



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Brian Fullmer
Policy Analyst

DATE: December 3, 2024

**RE: Sugar House Master Plan, Zoning Map, and Text Amendment at 1095 East 2100 South
(Former Wells Fargo Bank)
PLNPCM2023-00960/00961**

Item Schedule:

Briefing: December 3, 2024
Set Date: December 10, 2024
Public Hearing: January 7, 2025
Potential Action: TBD

The Council will be briefed about a request to create a new zoning district, the MU-15 (Form-Based Mixed-Use 15 Subdistrict) and the applicant's request that would apply the new zone to the property at 1095 East 2100 South. The requested new zone would increase the property's development potential and allow a maximum height of 155 feet. A former Wells Fargo bank branch building is currently located on the approximately 1.2-acre parcel which, under the proposal, would be redeveloped into a mixed-use residential project.

Alternatively, Planning staff has pointed out that the property could be redeveloped under its current zoning which would allow a mixed-use building up to 105 feet tall (approximately 9-10 stories). The redevelopment could also occur under the MU-11 zoning, which is currently being developed by the Administration, and would allow buildings up to 125 feet tall plus additional height with certain conditions.

These are summarized in the table below.

Zoning District	Maximum Building Height
CSHBD1 (Current)	105 feet
MU-11 (Administration's proposal currently being processed in separate petition)	125 feet (design review above 85 feet)
MU-15 (Applicant's proposal)	155 feet (design review above 75 feet)



In addition to the proposed rezone, the applicant proposes amending the 2005 *Sugar House Community Master Plan* to enable higher density development in the Sugar House Business District than the two- to four-story height limits discussed in the “High-Intensity Mixed Use” section of the Plan. Maximum residential density called for in the Plan is 20-50 dwelling units per acre. The applicant is proposing buildings up to 15 stories and density between 50-270 dwelling units per acre.

Planning staff noted the *Sugar House Community Master Plan* generally supports increased residential density within the Sugar House Business District and stated, “The most intense development in this community should be located within the Town Center Scale subdistrict where the project site is located.”

It is important to note that this is a private petition and not part of the City-initiated commercial and mixed-use zoning district consolidation. The petitioner’s proposed MU-15 zone would add a seventh mixed-use zoning district to the six MU zoning districts the Administration is recommending.

A building constructed under the proposed MU-11 zoning could add three additional stories and get to the applicant’s proposed 155 feet of height if they utilize the affordable housing incentives as a public benefit. They would still have the option to construct with mass timber.

Planning staff also noted “The MU-15 zone (Form Based Mixed-Use 15 Subdistrict) is based on the proposed MU zones that are part of the zoning consolidation project, but because that proposal is still in the draft form, the MU-15 proposal has some differences in content and structure that would have to be reconciled based on whichever district is adopted first.”

According to Planning staff, the proposals generally met standards for approval and recommended the Planning Commission forward a positive recommendation to the Council. The Commission reviewed the proposals at its September 11, 2024 meeting and held a public hearing at which 17 people spoke or had their comments read. All but one commenter was opposed to the proposal.

Commenters expressed concerns about the proposed building’s height being inappropriate for the location, its proximity to single-family residences to the north without a sufficient transition between, increased density and traffic, parking issues, needed infrastructure upgrades, and construction fatigue. **The Commission voted unanimously to forward a *negative* recommendation to the City Council.**

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

POLICY QUESTIONS

1. The Council may want to discuss whether to add this MU-15 zoning district to those proposed by the Administration’s zoning consolidation petition.
2. The Council may want to discuss whether the MU-11 zoning district is the right option for this development.
3. The Council may want to discuss utilizing affordable housing incentives with the applicant to get their desired height.
4. The Council may want to discuss community benefits with the applicant that have potential to achieve the proposed building’s height.
5. The Council may want to ask about compatibility issues with the adjacent single-family and lower impact commercial properties.
6. The applicant submitted a proposed modification to the text amendment that would add sustainability standards that, if met, would allow additional height for the building. Meeting the

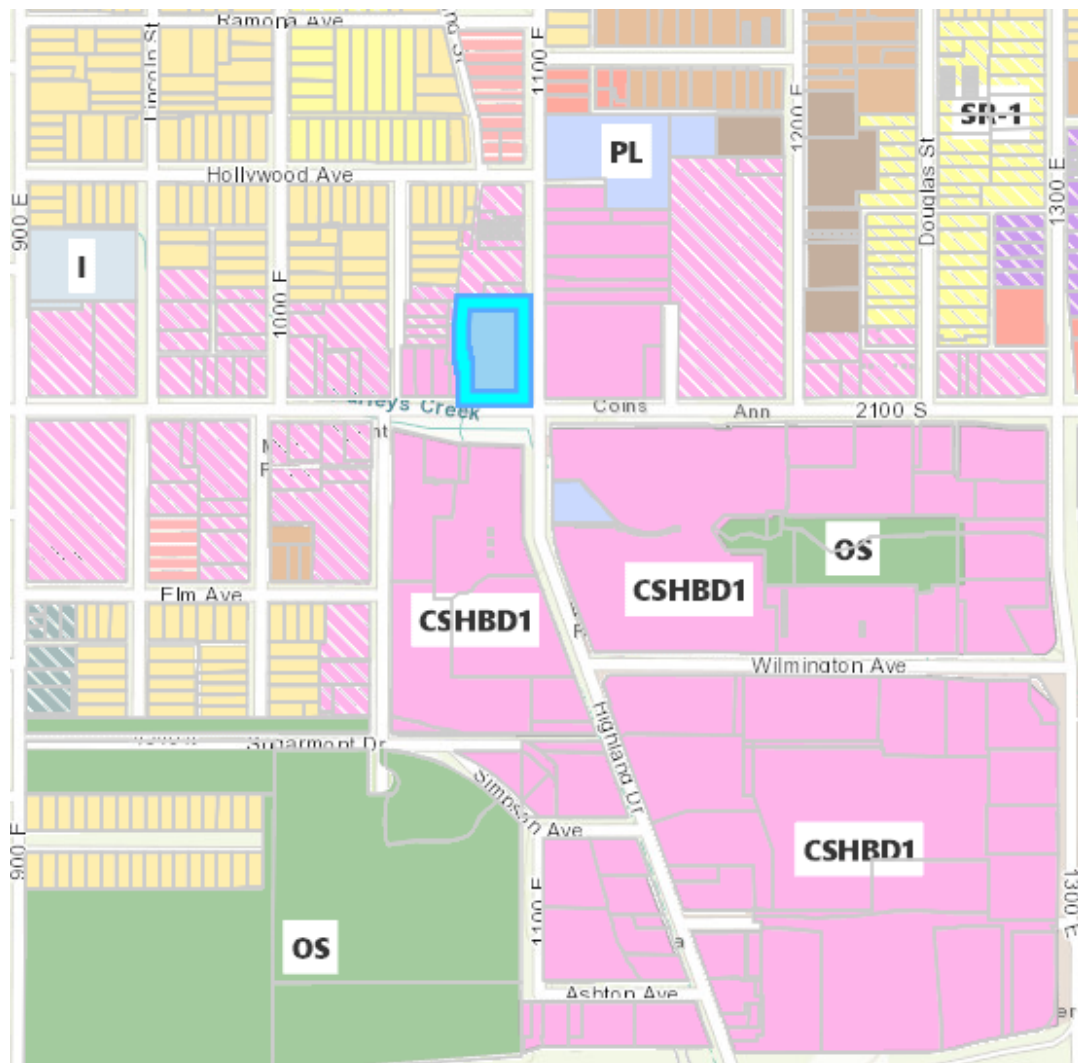
sustainability standards would provide up to three additional stories in the MU-11 zoning district and achieve the applicant's desired building height. See further discussion about this proposed addition on page 4 below.

The Council want to discuss the applicant's proposed sustainable building incentives with Planning staff and ask for their review and recommendation on the proposed language. *Staff note: legally it would not be appropriate for the applicant to suggest changes to a different petition, but if the Council is interested in this path, that is an option for them to request.*

ADDITIONAL INFORMATION

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.

In the area zoning map below, CSHBD1 properties (proposed to be zoned MU-11 under the Administration's proposal) are shaded pink, and CSHBD2 (proposed to be zoned MU-6 under the Administration's proposal) are pink with white hash marks. R-1/5,000 and R-1/7,000 single-family zoned properties are respectively shaded tan and yellow.



Area zoning map with the subject property outlined in blue.

The subject petitions were submitted in November 2023, prior to the enactment of the Community Benefit Policy. The applicant submitted a draft community benefit checklist which was reviewed by Planning staff who believe it does not meet the new policy requirements. Even though this petition is not subject to the City's formal Community Benefit Policy, the City Council is free to consider community benefits as part of any legislative decision on this rezone petition.

The proposed MU-15 zone would permit residential units on 1100 East/Highland Drive, which Planning staff opposes. Current CSHBD1 zoning and the Administration's proposed MU-11 zoning district call for ground floor retail uses on 1100 East and 2100 South frontages to support the Sugar House Business District.

Original Proposal

The applicant initially proposed creating a new CSHBD-SUS (Sustainability Zone) that would allow buildings up to 305 feet. Portions of the proposal were not supported by City staff, and the developer changed their proposal and submitted the text amendment under the MU-15 name which the Council is currently reviewing.

Supplemental Information from the Applicant

In addition to building heights discussed above, the MU-15 district as proposed by the petitioner would require the following:

- Sustainable construction methods and a Whole Building, Life Cycle Assessment (WBLCA)
 - To achieve additional height, projects must cut upfront embodied carbon by at least 60%.
 - A preliminary WBLCA is required when applying for a building permit, and a final WBLCA indicating at least 60% reduction in embodied carbon would be required before a certificate of occupancy is issued.
 - Planning noted the City does not have in-house reviewers for these assessments, so a third-party review at the applicant's expense would be required.
 - The applicant did not provide a remediation plan if the building failed its final WBLCA. Planning staff recommended an enforcement policy for non-compliance and suggested including language in City code stating that a certificate of occupancy may not be issued until the owner takes necessary actions to receive the final assessment verifying the embodied carbon reduction.
- Mass timber building construction.
- MU-15 zoning initially applies to property at 1095 East 2100 South but may be applied elsewhere in the future.

After the Planning Commission forwarded their recommendation, the applicant submitted additional changes for the Council to consider. These include sustainable building incentives in the code that if met, would allow the applicant to increase their building height.

Under the applicant's sustainable building incentives proposal, additional height would be allowed for buildings that meet green emission standards, have a least a LEED Gold rating, and use building technologies that allow capture of embodied carbon.

Planning staff is aware of this additional language but has not officially reviewed or provided a recommendation. The Council may wish to ask Planning staff to review the language and make a formal recommendation to the Council.

Public Input

The Planning Division received significant public input on the proposal, the vast majority of which is in opposition. The Sugar House Community Council submitted letters in opposition to the original CSHBD-SUS, and current MU-15 proposal. Email comments can be found on pages 154-303 of the Planning Commission staff report. It is worth noting that many of these comments in the staff report were referencing the initial proposed CSHBD-SUS zoning district.

Additional comments are found on pages 81-113 of the transmittal and were received after the MU-15 zoning district proposal was submitted on July 11, 2024.

KEY CONSIDERATIONS

Planning staff identified three key considerations related to the proposal which are found on pages 14-22 of the Planning Commission staff report and summarized below. For the complete analysis, please see the staff report.

Consideration 1 – How the Proposal Helps Implement City Goals & Policies Identified in Adopted Plans

Planning staff reviewed how the proposal aligns with *Plan Salt Lake* (2015), *Housing SLC* (2023-2027), *Thriving in Place* (2023), and the *Sugar House Community Master Plan* (2001). They found the proposal generally supports the plans and stated:

“Redeveloping this underutilized parcel, in close proximity to transit options and neighborhood amenities, aligns with overall city support for higher density development. Amending the general plan would ensure newer Sugar House developments comply with the Sugar House Plan and support both the city-initiated zoning consolidation and the privately initiated MU-15 zoning text amendment.”

Consideration 2 – Review of MU-15 Zoning District & its Compatibility with Adjacent Properties

Under current zoning, and in the Administration’s proposal, there are properties with less intense development potential to help transition between the subject property and single-family residential properties to the north and west, though that transition buffer would be small for some nearby single-family homes.

Planning staff found that the design standards proposed for both the MU-11 and MU-15 zones were similar, which would help ensure high quality design that is compatible with the scale and character of the existing neighborhood.

Consideration 3 – Departmental Reviews

Public Utilities noted concerns with the following:

- Utility Impact-water, sewer, and storm drain systems at the property and downstream could be significantly impacted. Detailed development plans would be required to assess increased demand on these systems.
- Increased Costs-higher density development could increase construction costs due to needed upgrades to offsite utilities and may affect areas outside the property.
- Sewer Capacity-Upgrades to the area’s sewer system are planned but won’t accommodate capacity for new developments. Public Utilities said additional infrastructure improvements will be necessary.
- Water Infrastructure-Upgrades to existing water mains are planned but additional work may be needed, particularly for fire hydrant demands and connections.

- Canal Proximity-The subject property is near the Jordan & Salt Lake Canal. Any development would need to be outside of the existing easement or potential additional easements for canal maintenance.

The Transportation Division will require a traffic study to determine the impacts a large development would have on area traffic flow.

ANALYSIS OF STANDARDS

Attachment F (pages 139-143) of the Planning Commission staff report outlines zoning text and 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.

Zoning Text Amendment	
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>Generally complies</i>
Whether a proposed map amendment furthers the specific purpose statements of the zoning ordinance.	<i>Complies</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>N/A</i>
The extent to which a proposed text amendment implements best current, professional practices of urban planning and design.	<i>Complies</i>
The impact that the proposed text amendment may have on city resources necessary to carry out the provisions and processes required by this title.	<p><i>Would require significant public facility upgrades.</i></p> <p><i>Seven-year moratorium on street reconstruction likely to cause issues for site redevelopment.</i></p>
The impact that the proposed text amendment may have on other properties that would be subject to the proposal and properties adjacent to subject properties.	<p><i>Proposed MU-15 zoning intended for subject property but may be applied in other areas of the city. It is unknown if other property owners may use renewable construction methods.</i></p> <p><i>Impacts to adjacent properties would be similar to those under current or City proposed zoning. Design standards would ensure high level of design.</i></p>

The community benefits that would result from the proposed text amendment, as identified in 21A.50.050.C.	<i>Planning staff reviewed a community benefit checklist provided by the applicant and does not believe proposed benefits meet policy requirements. (As noted above, the petitions were vested before community benefit policy adoption.)</i>
---	---

Zoning Map Amendment

Factor	Finding
Whether a proposed map amendment is consistent with and helps implement the purposes, goals, objectives, and policies of the city as stated through its various adopted planning documents.	<i>Generally complies</i>
Whether a proposed map amendment furthers the specific purpose statements of the zoning ordinance.	<i>Complies</i>
The extent to which a proposed map amendment will affect adjacent and nearby properties due to the change in development potential and allowed uses that do not current apply to the property.	<i>No proposed uses currently not allowed within existing zoning. Proposal is consistent with uses in proposed MU-11 zone except MU-15 would not permit single-family attached.</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>N/A</i>
The potential impacts on the city to provide safe drinking water, storm water, and sewer to the property and other properties based on the additional development potential of future development including any impact that may result in exceeding existing or planned capacities that may be located further away from the subject property.	<i>Would require significant public facility upgrades.</i>
The status of existing transportation facilities, any planned changes to the transportation facilities, and the impact that the proposed amendment may have on the city's ability, need, and timing of future transportation improvements.	<i>Would impact area transportation facilities. Property owner would be required to meet conditions from Engineering and Transportation Divisions.</i>
The proximity of necessary amenities such as parks, open space, schools, fresh food, entertainment, cultural facilities, and the ability of current and future residents	<i>Sugar House is well connected to these amenities. S-Line ridership would likely</i>

to access these amenities without having to rely on a personal vehicle.	<i>increase with additional area residents.</i>
The potential impacts to public safety resources created by the increase in development potential that may result from the proposed amendment.	<i>Police did not have concerns with the proposal. Fire said construction would need to meet International Building and International Fire Codes.</i>
The potential for displacement of people who reside in any housing that is within the boundary of the proposed amendment and the plan offered by the petitioner to mitigate displacement.	<i>Property has been a commercial development.</i>
The potential for displacement of any business that is located within the boundary of the proposed amendment and the plan offered by the petitioner to mitigate displacement.	<i>No current businesses would be displaced.</i>
The community benefits that would result from the proposed map amendment, as identified in Section 21A.50.050.C.	<i>Planning staff reviewed a community benefit checklist provided by the applicant and does not believe proposed benefits meet policy requirements. (As noted above, the petitions were vested before community benefit policy adoption.)</i>

PROJECT CHRONOLOGY

- November 29, 2023 – Applications submitted.
- December 19, 2023 – Petitions assigned to Planning staff.
- December 22, 2023 –
 - Applications deemed complete.
 - 45-day comment period notice sent to Sugar House Community Council.
 - Early notice sent to neighbors within 300 feet of the site.
- December 26, 2023 – Online open house posted to Planning Division website.
- February 27, 2024 – Sugar House Community Council Chair submitted letter of opposition to initial CSHBD-SUS zoning.
- July 11, 2024 –
 - Proposed CSHBD-SUS zoning district withdrawn and new MU-15 zoning district proposal submitted.
 - Open house webpage updated with information on applicant’s new MU-15 proposal.
- August 29, 2024 – Public hearing notice mailed, posted on City and State websites, and posted on Planning Division listserv.

- August 30, 2024 – Public hearing notice sign posted on the property.
- September 10, 2024 – Sugar House Community Council sent letter in opposition to the proposed MU-15 zoning.
- September 11, 2024 – Planning Commission review and public hearing. The Commission voted to forward a unanimous negative recommendation to the City Council.
- November 1, 2024 – Transmittal received in City Council Office.