable standards, consistent terminology, best practices, and innovations such as incentives for preferred forms of development. The project includes a review of current zoning districts and strives to protect the community's rural character while also ensuring sustainable and beneficial growth in appropriate areas.

The Annotated Outline is a document that provides the outline of the proposed UDO contents, formatting, style, and structure. Considered the "dress rehearsal" for the UDO, the Annotated Outline is completed just prior to the actual drafting of the UDO so that Town staff, elected officials, and stakeholders understand the new organization and basics of the UDO elements. The consulting team prepared a preliminary Annotated Outline and then traveled to Mills River to meet with the public, Town staff, Steering Committee, and Town officials. Trip 3, Annotated Outline, included the following six activities:

- 1. Proposed Zoning Map Review Meeting with staff and the mapping consultant (Stewart Engineering);
- 2. Project Steering Committee Meeting 2;
- 3. A meeting with Town staff;
- 4. Public Forum Two An open house detailing the Imagine Mills River Project and the Annotated Outline;
- 5. Conducting Presentation at Meeting Two with the Town Council; and
- 6. Office Hours;

These trip notes provide additional details on the activities undertaken during the Task 3 trip conducted in September 2025.





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1. Zoning Map Review Meeting

On Wednesday, September 24th, 2025 members of the CodeWright team, the Town's planning staff, and the Team's mapping consultant from Stewart, met to discuss the proposed Zoning Map, version dated 9.5.25. Information discussed and suggestions for edits included the following:

- Remove the aerial ortho photo layer to improve readability of the map
- Remove green areas located outside the Town limits (like the Pisgah National Forest)
- Include road names
- Add lot lines
- Darken the floodplain hatch; eventually add this as an overlay district to a separate map
- Create additional overlay district Map (separate in order to provide readability) for WSO (Water Supply Watershed Overlay) and FHO (Floodplain Hazard Overlay)
- Town staff has site specific edits based on current land uses

There was a bit of discussion on the criteria used to classify each of the new zoning districts. The initial classifications are based on the following:

| CON | Conservation | Town owned or designated, conserved property, publicly owned parks |
|-----|--------------------------|--|
| AGR | Agricultural Residential | Vacant, residential, or ag lots greater than 3 acres |
| RUR | Rural Residential | Lots between 1.5 and three acres |
| LDR | Low Density Residential | Old MR-30, under 1.5 acre lot size |
| MXR | Mixed Residential | Developed, mixed use, non-residential in NC or MU |
| GLC | General Commercial | Old MR-GB |
| TNC | Town Center | Located at crossroads, variable lot size, mix of uses |
| IND | Industrial | Old MR-LI |

Discussion also included a cursory review of the DRAFT Land Use Table. The following are the comments related to the Table:

- Religious institution must be allowed in the same districts as a Fraternal Club or School
- Ag Products is inclusive of existing Farm / Produce Stands
- Angertainment is already occurring on Bona-Fie farms which are exempt from regulation
- Recreation is classified as either indoor or outdoor as well as private (commercial) or public (institutional)
- Level 2 and Level 3 SES (Solar Energy Systems). Allow Level 3 permit in ICZ only and remove Level 2 from AGR
- Extractive Industry, allow as SUP in LI
- Prohibited Uses include but not limited to: Infectious Waste, Nuclear Reactors, RV Residences
- Do not regulate Short Term Rentals
- Combine all Schools (Elementary, Middle, High) into one use category





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2. Project Steering Committee Meeting 4

The consulting team conducted the fourth meeting with the project Steering Committee during the evening of September 24, 2025. The presentation focused on the Imagine Mills River project goals; the work program; the Annotated Outline chapters, organization, formatting, and content; the Future Land Map; the existing and proposed Zoning Maps; and the accelerated project schedule.

During the presentation, the following seven topics were discussed:



1. Expedited Timeline

- The Town is the only municipality in the State of North Carolina to be granted an exemption from SB 382.
- UDO adoption by the Town is required by July 1, 2026 in order to comply with the exemption allowance.
- Currently four months behind as we waited for the legislature to determine direction to move forward.
- Steering Committee suggested that Council members be brought along during the process and members be invited to attend Steering Committee meetings so they are aware of the proposed changes with the new UDO.
- The group talked about how best to organize material for review and the need for additional virtual discussions.

2. Agricultural Use Exemptions

- Agricultural uses are currently exempted from the Town's development regulations, with the exception
 of subdivision and Water Supply Watershed. These exemptions will be continued to the UDO, but
 Agricultural uses will be made subject to the Town's newly-adopted Floodplain Hazard standards.
- Farm activities or non-farm activities are happening on non-exempt farms and the abuse of the exemption rules on bona fide farms should be restricted. Look to provide guardrails in the UDO but exempt from zoning when meeting particular criteria as outlined in the General Statutes.

3. Proposed Zoning Districts

- Agricultural Residential (AGR) has a three acre minimum. This was picked as a starting criteria based on typical lot sizes seen throughout Town. What happens to existing farms that are under three (3) acres? They can still exist because bona fide farms are exempt from zoning.
- Agricultural Residential is a confusing name as it does not require agricultural uses yet it is a permitted
 use.
- Lots within floodplain areas (that are now subject to the Town's Flood Hazard provisions) remain zoned with a base zoning district designation because the boundaries of a floodplain area can change. Further, portions of individual lots may be located outside the floodplain.
- Consider an Agricultural Conditional Zoning but only if Ag uses not exempt from zoning.

4. Agricultural Uses

Review and reconsider how agricultural uses or farm uses are classified. The current use table lists a broad array of agricultural activities, some of which may take place on a bona fide farm (and would therefore be exempted from zoning). This distinction needs to be made more clear somehow. Consider a general farm





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use as there are typically many different types of activities that can occur on different kinds of farm, such as agricultural processing, animal husbandry, and ag product sales. Difficult to determine primary and secondary uses when all used equally. Staff expressed a desire for some sort of basic requirement for farms or agricultural uses to "check-in" with the Town when initially established. This check in is not a permit, nor is there a fee. It is needed as a mechanism for the Town to is aware that a bona fide farm exists and to help ensure the bona fide farm exemption is protected.

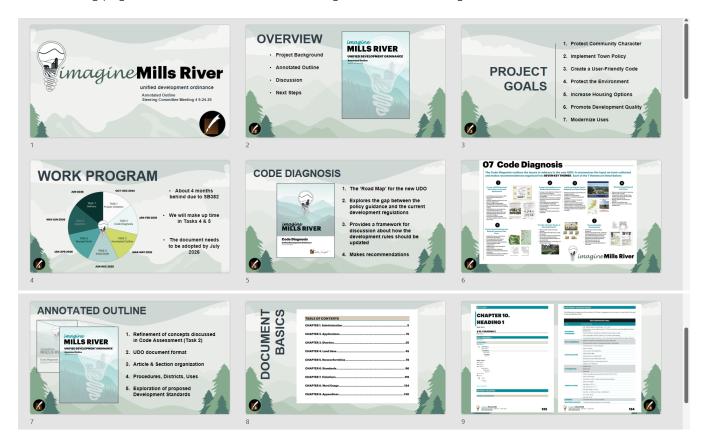
5. Business / Privilege Licenses

Town should consider implementing privilege licenses (this is outside the scope of the UDO, and is a policy matter) and not charge for these licenses. The privilege license process is helpful to track the type of development and businesses in Town, especially agricultural uses (and exempt changes that wouldn't otherwise require zoning compliance or a permit)

6. Moving Forward / Review procedures

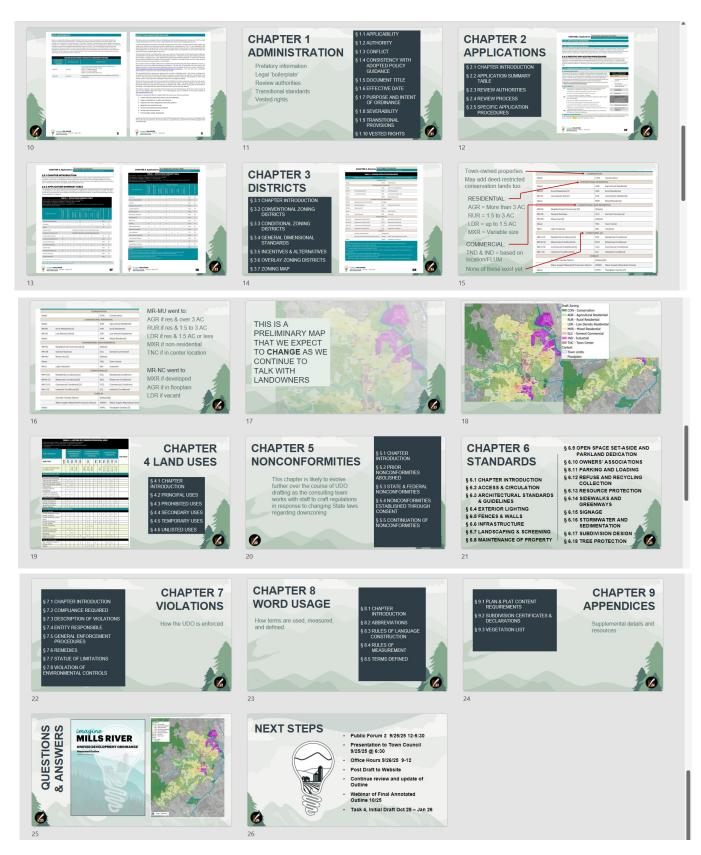
- Code Wright will prepare UDO text in batches. We will submit to Mike, edit with his comments, and resubmit for submission to Steering Committee.
- Will be in three batches: Districts/Land Uses, Standards, and Procedures
- 2 Rounds of Review 1st one is long (chunks), 2nd is quicker (consolidated, whole document)
- Zooms / Teams calls with Steering Committee to facilitate more frequent discussions.
- Will be writing from October through March

The following pages includes the slides from Steering Committee Meeting 3:













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4. Project Status/Strategic Plan Meeting with Staff

The consulting team met with Town Planning Staff to discuss the project, recap from the Steering Committee meeting, and discuss questions remaining from the initial DRAFT of the Annotated Outline. The following is a summary of the discussion:

- Regulation and/or Exemption of Agricultural Uses. There is consensus that that ag uses will be
 subject to the water supply watershed and floodplain hazard overlay district regulations as well as those
 rules regulating subdivision. The definition of agriculture, bona fide farms, and farm need to be
 reviewed and strengthened based on state statutes. Need to define or list what is considered a "Nonfarm" use. Potential creation of an Ag permit (exempt for regulations, no cost, similar to Privilege
 license) which allows the Town to understand what is being built and what operations are being
 completed so County can issue building permits when needed.
- Elimination of Corridor Overlay and incorporation of design guidelines throughout Town. There is a recommendation to remove the corridor overlay since it is currently applicable to most of the developable parcels in the Town and simply apply some or most of the existing standards to most new development. This would primarily include multi-family uses, both horizontal and vertical mixed uses, and commercial and industrial non-residential uses. Design guidelines for SF detached and SF attached, duplex and triplex (less than 3 stories) are options as cannot regulate as per statute. Would look to regulate these uses on frontages with visibility from roadways (primary, secondary and tertiary); regulations for materials/wall treatment. Minimal if any mention of fenestration or transparency.
- Flood Protection. The Town is currently drafting the final version of the Floodplain Hazard Ordinance that will be incorporated into the new UDO. This ordinance in non-FEMA/NFIP compliant but us based on the FIRM (Flood Insurance Rate Mapping) for its determination of the 100-year floodplain. The ordinance will be applicable to everyone in the Special Floodplain Hazard Area (SFHA). The Town's Floodplain Hazard Ordinance prohibits all development in the floodplain except the following:
 - 1. Residential accessory structures without utilities or heating. No dwellings are permitted.
 - 2. Bona fide farms / agriculture including land maintenance, structures, and agricultural land uses
 - 3. Functionally-dependent activities (dock, tubing, fishing)
 - 4. Government / public utility
 - 5. Environmental restoration
 - 6. Private residential access road through floodplain to access a single-family dwelling that is located outside of the floodplain
 - Minimal fill is allowed (base fill standard 5% of SFHA to BFE) in the floodplain.
 - Lawfully-established existing nonconforming development in the floodplain is allowed to build
 - No commercial or industrial uses allowed.

Based on the local ordinance in Flat Rock. The consulting team expressed some concern that the ordinance may be stricter than that of the State.

• Resource Protection. This is proposed to be a new section in the UDO that will contain the regulations for steep slopes, ridgeline protection, outstanding waters/trout streams, and tree protection/ reforestation. There was discussion on the inclusion of riparian buffers / setbacks in areas outside the water supply watershed (30' on either side of a blue-line / perennial stream). Discussed the measuring of steep slopes and it will determined to have steep slopes if the average slope across the site is greater





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than 25% (based on the calculation method used in Laurel Park, NC UDO). For tree protection a 30′ perimeter was discussed. Also allowing developers to count preserved tree as open space. Fundamental difference in having people save trees vs. replace; incentivize. Discuss tree clearing permit process.

5. Public Forum Two

From 1:00 PM until 5:00 PM on Thursday, September 25th, the Town staff and the consulting team conducted the second public forum of the Imagine Mills River project. The open-house-style event took place at Town Hall (124 Town Center Drive). The public forum was conducted to provide an introduction to the project for those who were unable to attend the previous forum and provide new information on the proposed zoning map and annotated outline. It was also an opportunity for residents to provide feedback and address any errors or concerns regarding the proposed zoning. Only two people attended the public forum.

The following is a summary of concerns we heard, the information Boards that were only display during the public forum, and the slides from the introductory presentation that was recorded and is available for review on the project website. There were around 12-15 people who visited the open house session.

Concerns we heard

Resident concerned about property rights especially in the southern and western portions of the Town. The Town should not be telling people what to do with their property.

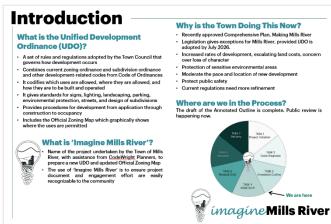
Some commented on the need for the project to do a better job with the public explaining what Imagine Mills River is, what it is proposed, and what the anticipated outcomes will be. It may be that a series of short videos on these topics may be developed and placed on the project webpage.

Brewery operations are industrial in nature and include processes such as food and drink processing, manufacturing, and event use.

Station 1 - Welcome and Introduction

Station 1 included a sign-in sheet, and welcome board that provided an overview of the Forum. A second Introduction Board provided an overview of the project and where the Town is in the process.





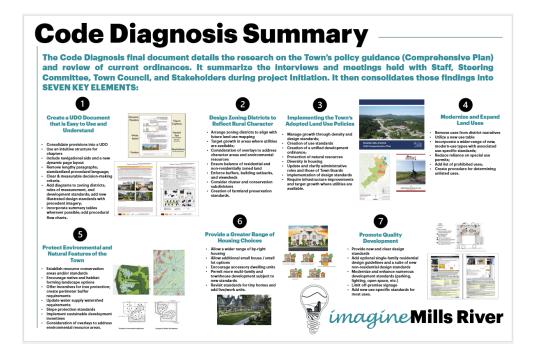




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Station 2 – Code Diagnosis Summary

The following board was prepared for the initial Public Forum, summarizes the seven key elements or themes for improvement in the new Mills River UDO, and was displayed again during Public Forum 2.



Station 3 – Future Land Use, Existing Zoning, and Proposed Zoning Maps

The Future Land Use map (1st of the following 3 maps) is based on the findings in the Mills River Comprehensive Plan and provides a foundation for the anticipated changes to the zoning map.

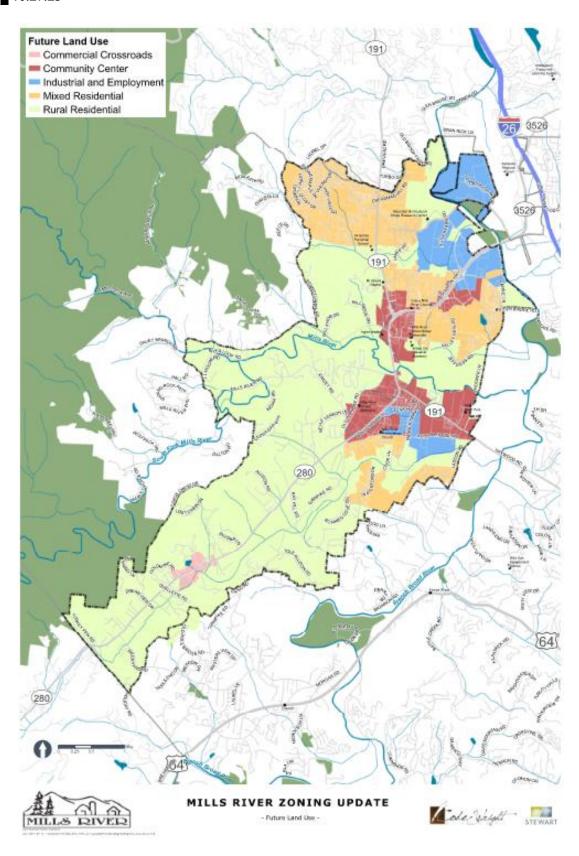
The existing zoning map (2nd of the 3 maps on the next pages) is representative of the existing zoning districts included in the current ordinance. These districts are anticipated to change with the update to the UDO. Currently, ordinaces allow for over 50% of the Town to be included in the MR-MU Mixed Use district, which provides little to no protection from incompatible adjacent uses.

The draft zoning map (the 3rd of the 3 maps) is the initial draft proposal for how the current zoning might change as part of Imagine Mills River. This map shows the new zoning districts (described in the Code Diagnosis and Annotated Outline) and their boundaries. This is an initial draft proposed for the sake of discussion, and is anticipated to evolve throughout the process.

The three maps are included on the following pages.

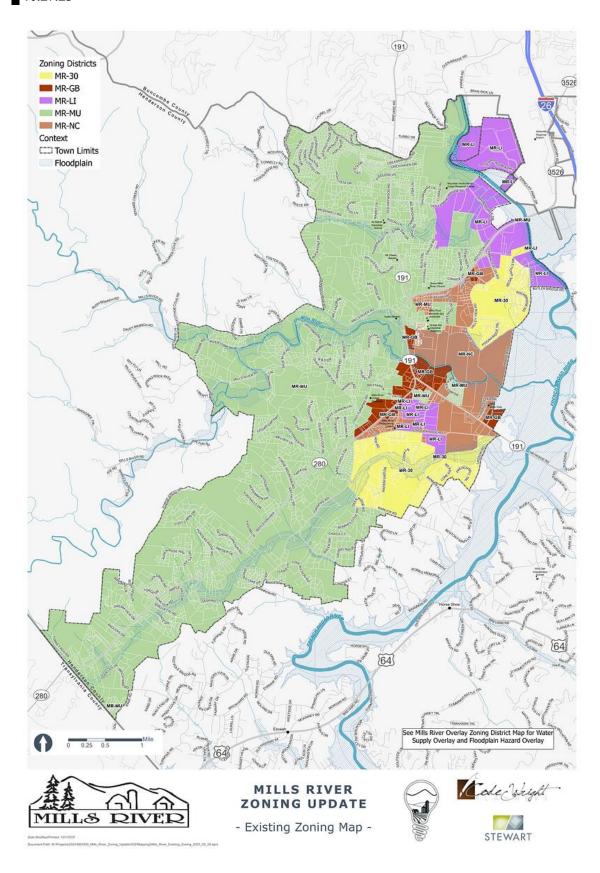








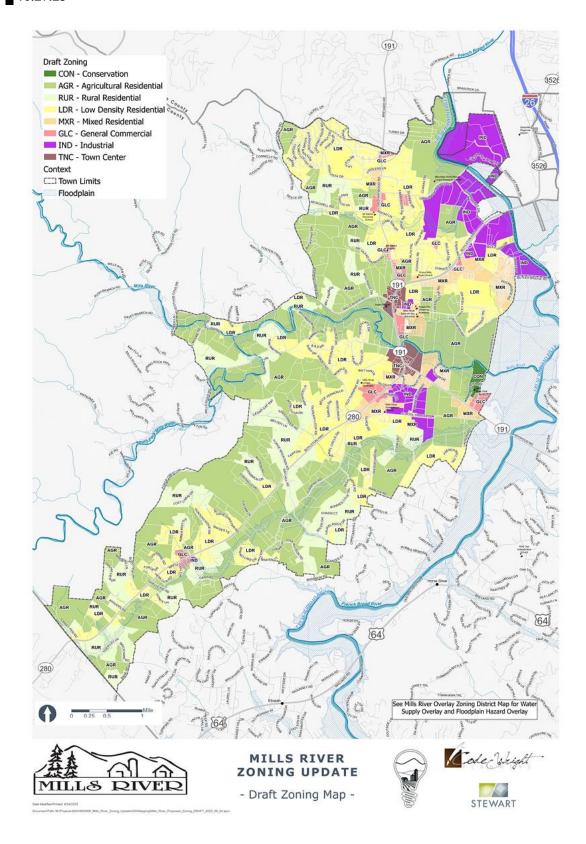








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Comments Provided: Concern over landowner's property rights in the future.

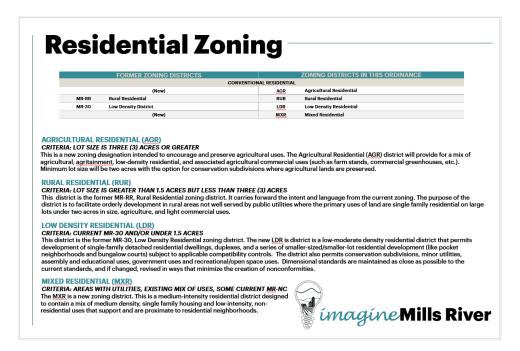


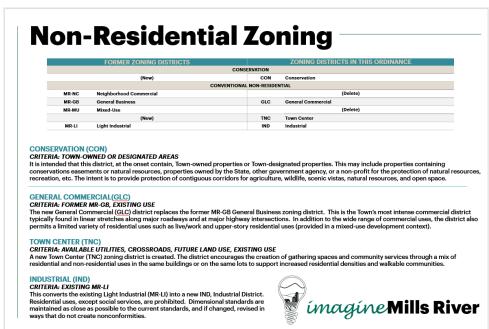


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Station 4 - Proposed Zoning Districts (Residential and Non-Residential)

Station four included a pair of boards that provided additional detail about each of the proposed residential and non-residential districts identified in the initial draft zoning map and in the Diagnosis document. The boards explained how current zoning districts were modified or carried forward, and provides additional detail about anticipated use types and dimensional standards in the new zoning districts.









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Station 5 - How Might the UDO Affect Me?

Station 5 asked the Question, "How Might the UDO Affect Me?"

How Might the UDO Affect Me?

You may wonder how this set of laws regulating development affects you? Here are some typical ways:

- Health, safety, and welfare
- · Providing for adequate housing
- · Ensuring goods and services are available
- · Protecting opportunities for recreation
- Transportation
- · Property value protection
- Open space protection
- · Environmental protection
- · Agricultural stewardship
- Accessory uses (pools, in-law units, sheds)
- · Sign permit
- Buffers
- Enforcement
- · Balance of tax base (industrial vs residential)

Questions to Ask and What to Look For:

- · What is my property currently being used for?
- · What current zoning of my property?
- · What is new zoning proposed for my property?
- · Will current use be permitted with new zoning?
- · If not, what does that mean?

LET US KNOW YOUR
THOUGHTS and QUESTIONS
on the board below



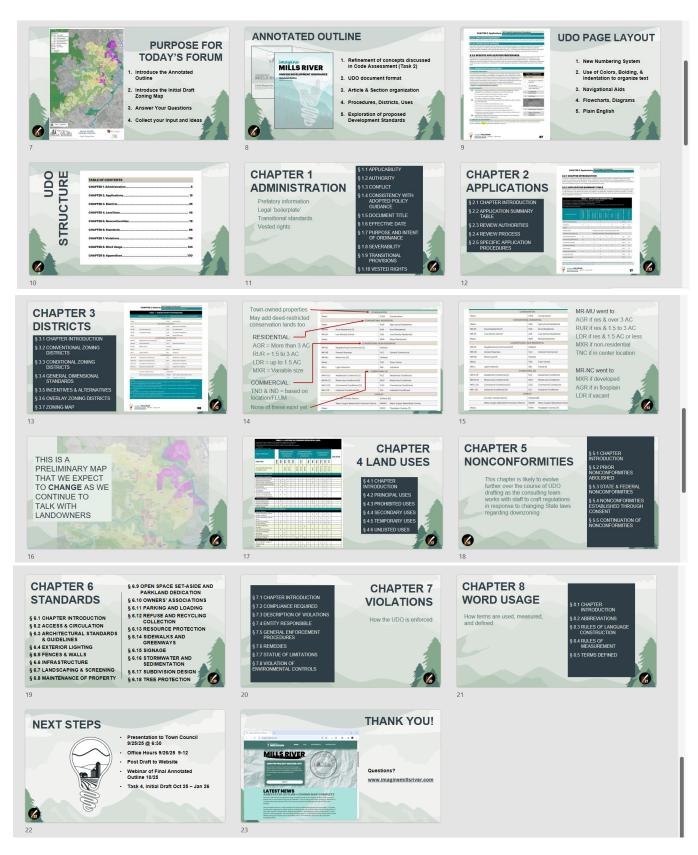
Each station included opportunities for forum visitors to pose questions or provide comments about the board contents or the Imagine Mills River project generally.

A summary presentation overviewing the Annotated Outline document was also given at the beginning of the public forum, and a video of this presentation is available for viewing under the *documents* tab of www.imaginemillsriver.com. The following are images of the slides presented:











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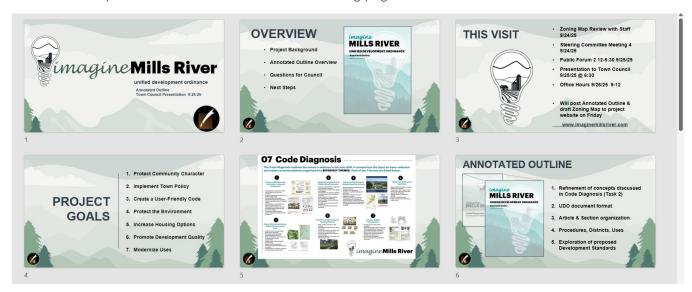
6. Presentation at Town Council Meeting (Meeting 3)

The final element of Trip 3 was a presentation to Town Council. This presentation provided details on the Imagine Mills River project background, the introduction of the Annotated Outline, and a discussion of next steps. There were a series of three questions posed to the Council during the presentation. The first was if farms and agricultural uses should be regulated (as is allowed for Towns in NC) or if they should just be exempted. The Council direction was to continue to exempt these uses.

Question 2 asked about building design standards along the highways in Town. The basic consensus among Council was that design standards should be used sparingly, and application of such standards limited to those standards that have the most impact. It may also be wise to exempt smaller buildings from standards altogether, or to not apply standards to building not visible from the highway corridor.

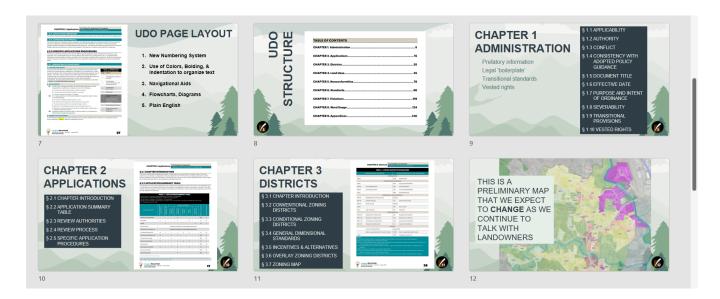
The third question asked about the ability of adding incentives for residential developments (likely in the form of density bonuses that allowed this kind of development to exceed 4 units per acre without need of a rezoning) that included high-quality design or that included affordable housing. There did not appear to be support for incentive-based density bonuses.

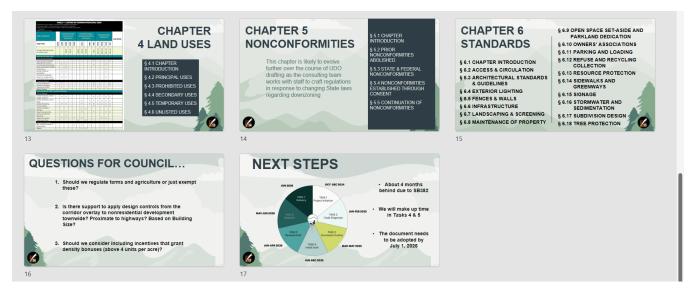
Slides from this presentation are included on the following pages:





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7. Office Hours (Block 3)

Office hours are an opportunity for anyone in Mills River to come and meet with members of the consulting team about the project during the team's visits. On Trip 3, the consulting team held a block of time for office hours on Friday, September 26th between 9AM and 12PM. Interested parties need to contact Town staff to schedule an office hours meeting. No one scheduled an office hours visit with the consulting team during Trip 3 but we did have three members of the public drop in for discussion during the office hours time slot.

Items addresses during office hours included ensuring agricultural greenhouses on the east side of Town are zoned correctly, understanding what the UDO update is about and why it is happening now, asking general questions, and providing insight to an agricultural business in Town.

