



Staff Report

PLANNING DIVISION
COMMUNITY & ECONOMIC DEVELOPMENT

To: Salt Lake City Planning Commission
From: Tracy Tran, 801-535-7645 or tracy.tran@slcgov.com
Date: September 14, 2016
Re: PLNPCM2015-00819 – Small Scale Food Production Text Amendment

Zoning Text Amendment

PROPERTY ADDRESS: City-wide
PARCEL ID: N/A
MASTER PLAN: N/A
ZONING DISTRICT: Various Zoning Districts

REQUEST: The Mayor formally requested that the Salt Lake City Planning Division analyze small scale food production throughout the City. The City’s current ordinance does not address smaller scale food production uses and the uses associated with the growing artisanal food market.

RECOMMENDATION: Based on the analysis and findings of this report, it is the opinion of staff that the proposed text amendments meet the intent of the Administration’s direction, standards for a zoning ordinance amendment and staff recommends that the Planning Commission forward a favorable recommendation of petition PLNPCM2015-00819 to the City Council. Below is a proposed motion consistent with this recommendation:

Based on the information in the staff report and the discussion heard, I move that the Planning Commission transmit a positive recommendation to the City Council regarding petition PLNPCM2015-00819, text amendments that address small-scale food production in the City.

ATTACHMENTS:

- A. Proposed Ordinance
- B. Analysis of Standards
- C. Public Process and Comments
- D. Department Comments
- E. Motions

PROJECT DESCRIPTION:

In September 2015, the Mayor initiated a petition requesting the Planning Division to analyze the appropriateness of revising the ordinance to address smaller scale food production throughout the City. The current ordinance does not differentiate between scale such as large commercial food processors (i.e. cereal manufacturing or national brands) versus smaller home grown companies making jam or selling honey. The existing ordinance contains a very general definition and is basically geared towards larger-scale food processing since it is mostly allowed in the manufacturing zoning districts. The proposed text amendment would allow smaller-scale food production to occur in additional zoning districts in the City.

Over the years, there has been an increase in artisanal food products. In addition, due to the scale of operations, more of these producers are turning to community/commissary kitchens to make their products. These kitchen incubators have allowed many businesses selling to sell at farmer's markets and to build up their businesses when they do not quite have the capital to open their own operations. The proposed text amendment will address these types of uses and permit them in various zoning districts throughout the City.

KEY ISSUES:

The sections being changed in the zoning ordinance as part of the amendment is Section 21A.33 Land Use Tables, 21A.44 Off Street Parking Requirements, and Section 21.62 Definitions.

Issue 1: Appropriate land use/definition

The current zoning ordinance only contains one definition for food processing, which is general and does not address different scale of operations. The current ordinance allows food processing in the two manufacturing zones (M-1 and M-2), the Downtown Support District (D-2) and in the Form-Based Urban Neighborhood 2 zoning district (FB-UN2). Two new definitions/land uses have been added to zoning ordinance to better address commercial kitchen facilities and artisan food production uses.

These two proposed land uses include commercial food preparation and artisan food production. These two land uses are similar and are geared towards food preparers primarily for offsite consumption and/or sale by others. The biggest difference is the artisan food production use is typically operated by a single entity food producer. Many of these artisan producers may start production at a commissary kitchen (which would be classified a food preparation land use) but once they have developed their product and have enough capital, they may move into their own space to for their operations (which would be classified as artisan food production land use).

Issue 2: Appropriate zoning districts

The small food production uses generally have similar impacts as restaurants. However, the overall impacts for small scale food production are generally more minimal in terms of parking, flow of people, and smells emitted. The proposed uses will bring food producers to these buildings to produce food, but they will not generate a consistent flow of patrons visiting a restaurant. In addition, the hours of operations and peak hours of operations may differ from restaurants. The new land uses created to address small-scale food production are basically permitted in all the zoning districts where a restaurant is permitted.

Although the proposed changes will allow these uses in many more zoning districts, these uses will be highly regulated by market forces. One of the bigger factors is land value and rental rates. Many of these smaller-scale production uses start out with limited capital, which likely means these types of uses will locate in lower rent areas.

Issue 3: Ensuring street activity

Since these newly created uses to address small-scale food production will be allowed in additional zoning districts, we want to ensure that uses within smaller scale neighborhood districts would still generate street activity. Many of the businesses that would fit under the "commercial kitchen" use will generally create activity. For example, a commissary kitchen would have a variety of food producers coming in and out at different times of the day. To ensure that as many of these uses activate smaller scale neighborhoods, the proposed amendments include a requirement that artisan food production uses are required to contain an onsite food sales component.

In addition to ensuring activity in smaller neighborhood nodes and to prevent larger operations, some of the zoning districts that permit artisan food production uses are limited to 2,500 square feet in the smaller residential and commercial zones. As some of these uses increase their size of operations, there may be additional trucks to ship product elsewhere. Limiting the size will ensure minimal impacts in these smaller neighborhood zones.

Issue 5: Parking

If parking requirements are not proposed specific to Commercial Food Preparation and Artisan Food Production uses, these uses will fall under the catch all category of “All other uses,” which have a requirement of 3 spaces per 1,000 square feet of usable floor area. Based on the nature of some of these uses, slightly reducing the parking requirement may better serve these uses. For example, a large amount of space within commissary kitchens are dedicated to storage, sometimes about double the amount of kitchen space. This storage space is considered part of the square footage calculation when determining the number of required parking spaces. The storage space will be used by users of the commissary and would not be space that could accommodate more users of the kitchen; thus, additional parking would not be necessary. Also, Artisan food producers typically have very small operations and minimal employees. Requiring these uses to have 2 parking spaces per 1,000 square feet of usable floor area will better fit their needs.

In addition, the hours of operations for users of commissary kitchens vary greatly. For users who are preparing food for food trucks, their hours may be a little more predictable with prep time occurring before lunch and dinner hours. However, users producing other products not meant for food trucks vary greatly and are dispersed throughout the day. Artisan food producers will generally only need parking for their employees unless their operations contain a retail component. The 2 spaces per 1,000 square feet of usable floor area is similar to retail goods, restaurant, and wholesale uses in the City.

Overall, a business’ needs for their operations and other market forces will be the driving factor in where they can locate. Many of these food producers have minimal capital and will likely locate in existing buildings as opposed to constructing a new building. The reduction to 2 spaces per 1,000 square feet of usable floor area will reduce barriers that may come when converting a space for a new uses. When converting to a new use, the new use must meet new parking standards. Existing spaces may have more minimal parking standards so reducing the parking requirements for the proposed uses may make it easier to use these existing building spaces.

Proposed additions have also been added to parking requirements in the zoning ordinance (21A.44.030). The two proposed uses will be added to the table and will have the same 2 stalls per 1,000 square feet of usable floor area requirements, which is similar to retail goods and wholesale uses in the city.

DISCUSSION:

The Administration has recommended that staff analyze small scale food production uses in the City. If the ordinance is not changed, the current requirements will continue to pose challenges to development in the City and may result in businesses moving to other cities.

NEXT STEPS:

The Planning Commission’s recommendation for these proposed zoning text amendments will be forwarded on to the City Council for their action. The City Council is the decision-making body for zoning text amendments.

ATTACHMENT A: PROPOSED ORDINANCE

Section 21A.62.040: DEFINITION OF TERMS

COMMERCIAL FOOD PREPARATION: A facility in which food is processed or otherwise prepared, primarily for off-site consumption and/or sales. Facilities may be shared among various food processors, producers, or preparers. Uses may include, but are not limited to: commissary kitchen and catering.

ARTISAN FOOD PRODUCTION: A facility typically operated by a single business entity for the production of small-scale, hand-crafted specialty food and beverage products for on- and/or off-site sales and consumption. May include wholesale and/or retail sales.

Proposed zoning districts that would allow small-scale food production uses:

21A.33.020: TABLE OF PERMITTED AND CONDITIONAL USES FOR RESIDENTIAL DISTRICTS:

Use	Permitted and Conditional Uses by District																		
	FR-1/43,560	FR-2/21,780	FR-3/12,000	R-1/12,000	R-1/7,000	R-1/5,000	SR-1	SR-2	SR-3	R-2	RMF-30	RMF-35	RMF-45	RMF-75	RB	R-MU-35	R-MU-45	R-MU	RO
<u>Commercial Food Preparation</u>															P	P	P	P	P
<u>Artisan Food Production (2,500 square feet or less in floor area)</u>															p ¹	p ¹	p ¹	p ¹	p

¹Must contain retail component for on-site food sales

21A.33.030: TABLE OF PERMITTED AND CONDITIONAL USES FOR COMMERCIAL DISTRICTS:

Use	Permitted and Conditional Uses by District						
	CN	CB	CS	CC	CSHBD	CG	SNB
<u>Commercial Food Preparation</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	
<u>Artisan Food Production (2,500 square feet or less in floor area)</u>	<u>P¹</u>	<u>P¹</u>	<u>P</u>	<u>P</u>	<u>P¹</u>	<u>P</u>	
<u>Artisan Food Production (more than 2,500 square feet in floor area)</u>			<u>P</u>	<u>P</u>		<u>P</u>	

¹Must contain retail component for on-site food sales

21A.33.040: TABLE OF PERMITTED AND CONDITIONAL USES FOR MANUFACTURING DISTRICTS:

Use	Permitted and Conditional Uses by District	
	M-1	M-2
<u>Commercial Food Preparation</u>	<u>P</u>	<u>P</u>
<u>Artisan Food Production</u>	<u>P</u>	<u>P</u>

21A.33.050: TABLE OF PERMITTED AND CONDITIONAL USES FOR DOWNTOWN DISTRICTS:

Use	Permitted and Conditional Uses by District			
	D-1	D-2	D-3	D-4
Manufacturing and processing, food- <u>Commercial Food Preparation</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Artisan Food Production</u>	<u>P¹</u>	<u>P</u>	<u>P</u>	<u>P</u>

¹Must contain retail component for on-site food sales

21A.33.060: TABLE OF PERMITTED AND CONDITIONAL USES FOR GATEWAY DISTRICT:

Use	G-MU
<u>Commercial Food Preparation</u>	<u>P</u>
<u>Artisan Food Production</u>	<u>P</u>

21A.33.070: TABLE OF PERMITTED AND CONDITIONAL USES FOR SPECIAL PURPOSE DISTRICTS:

USE	Permitted and Conditional Uses by District																
	RP	BP	FP	AG	AG-2	AG-5	AG-20	OS	NOS	A	PL	PL-2	I	UI	MH	EI	MU
<u>Commercial Food Preparation</u>		<u>P</u>															<u>P</u>
<u>Artisan Food Production</u>		<u>P</u>															<u>P¹</u>

¹Must contain retail component for on-site food sales

Table 21A.27.050N Permitted Uses

Use	FB-UN1	FB-UN2
<u>Commercial Food Preparation</u>		<u>P</u>
<u>Artisan Food Production</u>		<u>P¹</u>

TSA - The current ordinance prohibits “food processing” in certain TSA zones. A text amendment regarding the TSA Zoning District Improvement is currently in process (PLNPCM2016-00522). Updates showing permitted uses in the TSA Districts will allow “commercial food preparation” and “artisan food production” in the appropriate areas.

21A.44.030 SCHEDULE OF MINIMUM OFF STREET PARKING REQUIREMENTS

Commercial/Manufacturing	
<u>Commercial Food Preparation</u>	<u>2 spaces per 1,000 square feet of usable floor area</u>
<u>Artisan Food Production</u>	<u>2 spaces per 1,000 square feet of usable floor area</u>

ATTACHMENT B: ANALYSIS OF STANDARDS

As per section 21A.50.050, 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. In making a decision concerning a proposed text amendment, the City Council should consider the following:

Factor	Finding	Rationale
1. Whether a proposed text amendment is consistent with the purposes, goals, objectives, and policies of the city as stated through its various adopted planning documents;	Complies	<p>Plan Salt Lake identifies the following initiatives within the Neighborhoods and Economy section of the plan: “Encourage and support local businesses and neighborhood business districts” and “Support the growth of small businesses, entrepreneurship and neighborhood business nodes.”</p> <p>The proposed ordinance would create new land uses that would support the local food production movement and incubator kitchens, which strongly supports local/small businesses, entrepreneurship and neighborhood business districts/nodes.</p> <p>The 1992 Salt Lake City Strategic plan notes an importance of developing business friendly regulatory practices. It is staff’s opinion that the proposed amendments to the Zoning Ordinance relating to small scale food production uses will better reflect market demands, which furthers the goal of creating business-friendly regulatory practices.</p>
2. Whether a proposed text amendment furthers the specific purpose statements of the zoning ordinance;	Complies	The proposed changes promotes the growth of the local food production and in doing so helps foster the City’s business development. Furthermore, growing the local economy helps project the tax base.
3. Whether a proposed text amendment is consistent with the purposes and provisions of any applicable overlay zoning districts which may impose additional standards;	Not applicable	The proposed text amendment is not associated with any specific overlay zoning district or development project. While some overlay districts regulate land use, most focus on bulk, scale, or building design or the location of

		buildings on a property. It is not anticipated that the proposed uses will have any impact on any overlay districts. The proposal may promote the preservation of older buildings in the city because it may make a wider range of uses viable in historic structures.
4. The extent to which a proposed text amendment implements best current, professional practices of urban planning and design.	Complies	The proposed changes improve upon the existing ordinance, which has brought about challenges for development. The amendments would allow for small scale food production uses to operate in more zoning districts than is allowed in the current ordinance. The regulations do not relate to any specifics relating to practices of design.
NOTES:		

ATTACHMENT C: PUBLIC PROCESS AND COMMENTS

The following is a list of public meetings that have been held, and other public input opportunities, related to the proposed project:

Meetings with Various Small Scale Food Production Stakeholders/Businesses

These meetings were held to understand the operations of these businesses and what barriers existed. Stakeholders were supportive of the proposed changes since there are limited areas in which these small food producers can operate in the City. Other comments included concerns with parking as it can be a barrier to development.

Open House:

Because this zoning text amendment impacts the entire city and not just a specific community council, an open house was held on July 28, 2016. All recognized community based organizations were notified of the open house. Comments made at the open house included:

- Adding additional use for small scale food production is beneficial to the city
- May want to include language that says that “may include wholesale or onsite retail,” which will make it easier for zoning folks.
- Concerns about food waste and trash smells

A few written comments received at the Open House can be found below.

Planning Commission Notice of the public hearing for the proposal included:

Public hearing notice published in the newspaper on August 27, 2016

Public notice posted on City and State websites and Planning Division list serve: August 25, 2016

Public Input:

No further comments were received as of the date this staff report was published.

OPEN HOUSE PUBLIC COMMENT FORM

July 28, 2016



Planning and Zoning Division
Department of Community and
Economic Development

Small-Scale Food Production Text Amendment

Name: Jacie Davis

Address: 543 E 600 S

SLC, UT

Zip Code 84102

E-mail: johnphilipdavis@gmail.com

Comments: CONSIDER AMENDING F3-UNZ TO

ALLOW "FOOD PROCESSING, SMALL SCALE"

INSTEAD OF "FOOD PROCESSING" AS THE NEW

PROPOSED DEFINITION IS MORE APPROPRIATED FOR

URBAN NEIGHBORHOODS.

Please provide your contact information so we can notify you of other meetings or hearings on this issue. You may submit this sheet before the end of the Open House, or you can provide your comments via e-mail at tracy.tran@slcgov.com or via mail at the following address: Tracy Tran, Salt Lake City Planning Division, PO Box 145480, Salt Lake City, UT 84114-5480. Please provide your comments by August 12, 2016.

**OPEN HOUSE
PUBLIC COMMENT FORM**

July 28, 2016



Planning and Zoning Division
Department of Community and
Economic Development

Small-Scale Food Production Text Amendment

Name: George Chapman

Address: 1184 S 1100 E

Zip Code

E-mail: gechapman2@gmail.com

Comments: Great idea

send it through fast!

Please provide your contact information so we can notify you of other meetings or hearings on this issue. You may submit this sheet before the end of the Open House, or you can provide your comments via e-mail at tracy.tran@slcgov.com or via mail at the following address: Tracy Tran, Salt Lake City Planning Division, PO Box 145480, Salt Lake City, UT 84114-5480. Please provide your comments by August 12, 2016.

ATTACHMENT D: DEPARTMENT REVIEW COMMENTS

Input was requested from all pertinent city divisions and departments. The following comments were received from other city divisions/departments with regard to these proposed amendments:

Building Services: Questions/Comments:

- In the definition, the phrase “...eventual consumption...” seems unnecessary. Why not simply “consumption”.
- In the definition, the phrase “food may be consumed on-site and may include wholesale or on-site retail sales”. Is this of food? If not, it appears there will be a conflict with Retail Sales as an independent (non-food) related use:
 - See:
 1. BAKERY, COMMERCIAL: An establishment where the primary function is the baking of food products for sale, principally to the wholesale trade, not directly to the consumer.
 2. RESTAURANT: An establishment where food and drink are prepared, served, and consumed, mostly within the principal building.
 3. RETAIL GOODS ESTABLISHMENT: A building, property or activity, the principal use or purpose of which is the sale of physical goods, products or merchandise directly to the consumer. Retail goods establishment shall not include any use or other type of establishment which is otherwise listed specifically in the table of permitted and conditional uses found in chapter 21A.33 of this title.
- In the definition, the phrase “Facilities may be shared among various food processors or preparers but facilities are limited in size to three thousand (3,000) square feet or less.” What is the point of this? Is there some sort of building code requirement such as separation of a fire wall? Taqueria 2,7 for example, built a commercial kitchen in a former restaurant above their foothill location that is not connected to the primary restaurant, couldn't they turn every former retail space into a small scale food processing establishment? And use them all?
- In the definition, “Uses may include, but are not limited to: commissary kitchen, commercial bakery, and catering.” There is currently a definition *and* use for Commercial Bakery. Why would it be included in this definition, too? Maybe this should say Retail Bakery, maybe?
- In the definition, “...but not limited to...” but if bakery...”; Why not simply restaurant?
- Is there to be no change in the calculation for parking requirements associated with this use”
- Is there to be a change to the TSA, allowance for “Manufacturing and processing, food”, but to include this use in the definition? Not currently defined.

- Should Commercial Kitchen be defined as well?

Summary:

Would it be easier and more to the point to simply include “Food Processing – Small Scale”, and also retail bakery, catering and commercial kitchen/commissary” to the definition of Restaurant?

21A.62: Definitions:

RESTAURANT: An establishment where food and drink are prepared, served, and may be consumed. Uses also include commercial/commissary kitchen, retail bakery, and catering.

VS

RESTAURANT: An establishment where food and drink are prepared, served, and consumed, mostly within the principal building.

Engineering: Engineering has no comment.

ATTACHMENT E: MOTIONS

Consistent with Staff Recommendation:

Based on the information in the staff report and the discussion heard, I move the Planning Commission to transmit a favorable recommendation to the City Council regarding petition PLNPCM2015-00819, text changes to allow small scale food production uses.

Not consistent with Staff Recommendations:

Based on the staff report information, public input and discussion and the following finding(s), I move that the Planning Commission transmit a negative recommendation to the City Council relating to commercial food production.

The Planning Commission shall make findings on the Zoning Text Amendment standards as listed below:

1. Whether a proposed text amendment is consistent with the purposes, goals, objectives, and policies of the City as stated through its various adopted planning documents;
2. Whether a proposed text amendment furthers the specific purpose statements of the zoning ordinance;
3. The extent to which a proposed map amendment will affect adjacent properties;
4. Whether a proposed text amendment is consistent with the purposes and provisions of any applicable overlay zoning districts which may impose additional standards; and
5. The extent to which a proposed text amendment implements best current, professional practices of urban planning and design.