

STAFF REPORT

Agenda item: Rezone of 508 S. 3rd Street W from C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay to C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay /AR Adaptive Reuse Overlay.

Report Date(s): 7/28/2020

Case Planner: Emily Gluckin, Associate Planner

Public Meetings & Hearings:
Planning Board (PB) hearing: 8/4/2020
City Council (CC) 1st reading: 8/10/2020
Land Use & Planning (LUP) pre-hearing: 8/19/2020
City Council hearing: 8/24/2020

Applicant & Fee Owner: David Jolles
 7105 Devonshire Lane
 Missoula, MT 59804

Representative: Jesse Dodson
 University Avenue Developers, LLC
 300 University Avenue
 Missoula, MT 59801

Location of request: The subject property is located at 508 S. 3rd Street W in the Riverfront Neighborhood Council and Ward 3.

Legal description: Lot 11 in Block 32 of Knowles Addition #1 in Section 21, Township 13 North, Range 19 West, P.M.M.

Legal ad: The legal ad was published in the *Missoulian* on July 19 and 26, 2020. The site was posted on July 17, 2020. Adjacent property owners and the physical addresses within 150 feet of the site were notified by first class mail on July 17, 2020.

Zoning: C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay



	Zoning	Current Land Use
North	C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay	Mixed use and single dwelling residential
South	C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay	Multi-dwelling residential
East	C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay	Office
West	C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay	Single dwelling residential

Growth Policy: The applicable regional plan is *Our Missoula: City Growth Policy 2035* which recommends a land use designation of Neighborhood Mixed Use.

STAFF RECOMMENDATION

APPROVE the adoption of an ordinance to rezone of 508 S. 3rd Street W from C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay to C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay /AR Adaptive Reuse Overlay.

RECOMMENDED MOTIONS

PB p/h: 8/4/2020	APPROVE the adoption of an ordinance to rezone 508 S. 3 rd Street W from C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay to C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay /AR Adaptive Reuse Overlay.
CC first reading: 8/10/2020	[First reading and preliminary adoption] Set a public hearing on August 24, 2020 and preliminarily adopt an ordinance to rezone 508 S. 3 rd Street W from C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay to C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay /AR Adaptive Reuse Overlay and refer this item to the Land Use and Planning Committee for presentation on August 19, 2020.
LUP: 8/19/2020	Discussion only – pre-public hearing
CC p/h: 8/24/2020	[Second and final reading] (Adopt/Deny) an ordinance to rezone 508 S. 3 rd Street W from C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay to C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay /AR Adaptive Reuse Overlay.

I. INTRODUCTION

Development Services has received a request from Jesse Dodson on behalf of University Developers, LLC to rezone the property located at 508 S. 3rd Street West. The property is currently zoned C1-4 Neighborhood Commercial with the /DE-C Design Excellence Corridor Typology 2 Overlay. The applicant requests the rezoning to apply the /AR Adaptive Reuse Overlay. Pursuant to the rezoning, the Design Excellence Overlay will still apply. The applicant makes this request in anticipation of increasing the density of the existing multi-dwelling development from sixteen (16) dwelling units to twenty-two (22) dwelling units.

Staff has reviewed the applicant's rezoning submittal packet and based the recommendation of approval on the following findings of fact:

II. Rezoning Review Criteria:

Findings of Fact

General

1. The subject property located at 508 S. 3rd Street W and is comprised of one (1) lot that is approximately 6,490 square feet or 0.15 acres in area.
2. The subject property has frontage on S. 3rd Street W and abuts an alley.
3. The subject property contains one (1) sixteen (16) unit multi-dwelling building.
4. The subject property is located within the McCormick Neighborhood Historic District which is listed on the National Register of Historic Places.
5. The subject property is inside the Urban Growth Area, the Wastewater Facilities Service Area, the Air Stagnation Zone, and is served by City water and sewer.
6. The subject property is located within an established service area for Missoula hospitals and the City Fire and Police Departments.

Growth Policy:

1. The *Our Missoula 2035 City Growth Policy* promotes a "Focus Inward" development approach that encourages new growth in the direction of existing infrastructure, neighborhoods, and public services through infill, increased density and adaptive reuse.
2. The City Growth Policy describes the importance of historic preservation as a tool to uphold a commitment to community heritage and to maintain a unique "sense of place" in Missoula.
3. The *Livability* section of the City Growth Policy outlines goals and objectives for historic preservation, which include: encouraging the preservation of historic buildings, encouraging development that maintains or enhances the character of the community, and supporting sustainable development practices through historic preservation.
4. A goal of the *Housing* section of the City Growth Policy is to meet the needs of a growing and diverse population in regard to age, income, physical abilities and household size by having a sufficient supply of housing and developing a variety of housing types. The *Housing* section identifies that within the next 20 years the population within the Urban Growth Area is projected to increase by 18,500 people, which presents a need for approximately 9,000 new housing units.
5. The City Growth Policy recommends a land use designation of Neighborhood Mixed Use, which encourages a mix of neighborhood serving commercial uses and medium -high residential density (12 to 23 dwelling units per acre). The Growth Policy indicates that the following zoning districts align with the Neighborhood Mixed Use designation: B1-1 Neighborhood Business, B2-1 Community Business, B2-2 Community Business, and M1R-2 Limited Industrial Residential. Each of these zoning districts permit a residential density up to 43 dwelling units per acre, which is the same density allowed by the current underlying zoning of the subject property.

Zoning

6. The subject property and the parcels to the north, east, south, and west, are all zoned C1-4 Neighborhood Commercial /DE-C Design Excellence Corridor Typology 2 Overlay.
7. There is no minimum parcel area in the C1-4 zoning district unless the parcel is developed for a single-purpose residential use, in which case the minimum parcel area is 3,000 square feet, and the minimum parcel area per unit is 1,000 square feet. There are no required setbacks if the parcel is not abutting a residential district, which is the case for the subject property. The maximum allowed building height is 125 feet tall. All residential building types are permitted in the C1-4 district.
8. The C1-4 zoning allows for up to six (6) dwelling units to exist on the parcel. According to a historical survey of the site, the building has been used as an apartment building since as early as 1909. The existence of sixteen (16) dwelling units pre-dates current zoning regulations, therefore the density is considered legal nonconforming.
9. Parcels within the Design Excellence Corridor Typology 2 Overlay are intended to be closely knit with residential neighborhoods that surround them with smaller scale elements and a lower scale at the street edge. The applicable site design, vertical scale, façade design, and materials/articulation standards of the Design Excellence Overlay Corridor Typology 2 are required in place of the base zoning design standards. Design Excellence Review is required for projects designated as Corridor Typology 2 if the gross square footage of the proposed structure(s) are 8,000 square feet or more. Where a project involves a Historic Resource, Design Excellence Review is conducted by the Historic Preservation Commission or the Historic Preservation Officer.
10. The existing multi-dwelling building will be reconfigured internally to create six (6) new units with no enlargement or modification to the exterior of the building. The Historic Preservation Officer reviewed and approved the proposed alterations to the interior of the structure. The subject building will be restored and renovated using the Secretary of the Interior's standards for historic building rehabilitation.
11. The applicant is requesting to apply the /AR Adaptive Reuse Overlay, which is intended to facilitate the adaptation and continuing use of Historically Significant Buildings in the community. The /AR District may only be applied to a parcel that contains an existing building which meets the definition of Historically Significant Building, and must be for an adaptive reuse purpose.
12. Applications for the /AR Adaptive Reuse Overlay are reviewed based on the following factors described in Title 20.25.035.E: the project's relation to public, health, safety, and general welfare; the contribution to the preservation, maintenance, and general welfare of historic buildings; and the impacts to the surrounding area, including light, traffic, parking, landscaping and buffering, neighborhood character, and contextual appropriateness.
13. The /AR District is intended to facilitate the adaptation and continuing use of Historically Significant Buildings in the community. For projects that comply with the regulations of the /AR Adaptive Reuse Overlay and historic preservation review, additional building and land uses may be allowed on properties that would not ordinarily permit them.
14. The objectives of the /AR Adaptive Reuse Overlay include: promoting adaptive reuse of historic buildings as part of Missoula's broader goals in supporting historic preservation, environmental sustainability, and economic and community development; recognizing the social, economic, and environmental value of Historically Significant Buildings; encouraging historic preservation beyond established historic districts; allowing the conversion of existing building uses into new building uses that maintain or enhance the character of the community and further extend the life of a building or space; reducing the environmental hazards and costs associated with new construction; and enhancing economic growth.
15. Historically Significant Buildings are defined as any building eligible for inclusion on the National Register of Historic Places, any building that is included in Missoula's Inventory of Historic Resources, or any contributing building in a National Register Historic District
16. According to a Montana Historical and Architectural Inventory report (Exhibit A), the subject building was constructed in 1909 and was utilized as an apartment building until the Thornton Hospital was established on the site in 1917. After the founding doctors relocated to establish what would become the Community Medical Center, the subject building was utilized once again as an apartment building. The report determines that the historic integrity of the building has been retained due to the survival of the original design and materials,

continuity of setting and location, and representation of early Missoula architecture, and that the building would be a contributing element to the historic district.

17. On January 9, 2020 the Historic Preservation Commission unanimously approved the motion to add the building on the subject property to Missoula's Inventory of Historic Resources as it is designated as a Contributing Building to the McCormick Historic District and therefore meets the definition of a Historically Significant Building. Based on these qualifications, the Historic Preservation Commission and the Historic Preservation Officer determined that the subject property is eligible for the /AR Adaptive Reuse Overlay. See Agency Comment from Historic Preservation.
18. Properties where the /AR Adaptive Reuse Overlay is applied may exceed the maximum density established by the underlying zoning district for the parcel, so long as the added density is allowable by building code. With the application of the /AR Adaptive Reuse Overlay, the applicant is requesting an increase in density to twenty-two (22) dwelling units, which exceeds the allowed density of the underlying zoning district.
19. Any new development on the subject property will be required to meet all applicable portions of Title 12 & Title 20, as required by the Missoula Municipal Code.

Transportation

20. South 3rd Street West is functionally classified as a minor arterial.
21. There is a well-connected pedestrian network in the surrounding area, including boulevard sidewalks on South 3rd Street West adjacent to the subject property and curbside sidewalks on nearby Orange Street.
22. Orange Street and S. 3rd Street W. are signed shared roadways for bikes and vehicles near and adjacent to the subject property. Within a quarter mile, there are striped on-street bike lanes on Orange Street and S. 3rd Street W.
23. The subject property is within the Missoula Urban Transportation District. Mountain Line Route 9 travels inbound and outbound to downtown Missoula, and there are three (3) bus stops within one block of the subject property.
24. The existing parking area for the multi-dwelling building is accessed off of the alley. The multi-dwelling building has access to seventeen (17) parking spaces, including three (3) parking spaces on the property and fourteen (14) parking spaces provided by a parking agreement with the adjacent commercial property to the east.
25. The Development Services Transportation Division commented in support of the request, stating that the proposed rezone meets "Focus Inward" goals by increasing unit density; is in a location well-served by multi-modal transportation options; is in a walkable neighborhood with access to various goods, services, and jobs; and will support the organization's mode split goals by providing additional housing opportunities in a multi-modal, urban neighborhood.

Conclusions of Law

Review Criteria for Rezone Requests (20.85.040.G)

1. Whether the zoning is made in accordance with a growth policy;

1. The rezoning complies with the "focus inward" goals of the City Growth Policy to promote infill, increased density, and adaptive reuse in areas with existing infrastructure.
2. The rezoning supports the historic preservation goals of the *Livability* section through encouraging the preservation of a historic building, encouraging development that maintains the character of the community, and supporting sustainable development practices through historic preservation.
3. The rezoning supports the goals of the *Housing* section by contributing to Missoula's housing supply through increased density as permitted by the /AR District.

2a. Whether the zoning is designed to facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements; 2b. Whether the zoning considers the effect on motorized and non-motorized transportation systems;

1. The rezoning facilitates the adequate provision of public services, including transportation, water, schools, parks, and other public requirements, because the area is inside the Urban Growth Area and the Sewer Service Area, and is served by water, sewer, motorized and non-motorized infrastructure.
2. The rezoning gives reasonable consideration to the effect on motorized and non-motorized transportation systems because the property is within the Missoula Urban Transportation District and the property is served by public transit facilities, pedestrian, and bicycle facilities. The property is adjacent to South 3rd Street West, which is functionally classified as a minor arterial and is suited to handle additional traffic from an increase in units.

3. *Whether the zoning considers the promotion of compatible urban growth;*

1. The rezoning promotes compatible urban growth because it implements the “focus inward” goal of the City Growth Policy and provides for increased density while promoting efficient use of existing infrastructure.
2. The use of the property as a multi-dwelling building has been in place since as early as 1909. The addition of six (6) additional dwelling units promotes urban infill without adding stress to existing infrastructure and facilities.
3. The rezoning promotes the continued preservation, maintenance, and general welfare of a historic building that is representative of the neighborhood character.
4. The rezoning is contextually appropriate given the similar uses and building types in the surrounding area.

4a. *Whether the zoning is designed to promote public health, public safety, and the general welfare;*

4b. *Whether the zoning is designed to secure safety from fire and other dangers;*

4c. *Whether the zoning considers the reasonable provision of adequate light and air; and*

4d. *Whether the zoning conserves the value of buildings and encourages the most appropriate use of land throughout the jurisdictional area;*

1. The rezoning will promote public health, public safety, and the general welfare by retaining residential uses in an area with access to sewer, public water, emergency services, streets, bicycle lanes and other urban services.
2. Emergency services are available to the site. Law enforcement personnel and procedures are available to address potential problems of noise, property damage, or personal injury. Fire protection is also available to the site and is enforced through fire and building codes.
3. This rezoning will not adversely impact the provision of adequate light and air as the exterior of the existing building will not be enlarged.
4. This rezoning conserves the value of buildings by encouraging the preservation and restoration of a Historically Significant Building. The rezoning encourages the appropriate use of the land because it maintains a use that is permitted within the C1-4 Neighborhood Commercial district and encouraged in the Neighborhood Mixed Use land use designation.

5. *Whether the zoning considers the character of the district and its peculiar suitability for particular uses;*

1. The rezoning is suitable for the subject property and gives reasonable consideration to the character of the district. The neighborhood includes a mix of residential building types and commercial uses.
2. The rezoning considers the location and character of the property, which has access to urban infrastructure, multimodal transportation and existing services in Missoula.

III. AGENCY COMMENT

Missoula Valley Water Quality District:

No comment received at time of staff report.

Health Department - Air Quality Division:

No comment received at time of staff report.

Health Department – Environmental Health:

No comment received at time of staff report.

Missoula County – Emergency Management:

No comment received at time of staff report.

Missoula Urban Transportation District:

No comment received at time of staff report.

City Parks & Recreation:

No comment received at time of staff report.

Office Of Housing & Community Development:

No comment received at time of staff report.

City Attorney:

No comment received at time of staff report.

Missoula Redevelopment Agency:

No comment received at time of staff report..

City Police:

No comment received at time of staff report.

City Fire:

No comment received at time of staff report.

City Public Works:

City Public Works commented that the applicant will have to retain the first 0.5” of storm water on site to comply with Storm Water regulations, must also retain the difference between the pre- and post-development flows associated with a 100-year event, and are encouraged to use green infrastructure and low impact development methods to effectively and sustainably manage storm water on site.

Office of Neighborhoods:

No comment received at time of staff report.

Riverfront Neighborhood Council (NC):

No comment received at time of staff report.

V. EXHIBITS:

Exhibit A – Montana Historical and Architectural Inventory
Agency Comment – Historic Preservation. EScherrer. 071320.