



# COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

**TO:** City Council Members

**FROM:** Russell Weeks  
Senior Policy Analyst

**DATE:** January 9, 2020 at 8:42 PM

**RE: ZONING TEXT AMENDMENT TO INCREASE G-MU HEIGHT LIMITS WITHIN A LIMITED AREA**

Item Schedule:

Briefing: January 14, 2020

Set Date: N/A

Public Hearing: N/A

Potential Action: N/A

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## ISSUE AT-A-GLANCE

***Goal of the briefing: To discuss a proposal to increase height restrictions within a limited area of an area zoned for gateway mixed uses.***

- A company sought a zoning text amendment to increase height restrictions in an area zoned as Gateway Mixed-Use east of the Central Point intermodal hub. The proposed area for the new height restrictions is roughly bordered by 250 South, 500 West Street, 350 South, and 600 West Street.
- The proposed text amendment would have increased height restrictions in that area from 120 feet – with City design review – to 190 feet for buildings on corners. It also would have set minimum heights of 100 feet for buildings in the middle of the block within the area.
- The area is contained in a larger area bordered by 200 South, 500 West, 400 South, and 600 West streets. The Salt Lake City Redevelopment Agency manages a significant amount of property within the larger area, and the RDA Board has approved about \$19.3 million in funding for projects there. (Please see attachments Nos. 2 and 3.)



- The Planning Commission at its October 23, 2019, meeting adopted a motion to forward a negative recommendation to the City Council about the proposed text amendment. It cited concerns that the proposed amendment does not meet the intention of the GM-U zoning that was adopted in 2017 or the Downtown Master Plan. (Please see Page 4 for more discussion about the Planning Division staff report.)
- In a discussion between the petitioner and City Council staff and in a letter, the petitioner indicated that the original petition could be a first step toward making the area around the Central Station intermodal hub a truly transit oriented development, but an area roughly within a quarter-mile of the Central Station should be considered for denser transit oriented development. (Please See Attachment No. 4.)
- The petitioner’s suggestion of expanding the area around the Central Station appears to comport with the *Salt Lake Central Station Area Plan* that the City Council, acting as the RDA Board of Directors, adopted in November 2018, and that the UTA Board of Trustees adopted in March 2019.
- The City Council adopted the current gateway mixed use zoning on November 21, 2017. Part of the reason for adopting the zoning was to meet goals for the area contained in *The Downtown Plan* that the City Council adopted May 24, 2016.
- Redevelopment Agency staff supports increasing maximum building height limits within the larger area bordered by 200 South, 500 West, 400 South, and 600 West streets, but does not support increasing minimum building heights.<sup>1</sup>

The City Council appears to have three options:

1. Schedule a public hearing about the proposed petition and then formally consider whether to deny or approve the petition.
2. If the Council ultimately denies the petition, work with the petitioner and other interested parties to review whether denser and taller zoning designations other than Gateway Mixed-Use zoning should be employed.
3. Consider sending the petition application back to the Planning Commission to review increasing the area to include 200 South, 500 West, 400 South, and 600 West streets as part of a Gateway Mixed-Use “transit oriented development” overlay zone. The Commission then would make a formal recommendation to the City Council.

## **POLICY QUESTIONS**

1. Does the current petition warrant further City Council consideration?
2. The stated purpose of Gateway Mixed-Use zoning is: “To implement the objectives of the adopted gateway development master plan and encourage the mixture of residential, commercial and assembly uses within an urban neighborhood atmosphere. ... Development in this district is intended to create an urban neighborhood that provides employment and economic development opportunities that are oriented toward the pedestrian with a strong emphasis on a safe and attractive streetscape. The standards are intended to achieve established objectives for urban and historic design, pedestrian amenities and land use

regulation.” Would increasing maximum height restrictions alter the purpose of Gateway Mixed-Use zoning in the area under consideration?

3. The *Downtown Master Plan* identifies the Depot District Area, of which the blocks under consideration are a part, as mid-rise transit oriented development.<sup>2</sup> Would increasing maximum height limits meet the standard of mid-rise development?
4. How would changing current height limits affect projects within the borders of 200 South, 500 West, 400 South, and 600 West streets?
5. Would allowing increased height limits in the Station Center area detract from long-held City policy to maintain the Central Business District as the visually dominant center of the city?

### **ADDITIONAL & BACKGROUND INFORMATION**

Stack Real Estate of Lehi, Utah, has leased for 99 years three and one-fourth acres of property on the northwest corner of the block bordered by 300 South, 500 West, 400 South, and 600 West streets. The company has developed or is developing large-scale office buildings in Lehi, Thanksgiving Point, Traverse Mountain, Sandy, and South Jordan.

The property on the City block is as a Gateway Mixed-Use area. The company on July 10, 2019, submitted a proposed text amendment to increase the G-MU zoning height restrictions in an area roughly bordered by 250 South, 500 West Street, 350 South, and 600 West Street. The plan was submitted through Architectural Nexus, the company’s architect.

The property also is located in a Redevelopment Agency project area, but the agency has not received any applications for assistance from Stack Real Estate and has no current plans to participate in the development of the company’s project.<sup>3</sup>

On October 23, 2019, the Salt Lake City Planning Commission unanimously adopted a motion to forward a negative recommendation to the City Council pertaining to the petition. The Planning Division had recommended that the Planning Commission forward a negative recommendation. The Commission voted after a public hearing at which no-one spoke. The Commission also received no written public comment on the issue.

The City Council by law must act on all land-use petitions. In this case, the Council has two options:

Stack Real Estate’s petition essentially proposes three things in the area roughly bordered by 250 South, 500 West Street, 350 South, and 600 West Street.

- A minimum 100-foot height on corner buildings within the area.
- A maximum 190-foot height on corner buildings within the area.
- A maximum 100-foot height limit in mid-block areas, although taller buildings could be authorized through a design review process.<sup>4</sup>

The G-MU zone already has a minimum building height of 45 feet. One exception is 200 South Street corridor where the minimum building height is 25 feet. The zone sets the maximum building height at 75 feet except for buildings with “non-flat” roofs. The allowed height limit for those buildings

in 90 feet. In addition, a building may be allowed to reach 120 feet “through the (City’s) design review process.”<sup>5</sup>

At the Planning Commission public hearing, Planning Division staff listed four critiques of the proposed amendment:

- The proposed amendment does not meet the intention of the GM-U zoning that was adopted in 2017 or the *Downtown Master Plan*.
- The proposed text amendment contains no design review for buildings in the “Station Center Core” area proposed by the petitioners.
- The proposal appears to be for an office building with no residential use or uses that might activate the streets around the building.
- The proposed amendment is based only on a conceptual plan and not a more defined plan that would help the Planning staff visualize how the company intends to develop the property.

It should be noted that Stack Real Estate and Architectural Nexus have responded to each of the critiques in the letter attached to the Council staff report. (Attachment No. 4.)

The Planning Division staff and Planning Commission also have acknowledged that the proposed text amendment meets some goals in City plans. According to the Administration transmittal:

This proposed zoning text amendment could provide some positive benefits to the subject area as illustrated by certain elements of *Plan Salt Lake* that could be viewed to support the increase in height. The plan broadly supports objectives such as growth, economic development, proximity to transit options, on a city-wide basis which could be well served by taller buildings. Additionally, there is an ever increasing demand for housing across Salt Lake City which could potentially be addressed by taller residential buildings.<sup>6</sup>

Speaking to the Planning Commission, City Planner Mr. Lee said the main concerns the Planning Division had involved:

- What would be the standards of review for the project if the City adopted the proposed text amendment?
- It appeared that Stack Real Estate had a concept in mind but no concrete plan.<sup>7</sup>

Planning Commissioner Weston Clark said the City’s decision to locate an intermodal hub along 600 West Street was a decision to increase density in the area. Other commissioners noted that the Gateway Mixed-Use ordinance increased density but also guided the character of an area that would complement but not compete with the Central Business District. In addition, the commissioners said they sympathized with the proposal to increase the height of structures immediately east of the Salt Lake Central intermodal hub, but the October 23 public hearing was not the forum where the ultimate decision should be made.<sup>8</sup>

In brief discussions and emails with City Council staff, the Planning Division and Redevelopment Agency made the following points:

- There is some merit in the idea of higher buildings in the area east of the Central Station intermodal hub, but two questions remain: Is the area in the proposed text

amendment the right place for higher structures, and might the entire area bordered by 200 South, 500 West, 400 South, and 600 West streets be designated for higher structures?

- A minimum height requirement beyond what already exists in the G-MU zoning would adversely affect projects on property under RDA management.

According to an email from the Redevelopment Agency:

“RDA Staff would encourage the Council to consider maintaining the existing minimum building height requirements in the G-MU zone and increasing the maximum permitted building height. A human-scaled pedestrian environment could be maintained by requiring/encouraging building setbacks once a certain height is reached. ... The RDA would encourage the Council to reconsider the proposed boundary for the increased height. It is not apparent how the boundary was chosen, and the RDA owns vacant properties to the immediate north and south that could benefit from an increased height allowance. It may make sense for the Council to explore the feasibility of permitting additional building height (therefore, density) in more parts of the G-MU zone, especially areas closer to I-15 and the Intermodal Hub.”<sup>9</sup>

### **Zoning and Plans**

The City Council adopted Ordinance No. 64 of 2017 on November 21, 2017, that changed zoning in the area bordered by 300 South, 500 West, 400 South, and 600 West streets from general commercial and downtown/warehouse residential district to gateway mixed-use. The goal of the zone change was to “facilitate the development of Station Center, a Redevelopment Agency (RDA) project area located in the same general area.”<sup>10</sup>

The purpose of zoning an area for gateway mixed-use is:

To implement the objectives of the adopted gateway development master plan and encourage the mixture of residential, commercial and assembly uses within an urban neighborhood atmosphere. The 200 South corridor is intended to encourage commercial development on an urban scale and the 500 West corridor is intended to be a primary residential corridor from North Temple to 400 South. Development in this district is intended to create an urban neighborhood that provides employment and economic development opportunities that are oriented toward the pedestrian with a strong emphasis on a safe and attractive streetscape. The standards are intended to achieve established objectives for urban and historic design, pedestrian amenities and land use regulation.<sup>11</sup>

It might be noted that the G-MU ordinance contains the following section: “All new construction of principal buildings, uses, or additions that increase the floor area and/or parking requirement by twenty five percent (25%) in the G-MU Gateway-Mixed Use District may be approved only as a planned development in conformance with the provisions of chapter 21A.55 of this title.”

The purpose statement of chapter 21A.55 (Planned Developments) says in part:

A planned development is intended to encourage the efficient use of land and resources, promoting greater efficiency in public and utility services and encouraging innovation in the planning and building of all types of development. Further, a planned development implements the purpose statement of the zoning district in which the project is located, utilizing an alternative approach to the design of the property and related physical facilities. A planned development incorporates special development characteristics that help to achieve City goals identified in

adopted Master Plans and that provide an overall benefit to the community as determined by the planned development objectives.

A planned development will result in a more enhanced product than would be achievable through strict application of land use regulations, while enabling the development to be compatible with adjacent and nearby land developments.

In other words, the City can exercise at least some kind of design control over projects in areas zoned as gateway mixed-use.

Some concerns about increasing building heights beyond the maximum 120 feet in the Station Center area involve the stated goals in various master plans and other plans about preserving the preeminence of the Central Business District. Making the Central Business District visually, commercially, and culturally the most predominant area of downtown at least since the 1962 *Second Century Plan*.

The 1988 Salt Lake Regional Urban Design Assistance Team study said boundaries for the Central Business District “need to be defined and reinforced. Sixth South should define the southern boundary. Eastern migration of high-density core commercial uses, like office buildings, should not continue beyond 200 East.”<sup>12</sup>

The *Salt Lake City Urban Design Element*, a document central to subsequent City master plans, identified Salt Lake City as having “a distinctive urban form created by a concentrated business core surrounded by low-rise auxiliary commercial activities.”<sup>13</sup> Other concepts in the *Element* included “encourage the future expansion of the Commercial Core into the West Downtown area” and to “emphasize commercial and high density housing in the West Downtown area with a special warehouse conservation district in conjunction between the Commercial Core and Triad.”<sup>14</sup>

The more recent *Salt Lake Central Station Area Plan* adopted by the Redevelopment Agency Board of Directors and the Utah Transit Authority Board of Trustees depicts the area around Central Station as a dense development with at least one high-rise structure on UTA property. Please see attached pages.) If fully implemented, the plan might influence how the area east of the station is developed.

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<sup>1</sup> Email, Cara Lindsley, January 7, 2020.

<sup>2</sup> *Downtown Master Plan*, Page 12.

<sup>3</sup> Email, Cara Lindsley, January 7, 2020.

<sup>4</sup> Attachment No. 5, Planning Commission Staff Report, Christopher Lee, October 17, 2019, Pages 32-33.

<sup>5</sup> City Code, 21A.31.020: G-MU Gateway Mixed-Use District, Section D.E and D.E.1.

<sup>6</sup> Transmittal, November 21, 2019, Christopher Lee, Page 3.

<sup>7</sup> Video, Planning Commission meeting, October 23, 2019, 52:44 to 54:00.

<sup>8</sup> Video, Planning Commission meeting, October 23, 2019, 50:00 to 55:00.

<sup>9</sup> Email, Cara Lindsley, January 7, 2020.

<sup>10</sup> Salt Lake City Council meeting minutes, November 17, 2017, 7:33:59 p.m.

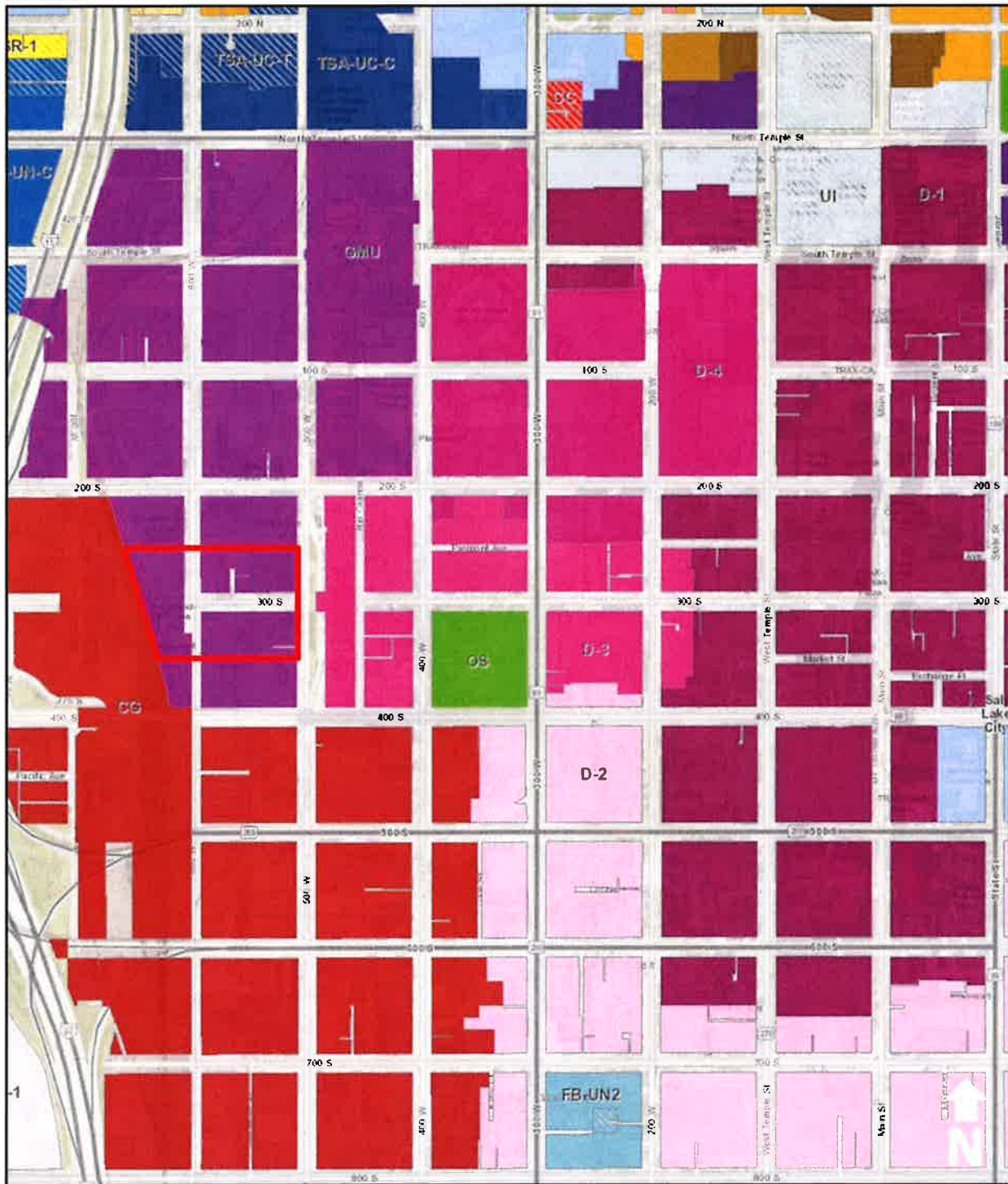
<sup>11</sup> 21A.31.020.A.

<sup>12</sup> Salt Lake R/UDAT *Our Future by Design*, 1988, Page 14.

<sup>13</sup> *Salt Lake City Urban Design Element*, Harvey Boyd, 1990, Page 5.

<sup>14</sup> *Urban Design Element*, Page 9.

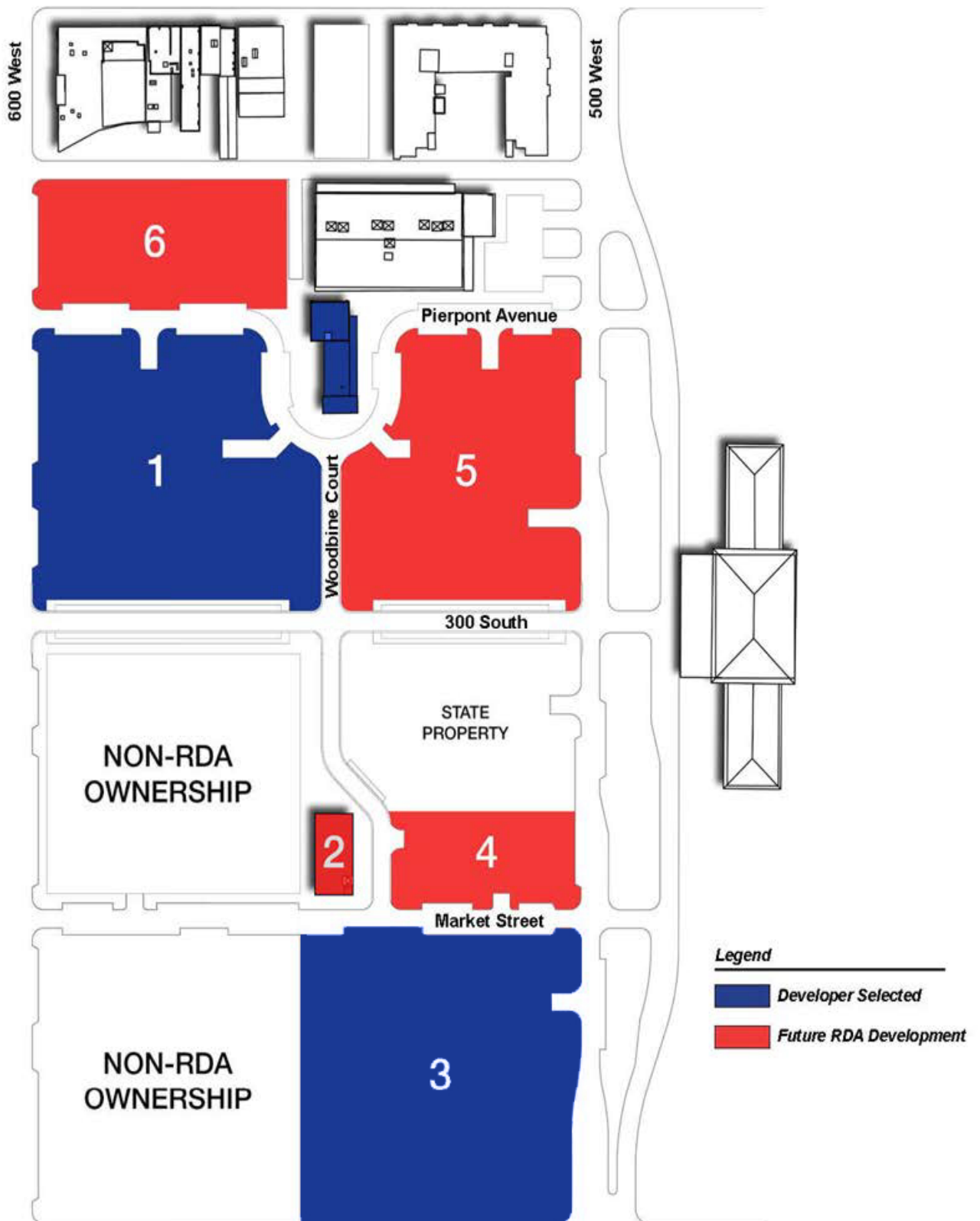
## ATTACHMENT A: ZONING MAP



 Subject Area



## Station Center Site Plan and Development Status





### Budget

The table below provides a summary of the Board-approved funding for Station Center improvements. Note that not all approved funding may be used. The table shows a funding mix of public improvements and development incentives. The shared parking structure development does not have an identified location or private developments partners to address funding gaps. Also, the land write-down was authorized up to 100% of the land value but the contract expenses will determine the actual write-down amount.

Project	Amount	Funding Source	Notes
Shared Parking Structure (\$2,933,798 total)	\$2,352,295 <sup>1</sup>	Program Income Fund	Project does not have a funding target or total cost estimate
	\$581,503 <sup>2</sup>	Depot District Project Area Tax Increment	
Parcel 3 Development by Housing Authority of Salt Lake City (346 South 500 West)	\$4,201,100 <sup>3</sup>	Land Write-down	Board approved UP TO this amount, final discount will depend on actual costs for removing contaminated soil and utility and street improvements
	\$200,000 <sup>4</sup>	Program Income Fund	For site environmental remediation
Parcel 1 Development by Station Center Associates (580 West 300 South)	\$2,974,154 <sup>3</sup>	Land Write-down	Board approved UP TO this amount, final discount will depend on actual costs for utility and street improvements
Station Center Infrastructure Improvements	\$7,662,119 <sup>1</sup>	Depot District Project Area Tax Increment and Interest Income	Public right of way improvements and construction of 300 South and Woodbine Court
	\$1,300,000 <sup>1</sup>	Program Income Fund	Includes a 10% contingency
<b>TOTAL</b>	<b>\$19,271,171</b>	Multiple	May change depending on final construction costs, if more public funds and development incentives are requested and approved

<sup>1</sup> Approved in Fiscal Year 2019 Budget Amendment #4

<sup>2</sup> Approved in Fiscal Year 2020 RDA Capital Projects Budget

<sup>3</sup> Approved by Resolution March 2018

<sup>4</sup> Approved in Fiscal Year 2018 Budget Amendment #1

