CITY OF DAHLONEGA
Planning and Zoning Commission Meeting Agenda

December 01, 2026, 6:00 PM

Gary McCullough Council Chambers, Dahlonega City Hall

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG AND INVOCATION

III. APPROVAL OF AGENDA

IV. APPROVAL OF MINUTES

(1.) Regular Meeting / Public Hearing of October 6, 2026
Rhonda Hansard, City Clerk

V. RECESS REGULAR MEETING FOR PUBLIC HEARING

VI. PUBLIC HEARING

(1.) REZN 26-06 Rezoning: Capstone Property Group by Jeff Payne, applicant, Vivian Cottrell, property owner, seeks to rezone from I (Industrial District) to B-2 (Highway Business District) 4.766 acres fronting on the north side of Pine Tree Way (Map/Parcel 079-074) (215 Pine Tree Way). Proposed use: hotel (127 rooms).
Allison Martin, City Manager

(2.) BZA 26-02 Variance: Capstone Property Group by Jeff Payne, applicant, Vivian Cottrell, property owner, a variance to the Dahlonega zoning ordinance, Article XX, “Minimum Dimensional Requirements,” Section 2001, “Minimum Setback Requirements for Zoning Districts,” to reduce the minimum required front building setback (for “other” street) in a B-2 zoning district from 35 feet to 25 feet for 4.766 acres fronting on the north side of Pine Tree Way (Map/Parcel 079-074) (215 Pine Tree Way). Proposed use: hotel (127 rooms).
Allison Martin, City Manager

VII. ADJOURN PUBLIC HEARING

VIII. RECONVENE REGULAR MEETING

IX. OLD BUSINESS

X. NEW BUSINESS

(1.) REZN 26-06 Rezoning: Capstone Property Group by Jeff Payne, applicant, Vivian Cottrell, property owner, seeks to rezone from I (Industrial District) to B-2 (Highway Business District) 4.766 acres fronting on the north side of Pine Tree

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Allison Martin, City Manager

XI. ADJOURNMENT

CITY OF DAHLONEGA
Planning Commission Regular Meeting / Public Hearing Minutes

October 06, 2026, 6:00 PM

Gary McCullough Council Chambers, Dahlonega City Hall

On Tuesday, October 6, 2026, at 6:00 p.m. in the Gary McCullough Council Chambers at Dahlonega City Hall, the City of Dahlonega Planning and Zoning Commission held a Regular Meeting / Public Hearing with the following persons present: Stanley Crais - Member, Michael Feagin - Member, James Guy - Member, Ethan Norton - Member, Noah Steinberg - Member, James Spivey - Chairman, Allison Martin - City Manager, and Rhonda Hansard - Secretary / City Clerk.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG AND INVOCATION

III. APPROVAL OF AGENDA

IV. APPROVAL OF MINUTES

(1.) Regular Meeting / Public Hearing of September 1, 2026
Rhonda Hansard, City Clerk

V. RECESS REGULAR MEETING FOR PUBLIC HEARING

VI. PUBLIC HEARING

(1.) REZN 26-5 Rezoning: JL3, Inc., owner, by Applicant, Pomeroy Property Development, LTD., seeks to amend the existing Planned Unit Development zoning of the subject property (Tax Parcel 077-248), located at Summit Drive, Dahlonega, Georgia, to allow use as commercial lodging (micro resort). The subject property contains 8.91 acres, more or less.
Allison Martin, City Manager

VII. ADJOURN PUBLIC HEARING

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Allison Martin, City Manager

XI. ADJOURNMENT

Chairman Spivey called the Regular Meeting to order at 6:00 p.m. with all Commissioners present.

Chairman Spivey led the Pledge of Allegiance to the American Flag and the Invocation.

APPROVAL OF AGENDA

There was a motion by Commissioner O'Gorman and a second by Commissioner Feagin to approve the Agenda as presented.

Motion carried unanimously.

APPROVAL OF MINUTES

(1.) Regular Meeting / Public Hearing of September 1, 2026

There was a motion by Commissioner Norton and a second by Commissioner Guy to approve the Regular Meeting / Public Hearing of September 1, 2026.

Motion carried unanimously.

RECESS REGULAR MEETING FOR PUBLIC HEARING

There was a motion by Commissioner O'Gorman and a second by Commissioner Feagin to recess the Regular Meeting for the purpose of entering into the Public Hearing.

Motion carried unanimously, and the Regular Meeting was recessed at 6:02 p.m.

PUBLIC HEARING

Chairman Spivey called the Public Hearing to order at 6:02 p.m. with all Commissioners present.

(1.) REZN 26-5 Rezoning: JL3, Inc., owner, by Applicant, Pomeroy Property Development, LTD., seeks to amend the existing Planned Unit Development zoning of the subject property (Tax Parcel 077-248), located at Summit Drive, Dahlonega, Georgia, to allow use as commercial lodging (micro resort). The subject property contains 8.91 acres, more or less.

Allison Martin, City Manager, addressed the Commission and introduced Public Hearing (1.) [*REZN 26-5*].

Chairman Spivey declared the Public Hearing open.

Speaking in favor:

Wes Ryals (applicant's representative / provided a presentation)

Nick Cheveldave (applicant's representative / provided a presentation)
Lauren Singer (applicant's representative / provided a presentation)
Bill Rath (provided a presentation)

Speaking in opposition:

None

The Commissioners held a discussion regarding several aspects of the proposed project, including whether the micro lodges could be converted to tiny homes should the project prove unsuccessful; whether the conditions proposed by Mr. Rath, representing The Summit of Dahlonega, were acceptable to the applicant; whether an employee would be present on site at all times; and, whether a traffic study would be necessary.

The applicant's representatives, Mr. Ryals, Mr. Cheveldave, and Ms. Singer, addressed the Commission and provided the following clarifications: the proposed micro lodges would be used exclusively for hospitality purposes, with no tiny homes permitted, and the conditions would prohibit future short-term rentals; the applicant agreed to the conditions proposed by The Summit of Dahlonega; an employee would be present on site at all times; and, the applicant was agreeable to complying with any condition established regarding a traffic study.

Allison Martin, City Manager, reminded the Commission that the proposed project is located along a State Route and emphasized the need for specificity regarding the scope and requirements of a traffic study, should one be required in the conditions.

Chairman Spivey declared the Public Hearing closed.

No Commission action was taken.

ADJOURN PUBLIC HEARING

There was a motion by Commissioner O'Gorman and a second by Commissioner Guy to adjourn the Public Hearing.

Motion carried unanimously, and the Public Hearing was adjourned at 7:02 p.m.

RECONVENE REGULAR MEETING

There was a motion by Commissioner Norton and a second by Commissioner O'Gorman to come out of recess and reconvene the Regular Meeting.

Motion carried unanimously, and the Regular Meeting was reconvened at 7:03 p.m.

OLD BUSINESS

There was no *Old Business*.

NEW BUSINESS

(1.) REZN 26-5 Rezoning: JL3, Inc., owner, by Applicant, Pomeroy Property Development, LTD., seeks to amend the existing Planned Unit Development zoning of the subject property (Tax Parcel 077-248), located at Summit Drive, Dahlonega, Georgia, to allow use as commercial lodging (micro resort). The subject property contains 8.91 acres, more or less.

Allison Martin, City Manager, addressed the Commission and provided a summary of the Planning Consultant's recommendation.

Commissioner Feagin expressed his concern with requiring a traffic study since the project is located on a State Route. Manager Martin clarified that anything can be put into words, but that does not guarantee that the Georgia Department of Transportation (GDOT) will agree.

The Commission discussed the proposed conditions.

There was a motion by Commissioner Feagin and a second by Commissioner Guy to recommend approval of REZN 26-5 Rezoning, an application by JL3, Inc., owner, by Applicant, Pomeroy Property Development, LTD. seeking to amend the existing Planned Unit Development zoning of the subject property (Tax Parcel 077-248), located at Summit Drive, Dahlonega, Georgia, to allow use as commercial lodging (micro resort) on property containing 8.91 acres, more or less, with the following conditions:

1. Generally.

    A. As required by the Dahlonega zoning ordinance, the letter of intent, dimensional requirements, and architectural inspiration images and other information regarding design material submitted with the application are adopted by reference and are conditions of approval, unless specifically modified by these conditions of approval.

    B. The site shall be developed in general accordance with the site plan for the Dahlonega Micro Resort, prepared for Pomeroy Lodging Group, by Confluence Landscape Architect, dated September 16, 2026, on file with the City of Dahlonega in application REZN 26-005. The zoning administrator may authorize minor modifications to the site plan due to engineering constraints, ingress and egress, and/or to meet conditions of zoning, and city, county and state regulations. Any major deviation from the approved site plan, as determined by the zoning administrator, shall require an amendment to the approved PUD zoning district following applicable zoning procedures.

2. Uses. The site shall be limited to 40 cabins (detached commercial lodging structures) and support facilities and structures (spa buildings and mixed-use building) as indicated in the application, along with driveways, stormwater management, and associated accessory structures and uses.

3. Access. The development may have one but not more than one street

connection (entrance/exit) to Summit Drive. No parking on Summit Drive shall be permitted.

4. Pedestrian connection. At no cost to the city, the owner/developer shall be required to install a pedestrian crosswalk across Summit Drive to connect the subject development to the Nordic Spa project (property north of Summit Drive).

5. Berm/streetscape along Summit Drive. Except for the approved access points for vehicles and pedestrians, the owner/developer shall install a minimum three-foot-high berm with landscaping approved by the zoning administrator to screen or partially screen the project from view along Summit Drive.

6. Dimensional requirements. The property shall be subject to the following development dimensional requirements (in addition to those specified in the application):

   A. Impervious surfaces shall not exceed 20 percent of the total site area.

   B. Minimum open space shall be 75 percent of the total site area.

   C. Maximum building or structure height shall be two stories or 24 feet.

7. Building and architectural design and exterior material finishes. It is expected that the proposed development will incorporate architectural and design features suggested in the Dahlonega comprehensive plan, such as rural/mountain themed design elements, such as steeply pitched roofs with deep overhangs, wood or masonry siding, and front porches. It is expected that Final elevations for the cabins and support (spa and mixed-use) buildings and structures shall be subject to the review and approval of the zoning administrator prior to issuance of a building permit for the respective cabin, building, or structure.

8. Watershed (stream) protection. There shall be a minimum 100-foot-wide buffer and a minimum 150-foot-wide impervious surface setback maintained along both sides of the stream on the subject property.

9. Stormwater management. Any stormwater facilities designed and/or maintained as wet detention facilities will be required to be surrounded by a fence of five (5) feet high and which is open to the air. If chain link is utilized for fencing of a wet detention facility, it shall be vinyl coated. Screening of the fence from Summit Drive and the east property line shall be required as approved by the zoning administrator to minimize the visual impact of the detention pond and fencing.

10. Short Term Rentals, as defined in the Code of the City of Dahlonega, shall be prohibited.

11. The minimum building setback requirements shall be twenty feet (20') from the front, five feet (5') from the side, and thirty feet (30') from the rear.

12. If appropriate applications have not been submitted within thirty-six (36) months of zoning approval, the Council may consider rezoning to a constitutional zoning designation.

Motion carried unanimously.

ADJOURNMENT
There was a motion by Commissioner Feagin and a second by Commissioner Guy to adjourn the Regular Meeting.

Motion carried unanimously, and the Regular Meeting was adjourned at 7:13 p.m.

Agenda Memo

DATE: 12/1/2026
TITLE: REZN 26-06
PRESENTED BY: Allison Martin, City Manager
PRIORITY Strategic Priority - Communication

AGENDA ITEM DESCRIPTION

REZN 26-06 Rezoning: Capstone Property Group by Jeff Payne, applicant, Vivian Cottrell, property owner, seeks to rezone from I (Industrial District) to B-2 (Highway Business District) 4.766 acres fronting on the north side of Pine Tree Way (Map/Parcel 079/074) (215 Pine Tree Way). Proposed use: hotel (127 rooms).

HISTORY/PAST ACTION

None.

FINANCIAL IMPACT

None.

RECOMMENDATION

Approval.

SUGGESTED MOTIONS

Motions to approve when action is to be taken.

ATTACHMENTS

Consulting Planner's Report.

CONSULTING PLANNER'S REPORT

TO:	Dahlonega Planning Commission and City Council c/o Doug Parks, City Attorney
FROM:	Jerry Weitz, Consulting Planner
DATE:	November 23, 2026
SUBJECT:	**REZN 26-06** Rezoning from I (Industrial District) to B-2 (Highway Business District)
COMPANION APP:	**BZA 26-02** Variance to the Dahlonega zoning ordinance, front building setback reduction
PUBLIC HEARINGS:	December 1, 2026 @ 6:00 p.m. (Planning Commission) December 21, 2026 @ 4:00 p.m. (City Council)
APPLICANT:	Capstone Property Group, by Jeff Payne
OWNER(S):	Vivian L. Cottrell
LOCATION:	Fronting 469.02 feet on the north side of Pine Tree Way (215 Pine Tree Way) approximately 305 feet east of Morrison Moore Parkway East (SR 60/US 19) [land lots 98 & 1033 of the 12th District, 1st Section, Lumpkin County]
MAP/PARCEL:	079/ 074
ACREAGE:	4.766 acres
EXISTING USE:	Vacant
PROPOSED USE:	Hotel (127 rooms)

SURROUNDING LAND USE/ZONING:

NORTH:	Vacant (access strip), B-2 (Highway Business District); across vacant access strip is institutional (American Legion), B-2
EAST:	Vacant (county board of education, I (Industrial District), public school (Cottrell Elementary School), I
SOUTH:	(across Pine Tree Way): Restaurants (Wendy's and Waffle House), PUD (Planned Unit Development District); Vacant (PUD Cond.)
WEST:	Institutional (fire station) and cell tower, I

RECOMMENDATION: **Approval**



Tax Map/Aerial Photograph of Property (property outlined in blue)
(application excludes Pine Tree Spur outlined in blue)



Google Earth View of the Property and Vicinity

The applicant seeks rezoning from industrial to highway business for a hotel. A letter of intent and site plan are attached to this report. A companion request has also been filed for a variance to reduce the front building setback by ten feet (addressed in separate report).

ZONING CRITERIA

Section 2607 of the Dahlonega zoning ordinance articulates the criteria by which an application for rezoning should be evaluated. They are as follows:

1. Whether the zoning proposal will permit a use that is suitable in view of the use and development of adjacent and nearby property.

2. Whether the zoning proposal will adversely affect the existing use or usability of adjacent or nearby property.

3. Whether the zoning proposal will result in a use that will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities, or schools.

4. Whether the zoning proposal is consistent with the Comprehensive Plan, transportation plans, or other plans adopted for guiding development within the City of Dahlonega.

5. Whether there are other existing or changing conditions affecting the use and development of property that give supporting grounds for either approval or disapproval of the zoning or special use proposal.

This report provides consulting planner's findings below. The applicant has addressed criteria in writing as provided in the zoning application (see attachment to this report)

Note: The Planning Commission and City Council may adopt the findings and determinations provided in this report as written (provided below), if appropriate, or it may modify them. The planning commission and city council may cite one or more of these in its own determinations, as it determines appropriate. The Planning Commission and City Council may modify the language provided here, as necessary, in articulating its own findings. Or, the Planning Commission and City Council can reject these findings and make their own determinations and findings for one or more of the criteria as specified in the Dahlonega zoning ordinance and any additional considerations it determines appropriate.

1. **Whether the zoning proposal will permit a use that is suitable in view of the use and development of adjacent and nearby property.**

Finding: Adjacent and nearby property is a combination of institutional and commercial uses. Along the south side of Pine Tree Way are restaurants and an auto parts store. The proposed hotel is in keeping with these commercial uses. Institutional uses include the

American Legion and county public school. The zoning of property in the vicinity includes, on the south side of Pine Tree Way, Planned Unit Development District (developed commercially including one vacant parcel, and a project approved for townhouses) and industrial east and west of the subject site on the north side of Pine Tree Way. To the north is B-2 zoning. The proposed B-2 zoning is suitable in view of the uses and development of adjacent and nearby properties ***(supports request)***.

Finding: The zoning in the vicinity is not a precise match for existing uses that have developed along Pine Tree Way. Industrial zoning is left over from a prior era and institutional uses in the vicinity are still zoned I (Industrial District). The predominant pattern of zoning in the larger vicinity is Highway Business (B-2) District ***(supports request)***. Additionally, though the property on the south side of Pine Tree Way is zoned PUD, it is mostly developed with commercial uses. These facts are supporting grounds for approval to change the zoning of the subject property to B-2 ***(supports request)***.

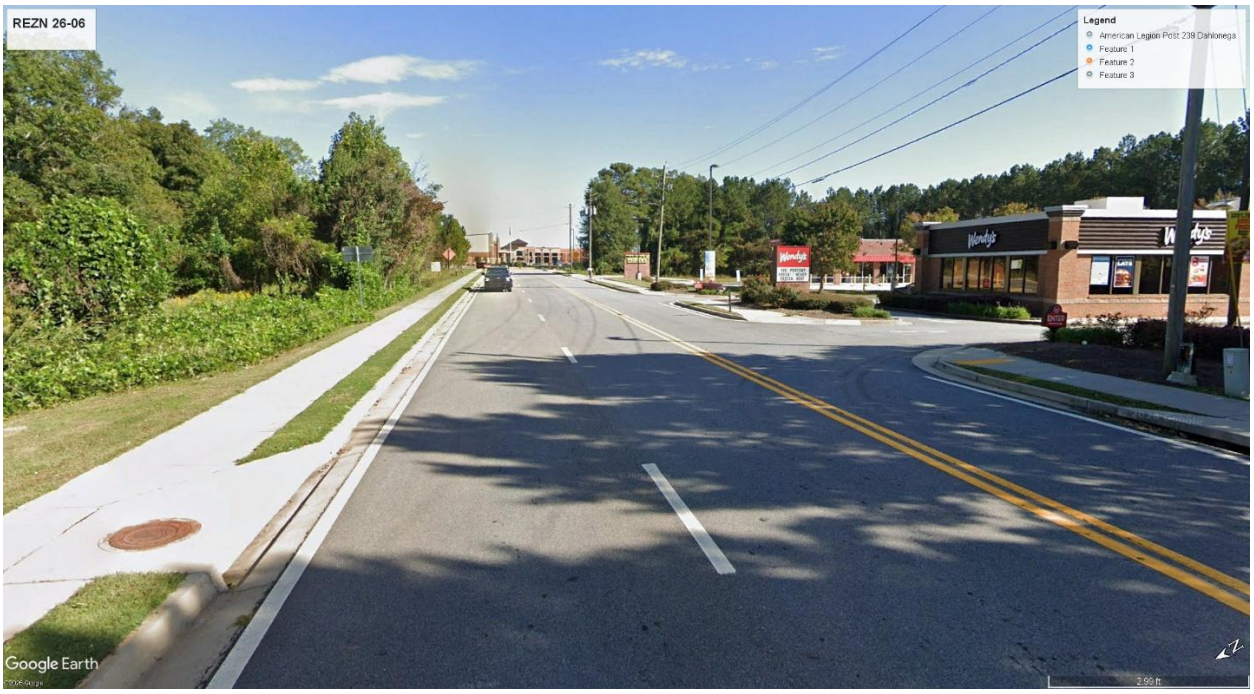
2. ***Whether the zoning proposal will adversely affect the existing use or usability of adjacent or nearby property.***

Finding: No adverse effects on adjacent or nearby property is anticipated (***supports request)***. The proposed hotel is not expected to be in its most active state during hours when school is in session; therefore, from a traffic and access standpoint, the proposed hotel is not expected to adversely affect school traffic ***(supports request)***. The school is positioned further east on the parcel, with vacant land in between the school buildings and the proposed hotel; therefore, the hotel should not interfere aesthetically or functionally with the school campus ***(supports request)***. It is possible that the proposed location of the curb cut for the hotel could pose some concern for conflicting turning movements considering exiting traffic from restaurants on the south side of Pine Tree Way (***may support conditional approval*** requiring alignment with a commercial curb cut on the south side).

3. ***Whether the zoning proposal will result in a use that will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities, or schools.***

Finding (schools and utilities): No impact on schools would be expected ***(supports request)***; however, if the hotel became an extended stay hotel it is possible that school-age children could reside on the premises). Utility availability and capacity are not evaluated in this report ***(inconclusive)***.

Finding (roads): Pine Tree Way is an improved street with paving, curb, gutter, and sidewalk. It functions as a collector street, providing access to the public school at the end of the street, commercial parcels, and vacant lands. Pine Tree Way consists of one lane eastbound and two lanes westbound. One of the westbound lanes becomes a left-turn lane as it approaches Morrison Moore Parkway. The road provides appropriate access for the proposed use ***(supports request)***.



Pine Tree Way (subject property is vacant tract on the left (north) side)

Finding: The site plan for the project shows a curb cut proposed in between commercial curb cuts on the south side. Ideally, the curb cut would be aligned with a commercial curb cut on the south side of Pine Tree Way ***(may support condition of zoning approval)***. However, because the road has two westbound lanes at this location, it may not present significant concerns about turning movements if the proposed curb cut is not aligned with a curb cut on the south side.

4. ***Whether the zoning proposal is consistent with the Comprehensive Plan, transportation plans, or other plans adopted for guiding development within the City of Dahlonega.***

Finding: The subject property is shown on the character area map of the Dahlonega comprehensive plan as office-institutional. According to the description of the office-institutional character area (p. 38), office-institutional uses could include: "extended stay facilities within rural settings, such as small resorts or conference facilities that complement their surroundings and build off the low-intensity tourism of Lumpkin County's outdoor recreation industry." Although not a rural area, one could argue that a lodging facility could be considered to be consistent with the character area recommendation (though consulting planner does not share any such conclusion). To the contrary, highway business use is not considered to be consistent with the office-institutional character area map recommendation of the comprehensive plan ***(does not support request)***. That is despite the mention of "commercial" as being consistent with the office-institutional character area (see "development standards & recommendations" on p. 39 of the comprehensive plan).

With a generalized character map, it is understandable that the north side of Pine Tree Way was coded as office-institutional, given the existence of the county elementary school and the fire station. However, immediately to the west and south, the character area map shows "gateway corridor." In consulting planner's view, given the gateway corridor character area designation for property to the west and south of the subject property, the subject site could have just as easily (and appropriately) been placed in the gateway corridor character area, and the proposed use is considered consistent with the gateway corridor character area ***(tends to support request)***. In support of this conclusion, consider the following excerpt (p. 34 of the comprehensive plan): "One segment of this district features the concentration of government, retail and other commercial activities concentrated along the eastern and southern stretch of the SR 60 business loop. This is a large collection of automotive oriented businesses and includes the area's only large shopping center and big-box type stores" (i.e., a description that matches the subject area and the proposed application).

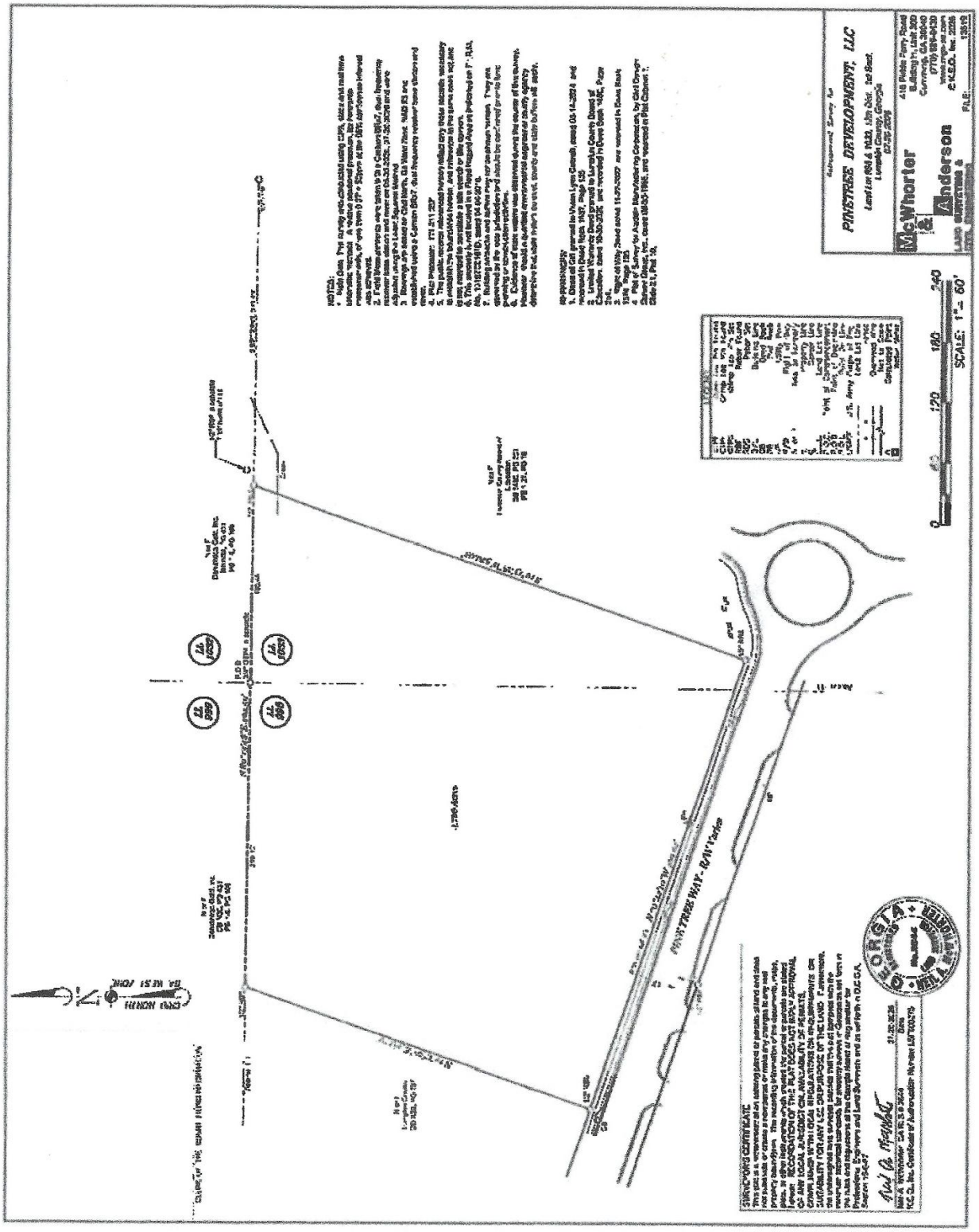
It is also instructive to note that the character area map does not show an industrial character area for the subject property and the larger institutional surroundings. Therefore, the comprehensive plan at minimum can be interpreted as supporting some zoning other than the existing industrial zoning (***tends to support request)***.

5. ***Whether there are other existing or changing conditions affecting the use and development of property that give supporting grounds for either approval or disapproval of the zoning or special use proposal.***

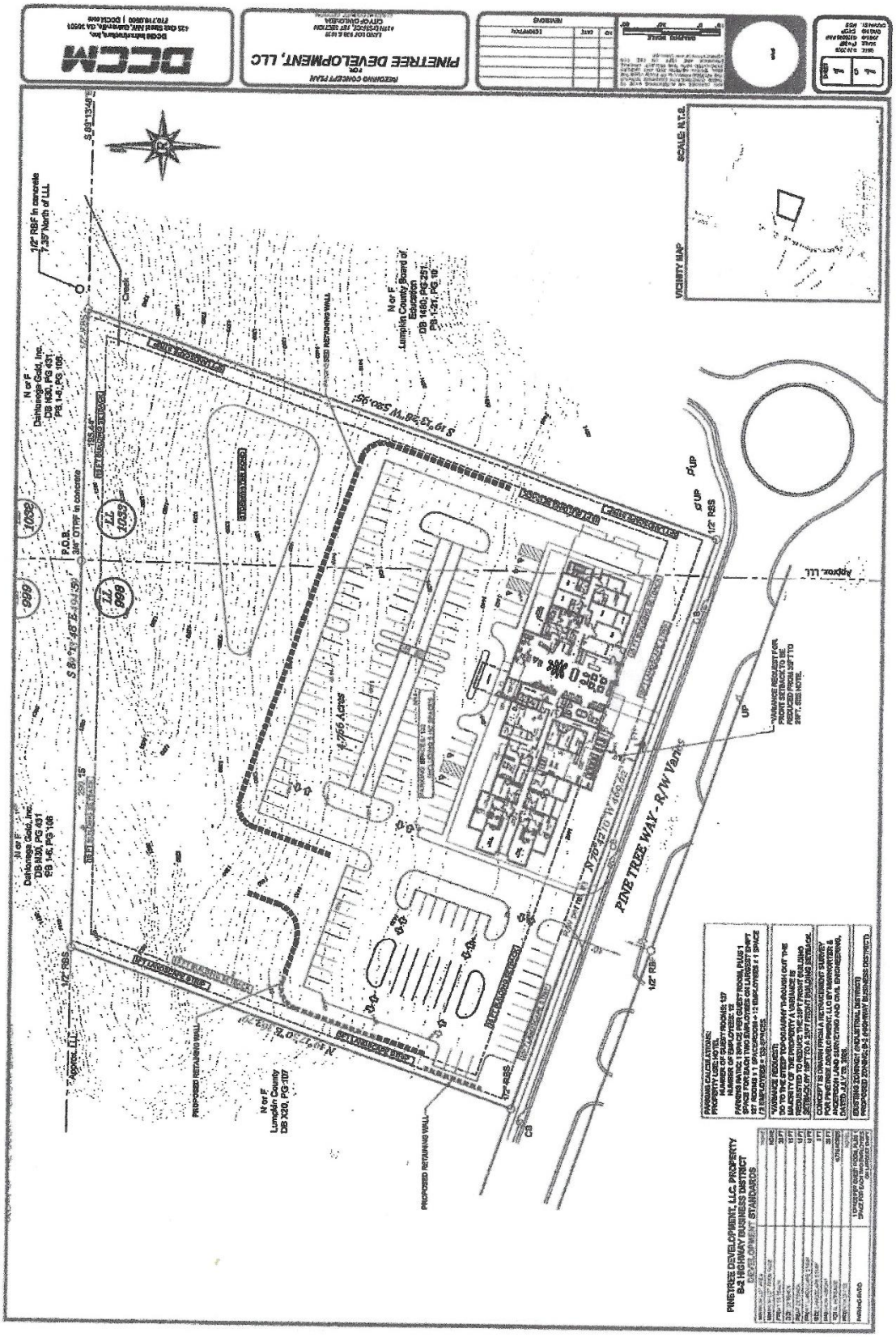
Finding: The subject property has remained vacant and has been marketed. The subject property is zoned industrial and is part of a larger industrial zoning district that includes the elementary school and the fire station. Industrial zoning does not match the institutional properties to the west and east of the subject property, which are both institutional uses. The area is no longer (and is not) appropriate for industrial use ***(supports request)***. Although the highway business uses along the south side of Pine Tree Way are not zoned B-2, they are effectively B-2 uses which happen to be zoned PUD ***(supports request)***.

CONCLUSION

The application compares favorably with all five criteria to be considered for rezoning. Approval is recommended.



Boundary Survey


PINE TREE WAY - R/W Varies
4.766 Acres
VICINITY MAP
SCALE: N.T.S.
PINETREE DEVELOPMENT, LLC, PROPERTY
B-2 HIGHWAY BUSINESS DISTRICT

Site Plan

October 1, 2026

CAPSTONE
PROPERTY GROUP

Capstone Property Group
340 Jesse Jewell Parkway, Suite 400
Gainesville, Georgia 30501

City of Dahlonega Planning Commission
Mayor and City Council
465 Riley Road
Dahlonega, Georgia 30533

Re: Letter of Intent – Rezoning Application and Variance Request

215 Pine Tree Way
Tax Parcel 079-074
Request to Rezone from Industrial to B-2 (Highway Business District)

Honorable Members of the Planning Commission and Mayor and Council:

Capstone Property Group respectfully submits this Letter of Intent in support of our application to rezone approximately 4.766 acres located at 215 Pine Tree Way, Tax Parcel 079-074, from Industrial (I) to Highway Business District (B-2) to permit the development of a quality hotel property.

Our vision is to develop an upscale hospitality destination that complements Dahlonega's growing tourism economy while serving as an attractive gateway into the City. The proposed development is intended to meet the demand for overnight accommodations generated by the University's growth, tourism, weddings, festivals, wineries, outdoor recreation, and the expanding business community.

The proposed development will consist of a hotel containing approximately 127 keys, with 133 parking spaces provided on site. In conjunction with the proposed development, we will also pursue a variance requesting a 10-foot reduction in the required 35-foot front building setback, resulting in a 25-foot front building setback.

Compatibility with Surrounding Uses

The surrounding corridor has evolved into one of Dahlonega's primary commercial districts and includes restaurants, retail businesses, and national commercial users. A hotel is compatible with these surrounding commercial uses and will reinforce the area's commercial character.

Compared with industrial development, the proposed hotel is expected to:

- Generate limited noise.
- Require minimal outdoor storage.
- Reduce the potential for truck traffic associated with industrial operations.
- Create an attractive, professionally landscaped entrance corridor.
- Operate within a professionally managed commercial environment.

Because hotel guests arrive and depart throughout the day rather than exclusively during concentrated peak periods, traffic is expected to be distributed across the day.

Impact on Adjacent Properties

Letter of Intent, 1 of 3

The proposed development will be designed to maintain compatibility with adjoining properties through careful building placement, landscaping, lighting, and site planning.

The hotel is expected to create positive economic benefits by increasing customer traffic to surrounding businesses. Hotel guests will patronize adjacent restaurants, retail establishments, downtown Dahlonega merchants, local wineries, entertainment venues, University events, and outdoor recreation businesses.

Every occupied hotel room represents visitors who have the opportunity to spend money throughout the community. The project is expected to become an economic catalyst for both nearby commercial properties and the historic downtown business district.

Property Values

The proposed hotel represents a substantial private investment in Dahlonega. High-quality architectural design, professional landscaping, permanent employment opportunities, increased commercial activity, and long-term investment in the community are expected to support neighboring property values and improve the overall appearance of this important commercial corridor.

Public Benefit

The requested rezoning provides significant public benefits, including:

- Expanded lodging capacity for visitors.
- Support for tourism growth.
- Increased spending at existing local businesses.
- Additional employment opportunities.
- Increased property tax revenues.
- Increased hotel/motel tax revenues.
- Enhanced sales tax collections.
- Improved commercial development at an important gateway into Dahlonega.

The project will also support community events by providing additional overnight accommodations during peak tourism periods.

Suitability of the Property

Although currently zoned Industrial (I), the property's location, access, and surrounding commercial development make it well suited for hospitality use.

Given the surrounding commercial growth, a hotel represents a logical and beneficial use of the property. Rezoning to Highway Business District (B-2) would allow the property to develop in a manner consistent with the commercial character of the surrounding corridor.

Front Building Setback Variance

To accommodate the proposed site layout, Capstone Property Group will pursue a variance to reduce the required front building setback from 35 feet to 25 feet, a reduction of 10 feet.

The requested variance would allow the hotel to be positioned closer to the front property line while accommodating approximately 127 keys and 133 on-site parking spaces. The proposed site plan will incorporate landscaping,

attractive lighting, and careful building placement to maintain an appropriate relationship with the roadway and surrounding properties.

Existing Conditions

The property remains undeveloped while surrounding commercial development has continued to expand. These changing conditions support consideration of the requested rezoning and the proposed hospitality use.

Public Facilities

The proposed hotel is not expected to place significant demands upon schools or residential services. The development will be coordinated with the City and applicable service providers to address infrastructure capacity, access, utilities, and other public facility requirements.

Hotel traffic is generally dispersed throughout the day, which is expected to help limit concentrated impacts on surrounding roadways.

Consistency with the City's Planning Goals

The proposed rezoning is intended to advance the City's goals of encouraging high-quality commercial development, expanding tourism opportunities, strengthening the local economy, and promoting appropriate land uses compatible with surrounding development.

The project represents an investment that will contribute to Dahlonega's long-term economic vitality while maintaining compatibility with adjacent commercial properties.

Commitment to Quality

Capstone Property Group is committed to developing a first-class hospitality project that reflects positively on the City of Dahlonega.

The hotel will be designed with high-quality architecture, durable construction materials, professional landscaping, attractive lighting, and careful site planning to ensure that it becomes a development of which the City can be proud.

We believe this project will serve as an important economic asset, benefiting neighboring businesses, downtown merchants, local residents, and visitors for decades to come.

For these reasons, we respectfully request approval of the rezoning from Industrial (I) to Highway Business District (B-2), together with favorable consideration of the separate variance request to reduce the front building setback from 35 feet to 25 feet.

Thank you for your consideration.

Respectfully,

Jeff Payne
Capstone Property Group
jeff@cpgllc.net
770-530-9850

Letter of Intent, 3 of 3

Agenda Memo

DATE: 12/1/2026
TITLE: BZA 26-02
PRESENTED BY: Allison Martin, City Manager
PRIORITY Strategic Priority - Communication

AGENDA ITEM DESCRIPTION

BZA 26-02 Variance: Capstone Property Group by Jeff Payne, applicant, Vivian Cottrell, property owner, a variance to the Dahlonega zoning ordinance, Article XX, "Minimum Dimensional Requirements," Section 2001, "Minimum Setback Requirements for Zoning Districts," to reduce the minimum required front building setback (for "other" street) in a B-2 zoning district from 35 feet to 25 feet for 4.766 acres fronting on the north side of Pine Tree Way (Map/Parcel 079/074) (215 Pine Tree Way). Proposed use: hotel (127 rooms).

HISTORY/PAST ACTION

None.

FINANCIAL IMPACT

None.

RECOMMENDATION

Approval.

SUGGESTED MOTIONS

Motions to approve when action is to be taken.

ATTACHMENTS

Consulting Planner's Report.

CONSULTING PLANNER'S REPORT

TO:	Dahlonega Planning Commission and City Council c/o Doug Parks, City Attorney
FROM:	Jerry Weitz, Consulting Planner
DATE:	November 23, 2026
SUBJECT:	**BZA 26-02** Variance to the Dahlonega zoning ordinance, Article XX, "Minimum Dimensional Requirements," Section 2001, "Minimum Setback Requirements for Zoning Districts," to reduce the minimum required front building setback (for "other" street) in a B-2 zoning district from 35 feet to 25 feet
COMPANION APP:	**REZN 26-06** Rezoning from I (Industrial District) to B-2 (Highway Business District)
PUBLIC HEARINGS:	December 1, 2026 @ 6:00 p.m. (Planning Commission) December 21, 2026 @ 4:00 p.m. (Board of Zoning Appeals)
APPLICANT:	Capstone Property Group, by Jeff Payne
OWNER(S):	Vivian L. Cottrell
LOCATION:	Fronting 469.02 feet on the north side of Pine Tree Way (215 Pine Tree Way) approximately 305 feet east of Morrison Moore Parkway East (SR 60/US 19) [land lots 98 & 1033 of the 12th District, 1st Section, Lumpkin County]
MAP/PARCEL:	079/ 074
ACREAGE:	4.766 acres
EXISTING USE:	Vacant
PROPOSED USE:	Hotel (127 rooms)

SURROUNDING LAND USE/ZONING:

NORTH:	Vacant (access strip), B-2 (Highway Business District); across vacant access strip is institutional (American Legion), B-2
EAST:	Vacant (county board of education, I (Industrial District), public school (Cottrell Elementary School), I
SOUTH:	(across Pine Tree Way): Restaurants (Wendy's and Waffle House), PUD (Planned Unit Development District); Vacant (PUD Cond.)

WEST: Institutional (fire station) and cell tower, I

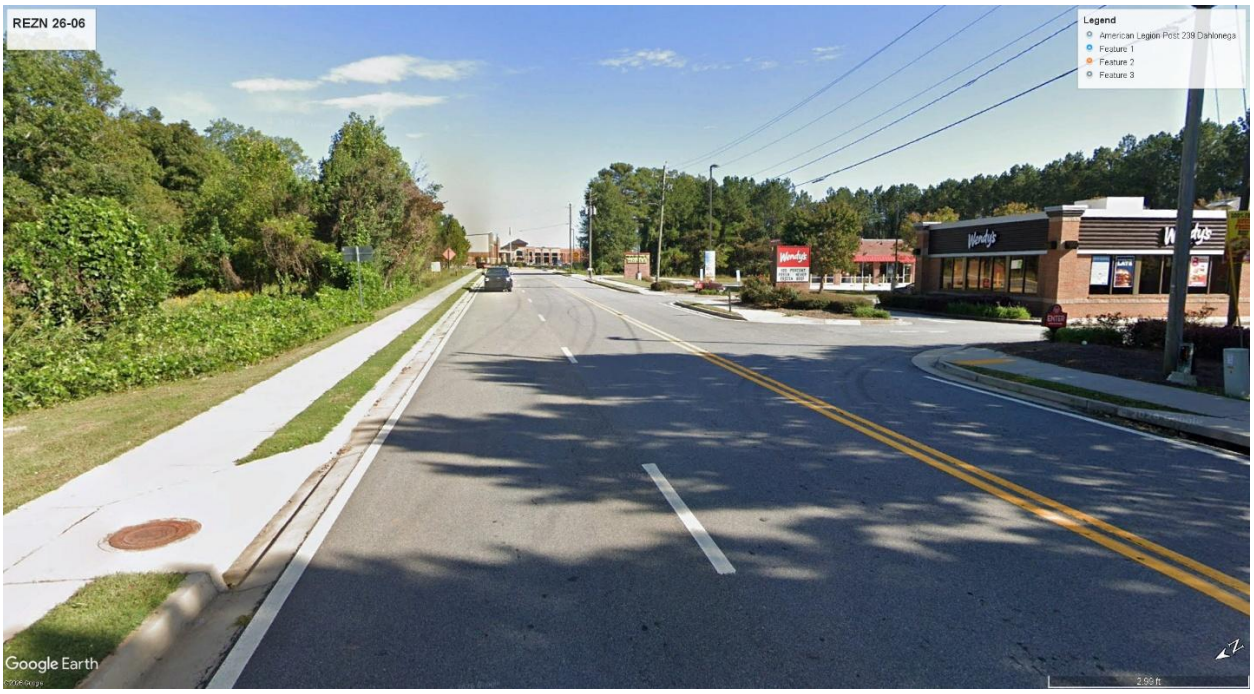
RECOMMENDATION: **Approval**



Tax Map/Aerial Photograph of Property (property outlined in blue) (application excludes Pine Tree Spur outlined in blue)



Google Earth View of the Property and Vicinity



Pine Tree Way (subject property is vacant tract on the left (north) side)

LEGAL FRAMEWORK AND REQUIREMENTS FOR VARIANCES

The Board of Zoning Appeals shall exercise its powers in such a way that the purpose and intent of the zoning regulations shall be accomplished, public health, safety and welfare secured, and substantial justice done (Sec. 2401 zoning ordinance).

The Board of Zoning Appeals is a body of limited powers, and its actions are taken in a quasi-judicial capacity rather than a legislative capacity. Failure to adopt written findings justifying all decisions shall render such decision null and void (Sec. 2403 zoning ordinance).

A variance is defined in Sec. 301 of the zoning ordinance as "a minimal relaxation or modification of the strict terms of the height, area, placement, setback, yard, buffer, landscape strip, parking and loading regulations as applied to specific property when, because of particular physical surroundings, shape, or topographical condition of the property, compliance would result in a particular hardship upon the owner, as distinguished from a mere inconvenience or a desire to make a profit."

The Board of Zoning Appeals is empowered to authorize upon application in specific cases such variance from the terms of these regulations as will not be contrary to the public interest where, owing to special conditions, a literal enforcement of the provisions of these regulations will in an individual case, result in unnecessary hardship, so that the spirit of these regulations shall be observed, public safety and welfare secured, and substantial justice done. A variance may be granted in an individual case of

unnecessary hardship, after appropriate application in accordance with Article XXVI, upon specific findings that all of the following conditions exist. The absence of any one (1) of the conditions shall be grounds for denial of the application for variance (Sec. 2406 zoning ordinance).

1. There are extraordinary and exceptional conditions pertaining to the particular piece of property in question because of its size, shape or topography that are not applicable to other land or structures in the same district; and

2. A literal interpretation of the provisions of these zoning regulations would create an unnecessary hardship and would deprive the applicant of rights commonly enjoyed by other property owners within the district in which the property is located; and

3. Granting the variance requested will not confer upon the property of the applicant any special privileges that are denied to other properties of the district in which the applicant's property is located; and

4. Relief, if granted, will be in harmony with the purpose and intent of these regulations and will not be injurious to the neighborhood or general welfare in such a manner as will interfere with or discourage the appropriate development and use of adjacent land and buildings or unreasonably affect their value; and

5. The special circumstances are not the result of the actions of the applicant; and

6. The variance requested is the minimum variance that will make possible the legal use of the land, building, or structure; and

7. The variance is not a request to permit a use of land, building or structures which are not permitted by right in the district involved.

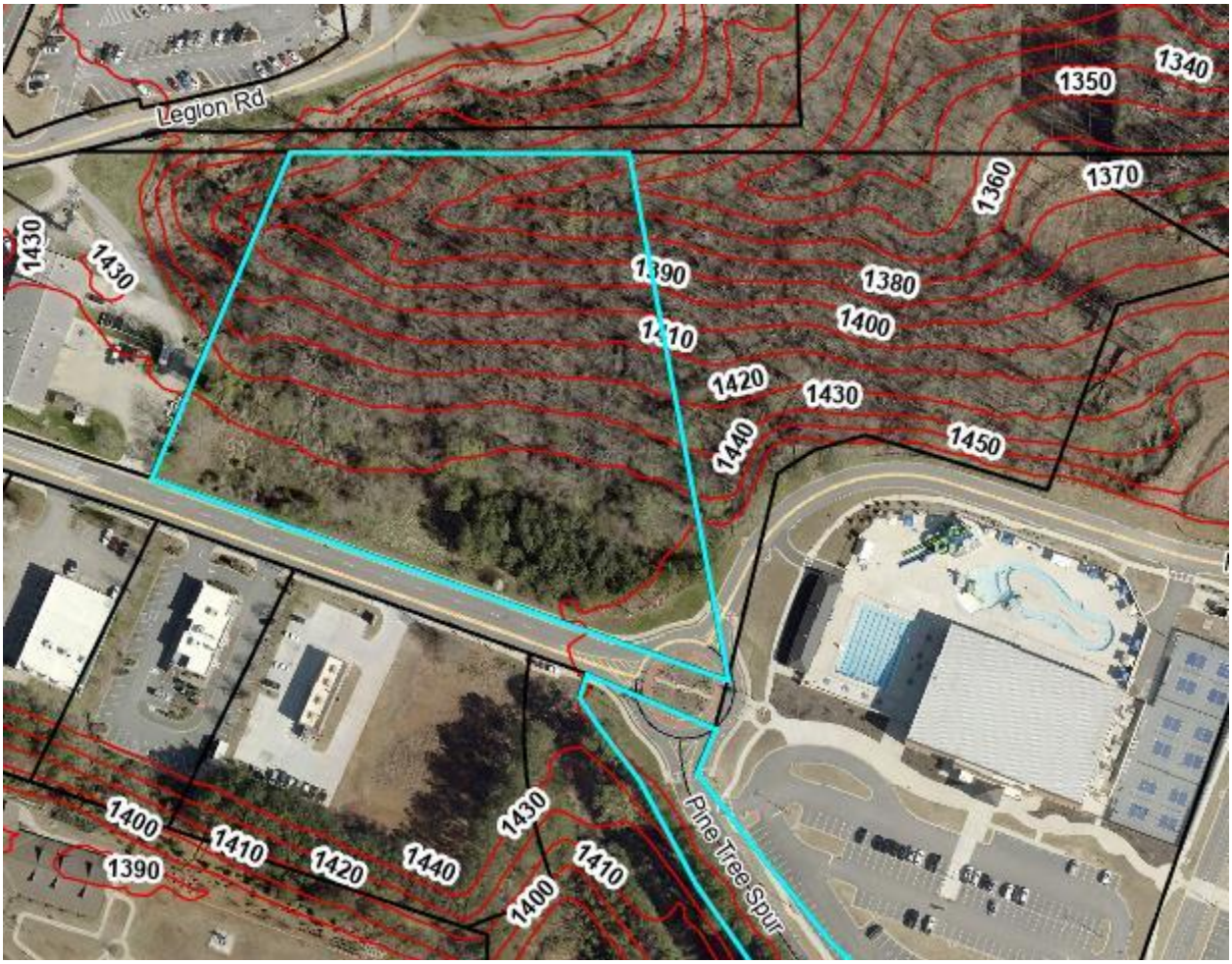
Note: The Board of Zoning Appeals may adopt the findings and determinations provided in this report in whole or in part as written, if appropriate, or it may modify them. The Board of Zoning Appeals may cite one or more of these findings in its own determinations, if appropriate. The Board may modify the language provided here, as necessary, in articulating its own findings. Or, the Board of Zoning Appeals can reject these findings and make its own determinations and findings for one or more of the criteria for granting variances as specified in Section 2405 of the Dahlonega zoning ordinance.

In exercising the powers to grant appeals and approve variances, the Board may attach any conditions to its approval which it finds necessary to accomplish the reasonable application of the requirements of these [zoning] regulations (Sec. 2407 zoning ordinance).

FINDINGS

Written findings below are those of the consulting planner; the applicant has addressed these criteria, and those answers are included as an attachment to this report.

1. ***There are extraordinary and exceptional conditions pertaining to the particular piece of property in question because of its size, shape or topography that are not applicable to other land or structures in the same district;***



Topography

Consulting planner's finding: The size of the property is larger in acreage than needed for the proposed use, so size of the property is not an extraordinary or exceptional condition. Similarly, the shape of the property is regular (square or rectangular), so shape of the property is not an extraordinary or exceptional condition ***(does not meet criterion)***. However, topography is an extraordinary and exceptional condition. Other highway business uses along the south side of Pine Tree Way do not have the same severity of topography ***(meets criterion/supports request)***. Note also that the site

abutting to the east (school property) has similar topographic conditions and has not been developed; this may be cited as a reason that similarly situated property to the east (school property) faces similar constraints and has not been developed due to its topographic challenges. As noted by the applicant (see attachment), the topography drops by about 100 feet from front to back. The applicant would only be able to overcome topographic limitations with retaining walls, and reportedly the expense associated with such grading and retaining wall would render the project financially not feasible.

2. ***A literal interpretation of the provisions of these zoning regulations would create an unnecessary hardship and would deprive the applicant of rights commonly enjoyed by other property owners within the district in which the property is located;***

Consulting planner's finding: As noted by the applicant, the chief constraint is topography. Other properties along Pine Tree Way have gentler topography than the subject site and therefore do not face the same hardships to develop as the subject site. Commercial lots along the south side of Pine Tree Way have building setbacks of more than 50 feet, and they are able to meet required setbacks due to the relatively level land on which they are developed ***(meets criterion/supports request***).

Consulting planner's finding: The maximum building height in the B-2 zoning district is 55 feet (Sec. 703, Height Limitations, zoning ordinance). The applicant has not indicated in the application what the height of the hotel will be. However, hotels today appear to follow a model layout of up to five stories, which may not be possible given the height limit. In other words, a smaller building footprint for the hotel might enable it to meet the minimum front building setback, but going with a smaller footprint is likely to increase the building height, perhaps to the point that it would need a variance to building height. The reduction in building setback is preferable to an increase in building height, in consulting planner's opinion. The applicant could also be asked to reduce the building square footage and the number of hotel rooms so as to meet the required building setback. However, that does not seem appropriate given that the subject property is larger than most hotel sites.

3. ***Granting the variance requested will not confer upon the property of the applicant any special privileges that are denied to other properties of the district in which the applicant's property is located;***

Consulting planner's finding: Although the zoning districts are not the same, it is appropriate to compare the subject request with existing development along Pine Tree Way. The existing fire station at the northeast corner of Pine Tree Way and Morrison Moore Parkway is only about 25 feet from the right of way of Pine Tree Way and is maybe less than that to the sidewalk along the road. The fire station setback from the right of way of Pine Tree Way can be cited as an existing condition that applies to other property in the vicinity ***(may meet criterion/ may support request)***. The fire station setback condition can be interpreted as evidence the granting of a setback

reduction to 25 feet would not result in a special privilege denied other property in the vicinity ***(meets criterion/supports request)***.

4. ***Relief, if granted, will be in harmony with the purpose and intent of these regulations and will not be injurious to the neighborhood or general welfare in such a manner as will interfere with or discourage the appropriate development and use of adjacent land and buildings or unreasonably affect their value;***

Consulting planner's finding: As already noted, the only building along the north side of Pine Tree Way is the fire station, which has a setback from Pine Tree Way similar to that requested by the applicant. Granting the requested variance will not be injurious to the neighborhood or general welfare and will not interfere with or discourage appropriate development and use of land and buildings or unreasonably affect their value ***(meets criterion/ supports request)***.

5. ***The special circumstances are not the result of the actions of the applicant;***

Consulting planner's finding: As noted by the applicant, the conditions that give rise to the request for variance have to do with the challenging topography of the site, not to any condition created by the applicant ***(meets criterion/ supports request).***

6. ***The variance requested is the minimum variance that will make possible the legal use of the land, building, or structure;***

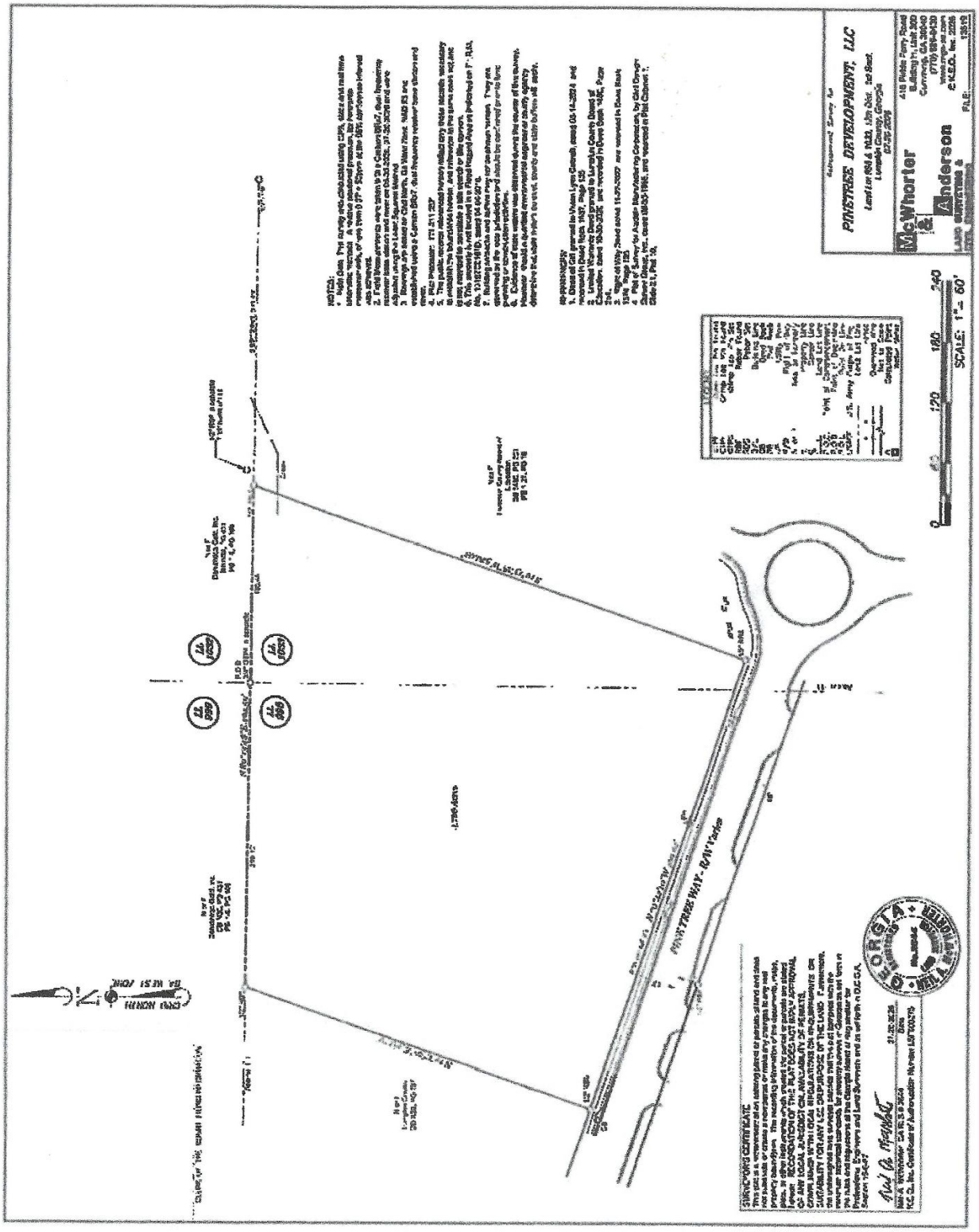
Consulting planner's finding: The requested reduction of 10 feet is considered the minimum necessary to avoid having to reposition the proposed building further down slope from the road in a place that will cause hardship with regard to grading and retaining walls. The proposed hotel has a fairly large building footprint that cannot be broken into elements or reconfigured in a way to meet the 35 foot minimum front building setback for the B-2 zoning district ***(meets criterion/ supports request)***.

7. ***The variance is not a request to permit a use of land, building or structures which are not permitted by right in the district involved.***

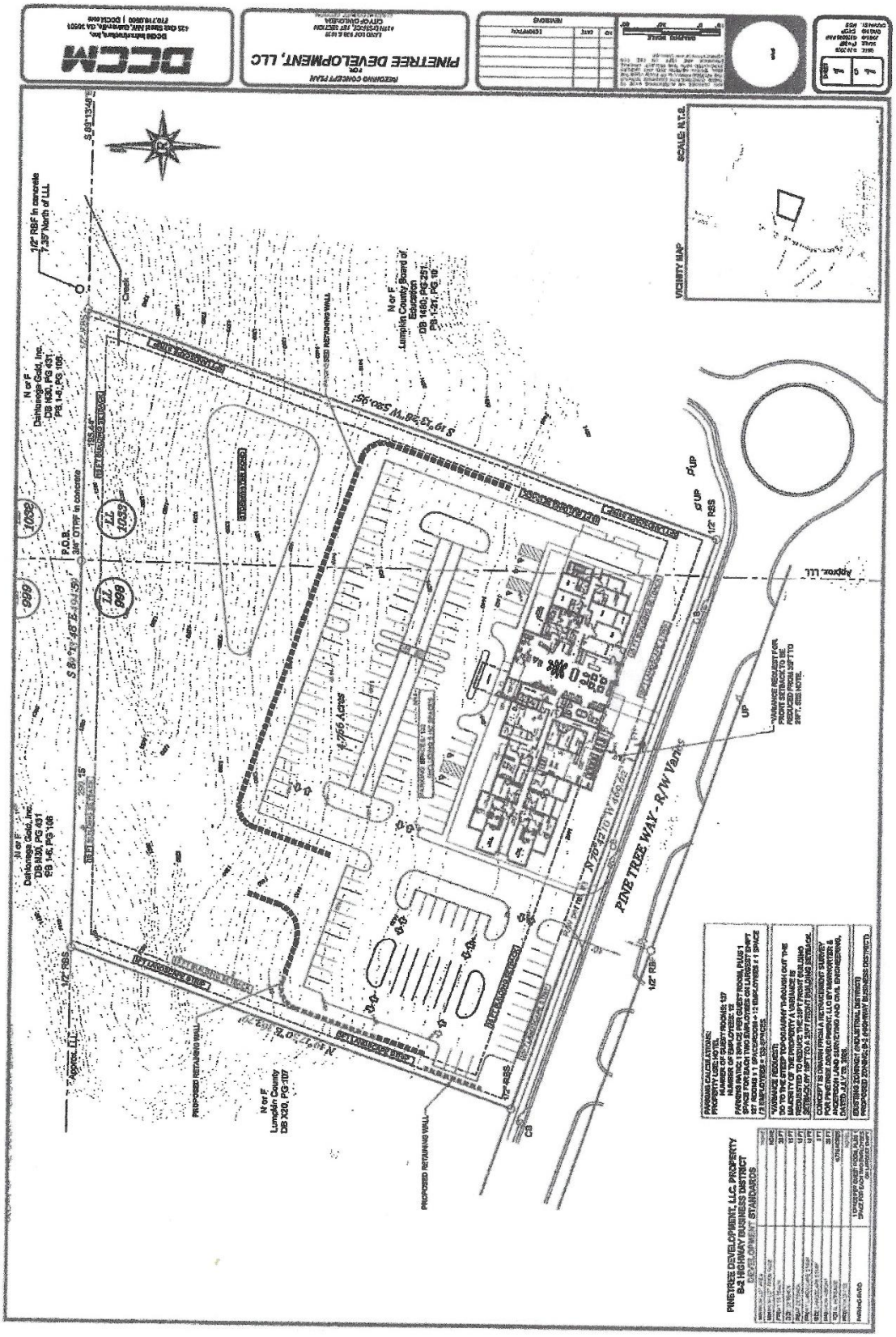
Consulting planner's finding: The request does not involve a use which is not permitted in the zoning district ***(meets criterion)***.

CONCLUSION

All criteria for the granting of variances are met. Consulting planner recommends approval. An affirmative vote on the variance is contingent upon the approval of rezoning to B-2.



Boundary Survey


PINE TREE WAY - R/W Varies
4.766 Acres
VICINITY MAP
SCALE: N.T.S.
PINETREE DEVELOPMENT, LLC
DCCM
PINETREE DEVELOPMENT, LLC, PROPERTY
B-2 HIGHWAY BUSINESS DISTRICT
PROPOSED RETAINING WALL
N or F
Lumpkin County
DB X20, PG 107
N or F
Dahlonega Gold, Inc.
DB M30, PG 451
PB 1-46, PG 106
N or F
Lumpkin County Board of
Education
DB M60, PG 251
PB 1-51, PG 10
1/2" RBF
1/2" RBS
P.O.B.
3/4" OTPF in concrete
1/2" RBF in concrete
7.39' North of L.L.
Approx. L.L.L.
S 89°-13'-49" W 590.98'
S 89°-13'-49" E 590.98'
S 8°-51'-46" E 494.75'
N 8°-51'-46" W 494.75'
185.44'
259.15'
VARIANCE REQUEST FOR FRONT SETBACK TO BE REDUCED FROM 35FT TO 25FT. SEE NOTE.
SEE RETAINING WALL
SEE DRAINAGE DITCH
SEE PARKING LOT GRADES
SEE LANDING LOT GRADES
SEE DRIVEWAY GRADES
SEE SIDEWALK GRADES
SEE RETAINING WALL
SEE DRAINAGE DITCH
SEE RETAINING WALL
SEE DRAINAGE DITCH
SEE RETAINING WALL
SEE DRAINAGE DITCH

October 1, 2026

CAPSTONE
PROPERTY GROUP

Capstone Property Group
340 Jesse Jewell Parkway, Suite 400
Gainesville, Georgia 30501

City of Dahlonega Planning Commission
Mayor and City Council
465 Riley Road
Dahlonega, Georgia 30533

Re: Letter of Intent – Rezoning Application and Variance Request

215 Pine Tree Way
Tax Parcel 079-074
Request to Rezone from Industrial to B-2 (Highway Business District)

Honorable Members of the Planning Commission and Mayor and Council:

Capstone Property Group respectfully submits this Letter of Intent in support of our application to rezone approximately 4.766 acres located at 215 Pine Tree Way, Tax Parcel 079-074, from Industrial (I) to Highway Business District (B-2) to permit the development of a quality hotel property.

Our vision is to develop an upscale hospitality destination that complements Dahlonega's growing tourism economy while serving as an attractive gateway into the City. The proposed development is intended to meet the demand for overnight accommodations generated by the University's growth, tourism, weddings, festivals, wineries, outdoor recreation, and the expanding business community.

The proposed development will consist of a hotel containing approximately 127 keys, with 133 parking spaces provided on site. In conjunction with the proposed development, we will also pursue a variance requesting a 10-foot reduction in the required 35-foot front building setback, resulting in a 25-foot front building setback.

Compatibility with Surrounding Uses

The surrounding corridor has evolved into one of Dahlonega's primary commercial districts and includes restaurants, retail businesses, and national commercial users. A hotel is compatible with these surrounding commercial uses and will reinforce the area's commercial character.

Compared with industrial development, the proposed hotel is expected to:

- Generate limited noise.
- Require minimal outdoor storage.
- Reduce the potential for truck traffic associated with industrial operations.
- Create an attractive, professionally landscaped entrance corridor.
- Operate within a professionally managed commercial environment.

Because hotel guests arrive and depart throughout the day rather than exclusively during concentrated peak periods, traffic is expected to be distributed across the day.

Impact on Adjacent Properties

Letter of Intent, 1 of 3

The proposed development will be designed to maintain compatibility with adjoining properties through careful building placement, landscaping, lighting, and site planning.

The hotel is expected to create positive economic benefits by increasing customer traffic to surrounding businesses. Hotel guests will patronize adjacent restaurants, retail establishments, downtown Dahlonega merchants, local wineries, entertainment venues, University events, and outdoor recreation businesses.

Every occupied hotel room represents visitors who have the opportunity to spend money throughout the community. The project is expected to become an economic catalyst for both nearby commercial properties and the historic downtown business district.

Property Values

The proposed hotel represents a substantial private investment in Dahlonega. High-quality architectural design, professional landscaping, permanent employment opportunities, increased commercial activity, and long-term investment in the community are expected to support neighboring property values and improve the overall appearance of this important commercial corridor.

Public Benefit

The requested rezoning provides significant public benefits, including:

- Expanded lodging capacity for visitors.
- Support for tourism growth.
- Increased spending at existing local businesses.
- Additional employment opportunities.
- Increased property tax revenues.
- Increased hotel/motel tax revenues.
- Enhanced sales tax collections.
- Improved commercial development at an important gateway into Dahlonega.

The project will also support community events by providing additional overnight accommodations during peak tourism periods.

Suitability of the Property

Although currently zoned Industrial (I), the property's location, access, and surrounding commercial development make it well suited for hospitality use.

Given the surrounding commercial growth, a hotel represents a logical and beneficial use of the property. Rezoning to Highway Business District (B-2) would allow the property to develop in a manner consistent with the commercial character of the surrounding corridor.

Front Building Setback Variance

To accommodate the proposed site layout, Capstone Property Group will pursue a variance to reduce the required front building setback from 35 feet to 25 feet, a reduction of 10 feet.

The requested variance would allow the hotel to be positioned closer to the front property line while accommodating approximately 127 keys and 133 on-site parking spaces. The proposed site plan will incorporate landscaping,

attractive lighting, and careful building placement to maintain an appropriate relationship with the roadway and surrounding properties.

Existing Conditions

The property remains undeveloped while surrounding commercial development has continued to expand. These changing conditions support consideration of the requested rezoning and the proposed hospitality use.

Public Facilities

The proposed hotel is not expected to place significant demands upon schools or residential services. The development will be coordinated with the City and applicable service providers to address infrastructure capacity, access, utilities, and other public facility requirements.

Hotel traffic is generally dispersed throughout the day, which is expected to help limit concentrated impacts on surrounding roadways.

Consistency with the City's Planning Goals

The proposed rezoning is intended to advance the City's goals of encouraging high-quality commercial development, expanding tourism opportunities, strengthening the local economy, and promoting appropriate land uses compatible with surrounding development.

The project represents an investment that will contribute to Dahlonega's long-term economic vitality while maintaining compatibility with adjacent commercial properties.

Commitment to Quality

Capstone Property Group is committed to developing a first-class hospitality project that reflects positively on the City of Dahlonega.

The hotel will be designed with high-quality architecture, durable construction materials, professional landscaping, attractive lighting, and careful site planning to ensure that it becomes a development of which the City can be proud.

We believe this project will serve as an important economic asset, benefiting neighboring businesses, downtown merchants, local residents, and visitors for decades to come.

For these reasons, we respectfully request approval of the rezoning from Industrial (I) to Highway Business District (B-2), together with favorable consideration of the separate variance request to reduce the front building setback from 35 feet to 25 feet.

Thank you for your consideration.

Respectfully,

Jeff Payne
Capstone Property Group
jeff@cpgllc.net
770-530-9850

Letter of Intent, 3 of 3

Complete the following information.

1. There are extraordinary and exceptional conditions pertaining to the particular piece of property in question because of its size, shape or topography that are not applicable to other land or structures in the same district.

The property drops approximately 100 feet in elevation from Pine Tree Way toward the creek along the northern boundary. This significant grade change will require substantial retaining walls to support the proposed development. Allowing the hotel to be positioned closer to Pine Tree Way would reduce the extent of grading and retaining walls required, helping mitigate extraordinary site development costs that could otherwise make the project financially infeasible.

2. A literal interpretation of the provisions of these zoning regulations would create an unnecessary hardship and would deprive the applicant of rights commonly enjoyed by other property owners within the district in which the property is located.

Strict application of the 35-foot front yard setback would force the proposed hotel farther into the property's steeply descending terrain, requiring substantially greater grading and retaining walls. These physical constraints limit the usable building area and create a hardship that other, more level properties within the district do not face. Reducing the setback to 25 feet would allow reasonable development of the property for a permitted use while maintaining a meaningful setback from Pine Tree Way.

3. Granting the variance requested will not confer upon the property of the applicant any special privileges that are denied to other properties of the district in which the applicant's property is located.

Granting the requested variance would address the property's significant topographic constraints without conferring a special privilege. The reduction from a 35-foot to a 25-foot front yard setback would allow the hotel to be positioned closer to Pine Tree Way, reducing the grading and retaining walls required by the steep terrain. The request does not seek an increase in permitted density, building height, or a use otherwise prohibited within the district; it seeks a limited adjustment to allow reasonable development under unusually challenging site conditions.

4. Relief, if granted, will be in harmony with the purpose and intent of these regulations and will not be injurious to the neighborhood or general welfare in such a manner as will interfere with or discourage the appropriate development and use of adjacent land and buildings or unreasonably affect their value.

The requested reduction in the front yard setback from 35 feet to 25 feet would remain consistent with the purpose and intent of the zoning regulations by maintaining separation between the hotel and Pine Tree Way while accommodating the site's steep topography. Positioning the hotel closer to the roadway would reduce the extent of grading and retaining walls required. The proposed adjustment would not impair access to neighboring properties, restrict their development or use, or reasonably be expected to diminish their value. The hotel would continue to meet all other applicable development requirements and provide appropriate landscaping and an attractive frontage compatible with the surrounding area.

Applicant's Response to Variance Criteria (1 of 2)

5. The special circumstances are not the result of the actions of the applicant.

The special circumstances arise from the property's existing natural topography. These conditions predate the proposed development and were not created by the applicant through grading, subdivision, or other alterations to the property. The requested variance responds to these existing physical constraints.

6. The variance requested is the minimum variance that will make possible the legal use of the land, building or structure.

The requested 10-foot reduction, from a 35-foot to a 25-foot front yard setback, is the minimum adjustment needed to accommodate the proposed hotel. It would allow the building to occupy the more suitable portion of the site nearest Pine Tree Way, limiting the grading and retaining walls required while preserving a substantial front yard setback. No greater reduction is requested.

7. The variance is not a request to permit a use of land, building or structures which are not permitted by right in the district involved.

The requested variance is limited to reducing the front yard setback from 35 feet to 25 feet. It does not seek authorization for a use prohibited within the district. The proposed hotel will be subject to the applicable zoning approval, and this request addresses only its placement on the property.

Applicant's Response to Variance Criteria (2 of 2)

Agenda Memo

DATE: 12/1/2026
TITLE: REZN 26-06
PRESENTED BY: Allison Martin, City Manager
PRIORITY Strategic Priority - Communication

AGENDA ITEM DESCRIPTION

REZN 26-06 Rezoning: Capstone Property Group by Jeff Payne, applicant, Vivian Cottrell, property owner, seeks to rezone from I (Industrial District) to B-2 (Highway Business District) 4.766 acres fronting on the north side of Pine Tree Way (Map/Parcel 079/074) (215 Pine Tree Way). Proposed use: hotel (127 rooms).

HISTORY/PAST ACTION

None.

FINANCIAL IMPACT

None.

RECOMMENDATION

Approval.

SUGGESTED MOTIONS

Motions to approve when action is to be taken.

ATTACHMENTS

Consulting Planner's Report.

CONSULTING PLANNER'S REPORT

TO:	Dahlonega Planning Commission and City Council c/o Doug Parks, City Attorney
FROM:	Jerry Weitz, Consulting Planner
DATE:	November 23, 2026
SUBJECT:	**REZN 26-06** Rezoning from I (Industrial District) to B-2 (Highway Business District)
COMPANION APP:	**BZA 26-02** Variance to the Dahlonega zoning ordinance, front building setback reduction
PUBLIC HEARINGS:	December 1, 2026 @ 6:00 p.m. (Planning Commission) December 21, 2026 @ 4:00 p.m. (City Council)
APPLICANT:	Capstone Property Group, by Jeff Payne
OWNER(S):	Vivian L. Cottrell
LOCATION:	Fronting 469.02 feet on the north side of Pine Tree Way (215 Pine Tree Way) approximately 305 feet east of Morrison Moore Parkway East (SR 60/US 19) [land lots 98 & 1033 of the 12th District, 1st Section, Lumpkin County]
MAP/PARCEL:	079/ 074
ACREAGE:	4.766 acres
EXISTING USE:	Vacant
PROPOSED USE:	Hotel (127 rooms)

SURROUNDING LAND USE/ZONING:

NORTH:	Vacant (access strip), B-2 (Highway Business District); across vacant access strip is institutional (American Legion), B-2
EAST:	Vacant (county board of education, I (Industrial District), public school (Cottrell Elementary School), I
SOUTH:	(across Pine Tree Way): Restaurants (Wendy's and Waffle House), PUD (Planned Unit Development District); Vacant (PUD Cond.)
WEST:	Institutional (fire station) and cell tower, I

RECOMMENDATION: **Approval**



Tax Map/Aerial Photograph of Property (property outlined in blue)
(application excludes Pine Tree Spur outlined in blue)



Google Earth View of the Property and Vicinity

The applicant seeks rezoning from industrial to highway business for a hotel. A letter of intent and site plan are attached to this report. A companion request has also been filed for a variance to reduce the front building setback by ten feet (addressed in separate report).

ZONING CRITERIA

Section 2607 of the Dahlonega zoning ordinance articulates the criteria by which an application for rezoning should be evaluated. They are as follows:

1. Whether the zoning proposal will permit a use that is suitable in view of the use and development of adjacent and nearby property.

2. Whether the zoning proposal will adversely affect the existing use or usability of adjacent or nearby property.

3. Whether the zoning proposal will result in a use that will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities, or schools.

4. Whether the zoning proposal is consistent with the Comprehensive Plan, transportation plans, or other plans adopted for guiding development within the City of Dahlonega.

5. Whether there are other existing or changing conditions affecting the use and development of property that give supporting grounds for either approval or disapproval of the zoning or special use proposal.

This report provides consulting planner's findings below. The applicant has addressed criteria in writing as provided in the zoning application (see attachment to this report)

Note: The Planning Commission and City Council may adopt the findings and determinations provided in this report as written (provided below), if appropriate, or it may modify them. The planning commission and city council may cite one or more of these in its own determinations, as it determines appropriate. The Planning Commission and City Council may modify the language provided here, as necessary, in articulating its own findings. Or, the Planning Commission and City Council can reject these findings and make their own determinations and findings for one or more of the criteria as specified in the Dahlonega zoning ordinance and any additional considerations it determines appropriate.

1. **Whether the zoning proposal will permit a use that is suitable in view of the use and development of adjacent and nearby property.**

Finding: Adjacent and nearby property is a combination of institutional and commercial uses. Along the south side of Pine Tree Way are restaurants and an auto parts store. The proposed hotel is in keeping with these commercial uses. Institutional uses include the

American Legion and county public school. The zoning of property in the vicinity includes, on the south side of Pine Tree Way, Planned Unit Development District (developed commercially including one vacant parcel, and a project approved for townhouses) and industrial east and west of the subject site on the north side of Pine Tree Way. To the north is B-2 zoning. The proposed B-2 zoning is suitable in view of the uses and development of adjacent and nearby properties ***(supports request)***.

Finding: The zoning in the vicinity is not a precise match for existing uses that have developed along Pine Tree Way. Industrial zoning is left over from a prior era and institutional uses in the vicinity are still zoned I (Industrial District). The predominant pattern of zoning in the larger vicinity is Highway Business (B-2) District ***(supports request)***. Additionally, though the property on the south side of Pine Tree Way is zoned PUD, it is mostly developed with commercial uses. These facts are supporting grounds for approval to change the zoning of the subject property to B-2 ***(supports request)***.

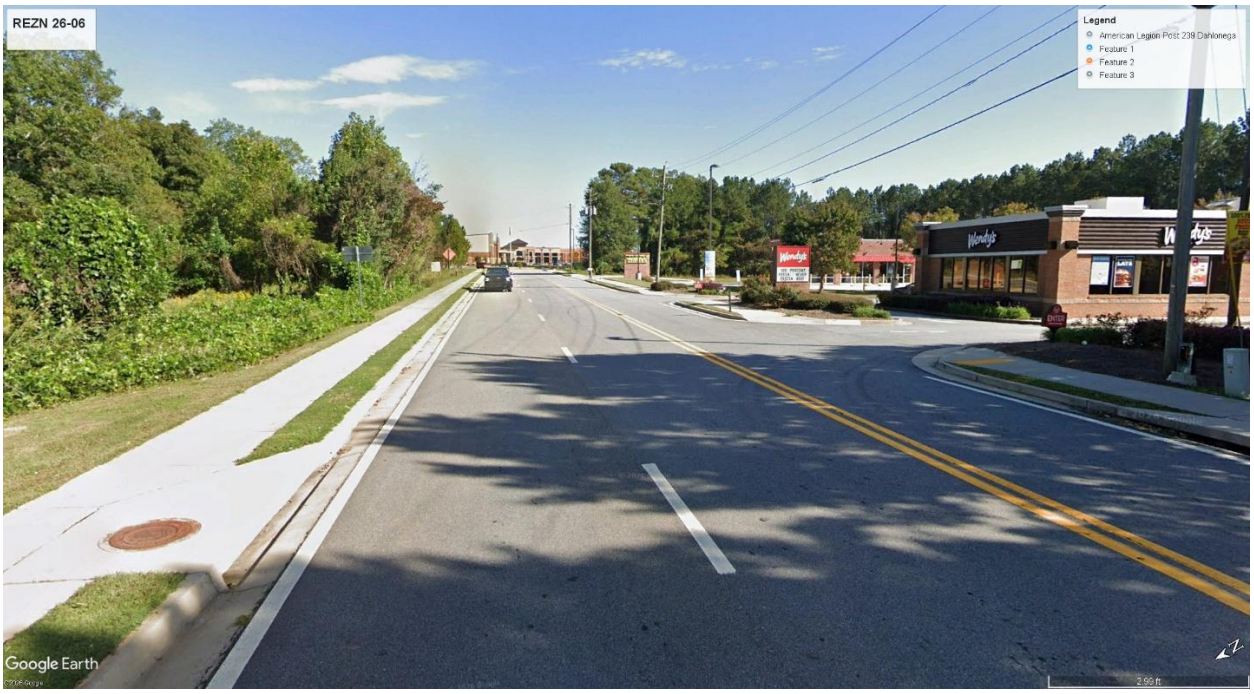
2. ***Whether the zoning proposal will adversely affect the existing use or usability of adjacent or nearby property.***

Finding: No adverse effects on adjacent or nearby property is anticipated (***supports request)***. The proposed hotel is not expected to be in its most active state during hours when school is in session; therefore, from a traffic and access standpoint, the proposed hotel is not expected to adversely affect school traffic ***(supports request)***. The school is positioned further east on the parcel, with vacant land in between the school buildings and the proposed hotel; therefore, the hotel should not interfere aesthetically or functionally with the school campus ***(supports request)***. It is possible that the proposed location of the curb cut for the hotel could pose some concern for conflicting turning movements considering exiting traffic from restaurants on the south side of Pine Tree Way (***may support conditional approval*** requiring alignment with a commercial curb cut on the south side).

3. ***Whether the zoning proposal will result in a use that will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities, or schools.***

Finding (schools and utilities): No impact on schools would be expected ***(supports request)***; however, if the hotel became an extended stay hotel it is possible that school-age children could reside on the premises). Utility availability and capacity are not evaluated in this report ***(inconclusive)***.

Finding (roads): Pine Tree Way is an improved street with paving, curb, gutter, and sidewalk. It functions as a collector street, providing access to the public school at the end of the street, commercial parcels, and vacant lands. Pine Tree Way consists of one lane eastbound and two lanes westbound. One of the westbound lanes becomes a left-turn lane as it approaches Morrison Moore Parkway. The road provides appropriate access for the proposed use ***(supports request)***.



Pine Tree Way (subject property is vacant tract on the left (north) side)

Finding: The site plan for the project shows a curb cut proposed in between commercial curb cuts on the south side. Ideally, the curb cut would be aligned with a commercial curb cut on the south side of Pine Tree Way ***(may support condition of zoning approval)***. However, because the road has two westbound lanes at this location, it may not present significant concerns about turning movements if the proposed curb cut is not aligned with a curb cut on the south side.

4. ***Whether the zoning proposal is consistent with the Comprehensive Plan, transportation plans, or other plans adopted for guiding development within the City of Dahlonega.***

Finding: The subject property is shown on the character area map of the Dahlonega comprehensive plan as office-institutional. According to the description of the office-institutional character area (p. 38), office-institutional uses could include: "extended stay facilities within rural settings, such as small resorts or conference facilities that complement their surroundings and build off the low-intensity tourism of Lumpkin County's outdoor recreation industry." Although not a rural area, one could argue that a lodging facility could be considered to be consistent with the character area recommendation (though consulting planner does not share any such conclusion). To the contrary, highway business use is not considered to be consistent with the office-institutional character area map recommendation of the comprehensive plan ***(does not support request)***. That is despite the mention of "commercial" as being consistent with the office-institutional character area (see "development standards & recommendations" on p. 39 of the comprehensive plan).

With a generalized character map, it is understandable that the north side of Pine Tree Way was coded as office-institutional, given the existence of the county elementary school and the fire station. However, immediately to the west and south, the character area map shows "gateway corridor." In consulting planner's view, given the gateway corridor character area designation for property to the west and south of the subject property, the subject site could have just as easily (and appropriately) been placed in the gateway corridor character area, and the proposed use is considered consistent with the gateway corridor character area ***(tends to support request)***. In support of this conclusion, consider the following excerpt (p. 34 of the comprehensive plan): "One segment of this district features the concentration of government, retail and other commercial activities concentrated along the eastern and southern stretch of the SR 60 business loop. This is a large collection of automotive oriented businesses and includes the area's only large shopping center and big-box type stores" (i.e., a description that matches the subject area and the proposed application).

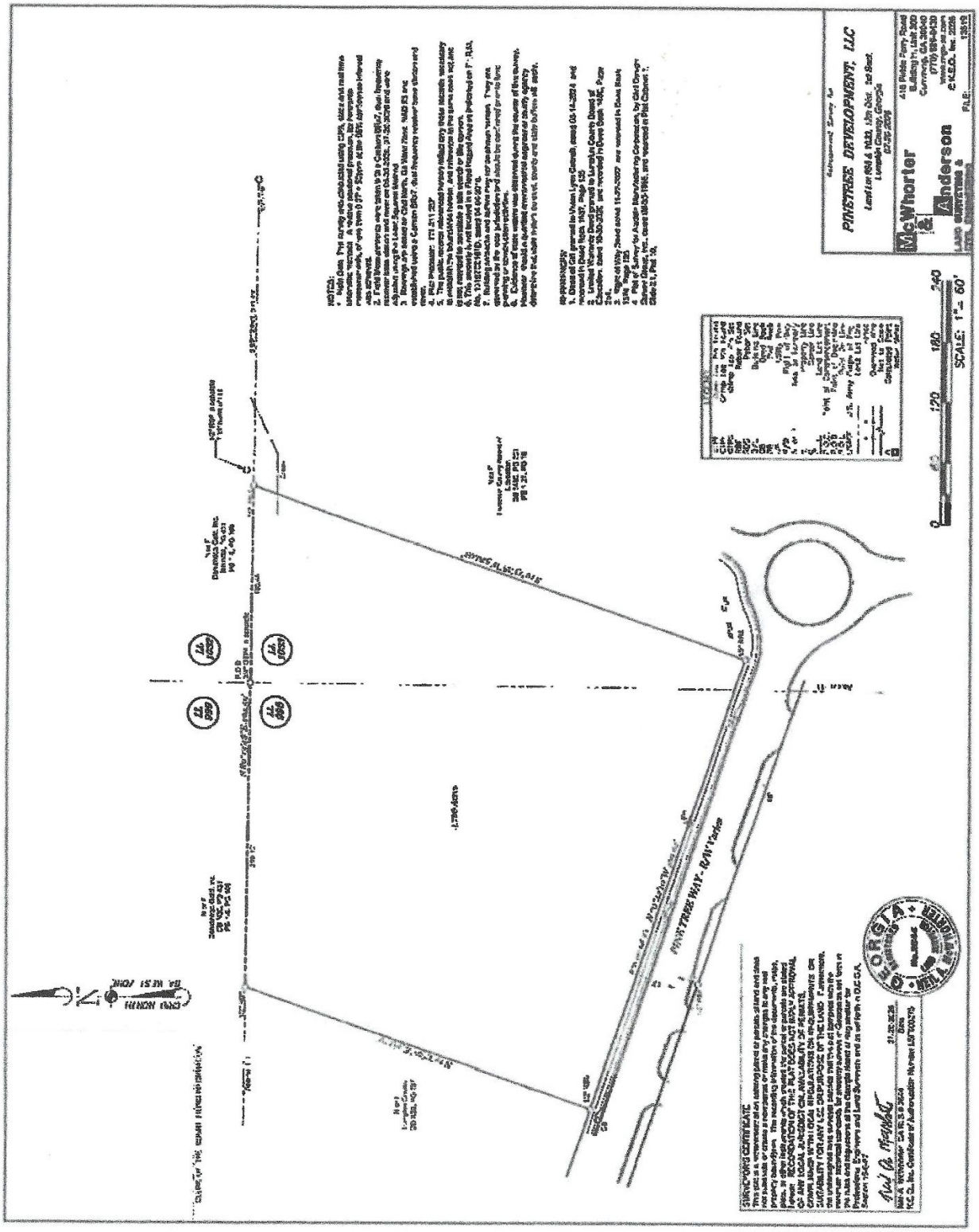
It is also instructive to note that the character area map does not show an industrial character area for the subject property and the larger institutional surroundings. Therefore, the comprehensive plan at minimum can be interpreted as supporting some zoning other than the existing industrial zoning (***tends to support request)***.

5. ***Whether there are other existing or changing conditions affecting the use and development of property that give supporting grounds for either approval or disapproval of the zoning or special use proposal.***

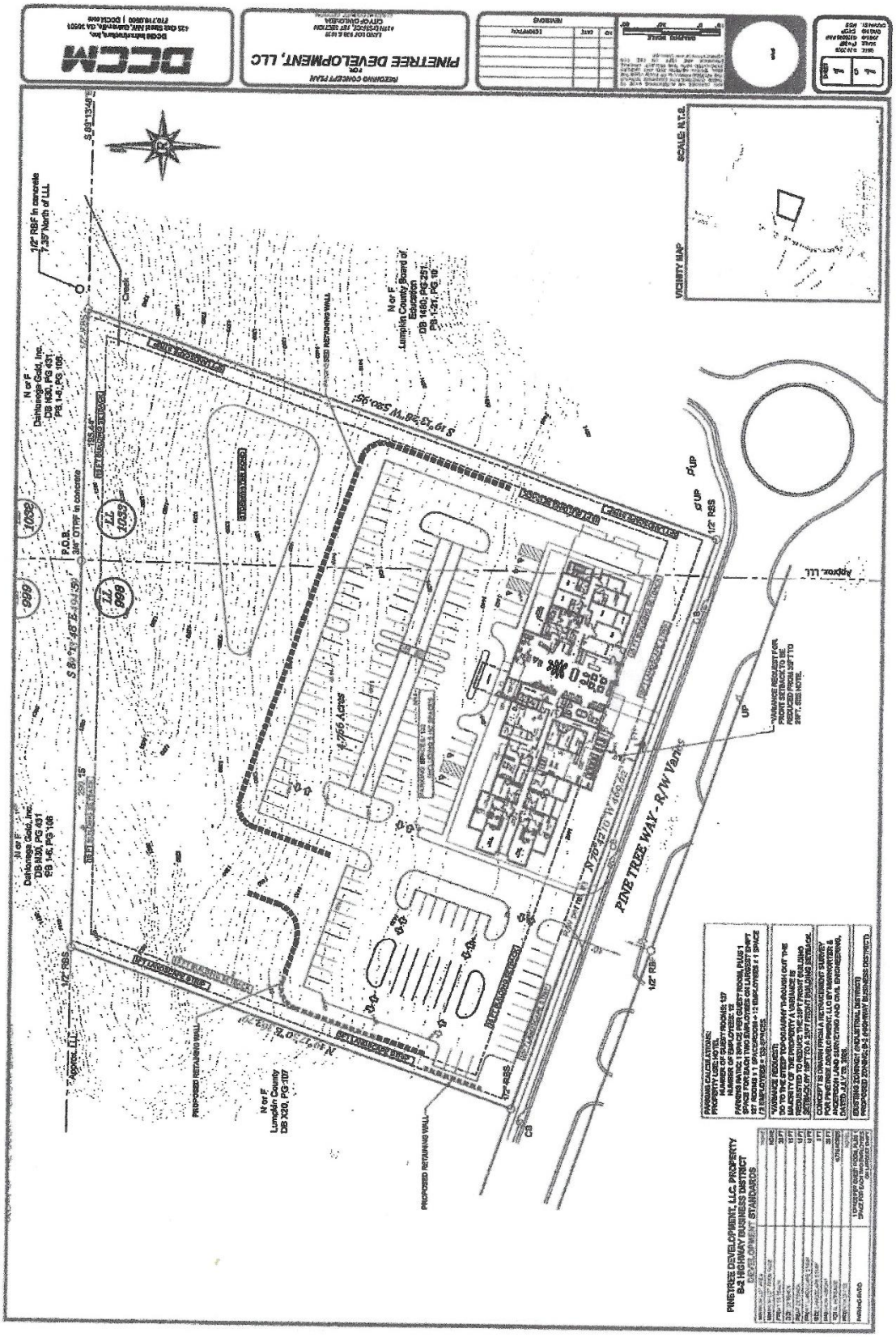
Finding: The subject property has remained vacant and has been marketed. The subject property is zoned industrial and is part of a larger industrial zoning district that includes the elementary school and the fire station. Industrial zoning does not match the institutional properties to the west and east of the subject property, which are both institutional uses. The area is no longer (and is not) appropriate for industrial use ***(supports request)***. Although the highway business uses along the south side of Pine Tree Way are not zoned B-2, they are effectively B-2 uses which happen to be zoned PUD ***(supports request)***.

CONCLUSION

The application compares favorably with all five criteria to be considered for rezoning. Approval is recommended.



Boundary Survey


DCCM
PINETREE DEVELOPMENT, LLC
PINE TREE WAY - R/W Varies
VICINITY MAP
SCALE: N.T.S.
PINETREE DEVELOPMENT, LLC, PROPERTY
B-2 HIGHWAY BUSINESS DISTRICT
DEVELOPMENT STANDARDS

Site Plan

October 1, 2026

CAPSTONE
PROPERTY GROUP

Capstone Property Group
340 Jesse Jewell Parkway, Suite 400
Gainesville, Georgia 30501

City of Dahlonega Planning Commission
Mayor and City Council
465 Riley Road
Dahlonega, Georgia 30533

Re: Letter of Intent – Rezoning Application and Variance Request

215 Pine Tree Way
Tax Parcel 079-074
Request to Rezone from Industrial to B-2 (Highway Business District)

Honorable Members of the Planning Commission and Mayor and Council:

Capstone Property Group respectfully submits this Letter of Intent in support of our application to rezone approximately 4.766 acres located at 215 Pine Tree Way, Tax Parcel 079-074, from Industrial (I) to Highway Business District (B-2) to permit the development of a quality hotel property.

Our vision is to develop an upscale hospitality destination that complements Dahlonega's growing tourism economy while serving as an attractive gateway into the City. The proposed development is intended to meet the demand for overnight accommodations generated by the University's growth, tourism, weddings, festivals, wineries, outdoor recreation, and the expanding business community.

The proposed development will consist of a hotel containing approximately 127 keys, with 133 parking spaces provided on site. In conjunction with the proposed development, we will also pursue a variance requesting a 10-foot reduction in the required 35-foot front building setback, resulting in a 25-foot front building setback.

Compatibility with Surrounding Uses

The surrounding corridor has evolved into one of Dahlonega's primary commercial districts and includes restaurants, retail businesses, and national commercial users. A hotel is compatible with these surrounding commercial uses and will reinforce the area's commercial character.

Compared with industrial development, the proposed hotel is expected to:

- Generate limited noise.
- Require minimal outdoor storage.
- Reduce the potential for truck traffic associated with industrial operations.
- Create an attractive, professionally landscaped entrance corridor.
- Operate within a professionally managed commercial environment.

Because hotel guests arrive and depart throughout the day rather than exclusively during concentrated peak periods, traffic is expected to be distributed across the day.

Impact on Adjacent Properties

Letter of Intent, 1 of 3

The proposed development will be designed to maintain compatibility with adjoining properties through careful building placement, landscaping, lighting, and site planning.

The hotel is expected to create positive economic benefits by increasing customer traffic to surrounding businesses. Hotel guests will patronize adjacent restaurants, retail establishments, downtown Dahlonega merchants, local wineries, entertainment venues, University events, and outdoor recreation businesses.

Every occupied hotel room represents visitors who have the opportunity to spend money throughout the community. The project is expected to become an economic catalyst for both nearby commercial properties and the historic downtown business district.

Property Values

The proposed hotel represents a substantial private investment in Dahlonega. High-quality architectural design, professional landscaping, permanent employment opportunities, increased commercial activity, and long-term investment in the community are expected to support neighboring property values and improve the overall appearance of this important commercial corridor.

Public Benefit

The requested rezoning provides significant public benefits, including:

- Expanded lodging capacity for visitors.
- Support for tourism growth.
- Increased spending at existing local businesses.
- Additional employment opportunities.
- Increased property tax revenues.
- Increased hotel/motel tax revenues.
- Enhanced sales tax collections.
- Improved commercial development at an important gateway into Dahlonega.

The project will also support community events by providing additional overnight accommodations during peak tourism periods.

Suitability of the Property

Although currently zoned Industrial (I), the property's location, access, and surrounding commercial development make it well suited for hospitality use.

Given the surrounding commercial growth, a hotel represents a logical and beneficial use of the property. Rezoning to Highway Business District (B-2) would allow the property to develop in a manner consistent with the commercial character of the surrounding corridor.

Front Building Setback Variance

To accommodate the proposed site layout, Capstone Property Group will pursue a variance to reduce the required front building setback from 35 feet to 25 feet, a reduction of 10 feet.

The requested variance would allow the hotel to be positioned closer to the front property line while accommodating approximately 127 keys and 133 on-site parking spaces. The proposed site plan will incorporate landscaping,

attractive lighting, and careful building placement to maintain an appropriate relationship with the roadway and surrounding properties.

Existing Conditions

The property remains undeveloped while surrounding commercial development has continued to expand. These changing conditions support consideration of the requested rezoning and the proposed hospitality use.

Public Facilities

The proposed hotel is not expected to place significant demands upon schools or residential services. The development will be coordinated with the City and applicable service providers to address infrastructure capacity, access, utilities, and other public facility requirements.

Hotel traffic is generally dispersed throughout the day, which is expected to help limit concentrated impacts on surrounding roadways.

Consistency with the City's Planning Goals

The proposed rezoning is intended to advance the City's goals of encouraging high-quality commercial development, expanding tourism opportunities, strengthening the local economy, and promoting appropriate land uses compatible with surrounding development.

The project represents an investment that will contribute to Dahlonega's long-term economic vitality while maintaining compatibility with adjacent commercial properties.

Commitment to Quality

Capstone Property Group is committed to developing a first-class hospitality project that reflects positively on the City of Dahlonega.

The hotel will be designed with high-quality architecture, durable construction materials, professional landscaping, attractive lighting, and careful site planning to ensure that it becomes a development of which the City can be proud.

We believe this project will serve as an important economic asset, benefiting neighboring businesses, downtown merchants, local residents, and visitors for decades to come.

For these reasons, we respectfully request approval of the rezoning from Industrial (I) to Highway Business District (B-2), together with favorable consideration of the separate variance request to reduce the front building setback from 35 feet to 25 feet.

Thank you for your consideration.

Respectfully,

Jeff Payne
Capstone Property Group
jeff@cpgllc.net
770-530-9850

Letter of Intent, 3 of 3

Agenda Memo

DATE: 12/1/2026
TITLE: BZA 26-02
PRESENTED BY: Allison Martin, City Manager
PRIORITY Strategic Priority - Communication

AGENDA ITEM DESCRIPTION

BZA 26-02 Variance: Capstone Property Group by Jeff Payne, applicant, Vivian Cottrell, property owner, a variance to the Dahlonega zoning ordinance, Article XX, "Minimum Dimensional Requirements," Section 2001, "Minimum Setback Requirements for Zoning Districts," to reduce the minimum required front building setback (for "other" street) in a B-2 zoning district from 35 feet to 25 feet for 4.766 acres fronting on the north side of Pine Tree Way (Map/Parcel 079/074) (215 Pine Tree Way). Proposed use: hotel (127 rooms).

HISTORY/PAST ACTION

None.

FINANCIAL IMPACT

None.

RECOMMENDATION

Approval.

SUGGESTED MOTIONS

Motions to approve when action is to be taken.

ATTACHMENTS

Consulting Planner's Report.

CONSULTING PLANNER'S REPORT

TO:	Dahlonega Planning Commission and City Council c/o Doug Parks, City Attorney
FROM:	Jerry Weitz, Consulting Planner
DATE:	November 23, 2026
SUBJECT:	**BZA 26-02** Variance to the Dahlonega zoning ordinance, Article XX, "Minimum Dimensional Requirements," Section 2001, "Minimum Setback Requirements for Zoning Districts," to reduce the minimum required front building setback (for "other" street) in a B-2 zoning district from 35 feet to 25 feet
COMPANION APP:	**REZN 26-06** Rezoning from I (Industrial District) to B-2 (Highway Business District)
PUBLIC HEARINGS:	December 1, 2026 @ 6:00 p.m. (Planning Commission) December 21, 2026 @ 4:00 p.m. (Board of Zoning Appeals)
APPLICANT:	Capstone Property Group, by Jeff Payne
OWNER(S):	Vivian L. Cottrell
LOCATION:	Fronting 469.02 feet on the north side of Pine Tree Way (215 Pine Tree Way) approximately 305 feet east of Morrison Moore Parkway East (SR 60/US 19) [land lots 98 & 1033 of the 12th District, 1st Section, Lumpkin County]
MAP/PARCEL:	079/ 074
ACREAGE:	4.766 acres
EXISTING USE:	Vacant
PROPOSED USE:	Hotel (127 rooms)

SURROUNDING LAND USE/ZONING:

NORTH:	Vacant (access strip), B-2 (Highway Business District); across vacant access strip is institutional (American Legion), B-2
EAST:	Vacant (county board of education, I (Industrial District), public school (Cottrell Elementary School), I
SOUTH:	(across Pine Tree Way): Restaurants (Wendy's and Waffle House), PUD (Planned Unit Development District); Vacant (PUD Cond.)

WEST: Institutional (fire station) and cell tower, I

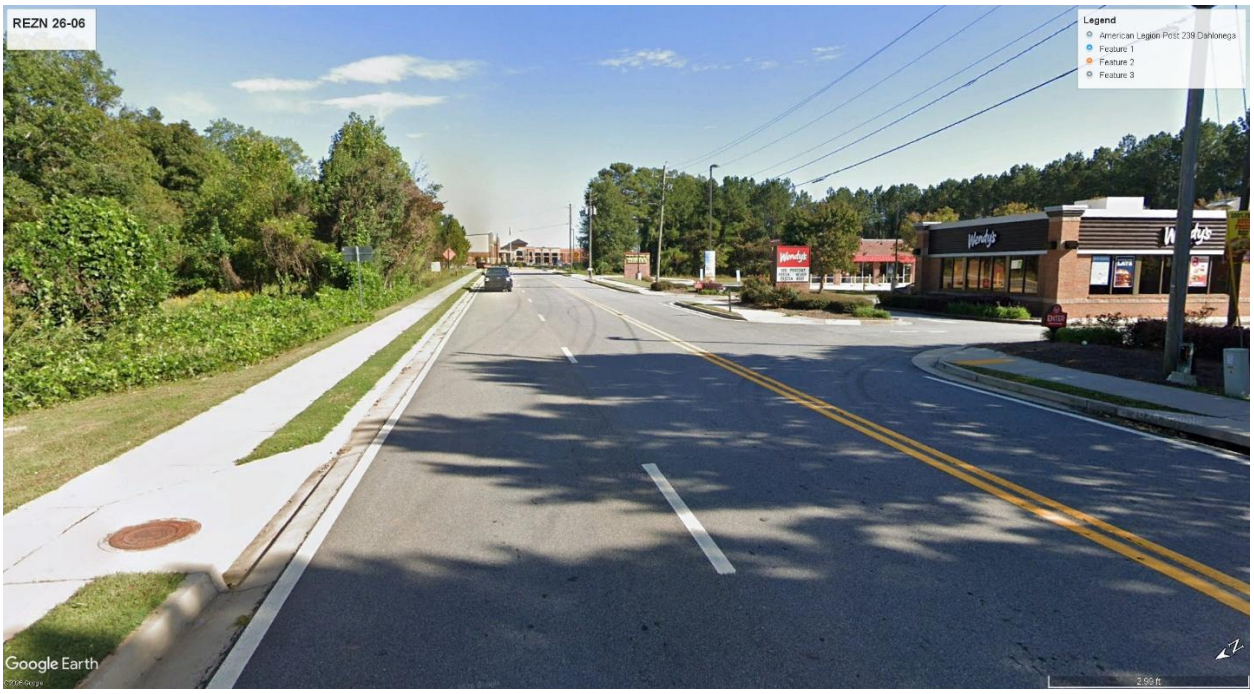
RECOMMENDATION: **Approval**



Tax Map/Aerial Photograph of Property (property outlined in blue) (application excludes Pine Tree Spur outlined in blue)



Google Earth View of the Property and Vicinity



Pine Tree Way (subject property is vacant tract on the left (north) side)

LEGAL FRAMEWORK AND REQUIREMENTS FOR VARIANCES

The Board of Zoning Appeals shall exercise its powers in such a way that the purpose and intent of the zoning regulations shall be accomplished, public health, safety and welfare secured, and substantial justice done (Sec. 2401 zoning ordinance).

The Board of Zoning Appeals is a body of limited powers, and its actions are taken in a quasi-judicial capacity rather than a legislative capacity. Failure to adopt written findings justifying all decisions shall render such decision null and void (Sec. 2403 zoning ordinance).

A variance is defined in Sec. 301 of the zoning ordinance as "a minimal relaxation or modification of the strict terms of the height, area, placement, setback, yard, buffer, landscape strip, parking and loading regulations as applied to specific property when, because of particular physical surroundings, shape, or topographical condition of the property, compliance would result in a particular hardship upon the owner, as distinguished from a mere inconvenience or a desire to make a profit."

The Board of Zoning Appeals is empowered to authorize upon application in specific cases such variance from the terms of these regulations as will not be contrary to the public interest where, owing to special conditions, a literal enforcement of the provisions of these regulations will in an individual case, result in unnecessary hardship, so that the spirit of these regulations shall be observed, public safety and welfare secured, and substantial justice done. A variance may be granted in an individual case of

unnecessary hardship, after appropriate application in accordance with Article XXVI, upon specific findings that all of the following conditions exist. The absence of any one (1) of the conditions shall be grounds for denial of the application for variance (Sec. 2406 zoning ordinance).

1. There are extraordinary and exceptional conditions pertaining to the particular piece of property in question because of its size, shape or topography that are not applicable to other land or structures in the same district; and

2. A literal interpretation of the provisions of these zoning regulations would create an unnecessary hardship and would deprive the applicant of rights commonly enjoyed by other property owners within the district in which the property is located; and

3. Granting the variance requested will not confer upon the property of the applicant any special privileges that are denied to other properties of the district in which the applicant's property is located; and

4. Relief, if granted, will be in harmony with the purpose and intent of these regulations and will not be injurious to the neighborhood or general welfare in such a manner as will interfere with or discourage the appropriate development and use of adjacent land and buildings or unreasonably affect their value; and

5. The special circumstances are not the result of the actions of the applicant; and

6. The variance requested is the minimum variance that will make possible the legal use of the land, building, or structure; and

7. The variance is not a request to permit a use of land, building or structures which are not permitted by right in the district involved.

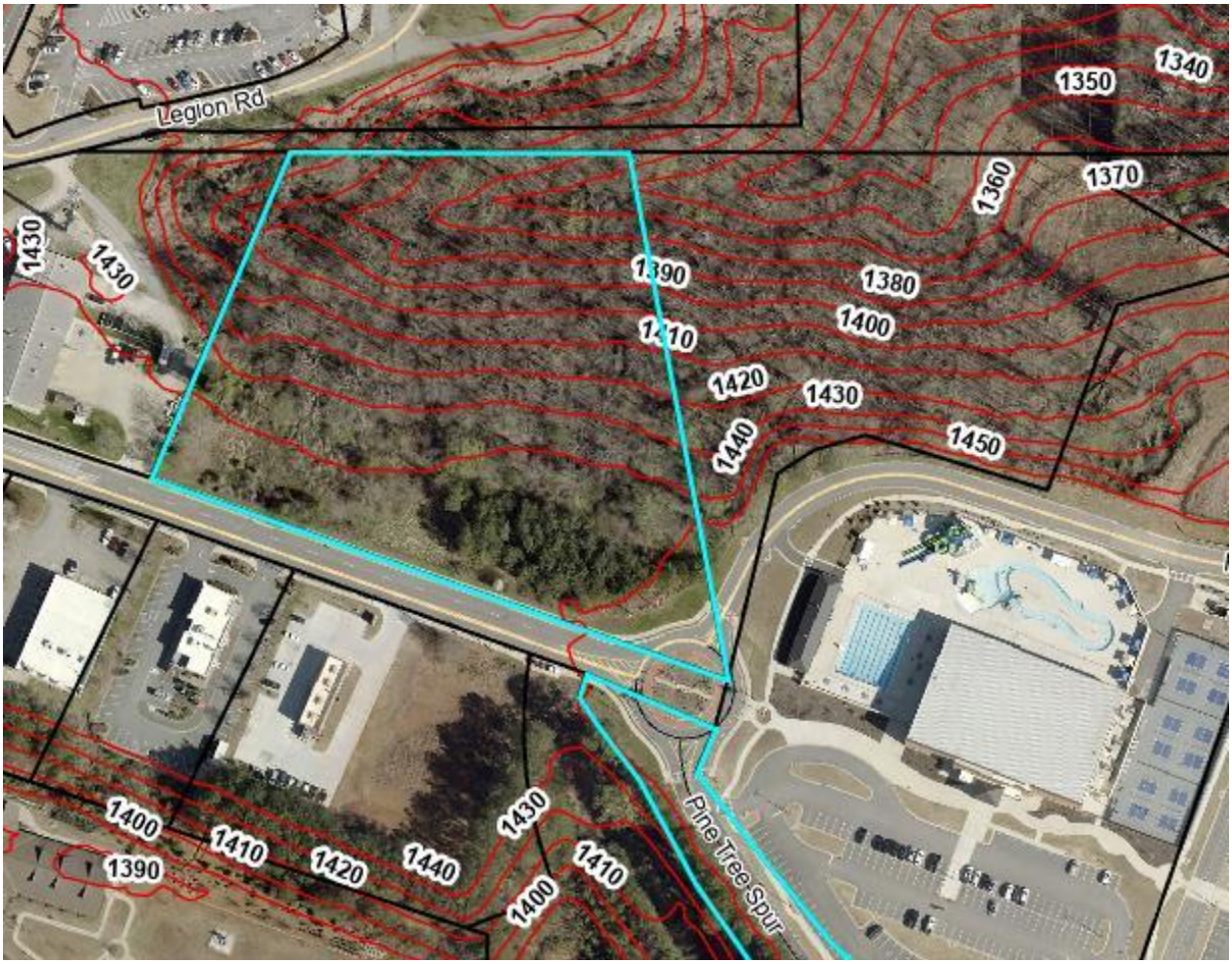
Note: The Board of Zoning Appeals may adopt the findings and determinations provided in this report in whole or in part as written, if appropriate, or it may modify them. The Board of Zoning Appeals may cite one or more of these findings in its own determinations, if appropriate. The Board may modify the language provided here, as necessary, in articulating its own findings. Or, the Board of Zoning Appeals can reject these findings and make its own determinations and findings for one or more of the criteria for granting variances as specified in Section 2405 of the Dahlonega zoning ordinance.

In exercising the powers to grant appeals and approve variances, the Board may attach any conditions to its approval which it finds necessary to accomplish the reasonable application of the requirements of these [zoning] regulations (Sec. 2407 zoning ordinance).

FINDINGS

Written findings below are those of the consulting planner; the applicant has addressed these criteria, and those answers are included as an attachment to this report.

1. ***There are extraordinary and exceptional conditions pertaining to the particular piece of property in question because of its size, shape or topography that are not applicable to other land or structures in the same district;***



Topography

Consulting planner's finding: The size of the property is larger in acreage than needed for the proposed use, so size of the property is not an extraordinary or exceptional condition. Similarly, the shape of the property is regular (square or rectangular), so shape of the property is not an extraordinary or exceptional condition ***(does not meet criterion)***. However, topography is an extraordinary and exceptional condition. Other highway business uses along the south side of Pine Tree Way do not have the same severity of topography ***(meets criterion/supports request)***. Note also that the site

abutting to the east (school property) has similar topographic conditions and has not been developed; this may be cited as a reason that similarly situated property to the east (school property) faces similar constraints and has not been developed due to its topographic challenges. As noted by the applicant (see attachment), the topography drops by about 100 feet from front to back. The applicant would only be able to overcome topographic limitations with retaining walls, and reportedly the expense associated with such grading and retaining wall would render the project financially not feasible.

2. ***A literal interpretation of the provisions of these zoning regulations would create an unnecessary hardship and would deprive the applicant of rights commonly enjoyed by other property owners within the district in which the property is located;***

Consulting planner's finding: As noted by the applicant, the chief constraint is topography. Other properties along Pine Tree Way have gentler topography than the subject site and therefore do not face the same hardships to develop as the subject site. Commercial lots along the south side of Pine Tree Way have building setbacks of more than 50 feet, and they are able to meet required setbacks due to the relatively level land on which they are developed ***(meets criterion/supports request***).

Consulting planner's finding: The maximum building height in the B-2 zoning district is 55 feet (Sec. 703, Height Limitations, zoning ordinance). The applicant has not indicated in the application what the height of the hotel will be. However, hotels today appear to follow a model layout of up to five stories, which may not be possible given the height limit. In other words, a smaller building footprint for the hotel might enable it to meet the minimum front building setback, but going with a smaller footprint is likely to increase the building height, perhaps to the point that it would need a variance to building height. The reduction in building setback is preferable to an increase in building height, in consulting planner's opinion. The applicant could also be asked to reduce the building square footage and the number of hotel rooms so as to meet the required building setback. However, that does not seem appropriate given that the subject property is larger than most hotel sites.

3. ***Granting the variance requested will not confer upon the property of the applicant any special privileges that are denied to other properties of the district in which the applicant's property is located;***

Consulting planner's finding: Although the zoning districts are not the same, it is appropriate to compare the subject request with existing development along Pine Tree Way. The existing fire station at the northeast corner of Pine Tree Way and Morrison Moore Parkway is only about 25 feet from the right of way of Pine Tree Way and is maybe less than that to the sidewalk along the road. The fire station setback from the right of way of Pine Tree Way can be cited as an existing condition that applies to other property in the vicinity ***(may meet criterion/ may support request)***. The fire station setback condition can be interpreted as evidence the granting of a setback

reduction to 25 feet would not result in a special privilege denied other property in the vicinity ***(meets criterion/supports request)***.

4. ***Relief, if granted, will be in harmony with the purpose and intent of these regulations and will not be injurious to the neighborhood or general welfare in such a manner as will interfere with or discourage the appropriate development and use of adjacent land and buildings or unreasonably affect their value;***

Consulting planner's finding: As already noted, the only building along the north side of Pine Tree Way is the fire station, which has a setback from Pine Tree Way similar to that requested by the applicant. Granting the requested variance will not be injurious to the neighborhood or general welfare and will not interfere with or discourage appropriate development and use of land and buildings or unreasonably affect their value ***(meets criterion/ supports request)***.

5. ***The special circumstances are not the result of the actions of the applicant;***

Consulting planner's finding: As noted by the applicant, the conditions that give rise to the request for variance have to do with the challenging topography of the site, not to any condition created by the applicant ***(meets criterion/ supports request).***

6. ***The variance requested is the minimum variance that will make possible the legal use of the land, building, or structure;***

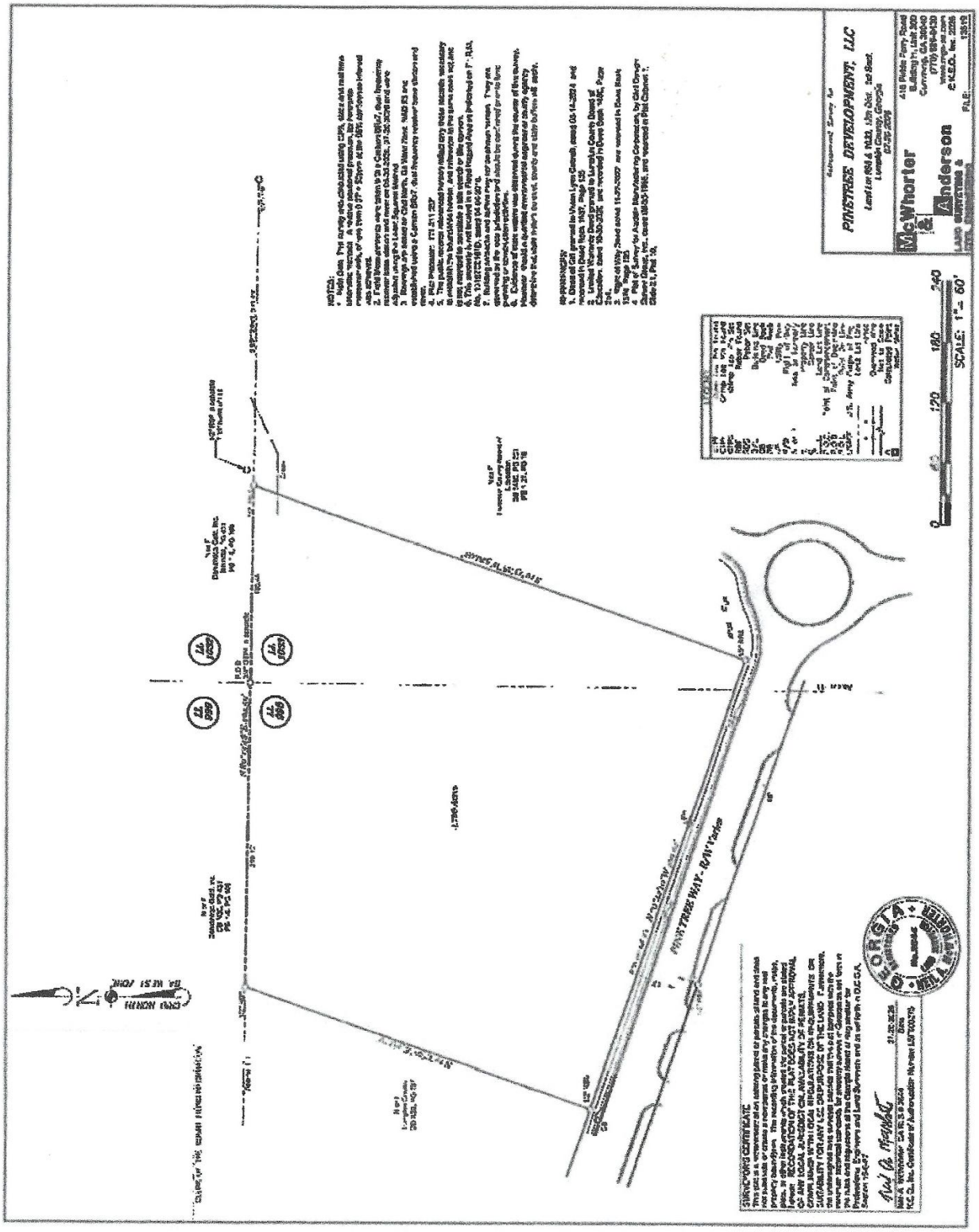
Consulting planner's finding: The requested reduction of 10 feet is considered the minimum necessary to avoid having to reposition the proposed building further down slope from the road in a place that will cause hardship with regard to grading and retaining walls. The proposed hotel has a fairly large building footprint that cannot be broken into elements or reconfigured in a way to meet the 35 foot minimum front building setback for the B-2 zoning district ***(meets criterion/ supports request)***.

7. ***The variance is not a request to permit a use of land, building or structures which are not permitted by right in the district involved.***

Consulting planner's finding: The request does not involve a use which is not permitted in the zoning district ***(meets criterion)***.

CONCLUSION

All criteria for the granting of variances are met. Consulting planner recommends approval. An affirmative vote on the variance is contingent upon the approval of rezoning to B-2.



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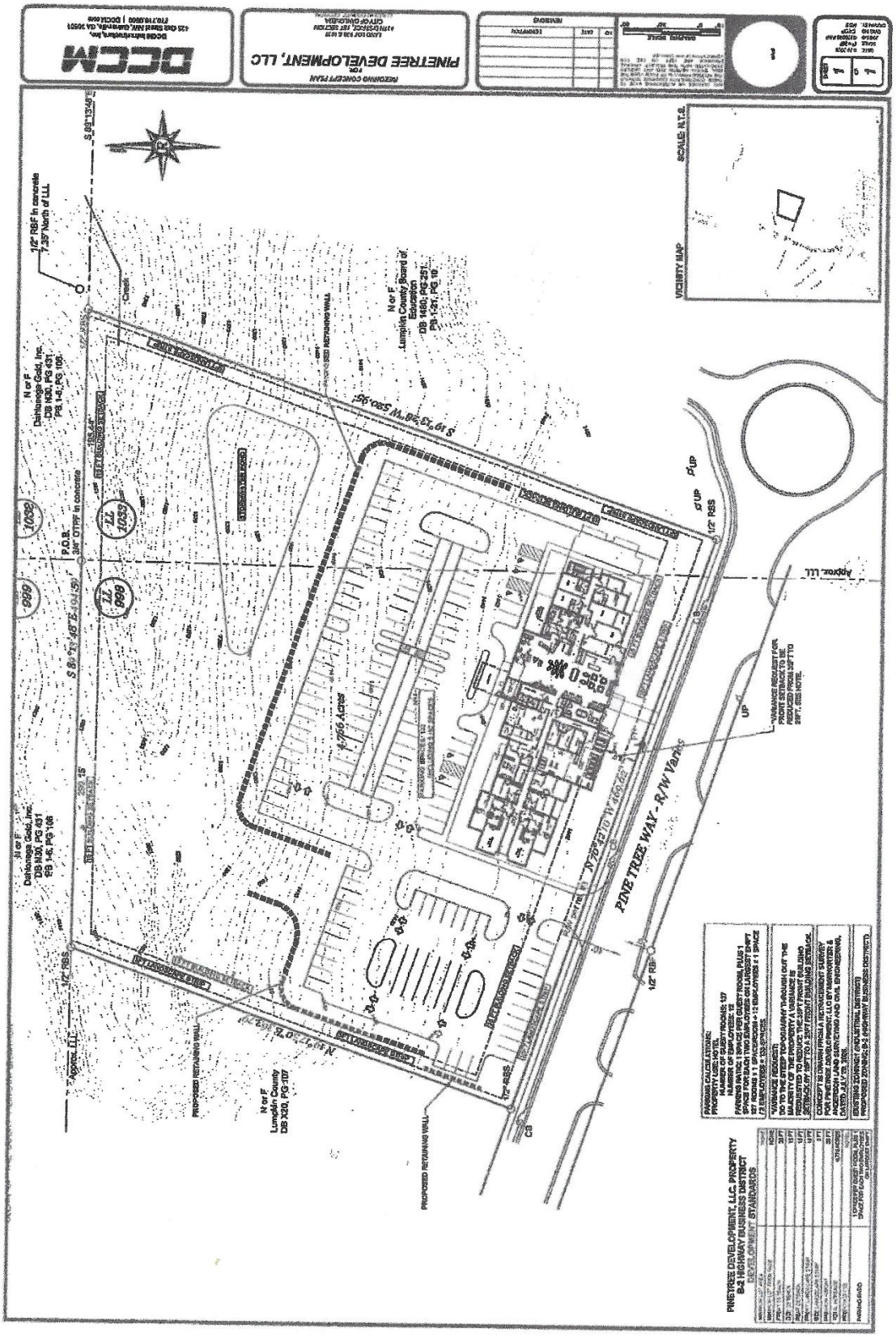
PINE TREE WAY - R/W Varies
VICINITY MAP
SCALE: N.T.S.
PINETREE DEVELOPMENT, LLC
DCCM
PINETREE DEVELOPMENT, LLC, PROPERTY
B-2 HIGHWAY BUSINESS DISTRICT
4.766 Acres
P.O.B.
3/4" OTRF in concrete
1/2" RBF in concrete 7.39' North of L.L.
1/2" RBS
1/2" RBF
Dahlonega Gold, Inc. DB M30, PG 451 PB 1-46, PG 106
N or F Lumpkin County Board of Education DB M60, PG 251 PB 1-51, PG 10
N or F Lumpkin County DB X20, PG 107
PROPOSED RETAINING WALL
EXISTING RETAINING WALL
Approx. L.L.L.
S 19°52'58" W 290.98'
S 8°51'46" E 194.75'
N 72°07'02" W 276.15'
N 19°52'58" E 290.98'
S 72°07'02" E 276.15'
S 19°52'58" W 290.98'
N 19°52'58" E 290.98'
S 72°07'02" E 276.15'
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October 1, 2026

CAPSTONE
PROPERTY GROUP

Capstone Property Group
340 Jesse Jewell Parkway, Suite 400
Gainesville, Georgia 30501

City of Dahlonega Planning Commission
Mayor and City Council
465 Riley Road
Dahlonega, Georgia 30533

Re: Letter of Intent – Rezoning Application and Variance Request

215 Pine Tree Way
Tax Parcel 079-074
Request to Rezone from Industrial to B-2 (Highway Business District)

Honorable Members of the Planning Commission and Mayor and Council:

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Our vision is to develop an upscale hospitality destination that complements Dahlonega's growing tourism economy while serving as an attractive gateway into the City. The proposed development is intended to meet the demand for overnight accommodations generated by the University's growth, tourism, weddings, festivals, wineries, outdoor recreation, and the expanding business community.

The proposed development will consist of a hotel containing approximately 127 keys, with 133 parking spaces provided on site. In conjunction with the proposed development, we will also pursue a variance requesting a 10-foot reduction in the required 35-foot front building setback, resulting in a 25-foot front building setback.

Compatibility with Surrounding Uses

The surrounding corridor has evolved into one of Dahlonega's primary commercial districts and includes restaurants, retail businesses, and national commercial users. A hotel is compatible with these surrounding commercial uses and will reinforce the area's commercial character.

Compared with industrial development, the proposed hotel is expected to:

- Generate limited noise.
- Require minimal outdoor storage.
- Reduce the potential for truck traffic associated with industrial operations.
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- Operate within a professionally managed commercial environment.

Because hotel guests arrive and depart throughout the day rather than exclusively during concentrated peak periods, traffic is expected to be distributed across the day.

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Letter of Intent, 1 of 3

The proposed development will be designed to maintain compatibility with adjoining properties through careful building placement, landscaping, lighting, and site planning.

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Every occupied hotel room represents visitors who have the opportunity to spend money throughout the community. The project is expected to become an economic catalyst for both nearby commercial properties and the historic downtown business district.

Property Values

The proposed hotel represents a substantial private investment in Dahlonega. High-quality architectural design, professional landscaping, permanent employment opportunities, increased commercial activity, and long-term investment in the community are expected to support neighboring property values and improve the overall appearance of this important commercial corridor.

Public Benefit

The requested rezoning provides significant public benefits, including:

- Expanded lodging capacity for visitors.
- Support for tourism growth.
- Increased spending at existing local businesses.
- Additional employment opportunities.
- Increased property tax revenues.
- Increased hotel/motel tax revenues.
- Enhanced sales tax collections.
- Improved commercial development at an important gateway into Dahlonega.

The project will also support community events by providing additional overnight accommodations during peak tourism periods.

Suitability of the Property

Although currently zoned Industrial (I), the property's location, access, and surrounding commercial development make it well suited for hospitality use.

Given the surrounding commercial growth, a hotel represents a logical and beneficial use of the property. Rezoning to Highway Business District (B-2) would allow the property to develop in a manner consistent with the commercial character of the surrounding corridor.

Front Building Setback Variance

To accommodate the proposed site layout, Capstone Property Group will pursue a variance to reduce the required front building setback from 35 feet to 25 feet, a reduction of 10 feet.

The requested variance would allow the hotel to be positioned closer to the front property line while accommodating approximately 127 keys and 133 on-site parking spaces. The proposed site plan will incorporate landscaping,

attractive lighting, and careful building placement to maintain an appropriate relationship with the roadway and surrounding properties.

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The property remains undeveloped while surrounding commercial development has continued to expand. These changing conditions support consideration of the requested rezoning and the proposed hospitality use.

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The proposed hotel is not expected to place significant demands upon schools or residential services. The development will be coordinated with the City and applicable service providers to address infrastructure capacity, access, utilities, and other public facility requirements.

Hotel traffic is generally dispersed throughout the day, which is expected to help limit concentrated impacts on surrounding roadways.

Consistency with the City's Planning Goals

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The project represents an investment that will contribute to Dahlonega's long-term economic vitality while maintaining compatibility with adjacent commercial properties.

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Capstone Property Group is committed to developing a first-class hospitality project that reflects positively on the City of Dahlonega.

The hotel will be designed with high-quality architecture, durable construction materials, professional landscaping, attractive lighting, and careful site planning to ensure that it becomes a development of which the City can be proud.

We believe this project will serve as an important economic asset, benefiting neighboring businesses, downtown merchants, local residents, and visitors for decades to come.

For these reasons, we respectfully request approval of the rezoning from Industrial (I) to Highway Business District (B-2), together with favorable consideration of the separate variance request to reduce the front building setback from 35 feet to 25 feet.

Thank you for your consideration.

Respectfully,

Jeff Payne
Capstone Property Group
jeff@cpgllc.net
770-530-9850

Letter of Intent, 3 of 3

Complete the following information.

1. There are extraordinary and exceptional conditions pertaining to the particular piece of property in question because of its size, shape or topography that are not applicable to other land or structures in the same district.

The property drops approximately 100 feet in elevation from Pine Tree Way toward the creek along the northern boundary. This significant grade change will require substantial retaining walls to support the proposed development. Allowing the hotel to be positioned closer to Pine Tree Way would reduce the extent of grading and retaining walls required, helping mitigate extraordinary site development costs that could otherwise make the project financially infeasible.

2. A literal interpretation of the provisions of these zoning regulations would create an unnecessary hardship and would deprive the applicant of rights commonly enjoyed by other property owners within the district in which the property is located.

Strict application of the 35-foot front yard setback would force the proposed hotel farther into the property's steeply descending terrain, requiring substantially greater grading and retaining walls. These physical constraints limit the usable building area and create a hardship that other, more level properties within the district do not face. Reducing the setback to 25 feet would allow reasonable development of the property for a permitted use while maintaining a meaningful setback from Pine Tree Way.

3. Granting the variance requested will not confer upon the property of the applicant any special privileges that are denied to other properties of the district in which the applicant's property is located.

Granting the requested variance would address the property's significant topographic constraints without conferring a special privilege. The reduction from a 35-foot to a 25-foot front yard setback would allow the hotel to be positioned closer to Pine Tree Way, reducing the grading and retaining walls required by the steep terrain. The request does not seek an increase in permitted density, building height, or a use otherwise prohibited within the district; it seeks a limited adjustment to allow reasonable development under unusually challenging site conditions.

4. Relief, if granted, will be in harmony with the purpose and intent of these regulations and will not be injurious to the neighborhood or general welfare in such a manner as will interfere with or discourage the appropriate development and use of adjacent land and buildings or unreasonably affect their value.

The requested reduction in the front yard setback from 35 feet to 25 feet would remain consistent with the purpose and intent of the zoning regulations by maintaining separation between the hotel and Pine Tree Way while accommodating the site's steep topography. Positioning the hotel closer to the roadway would reduce the extent of grading and retaining walls required. The proposed adjustment would not impair access to neighboring properties, restrict their development or use, or reasonably be expected to diminish their value. The hotel would continue to meet all other applicable development requirements and provide appropriate landscaping and an attractive frontage compatible with the surrounding area.

Applicant's Response to Variance Criteria (1 of 2)

5. The special circumstances are not the result of the actions of the applicant.

The special circumstances arise from the property's existing natural topography. These conditions predate the proposed development and were not created by the applicant through grading, subdivision, or other alterations to the property. The requested variance responds to these existing physical constraints.

6. The variance requested is the minimum variance that will make possible the legal use of the land, building or structure.

The requested 10-foot reduction, from a 35-foot to a 25-foot front yard setback, is the minimum adjustment needed to accommodate the proposed hotel. It would allow the building to occupy the more suitable portion of the site nearest Pine Tree Way, limiting the grading and retaining walls required while preserving a substantial front yard setback. No greater reduction is requested.

7. The variance is not a request to permit a use of land, building or structures which are not permitted by right in the district involved.

The requested variance is limited to reducing the front yard setback from 35 feet to 25 feet. It does not seek authorization for a use prohibited within the district. The proposed hotel will be subject to the applicable zoning approval, and this request addresses only its placement on the property.

Applicant's Response to Variance Criteria (2 of 2)