PI VO DEVELOPMENT SERVICES

Planning Commission Hearing Staff Report Hearing Date: December 9, 2020

ITEM # 1* George Bills of Gardner and Associates, requests the rezoning of approximately 8.5 acres from CM (Heavy Commercial), RA (Residential Agricultural), R1.6 (One-Family Residential, 6000 SF), R1.10 (One-Family Residential, 10,000 SF), and A1.5 (Agricultural, 5 acre) to the MDR (Medium Density Residential) Zone, to facilitate the construction of a 204 dwelling units (30 townhomes, 30 studio apartments, 64 2-bedroom apts., 80 1-bedroom apts.), located at approximately 1724 S. State Street. Spring Creek Neighborhood. Brandon Larsen (801) 852-6408, jblarsen@provo.org PLRZ20190356

Applicant: Gardner and Associates

Staff Coordinator: Brandon Larsen

Property Owner: Zions M-13 Development, LLC; et al.

Parcel ID#: 22:046:0169, et al.

General Plan Designation: Mixed Use Development

Southeast Neighborhoods Plan – Recommended Future Land Use: MDR (Medium Density Residential Zone)

Current Zoning: CM (Heavy Commercial), RA (Residential Agricultural), R1.6 (One-Family Residential, 6000 SF), R1.10 (One-Family Residential, 10,000 SF), and A1.5 (Agricultural, 5 acre)

Proposed Zoning: MDR (Medium Density Residential)

Acreage: 8.46 acres

Number of Properties: 14

ALTERNATIVE ACTIONS

- 1. **Continue** to a future date to obtain additional information or to further consider information presented. *The next available meeting date is January 13, 2020, 6:00 P.M.*
- 2. **Recommend Denial** of the proposed zone map amendment. *This action would not be consistent* with the recommendations of the Staff Report. *The Planning Commission should* <u>state new findings.</u>

Current Legal Use: The subject property comprises multiple parcels. Much of the property is vacant; however, there are multiple dwellings and other residential accessory structures on the northwest corner of the property. There are also many structures on the northeast portion of the land, including a dispatch office for dump truck operations for a landscape company.

Relevant History:

Two (2) dwellings have existed on the northwest corner of the subject property since the 1920s. An office building (1960) and an industrial building (1950) are located on the northeast corner of the property. The property was originally platted as Bay view, Plat "H," which included dozens of small lots.

Neighborhood Issues:

A neighborhood meeting was held on October 3, 2020. The neighborhood had questions about drainage and traffic. On Open City Hall (City website), a few issues that were referenced in relation to the proposal are number of high-density units in Provo and lack of one-family homes, traffic impacts, and design standards.

Summary of Key Issues:

- This item was continued from the November 11, 2020 Planning Commission Meeting
- The applicant is proposing to rezone the subject property to the MDR Zone
- Future Land Use Map, Southeast Neighborhoods Plan, calls for MDR zoning for the property
- Associated concept plan proposes 204 dwelling units

Staff Recommendation:

Staff recommends that the Planning Commission forward a positive recommendation to the Municipal Council for a zone change from the CM, RA, R1.6, R1.10, and A1.5 zones to the MDR Zone.

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<u>UPDATE</u>

This item was considered, and ultimately continued, at the November 11, 2020 Planning Commission meeting. The Planning Commission asked staff to provide information relative to the following: (1) Commercial development under-performance in the South State area and (2) demographic and housing stock data.

Commercial development

The Planning Commission expressed the sentiment that commercial development is not thriving in the South State Street area of the City and request additional information. Speaking of the current commercially zoned property on South State between 900 South and 1860 South, most of it is for heavy commercial (CM Zone) uses. There is approximately 10 acres of land zoned SC2 (Community Shopping Center) and approximately 3.5 acres zoned SC1 (Neighborhood Shopping Center). The property in the SC2 Zone has been in said zone since about 2001 and has yet to development. The property zoned SC1 has been zoned such since 1998 and a portion of it was developed in 2013 for a gas station.

The areas zoned for shopping center use are in harmony with the Southeast Neighborhoods Plan (SE Plan). A portion of the Neighborhood Shopping Center section of the SE Plan states the following: *"Two commercial nodes are identified as key locations where neighborhood-scale shopping centers could be a valuable enhancement to the quality of life for this neighborhood. These nodes occur at the intersections of 1320 South State Street and 1860 South State Street."* This section of the SE Plan references the importance of rooftops for the viability of the commercial nodes. In the last couple of years, the City has approved approximately 540 units in this area—adding potential customers for businesses. This development would add 204 more units for a total of approximately 740 units.

It appears the development community has responded to the City's beacon for more rooftops in the area. Rooftops is one consideration relative to the viability of commercial development. Another consideration is location. This property is situated on State Street on the southeast end of Provo. It lacks the benefit of a central location and proximity to a freeway interchange, as opposed to the East Bay area. The motoring public or visitors to the area is another consideration for this area. This area is a major connection between Provo and Springville, which receives moderately high amounts of traffic during rush hours. It would seem much of traffic in this area, besides local residents, is due to people commuting between Provo and Springville. Staff believes motorists who are interested in shopping will take other routes to other parts of City.

With the existing population and the approved plans for many additional dwellings, the South State area is a good location for the type of smaller-scale commercial development that is permitted in the Neighborhood Shopping Center (SC1) Zone. When asked about the viability of commercial development in the South State area, Keith Morey, Provo City Economic Development Director, concurs that the South State area is an appropriate location for neighborhood commercial development to serve the local residents, but he believes this area—which is not centrally located and is historically not a place people think of in relation to shopping—would struggle supporting

community or regional shopping centers. He agrees with the idea that the viability of commercial development in the South State Street area is complicated by the income level of the local residents.

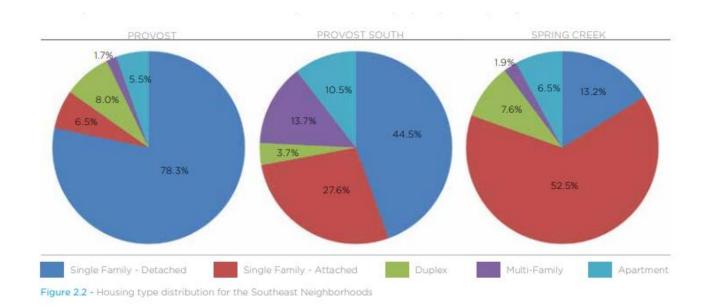
A portion of Section 1.2.9 of General Plan states the following regarding the South State Street corridor: "The intent of this policy is to create a mixed-use corridor with uniform public and private property design and development standards that are conducive to both of the adjacent neighborhoods and that will enhance the character of South State Street" (see South State Street Corridor Development Policies paragraph of Section 1.2.9). The City has adopted a set of corridor design standards for the South State Street area of the City, which will help in the beautification of the area. Mr. Morey believes the beautification of the area will aid in attracting commercial development to the area. Staff acknowledges that it will take some time to see positive outcomes in relation to the design standards for the South State Street area.

South State is a developing area that has recently added or will be adding a significant number of rooftops. It is an area with design standards that will help to beautify the area. There is a lack of commercial opportunity for local residents in the area. Staff believes the South State area could support neighborhood commercial development at the locations recommended in the SE Plan, as noted above.

Demographics and housing stock

As noted above, the City has approved a significant number of housing units in the South State Street area. Without the proposed development, the City has approved approximately 540 units. Of the approved units, there are 201 townhomes (37% of approved units) and 336 apartments and condominiums (63% of approved units). The proposed development would add an additional 174 apartments and 30 more townhomes, which would increase the total new units for the South State Street area to approximately 740 units (68% apartments and 32% townhomes).

A portion of the Existing Characteristics chapter of the SE Plan states the following: "*The Spring Creek neighborhood . . . is comprised primarily of attached, single-family homes*" (see *Households* paragraph). Attached, single-family residents are townhomes. According to data in the Households section of the Existing Characteristics Chapter of the SE Plan, as of publication (2015), 53-percent (53%) of the housing stock in the Spring Creek Neighborhood is attached, single-family. Apartments are 7-percent (7%) of the stock and single-family detached is 13-percent of the total stock. Other housing types, such as duplexes (8%) and multi-family (2%) round-out the total housing stock. Single-family homes comprise 60-percent (60%) of the housing stock in the Spring Creek Neighborhood. The recently approved units have increased the percentage of apartments and decreased the percentage of other housing types in the Spring Creek Neighborhood.



Staff does not have an accurate number of existing dwellings for the Spring Creek Neighborhood. The SE Plan considers the Provost and Provost South neighborhoods, in addition to the Spring Creek Neighborhood. According to the SE Plan, there are 2718 dwelling units among all three (3) neighborhoods, so the potential addition of 740 units to the Spring Creek Neighborhood is very significant. This is a 27-percent increase for the three (3) neighborhood area, and a much higher percentage for the Spring Creek Neighborhood.

Relative to tenure, the SE Plan establishes that approximately 55-percent (55%) of the dwelling units in the Spring Creek Neighborhood are owner-occupied. With the large number of recently approved units, many of which are apartments, it seems this percentage will decrease.

A very significant number of dwelling units has been added to the South State area. This proposal would be another large addition. If you apply the "Average household size¹" of Provo (3.2) to the possible 740 dwelling-units, you have a population increase in the Spring Creek Neighborhood of 2,368 people.

BACKGROUND

The subject property lies on South State, just north of the intersection of State Street and Lakeview Parkway (1860 South) in the Spring Creek Neighborhood. It is bordered on the north by storage units, State Street on the east, Treeside Charter School (TCS) and a rail line on the west, and vacant land to the south. The *Provo City Transportation Master Plan 2020, Major and Local Street Plan* calls for a future collector to run parallel with, and east of, the railway. Land west of the subject property lies in unincorporated Utah County and has an industrial zoning designation. Some of the land to the south also lies in unincorporated Utah County and has an agricultural/residential designation. A portion of the land to the south lies within the city boundaries and has an A1.5 zoning designation.

¹ QuickFacts, Provo city, Utah. United States Census.

<<u>https://www.census.gov/quickfacts/provocityutah</u>>. Accessed on December 2, 2020.

The subject land is in a high-water table area and the National Wetlands Inventory Mapper shows potential wetlands on the property.

Portions of the subject property (new construction, etc., which are located within one hundred [100] feet of South State Street) lies in the South State Street Design Corridor. This Design Corridor has a set of design standards to, among other things, "promote attractive development."

The property is comprised of 14 parcels that total 8.46 acres. There are residential buildings on the northwest portion of the property and commercial/industrial buildings on the northeast. Most of the property is vacant.

The applicant is requesting MDR zoning for the subject property. The closest MDR zoned property lies 750 feet to the north. The zoning of the surrounding property is as follows:

- North: R1.10 (One-Family Residential, 10,000 SF) & PRO-A36 (Spring Creek High Occupancy)
- South: A1.5 (Agricultural, 5 acre)
- East: CM (Heavy Commercial) & PF (Public Facilities)
- West: M2 (Heavy Manufacturing) & I-1 (Industrial, Utah County)

The associated concept plan calls for 204 dwelling units (30 townhomes, 30 studio apartments, 64 2bedroom apartments, 80 1-bedroom apartments). The subject property is bisected by a driveway that runs west to TCS. The north portion of the property would have 174 units and 30 units would lie on the south portion.

STAFF ANALYSIS

General Plan Policies. The subject property has a Mixed-Use land use designation. A portion of the Mixed-Use Development Areas paragraph of Section 1.2.8 of the General Plan establishes the following policy: "*Determine the appropriate mix and intensity of residential and commercial development near future determined neighborhood centers*." The Future Land Use Map of the Southeast Neighborhoods Plan proposes a Neighborhood Shopping Center (SC1) Zone just south the subject land.

The recommended zoning for the subject property, as per the *Future Land Use Map* of the *Southeast Neighborhoods Plan*, is MDR. This Southeast Neighborhoods Plan was adopted by the City after going through a public process. It appears the City went through a process to determine "the appropriate mix and intensity of residential and commercial development" for the area surrounding the subject property.

Southeast Neighborhoods Plan recommends locations for the MDR Zone in the Spring Creek and other Southeast neighborhoods. The Land Use Chapter of the Southeast Neighborhoods Plan outlines the City's policies for those areas recommended for MDR zoning. The Medium Density Residential (MDR) Zone paragraph reads, as follows:

"The MDR zone permits multi-family dwellings as dense as 30 units per acre. Allowing these higher densities west of State Street could encourage appropriate development to accommodate the population needs in the area necessary to incentivize the desired neighborhood

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shopping center. It is recommended that commercial uses also be permitted in this area."

The net density of the proposed development is as follows: North Portion (26.47 units/acre) and South Portion (19.87 units/acre).

The rezone of the subject property to the MDR Zone—particularly with the proposed development detailed on the concept plan—would help support neighborhood shopping center-type development. Residential development provides customers for commercial establishments, and commercial establishments would provide services to this commercially under-served area of the city.

Findings of Fact. Provo City Code Section 14.02.020(2) sets forth the following guidelines for consideration of zoning map amendments:

Upon receipt of a petition by the Planning Commission, the Commission shall hold a public hearing in accordance with the provisions of Section 14.02.010 of this Title and may approve, conditionally approve, or deny the preliminary project plan. 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.

To provide additional housing opportunities in the Spring Creek Neighborhood.

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

The proposal will help to facilitate the development of additional dwelling units. It would be good to have additional detached, single-family dwellings constructed in the Spring Creek Neighborhood, and in south Provo generally. However, the location of this property, including its proximity to industrial areas and State Street, suggests that detached, single-family dwelling proposals are not likely. Again, the Southeast Neighborhood Plans recommends the MDR Zone for this property.

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

This proposal is in harmony with the *Southeast Neighborhoods Plan* and is compatible with the General Plan.

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

Staff is not aware of any timing or sequencing issues with this request.

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

It does not appear that this proposal will hinder or obstruct attainment of the General Plan's articulated policies.

(f) Adverse impacts on adjacent landowners.

Traffic will increase in an area that already has traffic issues, at certain times of the day, because of TCS. There will be increased traffic around the school.

(g) Verification of correctness in the original zoning or General Plan for the area in question.

The General Plan and zoning have been verified for correctness.

(h) In cases where a conflict arises between the General Plan Map and General Plan Policies, precedence shall be given to the Plan Policies.

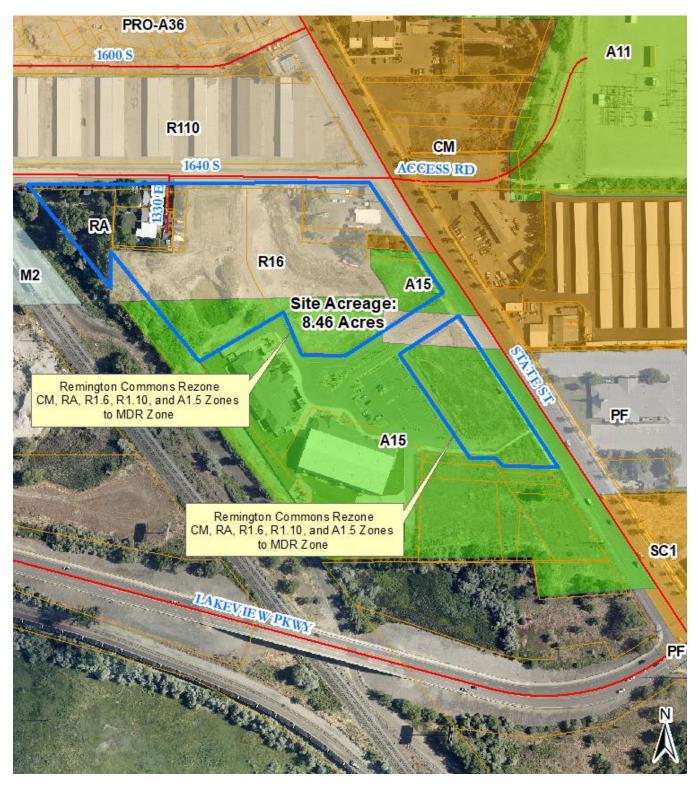
The General Plan Map and policies appear to support this proposal.

Conclusion. The proposed zone map amendment appears to be in harmony with the General Plan and Southeast Neighborhoods Plan. The Southeast Neighborhoods Plan recommends MDR zoning for the subject property. This amendment could help facilitate additional housing opportunities in the Spring Creek Neighborhood, including the applicant's 204-unit development proposal. These additional dwellings would generate further need/interest for commercial services and development in the South State area of Provo.

ATTACHMENTS

- 1. Current Zoning
- 2. Proposed Zoning
- 3. Potential Use of Property Statement
- 4. Concept Plan

ATTACHMENT 1 – Current Zoning



Current Zoning: CM, RA, R1.6, R1.10, and A1.5

ATTACHMENT 2 – Proposed Zoning



Proposed Zoning: MDR (Medium Density Residential)

ATTACHMENT 3 – Potential Use of Property Statement

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| Associates |
| DEVELOPMENT CONSULTANTS |
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| October 31, 2019 |
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| Provo City Planning Commission |
| 351 West Center |
| Provo, UT 84601 |
| Dear Planning Commissioners: |
| Dear Haming Commissioners: |
| We are requesting a rezoning of approximately 9.4 acres of property located at 1700 South State |
| Street. The property is currently in an A1 and R1.6 zone. The master plan calls for MDR in this |
| area. We are proposing to develop 204 four-story stacked unit apartments and condominiums |
| with FHA financing. |
| |
| We believe the site plan is consistent with the design guidelines and objectives of the South State |
| one of this set i tan and request your lavorable recommendation for the zone obspace and your |
| approval of the site plan. |
| Sincerely, |
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| David K. Gardner |
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ATTACHMENT 4 - Concept Plan

