



SALT LAKE CITY TRANSMITTAL

To:
Salt Lake City Council Chair

Start Date:
09/26/2024

Date Sent to Council:
09/27/2024

From:

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E-mail
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Department
Community and Neighborhood

Department Director Signature

Blake H. Thomas

Chief Administrator Officer's Signature *

Jill Love

Director Signed Date
09/26/2024

Chief Administrator Officer's Signed Date
09/27/2024

Subject:
Intermountain Health Development Agreement

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Document Type *
Ordinance

Budget Impact *
☐ Yes
☒ No

Budget Impact:

Recommendation: *

That the City Council include the Development Agreement as part of adoption of PLNPCM2022-01109 as recommended by the Planning Commission.

Background/Discussion (?)

During the August 27, 2024 City Council work session, the Council indicated that they would like to apply a Development Agreement between the City and Intermountain Health (the Applicant) as part of the Council's consideration of the Applicant's proposed zoning map and text amendment petition. Under Utah Code, the Planning Commission is required to make a recommendation regarding a Development Agreement if the agreement expands the development rights compared to what would be allowed under the proposed zoning district. The Applicant has proposed reducing specific zoning standards, which grants the Applicant a development right that is greater than other properties in the same zoning district. The modifications identified in the Development Agreement would:

- Reduce the ground floor activation requirements on Main Street, State Street, 700 South, and 800 South and exempt Major Street from ground floor activation requirements;
- Expand the types of land uses that would be considered "ground floor activation uses";
- Allow for modifications to the maximum length of street facing building facades that applies to the D-1 zoning district;
- Allow for wider driveways than what is currently allowed in the D-1 zoning district;
- Identify midblock walkways and open space requirements within the future development.

The specific changes can be found in the Draft Development Agreement in Exhibit I. The Development Agreement applies only if the subject properties are developed as a hospital. A more detailed explanation of the content of the Development Agreement can be found in the Planning Commission staff report.

PUBLIC PROCESS: The Planning Commission held a public hearing on September 25, 2024. The public hearing was advertised as required by Utah Code and City Ordinance. The proposed zoning map and text amendments went through a more extensive public engagement process. A description of that process and public input can be found in the original petitions associated with the zoning map and text amendment.

The Planning Commission recommended that the City Council adopt the Development Agreement with the following modifications:

- Update to section a.ii of the Development Agreement: Developer shall provide a minimum one acre of landscaped open space generally located in the middle of the block (bordered by State Street, 800 S, Main Street, and 700 S) with midblock walkways providing access to at least three of the adjoining public streets. Within the landscaped open space, a minimum of 33% vegetation “*and sufficient trees to provide shade for at least 33% of the open space area when the trees are fully mature*” shall be required.
- An authorization for a driveway up to 100 feet in width on 700 South and 800 South as shown on the concept plan and that the driveway include a minimum eight-foot-wide sidewalk that does not conflict with emergency vehicle access.
- That the development of the site complies with all other applicable regulations and that any modification to additional regulations be authorized through the design review process subject to the Applicant submitting a complete design review application.
- The ground floor uses designated in the Development Agreement as “active uses” must maintain transparency along public street frontages. Windows shall not be covered by signage or other obstructions.

The City Council Office asked for a quick transmittal of the Development Agreement. As such, the Planning Commission records for September 25th are not yet available. Once available, they can be found [here](#). The Planning Commission staff report can be found [here](#).

EXHIBITS:

- 1) Draft Development Agreement

Will the City Council need to hold a public hearing for this item? *

- ☐ Yes
- ☒ No

Public Process

Chief Administrator Officer's Comments

WHEN RECORDED, RETURN TO:

Salt Lake City Corporation
Attn: Planning Director
451 S. State Street, Suite 406
Salt Lake City, Utah 84111

Tax Parcel Nos. 16071030020000, 16071030010000, 16071030230000, 16071030080000,
16071030170000, 16071030110000, 16071030100000, 16071030090000, 16071030040000,
16071030030000

DEVELOPMENT AND USE AGREEMENT

THIS DEVELOPMENT AND USE AGREEMENT (the “**Agreement**”) is made and entered into by and between **SALT LAKE CITY CORPORATION**, a political subdivision of the State of Utah (“**City**”) and **IHC HEALTH SERVICES, INC.**, a Utah corporation (“**Developer**”). City and Developer may be referred to herein collectively as “**Parties**.”

RECITALS

A. Developer is the owner of approximately _____ acres of land located at approximately 754 South State Street in Salt Lake City (the “**Property**”), which land is more particularly described on the attached Exhibit “A”.

B. Developer submitted a petition to amend the zoning map with respect to a portion of the Property to change the zoning from D-2 Downtown Support District to D-1 Central Business District, as well as a text amendment to allow for certain hospital uses in the D-1 Central Business District (Petition No. PLNPCM2022-01109).

C. The Salt Lake City Planning Commission (“**Planning Commission**”) made a positive recommendation to the Salt Lake City Council (“**City Council**”) on Developer’s petition at its March 22, 2023 meeting.

D. At its September 25, 2024, meeting the Planning Commission made a _____ recommendation concerning the terms of this Agreement.

E. On _____, 2024, the City Council voted to approve Developer’s petition subject to Developer entering into this Agreement.

F. City, acting pursuant to its authority under the Municipal Land Use, Development, and Management Act, Utah Code §§ 10-9a-101, *et seq.*, as amended, and in

furtherance of its land use policies, goals, objectives, ordinances, and regulations of Salt Lake City, in the exercise of its legislative discretion, has elected to approve and enter into this Agreement.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in reliance on the foregoing recitals, City and Developer agree as follows:

1. **Incorporations of Recitals.** The Parties hereby incorporate the foregoing recitals into this Agreement.

2. **Obligations of the Parties.**

a. So long as the Property is used as a hospital and its accessory uses:

i. The active ground floor uses of the buildings on the Property shall total not less than 79% along State Street, 70% along Main Street, 60% along 800 South, and 50% along 700 South. The active ground floor uses may include: gift shop, other retail goods and services, café, salon, art therapy space, daycare, food truck courtyard, open courtyard/walkways, reception/lobby, restaurant, pharmacy, and other similar uses as determined by the Planning Director, all of which count toward the percentages required in this paragraph.

ii. Developer shall provide a minimum one acre of landscaped open space generally located in the middle of the block (bordered by State Street, 800 S. Main Street, and 700 S) with midblock walkways providing access to at least three of the adjoining public streets. Within the landscaped open space a minimum of 33% vegetation shall be required.

iii. Developer shall provide 150 linear feet of space along State Street for an activated food truck/outdoor activity area that is open year-round. This activity area shall include seating, tables, shade, and perimeter landscaping that complies with the standards set forth in *Salt Lake City Code* Section 21A.48.070. The food truck area will be equipped with sufficient power such that generators shall not be used or needed. Patrons to the food truck/outdoor activity area shall be provided with access to restrooms on the Property during the operating hours of the food truck/outdoor activity area.

iv. The parties acknowledge and agree that a hospital is not subject to the maximum building façade length set forth in *Salt Lake City Code* Chapter 21A.37.

b. In the event that the Property is not used as a hospital and its accessory uses the Property shall comply with the City's regulations for ground floor use

activation set forth in *Salt Lake City Code* Section 21A.37.050, or its successor, as well as the maximum façade length set forth in *Salt Lake City Code* Chapter 21A.37.

c. Developer shall provide public pedestrian access midblock walkways along the routes shown on Exhibit B on a form approved by the City and recorded with the Salt Lake County Recorder.

d. All of the active ground floor uses on the Property shall have direct access to the sidewalk or midblock walkways through doors that are open during business hours.

e. Developer shall record this Agreement against the Property by filing this Agreement with the Salt Lake County Recorder.

3. **Severability.** If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the Parties.

4. **Other Necessary Acts.** Each Party shall execute and deliver to the other any further instruments and documents as may be reasonably necessary to carry out the objectives and intent of this Agreement.

5. **Construction/Interpretation.** This Agreement has been reviewed and revised by legal counsel for both the City and Developer, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement. Terms that are undefined in this Agreement shall be interpreted using the definitions provided in Chapter 21A.62 of the Salt Lake City Code, or its successor.

6. **Other Miscellaneous Terms.** The singular shall include the plural; the masculine gender shall include the feminine; “shall” is mandatory; “may” is permissive.

7. **Covenants Running with the Land.** The provisions of this Agreement shall constitute real covenants, contract and property rights, and equitable servitudes, which shall run with the land subject to this Agreement. The burdens and benefits of this Agreement shall bind and inure to the benefit of each of the Parties, and to their respective successors, heirs, assigns, and transferees. Developer shall record this Agreement against the Property with the Salt Lake County Recorder.

8. **Waiver.** No action taken by any Party shall be deemed to constitute a waiver of compliance by such Party with respect to any representation, warranty, or condition contained in this Agreement.

9. **Remedies.** Either Party may, in addition to any other rights or remedies, institute an equitable action to cure, correct, or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation thereof, enforce by specific performance the

obligations and rights of the Parties hereto, or to obtain any remedies consistent with the foregoing and the purpose of this Agreement.

10. **Utah Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Utah.

11. **Covenant of Good Faith and Fair Dealing.** Each Party shall use its best efforts and take and employ all necessary actions in good faith consistent with this Agreement to ensure that the rights secured by the other Party through this Agreement can be enjoyed.

12. **No Third-Party Beneficiaries.** This Agreement is between the City and Developer. No other party shall be deemed a third-party beneficiary or have any rights under this Agreement.

13. **Entire Agreement, Counterparts and Exhibit.** Unless otherwise noted herein, this Agreement is the final and exclusive understanding and agreement of the Parties and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement shall be in writing and signed by the appropriate authorities of City and Developer.

14. **Term and Termination.** This Agreement includes covenants, conditions, and restrictions regarding the development and use of Developer's Property, which shall run with the land in perpetuity. The covenants, conditions, and restrictions may only be modified or terminated with the express authorization of the Salt Lake City Council.

16. **REPRESENTATION REGARDING ETHICAL STANDARDS FOR CITY OFFICERS AND EMPLOYEES AND FORMER CITY OFFICERS AND EMPLOYEES.** Developer represents that it has not: (1) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, or brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

17. **GOVERNMENT RECORDS ACCESS AND MANAGEMENT ACT.** City is subject to the requirements of the Government Records Access and Management Act, Chapter 2, Title 63G, Utah Code Annotated or its successor ("GRAMA"). All materials submitted by Developer pursuant to this Agreement are subject to disclosure unless such materials are exempt from disclosure pursuant to GRAMA. The burden of claiming an exemption from disclosure shall rest solely with Developer. Any materials for which Developer claims a privilege from disclosure shall be submitted marked as "Business Confidential" and accompanied by a concise statement of reasons supporting Developer's claim of business confidentiality. City will make reasonable efforts to notify Developer of any requests made for disclosure of documents

submitted under a claim of business confidentiality. Developer may, at Developer's sole expense, take any appropriate actions to prevent disclosure of such material. Developer specifically waives any claims against City related to disclosure of any materials required by GRAMA.

[Signature Page to Follow]

EFFECTIVE as of the ____ day of _____, 2024.

CITY:

ATTEST AND COUNTERSIGN:

SALT LAKE CITY CORPORATION, a
municipal corporation of the State of Utah

By: _____

Salt Lake City Recorder

By: _____

Mayor Erin Mendenhall

STATE OF UTAH

COUNTY OF SALT LAKE

On this ____ day of _____, 2024, personally appeared before me Erin Mendenhall, who being by me duly sworn did say for herself, that she is the Mayor of SALT LAKE CITY CORPORATION, a Utah municipal corporation that executed the foregoing instrument, and the said Mayor duly acknowledged to me that said corporation executed the same.

Notary Public

Approved as to form:

City Attorney's Office

Date: _____

SIGNATURES CONTINUE ON FOLLOWING PAGE

DEVELOPER:

By: _____

Its: _____

By: _____

Its: _____

STATE OF UTAH)
 : ss.
County of _____)

On _____, personally appeared before me, _____, who
being by me duly sworn, did say that he executed the foregoing instrument as the
_____ of _____, a _____, and said
person acknowledged to me that said _____ executed the same.

NOTARY PUBLIC, residing in
_____ County, Utah

EXHIBIT “A”

Legal description of Developer’s Property

EXHIBIT “B”

Midblock Walkway Locations

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