



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Brian Fullmer
Policy Analyst

DATE: October 1, 2024

RE: 754 South State Street Zoning Map and Text Amendments (Sears Block)
PLNPCM2022-01109

Item Schedule:

Briefing: July 11, 2023,
August 27, 2024, October 1, 2024
Set Date: June 6, 2023,
July 9, 2024
Public Hearing: July 11, 2023,
August 27, 2024
Potential Action: October 1, 2024

OCTOBER 1, 2024 UPDATE

During the August 27, 2024 follow up briefing, the Council voted on a series of straw polls for a development agreement that would include: ground floor activation for the proposed hospital, additional opportunities for public input, and the benefits of a hospital at this location.

Six people spoke at the public hearing that evening and most expressed general support, though one person felt a hospital does not fit the vision for the area. Ground floor activation, connectivity through the block, and maintaining access to other businesses on the block were all mentioned. The Council closed the hearing and deferred action to a future meeting.

Since the August 27, 2024 meetings Planning staff, the Attorney's Office, Council staff and representatives from Intermountain Health have been working to draft a development agreement that meets the needs of the City, Intermountain Health, and the community. This agreement was reviewed by the Planning Commission at its September 25, 2024 meeting and a public hearing was held at which no one spoke.

The Planning Commission voted unanimously to forward a positive recommendation to the City Council on the development agreement, with the following recommendations for the Council to consider:

- A minimum of one-acre open space within the block and accessible from the mid-block walkways. The open space shall include vegetation that covers a minimum of 33% of the open space and sufficient trees to provide shade for at least 33% of the open space area when the trees are fully mature.



- Authorize driveway widths up to 100 feet on 700 South and 800 South and include a minimum eight-foot-wide sidewalk that does not conflict with the emergency vehicle access.
- Require transparent glass for active spaces facing the streets.
- The development is required to comply with all other applicable regulations and any modifications be authorized through the design review process subject to the applicant submitting a complete design review application.

On October 1, 2024, the Council may consider voting on two ordinances related to the zoning map amendment and development agreement, and allowing hospitals and ambulance services as a conditional use in the D-1 zoning district.

AUGUST 27, 2024 UPDATE

Since the July 11, 2023 briefing Council Members have met several times with representatives from Intermountain Health (Intermountain) to discuss potential ground floor activation uses. Intermountain created concept massing drawings that show potential ground floor activation uses that will benefit the community while providing services necessary for an urban hospital.

Potential ground floor active uses proposed by Intermountain include a minimum of one acre of public open space such as healing gardens and outdoor wellness areas on the property, mid-block walkways through the property, a year-round food truck park, food market, coffee shop, cancer care salon, and a community room available to non-profit organizations. Hospital related ground floor activation includes emergency department/InstaCare/clinic reception, hospital reception and admitting, and an outpatient pharmacy.

The Planning Division reviewed Intermountain's concept drawings and noted that some uses such as walkways, lobbies, and reception areas are not considered active ground floor uses in City code. The concept drawings do not meet minimum percentages for ground floor activation required in code. Planning staff is supportive of the proposed food market, but suggested expanding the use to be more of a grocery store that could support current residents and those who will live in the many housing units coming to the area.

Planning staff also noted that surface parking lots are not allowed in the downtown districts. Any surface parking lots would need to be a temporary use.

The City Council will determine whether the zoning map amendment is approved. If a hospital is developed on the property it would go through the design review process at the Planning Commission where details of the hospital design, ground floor activation and walkways/green space are determined. As part of the design review process, the Planning Commission may modify requirements outlined in City code such as reducing the minimum percentage of ground floor activation.

The City Attorney's Office suggested a potential option for the Council to consider is a development agreement with specific requirements such as those proposed by Intermountain listed above if a hospital is developed on the property.

Some options for the Council to consider include:

- Rejecting the ordinances to rezone the property and allow hospitals and ambulance services in the D-1 (Central Business District) zone. The property would remain zoned D-2 (Downtown Support District), and development would be required to meet standards for that zoning district.

- Adopt the ordinances with a condition that Intermountain enter a development agreement with the City requiring inclusion of specific features that may include a minimum of one-acre of publicly available open space such as healing gardens and outdoor wellness areas, a year-round food truck park, or others if a hospital is developed on the property. The Council could also require that the ordinances are not published until the development agreement is approved by the Planning Commission and ratified by the Council.
- Adopt the ordinances as currently written with no additional conditions. As a reminder, zoning runs with the land and if this option is selected, the property could be developed by Intermountain or other future owners within D-1 zoning regulations in place at the time.

Potential straw polls for the Council to consider:

1. Is the Council supportive of adopting an ordinance subject to the Planning Commission reviewing the development agreement which includes ground floor activation, open space, and food truck park as proposed by Intermountain Health, and obtaining necessary design review and other potential approvals?
2. Is the Council supportive of requiring that the ordinances are not to be published until the development agreement and any other required processes are approved by the Planning Commission and ratified by the Council?
3. Is the Council supportive of amending City code to add hospitals (including accessory lodging facilities) and ambulance services (indoor and outdoor) as conditional uses in the D-1 Central Business District?

The following information was provided previous Council meetings. It is included again for background purposes.

The Council will be briefed on a proposed zoning map amendment for ten parcels totaling approximately nine acres on the block bordered by 700 South, 800 South, State Street, and Main Street as shown in the image below. This is the former Sears department store location which closed in 2018 and the buildings have since been demolished. The property is currently zoned D-2 (Downtown Support District), and the requested zoning designation is D-1 (Central Business District). Intermountain Health owns the property, and their stated objective is to construct an urban hospital on the site.

Hospitals are not allowed as permitted or conditional uses under the proposed D-1 or current D-2 zoning. Included with the zoning map amendment, the petitioner also requested a text amendment to section 21A.33.050 Table of Permitted and Conditional Uses for Downtown Districts found in *Salt Lake City Code* to allow hospitals, including accessory lodging facilities, and ambulance services as permitted uses in the D-1 zoning district. It is worth noting that the Planning Commission recommended the Council adopt the text amendment to specify that these uses should be conditional rather than permitted. Additional information follows later in this report.

Nine acres is significantly smaller than a typical hospital development, but the applicant indicated additional height allowed under the proposed D-1 zoning district would allow them to build up rather than out, so the site would accommodate their needs. (Building height is limited to 120 feet in the current D-2 zoning district. There is no height limit in the D-1 zone, but buildings taller than 200 feet are subject to design review and conditions).

It is worth noting that Major Street is a public street entering the site mid-block from 700 South. During the design process, if the petitioner wants to build over the street property rather than use it as an access point, a separate street vacation petition would be required.

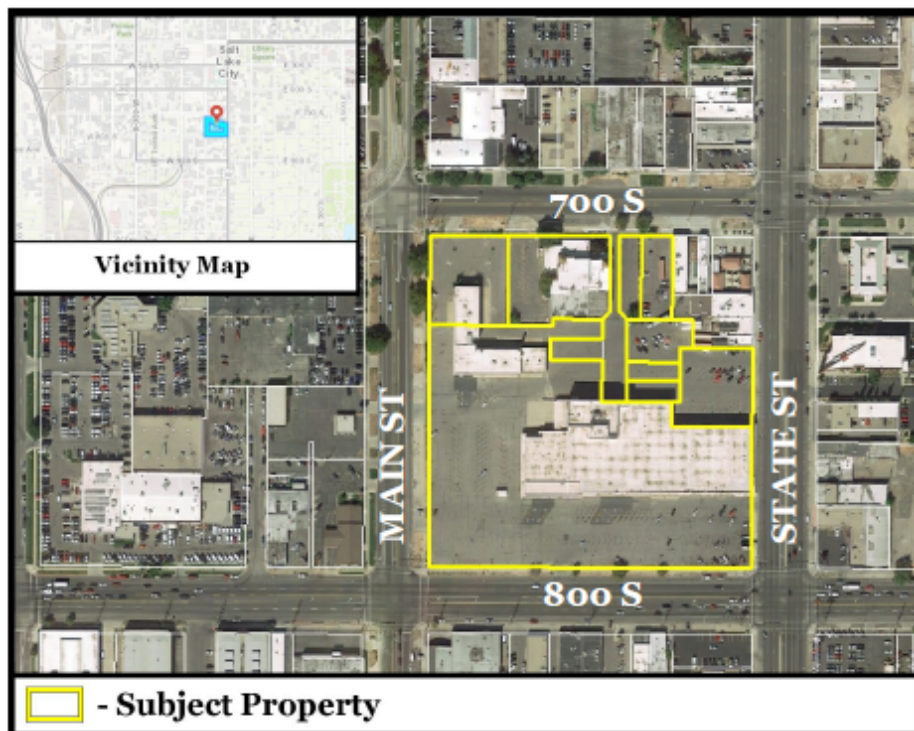
The Council is only being asked to consider rezoning the property and the accompanying text amendment. No formal site plan has been submitted to the City nor is it within the scope of the Council's role to review the plans. Because zoning of a property can outlast the life of a building, any rezoning application should be considered on the merits of changing the zoning of that property, not simply based on a potential project.

The Planning Commission reviewed this proposal at its March 22, 2023 meeting and held a public hearing at which two people spoke. A representative of the Downtown Community Council expressed general support and referenced a letter sent to Intermountain (included on pages 31-34 of the Planning Commission staff report) which includes several requests for the potential hospital site that would be reviewed later if the project advances. The other commenter shared concerns about potential adverse effects to nearby neighbors from the hospital and helicopters landing there. When asked about the anticipated frequency of helicopter landings, the petitioner said the hospital will not be a trauma one center as are Intermountain Medical Center and the University of Utah Hospital, so helicopter traffic will be light. Some patients will require transport via helicopter, with a projected average of one to two times per week. This is based on what LDS Hospital experiences. Heliports are currently allowed as a conditional use in the D-1 zone.

The Commission voted 7-3 to forward a positive recommendation to the Council amending the zoning map for the subject parcels from D-2 to D-1, and add the following uses as Conditional within the D-1 district:

- Ambulance service (indoor)
- Ambulance service (outdoor)
- Hospital, including accessory lodging facility.

One Commissioner who voted against the motion previously made a motion to include the above uses as permitted. A substitute motion was made to include the uses as conditional in the D-1 zoning district, which a majority of the Commission voted to support. Others who voted against the motion did not specify why they were opposed.



*Vicinity map with the subject parcels outlined in yellow.
Note-other parcels on the block are under separate ownership and not included in this proposal.
Image courtesy of Salt Lake City Planning Division.*

Goal of the briefing: Review the proposed zoning map and text amendments, determine if the Council supports moving forward with the proposal.

POLICY QUESTIONS

1. The Council may wish to ask the petitioner whether they are planning to provide housing at or near the proposed hospital site.
2. The Council may wish to ask the petitioner about what ground floor public facing amenities are anticipated for the site such as retail and food establishments, in order to provide ground floor activation for pedestrian traffic, as is the goal of other D-1 district parcels.
3. The Council may also wish to ask about plans for other public-facing amenities such as open space, etc. that could provide a benefit to the adjacent community.
4. The Council may wish to discuss policy goals for midblock walkways or other ways to break up the building(s) and provide a more open feel to the site. As previously stated there is no current site plan and the Council's role is not to review site plans, although this could provide policy guidance for the future as it relates to closure of Major Street, which fall under the Council's purview.
5. The Council may wish to ask the petitioner if they have plans to provide healthcare services for those staying at the homeless resource centers, or services not available from other providers.
6. As shown in the map below, if approved, this parcel would be zoned D-1 and would not be contiguous with other D-1 properties. It would be separated by properties on the north side of 700 South which are zoned D-2. The Council may wish to ask the Planning Division if this is consistent with best practices (previous concerns have been raised by the Administration and past Councils about "spot zoning"), or if there are considerations for rezoning those properties in the future. As noted in Planning's analysis, the surrounding uses are compatible with the proposal.

KEY CONSIDERATIONS

Planning staff identified three key considerations related to the proposal which are found on pages 4-9 of the Planning Commission staff report and summarized below. For the complete analysis, please see the staff report.

Consideration 1-Neighborhood and Citywide Master Plan Considerations

The subject parcels are near the southern edge of the area covered by the *Downtown Master Plan*, adopted in 2016. The plan acknowledges ongoing population growth and calls for improved access to services and amenities that support current and future downtown residents. If the proposed hospital is built it would provide healthcare and jobs for nearby residents and those in the region.

Existing infrastructure will not accommodate the level of demand a hospital would generate. The developer will be required to make improvements to offsite water, sewer, and stormwater quality in addition to nearby water mains. Other needed improvements will be identified if the hospital is built.

The subject parcels are less than one block south of the D-1 zoning district as shown in the area zoning map below. Although the proposed zoning change to D-1 would allow for higher density development and taller buildings called for in the Downtown Master Plan, Planning staff found the zoning supports initiatives outlined in the plan and continues the established development framework.

If approved by the Council, the subject properties would be surrounded by D-2 zoning, but Planning anticipates these property owners will eventually work toward rezoning their properties.

Planning staff identified the following guiding principles found in *Plan Salt Lake* (2015) that relate to the proposed zoning map and text amendments.

- *Neighborhoods that provide a safe environment, opportunities for social interaction, and services needed for the wellbeing of the community therein.*
- *A beautiful city that is people focused.*
- *Ensure access to all City amenities for all citizens while treating everyone equitably with fairness, justice and respect.*
- *A balanced economy that produces quality jobs and fosters an environment for commerce, local business, and industry to thrive.*



*Area zoning map with subject property outlined in red.
Image courtesy of Salt Lake City Planning Division.*

Consideration 2-Development Potential

D-2 zoning limits building height to 120 feet. The requested D-1 zoning does not limit building height, but buildings taller than 200 feet are subject to conditions and design review. One of the following conditions would have to be provided as part of the design review process if a building taller than 200 feet is built:

- Midblock walkway that exceeds standard requirements by at least five feet,
- Affordable housing incentives,
- Additional ground floor use and visual interest,

- A restrictive covenant for a building older than 50 years and not listed as a local landmark site, or
- 500 square feet of open space with a shade that covers 60% of the area.

Planning staff anticipates a design review application will be submitted requesting additional building height.

Consideration 3- Compatibility with Adjacent Properties

As noted above, the subject property is less than one block south of the D-1 district and the *Downtown Master Plan* anticipates this district to expand to approximately 900 South. Planning staff believes the proposed rezone is compatible with development to the north and aligns with the community's expectation of downtown expansion. Surrounding businesses are smaller in scale and include restaurants, barber shops, banks, and car dealerships.

The Central City neighborhood is located to the east of the subject property, and Central 9th is to the west. Central City is an established residential neighborhood with some of the city's oldest single-family homes. Central 9th is also an older single-family residential neighborhood but is transitioning to more medium density among the older homes. It is Planning staff's opinion the surrounding community would not be adversely impacted by the rezone. Additionally, if surrounding property owners work to rezone their properties as is anticipated, development potential on those properties would be the same.

The subject site is within the Ballpark Community Council boundaries, but is within 600 feet of the Central 9th, Central City, and Downtown community council boundaries. It is within the Ballpark neighborhood, but not included in the recently adopted Ballpark Small Area Plan. Rather, as noted above, it is located within the *Downtown Master Plan* area.

If the proposed hospital is built, there will be a significant increase in area pedestrian and vehicular traffic. Planning noted that designers would need to consider City plans related to streetscape design, midblock connections, and activation on State and Main Streets. They also encouraged transit use for employees, promote active transportation, and to be an example of how an urban hospital can revitalize a site. Those recommendations would be reviewed if the project develops.

ZONING COMPARISON

The following table includes regulations in the zoning ordinance recently adopted by the Council.

Regulation	Existing Zoning (D-2)	Proposed Zoning (D-1)
<i>Building Height</i>	Maximum height-65 feet by right Above 65 feet up to 120 feet subject to design review	Minimum height-100 feet Maximum Height-no limit Buildings taller than 200 feet subject to design review and must include at least one of the following: <ul style="list-style-type: none"> • Midblock walkway • Affordable housing • Exceed minimum ground floor uses • Restrictive covenant on historic building to

		<p>preserve for at least 50 years</p> <ul style="list-style-type: none"> Privately owned publicly accessible open space of at least 500 square feet
<i>Yard Requirements</i>	<p>Front/corner side yard-no minimum.</p> <p>Ten feet maximum.</p> <p>Buildings with ground floor residential: Minimum eight-foot front yard setback, 16 foot maximum. Provided yard shall be landscaped and provide at least one of the following:</p> <ul style="list-style-type: none"> Minimum of one bench for every 500 square feet of yard space Landscaping that includes increase of at least 25% of total number of required trees Awning covering at least five feet width and length from all street-facing building entrances 	<p>No minimum</p> <p>Eight feet maximum. If provided must include at least one of the following:</p> <ul style="list-style-type: none"> Minimum of one bench for every 500 square feet of yard space Landscaping that includes increase of at least 25% of total number of required trees Awning covering at least five feet width and length from all street-facing building entrances

Analysis of Factors

Attachment D (pages 25-29) of the Planning Commission staff report outlines zoning map and zoning text amendment standards that should be considered as the Council reviews this proposal.

Zoning Map Amendments

Factor	Finding
Whether a proposed map amendment is consistent with the purposes, goals, objectives, and policies of the city as stated through its various adopted planning documents.	<i>The proposed amendment is generally consistent with the goals and policies of the applicable master plans.</i>
Whether a proposed map amendment furthers the specific purpose statements of the zoning ordinance.	<i>The proposal generally furthers the specific purpose statements of the zoning ordinance.</i>
The extent to which a proposed map amendment will affect adjacent properties	<i>The change in zoning is not anticipated to create any substantial new negative impacts that wouldn't be anticipated with the current zoning.</i>
Whether a proposed map amendment is consistent with the purposes and provisions of any applicable overlay zoning districts which may impose additional standards.	<i>There is no applicable overlay district that imposes additional development standards on this property.</i>
The adequacy of public facilities and services intended to serve the subject property, including, but not limited to, roadways, parks and recreational facilities, police and fire protection, schools,	<i>The redevelopment of the site will require public facility upgrades.</i>

stormwater drainage systems, water supplies, and wastewater and refuse collection.	
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Zoning Text Amendments

Factor	Finding
Whether a proposed text amendment is consistent with the purposes, goals, objectives, and policies of the city as stated through its various adopted planning documents.	<i>The proposed amendment is generally consistent with the goals and policies of the applicable master plans.</i>
Whether a proposed text amendment furthers the specific purpose statements of the zoning ordinance.	<i>The proposal generally furthers the specific purpose statements of the zoning ordinance.</i>
Whether a proposed text amendment is consistent with the purposes and provisions of any applicable overlay zoning districts which may impose additional standards.	<i>The change in zoning is not anticipated to create any substantial new negative impacts that wouldn't be anticipated with the current zoning.</i>
The extent to which a proposed text amendment implements best current, professional practices of urban planning and design.	<i>The redevelopment of the site will require public facility upgrades.</i>

City Department Review

During City review of the petitions, no responding departments or divisions expressed objections to the proposal, but provided, or stated they would provide, comments that are applicable if the property is developed.

PROJECT CHRONOLOGY

- November 11, 2022-Petition for zoning map and text amendment received by Planning Division.
- November 23, 2022-Zoning map amendment petitions assigned to Amanda Roman, Urban Designer.
- December 8, 2022-Notice sent to Ballpark, Central City, Central 9th, and Downtown Community Councils, and Downtown Alliance. Early notification sent to property owners and residents within 300 feet of the proposal.
- December 12, 2022- Proposal posted for an online open house.
- March 10, 2023-Planning Commission public hearing notice sent. Agenda posted to Planning Commission website and State Public Notice webpage.
- March 22, 2023-Planning Commission public hearing. The Commission forwarded a positive recommendation to the City Council for the proposed zoning map amendment. The Commission also forwarded a positive recommendation to add the proposed hospital and ambulance service land uses to D-1 as conditional rather than the requested permitted uses.
- March 27, 2023-Ordinance requested from Attorney's Office.
- April 14, 2023-Signed ordinance received from the Attorney's Office.
- April 27, 2023-Transmittal received in City Council Office.