



**Planning Commission Hearing
Staff Report
Hearing Date: September 12, 2018**

***ITEM #2** Provo City Economic Development Dept requests a Code Amendment to Section 14.20.160(7) to increase the amount of residential development in a Regional Shopping Center Zone (SC3) Zone from 20% to 33%. City-wide application. Aaron Ardmore (801) 852-6404
PLOTA20180231

<p>Applicant: Provo City Economic Development</p> <p>Staff Coordinator: Aaron Ardmore</p> <p>Parcel ID#: Citywide</p> <p>Affected Zone: SC3</p> <p>*Council Action Required: Yes</p> <p><u>ALTERNATIVE ACTIONS</u></p> <p>1. Continue to a future date to obtain additional information or to further consider information presented. <i>The next available meeting date is September 26th at 5:00 p.m.</i></p> <p>2. Recommend Denial of the proposed ordinance amendment. <i>This would be a change from the Staff recommendation; the Planning Commission should state new findings.</i></p>	<p>Relevant History: The SC3 zone was amended in January 2017 to allow residential uses within the SC3 zone. The standard approved at that time was 20% of the project site area may be used residentially. A new amendment to increase the amount of residential development to 33% was denied by the Planning Commission on August 22, 2018. The applicant has amended the request to address concerns raised by the Planning Commission.</p> <p>Neighborhood Issues: Other than the concerns listed by the Planning Commission on August 22, there have been no additional issues reported to staff at the time of this report.</p> <p>Summary of Key Issues:</p> <ul style="list-style-type: none">• The SC3 zone is intended primarily for large-scale, regional shopping centers.• The Council approved a mixed-use element to the SC3 in 2017.• The applicant is requesting to increase residential use in the SC3 zone from 20% to 33% of the site area, and an exception for vertical, mixed-use buildings.• Economic Development has added language to the proposal to try to address concerns. <p>Staff Recommendation: That the Planning Commission recommend to the Municipal Council approval of the proposed ordinance amendment.</p>
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OVERVIEW

The Provo City Economic Development Department requests an amendment to the Regional Shopping (SC3) zone, which would allow a higher percentage of residential use in the zone. The current standard for this mixed-use allowance was passed by the Council in January 2017. The standard approved enabled a developer to build up to 20% of a SC3 site in residential units, along with some other regulating standards. The applicant is now requesting that that standard be increased to 33%. The proposal also includes an exception for vertical mixed-use buildings from being counted towards the maximum residential percentage for the zone. This means that any residential units stacked on a first-floor commercial use would not count towards the 33%.

The SC3 zone provides for large commercial centers throughout the City of Provo. There are five general areas in Provo that are currently zoned SC3: The Mix area, a section of Riverwoods, and three areas in East Bay. The SC3 zones in these areas combine to account for 306 acres of commercial property for the City. While the current 20% allowance could take 61 acres of that into residential use; a 33% allowance could take over 100 acres from commercial use to residential (see “33% map” attachments).

RELEVANT HISTORY

The Planning Commission heard the first draft of this item on August 22, 2018. The discussion at that meeting found issues with the proposal that are detailed in the Report of Action (attached). Specifically, there were questions regarding the proposed numbers, housing densities, and possible loss of commercial spaces. The applicant recognized these concerns and has tried to address them with revised language for the Planning Commission prior to a Council Hearing on the item.

FINDINGS OF FACT

1. The proposed ordinance amendment facilitates a higher percentage of residential units in a mixed-use SC3 zone.
2. The proposed amendment allows a vertical mixed-use residential use to not be counted towards the maximum residential percentage of the project site area.
3. The proposed amendment only apply where there is single ownership or control of at least 25 acres within a SC3 Zone.

4. The following table shows SC3 acreage within the City and the difference between the current standard and the proposed standard:

SC3 Zones	Name	Acres	33% of area	20% of area
	The Mix	39	12.9	7.8
	Riverwoods	31.6	10.4	6.3
	Eastbay (w)	126	41.6	25.2
	Eastbay (e)	43	14.2	8.6
	Golf Course	67	22.1	13.4
	Totals	306.6	101.2	61.3

5. The added language makes changes to the “purpose and objectives” section of the SC3 zone and adds additional density standards for residential development.

STAFF ANALYSIS

Planning Staff has two primary concerns with increasing the allowable percentage from 20% to 33%;

1. The opportunity cost of losing commercial tax base for the increased percentage of residential use; and
2. The possibility that residential development will not take place in downtown or in the ITOD zone if favor of going to SC3 zones.

Provo City Code Section 14.02.020(2) sets forth the following guidelines for consideration of ordinance text amendments:

Before recommending an amendment to this Title, the Planning Commission shall determine whether such amendment is in the interest of the public, and is consistent with the goals and policies of the Provo City General Plan. The following guidelines shall be used to determine consistency with the General Plan: (responses in bold)

(a) Public purpose for the amendment in question.

The amendment increases the potential for otherwise underutilized properties to provide for commercial and residential needs in the City. Mixed use is generally considered to have social and economic benefits.

(b) Confirmation that the public purpose is best served by the amendment in question.

Allowing residential use as part of a commercial district helps the viability of the area as a whole. Finding the appropriate balance of that mix is important to the efficiency of a development.

(c) Compatibility of the proposed amendment with General Plan policies, goals, and objectives.

The General Plan indicates a desire for mixed-use development. Numerous policies are furthered including, but not limited to, a desire to promote safety through urban design (obj. 1.3.2 and 1.3.3), a value for orderly growth and well-planned streets (values III and IV), support and strengthen existing business areas (goal 6.4).

The General Plan also notes a desire to reduce traffic congestion through offering development patterns which benefit from decreased automobile usage, such as a mixed-use environment would encourage.

Chapter 13 indicates a desire to provide various housing types spread throughout the city as well as locating higher-density developments near major transportation facilities (13.4.2 & 13.8.2).

(d) Consistency of the proposed amendment with the General Plan's "timing and sequencing" provisions on changes of use, insofar as they are articulated.

There are no timing and sequencing issues with the proposed changes.

(e) Potential of the proposed amendment to hinder or obstruct attainment of the General Plan's articulated policies.

There is a potential of hindering Downtown development as stated in the General Plan's articulated policies. This should be evaluated by the Planning Commission and Council.

(f) Adverse impacts on adjacent land owners.

The areas that this amendment would affect could see higher traffic volumes and population density, which could affect adjacent land owners.

CONCLUSIONS

Allowing for additional opportunities for potentially more affordable housing around the City is beneficial. The proposed amendment helps to achieve a better mix of uses in the SC3 zones in the City, but is 33% the correct amount to achieve mixed-use?

The added language since the last Planning Commission meeting helps to address some of the concerns raised by the Planning Commission at the design level. Not allowing housing densities less than 30 units per acre should encourage stacked units and better utilization of land.

Evaluating the proposal as a whole, staff supports a mix of uses and promoting vertical mixed use, as this proposal does. Because of the added versatility these changes would bring to the SC3 zone, staff supports the ordinance amendment.

ATTACHMENTS

1. August 22, 2018 Report of Action
2. Proposed Amendment

ATTACHMENT 1 – AUGUST 22, 2018 REPORT OF ACTION



Provo City Planning Commission
Report of Action
August 22, 2018

Item #4* Provo City Economic Development Dept requests a Code Amendment to Section 14.20.160(7) to increase the amount of residential development in a Regional Shopping Center Zone (SC3) Zone from 20% to 33%. City-wide application. Aaron Ardmore (801) 852-6404 PLOTA20180231

The following action was taken by the Planning Commission on the above described item at its regular meeting of August 22, 2018:

RECOMMEND DENIAL

On a vote of 8:0, the Planning Commission recommended that the Municipal Council deny the above noted application.

Motion By: Jamin Rowan

Second By: Brian Smith

Votes in Favor of Motion: Andrew Howard, Shannon Ellsworth, Russ Phillips, Brian Smith, Deborah Jensen, Jamin Rowan, Robert Knudsen, Dave Anderson

Deborah Jensen was present as Chair.

- New findings stated as basis of action taken by the Planning Commission or recommendation to the Municipal Council; Planning Commission determination is not generally consistent with the Staff analysis and determination.

PROPOSED TEXT AMENDMENT

14.20.160(7)

...

(7) Residential Uses. When incorporated as part of a mixed-use development, residential uses and the necessary appurtenances (e.g., parking, landscape, etc.) are permitted provided they do not comprise more than ~~twenty percent (20%)~~ **thirty-three percent (33%)** of the overall project site area and that they comply with the design standards outlined in Section 14.34.287. **Any residential uses that are stacked on top of a ground floor retail store or use shall not count against the aforementioned residential limitation.**

STAFF PRESENTATION

The Staff Report to the Planning Commission provides details of the facts of the case and the Staff's analysis, conclusions, and recommendations. Key points addressed in the Staff's presentation to the Planning Commission included the following:

- Staff gave an overview of the proposal and stated concerns with the opportunity costs associated with the request in regards to loss of commercial space available in the SC3 zones and a disincentive to locate quality residential projects in the downtown areas of Provo.

NEIGHBORHOOD MEETING DATE

- City-wide application; all Neighborhood Chairs received notification.

NEIGHBORHOOD AND PUBLIC COMMENT

- No neighborhood chair was not present for this item.
- This item was City-wide or affected multiple neighborhoods.

CONCERNS RAISED BY PUBLIC

Any comments received prior to completion of the Staff Report are addressed in the Staff Report to the Planning Commission. Key issues raised in written comments received subsequent to the Staff Report or public comment during the public hearing included the following: None

APPLICANT RESPONSE

Key points addressed in the applicant's presentation to the Planning Commission included the following:

- The applicant, represented by Cameron Christensen, stated that the amendment is hoped to encourage mixed-use development and that it will help to provide more walkable zones and an increased tax base.
- David Walter of Provo City Redevelopment responded to questions from the Planning Commission, stating that the retail landscape is changing; therefore the SC3 zones need to provide for more residential uses. He also stated that the amendment can provide more flexibility to developers and more support for the commercial uses within those zones.

PLANNING COMMISSION DISCUSSION

Key points discussed by the Planning Commission included the following:

- The board discussed many issues that they had with the proposed amendment, including:
 - The Planning Commission questioned how a significant increase in residential use in our SC3 zones is effective as an economic development tool.
 - The amendment, as proposed, has no standards for the residential development. Therefore, a developer could propose a fairly low housing density, such as townhomes or even single-family homes, which would not achieve the goals of an economically vibrant, mixed-use development. In other words, there is no density standard in the proposed amendment for the type of residential development that could be developed in the SC3 zones.
 - The potential of reallocating 50 acres of relatively scarce commercial property to residential land uses with only a vague idea of the economic impact of such a reallocation seems risky.
 - There may be alternative approaches to increasing the economic vitality of our SC3 zones; this amendment should be tested before being applied to ALL SC3 zones. For example, perhaps The Mix property should be zoned ITOD to give more residential opportunity without impacting all the SC3 zones in the City.
 - Increasing the portion of the SC3 zones that could be used for residential purposes from 20% to 33% seems like an arbitrary number that isn't based in any factual experience or research. When commissioners asked the applicant to explain why it was advocating that up to 33% of and SC3 zone could be used for residential purposes, the applicant suggested that this number was the product of a best guess as to what might work for this zone.
 - The proposal does not comply with sections of the General Plan, specifically the Economic Development chapter. For example, Section 7.2.2 Major Community Entrance Development (Updated General Plan language) reads:
 - o Major entrances (or Gateway areas, as they are referenced on the Land Use Map) into Provo move large volumes of traffic and provide significant opportunities for development that is [are] different or more intense than currently being used. Because these areas experience a daily in and out flow of workers and visitors to the City, the economic development potential for these areas is much greater, and should be the focus of economic development. This may include limited and specific more intense and dense development in and around the Bus Rapid Transit routes and stations...
- The Commission suggested that the ITOD zone may be more appropriate to accomplish the plans for the "Mix" development, which spurred this amendment.

ATTACHMENT 2 – PROPOSED AMENDMENT

14.20.010. Purpose and Objectives.

The Regional Shopping Center [Zone](#) (SC3) is established to provide a [district](#) in which the primary [use](#) of the land is for commercial and service [uses](#) to serve needs of people living in an entire region and to serve as a place of employment in pleasant surroundings close to the center of the regional population it is intended to serve. The SC3 [zone](#) should be located close to freeways and adjacent to major arterials to provide convenient access for major traffic volumes without hazard and without traversing through a residential [area](#). It is intended that this [zone](#) shall be characterized by a variety of stores, shops, and service [buildings](#) and the option of **limited multiple family housing at densities consistent with mixed use developments**, grouped into an integrated architectural unit. The typical [uses](#) allowed in the [zone](#) will include virtually the whole range of retail and service establishments which can be attractively accommodated within a unified shopping center complex. When supported by the [General Plan](#), an appropriate mixture of [uses](#), such as **multiple family residential housing (at a minimum density of 30 units per acre)**, professional office, and institutional [uses](#) (preferably located above the ground level of mixed-use buildings), as well as entertainment and recreational venues, is allowable. Where necessary and appropriate, the bulk density design of the [development](#) should be tapered to provide for appropriate transition toward less intensive [uses](#) neighboring the [district](#).

14.20.160. Other Requirements

(7) Residential [Uses](#). When incorporated as part of a mixed-use [development](#), residential [uses](#) and the necessary appurtenances (e.g., parking, landscape, etc.) are permitted provided they do not comprise more than ~~twenty percent (20%)~~ **thirty-three percent (33%)** of the overall project site [area](#) and that they comply with the design standards outlined in Section [14.34.287](#) and the following standards:

- (a) Any residential uses that are stacked on top of a ground floor retail store or use shall not count against the aforementioned residential limitation.
- (b) Residential uses may not be single family detached housing. As a minimum, residential densities in the SC- 3 zone shall be at (30) units to the acre or higher.
- (c) Residential uses within the SC-3 Zone shall be multiple levels with a minimum of two stories or higher, according to allowable height requirement.
- (d) A development, to be considered for adding a residential component, must be at least twenty-five (25) acres under single ownership or control.