



**Project #19-020
Mixed Use Commercial/Residential Ratio
Code Amendment**

REPORT SUMMARY...

<i>Project Name:</i>	Mixed Use Commercial/Residential Ratio
<i>Proponent/Owner:</i>	Community Development Department
<i>Project Address:</i>	Citywide
<i>Request:</i>	Code Amendment
<i>Type of Action:</i>	Legislative
<i>Date of Hearing:</i>	June 13, 2019
<i>Submitted By:</i>	Mike DeSimone, Director

RECOMMENDATION

Staff recommends that the Planning Commission recommend **approval** to the Municipal Council of a Land Development Code amendment defining a minimum ratio of commercial land area to residential land area in the Mixed-Use Zoning District.

REQUEST

This is a proposal to add a prescribed minimum amount of land or building area specifically devoted to commercial uses as a percentage or ratio of residential uses in the Mixed-Use (MU) zoning district.

BACKGROUND

Staff workshopped this issue with the Municipal Council several weeks ago based on concerns expressed by the Ellis neighborhood over the Eliason Meat Packing plant site being developed just with residential uses even though it is currently zoned MU. While both the LDC and the General Plan call out for a mixture of uses, there are no specific ratios or percentages of use type in the MU zone. It was suggested at that time that a mixture of uses including at least 10% commercial would be a good starting point for discussion. The Council's direction to staff was to prepare a LDC amendment and engage the Planning Commission process for an evaluation and recommendation.

The stated intent of the MU zone is to encourage a mixture of different uses within an overall project. The Intent language from LDC 17.10.100 states:

The intent of the Mixed-Use Zoning District (MU) is to encourage a concentration of different uses within an overall project. Mixed Use developments shall have both a residential and a commercial component and shall be scaled to ensure consistency with the surrounding neighborhoods. Both Commercial and residential development are required elements of a mixed-use project. Mixed use projects can utilize "horizontal" mixed use where commercial, office and residential uses are designed as a single project, yet constructed in separate and distinct building footprints. Mixed use projects in the more urbanized area are encouraged to employ "vertical" design strategies where commercial, office and residential uses are designed as a single project and constructed within the same footprint, with pedestrian oriented commercial and retail uses on the main level and office and/or residential uses on the upper floors.

The Logan General Plan contemplates a mixture of uses in Mixed-Use Centers and states:

Mixed Use Centers (MUC) have concentrations of commercial and office uses – with residential uses integrated (MUC developments are required to have both residential and commercial components). Residential development is allowed with the range of 7 to 20 dwelling units per acre. Structures in MUC areas will typically be multi-story, with office and residential uses above commercial uses. MUC's are compact – designed for people to live, work, and play within a walkable center. Existing or future mass transit is also integrated into MUC centers, providing multiple options for transportation. The MUC district is intended to be somewhat self-sufficient – it provides its own customers to support commercial businesses – reducing dependence on drive-to traffic. As a result, MUC development will be pedestrian-oriented with an emphasis on quality urban design and landscaping. The MUC category can be applied to encourage the redevelopment of out dated, one-story shopping areas.

Both the Plan and the LDC contemplate a mixture of uses within Mixed-Use projects. Both would prefer a vertical arrangement of the different uses, and in fact, the LDC provides for a 10 unit/acre density bonus for mixed use projects designed with ground floor commercial. Both also prefer that MU projects be compact, be designed for people to live, work, and play within a walkable center, and be self-sustaining in that the new residents within the MU Center are supporting the commercial uses.

Neither document prescribes a minimum ratio of use type while instead relying on the assumption that commercial uses are always more valuable than residential uses and would therefore be the predominate use in a mixed-use project. What we are currently experiencing in the Logan market is a high demand for multi-family housing, and because there is a lack of large, vacant, available tracts of land zoned for multi-family, there is significant pressure on vacant and available sites zoned MU or Commercial for meeting that demand.

The task before the Planning Commission and eventually the Municipal Council is to determine whether a prescribed minimum percentage of uses is appropriate, and if so, what those ratios or percentages should be. In helping to answer this question, we considered several different approaches to a prescribed ratio or mixture of uses.

Option No. 1:

Each mixed-use project shall have a minimum of 10% of the total building square footage dedicated to commercial uses.

This approach prescribes a minimum ratio of commercial square footage to total residential square footage. A real-world example (refer to map on next page) using the existing Riverwoods residential complex helps illustrate the expectations of this approach.

Existing Riverwoods residential complex (residential areas inside blue lines on map). The site is approximately 11.9 acres in size and contains nine (9) three-story 24 plex buildings with a total of 216 residential dwelling units. The overall density is approximately 18 units/acre. Each building has an approximate footprint of 11,000 square feet on 3 levels which equates to approximately 33,000 square feet of residential area per building.

Under this option, the amount of commercial area required for this project site would be:

9 buildings x 33,000 residential sf = 297,000 total residential sf x 10% (commercial ratio) = 29,700 sf (minimum) of commercial area.

The result is a commercial building(s) with a footprint a little larger than the existing Conservice Building directly across the street located on approximately 2.25 acres (building pad & parking), leaving approximately 9.65 acre for residential buildings/parking.



Option No. 2:

Each mixed-use project shall have a minimum of 10% of the total residential building footprint dedicated to commercial uses.

This approach prescribes a minimum ratio of commercial square footage to total residential building footprint rather than total residential square footage. Using the example (refer to map above) of the existing Riverwoods residential complex helps illustrate the expectations of this approach.

Existing Riverwoods residential complex (residential areas inside blue lines on map). The site is approximately 11.9 acres in size and contains nine (9) three-story 24 plex buildings with a total of 216 residential dwelling units. The overall density is approximately 18 units/acre. Each building has an approximate footprint of 11,000 square feet on 3 levels.

Under this option, the amount of commercial area required for this project site would be:

9 buildings x 11,000 residential footprint sf = 99,000 sf x 10% (commercial ratio) = 9,900 sf (minimum) of commercial area.

The result is a commercial building(s) with a footprint about 1.5 times the size of one of the Riverwoods pad sites (Firehouse Pizza) along Main Street and associated parking on approximately 1.0 acres leaving 10.9 acres for residential buildings/parking.

Option No. 3:

Each mixed-use project shall have a minimum of 5% of the total building footprint dedicated to commercial uses.

This approach prescribes a minimum ratio of commercial square footage to total residential building footprint rather than total residential square footage. Using the example (refer to map above) of the existing Riverwoods residential complex helps illustrate the expectations of this approach.

Existing Riverwoods residential complex (residential areas inside blue lines on map). The site is approximately 11.9 acres in size and contains nine (9) three-story 24 plex buildings with a total of 216 residential dwelling units. The overall density is approximately 18 units/acre. Each building has an approximate footprint of 11,000 square feet on 3 levels.

Under this option, the amount of commercial area required for this project site would be:

9 buildings x 11,000 residential footprint sf = 99,000 sf x 5% (commercial ratio) = 4,950 sf (minimum) of commercial area.

The result is a commercial building(s) with a footprint approximately the size of one of the Riverwoods pad sites (Jimmy Johns/Johnny "O's") along Main Street and associated parking on approximately .75 acres leaving just over 11 acres for residential buildings/parking.

Option No. 4:

Each mixed-use project shall have at least 10% of the total land area devoted to commercial uses.

This approach prescribes a minimum amount of land devoted to commercial uses regardless of amount of residential square footage. Using the example (refer to map above) of the existing Riverwoods residential complex helps illustrate the expectations of this approach.

Existing Riverwoods residential complex (residential areas inside blue lines on map). The site is approximately 11.9 acres in size and contains nine (9) three-story 24 plex buildings with a total of 216 residential dwelling units. The overall density is approximately 18 units/acre. Each building has an approximate footprint of 11,000 square feet on 3 levels.

Under this option, the amount of commercial area required for this project site would be:

11.9 total acres = 1.19 acres of commercial (10%) and 10.71 acres of residential (90%).

The result is a commercial site with a variable as to building size without any relationship to the amount of residential on the overall site.

Option No. 5:

A mixed-use project on a site greater than 10 acres shall have at least 5,000 square feet of commercial building space whereas a mixed-use project on less than 10 acres shall have at least 3,000 square feet of commercial building space.

This approach prescribes a minimum amount of commercial square footage to project sizing and uses the commercial sizing or intensity based on the Neighborhood Center (NC) zone. Using the example (refer to map above) of the existing Riverwoods residential complex helps illustrate the expectations of this approach.

Existing Riverwoods residential complex (residential areas inside blue lines on map). The site is approximately 11.9 acres in size and contains nine (9) three-story 24 plex buildings with a total of 216 residential dwelling units. The overall density is approximately 18 units/acre. Each building has an approximate footprint of 11,000 square feet on 3 levels.

Under this option, the amount of commercial area required for this project site would be:

11.9 acres = 5,000 sf of commercial.

For a project larger than 10 acres in size, the result is a commercial building(s) with a building footprint approximating the Jimmy Johns/Johnny O's pad site on Main Street with associated parking areas on approximately .75 acres. For a project smaller than 10 acres in size, the result is a commercial building(s) with a building footprint approximating the Starbucks site on 0.4 acres.

This approach builds on the Neighborhood Center scale for commercial sizing and the concept that the commercial uses being provided in a mixed-use project are neighborhood centric in that they are primarily serving the new resident population.

Option No. 6:

Each mixed-use project shall have a minimum of 20% of the total building footprint dedicated to commercial uses.

This approach prescribes a minimum ratio of commercial square footage to total residential building footprint at 20% as opposed to 10% under option no. 2. Using the example (refer to map above) of the existing Riverwoods residential complex helps illustrate the expectations of this approach.

Existing Riverwoods residential complex (residential areas inside blue lines on map). The site is approximately 11.9 acres in size and contains nine (9) three-story 24 plex buildings with a total of 216 residential dwelling units. The overall density is approximately 18 units/acre. Each building has an approximate footprint of 11,000 square feet on 3 levels.

Under this option, the amount of commercial area required for this project site would be:

9 buildings x 11,000 residential footprint sf = 99,000 sf x 20% (commercial ratio) = 19,800 sf (minimum) of commercial area.

The result is a commercial building(s) with a footprint approximately the size of the existing Conservice Building directly across the street located on approximately 2.25 acres (building pad & parking), leaving approximately 9.65 acre for residential buildings/parking.

Option No. 7 (Open Space Option)

In lieu of a minimum amount of commercial, a mixed-use project may increase the amount of open space by at least 10% (20% open space/10% useable outdoor space).

11.9 total acres = 2.38 acres of open space (20%), 1.19 acres of useable outdoor space (10%), and 8.33 acres of residential (70%)

This is another option to consider when a project zoned for mixed use decides against any commercial in the project site. This option provides the flexibility of the mixed-use zone but is similar to the MR-30 zoning in terms of density and development standards.

What are the benefits of the MU zone?

The MU zone provides for more flexibility than other zones as it permits a wider range or collection of uses and/or intensities than the other zones, with the exception of the TC zones. The MU zone is responsive to changing market conditions enabling a property owner the flexibility to build into their project those elements that are in demand. The current MU zone is a good balance to the current commercial zone. The commercial zone is also a type of mixed-use zone in that it permits a combination of uses. It was modified last year to ensure that commercial was emphasized as a primary use and residential, if included, was secondary. There is no free-standing residential permitted in the commercial zone, meaning that any residential units have to be constructed above commercial uses. There are no minimums/maximum ratios specified in the commercial zone.

While both the General Plan and the LDC state there should be a mixture of uses, the current approach to regulating a mixture of uses has been to allow the market to dictate how much of each use type would go into a mixed-use project. The assumption behind this has been that commercial is more valuable than residential and will normally be the primary land use. We thought we would be scrambling to get residential in the MU zone. Obviously with the current housing market, this has changed. And, one of the most important considerations driving the mixture of uses is location, as location and visibility is critical to the success of most commercial activities. The same mix of uses that one would find along Main Street is probably not going to work on a site on 2nd North. The challenge is prescribing a minimum ratio of uses that will work regardless of location.

There are examples of some different mixed-use projects in Logan that have proven to work, all of which were built without any prescribed use ratios. Morty's and Blue Square (Blue Square, now owned by USU, was zoned CR) are two projects that have arranged uses vertically, e.g., commercial on the bottom and housing on the top. These have proven successful due to their proximity to the university. They also have commercial uses that, while catering to the adjacent student population (both project residents and students at large), do serve a broader residential population than just the residential component. The nature of their design is what was contemplated in the General Plan. Another obvious example is the Riverwoods complex which includes a wider range of uses, serving a wider range of people, and is arranged horizontally. Both design approaches to mixed use provide similar benefits, e.g., people living close to where they work/shop, reduction in traffic, etc., just at a different scale and with a different look. And, the recently approved L59 project also included a small commercial element on the main level facing Main Street.

How do the different options compare?

While each of the options generally differ slightly in scale and methodology, the net effect could be significant depending upon the project's size, design and lay-out. The other option that is not listed is the "do nothing option" and not change the code. The open space option was included

as an alternative, but this really only ends up with a project looking like something in the MR30 zone.

We also try to find examples of how other jurisdictions regulate mixed-use projects. Bountiful City has divided the concept of a mixed-use zone into several different mixed-use zone, each with a particular emphasis or focus, e.g., entertainment, commercial, professional office, public facilities, or residential that makes up the majority of the use type. Fremont, California requires that 50% of the floor area on the portion of the ground floor within 50 feet of the street frontage shall be commercial. Many don't prescribe a minimum amount of commercial, while many others approach it the other way, namely prescribing a minimum residential component as the belief is that commercial will generally dominate the use types.

STAFF RECOMMENDATION AND SUMMARY

The General Plan and LDC both describe a Mixed-Use Center as a dense, compact, walkable environment containing a mixture of uses, including a commercial base that serves the project's resident population. While there is not currently a prescriptive ratio of uses, the challenge is to ensure a minimum standard is adopted that serves this purpose statement without being overly restrictive on the market and driving away good projects. A mixed-use project on Main Street may have a commercial/residential mix of 80/20, whereas a project on Third South may have a commercial/residential mix of 20/80, the nature of which is driven by their location. Market conditions also play into this. Clearly the housing market will soften, demand will shift, and at some point, the City will need to explore other options for multi-family housing as we currently lack large, vacant multi-family zoned property.

While each of the options discussed above generally differ slightly in scale and methodology, the net effect could be significant depending upon the project's size, design and lay-out. Establishing minimum commercial ratios by using the Neighborhood Center zone sizing (3,000/5,000 sf) is a conservative approach to mandating a range of uses that are based on the scale of the underlying project while working to ensure that a neighborhood scaled commercial component would be integrated into the overall design of a project.

It is important to remember that this is only a minimum, so depending upon market demands, physical location, and project goals, a mixed-use project could include more commercial area.

GENERAL PLAN

The Land Development Code was prepared and adopted to implement the vision expressed in the General Plan. The proposed amendments continue to implement the vision of the General Plan by further clarifying development standards for mixed-use projects. These proposed amendments are consistent with the General Plan.

PUBLIC COMMENTS

As of the time the staff report was prepared, no public comments had been received.

PUBLIC NOTIFICATION

Legal notices were published in the Herald Journal on 5/28/19 and posted on the City's website and the Utah Public Meeting website on 6/6/19.

AGENCY AND CITY DEPARTMENT COMMENTS

As of the time the staff report was prepared, no comments have been received.

RECOMMENDED FINDINGS FOR APPROVAL

The Planning Commission bases its decisions on the following findings:

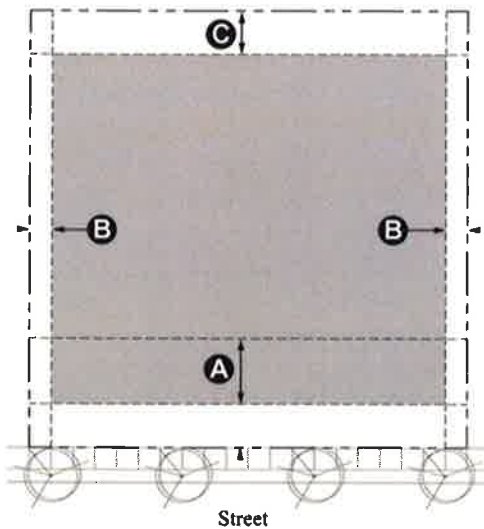
1. Utah State Law authorizes local Planning Commission to recommend ordinance changes to the legislative body (Municipal Council).
2. The Code Amendments are done in conformance with the requirements of Title 17.51 of the Logan Municipal Code.
3. The proposed Code Amendments are consistent with the Logan City General Plan.
4. The proposed Code Amendments will clarify the minimum amount of commercial area for each mixed-use project.
5. No public comment has been received regarding the proposed amendments.

This staff report is an analysis of the application based on adopted city documents, standard city development practices, and available information. The report is to be used to review and consider the merits of the application prior to and during the course of the Planning Commission meeting. Additional information may be revealed by participants at the Planning Commission meeting which may modify the staff report and become the Certificate of Decision. The Director of Community Development reserves the right to supplement the material in the report with additional information at the Planning Commission meeting.

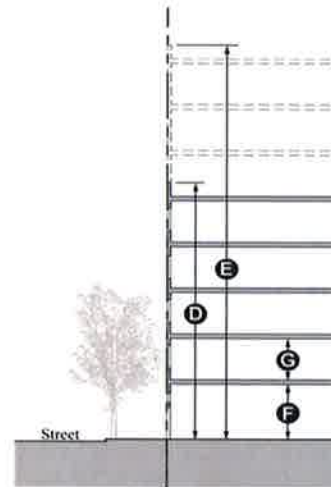
17.10: Specific Development Standards: District and Corridor Zones

17.10.100: Mixed Use (MU) Development Standards

The intent of the Mixed-Use Zoning District (MU) is to encourage a concentration of different uses within an overall project. Mixed Use developments shall have both a residential and a commercial component and shall be scaled to ensure consistency with the surrounding neighborhoods. Both Commercial and residential development are required elements of a mixed-use project. Mixed use projects can utilize “horizontal” mixed use where commercial, office and residential uses are designed as a single project, yet constructed in separate and distinct building footprints. Mixed use projects in the more urbanized area are encouraged to employ “vertical” design strategies where commercial, office and residential uses are designed as a single project and constructed within the same footprint, with pedestrian oriented commercial and retail uses on the main level and office and/or residential uses on the upper floors.



Site Plan Diagram



Site Plan Diagram

Residential Density

Units/acre (max)	30
Residential Density Bonus*	10

Lot Coverage (Maximum)

Lot Coverage	60%
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Building Frontage (Minimum)

% at Front Setback	60%
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Ground Floor Commercial Optional*

A residential density bonus of up to 10 additional units per acre may be permitted if all buildings fronting onto a public street have street facing commercial space on the ground floor with a minimum depth of 50’ and residential above (vertical mixed use).

Minimum Commercial Uses (options)

(1) Each mixed-use project shall have a minimum of 10% of the total building square footage dedicated to commercial uses. The Planning Commission may authorize a reduction in the amount of minimum commercial building area if the Commission can make findings supported by substantial evidence that the goals

and intent of the mixed-use zone are being achieved with the project design.

(2) Each mixed-use project shall have a minimum of 10% of the total residential building footprint dedicated to commercial uses.

(3) Each mixed-use project shall have a minimum of 5% of the total building square footage dedicated to commercial uses.

(4) Each mixed-use project shall have at least 10% of the total land area devoted to commercial uses.

(5) Each mixed-use project on a site containing more than 10 Acres shall have at least 5,000 square feet of commercial building space. Each mixed-use project on a site containing less than 10 acres shall have at least 3,000 square feet of commercial building space.

(6) Each mixed-use project shall have a minimum of 20% of the total building footprint dedicated to commercial uses.

In lieu of providing a minimum amount of Commercial building area (Open Space Option), a mixed-use project shall increase the amount of open space by at least 10% (20% open space/10% useable outdoor space).

17.10: Specific Development Standards: District and Corridor Zones

Building Setbacks

Ⓐ Front (min-max)	0'-10'
Ⓑ Side (min)	8'
Side Common Wall	0'
Ⓒ Rear (min)	10'

Building Heights (Maximum)

Ⓔ Primary Building Height	58'
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Ground Floor Height (Minimum)

Ⓕ Ground floor height	12'
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Transparency (Fenestration)

Ground Floor (frontage)	50%
Ground Floor (exposed sides)	20%
Upper Floors (frontage)	20%

Residential Design Standards

Multi-family residential projects shall comply with residential design standards in Section 17.09

Parking

Location	Side/Rear
Front Parking Setback	10'
Side/Rear Parking Setback	5'

Commercial Parking Requirements: Minimum number of stalls based on use type.

Residential Parking Requirements	2/unit
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Land Set Asides

Open Space	10%
Useable Outdoor Space	10%

17.10: Specific Development Standards: District and Corridor Zones