



PLANNING COMMISSION Staff Report

Zoning Map Amendment

2056-2068 Chestnut Ave – Blue Ridge Abbey

11/25/2025

Synopsis

Applicant Daniel DeSouza proposes to rezone the Blue Ridge Abbey property from R3 Residential to MU Mixed Use and construct ten cottages for transient occupancy.

Site Information

Address/Tax Map:		2056 Chestnut Ave (34-1-2-57-3 and 34-1-2-57-5) and 2068 Chestnut Ave (34-1-2-57-7)	
Existing zoning:		R3 Residential Limited	
Existing land use:		Single-family residential with CUP for Bed & Breakfast (2025)	
Proposed zoning:		MU Mixed Use	
Proposed land use:		Hotel	
Surrounding zoning and land use: Single family residential			
Size:		37,500 sf land	
Staff Recommendation:			
Tentative Timeline	Preliminary Commission Discussion		11/12/2025
	Planning Commission Public Hearing		12/9/2025
	City Council Public Hearing		1/15/2026
	City Council Adoption		TBD

Overview

2056 and 2068 Chestnut Ave are two single-family houses which were granted a Conditional Use Permit (CUP) for use as a Bed & Breakfast in February 2025. The house at 2068 Chestnut Ave was renovated and began operation as a B&B in late spring of this year, and the house at 2056 Chestnut Ave is still under renovation.

Daniel De Souza, on behalf of the LLC owning the Blue Ridge Abbey business, proposes to expand the inn by constructing ten (10) cottages on the undeveloped south end of the property as well as increasing the number of rental rooms in the existing structure. This will require rezoning the property from R3 Residential to MU Mixed Use.

Required Approvals

- Zoning Map Amendment – Planning Commission recommendation and City Council approval
- Site Plan – Staff will review and approve the technical site plan, however, the site improvements are integral to the change in use and Zoning Map Amendment review by Planning Commission.

- Erosion & Sediment Control – The land disturbance is expected to exceed 10,000 sf, so and ESC plan will be required. The City’s 3rd party, AMT, will review.

Site

1. Overall Layout & function

- a. 2056 and 2068 will combined have between 14-17 rooms as well as the common dining, kitchen, and sitting spaces for the inn. Ten new cottages are proposed, constructed in a U-shape on the south end of the property (lots 3-4). Each cottage will contain a sitting area, kitchenette, full bathroom, and bedroom. The cottages will open onto a landscaped central green. **Note: based on November 12 2025 Planning Commission meeting, design of individual cottages and overall layout may change prior to December 9th meeting, but revised plans have not yet been submitted (11/25/25).**

2. Vehicular Circulation and Parking

- a. 2056 and 2068 Chestnut currently provide nine off-street parking spaces in their separate driveways, without vehicles being blocked in.
- b. There are 8 on-street parking spaces on the 21st St and Chestnut Ave frontages of this property, excluding the area of proposed perpendicular parking. The frontage of the proposed perpendicular parking currently accommodates approximately 3 vehicles on-street, parallel.
- c. The off-street parking requirement for hotels is one space per bedroom plus one additional space for each two employees (703.03-1). For 25 rooms and 2 employees this equals 26 spaces.
- d. The current site plan calls for 11 parking spaces arranged perpendicular to Chestnut Avenue on the front of the property. For the number of parking spaces and potential volume of vehicles, staff do not believe that perpendicular parking is safe here. This arrangement would be safer with angle parking. These parking spaces would be partly in the public ROW and partly on private property.

3. Trash Collection, Water/Sewer, Signage, and Landscaping are still TBD.

Analysis

The current zoning is R3 Residential Limited with a Conditional Use Permit (CUP) to operate two bed & breakfasts, one in each house. The CUP also included a list of additional conditions related to special events. The B&B began operations earlier in 2025 but only in the large house (2068); the smaller house is still under renovation, so only five rooms have been available for occupancy thus far.

The proposed use is a hotel with up to 27 rooms, including the two existing houses and up to ten new detached cottages. The MU Mixed Use zone is the most logical choice for rezoning because the Magnolia Ave corridor is zoned MU and it allows hotels. The Comprehensive Plan Future Land Use Plan designates this location as Residential Medium Density, which aligns with its current zoning, but it is only half a block away from the edge of the existing MU zone. The downtown revitalization plan, among others, highlights the importance of the 21st Street

corridor as the primary east-west axis in the City, further supporting extension of the MU zone along this street.

There is a documented need for transient accommodation in the City. Multiple plans including the downtown revitalization plan and the Recreation Economies for Rural Communities plan, included specific recommendations to pursue hotel/transient occupancy businesses to expand options and drive tourism in the City. In 2025, both the Bontex revitalization study and Main Street's economic analysis identified market gaps for hospitality.

The Blue Ridge Abbey plans for transient occupancy only and no accommodations would be for residency (30+ days).

Items for Further Consideration

While the existing structures were historically a house and "carriage house," and are consistent with other nearby properties, the new structures would be a departure from the single-family residential rhythm. Cottage courts can be an effective and attractive way to increase density in residential areas, but the site-specific design of the courts and their appearance in relation to nearby properties is critical. The designs presented so far lack sufficient detail on building architecture, materials, landscaping, and relation to the street. As proposed, the cottages are internally oriented and do not face or engage with the street. The building floorplan indicates that there would be no doors or windows facing Chestnut Ave but instead would have blank walls. Additionally, at full occupancy one would see a row of parked cars separating the buildings from the street.

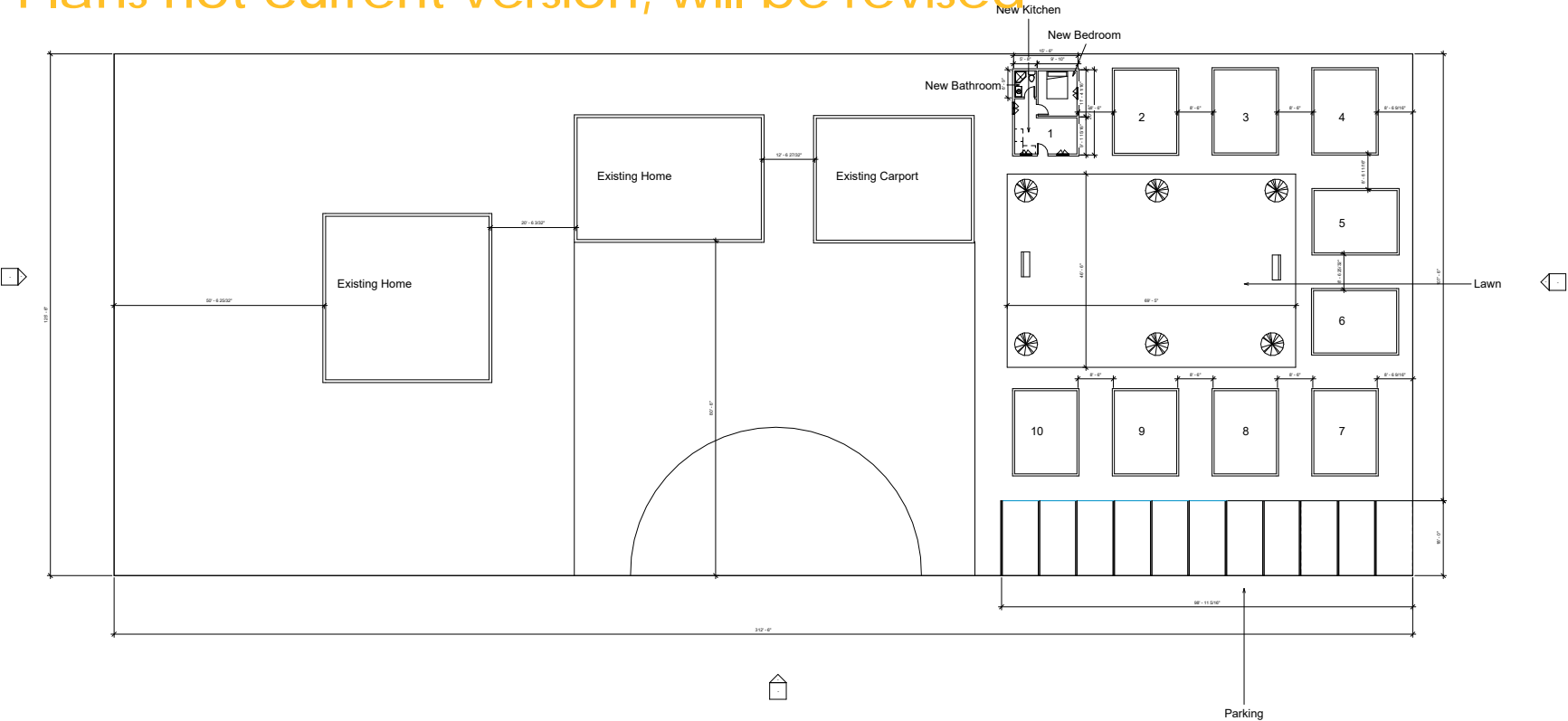
Considering use, because the bed & breakfast has thus far only operated with five rooms, it is hard to gauge the future level of pedestrian and vehicular activity of a 27-room hotel and its potential impact on the character and scale of the neighborhood. While the library across 21st Street receives regular traffic, and Forest Avenue has both MGCC and the Post Office as well as the White Tree Inn, Chestnut Ave remains residential in character and somewhat quieter.

Considering parking, with ten angle or perpendicular spaces off Chestnut Ave in front of the new cottages, the total off-street parking would be 19 spaces, plus approximately 8 on-street spaces. Council can approve the rezoning and this project without meeting the black-and-white requirements of the off-street parking regulations, but it is not clear if the parking would be sufficient for full occupancy, or for a special event. The potential visual and operational impacts of parking overflow, increased vehicular movement, and short-term guest activity should be weighed carefully.

Planning Commission Discussion

The applicant noted that they have experienced very strong demand for rooms and had to turn away many guests in the last six months. He envisions the cottages like a "Victorian village" creating an attractive experience for guests. Commissioners voiced concern over the number and arrangement of the cottages and its compatibility with the neighborhood, as well as amount and appearance of parking provided.

Plans not current version, will be revised





0 0 0 0.01 0.01 0.02 Miles

2056 - 2068 Chestnut Ave

2024





