

# Sugar House Hotel General Plan Amendment Request

Per SLC code: 21A.50.050

The Sugar House Hotel project located at 2111 South 1300 East, Salt Lake City (A.P.N.: 16-20-230-001 & 16-20-230-003) requests a General Plan Amendment change to the General Plan for the subject property from Mixed Use – Low Intensity (MULI) to Business District Mixed Use – Town Center Scale (BDMU-TC). Our proposed project which we plan to develop pursuant to BDMU-TC is consistent with and Master Plan across the street on the west side of 1300 East and is the only private, developable parcel on the east side of 1300 East between 2100 South and I-80 to the south.

The developers of the Sugar House Hotel understand that there is pending zoning changes which, if adopted, will affect available zoning for the subject property. The proposed development is intended to be compatible with the goals of the contemplated MU8 zoning, conforming to the requirements for height, setback, sidewalk, landscaping, parking, etc. Sugar House Hotel responses and comments for each point are listed in [Blue](#) following each item.

## A. CONSIDERATION FACTORS FOR GENERAL PLAN AMENDMENTS

In reviewing a proposal to modify the general plan, the planning commission and city council should consider, but are not limited to, the following factors:

1. Whether the proposal is consistent with citywide policies.

[Yes, we believe the project is consistent with citywide policies as Items 2 - 11 address.](#)

2. Whether the proposal is consistent with the goals, policies, or implementation actions of the general plan, including applicable element plans.

[Sugar House Hotel is a "pedestrian first", "vibrant character", "mixed-use" \(Sugar House Master Plan \[hereinafter "SHMP"\], pg. 1 scope and goals\) project is complimentary to the Business District – Mixed Use designation on the west side of 1300 East. The project will include streetside amenities to a walkable community from the front door of the park to the surrounding uses.](#)

3. Whether significant change has occurred that warrants the creation of a new plan or an update to an adopted plan.

[Our project changes the use of the subject property brings increased and various amenities in close proximity to the Sugar House Park by changing the prior use of a sit-down restaurant to an upscale hotel with a restaurant, event venue and retail space which are not only desirable for the Sugar House community, but is perfectly aligned with both the Master Plan designation of BDMU-TC applied on the west side of 1300 East and the MU-11 zoning which has replaced the SHBD1 zoning currently existing on the west side of 1300 East.](#)

4. Whether the goals, policies, or implementation actions of the plan to be amended have been achieved, are no longer relevant to or capable of addressing the current issues or needs of the neighborhood or the city, or are no longer aligned with policies in citywide plans.

The proposed amendment will implement and extend the updated BDMU-TC designation to the east side of 1300 East and be complimentary to the same master plan designation on the west side of 1300 East providing an attractive bridge from the BDMU-TC to the Sugar House Park.

5. For petitions submitted by a property owner, the extent, effectiveness, and proportionality of the public benefit proposed by the petitioner to the increase in development potential if the proposal were to be adopted by the city council.

The mixed-use hotel and retail building will "promote a walkable community with a transit oriented, mixed-use town center that can support a twenty-four (24) hour population" (SHMP, pg 4). Our hotel use is the 24-hour east anchor of the walkable community and a tie to the park. Additionally, our retail components are walkable and accessible to park users and the city's population.

6. 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.

Not Applicable – Subject site is vacant with no structures.

7. 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.

Not Applicable – Subject site is vacant with no structures.

8. The potential impacts to properties in the immediate vicinity of the proposal.

The proposed project is designed to provide services for park visitors and will construct sidewalks providing easier access and landscaping which will be complimentary and tie together the park and the Sugar House Hotel amenities.

9. The potential impacts on the city to provide safe drinking water, storm water, and sewer to the property based on the additional development potential of future development.

Initial DRT review indicates that city infrastructure can handle the loads. Water supply is located in 2100 South and appears to have enough pressure to handle all site needs. Storm water and sewer are located in 1300 East and can connect from the southeast corner of the site. Other utilities including power and data needs also appear to be sufficient.

10. The potential impacts to public safety resources created by the increase in development potential that may result from the proposed amendment.

The project improves public safety with eyes on the park. The prominent position of the hotel relative to the park will provide increased monitoring by hotel employees of the west end of the park 24 hours a day, 7 days a week, 365 days a year. Employees will be present at all times. Security cameras will also be present.

11. The potential impacts to any other city service, infrastructure, or resource that may be impacted by the increase in development potential that may result from the proposed amendment.

Aside from the impacts discussed above, we are not aware of any adverse impacts.

## **B. COMMUNITY BENEFITS**

Every general plan amendment application must include a proposed community benefit and should demonstrate that the benefit would not otherwise be available without the proposed amendment. The proposed community benefit should be proportional to the increase in development potential should the amendment be adopted. The following are community benefits that could be proposed:

1. Plan: Develop the Sugar House Community to be a sustainable, attractive, harmonious, and pedestrian-oriented community. Project: Hotel works as a connection between Park and business district with a mixed use first floor including food, bike rental, and activities equipment rental.
2. Plan: Maintain, protect, and upgrade Sugar House as a residential community with a vital supporting commercial core. Project: Proposed project provides walkable retail spaces for residents and a hotel, whose guests will utilize the local community as they visit the neighborhood overnight.
3. Plan: Strengthen and support existing neighborhoods with appropriate adjacent land uses and design guidelines to preserve the character of the area. Project: The Hotel will match the feel of the MU zoning in the area, but our location will allow us to be a gateway to the park from surrounding areas.
4. Plan: Provide the needed infrastructure improvements through public, as well as public/private partnerships. Project: The hotel will work with existing infrastructure. Working with Sugar House Park, we hope to improve the open space surround our project as part of our park/city gateway and integration goals.
5. Plan: Encourage new development that substantially strengthens and unifies the Sugar House Business District focused at the Sugar House Plaza Monument at 2100

South and 1100 East. Project: The Hotel is a boutique project focused on a local experience, including enhancing use of the nearby Plaza Monument.

6. Plan: Improve all modes of mobility including street and trail networks, transit, pedestrian and bicycle movement opportunities, and off-street cooperative parking facilities. Project: All Hotel parking is underground, with a focus on walkability and bike trail connectivity.
7. Plan: Provide pedestrian-scale activities in the Sugar House Business District by providing open space corridors and useful streetscape amenities. Project: The Hotel Streetscape will connect to the park through upgraded hotel plaza and landscape connection
8. Plan: Direct a mixed-land use development pattern within the Sugar House Business District to include medium and high-density housing and necessary neighborhood amenities and facilities. These developments will be compatibly arranged, taking full advantage of future transit stations, Sugar House Park, Fairmont Park, and the proximity to the retail core. Project: The Hotel is focused on a local experience with a strong symbiotic relationship to the Sugar House Park and the neighborhood. Our hotel use satisfies short term housing needs and frees up other housing for long term residents.
9. Plan: Encourage increased intensity, greater diversity of land use, and locally owned businesses in the Sugar House Business District. Project: The Hotel retail, especially the lobby experience and café will have a local focus and product focus. The design of the hotel will feature local relevant custom designs and will be operated locally. The area is underserved by hotels so the additional rooms will add to diversity of land use.
10. Plan: Support small locally owned neighborhood businesses to operate harmoniously within residential areas. Project: The Hotel is all about a local experience in its design, operations, and services to and within the community.

In addition to the general responses above, please find below more specific community benefit proposals for consideration:

## Community Benefit Description Section:

In addition to the general responses above, please find below more specific community benefit proposals for consideration:

### Project-Driven Benefits of MU-8 Versus Existing MU-3 Zoning

The proposed hotel development provides significant benefits to the local community and the city, benefits that simply are not possible with the uses and scale allowed under the existing MU-3 zoning.

#### Major Economic Boost for Residents and the City:

Our project produces several economic benefits that would not be possible, or nearly as large, under existing zoning

- **Generates Substantial Tax Revenue:** The hotel and its associated restaurants are estimated to generate nearly **\$25,000,000 in additional sales tax revenue** over the first 10 years of operation, alone. This includes a combination of sales tax (8.45%), transient room tax (7.07%), and an additional restaurant food tax (1.0%). Beyond sales tax, the proposed improvements will contribute **several hundred thousand dollars in annual property taxes**.
- **Creates High-Quality Jobs:** This project is set to create **over 50 Full-Time Equivalent jobs**. These positions will offer an attractive average wage of \$25 per hour, with several roles providing salaries exceeding \$100,000 annually. All full-time employees will qualify for comprehensive benefits, including health insurance.
- **Boosts Local Commerce and Foot Traffic:** While we hope guests will enjoy our on-site dining, the reality is that our **150+ guests per night** will actively frequent and spend money at walkable shops, restaurants, and other local establishments. Many of these businesses are currently facing challenges due to insufficient customer traffic. This hotel use, which necessitates the proposed zoning change, will provide essential economic stimulation that extends well beyond the project site.
- **Self-Funded Development: No public money has been requested or will be used** to facilitate the development of this project.
- The development team and management of the hotel are **local and long-time residents** of to the Salt Lake MSA and returns from the hotel will remain local.

## Amenities for Local and Guest Use

If approved under the new zoning, this project will introduce several key amenities designed to serve both hotel guests and the broader Sugar House community.

- **Upscale Hotel Rooms:** We will offer high-quality accommodations that provide a much-needed option for residents who have visiting friends and family, as well as for business and vacation travelers to the area. Sugar House currently lacks a hotel of this standard.
- **Activity Center with Equipment Rentals:** Located conveniently in the lobby, this center will provide equipment rentals such as: bikes, sporting gear, frisbees, etc., encouraging active use of the adjacent park and surrounding areas.
- **Lobby Café & Coffee Shop:** This inviting public space will serve as a vibrant gathering point for hotel guests and residents alike. It is an ideal spot for casual meet-ups or as a convenient stop while enjoying the park.
- **7th-Floor Rooftop Restaurant:** This elevated dining experience will offer an upscale culinary option for the community, complete with breathtaking views of Sugar House Park and the surrounding mountains—a unique feature few venues can offer in the greater Salt Lake City area.
- **Versatile Meeting & Event Space:** The hotel will feature flexible rooms available for a wide array of uses, from business meetings and social functions to government gatherings and community events, serving both hotel patrons and local organizations.

## Frontage Activation /Encouraging Pedestrian Use/Park and Neighborhood Connections

Our proposed development will serve as a vital link between the Sugar House neighborhood and Sugar House Park, actively encouraging pedestrian use and creating a welcoming gateway for everyone

- **Gateway to the Park:** We recognize our property's unique position as an entry point to both Sugar House and the park. We embrace the opportunity and responsibility to foster this connection. We will achieve this in two key ways:
  - First, our building design, layout, and high-end, locally inspired presentation, including prominent **neighborhood signage**, will offer an inviting entry point for those using 1300 East. This refined aesthetic and improved entry perspective is not feasible under current zoning due to height and cost limitations.
  - Second, our design ensures **pedestrian connections on all sides**, with improved sidewalks surrounding the building. This effectively bridges the urban environment on one side with the natural beauty of the park on the

other, serving as an unofficial entry point for hotel guests, local pedestrians, and cyclists utilizing the soon-to-be-created bike paths. We have meticulously designed the building to minimize un-activated rear facades, maximizing this connection.

- **Vibrant Street Activation:** The increased height allowed by our MU-8 zoning request enables us to create attractive first-floor retail space along the frontage. This will infuse life into the intersection and energize the entire area. Additionally, the height allows us to dedicate most of the remaining first-floor space to a bustling lobby, generating significant "buzz" from hotel activities, public access to banquet and meeting spaces, and a ground-floor café. Lower height, existing, zoning would necessitate a less attractive use
- **The Unique Benefit of a Hotel Use:** A hotel offers a unique and distinctly public benefit compared to other uses like apartments or offices. With those, one often needs to be a resident or know a tenant to truly "use" the site as part of their experience. A location as prominent and special as ours deserves a more public-engaging use. The various amenities and activities within our project, such as the coffee shop and restaurant, are **open to all members of the community** as customers, without requiring them to be hotel guests.

### Transportation Benefits

The proposed hotel development provides substantial transportation benefits, directly addressing local needs and promoting sustainable travel.

- **Excess Supply of Underground Parking:** Our project includes a **fully underground parking garage with over 180 spaces** (see more details under community benefit). This capacity significantly exceeds the requirements set by our third-party parking consultant, allowing us to provide ample use for our guests paid parking for the surrounding community. This added capacity will help alleviate existing parking pressures in the area.
- **Lower Traffic Generation:** A hotel operation, which requires the proposed height rezone, inherently generates less vehicular traffic compared to smaller, high-traffic generating retail uses. Hotel guests typically rely less on personal vehicles during their stay and are more inclined to use public transportation or rideshare services than local patrons, thereby reducing perceived development impact on overall traffic congestion.
- **Optimized Rideshare Area:** We have incorporated a well-designed drop-off and pick-up area that is ideal for rideshare services and carpooling, benefitting both hotel guests and park or neighborhood visitors. This publicly accessible space enhances convenience and safety, eliminating the need for vehicles to use the park loop road or other potentially hazardous locations along busy city streets.

- **Promoting Mass Transit Use:** A notable number of our out-of-state guests will likely utilize the S Line, connecting seamlessly from the airport via other TRAX lines. This increased utilization of mass transit uses among our guests, compared to other potential site uses that would attract more local, car-dependent visitors, will significantly reduce overall traffic impact of our project. Furthermore, future proposed (but not yet adopted) S Line expansion plans are highly synergistic, with a potential line extension situated to within a quarter-mile of the site. This strong compatibility with mass transit directly contributes to alleviating local traffic and parking concerns.

### **Ground Lease Challenges: A Barrier to Future Redevelopment**

The current ground lease agreement presents a critical challenge to the redevelopment of this site if the requested rezone is denied. With **roughly 16 years remaining** on the primary term of the underlying ground lease, it is highly probable the property will remain undeveloped for at least that duration without approval of a project. This stems from the fact that the current leaseholder, Maverik, is contractually obligated to continue making rent payments, effectively removing any financial incentive for the landlord to invest in or improve the property.

Denying this project would not only halt the current proposal but would also likely **deter future development initiatives**. The site would then be highly viewed as an unfeasible location for significant capital investment. Consequently, without a rezone that supports an economically viable project from the perspective of private developers, the property will most likely persist in its current neglected state. This persistent visual blight, situated at a key entry point to both the neighborhood and Sugar House Park, would undeniably **impede the broader neighborhood redevelopment** that recent city zoning changes aim to foster in the surrounding and adjacent area. Ultimately, a failure to rezone will lock the property into its existing condition for an extended period, as the ground lease structure removes any economic incentive for change on behalf of the land owner or perspective tenant.

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### **Community Benefits (as defined per SLC Statute)**

Our proposed Hotel Development and requested zoning actively addresses and meets several key criteria articulated within **Salt Lake City's Community Benefits statute, Section 21A.50.050**.

#### **Housing Needs (section A of SLC criteria)**

Our proposed development is **housing-neutral**, as it does not displace any existing long-term residential units. The key housing-related benefit our project delivers is the creation of **145 short-term hotel rooms** within the neighborhood. This hotel use is only economically viable with the requested rezone to a taller height.



Currently, online platforms like VRBO and Airbnb show several dozens of homes in the area being offered as short-term rentals, directly diminishing the supply of available housing for permanent residents. This trend is only projected to accelerate, particularly during large-scale events such as the Olympics. While we do not suggest our project will completely halt the use of homes for short-term rentals, by offering a dedicated and substantial supply of such short-term accommodations, our hotel will serve as a critical **"release valve."** This helps to reduce the incentive for residential properties to be diverted into the short-term rental market, which will, in turn, contribute, at least marginally, to **improving housing affordability** for the community in a way other development types would not.

### **Commercial Space for Local Benefit (section B of SLC criteria)**

The proposed project incorporates three distinct commercial components designed to yield mutual benefits for both the development and the community, with commitments that can be formally secured through an agreement with Salt Lake City during the entitlement process.

- **Incentivized Leases for Local Businesses in Retail Spaces**

- We are planning approximately **3,500 square feet** of street-front retail space, which can be divided into two units. To foster and benefit local economic growth, we propose several favorable contractual terms for local businesses. As an integrated part of the community, our hotel is eager to connect visitors with local offerings, creating a mutually advantageous scenario.
- **Local Tenant Requirement:** A minimum of one of the two available first floor retail spaces shall be leased to a local tenant at a rate of at least **25% below prevailing market rent.**
- **0% Interest Financing for Local Tenants:** For any space leased to a local tenant (up to 100% of its square footage), the hotel ownership will finance 100% of construction costs, tenant improvement budgets, and business property investments at a **0% interest rate.** The term for principal repayment will be matched to the initial lease term. To mitigate potential misuse, a cap of \$100 per square foot is proposed for this financing (totaling up to **\$350,000 interest free loan** for the full designated space).
- **Defining "Local":** We will collaborate with the Sugar House Community Council, or a designated local group, to establish clear criteria for defining "local tenants." It is a requirement that the tenant possess

relevant experience in their field and that their business use be compatible with both the hotel operations and other neighborhood uses (e.g., no vape shops).

- **Implementation Details:** Further specifics will be defined later in this process, incorporating feedback from the community.
- **Dedicated Community Meeting Room**
  - Our approximately **2,000 square foot second-floor meeting room** is ideally suited for business meetings, social gatherings, or community functions. Its generous size and direct stair access to the lobby (facilitating easy access to the adjacent park and neighborhood) enhance its utility and convenience.
  - We commit to entering into an agreement with the city to make this second-floor meeting room, in either of its potential configurations, **available free of charge to qualified community groups at least twelve times per year**. We propose that the Sugar House Community Council, or groups officially designated by them, manage the scheduling of these community requests. All groups utilizing the space will be required to observe standard hotel rules and policies regarding noise, room usage, and potential damages, as applied to all other events. This provision will allow community organizations to leverage the project's prime location and amenities.
- **Lobby Café: Fostering Local Partnerships**
  - We intend to actively engage with the community to either **partner with a local operator or a local brand/supplier** for our lobby coffee shop. At a minimum, we commit to prioritizing the procurement of local products and flavors for sale within the café. During the design phase, all efforts will be made to identify suitable local partners to enable this offering. A locally-infused café experience within the hotel lobby will undoubtedly enhance the guest experience and provide locals with an additional compelling reason to visit for coffee, particularly as part of their park experience, creating a clear mutual benefit. Our business model is that our guests value the local experience as part of their stay.

### **Dedication of Public Space (section C of SLC criteria)**

Given our status as the applicant operating under a ground lease with the landowner, direct land dedication is not feasible. Nevertheless, we propose substantial contributions to public space enhancement as follows:

- **Public Art space and installation:** We commit to developing and installing a prominent public art feature at the center of the hotel's plaza area on the park

side. This commitment will be formalized via a development agreement, running for the duration of our ground lease. Drawing inspiration from the notable Whale sculpture in the 9th and 9th neighborhood, this large-format art piece will be chosen through a publicly transparent application and selection process, managed by the hotel. The hotel will bear the full cost of the artist's work and provide the necessary space for the installation. Furthermore, the hotel is open to financing periodic replacement projects in the future, ensuring the artistic contribution remains vibrant and responsive to the evolving neighborhood character.

- **Park Improvements:** We have been in conversations with the Sugar House Park Authority to improve the area of Sugar House Park around the hotel site. This improvement includes regrading of land, new sidewalks/bike area, landscape, irrigation, grass, and trees that are compatible with the park's arboretum plan. If we can reach agreement with the park, these improvements, paid at hotel expenses, will permanently improve the appearance of and access to north west side of the park for all users. This is not a dedication of open space but an improvement on existing open space. Our conversations with the Park Authority to this point have been positive and we are optimistic we can reach an agreement. We also plan our site improvements (mandated by city) like widened sidewalks and light, will now be integrated into those park improvements to facilitate the connection from city and city bike/pedestrian access to the park through our property. This improves the walking infrastructure of the intersection and area.

### **Expanding Public Infrastructure (section F of SLC criteria)**

Our project significantly contributes to expanding public use infrastructure, particularly in the areas of safety and parking.

- **Enhanced Security Presence:** Our hotel's 24-hour occupancy and security presence, made possible by the rezone, will provide a continuous, lighted, and monitored space adjacent to Sugar House Park. We understand from city officials that park safety, including concerns about unhoused individuals, is a priority. While we deeply empathize with their situation, we are also aware that police occasionally conduct park sweeps, which can lead individuals to gather near our property. Our round-the-clock operations, coupled with 24-hour camera surveillance, will actively complement existing police security plans in the park, enhancing their efforts for the benefit of both locals and law enforcement. At our other managed hotel properties, we routinely welcome police during their rounds, offering amenities like coffee and a safe parking spot, a practice we intend to continue at this location.

- **Substantial Public Use Parking Garage:** During our community engagement, we recognized that parking is a major neighborhood concern. We share this concern, as our guests and visitors also need convenient parking without relying on already-occupied street spaces. Therefore, we designed a large, fully underground garage to accommodate the concern. Despite our third-party parking feasibility study and Salt Lake City code indicating sufficient capacity, community feedback prompted us to continually increase the garage's size. As it is underground, this expansion creates no negative visual impact. This infrastructure provides several key benefits:
  - Our **180+ space garage** offers a significant surplus of parking spots available for non-guest paid use.
  - During daytime hours and on most non-event nights, we will have ample parking to serve community members and support future development on adjacent blocks following recent zoning changes.
  - Even during high-demand periods, our calculations confirm sufficient spots for non-guest parking. This estimated **\$13 million infrastructure improvement** is only feasible with the rezone, which allows us to achieve the necessary surface density. It represents a substantial investment that will greatly benefit the community and the hotel as the area grows and would not be economically possible with lesser density zoning.
- **Integrated Park Improvements:** As detailed in the "Dedication of Public Space" section (SLC Criteria Section C), we are actively collaborating with the Sugar House Park Authority on significant park improvements. These enhancements are also directly applicable under this public infrastructure criterion, further bolstering connectivity and public amenities.

## **Sugar House Hotel Zoning Amendment Request**

Per SLC code: 21A.50.050

The Sugar House Hotel project located at 2111 South 1300 East Salt Lake City (A.P.N.: 16-20-230-001 & 16-20-230-003) requests a Zoning change to Mixed Use 8 (MU8). Our proposed project which we plan to develop pursuant to MU8 is a lower height but complimentary to the MU11 zoning across the street on the west side of 1300 East. Furthermore, we plan to utilize the Design Review process working with the planning department and planning commission. We are hopeful that the combination of our requested zoning and the Design Review process will approve a non-high-rise 7 story above ground building only up to a height of 90 feet. The zero setback, sidewalk sizes, and tree landscaping requirements for MU8 will be met. However, we hereby request a waiver of the step back requirements from 85' to 90' height on the streetside of the building. We also request that the pool deck step back be allowed to meet the open space step back requirement on the east park side. To this point, it is important to note that the hotel is already set back from the allowed building envelope on the majority of the east side (excepting the northeast corner) in order to facilitate an attractive transition into the park. Additionally, given our unique location, our project will serve as the unofficial entrance to the Sugar House neighborhood, with its proximity to 1300 East and I-80 and as a bridge between the city and the park. As such, we also request that through the Design Review process our project be granted a variance to standard city/zoning signage that recognizes that entrance and gateway element of our project.

With the adoption of MU8,, we are requesting the MU8 zoning apply to this property. The terms of the proposed Design Review standards are planned to bring compatibility with the goals of the contemplated MU8 zoning to closely match the zoning requirements for height and setback and landscaping. See the standard for general amendments listed below. Sugar House Hotel responses and comments for each point are listed in [Blue](#) following each item.

21A.50.050: STANDARDS FOR GENERAL AMENDMENTS:

**A. Decision to amend the text of this title or the zoning map by general amendment is a matter committed to the legislative discretion of the city council and is not controlled by any one standard.**

[Items 1 through 7 for planning commission consideration are noted.](#)

**B. In making a decision to amend the zoning map, the city council should consider the following:**

1. 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;

Sugar House Hotel is a "pedestrian first", "vibrant character", "mixed-use" (Sugar House Master Plan [hereinafter "SHMP"], pg .1 scope and goals) project and is complimentary to the CSHBD1 zone on the west side of 1300 East. It will meet the MU8 requirements for setback (with one exception noted above with proposed mitigation), sidewalk, and landscape requirements. The project will include the 10' sidewalks, trees on the street, and mixed-use streetside amenities to a walkable community from the front door of the park to the surrounding uses.

2. Whether a proposed map amendment furthers the applicable purpose statements of the zoning ordinance;

The mixed-use hotel and retail building will "promote a walkable community with a transit oriented, mixed-use town center that can support a twenty-four (24) hour population" (SHMP, pg 4). Our hotel use is the 24-hour east anchor of the walkable community and a tie to the park. Additionally, our retail components are walkable and accessible to park users and the city's population.

3. 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 currently apply to the property;

The change in zoning allows this project to form a symbiotic relationship with Sugar House Park. It brings retail and restaurant amenities that park patrons are encouraged to use, as well as hotel patrons enjoying the park. Our project, at 7 stories above ground, is of similar height to existing buildings west of the site and will be lower than future buildings could be after their recent rezone to MU 11. The project includes improvement in access to the park with new sidewalks and plantings. The Sugar House Hotel project is working with the Park Authority to make these improvements.

4. Whether a proposed map amendment is consistent with the purposes and provisions of any applicable overlay zoning districts which may impose additional standards; and

The proposed amendment will implement MU8 on the east side of 1300 East and be complimentary to the MU11 zoning on the west side of 1300 East. There are no overlay districts for this property.

5. 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.

Initial DRT review indicates that city infrastructure can handle the loads. Water supply is located in 2100 South and appears to have enough pressure to handle all site needs. Storm water and sewer are located in 1300 East and can connect from the southeast corner of the site. Other utilities including power and data needs also appear to be sufficient.

6. 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.

"The community envisions an experience where a pedestrian can walk from Sugar House Park to Fairmont Park, utilizing paths and sidewalks to shop, recreate, or just relax" (SHMP, pg. 4). The Sugar House Hotel is the anchor to this vision. It provides its own parking directly adjacent to the park with amenities and improvements consistent with the MU8 requirements, especially walkable streetscapes. Our traffic study shows that our proposed project has a minimum impact on existing traffic through the adjacent intersection. The project will reduce the number of curb cuts from 3 to 2, and the remaining curb cuts are placed as far as possible from the traffic signal, further than the existing curb cuts.

Additionally, through our bike rental program area from our lobby, we can actively encourage bike from the hotel to the park or nearby destinations, farther reducing use of cars and street infrastructure from our guests and park users.

7. The proximity of necessary amenities such as parks, open space, schools, fresh food, entertainment, cultural facilities, and the ability of current and future residents to access these amenities without having to rely on a personal vehicle.

The project is symbiotic with Sugar House Park. It is anticipated that hotel patrons will use the park facilities and park patrons will use the hotel facilities. This includes use of the restaurant, rented banquet hall, lobby café, outdoor activities rental equipment, bicycle rental, and third-party retail shops/dining. All of these different uses are very walkable from each other and our project.

8. The potential impacts to public safety resources created by the increase in development potential that may result from the proposed amendment.

The project improves public safety with eyes on the park. The prominent position of the hotel relative to the park will provide increased monitoring by hotel employees of the west end of the park 24 hours a day, 7 days a week, 365 days a year. Employees will be present at all times. Security cameras will also be present.

9. 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.

[Site is currently empty.](#)

10. 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.

[Site is currently empty.](#)

11. The community benefits that would result from the proposed map amendment, as identified in Section 21A.50.050.C.

[See C.1, C.2, and C.3 below](#)

**C. Community Benefit. Each petition for a zoning amendment that is initiated by a private property owner shall identify a community benefit(s) provided by the proposal that would not otherwise be provided without the amendment as provided for in this section.**

**1. The proposed community benefit(s) shall be within any of the following categories:**

- a. Providing housing that aligns with the current or future needs of the community as determined by the general plan. Needs could include the level of affordability in excess of the number of dwellings that exist on the site, size in terms of number of bedrooms, or availability of housing for purchase;

[This hotel project supplies the transient need for short-term housing in this 24 hour mixed-use zone. It competes with and outperforms the short-term housing rental that can overpower nearby neighborhoods when homes are used for short term rentals instead. More detailed information can be found below in our included Community Benefit Description section.](#)

- b. Providing commercial space for local businesses or charitable organizations;
  - [The proposed development provides commercial/retail space for local businesses on the ground floor, facing both the street/sidewalk and Sugar House Park. We propose reduced rent and business financing to local tenants who occupy the street-frontage retail space, to encourage and help local businesses to expand and grow. More detailed information can be found below in our included Community Benefit Description section.](#)



- The active commercial/retail space occupies approximately 30% of the space on the ground floor while the remainder is for hotel functions. The hotel-operated Cafe space will be local-product focused as we expect guests staying at the hotel to be looking for a local experience.
- c. Providing a dedication of public open space;
- While no new open space is provided on the site of the parcel, the proposed development is working with the Sugar House Park Authority to enhance the relationship between the site and the park. Landscaping improvements and access between the site and the park are integrated into the project design. We also hope to be able to feature local artists in key part of our site, including the circle near the drop off between the hotel and the park. More detailed information can be found below in our included Community Benefit Description section.
- d. Providing a dedication or other legal form of protection from future development of land that is adjacent to a river, creek, wetland, floodplain, wildlife habitat, or natural lands;
- The project team is aware of the adjacent earthen dam and the important role it plays in flood control. The necessary easements for accessing the earthen dam are provided on the south side of the site.
  - The design mitigates impact between the hotel and the adjacent properties and uses with a concrete wall that will be constructed below grade for the underground parking.
- e. Preserving historic structures not otherwise protected;  
No historical features on site.
- f. Expanding public infrastructure that expands capacity for future development.
- As part of the building and site design, updates and improvements will be made to the sidewalk and streetscape, with 10-foot-wide sidewalks and appropriately spaced street trees. The wider sidewalks will support better pedestrian flow. Our parking will service as an amenity to the area as well, and other improvements. More detailed information can be found below in our included Community Benefit Description section.
  - No upgrades to utilities are anticipated or required as part of the project.

**2. The proposed community benefit may be evaluated based on the following, if applicable:**

- a. For proposals that are intended to increase the housing supply, the level of affordability of the additional density that may be allowed if the proposal were to be adopted;  
Hotel provides transient housing needs allowing for greater restriction on short-term rental housing. More detailed information can be found below in our included Community Benefit Description section.
- b. The percentage of space allocated to commercial use compared to the total ground floor area that could be developed on the site;  
Ground floor is 30% retail uses, and will be over the required 75% active uses, with support space for both hotel and retail needs. While the ground floor contains drop off area and loading spaces, 100% of parking is below ground. We propose below market rent and 0 percent financing for local tenants in those ground floor street-fronted retail spaces. More detailed information on that and other points can be found below in our included Community Benefit Description section.
- c. The size of the public open space compared to the total developable area of the lot, exclusive of setbacks, required landscaped yards, and any open space requirement of the proposed zoning district;  
As noted above no dedicated public open space is included in the project. Our property will contain an entry plaza, just under 20% of the site, including works by local artists. The vehicle entry plaza is the connection between hotel amenities and the park. The project does not intend to have a fence or barrier between the park and hotel. More detailed information can be found below in our included Community Benefit Description section.
- d. The relative size and environmental value of any land that is to be dedicated;  
As stated previously no dedication is planned. The project will include access and landscaping improvements to the park within its scope of work.
- e. The historic significance of the structures proposed to be preserved;  
No historical features on site.
- f. The amount of development that could be accommodated due to the increase in public infrastructure capacity compared to the general need for the area;

No increase in public infrastructure capacity is anticipated or required but we do feel the project will add many infrastructure improvements as defined more below in the Community Benefit Description section.

- g. The input received related to the community benefit during the 45-day engagement period;

Pending

- h. Policies in the general plan that support the proposed community benefit.  
Key points and policies in the Sugar House Master Plan that support the proposed community benefit include the following Community Development Objectives:

- Plan: Develop the Sugar House Community to be a sustainable, attractive, harmonious, and pedestrian-oriented community. Project: Hotel works as a connection between Park and business district with a mixed use first floor including food, bike rental, and activities equipment rental.
- Plan: Maintain, protect, and upgrade Sugar House as a residential community with a vital supporting commercial core. Project: Proposed project provides walkable retail spaces for residents and a hotel, whose guests will utilize the local community as they visit the neighborhood overnight.
- Plan: Strengthen and support existing neighborhoods with appropriate adjacent land uses and design guidelines to preserve the character of the area. Project: The Hotel will match the feel of the surrounding MU11 but our location will allow us to be a gateway to the park from other MU areas.
- Plan: Provide the needed infrastructure improvements through public, as well as public/private partnerships. Project: The hotel will work with existing infrastructure. Working with Sugar House Park, we hope to improve the open space surround our project as part of our park/city gateway and integration goals.
- Plan: Encourage new development that substantially strengthens and unifies the Sugar House Business District focused at the Sugar House Plaza Monument at 2100 South and 1100 East. Project: The Hotel is a boutique project focused on a local experience, including enhancing use of the nearby Plaza Monument.

- Plan: Improve all modes of mobility including street and trail networks, transit, pedestrian and bicycle movement opportunities, and off-street cooperative parking facilities. Project: All Hotel parking is underground, with a focus on walkability and bike trail connectivity.
- Plan: Provide pedestrian-scale activities in the Sugar House Business District by providing open space corridors and useful streetscape amenities. Project: The Hotel Streetscape will connect to the park through upgraded hotel plaza and landscape connection
- Plan: Direct a mixed-land use development pattern within the Sugar House Business District to include medium and high-density housing and necessary neighborhood amenities and facilities. These developments will be compatibly arranged, taking full advantage of future transit stations, Sugar House Park, Fairmont Park, and the proximity to the retail core. Project: The Hotel is focused on a local experience with a strong symbiotic relationship to the Sugar House Park and the neighborhood. Our hotel use satisfies short term housing needs and frees up other housing for long term residents.
- Plan: Encourage increased intensity, greater diversity of land use, and locally owned businesses in the Sugar House Business District. Project: The Hotel retail, especially the lobby experience and café will have a local focus and product focus. The design of the hotel will feature local relevant custom designs and will be operated locally. The area is underserved by hotels so the additional rooms will add to diversity of land use.
- Plan: Support small locally owned neighborhood businesses to operate harmoniously within residential areas. Project: The Hotel is all about a local experience in its design, operations, and services to and within the community.

## **Community Benefit Description Section:**

In addition to the general responses above, please find below more specific community benefit proposals for consideration:

## **Project-Driven Benefits of MU-8 Versus Existing MU-3 Zoning**

The proposed hotel development provides significant benefits to the local community and the city, benefits that simply are not possible with the uses and scale allowed under the existing MU-3 zoning.

### **Major Economic Boost for Residents and the City:**

Our project produces several economic benefits that would not be possible, or nearly as large, under existing zoning

- **Generates Substantial Tax Revenue:** The hotel and its associated restaurants are estimated to generate nearly **\$25,000,000 in additional sales tax revenue** over the first 10 years of operation, alone. This includes a combination of sales tax (8.45%), transient room tax (7.07%), and an additional restaurant food tax (1.0%). Beyond sales tax, the proposed improvements will contribute **several hundred thousand dollars in annual property taxes**.
- **Creates High-Quality Jobs:** This project is set to create **over 50 Full-Time Equivalent jobs**. These positions will offer an attractive average wage of \$25 per hour, with several roles providing salaries exceeding \$100,000 annually. All full-time employees will qualify for comprehensive benefits, including health insurance.
- **Boosts Local Commerce and Foot Traffic:** While we hope guests will enjoy our on-site dining, the reality is that our **150+ guests per night** will actively frequent and spend money at walkable shops, restaurants, and other local establishments. Many of these businesses are currently facing challenges due to insufficient customer traffic. This hotel use, which necessitates the proposed zoning change, will provide essential economic stimulation that extends well beyond the project site.
- **Self-Funded Development: No public money has been requested or will be used** to facilitate the development of this project.
- The development team and management of the hotel are **local and long-time residents** of to the Salt Lake MSA and returns from the hotel will remain local.

### **Amenities for Local and Guest Use**

If approved under the new zoning, this project will introduce several key amenities designed to serve both hotel guests and the broader Sugar House community.

- **Upscale Hotel Rooms:** We will offer high-quality accommodations that provide a much-needed option for residents who have visiting friends and

family, as well as for business and vacation travelers to the area. Sugar House currently lacks a hotel of this standard.

- **Activity Center with Equipment Rentals:** Located conveniently in the lobby, this center will provide equipment rentals such as: bikes, sporting gear, frisbees, etc., encouraging active use of the adjacent park and surrounding areas.
- **Lobby Café & Coffee Shop:** This inviting public space will serve as a vibrant gathering point for hotel guests and residents alike. It is an ideal spot for casual meet-ups or as a convenient stop while enjoying the park.
- **7th-Floor Rooftop Restaurant:** This elevated dining experience will offer an upscale culinary option for the community, complete with breathtaking views of Sugar House Park and the surrounding mountains—a unique feature few venues can offer in the greater Salt Lake City area.
- **Versatile Meeting & Event Space:** The hotel will feature flexible rooms available for a wide array of uses, from business meetings and social functions to government gatherings and community events, serving both hotel patrons and local organizations.

### **Frontage Activation /Encouraging Pedestrian Use/Park and Neighborhood Connections**

Our proposed development will serve as a vital link between the Sugar House neighborhood and Sugar House Park, actively encouraging pedestrian use and creating a welcoming gateway for everyone

- **Gateway to the Park:** We recognize our property's unique position as an entry point to both Sugar House and the park. We embrace the opportunity and responsibility to foster this connection. We will achieve this in two key ways:
  - First, our building design, layout, and high-end, locally inspired presentation, including prominent **neighborhood signage**, will offer an inviting entry point for those using 1300 East. This refined aesthetic and improved entry perspective is not feasible under current zoning due to height and cost limitations.
  - Second, our design ensures **pedestrian connections on all sides**, with improved sidewalks surrounding the building. This effectively bridges the urban environment on one side with the natural beauty of the park on the other, serving as an unofficial entry point for hotel guests, local pedestrians, and cyclists utilizing the soon-to-be-created bike paths. We have meticulously designed the building to minimize un-activated rear facades, maximizing this connection.
- **Vibrant Street Activation:** The increased height allowed by our MU-8 zoning request enables us to create attractive first-floor retail space along the frontage.

This will infuse life into the intersection and energize the entire area. Additionally, the height allows us to dedicate most of the remaining first-floor space to a bustling lobby, generating significant "buzz" from hotel activities, public access to banquet and meeting spaces, and a ground-floor café. Lower height, existing, zoning would necessitate a less attractive use

- **The Unique Benefit of a Hotel Use:** A hotel offers a unique and distinctly public benefit compared to other uses like apartments or offices. With those, one often needs to be a resident or know a tenant to truly "use" the site as part of their experience. A location as prominent and special as ours deserves a more public-engaging use. The various amenities and activities within our project, such as the coffee shop and restaurant, are **open to all members of the community** as customers, without requiring them to be hotel guests.

### Transportation Benefits

The proposed hotel development provides substantial transportation benefits, directly addressing local needs and promoting sustainable travel.

- **Excess Supply of Underground Parking:** Our project includes a **fully underground parking garage with over 180 spaces** (see more details under community benefit). This capacity significantly exceeds the requirements set by our third-party parking consultant, allowing us to provide ample use for our guests paid parking for the surrounding community. This added capacity will help alleviate existing parking pressures in the area.
- **Lower Traffic Generation:** A hotel operation, which requires the proposed height rezone, inherently generates less vehicular traffic compared to smaller, high-traffic generating retail uses. Hotel guests typically rely less on personal vehicles during their stay and are more inclined to use public transportation or rideshare services than local patrons, thereby reducing perceived development impact on overall traffic congestion.
- **Optimized Rideshare Area:** We have incorporated a well-designed drop-off and pick-up area that is ideal for rideshare services and carpooling, benefitting both hotel guests and park or neighborhood visitors. This publicly accessible space enhances convenience and safety, eliminating the need for vehicles to use the park loop road or other potentially hazardous locations along busy city streets.
- **Promoting Mass Transit Use:** A notable number of our out-of-state guests will likely utilize the S Line, connecting seamlessly from the airport via other TRAX lines. This increased utilization of mass transit uses among our guests, compared to other potential site uses that would attract more local, car-dependent visitors, will significantly reduce overall traffic impact of our project. Furthermore, future proposed (but not yet adopted) S Line expansion plans are highly synergistic, with a potential line extension situated to within a quarter-

mile of the site. This strong compatibility with mass transit directly contributes to alleviating local traffic and parking concerns.

### **Ground Lease Challenges: A Barrier to Future Redevelopment**

The current ground lease agreement presents a critical challenge to the redevelopment of this site if the requested rezone is denied. With **roughly 16 years remaining** on the primary term of the underlying ground lease, it is highly probable the property will remain undeveloped for at least that duration without approval of a project. This stems from the fact that the current leaseholder, Maverik, is contractually obligated to continue making rent payments, effectively removing any financial incentive for the landlord to invest in or improve the property.

Denying this project would not only halt the current proposal but would also likely **deter future development initiatives**. The site would then be highly viewed as an unfeasible location for significant capital investment. Consequently, without a rezone that supports an economically viable project from the perspective of private developers, the property will most likely persist in its current neglected state. This persistent visual blight, situated at a key entry point to both the neighborhood and Sugar House Park, would undeniably **impede the broader neighborhood redevelopment** that recent city zoning changes aim to foster in the surrounding and adjacent area. Ultimately, a failure to rezone will lock the property into its existing condition for an extended period, as the ground lease structure removes any economic incentive for change on behalf of the land owner or perspective tenant.

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### **Community Benefits (as defined per SLC Statute)**

Our proposed Hotel Development and requested zoning actively addresses and meets several key criteria articulated within **Salt Lake City's Community Benefits statute, Section 21A.50.050**.

#### **Housing Needs (section A of SLC criteria)**

Our proposed development is **housing-neutral**, as it does not displace any existing long-term residential units. The key housing-related benefit our project delivers is the creation of **145 short-term hotel rooms** within the neighborhood. This hotel use is only economically viable with the requested rezone to a taller height.

Currently, online platforms like VRBO and Airbnb show several dozens of homes in the area being offered as short-term rentals, directly diminishing the supply of available housing for permanent residents. This trend is only projected to accelerate, particularly during large-scale events such as the Olympics. While we do not suggest our project will completely halt the use of homes for short-term rentals, by offering a dedicated and substantial supply of such short-term



accommodations, our hotel will serve as a critical "**release valve.**" This helps to reduce the incentive for residential properties to be diverted into the short-term rental market, which will, in turn, contribute, at least marginally, to **improving housing affordability** for the community in a way other development types would not.

### **Commercial Space for Local Benefit (section B of SLC criteria)**

The proposed project incorporates three distinct commercial components designed to yield mutual benefits for both the development and the community, with commitments that can be formally secured through an agreement with Salt Lake City during the entitlement process.

- **Incentivized Leases for Local Businesses in Retail Spaces**

- We are planning approximately **3,500 square feet** of street-front retail space, which can be divided into two units. To foster and benefit local economic growth, we propose several favorable contractual terms for local businesses. As an integrated part of the community, our hotel is eager to connect visitors with local offerings, creating a mutually advantageous scenario.
- **Local Tenant Requirement:** A minimum of one of the two available first floor retail spaces shall be leased to a local tenant at a rate of at least **25% below prevailing market rent.**
- **0% Interest Financing for Local Tenants:** For any space leased to a local tenant (up to 100% of its square footage), the hotel ownership will finance 100% of construction costs, tenant improvement budgets, and business property investments at a **0% interest rate.** The term for principal repayment will be matched to the initial lease term. To mitigate potential misuse, a cap of \$100 per square foot is proposed for this financing (totaling up to **\$350,000 interest free loan** for the full designated space).
- **Defining "Local":** We will collaborate with the Sugar House Community Council, or a designated local group, to establish clear criteria for defining "local tenants." It is a requirement that the tenant possess relevant experience in their field and that their business use be compatible with both the hotel operations and other neighborhood uses (e.g., no vape shops).
- **Implementation Details:** Further specifics will be defined later in this process, incorporating feedback from the community.

- **Dedicated Community Meeting Room**
  - Our approximately **2,000 square foot second-floor meeting room** is ideally suited for business meetings, social gatherings, or community functions. Its generous size and direct stair access to the lobby (facilitating easy access to the adjacent park and neighborhood) enhance its utility and convenience.
  - We commit to entering into an agreement with the city to make this second-floor meeting room, in either of its potential configurations, **available free of charge to qualified community groups at least twelve times per year**. We propose that the Sugar House Community Council, or groups officially designated by them, manage the scheduling of these community requests. All groups utilizing the space will be required to observe standard hotel rules and policies regarding noise, room usage, and potential damages, as applied to all other events. This provision will allow community organizations to leverage the project's prime location and amenities.
- **Lobby Café: Fostering Local Partnerships**
  - We intend to actively engage with the community to either **partner with a local operator or a local brand/supplier** for our lobby coffee shop. At a minimum, we commit to prioritizing the procurement of local products and flavors for sale within the café. During the design phase, all efforts will be made to identify suitable local partners to enable this offering. A locally-infused café experience within the hotel lobby will undoubtedly enhance the guest experience and provide locals with an additional compelling reason to visit for coffee, particularly as part of their park experience, creating a clear mutual benefit. Our business model is that our guests value the local experience as part of their stay.

### **Dedication of Public Space (section C of SLC criteria)**

Given our status as the applicant operating under a ground lease with the landowner, direct land dedication is not feasible. Nevertheless, we propose substantial contributions to public space enhancement as follows:

- **Public Art space and installation:** We commit to developing and installing a prominent public art feature at the center of the hotel's plaza area on the park side. This commitment will be formalized via a development agreement, running for the duration of our ground lease. Drawing inspiration from the notable Whale sculpture in the 9th and 9th neighborhood, this large-format art piece will be chosen through a publicly transparent application and selection process, managed by the hotel. The hotel will bear the full cost of the artist's work and provide the necessary space for the installation. Furthermore, the hotel is open

to financing periodic replacement projects in the future, ensuring the artistic contribution remains vibrant and responsive to the evolving neighborhood character.

- **Park Improvements:** We have been in conversations with the Sugar House Park Authority to improve the area of Sugar House Park around the hotel site. This improvement includes regrading of land, new sidewalks/bike area, landscape, irrigation, grass, and trees that are compatible with the park's arboretum plan. If we can reach agreement with the park, these improvements, paid at hotel expenses, will permanently improve the appearance of and access to north west side of the park for all users. This is not a dedication of open space but an improvement on existing open space. Our conversations with the Park Authority to this point have been positive and we are optimistic we can reach an agreement. We also plan our site improvements (mandated by city) like widened sidewalks and light, will now be integrated into those park improvements to facilitate the connection from city and city bike/pedestrian access to the park through our property. This improves the walking infrastructure of the intersection and area.

#### **Expanding Public Infrastructure (section F of SLC criteria)**

Our project significantly contributes to expanding public use infrastructure, particularly in the areas of safety and parking.

- **Enhanced Security Presence:** Our hotel's 24-hour occupancy and security presence, made possible by the rezone, will provide a continuous, lighted, and monitored space adjacent to Sugar House Park. We understand from city officials that park safety, including concerns about unhoused individuals, is a priority. While we deeply empathize with their situation, we are also aware that police occasionally conduct park sweeps, which can lead individuals to gather near our property. Our round-the-clock operations, coupled with 24-hour camera surveillance, will actively complement existing police security plans in the park, enhancing their efforts for the benefit of both locals and law enforcement. At our other managed hotel properties, we routinely welcome police during their rounds, offering amenities like coffee and a safe parking spot, a practice we intend to continue at this location.
- **Substantial Public Use Parking Garage:** During our community engagement, we recognized that parking is a major neighborhood concern. We share this concern, as our guests and visitors also need convenient parking without relying on already-occupied street spaces. Therefore, we designed a large, fully underground garage to accommodate the concern. Despite our third-party parking feasibility study and Salt Lake City code indicating sufficient capacity, community feedback prompted us to continually increase the garage's size. As it

is underground, this expansion creates no negative visual impact. This infrastructure provides several key benefits:

- Our **180+ space garage** offers a significant surplus of parking spots available for non-guest paid use.
- During daytime hours and on most non-event nights, we will have ample parking to serve community members and support future development on adjacent blocks following recent zoning changes.
- Even during high-demand periods, our calculations confirm sufficient spots for non-guest parking. This estimated **\$13 million infrastructure improvement** is only feasible with the rezone, which allows us to achieve the necessary surface density. It represents a substantial investment that will greatly benefit the community and the hotel as the area grows and would not be economically possible with lesser density zoning.
- **Integrated Park Improvements:** As detailed in the "Dedication of Public Space" section (SLC Criteria Section C), we are actively collaborating with the Sugar House Park Authority on significant park improvements. These enhancements are also directly applicable under this public infrastructure criterion, further bolstering connectivity and public amenities.

**3. The community benefit shall be subject to public input as part of the required 45-day public input period.**

- Community benefits discussed at these meetings include:
  - o the provision of the retail/commercial space for local businesses;
  - o the restaurant and dining options available as part of the project; and
  - o the ability to rent meeting rooms for community needs;
- The project will provide local jobs as well.
- Community organizations have expressed interest in the potential of leasing the upper floor banquet space for high school events, such as a school dance, or weddings, etc.
- Friends and Family of local residents have space for hotel use.

**4. The planning commission may make a recommendation to the city council regarding accepting the proposed public benefit.**

**5. The city council has final authority regarding requiring a public benefit. The city council may accept the proposed public benefit, modify the benefit, require a different public benefit, or waive the public benefit based on the merits of the proposal.**

**6. Any future development where a public benefit is required shall be subject to a development agreement to ensure that the agreed upon public benefit is provided prior to a certificate of occupancy being issued for any building within the future development.**

Through the Design Review process, the SHH project will confirm the requirements of the planning department, planning commission, and city council, including, but not limited to, height and step back requirements allowed and signage relative to our neighborhood entrance and gateway location. Please review our Community Benefit Description section for more info.

**7. A violation of the development agreement that includes not providing the agreed to public benefit shall require the property owner to pay a fine that is equal to the fair market value of the public benefit in the development agreement plus the fines identified in Section 21A.20.040.**

**D,E,F Housing demolition and replacement requirements.**

Site is currently empty.

## **Sugar House Hotel Project and Rezone Community Benefits**

**To:** Salt Lake City Planning Department, Salt Lake City Council, Members of the Sugar House Community

**From:** John Potter, Project Owner and Manager of Sugar House Hotel Development

**Date:** July 14, 2025

**Subject:** Community Benefits of Proposed Sugar House Hotel Development

Our proposed Hotel development at the former Sizzler site in Sugar House seeks a zone change from MU-3 to the new MU-11 zone. This document outlines the significant community benefits of this project, demonstrating how it aligns with and enhances the goals for the Sugar House neighborhood. Our aim is to ensure that any new construction serves not only the project's needs, but also contributes positively to the broader neighborhood.

We have categorized the benefits into two main areas: **Project-Driven Benefits** (which naturally arise from the hotel's operation and design that are only possible with rezone) and **Community Benefits** (per SLC Statute under 21A.50.050), which directly address specific important criteria set forth by Salt Lake City. While there is some overlap, this presentation helps illustrate the comprehensive positive impacts of the development. These benefits are specifically tied to the proposed zone change and would not be possible under the existing zoning.

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### **Project-Driven Benefits of MU-11 Versus Existing MU-3 Zoning**

The proposed hotel development provides significant benefits to the local community and the city, benefits that simply are not possible with the uses and scale allowed under the existing MU-3 zoning.

- **Major Economic Boost for Residents and the City:**

Our project produces several economic benefits that would not be possible, or nearly as large, under existing zoning

- **Generates Substantial Tax Revenue:** The hotel and its associated restaurants are estimated to generate nearly **\$25,000,000 in additional sales tax revenue** over the first 10 years of operation, alone. This includes a combination of sales tax (8.45%), transient room tax (7.07%), and an additional restaurant food tax (1.0%). Beyond sales tax, the proposed improvements will contribute **several hundred thousand dollars in annual property taxes**.
- **Creates High-Quality Jobs:** This project is set to create **over 50 Full-Time Equivalent jobs**. These positions will offer an attractive average wage of \$25 per hour, with several roles providing salaries exceeding \$100,000 annually. All full-time employees will qualify for comprehensive benefits, including health insurance.
- **Boosts Local Commerce and Foot Traffic:** While we hope guests will enjoy our on-site dining, the reality is that our **150+ guests per night** will actively frequent and spend money at walkable shops, restaurants, and other local establishments. Many of these businesses are currently facing challenges due to insufficient customer traffic. This hotel use, which necessitates the proposed zoning change, will provide essential economic stimulation that extends well beyond the project site.

- **Self-Funded Development:** No public money has been requested or will be used to facilitate the development of this project.
- The development team and management of the hotel are **local and long-time residents** of to the Salt Lake MSA and returns from the hotel will remain local.

- **Amenities for Local and Guest Use**

If approved under the new zoning, this project will introduce several key amenities designed to serve both hotel guests and the broader Sugar House community.

- **Upscale Hotel Rooms:** We will offer high-quality accommodations that provide a much-needed option for residents who have visiting friends and family, as well as for business and vacation travelers to the area. Sugar House currently lacks a hotel of this standard.
- **Activity Center with Equipment Rentals:** Located conveniently in the lobby, this center will provide equipment rentals such as: bikes, sporting gear, frisbees, etc., encouraging active use of the adjacent park and surrounding areas.
- **Lobby Café & Coffee Shop:** This inviting public space will serve as a vibrant gathering point for hotel guests and residents alike. It is an ideal spot for casual meet-ups or as a convenient stop while enjoying the park.
- **7th-Floor Rooftop Restaurant:** This elevated dining experience will offer an upscale culinary option for the community, complete with breathtaking views of Sugar House Park and the surrounding mountains—a unique feature few venues can offer in the greater Salt Lake City area.
- **Versatile Meeting & Event Space:** The hotel will feature flexible rooms available for a wide array of uses, from business meetings and social functions to government gatherings and community events, serving both hotel patrons and local organizations.

- **Frontage Activation /Encouraging Pedestrian Use/Park and Neighborhood Connections**

Our proposed development will serve as a vital link between the Sugar House neighborhood and Sugar House Park, actively encouraging pedestrian use and creating a welcoming gateway for everyone

- **Gateway to the Park:** We recognize our property's unique position as an entry point to both Sugar House and the park. We embrace the opportunity and responsibility to foster this connection. We will achieve this in two key ways:
  - ❖ First, our building design, layout, and high-end, locally inspired presentation, including prominent **neighborhood-welcoming signage**, will offer an inviting entry point for those using 1300 East. This refined aesthetic and improved entry perspective is not feasible under current zoning due to height and cost limitations.
  - ❖ Second, our design ensures **pedestrian connections on all sides**, with improved sidewalks surrounding the building. This effectively bridges the urban environment on one side with the natural beauty of the park on the other, serving as an unofficial entry point for hotel guests, local pedestrians, and cyclists utilizing the soon-to-be-created bike paths. We have meticulously designed the building to minimize un-activated rear facades, maximizing this connection.
- **Vibrant Street Activation:** The increased height allowed by our MU-11 zoning request enables us to create attractive first-floor retail space along the frontage. This will infuse life into the

intersection and energize the entire area. Additionally, the height allows us to dedicate most of the remaining first-floor space to a bustling lobby, generating significant "buzz" from hotel activities, publicly access to banquet and meeting spaces, and a ground-floor café. Lower height, existing zoning, would produce less active first floor uses our higher density above will enable.

- **The Unique Benefit of a Hotel Use:** A hotel offers a unique and distinctly public benefit compared to other uses like apartments or offices. With those, one often needs to be a resident or know a tenant to truly "use" the site as part of their experience. A location as prominent and special as ours deserves a more public-engaging use. The various amenities and activities within our project, such as the coffee shop and restaurant, are **open to all members of the community** as customers, without requiring them to be hotel guests.
- **Transportation Benefits**

The proposed hotel development provides substantial transportation benefits, directly addressing local needs and promoting sustainable travel.

- **Excess Supply of Underground Parking:** Our project includes a **fully underground parking garage with over 180 spaces** (see more details under community benefit). This capacity significantly exceeds the requirements set by our third-party parking consultant, allowing us to provide ample use for our guests paid parking for the surrounding community. This added capacity will help alleviate existing parking pressures in the area.
- **Lower Traffic Generation:** A hotel operation, which requires the proposed height rezone, inherently generates less vehicular traffic compared to smaller, high-traffic generating retail uses. Hotel guests typically rely less on personal vehicles during their stay and are more inclined to use public transportation or rideshare services than local patrons, thereby reducing perceived development impact on overall traffic congestion.
- **Optimized Rideshare Area:** We have incorporated a well-designed drop-off and pick-up area that is ideal for rideshare services and carpooling, benefitting both hotel guests and park or neighborhood visitors. This publicly accessible space enhances convenience and safety, eliminating the need for vehicles to use the park loop road or other potentially hazardous locations along busy city streets.
- **Promoting Mass Transit Use:** A notable number of our out-of-state guests will likely utilize the S Line, connecting seamlessly from the airport via other TRAX lines. This increased utilization of mass transit uses among our guests, compared to other potential site uses that would attract more local, car-dependent visitors, will significantly reduce overall traffic impact of our project. Furthermore, future proposed (but not yet adopted) S Line expansion plans are highly synergistic, with a potential line extension situated to within a quarter-mile of the site. This strong compatibility with mass transit directly contributes to alleviating local traffic and parking concerns.
- **Ground Lease Challenges: A Barrier to Future Redevelopment**

The current ground lease agreement presents a critical challenge to the redevelopment of this site if the requested rezone is denied. With **roughly 16 years remaining** on the primary term of the underlying ground lease, it is highly probable the property will remain undeveloped for at least that duration without approval of a project. This stems from the fact that the current leaseholder, Maverik, is



contractually obligated to continue making rent payments, effectively removing any financial incentive for the landlord to invest in or improve the property.

Denying this project would not only halt the current proposal but would also likely **deter future development initiatives**. The site would then be highly viewed as an unfeasible location for significant capital investment. Consequently, without a rezone that supports an economically viable project from the perspective of private developers, the property will most likely persist in its current neglected state. This persistent visual blight, situated at a key entry point to both the neighborhood and Sugar House Park, would undeniably **impede the broader neighborhood redevelopment** that recent city zoning changes aim to foster in the surrounding and adjacent area. Ultimately, a failure to rezone will lock the property into its existing condition for an extended period, as the ground lease structure removes any economic incentive for change on behalf of the land owner or perspective tenant.

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## **Community Benefits (as defined per SLC Statute)**

Our proposed Hotel Development and requested zoning actively addresses and meets several key criteria articulated within **Salt Lake City's Community Benefits statute, Section 21A.50.050**.

- **Housing Needs (section A of SLC criteria)**

Our proposed development is **housing-neutral**, as it does not displace any existing long-term residential units. The key housing-related benefit our project delivers is the creation of **145 short-term hotel rooms** within the neighborhood. This hotel use is only economically viable with the requested rezone to a taller height.

Currently, online platforms like VRBO and Airbnb show several dozens of homes in the area being offered as short-term rentals, directly diminishing the supply of available housing for permanent residents. This trend is only projected to accelerate, particularly during large-scale events such as the Olympics. While we do not suggest our project will completely halt the use of homes for short-term rentals, by offering a dedicated and substantial supply of such short-term accommodations, our hotel will serve as a critical **"release valve."** This helps to reduce the incentive for residential properties to be diverted into the short-term rental market, which will, in turn, contribute, at least marginally, to **improving housing affordability** for the community in a way other development types would not.

- **Commercial Space for Local Benefit (section B of SLC criteria)**

The proposed project incorporates three distinct commercial components designed to yield mutual benefits for both the development and the community, with commitments that can be formally secured through an agreement with Salt Lake City during the entitlement process.

- **Incentivized Leases for Local Businesses in Retail Spaces**

- We are planning approximately **3,500 square feet** of street-front retail space, which can be divided into two units. To foster and benefit local economic growth, we propose several favorable contractual terms for local businesses. As an integrated part of the community, our hotel is eager to connect visitors with local offerings, creating a mutually advantageous scenario.

- **Local Tenant Requirement:** A minimum of one of the two available first floor retail spaces shall be leased to a local tenant at a rate of at least **25% below prevailing market rent**.
- **0% Interest Financing for Local Tenants:** For any space leased to a local tenant (up to 100% of its square footage), the hotel ownership will finance 100% of construction costs, tenant improvement budgets, and business property investments at a **0% interest rate**. The term for principal repayment will be matched to the initial lease term. To mitigate potential misuse, a cap of \$100 per square foot is proposed for this financing (totaling up to **\$350,000 interest free loan** for the full designated space).
- **Defining "Local":** We will collaborate with the Sugar House Community Council, or a designated local group, to establish clear criteria for defining "local tenants." It is a requirement that the tenant possess relevant experience in their field and that their business use be compatible with both the hotel operations and other neighborhood uses (e.g., no vape shops).
- **Implementation Details:** Further specifics will be defined later in this process, incorporating feedback from the community.
- **Dedicated Community Meeting Room**
  - Our approximately **2,000 square foot second-floor meeting room** is ideally suited for business meetings, social gatherings, or community functions. Its generous size and direct stair access to the lobby (facilitating easy access to the adjacent park and neighborhood) enhance its utility and convenience.
  - We commit to entering into an agreement with the city to make this second-floor meeting room, in either of its potential configurations, **available free of charge to qualified community groups at least twelve times per year**. We propose that the Sugar House Community Council, or groups officially designated by them, manage the scheduling of these community requests. All groups utilizing the space will be required to observe standard hotel rules and policies regarding noise, room usage, and potential damages, as applied to all other events. This provision will allow community organizations to leverage the project's prime location and amenities.
- **Lobby Café: Fostering Local Partnerships**
  - We intend to actively engage with the community to either **partner with a local operator or a local brand/supplier** for our lobby coffee shop. At a minimum, we commit to prioritizing the procurement of local products and flavors for sale within the café. During the design phase, all efforts will be made to identify suitable local partners to enable this offering. A locally-infused café experience within the hotel lobby will undoubtedly enhance the guest experience and provide locals with an additional compelling reason to visit for coffee, particularly as part of their park experience, creating a clear mutual benefit. Our business model is that our guests value the local experience as part of their stay.
- **Dedication of Public Space (section C of SLC criteria)**

Given our status as the applicant operating under a ground lease with the landowner, direct land dedication is not feasible. Nevertheless, we propose substantial contributions to public space enhancement as follows:

- **Public Art space and installation:** We commit to developing and installing a prominent public art feature at the center of the hotel's plaza area on the park side. This commitment will be formalized via a development agreement, running for the duration of our ground lease. Drawing inspiration from the notable Whale sculpture in the 9th and 9th neighborhood, this large-format art piece will be chosen through a publicly transparent application and selection process, managed by the hotel. The hotel will bear the full cost of the artist's work and provide the necessary space for the installation. Furthermore, the hotel is open to financing periodic replacement projects in the future, ensuring the artistic contribution remains vibrant and responsive to the evolving neighborhood character.
- **Park Improvements:** We have been in conversations with the Sugar House Park Authority to improve the area of Sugar House Park around the hotel site. This improvement includes regrading of land, new sidewalks/bike area, landscape, irrigation, grass, and trees that are compatible with the park's arboretum plan. If we can reach agreement with the park, these improvements, paid at hotel expenses, will permanently improve the appearance of and access to north west side of the park for all users. This is not a dedication of open space but an improvement on existing open space. Our conversations with the Park Authority to this point have been positive and we are optimistic we can reach an agreement. We also plan our site improvements (mandated by city) like widened sidewalks and light, will now be integrated into those park improvements to facilitate the connection from city and city bike/pedestrian access to the park through our property. This improves the walking infrastructure of the intersection and area.
- **Expanding Public Infrastructure (section F of SLC criteria)**

Our project significantly contributes to expanding public use infrastructure, particularly in the areas of safety and parking.

- **Enhanced Security Presence:** Our hotel's 24-hour occupancy and security presence, made possible by the rezone, will provide a continuous, lighted, and monitored space adjacent to Sugar House Park. We understand from city officials that park safety, including concerns about unhoused individuals, is a priority. While we deeply empathize with their situation, we are also aware that police occasionally conduct park sweeps, which can lead individuals to gather near our property. Our round-the-clock operations, coupled with 24-hour camera surveillance, will actively complement existing police security plans in the park, enhancing their efforts for the benefit of both locals and law enforcement. At our other managed hotel properties, we routinely welcome police during their rounds, offering amenities like coffee and a safe parking spot, a practice we intend to continue at this location.
- **Substantial Public Use Parking Garage:** During our community engagement, we recognized that parking is a major neighborhood concern. We share this concern, as our guests and visitors also need convenient parking without relying on already-occupied street spaces. Therefore, we designed a large, fully underground garage to accommodate the concern. Despite our third-party parking feasibility study and Salt Lake City code indicating sufficient capacity, community

feedback prompted us to continually increase the garage's size. As it is underground, this expansion creates no negative visual impact. This infrastructure provides several key benefits:

- Our **180+ space garage** offers a significant surplus of parking spots available for non-guest paid use.
- During daytime hours and on most non-event nights, we will have ample parking to serve community members and support future development on adjacent blocks following recent zoning changes.
- Even during high-demand periods, our calculations confirm sufficient spots for non-guest parking. This estimated **\$13 million infrastructure improvement** is only feasible with the rezone, which allows us to achieve the necessary surface density. It represents a substantial investment that will greatly benefit the community and the hotel as the area grows and would not be economically possible with lesser density zoning.
- **Integrated Park Improvements:** As detailed in the "Dedication of Public Space" section (SLC Criteria Section C), we are actively collaborating with the Sugar House Park Authority on significant park improvements. These enhancements are also directly applicable under this public infrastructure criterion, further bolstering connectivity and public amenities

## **Conclusion**

The SHH Development represents a unique opportunity to bring substantial, tangible benefits to the Sugar House community. From significant tax revenues and job creation to a vibrant public art installation, dedicated public spaces, and crucial parking infrastructure, our project is designed to be a positive catalyst for the neighborhood.

We appreciate the City's, and most importantly, the Community's time and consideration throughout this engagement process. We are certainly looking to formalize, in a legally binding manner, any point raised in this document. We are committed to being a valuable and integrated part of the Sugar House fabric.

Thank you

John Potter

Sugar House Hotel LLC and Magnus Hotel Management