



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Brian Fullmer
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DATE: May 30, 2024

**RE: Zoning Incentives for Adaptive Reuse and Preservation of Buildings
PLNPCM2023-00155**

Item Schedule:

Briefing: May 30, 2024

Set Date: June 11, 2024

Public Hearing: July 2, 2024

Potential Action: July 9, 2024

The Council will be briefed about a proposal requested by Mayor Mendenhall to amend the zoning ordinance to encourage and support adaptive reuse and preservation of buildings. The City Code currently has several barriers complicating reuse of buildings. The proposal addresses these barriers and adds incentives to the ordinance that encourage reusing buildings citywide.

Under the proposal, a new “Building Preservation Incentives” section would be added to Chapter 21A.52, Zoning Incentives. This new section includes two subsections, Adaptive Reuse for Additional Uses in Eligible Buildings (“A Incentives”), and Preservation of a Principal Building (“B Incentives”).

“A Incentives” provide flexibility in uses for eligible buildings important to neighborhoods such as those on the National Register of Historic Places, and buildings formerly used for churches, schools, or hospitals, among others.

“B Incentives” apply to eligible buildings at least 50 years old that are being preserved and cover at least 25% of a development site. They may also apply to new construction on the same site. Both incentives are discussed in more detail in the Additional Information section below.

Planning staff researched other cities with ordinances offering incentives for adaptive reuse and preservation of buildings. These cities included, Austin, El Paso, Los Angeles, Dever, Nashville, Tucson, Tempe, Pittsburgh, St. Petersburg, and Portland. The following features were researched: location within the city where incentives are offered, eligibility criteria, goals of the incentives, and what incentives are offered. These are discussed on pages 6-7 of the Planning Commission staff report.



Planning also created a focus group primarily consisting of architects and developers to gain additional insight into challenges and barriers to utilizing existing buildings. Feedback provided was that the incentives need to make it more economically viable to keep a building rather than tear it down when redeveloping a property. The development potential of a property frequently makes it more attractive from an economic perspective to demolish buildings rather than preserve and reuse them.

The Historic Landmark Commission and Planning Commission reviewed the proposal at their meetings. Both commissions voted unanimously to forward a positive recommendation to the City Council.

Two ordinance proposals

Planning included two versions of the proposed ordinance. Version 1 was prepared for the Planning Commission meeting. Version 2 includes changes to the “B Incentives” that planning staff identified after the Planning Commission’s recommendation, based on questions raised during their discussion. These are listed below on page 3.

1. Does the Council prefer to keep the original proposed ordinance (ordinance version 1)?
2. Is the Council supportive of Planning staff’s proposed changes related to building age, design standards for upper floor glass, and building entrances and included in ordinance version 2?

Goal of the briefing: Review the proposed text amendment and determine if the Council supports moving forward with the proposal after a public hearing, which will be set for July 2.

ADDITIONAL INFORMATION

“A Incentives” offer use flexibility in eligible buildings which are important to the neighborhood and generally have artistic, historic, or cultural value, or are large underutilized buildings. Currently, the ordinance for adaptive reuse of a landmark site allows nonresidential use of a landmark site in a residential district, provided the use meets standards for preservation of the building’s character and neighborhood compatibility. The proposal adds the following found on page 2 of the Administration’s transmittal:

- Broadens eligibility to include buildings that are individually listed on the National Register of Historic Places, buildings formerly used for churches, schools, or hospitals, and other culturally or historically significant buildings.
- Allows residential uses in addition to the nonresidential uses already allowed through this process. The proposal would also allow for residential uses in eligible buildings in the Public Lands (PL) and Institutional (I) zones where the only residential use currently allowed is living quarters for a caretaker or security guard.
- Prohibit certain uses. Impactful uses were identified as prohibited because of their potential for negative impacts on the surrounding neighborhood and to the eligible building.
- Removes minimum square footage requirement. The current building square footage minimum of 7,000 square feet is a significant obstacle to qualify for adaptive reuse incentives.

“B Incentives” apply to eligible buildings at least 50 years old that are being preserved and cover a minimum of 25% of a development site. They can also apply to new construction on the same site. Rather than use incentives like those listed above, these proposed incentives modify base zoning requirements for allowed uses. The following summary of “B Incentives” is found on page 3 of the Administration’s transmittal:

- Removes the planned development requirement for modifications that are commonly requested through this process but are generally straightforward such as creating lots without street frontage and having buildings on the same parcel without all buildings having public street frontage.

- Includes the addition of an Administrative Planned Development process for certain zoning modifications to allow for a more streamlined review process for eligible projects.
- Removes the minimum lot area and width requirements for all zones except single family zoning districts.
- Includes additional building height in various zoning districts through administrative design review. Currently, there is no height incentive being offered in the single, two-family and RMF zoning districts.
- Reduces parking for eligible projects.

Based on questions raised in the Planning Commission meeting planning staff identified the following potential modifications to “B Incentives” found on pages 3-4 of the transmittal for the Council to consider. These are included in version 2 of the draft ordinance.

“B Incentive” for Building Age Eligibility

During the Planning Commission meeting a Commissioner expressed some concern with ordinance language stating eligible buildings must be at least 50 years old. This rolling date would allow buildings constructed in the 1980s and 1990s to become eligible for incentives in the coming years. The concern is that some buildings from that era and later are not worth preserving. ***Planning suggested that the Council could consider fixed date language that requires eligible buildings to be built prior to 1976.***

Design Standards for New Construction Utilizing the “B Incentives.”

Unless stricter design standards are required within the zoning district where a property is located, projects utilizing the incentives must meet specific design standards in the proposed ordinance. Planning recommends some changes to the following proposed design standards:

- Upper Floor Glass-The Planning Commission reviewed a draft ordinance that requires the surface area of each floor’s façade to contain a minimum of 50% glass, which can be reduced to 25% on the ground floor for residential use. After review, Planning believes that the 50% threshold is too high for upper levels of buildings. Only the Downtown zones and Gateway Mixed Use zones have an upper-level glass requirement of 50% and it is difficult for projects in those zones to meet the requirement without a request for a design review modification. General Commercial zoning requires 25%, the FB-UN and RMF-30 zones require 15%, and the other zones do not have an upper floor glass requirement. ***Planning staff recommends reducing the upper floor glass requirement to 20% for projects that utilize the incentives.*** Zones that have a higher percentage requirement will still be subject to the higher standards. Planning also recommends adding language to clarify that glass requirements are consistent with the design standards chapter regarding the location of ground floor glass between 3-8 feet on the building and unobstructed visibility into the space.
- Building Entrances-***Planning staff recommends adding language to the building entrances design standard*** to address that entry features such as unenclosed entry porches, porticos, awnings or canopies, or emphasized doorways for required building entrances need to meet descriptions in City code for these entry features.

KEY CONSIDERATIONS

Planning staff identified two key considerations related to the proposal, found on pages 7-13 of the Planning Commission staff report, and summarized below. For the complete analysis, please see the Planning staff report.

Consideration 1-How the proposed amendment helps implement City goals and policies identified in adopted plans:

Planning staff found that the proposed amendment generally aligns with the guiding principles, policies, and goals found in *Plan Salt Lake*, *Housing SLC*, *Sustainable Salt Lake*, the *Salt Lake City Community Preservation Plan*, *Thriving in Place*, and various neighborhood plans.

Consideration 2-Changes Made After Commission Briefings:

Planning staff made some changes to the original proposal largely based on feedback from Historic Landmark and Planning Commissioner feedback during the briefings. The proposed changes are summarized below.

- Parking for multi-family minimum has been reduced from one space per dwelling unit to 0.5 spaces. Requiring one space per dwelling unit was not a significant incentive, particularly in the RMF zones where reduced parking would be beneficial because other incentives such as additional height are not being offered.
- Existing building parking: If existing parking exceeds minimums under the proposed incentive, only the minimum required needs to be kept.
- “A Incentives – Adaptive Reuse for Additional Uses in Eligible Buildings: Multi-family is being proposed as a permitted rather than conditional use for eligible existing buildings meeting “A Incentives” eligibility requirements in most residential zones and the I-Institutional zone. It is believed that impacts on adjacent properties may be less with an existing building.
- “B Incentives” – Preservation of a Principal Building:
 - Building Eligibility: a previous draft proposed buildings needed to be at least 30 years old to be eligible for the incentives. The current proposal has been changed to require buildings to be at least 50 years old. It is believed that 30-year-old buildings are less likely to be demolished than those 50 years old or older. Rather than a rolling date of buildings being at least 30 or 50 years old, the Council could consider fixed date language requiring eligible buildings to be built prior to 1976 as noted above.
 - Single- and Two-Family Zoning Districts: The current proposal includes incentives for single- and two-family zones. Creating a lot without public street frontage and reduced lot width would not require a planned development. Lot area requirements would still apply in the FR-1, FR-2, FR-3, R-1/12,000, 7,000, and 5,000 zoning districts.

Lot area requirements would not apply to SR-1/1A, and R-2 zones to incentivize dividing properties and create additional units where two-family and twin homes are permitted but limited by lot area requirements.

ANALYSIS OF STANDARDS

Attachment D (pages 28-29) of the Planning Commission staff report outlines zoning map amendment standards that should be considered as the Council reviews this proposal. The standards and findings are summarized below. Please see the Planning Commission staff report for additional information.

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>Complies</i>
Whether a proposed text amendment furthers the specific purpose statements of the zoning ordinance.	<i>Complies</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>See below*</i>
The extent to which a proposed text amendment implements best current, professional practices of urban planning and design.	<i>Complies</i>

* 10 overlay districts would be affected by the proposal. These are included on page 53 of the Planning Commission staff report. Planning staff noted “The proposed amendments would be limited by additional standards in many of these overlay zoning districts. The base and overlay districts may provide additional standards and restrictions than provided for in these incentives. Except as indicated with the proposed incentives, all base zoning district or overlay zoning district standards and requirements take precedence over the proposed incentives.”

Planning stated the following related to Properties in the H Historic Preservation Overlay District: Regarding properties that are subject to the H Historic Preservation Overlay District, which includes properties within a local historic districts or local landmark sites, the proposed incentives for adaptive reuse and preservation of principal buildings would not change the historic standards, guidelines, or processes. The historic landmark commission, who is authorized to implement the H Historic Preservation Overlay District, already has the authority to modify base zoning district regulations, such as setbacks, height and lot coverage. As a result of these authorized modifications, most properties subject to the H overlay only need approval from the historic landmark commission. The projects that also require approval from the planning commission are typically projects that include creating a lot that doesn’t have public street frontage, necessitating a planned development. With the introduction of the proposed incentives, the need for a planned development for such lots would be eliminated, thereby making the approval process more efficient for properties subject to the H overlay.

PROJECT CHRONOLOGY

- February 16, 2023 – Mayor Mendenhall signed the petition initiation.
- April 17, 2023 – Initial information posted to the City’s online open house webpage.
- April 20, 2023 – Initial information emailed to recognized organizations, focus group and stakeholders, for the purpose of gathering early feedback to inform the draft ordinance.
- July 18, 2023 – All recognized organizations were sent the 45-day required notice for text amendments that included a draft ordinance for review. Focus group and stakeholders were also provided with updated information with a draft ordinance for review.
- August 3, 2023 – Historic Landmark Commission briefing.
- August 21, 2023 – Planning staff presented at Sugar House Community Council Land Use Committee.
- September 27, 2023 – Planning Commission briefing.
- October 11, 2023 – Proposal presented to Business Advisory Board.
- October 19, 2023 – Public hearing notice posted to City and State websites and a hearing notice posted in the following public libraries: Main, Corinne & Jack Sweet Branch, Marmalade, Fairpark, Glendale and Sprague.

- October 26, 2023 – Staff report for the Historic Landmark Commission hearing posted to Planning’s website.
- November 2, 2023 – The Historic Landmark Commission held a public hearing and forwarded a unanimous positive recommendation to the City Council.
- February 15, 2024 – Public hearing notice posted to City and State websites and a notice of the hearing was posted in the following public libraries: Main, Corinne & Jack Sweet Branch, Marmalade, Fairpark, Glendale and Sprague.
- February 21, 2024 – Staff report for Planning Commission hearing posted to Planning’s website.
- February 28, 2024 – The Planning Commission held a public hearing and forwarded a unanimous positive recommendation to the City Council.
- April 3, 2024 – Ordinance requested from Attorney’s Office.
- April 22, 2024 – Ordinance from the Attorney’s Office received by Planning Division.
- May 2, 2024 – Transmittal received in City Council Office.